

STATE OF NEW JERSEY

BUDGET



FISCAL YEAR 2006 – 2007

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**Office of Management and Budget
March 21, 2006**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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State of New Jersey

For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of New Jersey, for its annual budget for the fiscal year beginning July 1, 2005.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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Governor's Message

JON S. CORZINE
GOVERNOR OF NEW JERSEY
TRANSMITTED TO THE FIRST ANNUAL SESSION
OF THE TWO HUNDRED AND TWELFTH LEGISLATURE

March 21, 2006

Senate President Codey, Speaker Roberts, Minority Leaders Lance and DeCroce, Governors Byrne, Florio, distinguished guests, my colleagues in the Cabinet, my fellow New Jerseyans...Good Afternoon.

It is my honor and responsibility to stand before you today and offer my best ideas to meet our state's recurring structural budget crisis. My administration's work over the past two months has surely deepened my understanding of the challenge of fixing our broken fiscal policies.

I must say, Governor Codey was on target when in November he jokingly said, "my transition report can be summed up simply – The state is pretty much broke." Today more than in November, I realize he was pretty much right.

Now more than ever, I appreciate how difficult our work over the next 3 ½ months will be, as together, we arrive at a responsible, negotiated budget.

Most certainly, I am committed to working with all of the Legislature, both Democrats and Republicans, to produce a budget which respects the fundamental values of the people of our great state and the mandate of our Constitution.

I think the values of most New Jerseyans include the expectation that as individuals, and as a community, we must pay our own way in life. New Jerseyans believe that telling the truth is always better than hiding from it, even when it hurts. And boy does this hurt.

And, most New Jerseyans understand that the character of a society can be measured by the support we give to our most vulnerable: our children, the elderly and those left behind developmentally or from other afflictions of life's circumstances.

I am certain the American Dream of a better tomorrow for our children is alive and well in New Jersey. And those of us in Government must promote that promise, not undermine it.

We express our vision of that promise in real terms through our budgets.

Budgets are the numbers, words and choices that capture our values. My words and the proposal before you today will not be about elaborate arguments or fancy rhetoric.

My proposal will be about the hard choices and the numbers that will put our state on a pathway to financial stability and responsibility – allowing, ultimately, for disciplined investments in our future, while fulfilling our responsibilities to provide a secure and sound quality of life for all New Jerseyans.

My proposal to you today is based on four fundamental principles:

1. We must stop spending more than we take in;
2. We must stop borrowing and using gimmicks to pay today's bills;
3. We must rely much more heavily on cuts in spending and savings than new revenues to balance our books;
4. We must be smart in finding ways to mitigate the impact of these cuts to protect the most vulnerable in our state.

GOVERNOR'S MESSAGE

To be successful in the tough negotiating sessions ahead, shared costs and benefits must occur. Our end product must have both the appearance and the reality of being fair.

All of us have been warned that a day of reckoning was near with respect to our troubled state finances. This is that day.

Our problem is simple; we have been spending more than we take in.

Our credit standing in the marketplace has gone from AAA to near the bottom of the class among the states.

Governor Codey made clear last year in his budget address that we had to start the process of cleaning up “the fiscal mess in Trenton,” and with the help of the Legislature, important first steps were taken in fiscal 2006. But we can all agree: there is considerably more to be done.

The task ahead is daunting and not particularly attractive politically, for anyone. That said, the task must go forward — no matter how tough the choices — with a readiness to share the sacrifices.

To this point, let me provide some perspective: if we continue current programs, if we fully fund pensions as we should, and if we increase property tax rebates as I promised, our spending growth in 2007 would exceed our revenues by a minimum of \$4.8 billion.

Let me be clear: that \$4.8 billion reflects what our needs would be if we fully restored property tax rebates to 2005 levels and then grew them 10%.

After the last two months, I'll be the first to acknowledge that some things will have to wait. In this case, while I recommend that we increase existing rebates 10%, we will have to put off restoration of the rebate cuts made last year.

Deferring that restoration will bring the gap to \$4.3 billion, which is still a big hole.

So it is with great reluctance that I am proposing we fund only 70% of the current pension obligation. That equates to almost \$1.5 billion in real spending on pensions. This is an increase of \$1.1 billion over last year – and more cash to pension contributions from the General Fund than in the last nine years added together.

This is a good faith effort to put us on a path toward restored integrity in our state retirement system – a path that will accelerate the benefits of growing investment returns accrued through compound interest.

Make no mistake – our unfunded pension obligation is a real bill, and it has been deferred far too long.

Both of these deferrals are tough, but the cuts to come are even tougher. And I recommend all of them as essential in an overall package of painful choices.

Now, we come to how we meet the remaining billions in mandated, legislated and inflated expenditures from this year to next.

Unfortunately, the bulk of these reductions and constraints on growth have to fall in areas where the state controls spending – areas as sensitive and important as K–12 and higher education, health care and municipal aid.

With no pleasure, I propose cuts and constrained growth in these and other programs of almost \$2 billion. To that end, we have eliminated 75 programs, we have cut funding below current levels for 130 more, and we have cut back the rate of growth of still another 30 programs.

Since the election, I've been working on finding a way to fix the mismatch between our revenues and our expenditures. I've met with the heads of each department, going through their budgets line by line. Our focus has been almost entirely on how to reduce their spending.

We've done a lot, but it hasn't been enough to fill the hole.

Reluctantly, I am forced to seek net new tax revenues of about \$1.4 billion, primarily through a 1 cent increase in the general sales tax along with a modest extension of that tax into some services.

To summarize: if we implement my proposals, at the end of the day, we'll end up with a budget totaling \$30.9 billion, an increase of \$3.5 billion over last year's proposed budget and about \$2.6 billion over the adjusted appropriation for fiscal 2006.

Some critics will attack the size of the budget as too big, and they may be right. But the size of the budget is not the result of new initiatives on services or aid; it is simply a reflection of the true cost of current state services already being provided. It reflects already legislated, mandated, negotiated and inflated costs.

And while this budget is balanced, we still have significant structural problems built in for future years. Consider: if you, my legislative partners, agree to every painful choice proposed for fiscal 2007, the ongoing growth in expenditures already in place for fiscal 2008 will leave us with a minimum starting hole next year of \$1.5 billion before we make one new decision on spending.

Our problem is, unless we change course, we're going to spend that \$1.5 billion. And we won't have anything new to show for it. Just as challenging, every time we use a gimmick or a trick to pay for this year's expenses, all we're doing is making next year's problem bigger.

In the \$30.9 billion budget model I have laid down, I have sharply reduced so-called one-shots and gimmicks.

In the last four years, such one-shot sources have averaged \$2.8 billion per year. We've reduced that figure by over 80% to no more than \$500 million, down from \$1.8 billion in the current year's budget.

This addiction to short-term solutions to long-term problems has continuously compounded the deficit hole for succeeding years' budgets and eroded the state's credit rating as a result. These practices must end. And they will.

Now, for the most part, let me spare you the recitation of locked-in spending increases, revenue enhancements, the holes created by one-shots and the laundry list of spending cuts. The details of these issues are spelled out comprehensively in the Budget-in-Brief, a copy of which is before you and will be available to the public.

But let me be clear, I expect the final budget to cut expenditures more than we raise taxes. And I will not accept any solutions that rely on a greater amount of one-time revenue raisers than I have laid down.

While there can be legitimate arguments on priorities within the proposed budget structure, I will fight for this model of serious cuts coupled with some new revenues.

New Jersey's state finances need to get back onto a sound long-term footing, consistent with the values of our people, and I am determined to deliver that end through our final budget. The continuous use of the state's charge card to pay current operating expenses and stuffing bills into our desk drawers covering up our crisis are over.

Recurring revenues must match recurring spending.

To those who thought my financial background would mean I had some magic bullet in my holster to balance the budget, I am sorry to disappoint you. My answer is as simple as old-fashioned arithmetic. We can't keep spending more than we take in. The solution is simple – stop! We must and we can.

Just as this group of legislators has admirably addressed and supported critical reform at UMDNJ, in the Schools Construction Corporation, in the Transportation Trust Fund and in the organization of our homeland security efforts, together I am sure we will responsibly face our day of reckoning on our budgetary crisis.

I particularly want to thank Speaker Roberts and Senator Codey for their leadership on these and other vital issues. I appreciate the civil and positive dialogue my administration has had with the leadership of both parties as we prepared our budget. In this regard, let me particularly express my appreciation to Senators Bryant, Lance and Littell and Assemblymen Greenwald, DeCroce and Malone.

GOVERNOR'S MESSAGE

But now is the time for decisions – there is no magic bullet. Our budget gap must be closed with hard choices.

School aid for most districts will be flat except for growth in pension contributions, a modest increase for Abbott pre-schools, support for special education in heavily impacted districts and state supported after school programs.

I appreciate that flat-funding in an inflating environment is a real cut. Reality and necessity must be the mother of invention. Just as the state must find spending reductions, other units of government must as well.

We are also imposing the same flat-funding principle with respect to municipal aid. And, we are proposing absolute cuts to higher education institutions offset with very modest increases in student aid.

In combating double-digit percentage growth in health care expenditures, we are holding charity care flat even though we are appropriately no longer tapping the Unemployment Insurance Fund as a revenue source to fund this need.

Additionally, we intend to institute bulk purchases of pharmaceuticals as an important cost-reduction measure. We also propose co-pays in several state-administered health programs, including in Medicaid. I think the public will understand the necessity of such steps.

While we will press for the savings that are noted, we will also push to expand FamilyCare – as you, the Legislature, did last year. Let me congratulate Senator Vitale in particular for his leadership in this important effort. If we are diligent, we will bring 50,000 additional children onto the rolls of FamilyCare with a targeted spending increase of \$5 million. Getting our children out of the emergency room and into the doctor's office will both protect our children and reduce costs.

The last broad area targeted for cost savings is in the category of managerial efficiencies and taking on “waste, fraud, and abuse.” For instance, a substantial Medicaid fraud initiative targets \$50 million in savings.

Additionally, we anticipate eliminating over 1,000 funded employee positions throughout state government primarily through attrition and a reduction in political appointees, saving more than \$67 million.

There are also substantial possibilities for improving efficiencies and achieving savings across departments and agencies, particularly through the implementation of a statewide information technology plan and better management of our real estate portfolio and lease arrangements.

As the Assembly Budget Committee rightly pointed out last month, we need to aggressively implement many of the recommendations of the State Auditor. Those proposals are anticipated to save \$240 million over the next two years.

And of all areas of reform, the well-documented abuses in the public retirement system demand immediate attention. Some initiatives, like requiring 1,000 hours of work for pension eligibility in a given year, seem obvious, as does eliminating tacking and padding at the end of a public career. While many reforms must be negotiated at the bargaining table, I will work with the Legislature on a down-payment on reform that will provide modest current-year savings.

That said, failure to address the obvious abuses of a system designed for career employees will undermine the credibility of government and those of us who are its representatives.

All this considered, let me make one observation clear: Anyone who says we can save \$3 – \$4 billion by eliminating waste, fraud and abuse is selling snake oil. Worse, they are hiding from the painful alternatives and choices that will truly address our failing financial circumstances.

Yes, there are savings, but not in the billions.

Hard savings will come from proposed cuts of about \$2 billion in programs, restructurings and the elimination of political pork. My proposed cuts are real, and the rough total needs to survive our negotiations.

I am confident, as we continuously review government activities, we will find additional savings. We must objectively examine every program, measure each activity's performance, demand more for less, and root out spending that merely serves political, not public, purposes.

In fact, today I am announcing the formation of a Special Task Force to coordinate our efforts to reengineer state government. I have asked Richard Leone to chair that effort, which will include a senior group of cabinet officers and concerned citizens. The task force will report to me regularly on further cuts and efficiency measures designed to realize substantial additional savings and enhanced performance. And, they will look to apply best practices in efficiencies developed by both Democrat and Republican Governors around the country.

As a last step designed to buttress control of spending, I renew my call for an elected, independent state comptroller. To that end, I will be working with the Legislature in the year ahead to bring an independent check and balance to the state's fiscal affairs. Independent audits are good enough for private business and they should be good for the public's business as well. Many of the recent spectacular failures of state institutions could have been avoided by consistent outside oversight.

All of these measures will help control spending, but as I said earlier, they will not be enough. As much as people may hate the spending cuts, most will hate the taxes more. Governors – I can hear the Bronx cheers already. They are however, forced upon us by the unforgiving arithmetic of our structural deficit. Tax increases are a last resort.

As we studied our financial circumstances, I concluded that the sales tax should be the primary tool for generating new revenue. That recommendation came after carefully considering the potential impact of raising our already high level of income taxes on the state's overall economic competitiveness.

The sales tax extensions and increase I have proposed will retain the exclusion on groceries and clothing. To put the new tax in perspective: the added burden will cost the average New Jersey household with a family of four about \$5 a week – or about \$260 a year. Additionally, we will lighten the burden on those least able to bear this new tax by ending state income taxes for more than 400,000 of our low-income taxpaying residents, with substantial relief for another 200,000.

This income tax cut will directly aid part-time and low-wage workers, particularly seniors, students, teenagers and the working poor.

Our property tax rebates to low- and moderate- income seniors and working families, combined with the proposed income tax cut, goes a long way to maintaining our state's long standing commitment to a progressive tax structure.

One last consideration on taxes should be noted. While we are proposing a 2.5% surcharge for three years on the corporate business tax, we are also letting expire a larger set of anti-growth taxes on businesses, including those on net operating losses. The net result will be stimulative to business and job growth, an objective vital to all New Jerseyans.

Other proposed revenue enhancements are primarily an effort to capture greater federal government matches in health care. The most important of these initiatives relates to a hospital provider tax that will net the state over \$200 million in federal dollars while maintaining an overall neutral cost to our hospitals.

The second effort, already noted, expands FamilyCare to take advantage of federal matching funds. The 65/35 split means that our \$5 million investment will leverage an additional \$9.3 million in federal funds to help insure 50,000 lower income families and children.

As I said in my Inaugural Address, the process of reestablishing our financial integrity will not be painless. We face tough choices. I would have preferred to have a public treasury flush with money to spend on good things for our state or further reduce the people's tax burden. But that is not the hand we've been dealt. And it is our task to do the best we can with today's stark realities. Our State, like every responsible family, must learn to live within its means.

Now, let me assure each citizen of New Jersey, each choice in the proposed budget was a difficult one that came after great care and consideration. But I trust that after honest deliberation – the Legislature, the public, and interested stakeholders will see this proposal contains the responsible fiscal discipline to get us back on a positive financial track – a result beneficial to all New Jerseyans.

GOVERNOR'S MESSAGE

Let me also note, this budget recognizes that we have moral imperatives that dictate we cannot turn our backs on the most vulnerable in our society.

To these imperatives, I'm proposing modest, targeted increases of no more than \$50 million in programs that enhance and advance the values that make our society strong – modest initiatives in special education, after school activities, affordable housing, the provision of health insurance for the uninsured, added tuition assistance grants, spending on food purchases for the poor and homeless and combating domestic and gang violence.

In addition to considering my budget plan, I am asking the Legislature's cooperation as I begin restructuring a number of agencies in ways that should be at a minimum, cost-neutral, but designed to improve performance and outcomes.

First, I propose the creation of the Department of Children and Families in order to sharpen our focus and increase the effectiveness of our child welfare system.

When we cannot keep our children safe, we have failed in one of our most basic responsibilities as a people. This reorganization will allow for the singular focus by all elements of the Department on child safety.

It will also help position us for greater flexibility in dealing with well intended court mandates which sometimes actually limit our ability to protect children. We hope to begin the new fiscal year with the new structure in place. I ask for your support.

Second, we seek financial support for the Office of Homeland Security and Preparedness. In the post 9/11, post-Katrina world, we must require and facilitate total cooperation and coordination across government with respect to homeland and hometown security. In return, the Legislature and the public should expect that risk and threat will be the only metric used in allocating scarce federal and state dollars invested in homeland security.

Under the able leadership of Dick Cañas, this office will work with all levels of government and the private sector to ensure that vital information and resources get where they need to go to keep us safe.

And lastly, economic growth should be the engine to expand revenues, not taxes. To achieve strong growth, we need a favorable investment climate for business.

We must carefully make strategic investments to attract and retain business. Even in this tough budget climate, we must promote economic growth, we must make investments that will help our state prosper. Moving the Business Employment Incentive Program, or BEIP, grants onto a pay as you go basis, for example, is appropriate. But there are also long-term investments funded by long-term borrowing that are both appropriate and necessary to support a growing economy, investments in an economy that will support future taxpayers as well as today's.

Restoring guaranteed funding to the Transportation Trust Fund was one such initiative. Funding stem cell research is another. If we are to be a leader in cutting-edge biotechnology and acquire the accompanying high-paying jobs, we will need to prime the pump. On this issue, it's time to act.

There is much to consider in the days between now and June 30th. We have tough choices to make together.

In fact, as soon as we close out the difficult debates of the budget season, we must move expeditiously to address the most pressing issue on the public's mind: fundamental property tax reform.

While property tax rebates arguably may be one of our most effective tools to ease the heavy tax burdens on New Jersey's homeowners and renters, they are not enough. And even though nearly half of all state spending is passed through for property tax relief including school aid and municipal aid, property tax burdens continue to grow steeply.

That fact alone should motivate those of us in this chamber to consider overall property tax reform as the next major order of business in New Jersey. I assure you it will be my priority once the state budget has been brought into balance. I look forward to working with the Legislature's leadership to set a timetable and process on this fundamental challenge.

When we leave this chamber, when we put aside the political rhetoric, when we look beyond the headlines, we must ask ourselves: are we doing the best in serving all the people of New Jersey – not just today, but over the long run?

GOVERNOR'S MESSAGE

Today, we begin writing a new chapter in the dialogue between government and the people we serve. It is time to start a very frank discussion of what we want our state to be. I intend to do just that over the next few months.

We need an awfully good reason for cutting services that affect millions and adding to our people's taxes. We owe them more than just an honest, balanced budget; they should be able to take that for granted.

We owe them a government that is a true steward, not only of their tax dollars, but also of their hopes and dreams.

This budget is only a starting point, a foundation. But on it, we can build a New Jersey that is strong and rich with opportunity; we can create a legacy that our children and grandchildren, in their own turn, will build on.

Of course the work we have to do together won't all be accomplished this year, or even over four years. But it is our common purpose, I think, to make the most of the time we have in government. Whatever our party affiliation, whatever our regional or local imperatives, whatever our personal predispositions on policy, let us find common ground on the big financial issues at stake.

New Jersey is one community, with one future.

If you don't like what I've proposed, then give me an alternative that is as far-reaching and as fair.

If you don't like the taxes, give me more cuts.

If you don't like the cuts, then you're out of luck – because there are already more taxes than I want.

We've got a tough few months ahead of us. I am sure there will be a temptation to duck some of the hard questions we must face. But in our hearts, we know better.

And most of all, we recognize that one course is not open to us – just doing more of the same.

So, let's get at it – together.

Thank you, and God Bless New Jersey and America.



Organization of New Jersey State Government

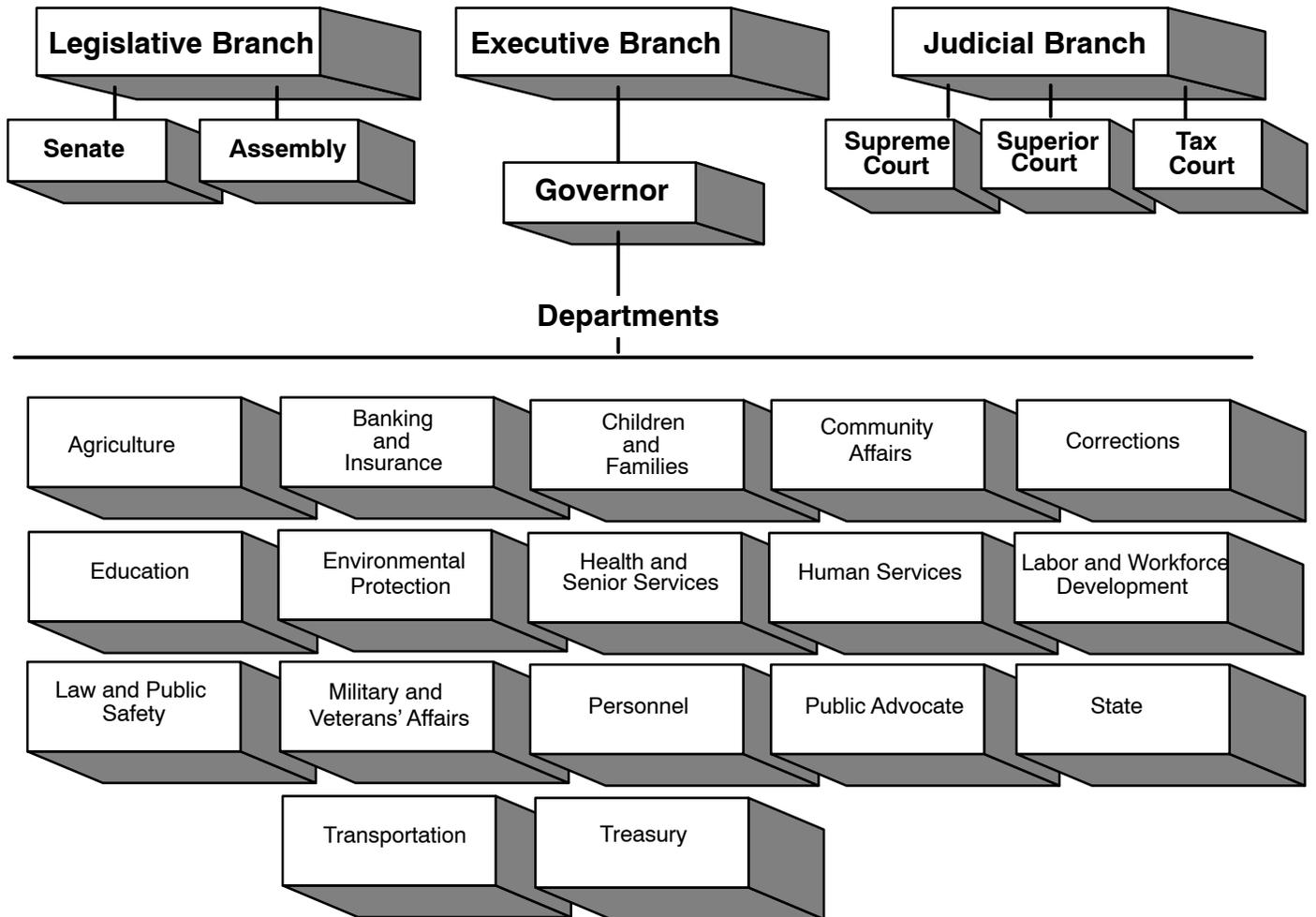
This section of the budget displays the many Departments, Agencies, and Organizations that comprise New Jersey State Government. Included is a brief background statement on the history of New Jersey Government which is followed by individual displays of the sixteen Executive Branch Departments and the proposed Department of Children and Families.

BACKGROUND

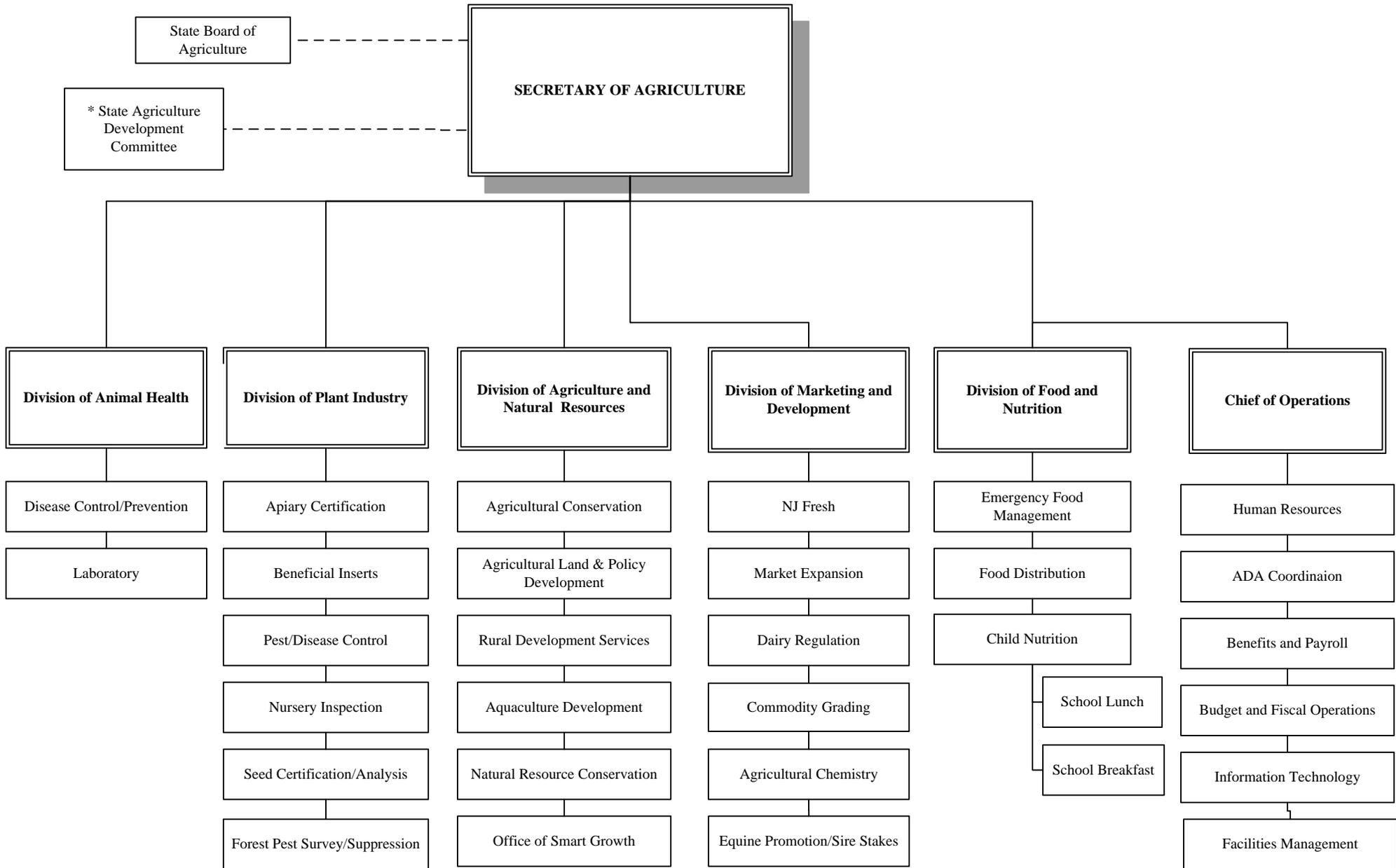
The State of New Jersey was one of the original thirteen colonies and was the third state to ratify the United States Constitution in 1787. New Jersey's governmental structure is similar to the federal model, with three separate branches of government: a Legislative Branch, a Judicial Branch, and an Executive Branch. The original State Constitution was adopted on July 2, 1776, and was subsequently superseded in 1844 and 1947.

The Constitution of the State requires a balanced budget and restricts State long-term borrowing to 1% of total appropriations, unless higher amounts are specifically approved by voters at a general election. Short-term borrowing to cover cash flow needs, provided such borrowing is repaid within the same fiscal year, is not prohibited by the Constitution and is authorized in the Annual Appropriations Act.

ORGANIZATION OF NEW JERSEY STATE GOVERNMENT

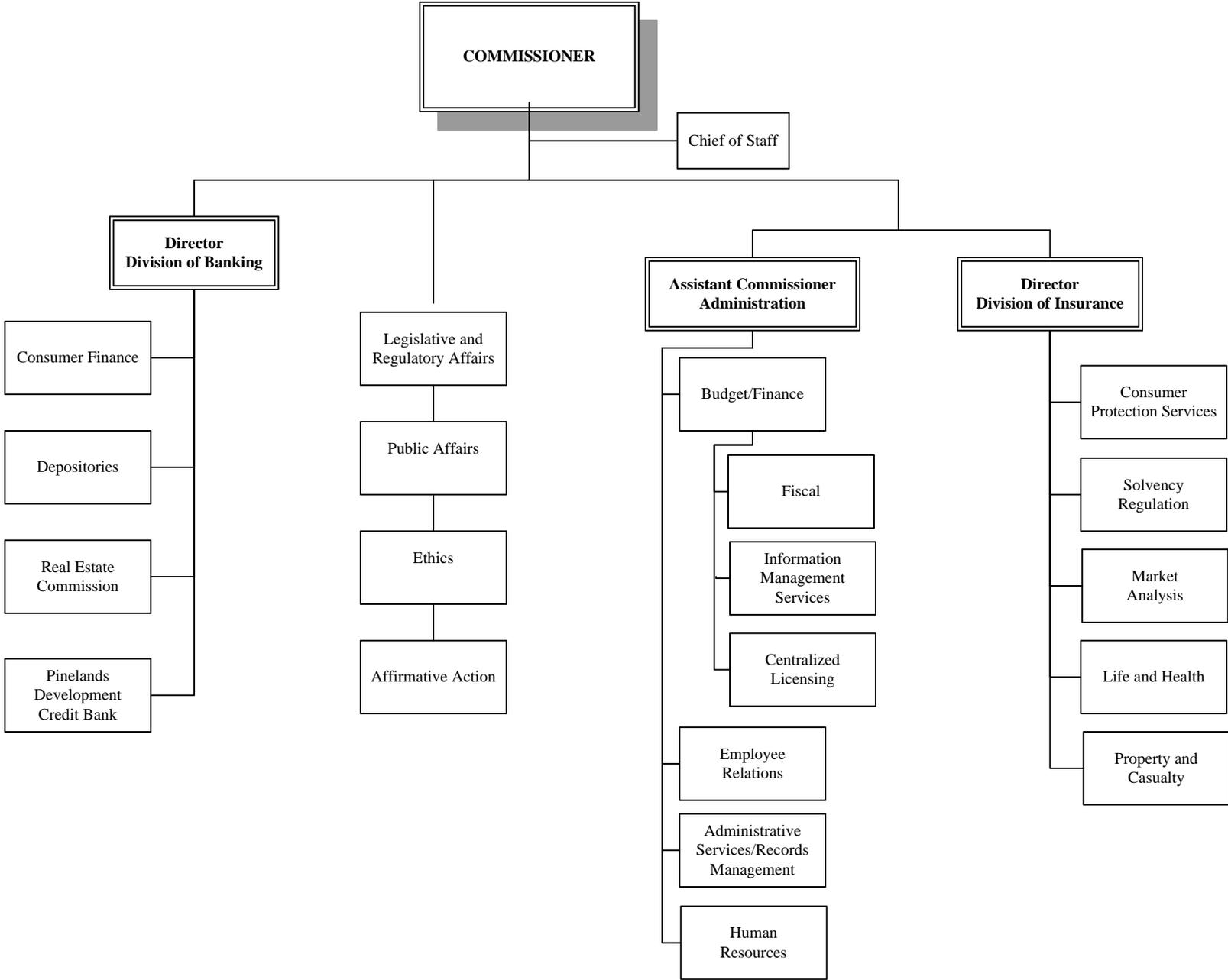


AGRICULTURE

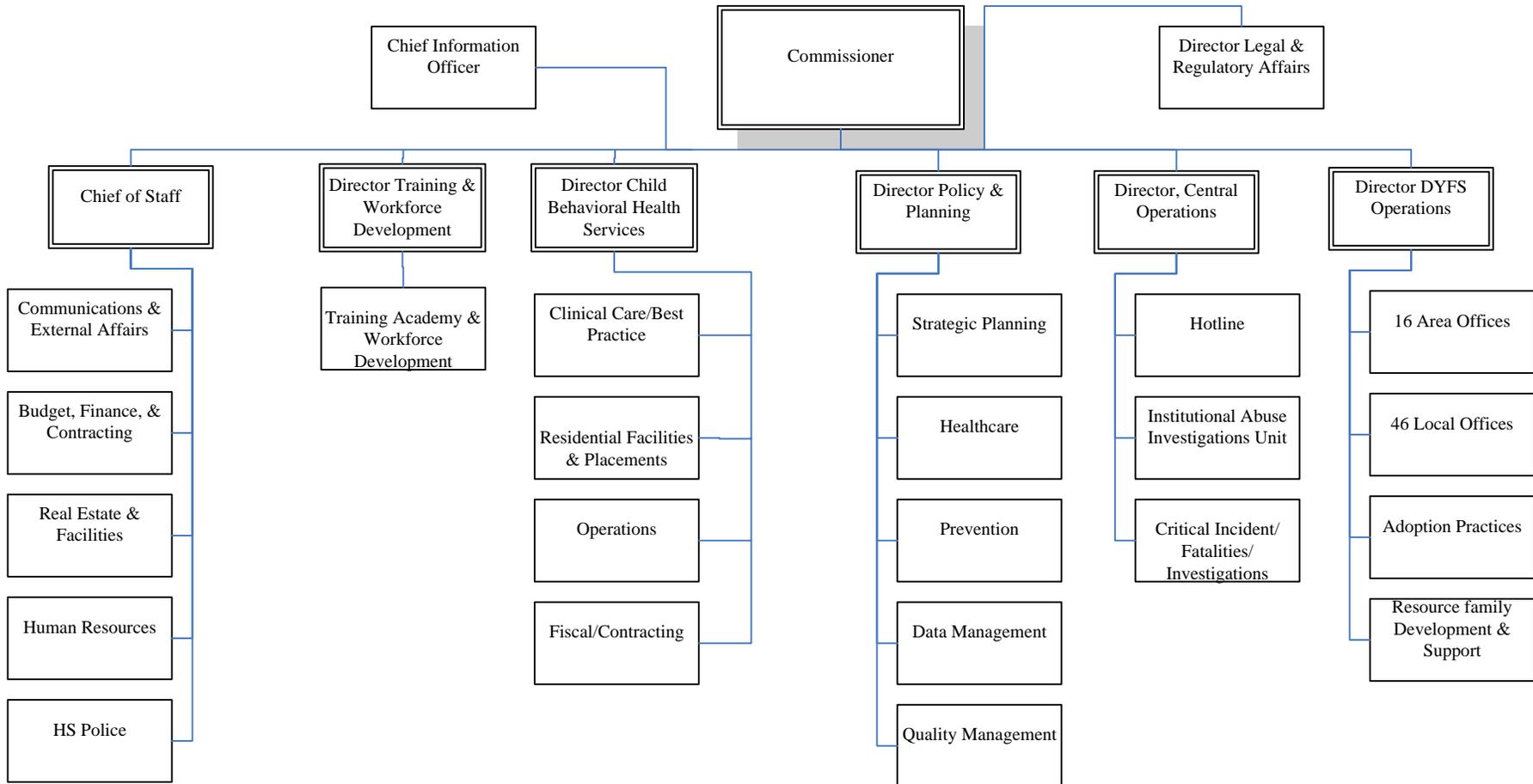


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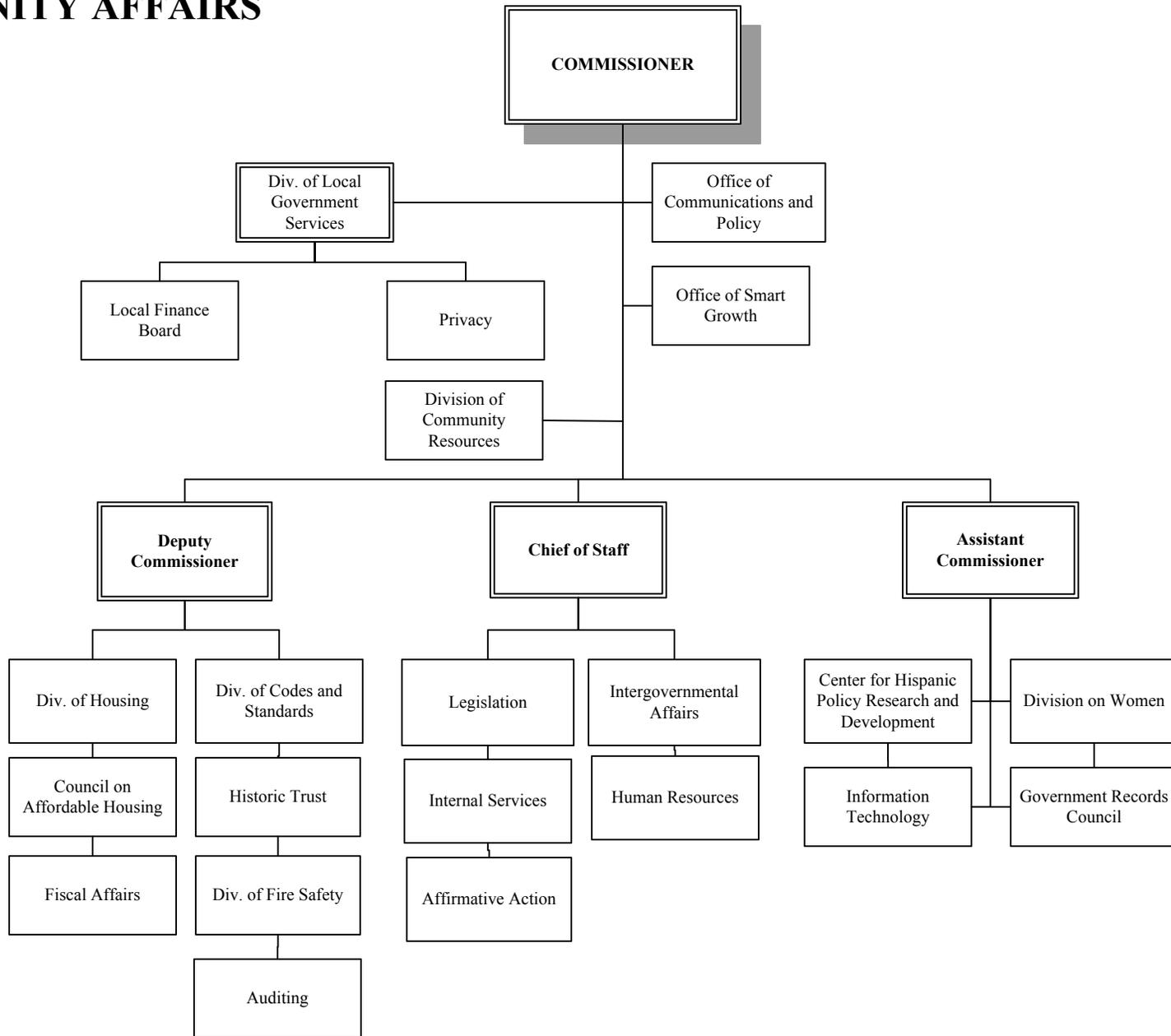
BANKING AND INSURANCE



PROPOSED CHILDREN & FAMILY SERVICES



COMMUNITY AFFAIRS



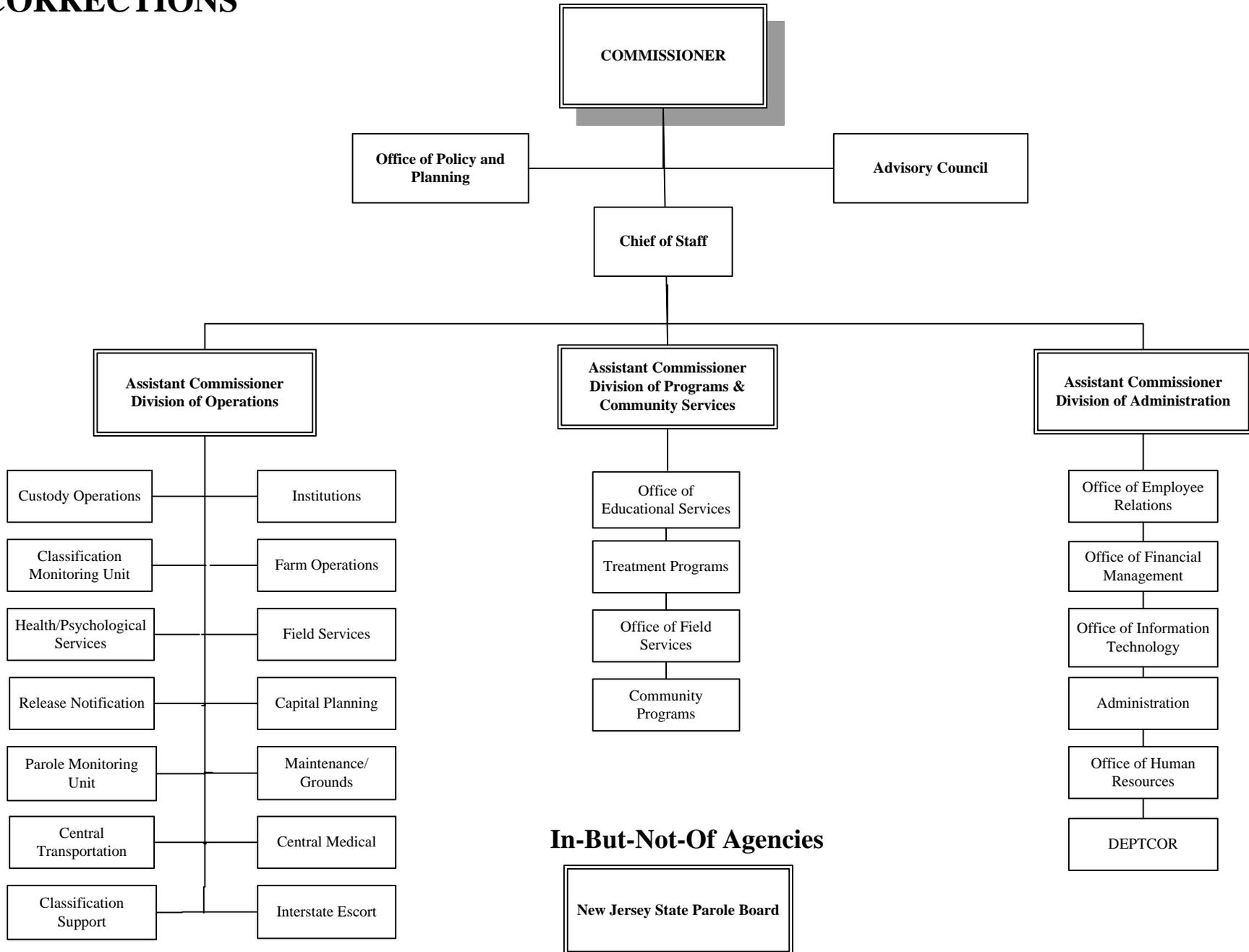
In-But-Not-Of Agencies

**NJ Meadowlands
Commission**

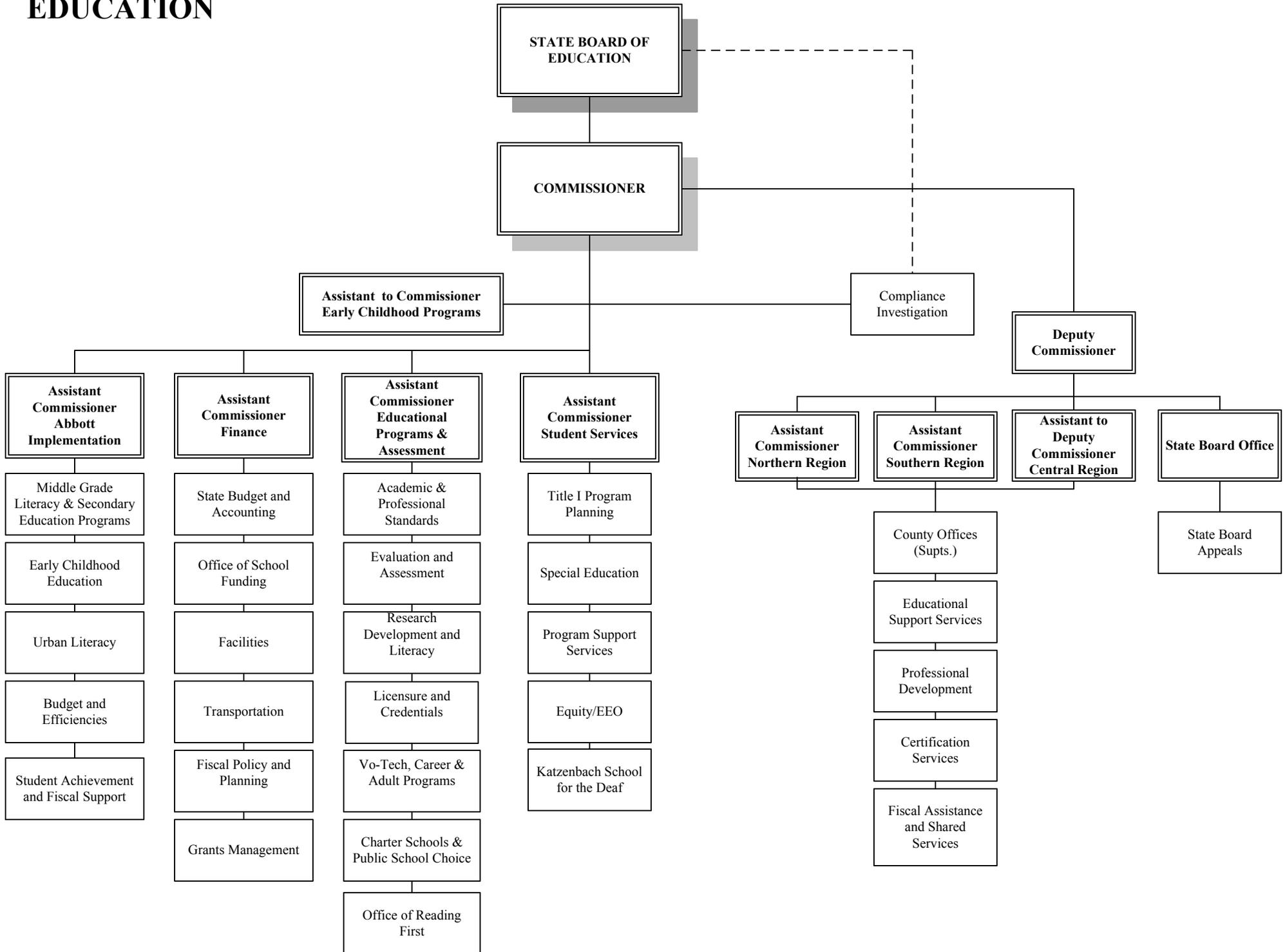
**NJ Redevelopment
Authority**

**Housing Mortgage
Finance Agency**

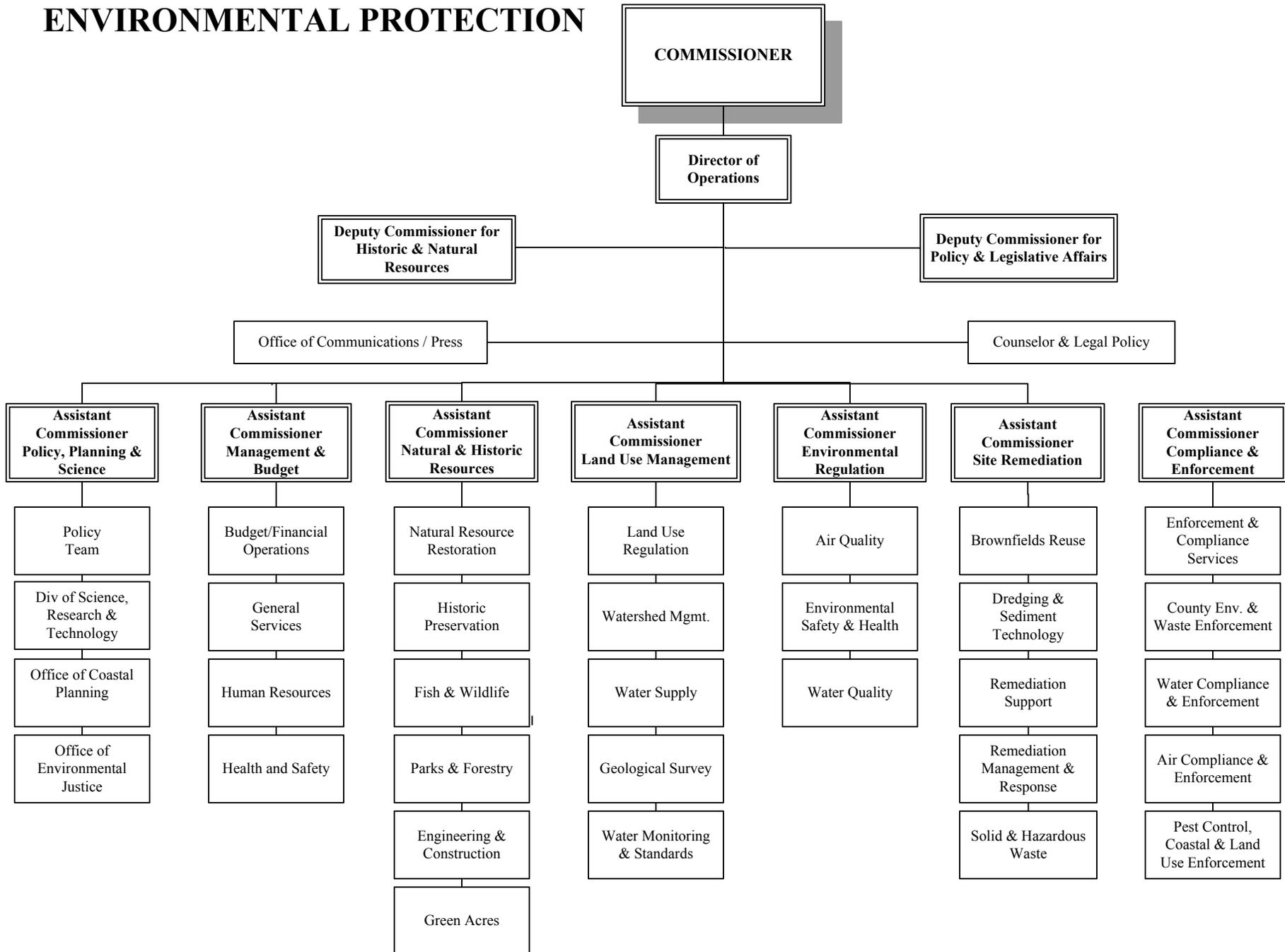
CORRECTIONS



EDUCATION



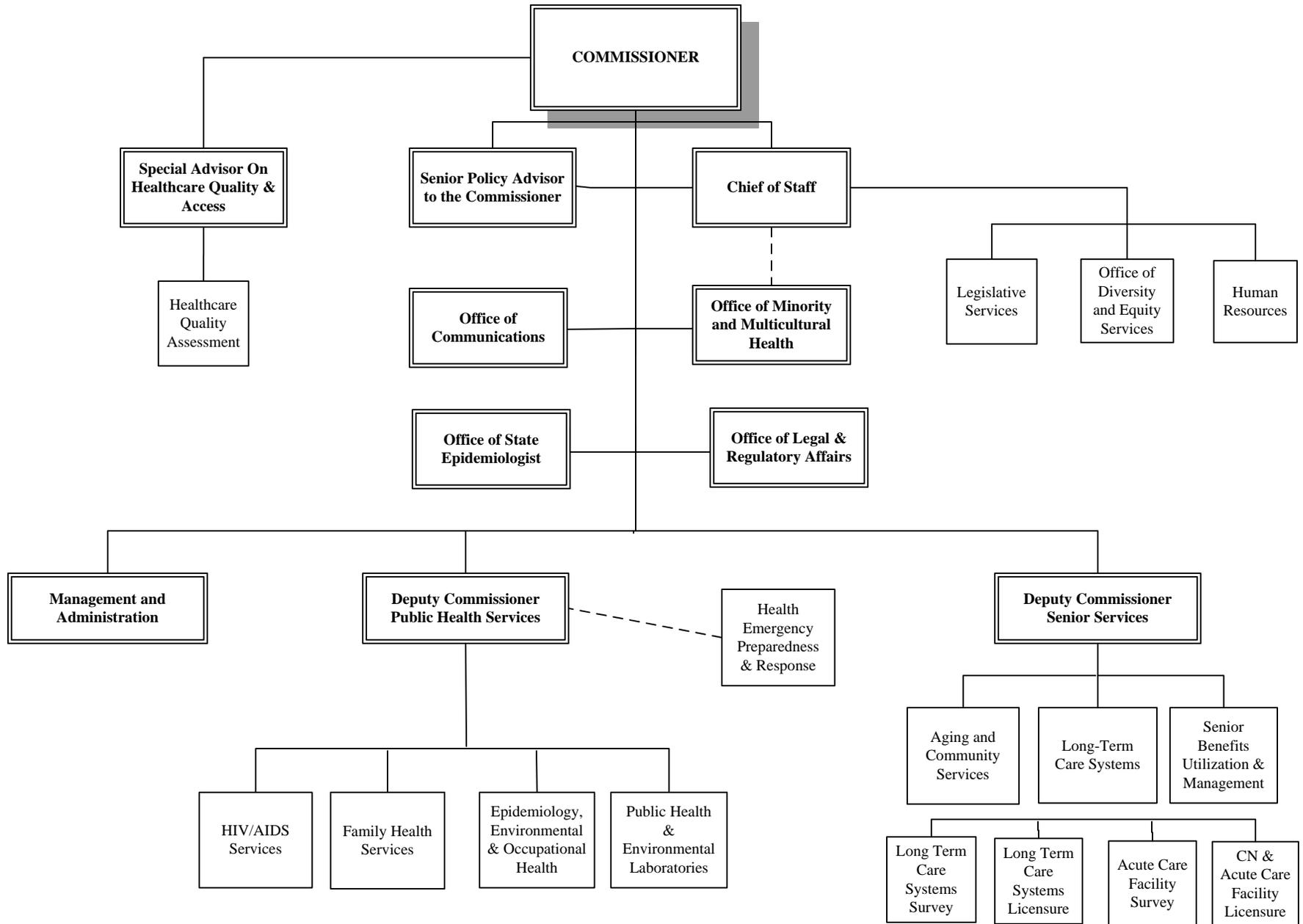
ENVIRONMENTAL PROTECTION



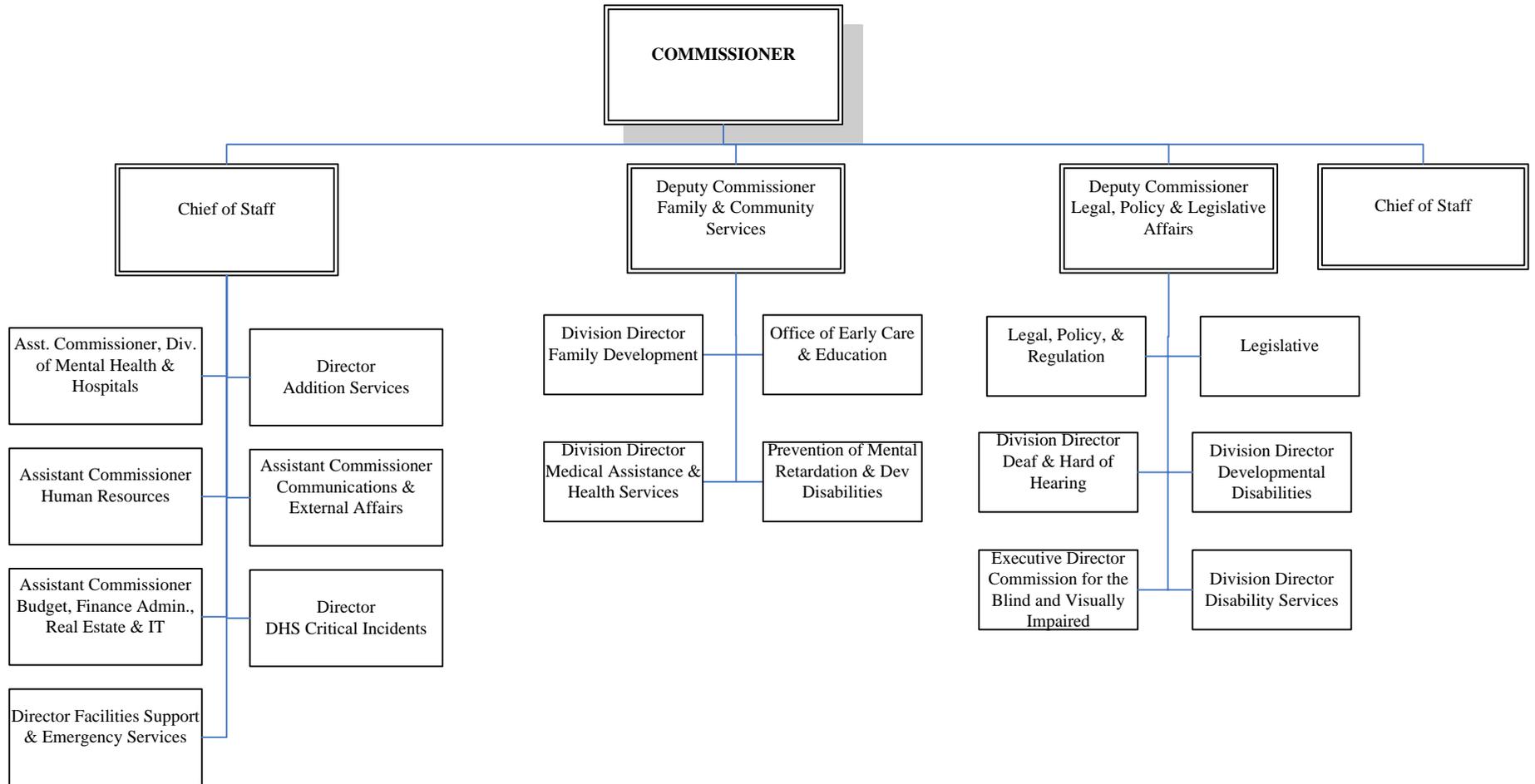
In-But-Not-Of Agencies



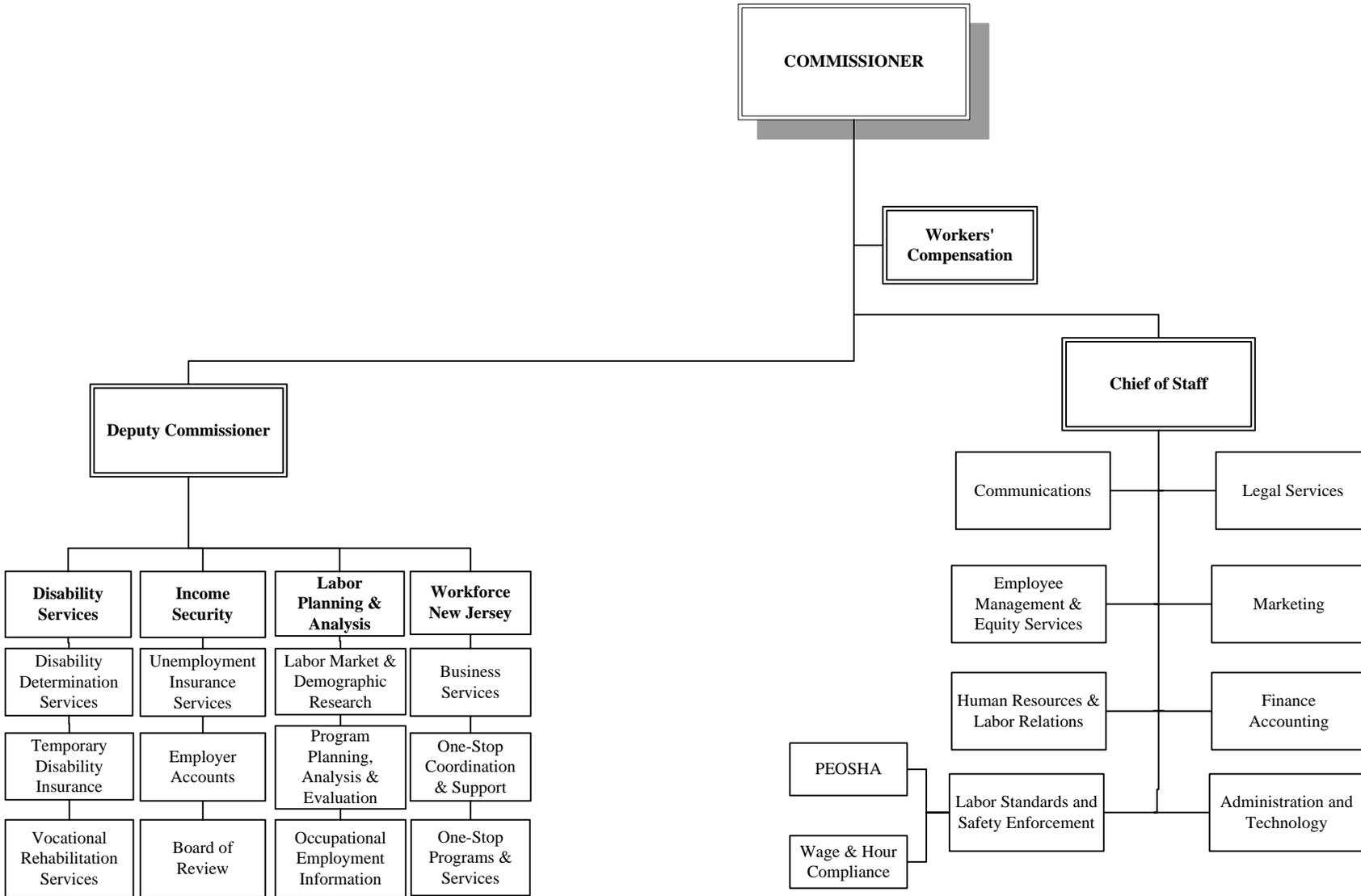
HEALTH AND SENIOR SERVICES



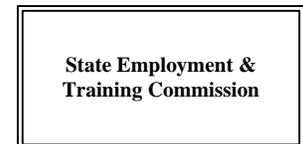
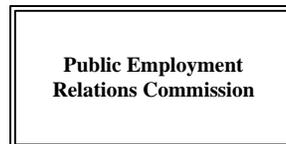
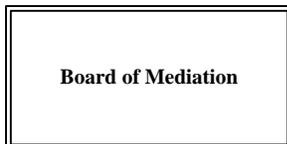
HUMAN SERVICES



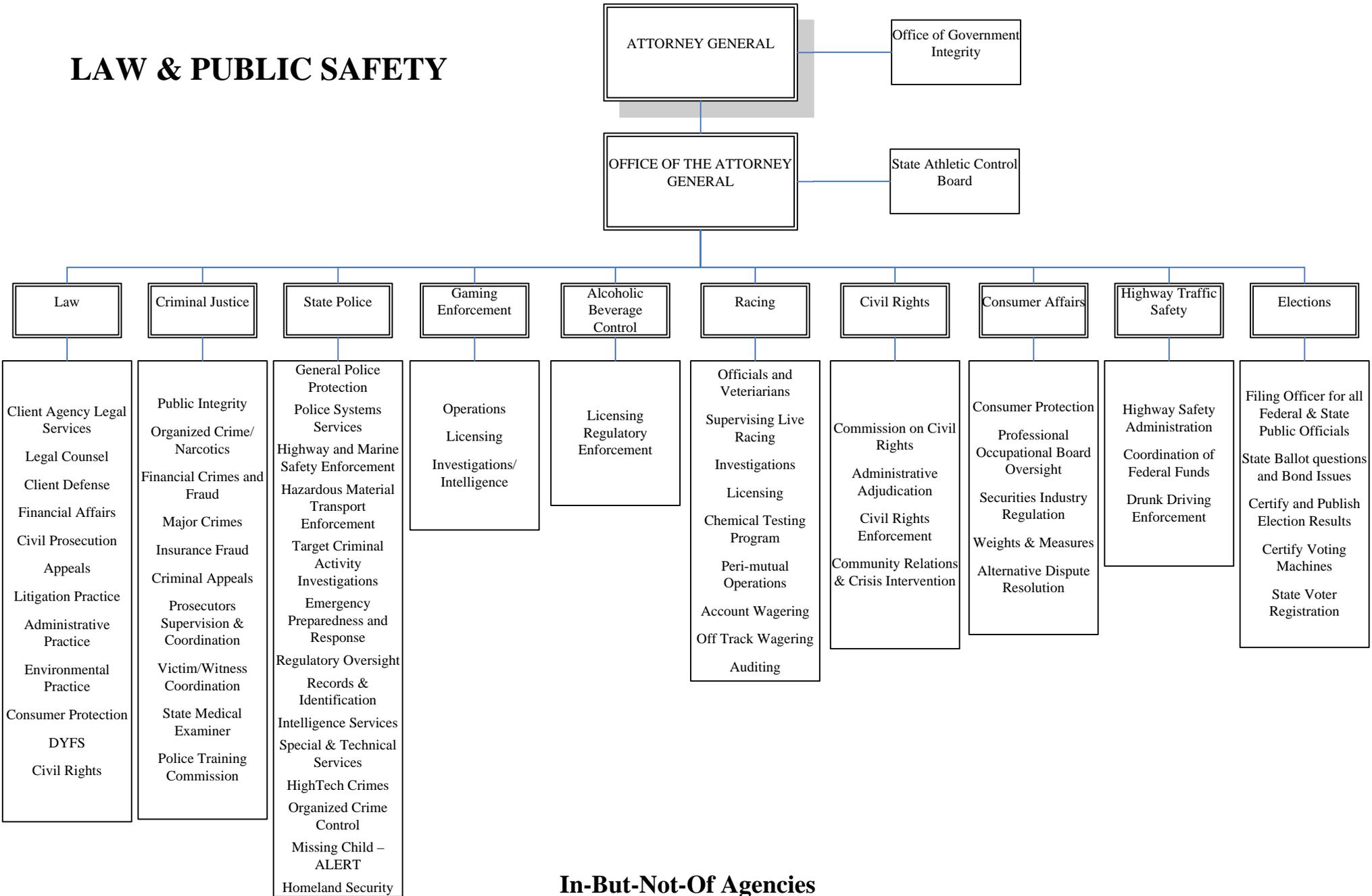
LABOR AND WORKFORCE DEVELOPMENT



In-But-Not-Of Agencies



LAW & PUBLIC SAFETY



In-But-Not-Of Agencies

Office of Homeland Security and Preparedness

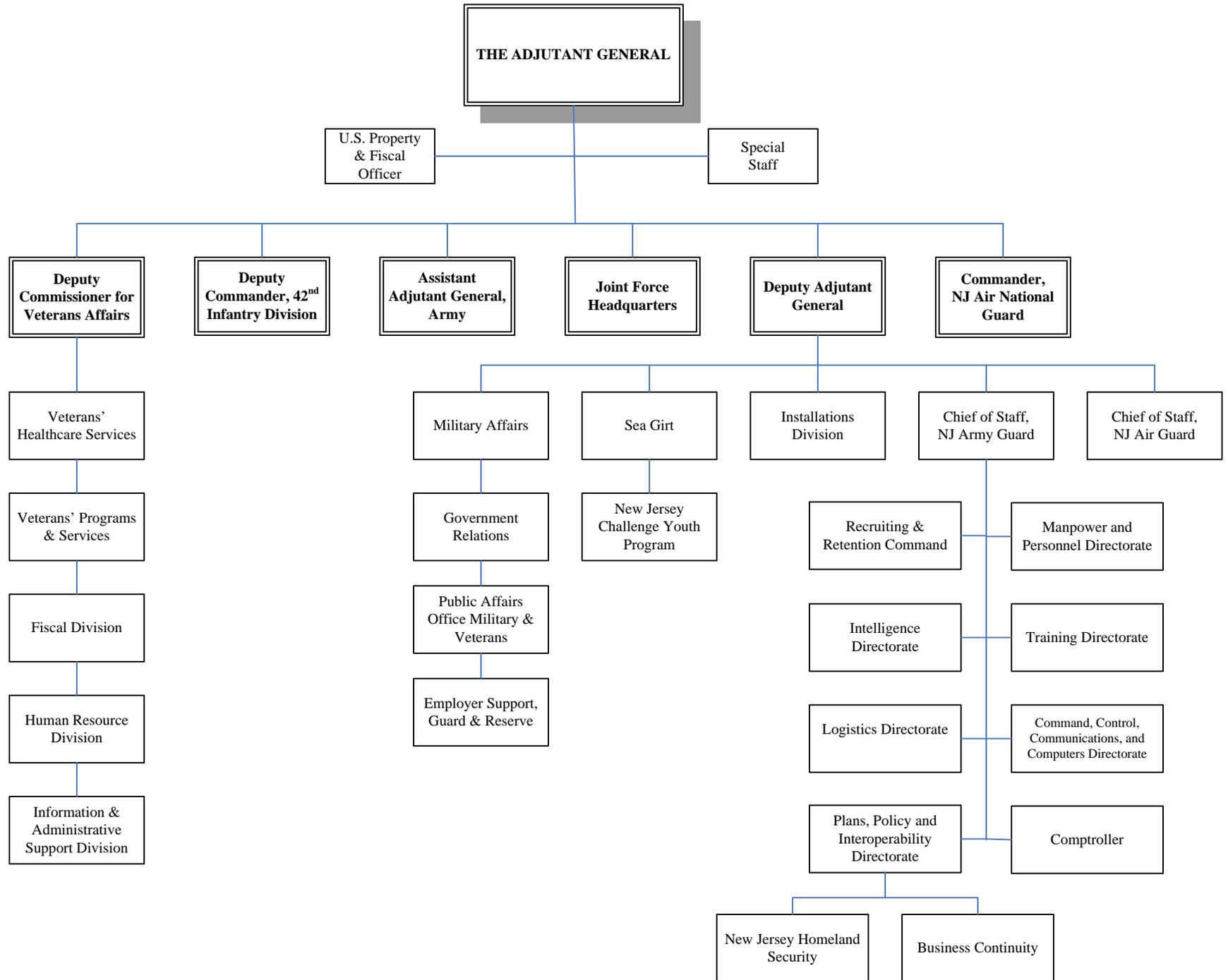
Executive Commission on Ethical Standards

Election Law Enforcement

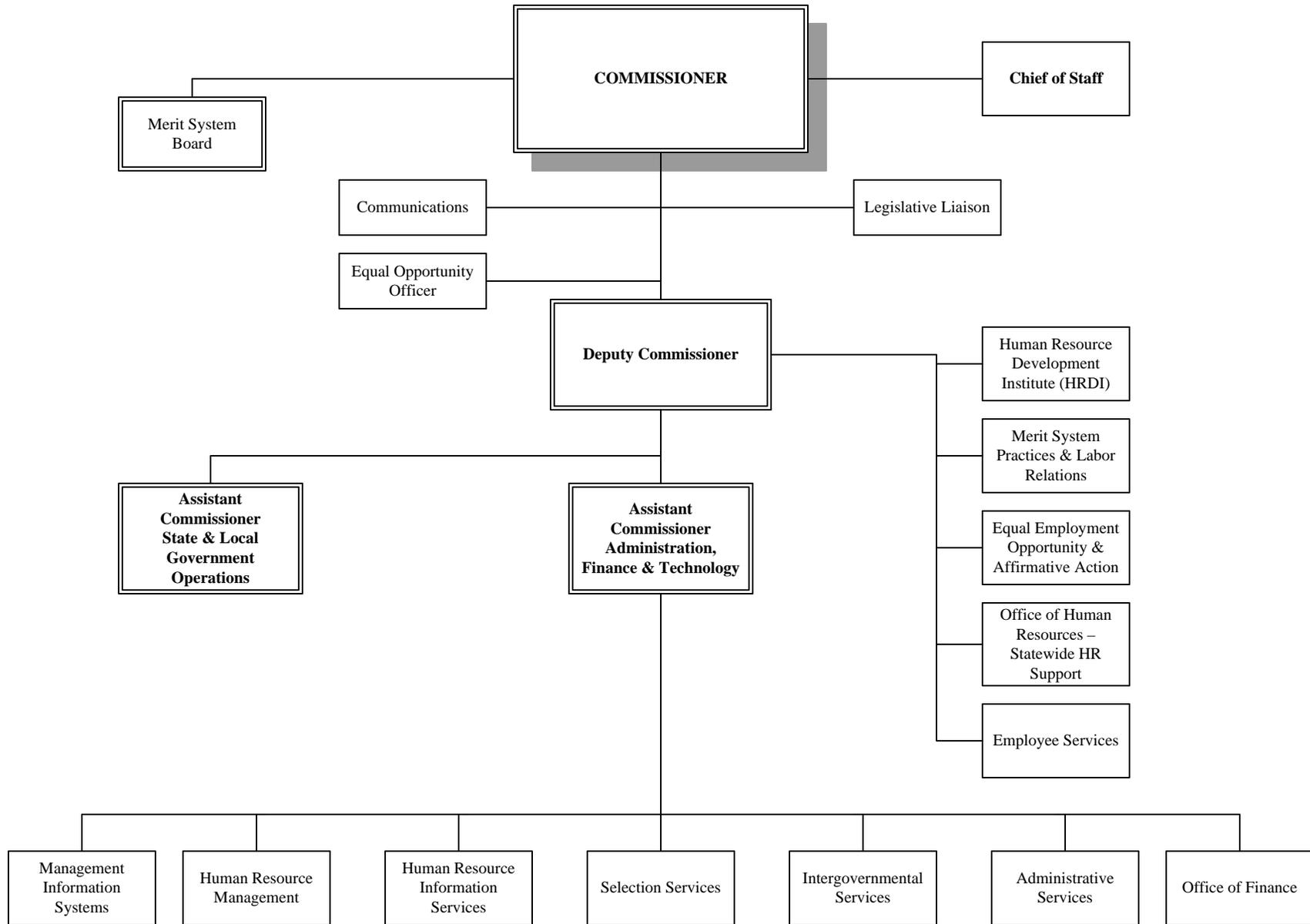
Victims of Crime Compensation Board

Juvenile Justice Commission

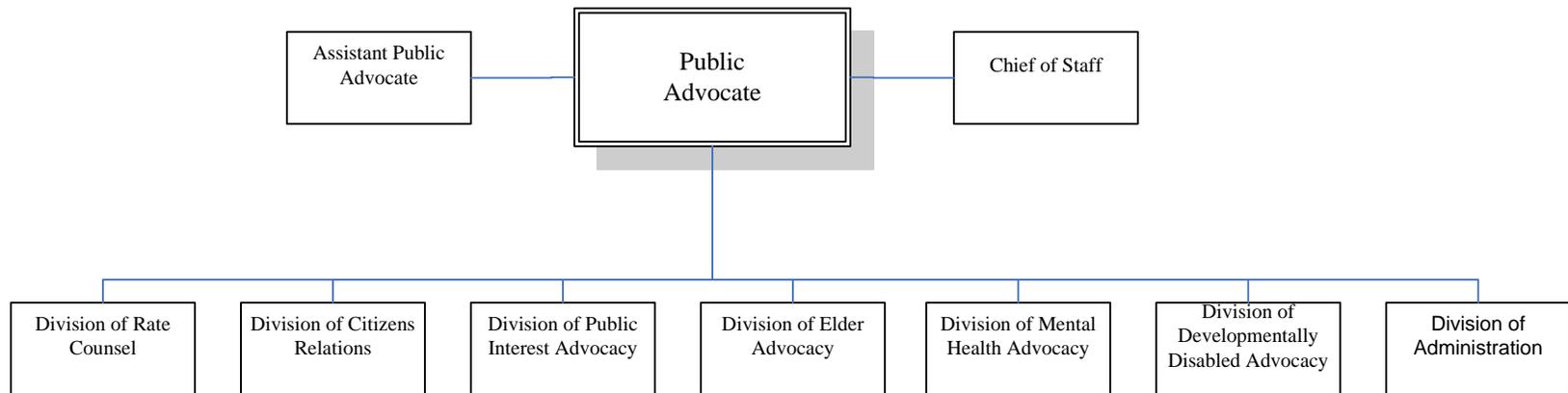
MILITARY AND VETERANS' AFFAIRS



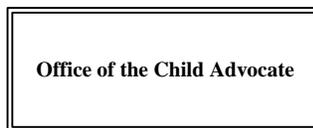
PERSONNEL



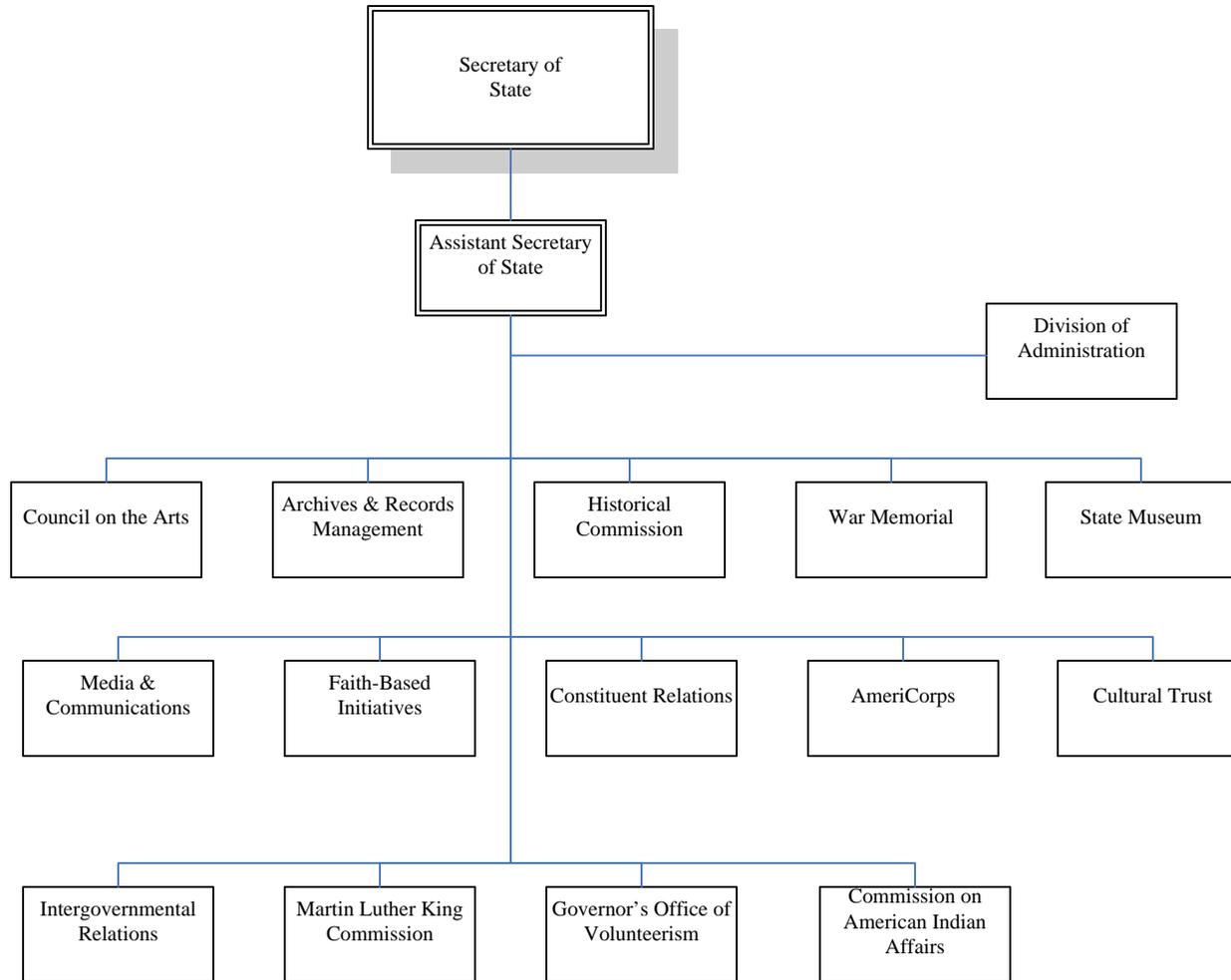
PUBLIC ADVOCATE



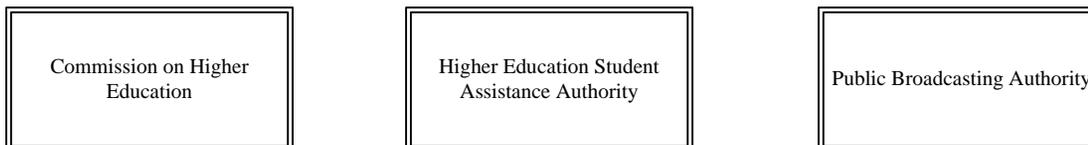
In-But-Not-Of Agencies



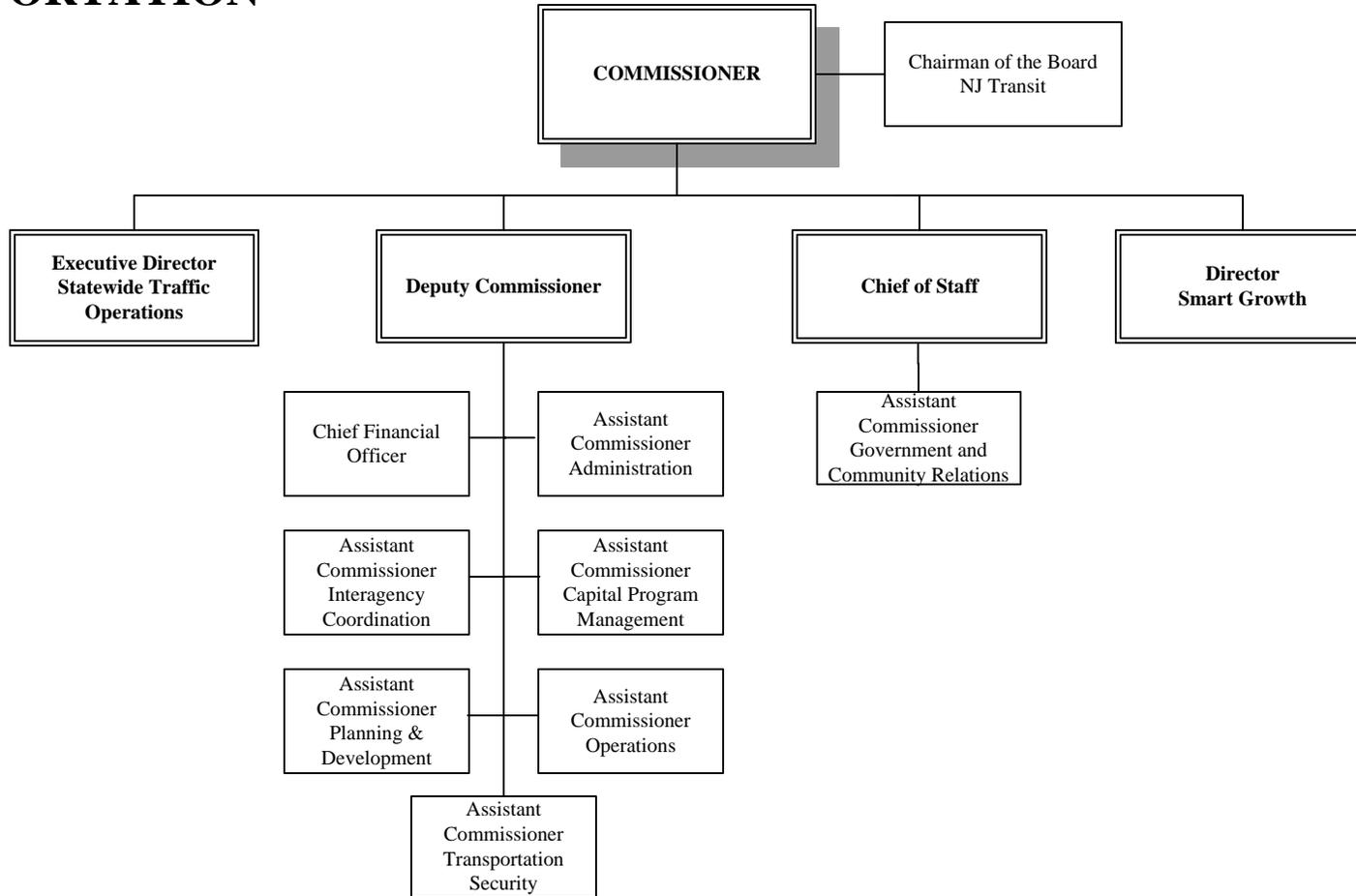
STATE



In-But-Not-Of Agencies



TRANSPORTATION

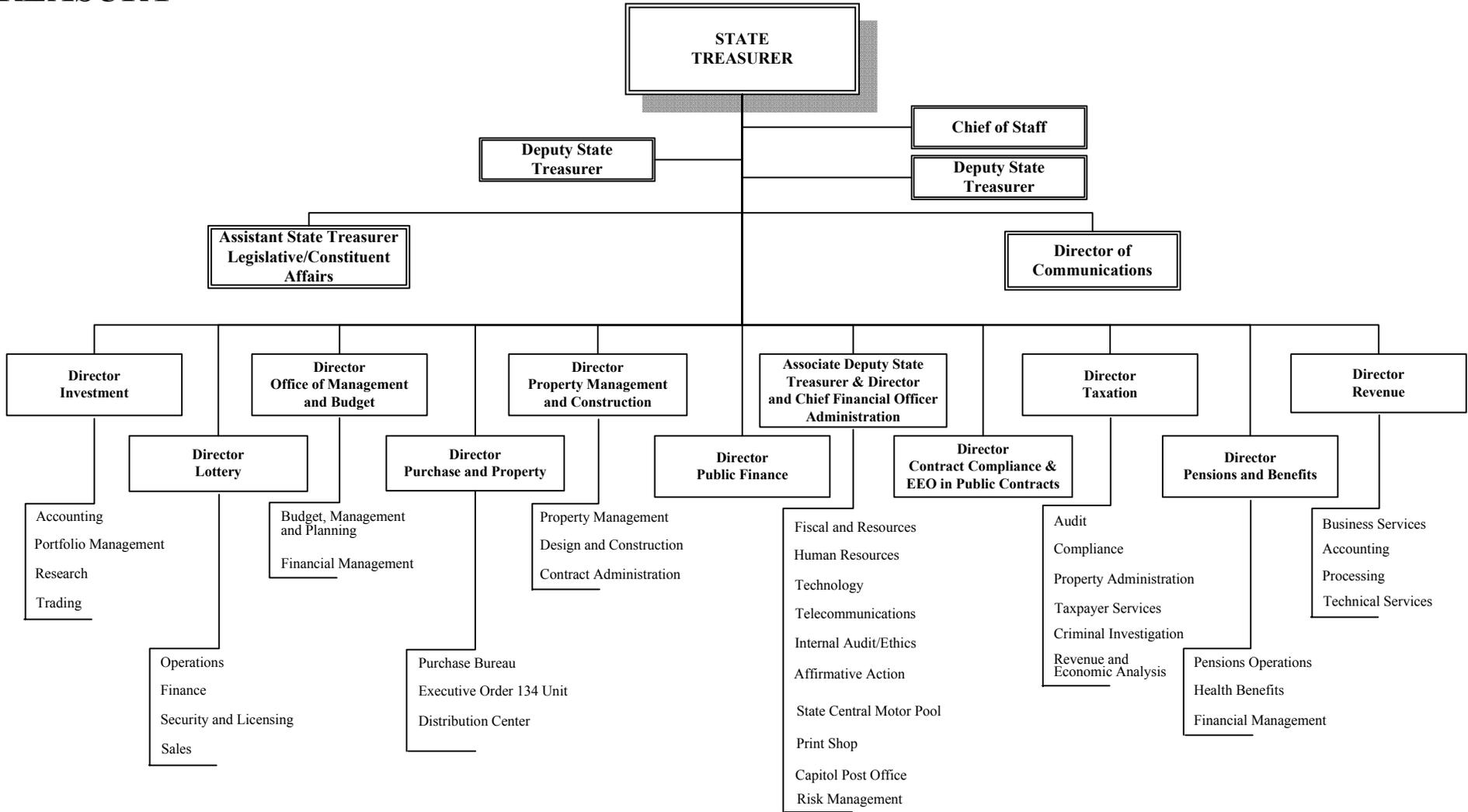


In-But-Not-Of Agencies

New Jersey Motor Vehicle Commission

NJ Transit Corporation

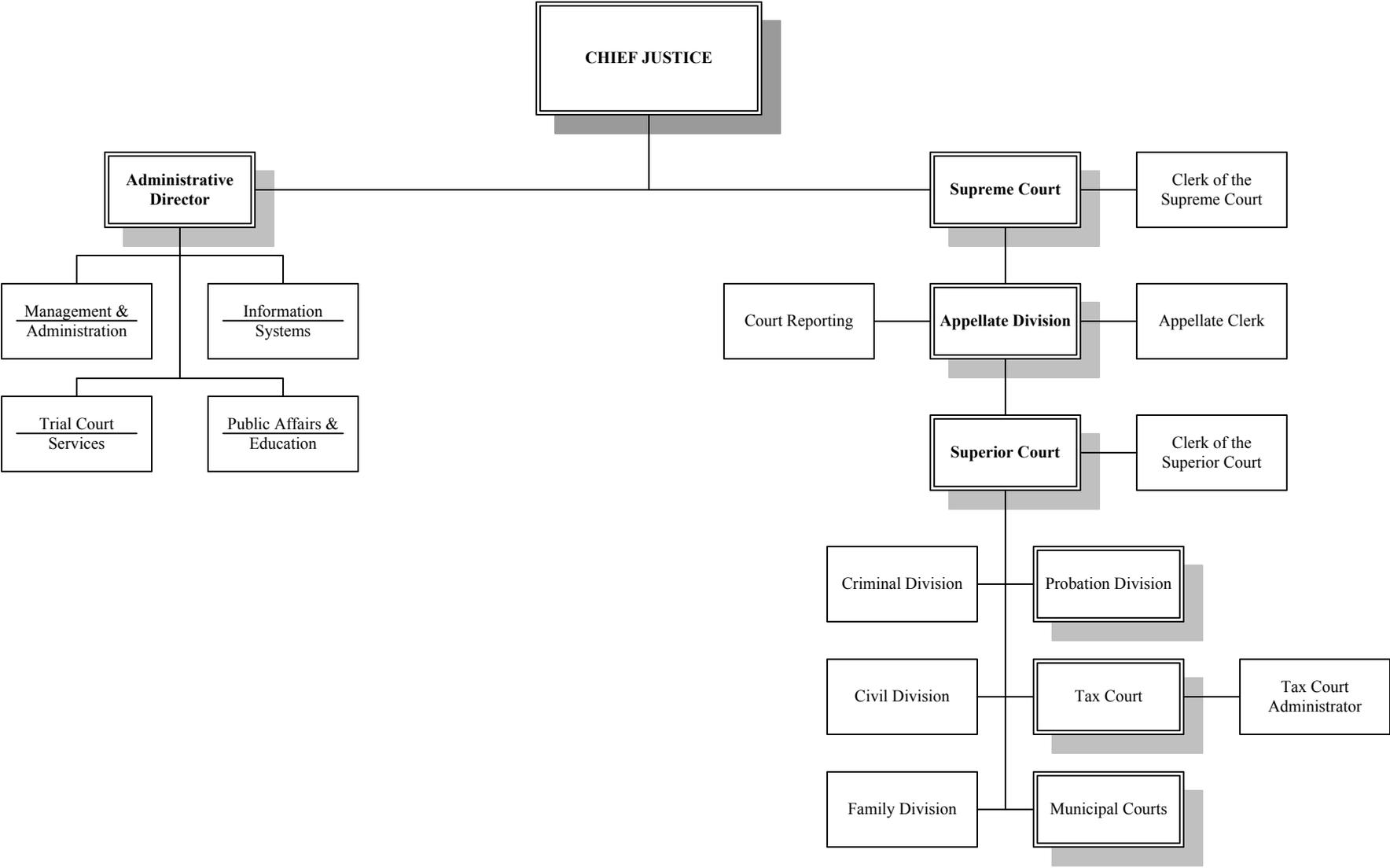
TREASURY



In-But-Not-Of Agencies



THE JUDICIARY



NOTES



Reader's Guide

This section of the Budget is designed to assist readers with interpreting and understanding the content of the Governor's annual budget proposal. Included are brief descriptions of the major sections of the Governor's Budget, a guide to reading the financial tables included in the budget summaries, and a brief description of New Jersey's budget process.

WHAT'S NEW IN THE GOVERNOR'S BUDGET

The Fiscal 2007 Governor's Budget Message continues changes made in format, content and design that are meant to improve its usefulness as a communications device and to ease the reader's ability to navigate the document. Specifically, the document includes the following changes:

Upgraded Index

Typically, readers who are interested in information on a particular program or organization turn to the index. Heretofore, the Budget index was limited to accounts totaling \$10 million or more, as well as major areas of spending such as departments, divisions, programs, and fund categories. In the Fiscal 2007 Budget, the index has been expanded to include entries for:

- All special revenue funds, trust funds, and capital project funds, including their analogous appropriations and budget language;
- All accounts valued at \$3 million or more (i.e., threshold reduced from previous \$10 million);
- Re-ordered index titles to place the most likely object of a reader's search at the front (e.g., "Pharmacy Services, Consulting");
- Programs mentioned in previous Budget-in-Briefs but not in the index, as well as common program terms that differ from the title of corresponding appropriations (e.g., Charity Care).

Organization Charts

A series of high-level organization charts are included in the front this document not only for the major programs operated by the seventeen departments but also the existence of "in-but-not-of" agencies that are housed within that organization for display purposes. These charts immediately precede this Reader's Guide.

Enhanced 911

Similar to the existing charts depicting the potential use of revenues from the Lottery or the Casino Revenue Fund, a new display has been added to the Appendix identifying the 911 Technology and Homeland Security programs that are eligible to be supported from the Enhanced 911 surcharge originally implemented in fiscal 2005. This summary chart can be found in the Appendix of this document.

Besides providing a context for key budget decisions, these changes are designed to quickly pinpoint desired information, clarify how major services are organized, and improve the transparency of the document.

THE STATE BUDGET PROCESS

The current budget process, the Integrated Planning and Budgeting Process, was first implemented for the production of the fiscal year 1990 – 1991 State budget, replacing other systems such as Zero-Based Budgeting (ZBB) and the Planning, Programming, and Budget System (PPBS). It uses several key features from previous budget processes and is designed to result in planning-driven budgets. Implementation of the budget process usually begins during the month of April, some 15 months prior to the year for which the budget will be effective. The State Budget cycle is set on a fiscal year basis, which extends from July 1 to June 30 of the following year.

To formally initiate the process, the Office of Management and Budget (OMB) provides salary projection reports and technical budget instructions to the departments in August. Among other things, this enables the agencies to determine how their base budgets, including any desired reallocations, should be arranged in the coming budget year. Any recommended changes, later identified in the budget process, are then applied to this base.

The ensuing planning process includes reviews of the Governor's program priorities, economic forecasts, demands assumptions, and analyses of selective program areas. General guidance is provided by OMB to each State agency in September, including preliminary budget targets.

Agencies prepare planning documents that describe: (1) their ability to provide current services within the budget target (including projections of mandatory growth); (2) the agencies' priorities for reduction of current services if requested; and (3) priority packages representing either expansion of current programs or new programs. OMB reviews the planning documents with the agencies from November through mid January, when preliminary recommendations are agreed upon.

During the months of January and February, the Director of OMB reviews budget recommendations with the State Treasurer, the Governor, and the Governor's staff. Normally, the Governor makes the final decisions in February.

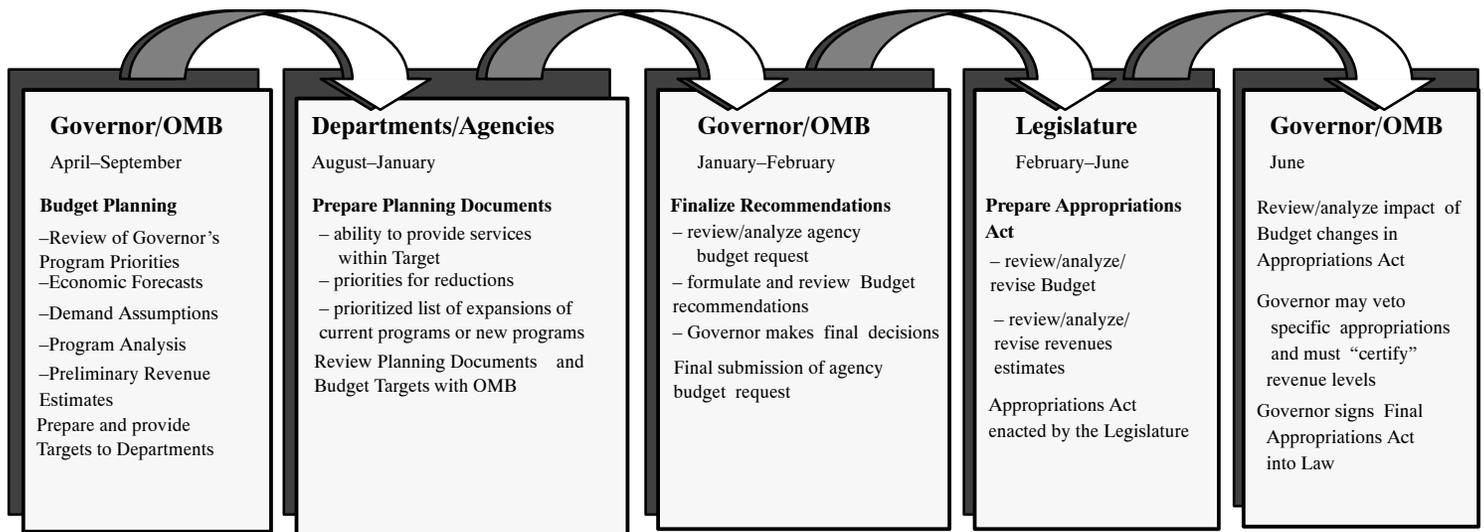
The planning portion of the budget process culminates in the final submission of the agency budget request to OMB in February which is forwarded to the Legislature. The Budget Message, representing the Governor's recommendations on how revenues should be allocated, is delivered to the Legislature on or before February 24th of each year (unless superceded by legislation). From year to year, the Budget is the single most important policy statement that the Governor makes as it allocates the State's resources for programs and services.

The annual review process for capital spending requests and recommendations, which runs somewhat parallel to the process described above, has several stages. All State departments requesting capital funding must submit a seven-year Capital Improvement Plan to the New Jersey Commission on Capital Budgeting and Planning. Each capital project request requires an operating impact statement. Departments must document whether a project will have an effect on operating budgets and must quantify such information. The Commission schedules public hearings for each agency, analyzes the capital requests, and recommends projects to the Governor. The Governor, in turn, selects projects to be recommended in the annual Budget.

The Legislature, through a series of hearings conducted by its Appropriations Committees, reviews the Budget and makes changes. The Legislature also reviews the revenue estimates included in the Governor's Budget and, based upon several additional months of actual revenue collections in the current fiscal year, makes adjustments to the Budget's revenue projections and surplus estimates.

The Budget, including changes made by the Legislative Committees, then must be approved by the Senate and the Assembly; and, according to the New Jersey Constitution, a balanced Budget must be approved as an Appropriations Act and signed by the Governor before July 1. After the Legislature passes the Appropriations Act, the Governor has the power to veto specific appropriations (line items), or appropriation language segments, some of which may have been added by the Legislature as a result of its review. The line-item veto allows the Governor to reshape the final Budget and ensure that appropriations do not exceed the certified level of revenues. (As part of the final Appropriations Act, the Governor must "certify" the level of revenues in order to meet the constitutional requirement of a balanced budget.) The final approved Budget, which includes the Governor's line-item vetoes and certification of revenues, is the Appropriations Act. Once the budget is enacted, it becomes an effective tool for fiscal control and monitoring program effectiveness.

Throughout the course of the fiscal year, the Legislature has the authority to pass legislation that provides funding for programs and projects above and beyond those provided for in the Budget. The additional amounts of funding provided by these acts of the Legislature are referred to as "supplemental appropriations." The Director of Management and Budget also has statutory authority to authorize supplemental appropriations at any time during the fiscal year by virtue of authorizing budget language contained in the Appropriations Act. This is accomplished and documented by the issuance of Directory Letters from OMB.



HOW THE BUDGET IS ORGANIZED

The New Jersey State Budget is divided into five major sections that provide information on a broad range of budget related topics, including anticipated state revenues, gubernatorial policies and new initiatives, and agency programmatic achievements. The major sections are described below:

1. The ***Governor’s Budget Message*** describes in general terms the policies and new initiatives, as well as the reductions and efficiencies, proposed in the Budget. The Governor’s Message generally includes a description of the economic situation within the state and the expected impact of projected economic trends on the state’s fiscal condition. The Governor’s Message may also include broad programmatic goals for each of the individual State departments or major segments of the government as well as policy directions for the upcoming fiscal year.
2. The ***Summaries of Appropriations Section*** of the Budget includes a selection of tables and charts designed to summarize the Governor’s recommendations and highlight the major changes included within the proposed Budget. For instance, the *Budget in Brief* provides a summary of total revenues and recommendations for each of the State’s major fund categories, such as the General Fund, Casino Revenue Fund, and Property Tax Relief Fund. This section also includes a number of tables that explain the Governor’s recommendations at various, significant levels of aggregation:

Summary of Appropriation Recommendations:

Summary of Appropriation Recommendations by Fund

Summary of Appropriation Recommendations by Organization

Summary of Appropriations by Category or Purpose

Summary of Appropriations by Statewide Program

Major Increases and Decreases of State Appropriations

Also included within the summaries of appropriations section is the *Budget Highlights*, a narrative that discusses the major programmatic and operational impact of the budget proposals. Additional summaries, charts, and graphs depicting significant programmatic or fiscal trends included at the end of this section.

3. The ***Summaries of Revenues, Expenditures and Fund Balances Section*** provides an overview of the economy, revenue outlook, and the impact that anticipated economic trends will have on the State’s revenue estimates. The tables included within this section highlight the State’s major revenue sources (i.e. income tax, sales tax, and corporation tax), and provide year-to-year comparisons and projections for the fiscal 2007. Most of the schedules and exhibits in this section are displayed by fund. For the purposes of State financial accounting, funds are accounting entities that segregate financial resources according to the purposes for which they may be used.

READER'S GUIDE

This section also includes four “major schedules” that provide detail of actual and estimated revenues and expenditures by department. Within each department, individual revenue sources are shown, including those which are dedicated to support specific functions or programs and are derived from fees, fines, or charges for services, which are established by law or agency regulation.

Schedule I depicts anticipated revenue which, together with estimated beginning Undesignated Fund Balance (Surplus), provides the resources for the recommended appropriations summarized in **Schedule III** (Expenditures Budgeted).

Schedules II & IV enumerate estimated revenues and expenditures on an as received basis over and above the general revenues and specific line item appropriations shown in **Schedules I & III**.

4. The **Budget Recommendations Section** is the largest section of the Budget and includes the greatest detail on proposed appropriations. It is divided into categories based on the source and use of appropriations which is then organized by Governmental Branch, and sorted in alphabetical order by agencies or executive departments. The major subdivisions of this section are summarized below:

Department and Branch Recommendations (Direct State Services, Grants–In–Aid, State Aid, and Capital Construction)

Debt Service

General and Federal Fund Language Provisions

Revolving Funds

Appendices

- a. **Budget Recommendations Overview**

For fiscal 2007, the Budget displays all of a department’s non–debt appropriations in a single subdivision of the document. The separate subdivisions for Direct State Services (i.e. funds to support operations), Grants–In–Aid, State Aid, and Capital Construction are illustrated together in a consolidated display. Appropriations for Dedicated Funds (e.g. Property Tax Relief Fund, Casino Revenue Fund, etc.) are also included in the consolidated departmental presentation. An aggregate view of appropriation recommendations effecting State Aid, the Casino Revenue Fund, etc., are presented in new summaries in the *Summaries of Appropriations* section.

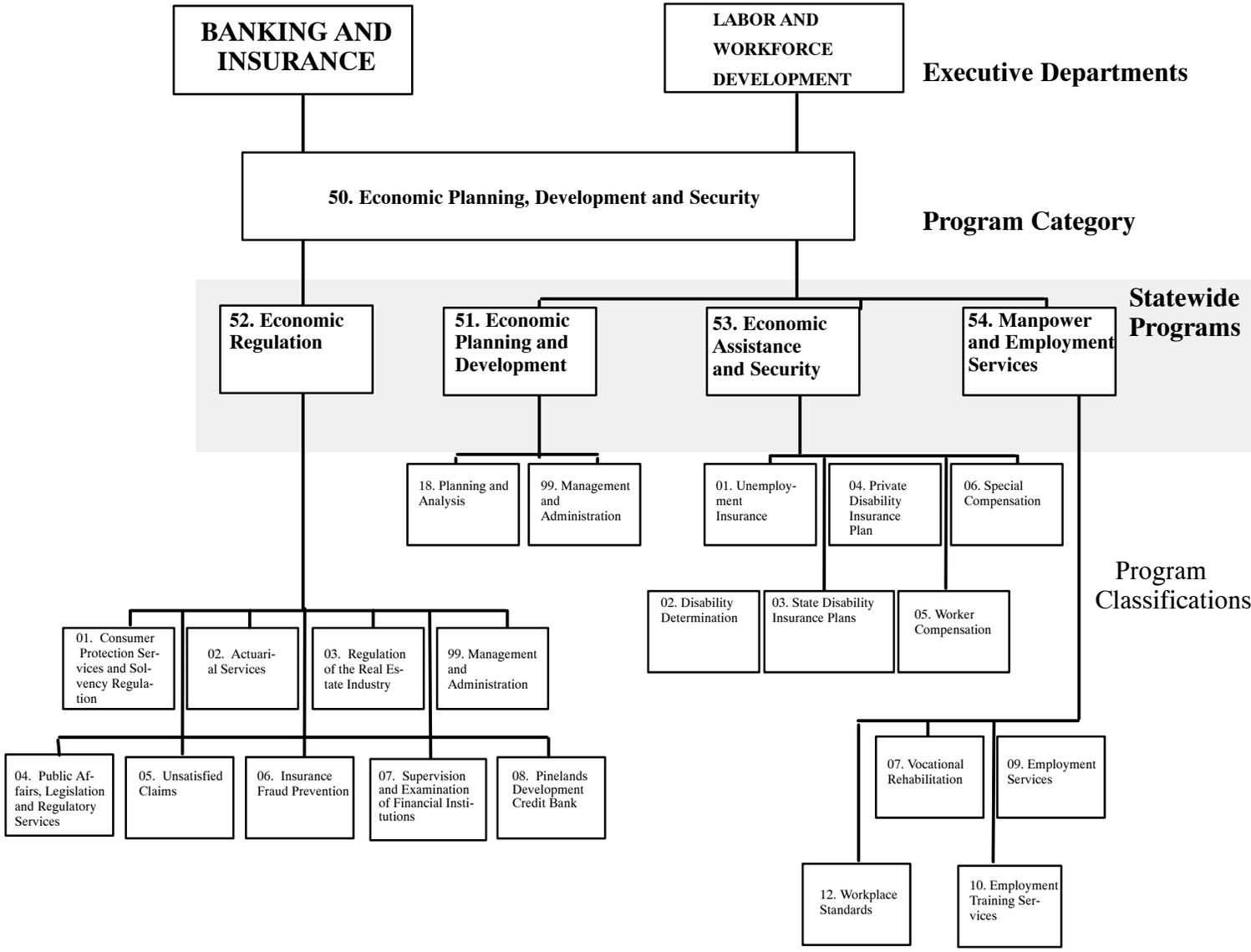
This consolidated presentation provides readers with a comprehensive view of all of a department’s operations, across all spending categories and funds and provides New Jersey citizens with a better understanding of the relationships between all of the recommendations affecting departmental programs.

Each of the subsections of the *Budget Recommendation* section follows a consistent hierarchical order: Department, Program Category, Statewide Program, Organization, and/or Program Classification. Individual departmental presentations are grouped by “Statewide Program” which represent a high–level, functional grouping of related programs contributing to a broad statewide objective. Statewide Programs generally span several departments. Examples of Statewide Programs include Public Safety and Criminal Justice, Natural Resource Management, and Parole and Community Programs.

Below Statewide Programs, the Budget presentation is further broken down into “Program Classifications,” which represent a lower level, operating program function consisting of closely related activities with identifiable objectives or goals. Examples of program classifications in the Department of Environmental Protection include Water Supply Management, Forestry Management, and Shellfish and Marine Fisheries Management. Detailed descriptions of agency program classifications are provided at the beginning of each statewide program presentation within a department along with objectives for the entire statewide program.

For example, in the Department of Labor and Workforce Development all programs are grouped under the broad “Program Category” of *Economic Planning, Development, and Security*. They are further divided into the following four Statewide Programs: (1) *Economic Planning and Development*, (2) *Economic Regulation*, (3) *Economic Assistance and Security*, and (4) *Manpower and Employment Services*. Each of these Statewide Programs are made up of a number of individual program classifications. Program Categories and Statewide Programs generally span multiple departments.

The programmatic hierarchy of two State departments, Banking and Insurance and Labor and Workforce Development, is shown on the facing page. Note that the Statewide Program, Economic Regulation, is common to both.



READER'S GUIDE

b. Budget Recommendations – Descriptions of Subdivisions

Detailed descriptions of the subdivisions of the *Budget Recommendations Section* are provided below:

- i. *Department and Branch Recommendations* is the subdivision of the Budget that relates to the appropriations and expenditures that support operations of State agencies, grants to individuals, and aid to local government jurisdictions. In addition to appropriation and expenditure data, agency objectives, descriptions of agency programs and programmatic evaluation data are detailed. Federal and non-State funds are also included here.

Each statewide program presentation includes relevant evaluation data, which provide comparative measurements of agency workload, effectiveness, and/or efficiency. This information shows the impact of the recommended funding level on an agency's activities.

Information is provided on the number of employees and funded positions within each department. The actual number of employees reported may be less than the number of positions allocated to an agency and is dependent upon authorized hiring levels and other factors. Position and personnel data are summarized by funding source and to the program classification, and include information on the current year, two prior years, and a projection for the budget request year.

The appropriations data includes detailed funding recommendations from the General Fund and Dedicated Funds by program classification, fund category (Direct State Services, Grants-In-Aid, State Aid, and Capital Construction), and object of expenditure. The General Fund represents the collection of all State revenues, not otherwise restricted by statute. There are four major funds dedicated by the Constitution for specific purposes. The Property Tax Relief Fund, financed by the personal income tax, provides aid to local schools and municipalities as well as the Homestead Rebate Program, which offsets a portion of an individual's property taxes. The Casino Revenue Fund, the proceeds of a tax upon casino revenues, funds new or expanded programs for the elderly and the disabled. The Casino Control Fund represents the cost of regulating the casino industry as charged to that industry. And the Gubernatorial Elections Fund consists of designated contributions by taxpayers for the public financing of gubernatorial elections. By examining changes in the program classification recommendations vis-à-vis prior year spending levels and other programs, readers will be able to ascertain savings and efficiencies as well as the relative priority that is being placed on specific agency program activities.

Various fund appropriations are broken down into categories based on how the appropriations will be used. Direct State Services represents funding to support the administration and direct operation of State programs. Objects of expenditure such as state employee salaries, materials and supplies, (paper, printing, etc.), services other than personal (telephones, postage, software, consultant services), maintenance, equipment, and special purpose accounts are included in this category. Contracted services, such as the operations of motor vehicle agencies, are also paid out of Direct State Services.

Grants-In-Aid appropriations represent funding of grants made to individuals and various public and private agencies for services that are considered the overall responsibility of the State, but that are provided for by third parties. The largest grant-in-aid program is Medicaid, but others include block grants to senior public colleges and universities, subsidy assistance to New Jersey Transit, and tuition assistance programs. The State's Homestead Rebate program and the Direct School Tax Relief program are also funded in the Grants-In-Aid component.

State Aid is the recommendation for payments by the State to or on behalf of a local unit of government (county, municipality, or school district) to assist this local government in carrying out its responsibilities. The largest state appropriations are for aid to local schools.

Capital Construction contains the recommendations, by capital project within department, for current (pay-as-you-go) projects, as opposed to those funded by long-term bonds. A capital project includes the acquisition of land, new structures and equipment, and other projects whose estimated cost of land, planning, furnishing, and equipping is estimated to be \$50,000 or more. Projects or acquisitions under \$50,000 are appropriated in the maintenance accounts in Direct State Services.

Language Recommendations, the final, significant item of this budget subdivision are included at the end of statewide program or departmental presentations. These language provisions are as significant as the fiscal recommendations because they provide the Department, the Legislature, or the Director of the Division of Budget and Accounting with specific budget and/or spending authority or establish limits on such authority. It is through budget language that prior year balances are appropriated for current year expenses or lapsed, and that departments are incentivized allowing retention of fine or fee revenue above a specific predetermined amount.

- ii. The *Debt Service* subdivision depicts the amounts necessary to pay principal and interest due on capital projects financed by general obligation bonds of the State. The primary method for financing of capital projects is through the sale of bonds. No debt can be issued by the State without approval by a majority of the legally qualified voters. This section also includes a brief description of the active bond issues financed by current Debt Service appropriations. Historically, New Jersey Debt Service payments average approximately three percent of the total General Fund appropriations.
- iii. The *Language Provisions* subdivision of the Budget establishes authority beyond the specificity of the detailed line-item budgets for both general and federal funds. They apply to broad areas of the budget such as entire funds, appropriations

in general and in some cases mandate additional administrative requirements related to the enactment of the budget. Language also authorizes adjustments for reorganizations and corrections to the appropriations act after its enactment.

- iv. *Revolving and Other Funds* is the subdivision of the Budget that depicts programs or agencies not provided with direct appropriations, but rather operate from fees charged for services or commodities provided to other State agencies. Examples include print shops, laundries, and information processing services.
5. The *Appendix* includes Statements of Estimated Revenues, Expenditures and Fund Balances of the State's Special Revenue, Capital Projects and Trust Funds (excluding Pension Trust Funds). The statements include the actual revenues and expenditures for the fiscal year ended June 30, 2005, presented in accordance with generally accepted accounting principles, as well as estimated amounts for fiscal 2006 and fiscal 2007.

Special Revenue Funds (Appendix 1A) are used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds (Appendix 1B) are used to account for financial resources to be used for the acquisition or construction of major capital facilities for State use. Funds granted to other units of government for facilities are not classified as Capital Project Funds and are included as expenditures of Special Revenue Funds. Various Capital Projects Funds include funds both for capital facilities for State use and for grants to other units of government.

Trust Funds (Appendix 1C) are used to account for assets held by the State in a trustee capacity for individuals, private organizations, other governments and/or other funds.

Other exhibits in the appendix include a listing of programs eligible for support from the Lottery Fund in addition to other special summaries.

BASIS OF BUDGETING

An annual budget is prepared for the General Fund and certain special revenue funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief funds). The Legislature enacts the Budget through passage of specific departmental appropriations, the sum of which may not exceed estimated revenues, and the Governor is responsible for the final certification of revenue.

The Governor's budget is prepared in accordance with generally accepted accounting principles (GAAP). Revenues are recognized when susceptible to accrual; that is, when they are both measurable and available to finance expenditures of the fiscal period. Significant revenue sources which are susceptible to accrual include sales tax, individual income taxes, corporate income taxes, and federal grants.

Appropriations are recommended at a level sufficient to recognize all accrued expenditures applicable to the fiscal period. Expenditures are recorded on an accrual basis when the related liability is incurred. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

The use of the term "expended" to report the most recent actual year activity in the budget is not in strict accordance with GAAP, in that this amount includes encumbrances which under GAAP are reservations of fund balance, not expenditures.

RELATIONSHIP TO THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Department of the Treasury, OMB, issues the Comprehensive Annual Financial Report (CAFR) which includes all funds. The State's budgetary basis differs from that utilized to present financial statements in conformance with GAAP. The main differences between the budgetary basis and the GAAP basis are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, the budgetary basis does not accrue the value of food stamps.

BUDGETARY CONTROL

Budgetary control is maintained at the item of appropriation level. "Item of appropriation" means the spending authority associated with an organization, appropriation source, and program classification, as identified by line-items in the Appropriations Act. Internal transfers within programs are permitted within certain constraints; transfers between program or over designated levels require the approval of the Legislature. In cases where appropriations are based on anticipated revenues, spending authority will be reduced by the amount of the deficiency. Other changes to the budget not authorized by specific language provision must be approved by the Legislature in a supplemental appropriation.

YEAR END BALANCES

Appropriations are authorized for expenditures during the fiscal year and for a period of one month thereafter, and unencumbered appropriations lapse at year end, unless otherwise specified by the Appropriations Act. Non-lapsing balances are considered automatically reappropriated as authorized by statute or by the appropriations act.

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10. PUBLIC SAFETY AND CRIMINAL JUSTICE
12. LAW ENFORCEMENT

OBJECTIVES

PROGRAM CLASSIFICATIONS

1. To prosecute all criminal appeals.

09. **Criminal Justice.** Exercises functions pertaining to enforcement and prosecution of criminal activities in the State.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Criminal Justice				
Complaints, Inquiries, Other Matters (Closed)	3,343	5,571	6,000	6,000
PERSONNEL DATA				
Position Data				
State Supported	359	368	354	424

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
Distribution by Program									
22,507	4,646	712	27,865	27,121	Criminal Justice	09	21,601	28,291	28,291
22,507								1	28,291
690								5	625
447								7	477
2,321								1	4,631
2,321								1	4,631
17,559								1	23,691
								0	1,000
								0	1,000
4,948								0	3,600
4,948								0	3,600
<u>1,000</u>	<u>—</u>	<u>—</u>	<u>1,000</u>	<u>1,000</u>	<i>Total Capital Construction</i>		<u>—</u>	<u>—</u>	<u>—</u>
23,507	4,646	712	28,865	28,121	TOTAL STATE APPROPRIATIONS		<u>—</u>	<u>—</u>	<u>—</u>
Federal Funds									
59,655	14,486	-151	73,990	31,803	Criminal Justice	09	42,574	33,350	33,350
59,655	14,486	-151	73,990	31,803	Total Federal Funds		42,574	33,350	33,350
All Other Funds									
	1,136				Criminal Justice	09	34,850	34,760	34,760
	16,125 ^R	1,975	19,236	8,583	Total All Other Funds		34,850	34,760	34,760
	17,261	1,975	19,236	8,583			34,850	34,760	34,760
83,162	36,393	2,536	127,091	68,507	GRAND TOTAL		99,115	96,401	96,401

Reading the Budget Tables

The Appropriation summaries and individual agency Budgets included in the New Jersey Budget document generally follow a consistent format, an annotated version of which is shown on the following pages.

Notes — Direct State Services – General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations — Direct State Services – General Fund

The unexpended balance at the end of the preceding fiscal year in the Victim Witness Advocacy Fund account, is appropriated for the same purposes derived.

A statement of specific, measurable accomplishments related to the need, problem or opportunity the program is designed to address

Program Classification Account code.

Evaluation Data provides measurements of workload effectiveness and efficiency.

The Original and Supplemental column represents the original appropriation for fiscal year 2005 as enacted by the Legislature on July 1, 2004. This column also includes the total of all supplemental appropriations which were enacted by the Legislature and signed into law by the Governor during fiscal year 2005.

Reappropriations and Receipts column contains two separate items: Reappropriations, which represent funds that remained unexpended from a prior fiscal year and were made available for spending purposes in the budget year. Reappropriations are usually restricted to certain programs or accounts with multi-year obligations, such as Capital Accounts, where rehabilitation or construction projects typically take several years. Receipts represent dedicated taxes or fees which are credited to a specific account or agency. An example of receipts are funds collected for Hunters and Anglers' programs from license fees Receipts are indicated by a superscript "R".

Transfers and Emergencies are either Transfers, which represents monies which were either transferred between departments and agencies or between fund categories, or Emergencies, which represent an allocation of funds to an agency from the State Emergency Fund to meet unanticipated spending requirements. In the tables within the Budget Recommendation section, emergency transfers are indicated by a superscript "E".

Total Available is the total of the original and supplemental appropriations plus any reappropriations and receipts plus or minus transfers and emergency funds.

The Expended Amount represents total disbursements and obligations made in fiscal year 2005.

10. PUBLIC SAFETY AND CRIMINAL JUSTICE
12. LAW ENFORCEMENT

OBJECTIVES

1. To provide statewide law enforcement services.

PROGRAM CLASSIFICATIONS

09. Criminal Justice. Exercises functions pertaining to enforcement and prosecution of criminal activities in the State.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Criminal Justice				
Complaints, Inquiries, Other Matters (Closed)	6,027	6,689	7,000	7,000
PERSONNEL DATA				
Position Data				
State Supported	3,158	3,236	3,216	3,387

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
17,559	4,646	682	22,887	22,143	09	18,091	23,691	23,691
<u>17,559</u>	<u>4,646</u>	<u>682</u>	<u>22,887</u>	<u>22,143</u>		<u>18,091^(a)</u>	<u>23,691</u>	<u>23,691</u>
Total Direct State Services								
Distribution by Fund and Object								
Personal Services:								
152,359	5,514 ^R	3,315	161,188	144,517		142,686	154,537	154,537
<u>152,359</u>	<u>5,514</u>	<u>3,315</u>	<u>161,188</u>	<u>144,517</u>		<u>142,686</u>	<u>154,537</u>	<u>154,537</u>
Total Personal Services								
GRANTS-IN-AID								
Distribution by Fund and Program								
—	—	—	—	—	09	—	1,000	1,000
Total Grants-in-Aid								
Distribution by Fund and Object								
—	—	—	—	—	09	—	1,000	1,000
STATE AID								
Distribution by Fund and Program								
4,948	—	30	4,978	4,978	09	3,600	3,600	3,600
<u>4,948</u>	<u>—</u>	<u>30</u>	<u>4,978</u>	<u>4,978</u>		<u>3,600</u>	<u>3,600</u>	<u>3,600</u>
Total State Aid								
Distribution by Fund and Object								
4,948	—	30	4,978	4,978	09	3,600	3,600	3,600
CAPITAL CONSTRUCTION								
Distribution by Fund and Program								
1,053	1,177	(14)	2,216	665	06	7,425	15,741	5,831
<u>1,053</u>	<u>1,177</u>	<u>(14)</u>	<u>2,516</u>	<u>665</u>		<u>7,425</u>	<u>15,741</u>	<u>5,831</u>
Total Capital Construction								
Distribution by Fund and Object								
1,053	1,177	(14)	2,516	665	11	7,425	15,741	5,831
<u>218,368</u>	<u>21,359</u>	<u>3,992</u>	<u>243,719</u>	<u>236,439</u>		<u>243,975</u>	<u>274,046</u>	<u>264,136</u>
Grand Total State Appropriation								
OTHER RELATED APPROPRIATIONS								
Federal Funds								
59,655	14,486	(151)	73,990	31,803	09	42,574	33,350	33,350
<u>59,655</u>	<u>14,486</u>	<u>(151)</u>	<u>73,990</u>	<u>31,803</u>		<u>42,574</u>	<u>33,350</u>	<u>33,350</u>
Total Federal Funds								
All Other Funds								
—	1,136	1,975	19,236	8,583	09	34,850	34,760	34,760
<u>—</u>	<u>17,261</u>	<u>1,975</u>	<u>19,236</u>	<u>8,583</u>		<u>34,850</u>	<u>34,760</u>	<u>34,760</u>
<u>295,785</u>	<u>108,360</u>	<u>21,821</u>	<u>425,966</u>	<u>347,051</u>		<u>403,717</u>	<u>428,317</u>	<u>418,407</u>
GRAND TOTAL ALL FUNDS								

Notes — Direct State Services — General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations — Direct State Services — General Fund

The unexpended balance at the end of the preceeding fiscal year in the Victim Witness Advocacy Fund account, is appropriated for the same purpose.

Program Category—The broadest grouping of programs presented in the Budget document.

Statewide Program—A high level, functional grouping of related programs.

Program Classes—low level, operating program functions grouped together under statewide programs. It is the level at which Appropriations are made.

Adjusted Appropriation represents the current fiscal year appropriation, adjusted to include any distributions made from central, interdepartmental accounts to cover employee cost of living adjustments, etc., as well as any supplemental appropriations which were enacted prior to the printing of the Budget or anticipated through year end.

The Requested column represents the amount requested by the various Executive departments, and agencies and other branches of government.

The Recommended Budget column represents the Governor's proposal to the Legislature.

Other Related Appropriations, also called below-the-line appropriations, are summarized in the Direct State Services presentation in order to provide an overview of agency budgets encompassing all spending categories and funding sources.

Appropriation Language is as important as the fiscal recommendations. It sets limits and conditions on the use of appropriations.

READER'S GUIDE

GLOSSARY

This glossary contains definitions of terms used in this budget, or in State budgeting and accounting procedures. It is not intended to be an exhaustive dictionary of accounting and budgeting terms, but does define the most commonly used terminology.

ACT — A bill passed by the Legislature and signed into law by the Governor.

ADDITIONS, IMPROVEMENTS, AND EQUIPMENT — Additions and improvements that are less than \$50,000 in cost and the purchase of equipment such as vehicles, office equipment and information processing equipment. Any addition and improvement that is \$50,000 or more or is for a new structure is classified as Capital Construction.

ADJUSTED APPROPRIATION — The total of an original appropriation, all supplemental appropriations, certain allotments from interdepartmental appropriations, and other budgetary adjustments.

ALL OTHER FUNDS — Revenues, other than Federal, that are not anticipated as resources to support the annual State budget. Upon receipt, these funds become appropriated, as provided by the language of the Appropriations Act.

ALL OTHER POSITION — A position specifically approved and funded by non-state, non-federal sources in a salary object account.

ALLOTMENT — An allocation of a portion of an appropriation to make it available for encumbrance or disbursement by the agency to which appropriated, and usually applying to a period of time; e.g., a calendar quarter.

ANTICIPATED RESOURCES — For each fiscal year, is the sum of the estimated surplus at the end of the prior fiscal year, together with all estimated revenues for the General Fund from all sources, including taxes and license fees, other miscellaneous departmental and interfund transfers.

ANTICIPATED REVENUE — That portion of estimated revenues to be realized in any fiscal year that have been anticipated as General Fund resources to support the appropriations made, or undesignated fund balance projected, in the annual Appropriations Act. Such revenues are not available for expenditure unless appropriated by the Legislature.

APPROPRIATED REVENUE — Those revenues not previously anticipated or budgeted, which upon receipt increase appropriation balances as authorized in the Appropriations Act, and from which agencies may incur obligations or make expenditures for specific purposes.

APPROPRIATION — The sum of money authorized by an act of the Legislature for expenditure for a particular fiscal year.

APPROPRIATIONS ACT — The Act passed by the New Jersey Legislature to appropriate, on an annual basis, the resources of the State for state operations, grants-in-aid, state aid, capital, and debt service expenses.

ATTRITION — A means of reducing the number of employees by not refilling positions vacated through resignation, reassignment, transfer, retirement or means other than layoffs.

BEGINNING BALANCE — The resources available at the start of a state fiscal year that are carried over from the prior fiscal year.

BILL — A proposed law.

BLOCK GRANT — An amount allotted by the Federal government to the State to be allocated to a particular program area within general guidelines as the State determines.

BOND — A funding tool representing a written promise to pay a specific sum of money in the future plus interest.

BOND FUND — A fund into which the proceeds from the issuance of bonds are received, and from which all proper expenditures for the purposes for which the bonds were authorized are paid.

BUDGET — The proposed financial plan of the State government for the fiscal year, setting forth the anticipated resources from all sources and proposed appropriations.

BUDGET CYCLE — The four major phases that constitute the traditional budget cycle: (1) central and agency planning, (2) agency/executive preparation, (3) legislative review, and (4) execution and evaluation.

BUDGET REQUEST — The request, required by law, of each spending agency for an appropriation or permission to spend during the next ensuing fiscal year.

CAPITAL CONSTRUCTION — This category includes funds budgeted for:

1. Acquisition of or option to buy land and right-of-way and existing improvements therein, regardless of cost.
2. New buildings and structures not attached to or directly related to any existing structures, regardless of cost.
3. Projects whose estimated cost, including land, planning, furnishing, and equipping, is usually \$50,000 or more, regardless of the construction involved, with a useful life of at least ten years.
4. Any addition or improvement that is \$50,000 or more.

CAPITAL PROJECT FUNDS — Account for financial resources for the acquisition, construction, or renovation of major capital facilities.

CASINO CONTROL FUND — Accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations are made to fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

CASINO REVENUE FUND — Accounts for the taxes imposed on the casinos and other related activities. Appropriations from this fund must be used for reductions in property taxes, utility charges and other specified expenses of eligible senior and disabled citizens.

CATEGORICAL GRANT — An amount allotted by the Federal government to the State to be allocated to a particular program area for a specific purpose or mandate of the Federal government.

CHART OF ACCOUNTS — A systematic structure for appropriating and recording accounting information pertaining to the financial activities of the State.

CONTINGENCY APPROPRIATION — An appropriation to provide for unforeseen expenditures or for anticipated expenditures of uncertain amounts.

DEBT SERVICE — One of the major subdivisions of the State budget, this category provides the resources to finance payment of general long-term debt principal and interest, such as bond issues or other long-term financing.

DEDICATED FUND — A fund normally contained in the General Fund, consisting of resources owned by the State, the use of which is constrained, either by statutory specification, dedication or other restriction, or a particular purpose or program. Receipts from a specific revenue source may be dedicated by the annual Appropriations Act or other legislation, to be used for some specific purpose.

DIRECT STATE SERVICES — One of the major subdivisions of the State budget, this category includes all general operating costs of State government, including programs that provide services directly to the public.

DISBURSEMENT — Payment of money out of any public fund or treasury. (See also EXPENDITURE.)

EMERGENCY FUND — A sum appropriated, within the Contingency Appropriation, for allotment to agencies to meet emergency conditions.

ENCUMBRANCE — A reservation of funds for future payment (disbursement) to liquidate an obligation incurred, usually supported by the issuance of a purchase order or the execution of a contract calling for payment in the future.

GLOSSARY

ENDING BALANCE — The amount of funds remaining in an account or fund at the end of the fiscal year.

EVALUATION DATA — The quantitative expression of the end products produced or other elements involved in the work of an organization.

EXCESS RECEIPTS — Any receipts collected by an agency in excess of anticipated resources in the annual Appropriations Act. Such excess receipts may either be appropriated for the agency's use by the annual Appropriations Act, or may be considered as an overrun of anticipations and, therefore, credited to the General Fund undesignated fund balance.

EXPENDITURE — Denotes charges incurred, whether paid or unpaid, thus including both disbursements and liabilities. (See also DISBURSEMENT and ENCUMBRANCE.)

EXPENDITURE ACCOUNT — An appropriation account in which expenditure transactions are recorded, normally termed an object account.

FEDERAL POSITION — A position specifically approved and funded by Federal Funds in a salary object account.

FISCAL YEAR — A twelve-month period of time to which the annual budget applies and at the end of which the State determines its financial position and the results of its operations. New Jersey State government has a July 1 to June 30 fiscal year.

FRINGE BENEFITS — Payments made by the State for retirement, social security, health and dental insurance contributions, workers' compensation, unemployment, survivors' and disability insurance.

FUND — A fiscal and accounting entity established for the purpose of achieving specified objectives or carrying on certain activities.

FUND BALANCE—DESIGNATED — Unexpended and unencumbered appropriations that are authorized to continue into the subsequent fiscal year. (See also REAPPROPRIATION.)

FUND BALANCE—UNDESIGNATED — Fund equity unrestricted and available for appropriation.

GAAP — Generally Accepted Accounting Principles—The rules and procedures necessary to define uniform accounting and financial reporting standards, including broad guidelines and detailed practices. The Governmental Accounting Standards Board (GASB) promulgates accounting principles for state and local governments.

GENERAL FUND— The funds into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State are accounted for in the General Fund. Revenues received from taxes, most Federal revenue and certain miscellaneous revenue items are recorded in the General Fund. The Appropriation Acts enacted by the Legislature provide the basic framework for the operation of the General Fund.

GENERAL TREASURY— Consists of all funds over which the State Treasurer is custodian and/or funds of which the State of New Jersey is the owner or beneficial owner.

GRANTS-IN-AID — One of the major subdivisions of the State budget, this category includes all payments not otherwise defined as State Aid, made to individuals, public agencies, or private agencies for benefits or services of three types:

1. Benefits to which the recipient is entitled by law or regulation.
2. Services for which the State has primary responsibility.
3. Subsidies and provision of services for which the State has no responsibility, but which it elects to provide.

ITEM OF APPROPRIATION — The spending authority identified by an organization code, appropriation source, and program code, unique to the item, and may include a number of object accounts within a program or specific appropriations made to Special Purpose, Grants-In-Aid, State Aid, Capital Construction or Debt Service line items.

INTERDEPARTMENTAL ACCOUNTS — A group of accounts to which are appropriated funds for payment for or on behalf of all State agencies of rent, employee benefits, and contingency funds or for certain specified purposes.

INTERFUND TRANSFER — An amount transferred from one fund to another, normally authorized by the annual Appropriations Act.

LANGUAGE RECOMMENDATIONS — Language located at the end of a statewide program, department or in the General Provisions section, that provides specific spending or budget authority and/or places limitations on such authority.

LAPSE — The automatic termination of an appropriation. Appropriations are made for a single fiscal year. At the end of this period, any unexpended or unencumbered balances revert (lapse) to undesignated fund balance in the General Fund, or to the fund from which originally appropriated, unless specifically appropriated again in the succeeding fiscal year.

LIABILITY — Debt or other legal obligation arising out of transactions in the past that must be liquidated, renewed, or refunded at some future date. This term does not include encumbrances.

LINE OF CREDIT — The State's line of credit program, which was first implemented in 1995, provides the State with competitively bid, low interest cost funding for the procurement of the State's short term (3 yrs) equipment needs, specifically computers, furniture, and vehicles.

LINE ITEM — Any single line account for which an appropriation is provided in an Appropriations Act. Includes appropriations made to specific object accounts, such as Materials and Supplies, or any Special Purpose, Grants-In-Aid, State Aid, Capital Construction or Debt Service account.

MAINTENANCE AND FIXED CHARGES — Constitute the routine repair and maintenance of buildings, property, and equipment required to keep them in operation and prevent deterioration.

MATCHING FUNDS — Provisions in a grant agreement that require the government or agency receiving the grant to commit a certain amount of funding to a program before funding is made available by the granting authority.

MATERIALS AND SUPPLIES — Tangible consumable items used for operations but not for the maintenance of machinery or equipment.

NON-STATE FUND (ACCOUNT) — Any fund (or account within a fund) within the General Treasury, the proceeds of which arise from a source other than the General Fund, typically from Federal or foundation grants, pooled inter-governmental funds, or service charges. (See also REVOLVING FUND.)

OBJECT ACCOUNT — Part of the chart of accounts to classify articles purchased or services obtained.

OBJECT CATEGORY — A group of objects of similar character categorized for classification purposes. Examples are personal services, materials and supplies, services other than personal, and maintenance and fixed charges.

OBJECTIVE — A statement of specific, intended, measurable accomplishments related directly to the need, problem or opportunity the services to the client are designed to address.

OBLIGATION — An amount that the State may be required legally to meet out of its resources. It includes not only an actual liability, but also an unliquidated encumbrance, established by the issuance of a purchase order, the execution of a contract calling for payment at some future date, or a liability established in any other lawful way for future payment of a specified amount of money. An obligation normally results in an encumbrance in an appropriation account.

ORGANIZATION — Any State government entity that is established by statute, executive order, or departmental order, to carry out one or more programs, for which a separate appropriation is made.

ORIGINAL APPROPRIATION — An appropriation made in the annual Appropriations Act.

GLOSSARY

PERSONAL SERVICES — An appropriation supporting State employee salaries and wages and other employee benefits.

PROGRAM — A group of related activities directed toward the accomplishment of an identifiable objective; it is established by statute, executive order, or departmental order; it is distinguishable by its clientele, organization, subject matter or process.

PROGRAM CLASSIFICATION — An operating program function, consisting of closely related activities with an identifiable objective or goal, that is treated as an identifiable appropriation item.

PROPERTY TAX RELIEF FUND — Accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulae established by the Legislature, to individuals, counties, municipalities, and school districts.

REAPPROPRIATION — The appropriation in any fiscal year of funds remaining unexpended at the end of the preceding fiscal year that are specifically appropriated in the succeeding fiscal year. (See also FUND BALANCE—DESIGNATED.)

RECEIPTS — A general term for cash received, which may either satisfy a receivable, be a conversion of another asset or a refund of a prior expenditure; it may also represent revenues earned or realized.

RECEIVABLE — An anticipated sum of money that is treated as revenue because it has been earned and is due. Such sums are available for expenditure by State agencies when properly authorized.

REFERENCE KEY (REF. KEY) — A columnar heading in the appropriation data section of each program budget which identifies a program classification to which a particular account relates.

REQUEST YEAR — The fiscal year for which a budget request is made.

REVENUE ACCOUNT — An account established for the purpose of recording the receipt of revenues from a specific source.

REVENUES — Funds received from taxes, fees or other sources that are treated as income to the state and are used to finance expenditures.

REVOLVING FUND (ACCOUNT) — A fund (or an account within any fund) established to finance (1) State activities of a business or commercial nature or (2) the operation of an intragovernmental service agency or enterprise that generates receipts (income) from the sale of commodities or services. Such receipts are available for the continuing operation of the activity or enterprise.

SERVICES OTHER THAN PERSONAL — The cost of purchased services that are primarily non-personal or of a contract nature under which no employer-employee relationship is established.

SPECIAL PURPOSE APPROPRIATION — A type of appropriation that includes monies for personal services, non personal services, maintenance, etc., but which is appropriated as a single amount and which does not specify amounts for individual objects of expenditure.

SPECIAL REVENUE FUNDS — Funds used to account for resources legally restricted to expenditure for specified purposes in accordance with enabling legislation.

SPENDING AGENCY — Any department, board, commission, officer, or other State agency to or for which an appropriation is made.

STATE AID — One of the major subdivisions of the State budget; this category shall mean:

1. Monies paid by the State to a local government or to a nongovernmental agency for:
 - a. Assistance distributed to local governments according to a formula.
 - b. Assistance provided to aid local governments in carrying out activities that are the responsibility of the local unit.
 - c. Aid to non-governmental agencies for functions carried out on behalf of a local unit of government.
 - d. Payments specifically designated by law as State Aid.
2. Expenses incurred by a State department or agency on behalf of a local unit of government. Such expenditures may include:
 - a. Monies budgeted by the State to make payments on behalf of local government.
 - b. Administrative costs of State Aid programs.
 - c. Costs of State personnel engaged in services normally provided and paid for by a local government.

STATE APPROPRIATIONS LIMITATION ACT — The Act that limits the growth of the Direct State Services subdivision of the State budget based upon the average annual percentage increase in per capita income over the four fiscal years prior to the base year.

STATE SUPPORTED POSITION — A position specifically approved and funded by a State appropriation in a salary object account.

STATE TREASURY — A term used generally to refer to all funds (monies) deposited to the credit of the State of New Jersey. It includes the General Fund and funds from all other sources.

STATEWIDE PROGRAM — A functional grouping of related program classifications that contribute to satisfaction of some broader objective or objectives. Each Statewide program is presented as a separate component of the total budget of a department or agency.

STATUTE — A written law enacted by a duly organized and constituted legislative body.

STRATEGIC PLANNING — The process of making present decisions on the allocation of people, assets and priorities to reach an agreed upon objective, after consideration of needs and constraints.

SUPPLEMENTAL APPROPRIATION — An appropriation made in addition to (or supplemental to) the annual Appropriations Act.

SURPLUS — Revenue exceeding expenditures over a given period of time. (Also see FUND BALANCE.)

SURPLUS REVENUE FUND — A reserve into which certain revenues are deposited when the amount collected exceeds the amount anticipated. The balance in this fund may be appropriated upon certification by the Governor that anticipated revenues are less than those certified or to meet emergencies.(Rainy Day Fund)

TRANSFER (OF APPROPRIATION) — A transaction that reallocates all or part of any item in an appropriation to another item in that appropriation.

TRUST AND AGENCY FUNDS — Funds used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

UNEXPENDED BALANCE — The remaining appropriation balance in an account after charging all disbursements and encumbrances.

VETO — An official action by the Governor to nullify legislative action.

NOTES



Summaries of Appropriations

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

SUMMARIES OF APPROPRIATIONS

THE BUDGET IN BRIEF

GENERAL FUND

Resources

(thousands of dollars)

Undesignated fund balance, July 1, 2006	514,628	
Revenues anticipated	18,504,392	
Total Resources		19,019,020

Recommendations

Direct State Services	6,253,569	
Grants-in-Aid	8,563,099	
State Aid	2,195,046	
Capital Construction	1,274,893	
Debt Service	432,785	
Total Recommendations		18,719,392

Undesignated fund balance, June 30, 2007		299,628
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SURPLUS REVENUE FUND

Resources

Undesignated fund balance, July 1, 2006	300,372	
Total Resources		300,372

Undesignated fund balance, June 30, 2007		300,372
--	--	---------

PROPERTY TAX RELIEF FUND

Resources

Undesignated fund balance, July 1, 2006	—	
Revenues anticipated	11,615,000	
Total Resources		11,615,000

Recommendations

Grants-in-Aid	1,340,188	
State Aid	10,274,812	
Total Recommendations		11,615,000

Undesignated fund balance, June 30, 2007		—
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GUBERNATORIAL ELECTIONS FUND

Resources

Undesignated fund balance, July 1, 2006	—	
Revenues anticipated	700	
Total Resources		700

Recommendations

Public Financing of Elections		—
Total Recommendations		—

Undesignated fund balance, June 30, 2007		700
--	--	-----

CASINO CONTROL FUND

Resources

Undesignated fund balance, July 1, 2006	8,527	
Revenues anticipated	63,512	
Total Resources		72,039

Recommendations

Regulation of Casino Gambling		72,039
-------------------------------------	--	--------

Undesignated fund balance, June 30, 2007		—
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CASINO REVENUE FUND

Resources

Undesignated fund balance, July 1, 2006	—	
Revenues anticipated	468,087	
Total Resources		468,087

Recommendations

Programs for senior citizens and handicapped persons		468,087
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Undesignated fund balance, June 30, 2007		—
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NOTES

BUDGET HIGHLIGHTS

OVERVIEW

Governor Jon S. Corzine's proposed Fiscal 2007 Budget seeks to restore fiscal integrity to the State of New Jersey. This \$30.9 billion Budget is an important first step in a multi-year process to reestablish prudent fiscal management. A fundamental principle reflected throughout this Budget is that we, as a State, must pay the bills for the current operations of State government. We cannot continue to defer the costs of our decisions to future generations, or even until next year. This simple practice of matching current expenditures with current revenues has been missing from State budgets for too long.

This Budget exhibits a strong sense of fiscal discipline by matching ongoing spending with ongoing resources in a realistic manner. This Budget is a fiscal plan that makes hard choices in a way that is responsible and sustainable into the future.

Absent the tough choices proposed in this Budget, the State's spending would have grown in the coming fiscal year to approximately \$34 billion, or nearly a 21% increase from this year's original total appropriation. Inclusive of full funding of pension obligations and the Governor's commitment to restore the Property Tax rebates to 2004 levels, that growth in expenditures and requested programs would have exceeded the growth in resources by over \$4.8 billion. Simply stated, we cannot afford that. Accordingly, this proposed Budget addresses that gap through a combination of program and spending reductions, constrained growth and selected revenue enhancements.

Some of the major highlights of this proposed Budget include:

- Achieving balance through a greater reliance on spending reductions and constraining growth (\$3.0 billion) than revenue enhancements (\$1.8 billion);
- Reduction of more than 1,000 staff positions with accompanying savings of \$54 million through a rigorous hiring freeze, administrative efficiencies and responsible reorganization of select government functions. Limiting the filling of attrited vacancies will yield opportunities to not only control government growth but also to do more with less by enhancing management efficiencies and streamlining services;
- Creating a new Office of Economic Growth to coordinate the actions of State government designed to grow the economy and create jobs. It also will work closely with the State's business, labor, and community leaders and local and county economic officials;
- Creating, by Executive Order, a new Office of Homeland Security and Preparedness within the Department of Law and Public Safety to coordinate security programs across all levels of government and to oversee the distribution of related State and federal funds;
- Creating a new Department of Children and Families, focusing attention on child welfare and related issues;
- Providing Tax Relief for Lower Income Working Families;
- Use of non-recurring resources for ongoing spending is limited to approximately \$500 million, of which nearly half is attributable to increased current year surplus achieved through restrained spending. This amount represents only 18% of the average one-time revenue used over the past four fiscal years and is less than 2% of the total State appropriations proposed in the Fiscal 2007 State Budget;

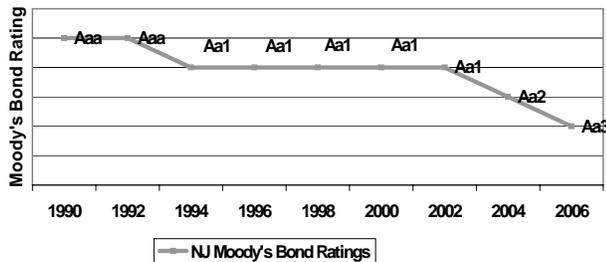
SUMMARIES OF APPROPRIATIONS

- Proposing a one percentage point increase in the State Sales Tax and broadening of its base in order to provide recurring revenue stability in the Budget;
- Maximizing federal revenues and reimbursements;
- Targeting for elimination waste, fraud and abuse of taxpayer dollars;
- Investing limited resources to protect and increase opportunities for New Jersey's most vulnerable citizens. These initiatives are responsibly limited to a total of \$50 million in new spending, or approximately two-tenths of 1% of the entire Budget;
- Revenues realized from one-time sales of capital assets will not be used to fund ongoing expenses. The proposed investing of \$80 million on one-time, long-overdue capital improvement projects that will improve the quality of life for the people of New Jersey follows this principle.

Fiscal Solvency: Defining the Problem

New Jersey, in only 20 years, has gone from being a financial powerhouse, characterized by strong job growth and consistent budget surpluses, to having one of the largest structural deficits of any state in the country. As noted on the chart below, the State's bond rating has been in steady decline since 1992, when it last held triple A status. New Jersey is one of only 9 states whose bond ratings have been downgraded by Moody's Investors Service since the recession of 2001 and have not recovered.

New Jersey: Moody's Bond Ratings Since 1990



Moody's has downgraded NJ's bond ratings three times since 1992, when NJ had the highest rating--Aaa.

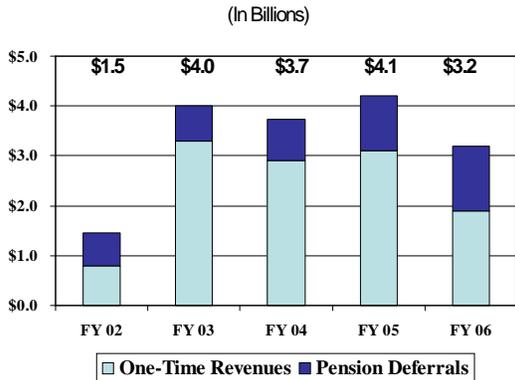
Last year, while states across the U.S. increased their budgets by an average of 6.3%, New Jersey was one of only five states to enact a budget that was essentially flat against the previous year's Budget. However, that was not nearly enough. With state budgets at their healthiest levels in five years, many other states have recently decided to expand services or reduce taxes. Yet New Jersey continues to struggle with a substantial shortfall. This structural problem is not of recent vintage, but rather has persisted on a bipartisan basis across multiple Administrations. Given New Jersey's high per capita income and relative wealth, the obvious question is: How did we let this happen?

Past budget messages dutifully quoted the rhetoric of fiscal restraint and "living within our means." However the difficult decisions often gave way to fiscal gimmicks, over-reliance on non-recurring revenues, and a conscious strategy to defer costs to the future. Gimmicks ranged from the convenient, such as slipping school aid or property tax relief costs into the previous or following fiscal year, to the persistent practice of selling long-term bonds to cover short-term operating costs.

Between fiscal 2002 and fiscal 2006 *alone*, the use of non-recurring revenue and cost deferrals totaled more than \$16 billion including, most prominently:

- Delayed pension contributions (\$4.5 billion);
- Securitization of tobacco settlement, cigarette tax and motor vehicle revenues (\$4.7 billion total);
- Ongoing diversions from the Unemployment Insurance Fund (\$1.6 billion).

NJ's Use of One-Time Revenues & Pension Contribution Deferrals FY 2002 to FY 2006

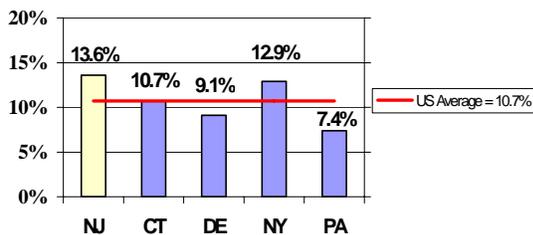


NJ has utilized more than \$16 billion in one-time revenues & pension contribution deferrals over the last five years.

One-time approaches to budgeting mask a simple, critical fact: the State's rate of spending far exceeds its ongoing revenue, which is the core of New Jersey's structural imbalance.

Additionally, budget control has been less than adequate. For example, in fiscal 2005, New Jersey's major tax revenue increased by 13.6% over the previous year, a rate higher than any of its neighbors and above the national average of 10.7%. Unlike other states, however, this increase in revenue did not lead to a large State surplus.

NJ's Increase in Tax Revenues vs. Neighboring States and U.S. Average* FY 2004 - FY 2005



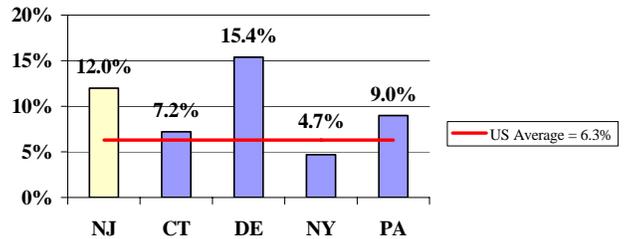
*Nicholas W. Jenny, "Solid Footing for State Finances," Nelson A. Rockefeller Institute of Government State Fiscal Brief No. 75, March 2006, Table 3.

In FY 2005, NJ's tax revenue grew faster than in all neighboring states and the U.S. average.

That is because spending of State resources in New Jersey during that year increased by 12%, nearly double the national average of 6.3%, and would have been even higher if the State's pension

obligations had been properly funded and recognized.

State Resources: NJ's Spending Increase vs. Neighboring States and U.S. Average* FY 2004 - FY 2005

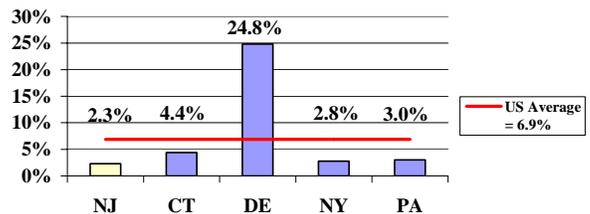


*This spending is from general funds & other state funds, excluding bonds. National Association of State Budget Officers, State Expenditures Report 2004, Table 2.

In FY 2005, NJ's spending increase was higher than all but one of its neighboring states, and was almost double the U.S. average.

The result is that, in fiscal 2005, New Jersey ranked 46th among all the states in the size of its State Budget surplus as a percentage of total State spending. As noted on the chart below, New Jersey ranked lower than all of its neighboring states in this measure. Unfortunately, since fiscal 2002, New Jersey has consistently ranked near the bottom of states, never rising higher than 35th in the country.

NJ's FY 2005 Budget Surplus as Percent of Its Spending vs. Neighboring States & U.S. Average*



* National Association of State Budget Officers, Fiscal Survey of States: December 2005, Table A-12.

In FY 2005, NJ's Budget surplus as a % of its spending ranked 46th among all states.

Over time, the degree of flexibility in the State Budget has decreased sharply as cost growth attributable to mandated programs (e.g., Medicaid), fixed costs (e.g., Employee Benefits),

SUMMARIES OF APPROPRIATIONS

contractual commitments (e.g., collective bargaining settlements), court decisions (e.g., Abbott school districts, Child Welfare Reform), School Aid, and debt service have grown. These items now represent at least \$18.4 billion or approximately 60% of the State Budget.

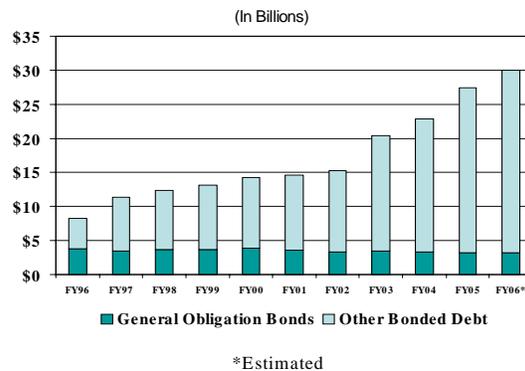
Constitutional and statutory dedications have also increased budget rigidity, as they elevate certain spending above other competing priorities. Examples include Neighborhood Preservation, Shore Protection, and Open Space Preservation which, though laudable in their goals, were typically supported through the dedication of *existing* revenues, thus widening the structural deficit. *Excluding* the \$12 billion constitutionally dedicated from the income tax for property tax relief, program dedications presently lay claim to an additional \$4 billion in State revenue, or 13% of total resources. When added to the non-controllable programs described above, *nearly 75% of State resources are spoken for in a typical Budget.*

Our increased appetite for debt presents a further problem. In the past ten years alone, New Jersey has more than tripled its bonded indebtedness, from \$8.1 billion in fiscal 1996 to \$30 billion in fiscal 2006. As a result, debt service grew by 56% (\$0.9 billion) from fiscal 2003 (\$1.6 billion) to fiscal 2007 (\$2.5 billion), far outpacing base General Fund revenue growth, which increased 22% during that period. Debt Service, as a percent of base State revenues, increased from 10.5% in fiscal 2003 to 14% in fiscal 2007. High profile, high cost programs often were enacted into law, with no distinct revenue source to carry the debt service. Instead, the General Fund typically assumed the burden. Where a new revenue source *was* identified, it was often far less than required. In the case of School Construction, which alone accounted for \$8.6 billion in authorized debt, revenue dedicated from the State's cigarette tax covers only \$50 million (13%) of the estimated \$342 million in debt service projected for fiscal 2007. To make matters worse, savings from debt refinancing were often used to plug holes in the State Budget, which was the case with approximately \$430 million of one-time capital relinquished through a general obligation restructuring implemented in fiscal 2006 and the

deferral of debt payments on cigarette and motor vehicle securitizations.

We intend to continue to seek bond restructuring opportunities to reduce the State's overall borrowing costs. However, we will not use those benefits to meet our operating expenditure needs.

**NJ Bonded Debt
FY 1996 – FY 2006**



NJ's bonded debt has more than tripled over the last decade.

With little room for error, budget planning becomes paramount. However, the budget process in New Jersey has historically focused on the coming year, providing little in the way of multi-year planning to rationalize a larger context for funding decisions. In the absence of a formal long-range financial plan, the structural imbalance can remain hidden or obscured, allowing discretionary spending to continue unabated.

There is no reason to think, absent the application of some tough medicine, that this structural gap is likely to shrink on its own. In short, we will not simply "grow our way" out of this situation, as some would hope. Unconstrained by the actions proposed in this Budget, expenditures were projected to grow at approximately 21% above this year's original appropriation in fiscal 2007, 7% in fiscal 2008, and a similar percentage in fiscal 2009 and 2010. Those projected rates of growth exceed the average rate of growth of our baseline revenues since fiscal 2002.

Indeed, even with a continuation of the spending reductions and revenue enhancements proposed for fiscal 2007, *the current projection for the Fiscal 2008 Budget shows a budget gap of \$1.5 billion.*

Now is the time for *accountability*. Our objective is not to lay blame but to confront reality and honestly address the future. New Jersey residents deserve a hard look at the facts. They require their leaders to consider the options and make difficult decisions as to how we can correct this situation. This Budget begins to accomplish that.

Fiscal 2007 Budget: Achieving Fiscal Balance

This Budget proposes \$30.9 billion in State appropriations, an increase of \$2.6 billion or 9.2% above the \$28.3 billion adjusted appropriation for fiscal 2006. The adjusted appropriation does not include \$400 million in carried-forward spending. When this item is taken into account, the State's current spending in fiscal 2006 amounts to \$28.7 billion. For the most part, this increase is not the result of more services or aid, but rather reflects the true cost of State services already being provided and the elimination of one-time resources in this Budget.

In arriving at that recommendation, it was necessary to solve a structural deficit of approximately \$4.8 billion (17%) when compared to the original Fiscal 2006 Budget. This shortfall includes resources necessary to meet growth in existing programs, 100% funding of the State's pension contribution, a restoration of the homestead rebate to 2004 levels plus 10%, and Governor Corzine's request for \$50 million in critical new programs.

To achieve fiscal balance, the Governor is recommending a total of \$3.0 billion in spending reductions, growth restraint, funding of pensions at the 70% level, an increase of only 10% from the level of the 2005 homestead rebate, and a package of revenue enhancements that will raise \$1.8 billion.

With a deficit so deep, the decisions were often anguishing. As two prime examples, formula-based School Aid, exclusive of pension growth for teachers, is generally flat-funded against the current year budget, as are the major Municipal Aid programs (Consolidated Municipal Property Tax Relief Aid and Energy Tax Receipts). The

depth of this fiscal dilemma simply afforded no other choice.

To determine the best course, several key, guiding principles were applied:

- Constrain the rate of expenditure growth, which had become unsustainable;
- Match recurring expenses with recurring revenues to impose fiscal discipline;
- Spread the fiscal pain as equitably as possible while protecting vulnerable client populations and essential services;
- Aggressively pursue cost saving opportunities, targeting waste, fraud, and abuse, and maximizing federal reimbursements, including program areas where other states have successfully applied efficiencies.

The \$3.0 billion in spending reductions in this Budget may be characterized in three ways: reduced spending growth, cuts in base budget spending, and management efficiencies. Some of the more prominent examples are listed below:

Constrain Spending

- **School Aid and Municipal Aid** are flat funded, exclusive of additional aid for teacher pensions and post-retirement medical benefits;
- **Higher Education (\$122 million):** This Budget does not provide growth for fringe benefits (\$80 million) and salary increases (\$42 million) for senior public colleges;
- **Nursing Homes and Medical Day Care (\$26 million):** Costs will be rebased, however no inflationary adjustment is provided.

Base Spending Reductions

- **Fiscal 2006 Legislative Additions (\$193 million):** Special appropriations for a variety of programs funded by the Legislature in the current fiscal year are eliminated;

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- **Higher Education (\$117 million):** Reductions of 10% in the State subsidy to senior public institutions (\$89 million), county colleges (\$16 million) and a 50% reduction in aid to independent colleges (\$12 million), all of which will need to seek the same types of cost efficiencies that the State plans to employ.

Efficiencies

- **Prescription Drug Savings (\$145 million):** A series of cost-savings initiatives in pharmaceutical drugs totaling \$145 million, including bulk purchasing and expanded use of generic drugs, will reduce budget growth in programs such as Medicaid, Pharmaceutical Assistance for the Aged and Disabled (PAAD), and the State Health Benefits Program. Rather than purchasing drugs separately, these programs will join together to secure the best price possible. These measures represent wise business practices, many of which have been aggressively employed in other states;
- **Human Services – Shift to Federal (\$118 million):** This initiative in the Department of Human Services shifts eligible State salary costs to available federal funds at the seven State developmental centers by taking advantage of prior year revenue enhancements and projected increases in fiscal 2007 federal revenue (\$112 million), and in the Division of Mental Health Services by claiming federal matching funds for certain administrative expenditures (\$6 million);
- **Fraud Detection (\$55 million):** Enhanced oversight of spending patterns in Medicaid and General Assistance through increased auditing and investigative staff. The base appropriation will be reduced to an amount that more accurately represents the true cost of the program, thus services will not be sacrificed.
- **Abbott District Afterschool/Summer Co-payment (\$30 million):** Families

living in Abbott school districts and earning more than \$60,000 per year will pay part or all of the cost of afterschool and summer child care for three- and four-year-olds.

In addition, a Hospital Provider assessment will generate \$430 million in new revenue, half of which (\$215 million) would go to the General Fund as budget relief. The remaining amount will leverage federal matching funds; therefore, the hospital industry will receive a total of \$430 million, the same value as the tax, in the form of higher Medicaid payments.

On the revenue side, there are base revenues totaling \$29 billion and revenue enhancements of \$1.8 billion. With regard to the latter, the largest recommendation is a one percentage point increase in the State sales tax rate, from the current 6% to 7%. In addition, the application of the Sales Tax would be expanded to capture certain consumer services that, since the inception of the tax in 1967, have come to comprise a large and growing portion of our economy. The full Sales Tax initiative is estimated to raise \$1.4 billion in new revenue annually, accounting for over 70% of the total revenue enhancements proposed for fiscal 2007. Other major revenue initiatives are highlighted below:

Miscellaneous Revenues - State Programs

\$100m	Urban Enterprise Zone Reform - reduce fraud and abuse by requiring qualified businesses to collect the full sales tax on equipment purchases and subsequently seek a rebate from the State;
\$60	Corporation Business Tax (CBT) - surcharge of 2.5%, effective on or after January 1, 2006. (The CBT currently accounts for approximately 8% of total State revenue collections.)
\$50	State Disability Benefit Fund (TDI) - transfer of a portion of the existing balance from this Fund;
\$38	NJ Turnpike Authority – transfer of revenue to offset the Department of Transportation’s operating costs for maintaining State highways;
\$36	Audit and Enforcement Collection;

\$24	Rural Policing – certain localities who request State Police patrol services will reimburse the State for a portion of that cost based on budget language.
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Other Revenue Initiatives

\$80m	Cigarette Tax - increase of 35 cents, from the current \$2.40/pack (of 20) to \$2.75/pack (of 20);
\$17	Realty Transfer Tax - Commercial Property Exceeding \$1 Million – expand existing Realty Transfer Tax surcharge on residential property to include commercial buildings, effective July 1, 2006;
\$17	Surcharge on New Luxury Car Registrations (Value-based) – one-time registration fee of 0.4% on newly-registered vehicles (after June, 2006) applied to two types of vehicles: those with a sticker price of \$45,000 or more and fuel-inefficient vehicles with an EPA rating of less than 15 miles per gallon;
\$12	Water Supply Surcharge - increase of .04 cents/1,000 gallons, dedicated to water supply capital projects;
\$12	Alcoholic Beverage Excise Tax - increase of 5 cents/gallon on beer (i.e., from current 12 cents to 17 cents/gallon), 10 cents/gallon on wine (i.e., from current 70 cents to 80 cents/gallon) and liquor (i.e., from current \$4.40 to \$4.50/gallon), effective July 1, 2006.

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

Fiscal 2006 - Managing the Current Budget

Continuing the trend from last year, the Fiscal 2006 Budget is being managed without mid-year program reductions, although restrictions on statewide hiring and other management efficiency measures have been implemented. Revenues are

slightly above the original estimate that was made at the time of the Appropriations Act, but several supplemental appropriations and funding reallocations are necessary to accommodate additional spending requirements. A number of accounts with under-spending have been identified to accommodate these needs, and those resources, combined with a higher than expected opening balance, will allow fiscal 2006 to close with a prudent fund balance of over \$800 million.

Some of the larger supplemental spending needs projected for fiscal 2006 are summarized below.

- \$92 million – Education Opportunity Aid to Abbott school districts mandated by court decisions and based on final awards;
- \$70 million – Medicaid and a FamilyCare shortfall caused by higher than anticipated enrollments, increased drug costs, and a shift to the General Fund of costs that are no longer supported by the Health Care Subsidy Fund;
- \$66 million – Special Municipal Aid to municipalities facing the most severe fiscal conditions to assist them in recovering from fiscal distress and improving management and financial practices;
- \$33 million – Nursing Homes and Medical Day Care increased utilization costs;
- \$22 million – Reimburse counties for the cost of housing State inmates in county correctional facilities;
- \$17 million – Additional School Aid;
- \$14 million – Snow removal;
- \$13 million – Energy Assistance programs for low-income residents;
- \$12 million – Expansion of court-mandated preschool programs in Abbott school districts.

SUMMARIES OF APPROPRIATIONS

Fiscal Year 2007 Budget Compared to Fiscal Year 2006 Budget				
(in Millions)				
	FY 2006	FY 2007	Change From	
	Adjusted		Budget	FY 2006 - FY 2007
	<u>Appropriation</u>		<u>\$</u>	<u>%</u>
State Aid	11,529	12,505	976	8.5%
Grants-in-Aid	9,423	10,335	912	9.7%
Operating Departments	4,185	4,082	(104)	(2.5%)
Interdepartmental	1,867	2,245	378	20.2%
Capital Construction	1,091	1,275	184	16.8%
Debt Service	169	433	263	155.6%
Total Appropriations	<u>\$28,265</u>	<u>\$30,875</u>	<u>\$2,609</u>	9.2%

When viewed by category of funding, the recommended Fiscal 2007 Budget is allocated as follows:

- \$22.8 billion (74%) is either State Aid (\$12.5 billion, 40.5%) or Grants (\$10.3 billion, 33.5%);
- Direct State Services (DSS) totals \$6.3 billion (20.5%). When adjusted for required increases in the Department of Children and Families and without Interdepartmental, Judiciary, and the Legislature, the DSS recommendation for Executive Branch Departments decreases by approximately \$197 million, or about 4.9%.
- State Aid increases by \$976 million or 8.5%;
- Grants increase by \$912 million or 9.7%;
- General Obligation debt service increases by \$263 million due to restructuring, which provided immediate budget relief in fiscal 2005 and 2006, rather than being scheduled over time.

GOVERNOR'S PRIORITIES

Governor's Priorities

Tax Relief for Lower Income Working Families

Supporting Special Education Needs

Increasing Affordable Housing Opportunities

Investing in Our Youth: Increasing Afterschool Care

Expanding Health Insurance for Children

Fighting Hunger

Reducing Gang-Related Violence

Promoting Women's Health

Addressing Violence Against Women

Children and Families

Economic Growth

Homeland Security

Governor's Priorities - Overview

In slightly more than a decade, New Jersey has gone from an economic powerhouse to financial distress. The severe budget crisis in the State means the Corzine Administration is forced to make tough and painful choices. This Budget compensates for some of the most painful choices by investing limited resources to protect, and increase opportunities for, New Jersey's most vulnerable citizens. These investments include expanding opportunities for affordable housing, eliminating the income tax burden on the lowest paid New Jerseyans, investing in special education to provide relief to schools and families, fighting hunger, improving child welfare, addressing the gang violence that plagues our communities and our homes, and expanding health care for children and low-income women. These choices embrace

the values of equality, opportunity, and fairness for all New Jerseyans.

Tax Relief for Lower Income Working Families

A signature initiative of Governor Corzine's Budget is his proposal to entirely eliminate the income tax burden on 414,000 households, and to significantly reduce the income tax on an additional 200,000 taxpayers. This initiative will help seniors who are working to supplement their Social Security checks, single mothers struggling to balance part-time jobs with child care, college students paying their way through higher education, and men and women who work hard every day, but earn too little to get ahead.

SUMMARIES OF APPROPRIATIONS

Governor Corzine believes strongly that we should mitigate the impact of the spending cuts and taxes in this Budget on the most vulnerable among us. Even those working above the minimum wage have difficulties making ends meet and obtaining financial independence. We must keep those who are struggling to put food on their families' tables and earn enough to pay their monthly rent checks from falling farther into the likelihood of poor health, deficient housing, and other consequences of inadequate resources.

In the effort to break the grip of poverty in our communities, the 100% refundable credit will be given to married couples with total taxable income below \$25,000 and to singles (and married couples filing separately) below \$15,000. A partial credit will be provided to these New Jerseyans as their income rises and they ease into becoming full taxpayers at \$30,000 (married) and \$20,000 (single). With a budget impact estimated at \$105 million per year, this tax relief will help ensure that these families are financially secure.

Supporting Special Education Needs

Federal funding for special education falls dramatically short of federal promises and shortchanges the needs of special education students. When the Individuals with Disabilities Education Act (IDEA) was first established, the federal government promised to pay 40% of the national average per pupil expenditure; however, the federal government has never fully funded IDEA. For fiscal 2007, the federal government proposes to fund just 17% of its obligation. Governor Corzine recognizes this shortfall and seeks to assist school districts in meeting the high costs of special education.

Since 2000, the number of children classified as autistic has more than doubled from 3,300 to 7,400. More specifically, New Jersey appears to be experiencing an increase in the incidence of autism spectrum disorders, which are a group of life-long developmental disabilities characterized by differences in social interaction, communication skills, and behavior. Autism spectrum disorders include autistic disorder, pervasive developmental disorder, and Asperger's disorder.

In New Jersey, many students with autism are currently educated in out-of-district separate public or private programs, which are typically the most expensive special education placements. In 2005, about 40% of students with autism were educated in out-of-district separate public or private programs, compared to 9% of all students with disabilities.

To address these trends and high costs, approximately 140 school districts across the State have started autism programs within their districts. Of those districts, about 50, or 35%, increased the number of autistic programs they provided last year.

The Governor seeks to address some of the immediate needs of school districts that operate or plan to operate in-district programs for students with autism spectrum disorders. This Budget proposes \$15 million for a grant program for districts to help with their planning and start-up costs of these programs. Districts will be able to use these funds for professional development, personnel costs, special education teachers, program coordinators, behavior intervention specialists, parent outreach, transition planning, assistive technology, and similar activities. Multiple districts will be able to apply for the grants jointly if they have plans to collaborate on programs that serve multiple communities.

While proposing this \$15 million in funding to support students with autism spectrum disorders, the Governor also recognizes that school districts face challenges in serving special education students with other needs. This Budget includes \$4.5 million in new grants funding for planning and start-up costs for districts that seek to develop or enhance their special education programs. Many districts are facing high costs to send special education students to out-of-district placements, and they cannot afford the planning and start-up costs for in-district programs in addition to their immediate special education costs. Like the grants to develop capacity for in-district programs for students with autism spectrum disorders, these grants will be available for activities such as professional development, personnel, transition planning, and assistive technology. We intend to encourage cross-district planning so we can begin

an effective and efficient multi-district approach to meeting the needs of this most vulnerable population.

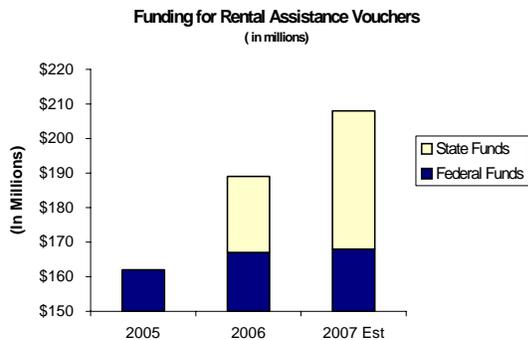
Increasing Affordable Housing Opportunities

Skyrocketing housing prices have contributed to making New Jersey increasingly unaffordable for too many families. The most recent data available from 2004 shows that in New Jersey, 38% of households with a mortgage and more than 47% of all renting households spent more than 30% of their income on housing costs, which is the widely accepted standard for affordability.

To combat this challenge, Governor Corzine is committing to create and preserve 100,000 units of housing that is affordable for low- and middle-income families over the next 10 years.

Increased Funding - Rental Assistance Program

More than 40,000 New Jerseyans are currently on waiting lists for affordable rental housing vouchers. The NJ State Rental Assistance Program (SRAP) was implemented in May 2005, providing a boost to federal Section 8 rental assistance. Governor Corzine proposes increasing State resources for SRAP by \$15 million, including a \$10 million increase in State appropriations and \$5 million in dedicated dollars from the Balanced Housing Fund. This raises total State resources for this program to \$40 million, which will provide rental vouchers to allow an additional 1,500 families to afford decent housing.



With increased State resources, state-funded rental assistance vouchers will almost double, to 4,100 vouchers in FY 2007.

Making Homeownership Affordable

Helping to fulfill the dream of home ownership for New Jerseyans is a means for empowering people while investing in New Jersey’s future. This Administration will work to increase homeownership opportunities for everyone in this State, which in turn allows New Jersey’s residents to make a positive contribution to the economy.

Last year, the State, through the Housing Mortgage and Finance Agency (HMFA), provided 600 first-time homebuyer mortgages. The Corzine Administration proposes to double the amount of first-time homebuyer mortgages provided to 1,200 in fiscal 2007 at no cost to our General Fund. These first-time homebuyer mortgages are necessary investments in New Jersey’s most precious asset: its people.

Investing in our Youth: Increasing Afterschool Care

The hours after school are a vital time for children and youth to experience enriching programs and activities that will improve their academic performance and keep them safe and productive. Afterschool programs provide children and youth with an important alternative to harmful activities, like drinking, drugs, violence, or gang-related activities.

According to a survey commissioned by the Afterschool Alliance, approximately one in four New Jersey children of working families is unsupervised in the afternoons. These “latchkey” children spend an average of nearly seven hours per week unsupervised after school.

The Budget reflects Governor Corzine’s renewed commitment to afterschool activities to address this unmet need. This is also a significant component of the Governor’s gang violence initiative. The proposed Budget would double funding for the New Jersey After 3 program to \$15 million to cover 2,000 more children by the end of the 2006-2007 school year.

With these additional funds comes additional responsibility. New Jersey After 3 is a public-private partnership that awards grants to non-profit

SUMMARIES OF APPROPRIATIONS

organizations to run high-quality afterschool programs at elementary and middle schools. This program is uniquely positioned to leverage private dollars for afterschool care, and this Budget requires that they commit to raising additional private funds to serve even more children.

New Jersey After 3 provides a significant return on investment. Research has shown that every dollar invested in afterschool programs will save taxpayers approximately \$3 in improved school performance, increased future wages, and reduced crime and welfare costs. The benefits from afterschool activities are even greater for at-risk children, who are likely to have repeated problems with crime, drugs, or other challenges; each dollar invested in afterschool programs for an at-risk child has a return of \$8 to \$12. This is an investment New Jersey cannot afford to let pass.

Just as New Jersey After 3 holds its grantees to a high level of accountability, the State intends to hold New Jersey After 3 accountable for serving more children and expanding the pool of resources for afterschool programs through private fundraising. In addition, the Governor would like to see increased coordination between New Jersey After 3 and the other State and non-profit afterschool programs. This increased coordination will help ensure that more children and youth have access to high quality afterschool programs.

Expanding access to afterschool programs is not the Governor's only goal. New Jersey After 3 will also enhance the quality of afterschool programs statewide by working with the Department of Education, the Department of State, and other agencies to integrate more cultural, art, and historical activities and events into afterschool programs. This cultural enrichment will provide unique learning opportunities during the afterschool hours.

Expanding Health Insurance for Children

In addition to being a moral imperative, providing health insurance for children is vital to New Jersey's overall health. Expanding insurance coverage for children increases access to preventive and primary care, thereby improving

health outcomes and school attendance; reducing caretaker absenteeism from work, emergency room visits and charity care costs; and lessens stress and financial difficulties for families. In short, healthier children create healthier families and a healthier New Jersey. That is why Governor Corzine is investing \$5 million in FamilyCare. These funds, together with \$9.3 million of federal funding, will enable New Jersey to cover 50,000 additional children by June 2007.

New Jersey's strong commitment to insuring children dates back to 1998 when it created the NJ KidCare program. New Jersey's investment in KidCare enabled the State to leverage increased federal dollars – on a 65% federal match basis through the State Children's Health Insurance Program (SCHIP) – to help uninsured children access affordable health coverage. When KidCare first began, it provided free to low-cost health insurance for children in families earning up to 200% of the federal poverty level. In 1999, New Jersey strengthened its commitment to children using State-only funding to include children with family income up to 350% of the federal poverty level.

Over time, as KidCare evolved into the NJ FamilyCare program, through the addition of uninsured adults, one thing has remained constant – New Jersey is a national leader, covering nearly 400,000 of New Jersey's most vulnerable children in families who earn less than 133% of the Federal Poverty Level (\$26,600 for a family of four) and an additional 111,000 children in families who earn between 133% and 350% of the Federal Poverty Level (\$70,000 for a family of four). Despite the strengths of this program, however, too many children remain uninsured in New Jersey. Governor Corzine believes we can and will do better.

The 2005 "Family Health Care Coverage Act," sponsored by Senator Joseph Vitale, reformed the program and provided for an expansion of FamilyCare and Medicaid eligibility. In order to build on Senator Vitale's leadership and the Legislature's momentum toward achieving universal health coverage for children, Governor Corzine proposes \$5 million in additional State funds to strengthen FamilyCare. Through

aggressive interdepartmental collaborative efforts to maximize existing enrollment opportunities, as well as through targeted marketing and outreach, New Jersey will reach its goal of enrolling an additional 50,000 children by June 2007. Together, we will fulfill the promise of FamilyCare.

Fighting Hunger

In one of the most affluent States in the nation, approximately 1.6 million New Jerseyans still go to bed hungry, including roughly 470,000 children. That is why, despite severe fiscal constraints, Governor Corzine finds it unacceptable to leave these individuals behind in this Budget. For the last 11 years, New Jersey has spent only \$338,000 on hunger alleviation programs, the bare minimum necessary for New Jersey to receive matching federal funds. Approximately 500,000 New Jerseyans are turned away every year when they seek assistance in feeding themselves and their children.

The Budget calls for an investment of \$3 million in the Department of Agriculture's Food Distribution Program, which services the major Emergency Feeding Organizations and 660 food pantries, soup kitchens, and homeless shelters. With this increase in funding, New Jersey will take a large step toward alleviating hunger, enabling the Department of Agriculture to purchase 4.7 million pounds of food. This investment will expand the availability of food for more than 1.1 million individuals who already rely on the program and help feed an additional 500,000 people. Purchasing priorities will be to buy locally first and regionally second, when available.

While extensive reductions in state aid are necessary, we have a moral responsibility to support New Jersey's most vulnerable citizens. This investment— in conjunction with a \$1 million capital investment to improve food storage systems at distribution centers – makes significant strides toward alleviating hunger in the State.

Reducing Gang-Related Violence

Gangs have terrorized our neighborhoods for too long. Children should not be afraid to walk home from school, parents should not worry when their

children play outside, and law-abiding citizens should not be afraid to walk through their neighborhoods at night.

The Department of Law and Public Safety estimates that New Jersey's gang population has more than doubled in the last five years, from 7,400 in 2001 to 17,000 members today. The rapid growth of gang activity has spread beyond traditional law enforcement jurisdictions, necessitating pro-active regional and statewide solutions.

Governor Corzine's Budget includes \$2 million as the start of a new commitment to work with law enforcement, localities, and community partners to comprehensively reduce gang activity and ensure that our corrections and parole agencies better prepare individuals to be productive citizens upon their return.

Prevention

Keeping Children Safe After School Hours

According to FBI statistics, children are most vulnerable to juvenile and gang-related crime violence between the times of 3 p.m. and 6 p.m. Afterschool programs provide educational and recreational activities during these critical hours for otherwise unsupervised children. Studies have shown that afterschool programs can reduce juvenile crime and violence by 30% to 75%.

Governor Corzine plans to increase funding for New Jersey After 3, to provide opportunities for 13,000 children – 2,000 more than currently served – to participate in afterschool programs through the State, especially in neighborhoods with high gang activity.

Helping Children Combat Gang Recruitment

Helping our children to combat the pressure to join gangs should be a key component in any anti-gang strategy. *Project Phoenix* is a nationally recognized, gang prevention, curriculum-based program, sponsored by the Department of Education and the Juvenile Justice Commission (JJC). It currently serves 2,700 children in JJC facilities and county-operated detention centers. It has also been implemented in six schools – two in

SUMMARIES OF APPROPRIATIONS

Newark, two in Trenton, and two in Camden – serving 300 at-risk children. Governor Corzine seeks to expand this program by \$250,000 to include 100 more schools across the State, empowering an additional 5,000 more children to avoid gangs. This represents a seventeen-fold increase in the number of school children across New Jersey served by gang prevention education programs.

Criminal Justice

Dedicating Criminal Justice Resources to Fighting Gang-Related Violence

Bold and innovative action is necessary to dismantle gangs by bringing their members to justice. As a major step in that direction, the Attorney General will create a new “gang violence/organized crime” unit within the Division of Criminal Justice. The reorganization will focus exclusively on prosecuting gangs and organized crime units. This measure will not require additional resources in the Fiscal 2007 Budget.

Operation CeaseFire Expansion

Operation CeaseFire is a community-based response to gun violence in Newark and Irvington. Partnering with criminal justice, government, social service, faith-based, and community organizations, Operation CeaseFire reviews previous shootings in neighborhoods to prevent future shootings, conducts outreach to gang victims, and hosts prayer vigils and peace walks in neighborhoods where multiple shootings have occurred to show support to area residents.

Since the beginning of the program, shootings in the Newark and Irvington target areas have declined by 30%. The \$750,000 investment in Governor Corzine’s Budget would quadruple the Operation CeaseFire program, extending its reach to Trenton, Camden, and Jersey City, and enhancing existing services in Newark and Irvington.

Investing in Re-entry: Halfway Back

By investing in effective programs that assist former prisoners in transitioning home, we can help them become productive members of their communities and avoid the pressures that can lead

to gang membership. Sound re-entry policy and programs promote individual responsibility, reduce recidivism, and increase efficiency.

This Budget invests \$1 million in Halfway Back (HWB) to support additional parolees in making safe, productive decisions as they re-enter our communities. These residential treatment facilities provide structured treatment services to those who have committed technical parole violations so they do not return to prison. Services include drug treatment, relapse prevention, life skills training, anger management, employment counseling, and housing and transitional support services. According to research conducted by Drexel University in 2004, offenders who completed the New Jersey HWB program reduced their rate of recidivism by more than 30%.

HWB currently operates in seven facilities across New Jersey, utilizing 650 beds and serving an annual population of 2,400 people enrolled in four-month programs. The \$1 million increase would result in an additional 50 beds, serving an additional 150 parolees annually.

Promoting Women’s Health

Increasing health care costs and declining federal support add to the rising costs of family planning services. Governor Corzine is committing \$2 million to promote women’s health through family planning services in the Department of Health and Senior Services’ Division of Family Health Services. Family planning programs in New Jersey currently provide reproductive health care services to more than 124,000 women and men throughout the State. This additional funding will support an additional 4,500 patients, expand hours of operation, and reduce waiting periods for patients, both for scheduling appointments and for clinic services. Along with this added funding, Governor Corzine calls on the family planning agencies to focus on private fundraising efforts with the goal of matching their private funding to their State funding.

Family planning services often serve as the only source of primary health care services for low income and working poor families who would otherwise not seek traditional preventive health

care. In addition, these services help prevent unintended pregnancies, lower the rate of abortion and sexually-transmitted diseases, substantially decrease the risks of infant mortality, and provide prenatal care, HIV testing and counseling, as well as essential screenings for breast and cervical cancer, hypertension, and diabetes. Every public dollar spent on family planning services saves an estimated \$3 in Medicaid costs – a solid return on investment.

Addressing Violence Against Women

Nationwide, one in four women report they have been physically or sexually assaulted by an intimate partner in their lifetime. Domestic violence affects families of all different backgrounds, and survivors of domestic violence need support and security. Governor Corzine is committing \$1 million to address violence against women through grants from the Department of Law and Public Safety's (LPS) Division of Criminal Justice. LPS currently distributes grants to support domestic violence survivors through non-profit agencies and other programs. These programs provide legal and medical assistance, counseling, and other important supports to address domestic violence and related issues. The proposed additional \$1 million will expand the number of grants awarded to approximately 75 – a 50% increase that will ensure that many more women and their families will receive the support they need.

Creation of Department of Children and Families

This Budget reflects Governor Corzine's commitment to helping those who cannot help themselves, and children are central to that commitment. New Jersey's child welfare system has been in a state of crisis. Nearly three years ago, the State settled a federal class action lawsuit alleging the system's failures placed children at risk of harm. Almost two years ago, the State submitted a comprehensive plan to reform all aspects of the child welfare system, which has been monitored by a panel of national child welfare experts appointed by the federal court.

The panel has determined in its monitoring reports to date that implementation of the reform plan has been unacceptable in certain respects. If there is any area that should be marked by urgency, this is it. The stakes for the most vulnerable New Jerseyans could not be higher. A meaningful part of the problem has been that the child welfare system is embedded in one of the largest agencies in State government, the Department of Human Services (DHS). In addition to child welfare, DHS is responsible for the enormous Temporary Assistance for Needy Families (TANF) and Medicaid programs; services for persons with developmental disabilities, including the publicly-operated developmental centers; mental health programs, including public psychiatric hospitals; addiction treatment and prevention, and a host of other critical programs for disabled and vulnerable New Jerseyans.

Aggressive reform of the child welfare system requires a focus that is not possible under the current structure. New Jersey needs a Cabinet agency devoted exclusively to the State's most vulnerable children and families. In addition, Human Services clients, such as those with disabilities and mental illness, will greatly benefit from a streamlined DHS with a smaller, more focused purview. Governor Corzine looks forward to working cooperatively with the Legislature to make the necessary statutory changes to create the New Jersey Department of Children and Families (DCF) to provide this focus for both populations.

Because results must be achieved quickly, DCF will begin on July 1st, and will initially be composed only of the divisions in DHS focused on child protection, welfare, education and permanency, child behavioral health and abuse prevention. A new interim body, the Governor's Task Force on Human Service Restructuring, will be empanelled to evaluate existing resources within State government and to make recommendations for efficiency and alignment of resources to improve services in the areas of child welfare in DCF and for vulnerable residents being served by DHS. Structural change will not be a panacea; there is no such thing but it is an essential element of success in an area where failure is not an option.

SUMMARIES OF APPROPRIATIONS

Economic Growth

In an increasingly competitive economy, New Jersey must take bold action to create new jobs statewide in order to enhance tax revenue without tax increases and simultaneously reduce reliance on State-funded, safety-net programs.

In order to better manage our economic assets in austere fiscal conditions, Governor Corzine created the Office of Economic Growth in the Governor's Office, the first time in our State's history that a governor has made economic growth a central priority.

The Office of Economic Growth will coordinate the actions of State government, while working with municipal and county business, labor, community, and government leaders to grow the economy and create jobs. The Governor will also create an Economic Growth Council to regularly advise his Administration on the Office's progress.

The Governor has instructed the Economic Growth Office to work with his entire cabinet to develop and implement a business plan that will accomplish the following goals:

- Ensure that business climate and corporate tax policy are conducive to economic growth in both local communities and international trade;
- Build an innovative economy centered around a world-class workforce;

- Invest in critical infrastructure: transportation, energy, and technology; and
- Encourage entrepreneurship and small, minority and women-owned businesses.

Homeland Security

Governor Corzine recognizes that protecting New Jersey's citizens and critical assets is the top priority for the State of New Jersey and its Governor. We have entered into a new threat era with acts of terrorism, natural disasters, catastrophic events, and pandemics that require a new operational, all-hazard paradigm and approach to homeland security and emergency preparedness. For this reason, the Governor has created through executive order the Office of Homeland Security and Preparedness, which will be led by a cabinet-level Director who will advise the Governor and coordinate emergency response efforts across all levels of government, law enforcement, emergency management, non-profit organizations, agencies, authorities, other jurisdictions, and the private sector to greatly enhance the safety, security, and preparedness of New Jersey. The Director will have complete responsibility for overseeing, planning, and distributing State and federal funding for homeland security and emergency preparedness solely on the basis of risk, threat, and vulnerability, will eliminate duplication, ensure the most effective use of limited resources, and guarantee that funds are used for appropriate and necessary purposes.

CAPITAL IMPROVEMENTS

Capital Improvements

Parks, Forests, Wildlife Management Areas, and Historic Sites

Homeland Security Critical Infrastructure

Child Advocacy Centers

Homeless Shelters

Community Residences for People with Developmental Disabilities

Homeless Veterans Shelters

Substance Abuse Treatment and Recovery Centers

Women's Shelters

Food Distribution Centers

Rape Care Centers

Capital Overview

In preparation for presenting this budget proposal, the Administration identified a number of program changes and other steps that would generate \$80 million in one-time revenues. Since Governor Corzine is committed to the principle that ongoing operating expenses should be funded with recurring, not one-time, revenues, he has proposed that the \$80 million be used to fund a variety of one-time capital improvements that are overdue

and will help improve the quality of life for the people of New Jersey.

Parks, Forests, Wildlife Management Areas and Historic Sites

New Jersey's parks and other natural areas contribute to the beauty of our State and are a worthwhile environmental and economic investment. With the recent addition of three new urban State parks in Trenton, Paterson, and River

SUMMARIES OF APPROPRIATIONS

Edge, New Jersey's State park system has grown to 42 State parks, 11 forests, 3 recreation areas, 43 natural areas, and more than 50 historic sites and districts. Governor Corzine will put a down payment on the estimated \$250 million in deferred capital and maintenance needs for these programs by devoting \$40 million in one-time capital funds for maintenance and preservation.

Over the past five years, the Department of Environmental Protection (DEP) has maintained an average of 15 million visitors per year to the State park system's sites and facilities, exceeding the 50-state average of 11 million visitors per year. Since 1990, annual visitation to the state's parks, forests, and historic sites has increased by 4.5 million.

The impact of our State parks and forests on the State and local economies is substantial. According to a 2004 DEP study, the estimated value of the benefits of maintaining our State parks and forests is at least \$1.2 billion annually, or \$30 billion over a 25-year period. This includes indirect economic activity generated by recreation and tourism expenditures, as well as ecosystem services that include watershed and groundwater protection, flood control, water purification, wildlife conservation, biodiversity preservation, and storage of carbon. In addition, maintaining and preserving our parks and forests translates to the direct creation of almost 14,000 jobs, positively impacts property values, and provides enhanced public services, including education.

The proposed appropriation of \$40 million will provide an important start for much-needed capital improvements in our State parks, forests, wildlife management areas, and historic sites. Specific projects include restorations to State-owned historic sites like Batsto and Atsion Mansions, Rockingham, Waterloo Village, historic train sheds at Liberty State Park, and the DEP's most recent acquisition, the office and homestead of "Doctor" James Still in the Pinelands. DEP will also undertake critical health and safety improvements including demolition of unsafe structures, asbestos removal, lead abatement, air quality improvements, fire safety measures, dredging of our marinas, and barrier-free access improvements.

Funding will also be used to create new campsites at places like Wawayanda State Park and to upgrade existing campgrounds throughout the park system. Also, many of our popular trails will be improved for public enjoyment.

Maintaining our State parks, forests, wildlife management areas, and historic sites in good repair ensures that the value they provide, not only for recreational and conservation purposes, but also economic purposes, is carried forward for future generations.

Homeland Security Critical Infrastructure

Not a moment passes without a reminder of the way the September 11, 2001 terrorist attacks transformed American life. Our State's location and highly developed infrastructure – ports, chemical plants, bridges, tunnels, highways, and transit systems – make New Jersey a leading target for potential attacks. The most critical job of government must be to keep the people safe and secure, and the Corzine Administration is committed to doing just that. That means coordination across all levels of government: cooperation among State agencies, the private sector, and public health facilities; solid intelligence-gathering and analysis; timely dissemination; and clear lines of command, control, authority, and responsibility. This Budget invests \$20 million in the Office of Homeland Security and Preparedness for one-time homeland security needs, such as resources for interoperable communications, tools for intelligence sharing, and enhanced infrastructure protection.

Child Advocacy Centers

Child Advocacy Centers provide essential services for children and families when a child is suspected to have been sexually or physically abused. The expansion and improvement of these services will allow New Jersey to conform with national best practices for addressing and prosecuting child abuse. These centers co-locate law enforcement, mental health, and State child protective services, so that children that allege sexual abuse can tell their story and then benefit from state-of-the-art forensic interviewing, videotaping, and analysis.

Partnering with New Jersey's Regional Diagnostic Treatment Centers – unique services with physicians and clinicians specializing in the detection and treatment of child abuse – Child Advocacy Centers will afford families and children the support and services needed in these crises. Preliminary research finds that Child Advocacy Centers reduce the number of child abuse interviews per victim, improve collaboration among agencies, result in fewer foster care placements for children, and increase prosecution and conviction rates.

Child Advocacy Centers have developed as a result of a modest initial investment. These funds have enabled programs to get started, but few resources have been invested in capital. Governor Corzine is devoting \$5 million for a grant program in the new Department of Children and Families for one-time capital improvements to ensure that children feel safe and get the most appropriate treatment during these traumatic times.

Homeless Shelters

Governor Corzine is committed to leveraging limited resources to assist one of our most vulnerable populations: the homeless. By investing an additional \$5 million in capital improvements for New Jersey's Shelter Support Program, the Corzine Administration will help ensure that homeless individuals and families have a safe and accessible transitional "home" in times of need.

The Shelter Support Program is part of a coordinated, inter-departmental State effort that assists local governments and private, not-for-profit organizations in providing for the homeless community. This program provides funds to renovate, improve, and expand existing homeless shelters and transitional housing.

Last year, the State spent \$2.3 million, with an additional \$1.5 million in federal funding, for capital expenditures in the Shelter Support Program. Governor Corzine's Budget proposal would more than double the State investment in homeless shelter improvements by investing \$5 million to add new beds, repair leaking roofs, provide heating systems, repair fire safety and building code violations, improve handicapped

accessibility, replace doors and windows to make homes secure, and upgrade outdated electrical systems. This will enable shelters to increase their capacity and enhance health and safety conditions for the populations they serve.

Community Residences for People with Developmental Disabilities

Consistent with the United States Supreme Court's *Olmstead* decision, Governor Corzine is committed to increasing the availability of residential and rehabilitation opportunities in the community for individuals with developmental disabilities. This initiative will enable people with disabilities to move from more restrictive institutional settings, such as hospitals, developmental centers, and nursing homes, to residential programs with appropriate services and supports located in the community.

The *Olmstead* decision requires each state to ensure that individuals with developmental disabilities are served in the most integrated settings possible. Governor Corzine proposes to invest \$3 million in State capital funds through the Department of Human Services to create increased capacity within our communities. These resources are in addition to a dedicated investment by the Department of Human Services (DHS) to support the placement of a significant number of individuals from developmental centers into the community beginning in fiscal 2007 as part of New Jersey's *Olmstead* initiative goals.

This infusion of capital will fund special needs homes and apartments. To meet the critical concerns of this population, a portion of the funding will be used to ensure that the special needs homes will be accessible for individuals with ambulation difficulties. Also, some of the homes will specialize in supporting individuals with behavioral challenges, medical needs, or both.

Homeless Veterans Shelters

Homelessness is the most severe form of poverty and a social condition that affects far too many New Jerseyans, including veterans who have

SUMMARIES OF APPROPRIATIONS

served our nation. According to the Department of Military and Veterans Affairs (DMAVA), approximately 8,000 of New Jersey's veterans are homeless.

These men and women served our nation proudly, and it is unconscionable for the State to leave them out in the cold. Governor Corzine proposes investing \$2 million in one-time capital improvements to ensure that veterans have access to transitional housing. This capital allocation will be used by DMAVA to renovate existing facilities to create 30 new beds for our homeless veterans. This investment is a small but important step in the process of fostering self-sufficiency and improving the quality of life for New Jersey's veterans.

Substance Abuse Treatment and Recovery Centers

Substance abuse has harmful effects on personal lives, families, and our communities. Too often, children are put in harm's way as a result of the drug or alcohol use of their parents, and families are torn apart. Prevention and treatment of substance abuse is essential to minimizing these harmful effects. DHS regulates addiction treatment programs ranging from residential treatment to outpatient centers for more than 50,000 individuals each year, including 9,000 young adults, teenagers, and even children. Many of the treatment agencies are in serious need of expansion and renovation, and many cannot safely and adequately accommodate annual admissions; for every one person treated, two are waiting. The Fiscal 2007 Budget will invest \$2 million in capital improvements for New Jersey's addiction treatment centers to help pay for additional rooms, beds, and significant repairs. This capital investment will be administered as a grant program for licensed, publicly-funded agencies, directed through the Division of Addiction Services within DHS.

Women's Shelters

Women's domestic violence shelters throughout New Jersey provide temporary housing to women and their children fleeing abusive situations, with an average length of stay of about a month. Each year, the Department of Community Affairs (DCA) receives an overwhelming number of

applications from the 22 women's shelters located throughout the state for grants for capital improvements. Under the current funding level, most grant applications cannot be filled completely, and many are denied outright, leaving these shelters in a state of disrepair.

This Budget adds \$1.5 million in one-time capital investments through DCA's Division on Women to allow women's shelters to not only improve their existing facilities but also to add more beds and serve an increased number of survivors of domestic violence. In 2004 (the most recent data available), these shelters served nearly 1,700 women and approximately 2,000 children. Due to lack of capacity, however, over 1,900 women and children were turned away. This increased funding will allow for the shelters most in need to expand capacity and improve the upkeep of their buildings so that every woman seeking a safe haven can be served.

Food Distribution Centers

As part of New Jersey's effort to alleviate hunger, Governor Corzine is committing \$1 million for capital improvements of emergency food distribution centers to preserve food purchased for hungry New Jerseyans. Too many emergency food centers do not have the capacity to store or preserve perishable food items. To help rectify this situation, this Budget will invest \$1 million in capital improvements to our State's emergency food distribution centers through the Department of Agriculture Division of Food and Nutrition. This capital - in conjunction with the \$3 million Governor Corzine has committed to the purchase of millions of pounds of food for the less fortunate - will take us another step closer toward alleviating hunger in the State. The additional investment will help ensure that approximately 500,000 New Jerseyans, who are currently turned away when seeking assistance, get the food they need.

Rape Care Centers

Rape care centers in all 21 counties throughout the State provide essential services to survivors of sexual violence and their families, ensuring compassionate treatment of survivors of sexual assault who seek assistance. New Jersey's rape

care centers are some of the most comprehensive in the country, providing free and confidential services such as crisis intervention, individual and group counseling, information and referrals for needed services, and accompaniment to hospitals, police stations, and court proceedings. Last year, over 4,200 women visited a rape care center, and rape crisis hotlines received over 24,000 hotline calls. Governor Corzine will devote \$500,000 in one-time capital funding for rape care centers to allow for much needed technological upgrades and other capital improvements that will improve the care that women receive during these difficult times.

Other Discretionary Capital Improvements

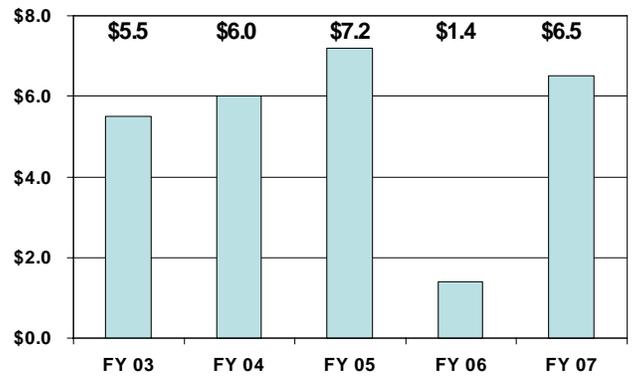
In addition to the aforementioned \$80 million for capital projects, the Budget includes \$40.8 million in discretionary capital funding for the State’s most critical projects. Most prominently, \$10 million is recommended for the Statewide Automated Child Welfare Information System (SACWIS), a key component of the State's Child Welfare Reform Plan. SACWIS, which is designed to improve administration of the Title IV-B Child Welfare and Title IV-E Foster Care programs, will generate \$10 million in federal matching funds. Including the \$10 million recommended for fiscal 2007, the State will have appropriated a total of \$32.8 million for this purpose since fiscal 2003, as summarized on the accompanying chart.

Statewide Automated Child Welfare Information System (SACWIS)
(In Millions)



To complete the State's Office of Information Technology’s Availability and Recovery Site (OARS), a total of \$6.5 million is recommended. When completed, OARS will provide a fully tested, state-of-the art disaster recovery function in the event of a disaster to protect the data associated with some of the State’s most critical programs, including accounting and revenue systems, human resource data, and motor vehicle records. Since fiscal 2003, the State has provided a total of \$26.6 million for this project.

Office of Information Technology Availability and Recovery Site (OARS)
(In Millions)



Additional critical fire and life safety projects, totaling approximately \$18 million, will be funded at the Katzenbach and Piscataway Regional Day School, the Juvenile Justice Commission, and the Department of Human Services. Projects include new fire suppression systems, suicide prevention improvements, and new heating and cooling systems in State institutions serving our most vulnerable client populations. Finally, a total of \$5.6 million is recommended for DEP flood prevention projects to help leverage \$22.6 million in federal matching funds.

PROPERTY TAX RELIEF

Direct Property Tax Relief

The Fiscal 2007 Budget will continue essential property tax relief programs by providing \$1.9 billion in rebates and State-funded tax deductions to New Jersey property taxpayers. Governor Corzine has fulfilled his pledge to provide increased property tax relief in the Fiscal 2007 Budget.

Homestead Rebates

Direct property tax relief that is targeted to those who need it most – seniors and low- and moderate-income families – is an important part of the State’s efforts to alleviate the property tax burden, and Governor Corzine believes we must ensure that this relief increases each year. The Governor had hoped to be able to propose a dramatic increase in property tax rebate funding by restoring funding to its 2004 level and then growing it by 10%. But given the enormous size of the structural deficit and the need for significant cuts in the budget to address it, Governor Corzine is proposing that the 10% increase be applied against the rebate level in 2005.

With an infusion of \$530 million, homestead rebates will increase over 2005 levels for all recipients. Homeowners with incomes up to \$200,000 and tenants with incomes up to \$100,000 will continue to be eligible for the program. Funded at a total of \$1.2 billion, this program will provide the highest rebates to low-and middle-income senior citizens. Specifically, senior homeowners with incomes less than \$70,000 will receive a maximum rebate of \$1,320, and senior homeowners with incomes above \$70,000 will receive a maximum rebate of \$880. Rebates for non-senior homeowners will be from \$330 to \$385. Senior tenants and non-senior tenants will receive maximum rebates of \$908 and \$83, respectively.

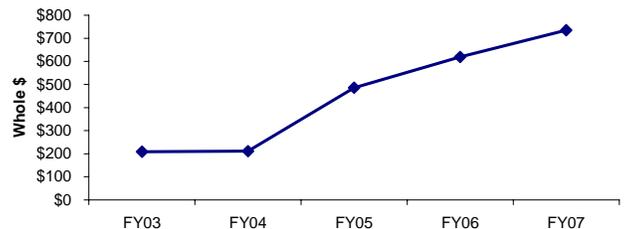
As part of Governor Corzine's emphasis on achieving management efficiencies, the Administration recognizes that the taxpayer-funded costs for a check-based homestead rebate program are significant. With printing and postal costs for

rebate checks in excess of \$2 million, the Corzine Administration will seek to convert this program over time to a credit against local property tax bills. This conversion can be achieved as the State proceeds with the Property Assessment Management System (PAMS), which is currently being developed for statewide implementation in future fiscal years.

Senior Tax Freeze

The State’s low- and middle-income seniors will continue to see 100% of their property tax increases paid through the Senior and Disabled Citizens’ Property Tax Freeze (Senior Tax Freeze) program. Funding for this program is increased 21% (\$20.5 million) over the 2005 level. The Senior Tax Freeze program freezes property taxes for low- and middle-income seniors, reimbursing them for any property tax increases assessed after a participant joins the program. Therefore, the annual rebates increase as local property taxes increase.

State Budget Pays for Seniors' Property Tax Increases



Average reimbursement to individual seniors for rising property tax increased from \$209 in fiscal 2003 to an estimated \$735 in fiscal 2007.

In fiscal 2007, this program is expected to provide rebates to approximately 162,000 seniors, at an average check level of \$735. (During fiscal 2006, over 152,000 seniors have received rebates to date, with checks averaging \$619 each.)

This program has a proven track record of maintaining seniors in their homes, with over 50% of seniors still in the program after three years. For fiscal 2007, the program’s income eligibility

thresholds have increased by 2.7%, to \$41,972 if single and to \$51,465 if married.

Property Tax Deductions

Veterans and qualified senior and disabled residents will continue to receive a \$250 property tax deduction on their local tax bills in 2006. The State will reimburse municipalities a total of \$99 million for the estimated 388,000 veterans, seniors, and disabled residents expected to apply for this deduction in fiscal 2007.

The property tax deduction against State income tax liability will save middle-income taxpayers an estimated \$438 million in fiscal 2007.

The New Jersey Earned Income Tax Credit (EITC) program provides families with 20% of their federal EITC benefit. In fiscal 2007, this benefit is estimated at \$118 million, of which \$18.4 million will be paid from the federal welfare block grant.

Municipal Aid

In spite of tremendous budget constraints, the proposed Fiscal 2007 Budget maintains level funding of \$1.7 billion for formula aid to New Jersey's 566 municipalities through the Consolidated Municipal Property Tax Relief Aid (\$835.4 million), Energy Tax Receipts Property Tax Relief Fund (\$788.5 million), Municipal Homeland Security Assistance Aid (\$32 million), and Legislative Initiative Municipal Block Grant (\$34.8 million) programs.

Other municipal aid programs are funded at a level of \$151 million. More than half of this amount, or \$78.4 million, will assist the State's fiscally distressed cities. Partially offsetting this increase is a \$13 million reduction to the discretionary

Extraordinary Aid program and the elimination of the Regional Efficiency Aid Program (REAP), funded at \$11 million in fiscal 2006. Since fiscal 2003, REAP has benefited only 14 towns which achieved the highest per capita savings on property tax bills from efficiencies and consolidations that reduced property taxes. The State payment provided an incentive and reward for their efforts to consolidate, but after four years of such payments it is time to allow the residents of these towns to benefit from consolidation alone. Other municipal aid programs that maintain level funding in fiscal 2007 are the Highlands Protection Fund initiatives (\$12 million) and the Trenton Capital City Aid program (\$16.5 million).

An increase of \$500,000 is provided for Payments in Lieu of Taxes (PILOT) to municipalities for State and nonprofit preserved open space. Open space PILOT payments to municipalities grow from \$9 million in fiscal 2006 to \$9.5 million in the Fiscal 2007 Budget recommendation.

Continuation funding is also provided for Regional Efficiency Development Incentive (REDI) grants at \$4.2 million. Funding for REDI will be utilized to support the Sharing Available Resources Efficiently (SHARE) program. SHARE grants are available to municipalities, counties, and fire and other special districts, as well as nonprofit organizations that provide regional coordination of shared services. The SHARE program offers three assistance options: Implementation Assistance, Feasibility Studies, and Regional Coordination Grants.

SCHOOL AID

Education

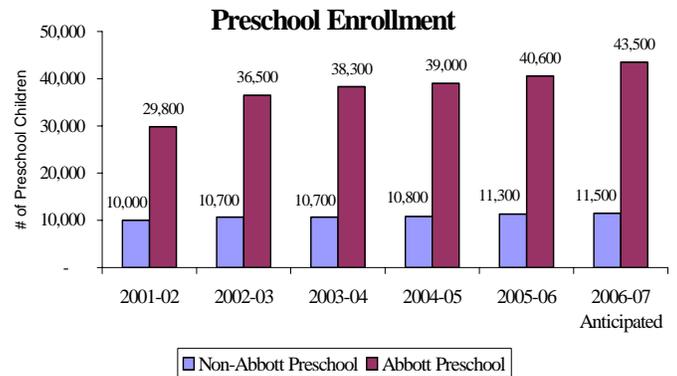
Including School Aid to localities, over one-third of the Fiscal 2007 Budget, or \$10.5 billion of the \$30.9 billion total State appropriation, is provided for Education. Some of the more prominent programs are described below.

The Preschool Advantage

The importance of a quality education during a child’s early years cannot be understated. In light of this, the State has maintained a firm commitment to enhance preschool services for our children. Through the joint efforts of the Departments of Education and Human Services, the State comprehensively integrates educational, social, and family programs to promote academic and social development. The quality of this effort has attracted national attention, as the National Institute for Early Education Research continues to rank New Jersey’s Abbott program as one of the best in the nation.

As the accompanying graph illustrates, the Department of Education expects preschool enrollment in the Abbott districts to grow to 43,500 for the 2006-2007 school year, an increase of approximately 46% since the program began in the 2001-2002 school year. If these enrollment levels are achieved, approximately 80% of all general education three- and four-year-olds in the Abbott districts will be enrolled in a high quality preschool program.

Since fiscal 2003, a new form of state aid has been provided to fund the dramatic increase in preschool enrollment in the Abbott districts. The Fiscal 2007 Budget recommendation includes \$243.2 million for Abbott Preschool Expansion Aid. In addition, \$92.2 million in the Department of Human Services is available for programs offered before- and after-school for Abbott preschoolers.

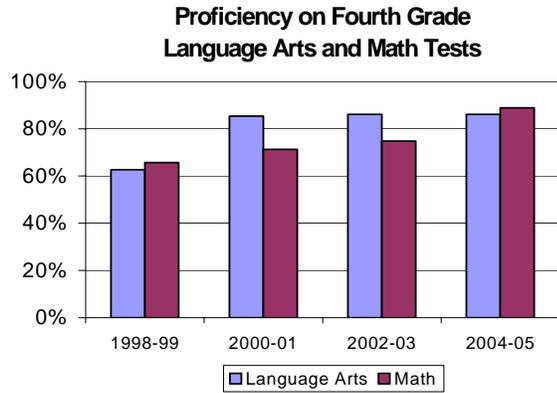


Preschool enrollment is anticipated to grow to 55,000 in FY07, a 38% increase over enrollment in FY02.

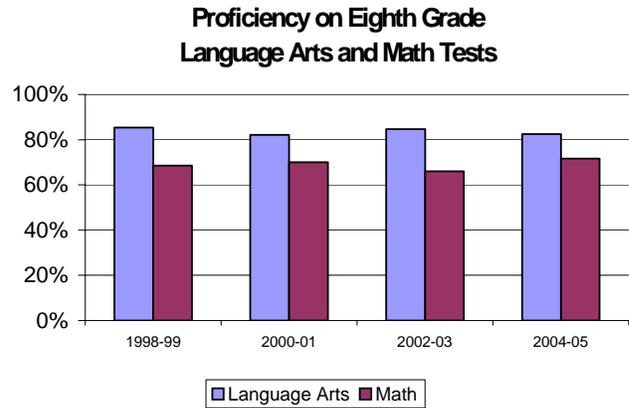
A second form of state preschool aid (Early Childhood Program Aid) supports an additional 45,534 preschoolers and kindergartners in 132 high poverty districts around the State. The Fiscal 2007 Budget recommends \$330.6 million for this program. In fiscal 2005, a new category of early childhood state aid, the Early Launch to Learning Initiative (ELLI), was introduced. The \$3 million recommended for this program in the Fiscal 2007 Budget will allow the program to run at the same level as fiscal 2006, increasing access to high quality preschool for four-year-olds by creating new or expanded preschool programs in the low-income districts that have participated in the program since its inception in fiscal 2005.

Statewide Assessment

New Jersey continues to recognize the far-reaching effect of investments to educate young students. In 1996, the New Jersey Board of Education adopted the Core Curriculum Content Standards (CCCS), which outlined the skills that New Jersey pupils should master by the end of the fourth and eighth grades. The CCCS also defined the graduation requirements for New Jersey’s high school students by creating expectations for performance. In addition, the CCCS laid the foundation for three statewide assessment tests administered in grades 4, 8, and 11.



The proficiency rate of fourth graders in language arts has consistently remained approximately 86%, while proficiency in math has increased to 89%.



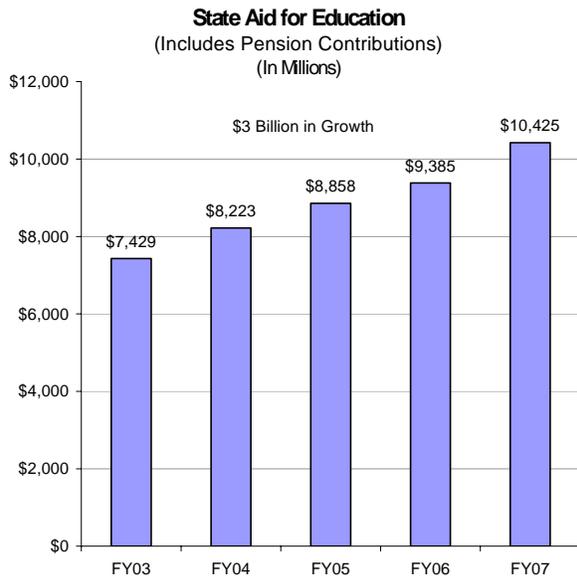
The proficiency rate of eighth graders in language arts has consistently remained approximately 82%, while proficiency in math has increased to 71%.

With the enactment of the federal No Child Left Behind Act in 2001, further alterations have been made to New Jersey’s statewide assessment test for elementary school children in accordance with the mandate to administer annual tests in grades 3 through 8. To comply with the expectation that each state will provide assessments that test students’ knowledge in the state’s content standards and test cognitive skills in language arts, math, and science, New Jersey has begun to develop a comprehensive testing program. As is evident by the accompanying graphs, New Jersey students continue to achieve high levels of proficiency in both language arts and math, while progressively approaching the federal goal of 100% proficiency. Fourth grade students are steadily achieving advanced levels of proficiency in language arts, with approximately 36.1% reaching the level of advanced proficiency, while 22.4% of eighth grade students tested at advanced levels for math.

School Aid

State aid for school districts is the single largest purpose to which State funds are devoted, with a total recommended amount of over \$10.4 billion for fiscal 2007, as seen in the accompanying graph. It is anticipated that in fiscal 2007, the State will support 44.1% of total per pupil costs, the highest recorded percentage. This includes the significant contributions the State makes on behalf of local school districts for employee benefits. In recognition of the continued high priority given to education, the Fiscal 2007 Budget includes \$7.6 billion in direct aid to local districts.

SUMMARIES OF APPROPRIATIONS



State Aid for Education has increased 40% since FY03, with the majority of the FY07 increase due to teacher and other school employees' benefits.

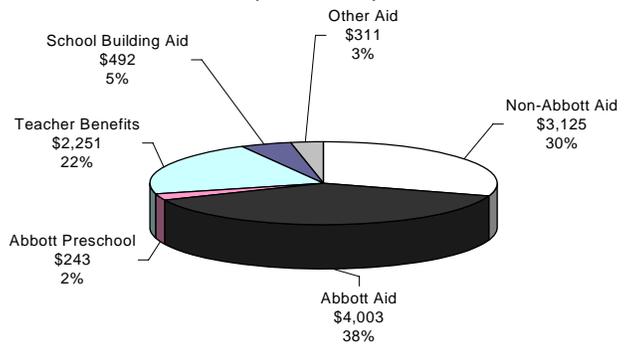
Fiscal 2007 school aid also includes \$375.2 million for the School Construction and Renovation program and \$116.8 million in School Building Aid. This represents an increase of \$113 million over the fiscal 2006 adjusted appropriation for these categories of aid. This funding will provide for State school construction debt service on new and existing bond issues, as well as aid for qualifying local debt issued for school construction.

The Budget provides \$2.3 billion in payments on behalf of local school districts for teachers' retirement benefits and the employer's share of social security payments. This represents an increase of \$823.2 million over the fiscal 2006 adjusted appropriation and protects property taxpayers from shouldering these costs. The proposed funding level also recognizes the importance of a stable pension system in the recruitment and retention of high quality teachers and school leaders throughout the state. The majority of the increased cost in this category is the contribution to the Teachers' Pension and Annuity Fund, which will increase \$743 million over fiscal 2006. Although fiscal constraints limit

the Administration's ability to fully fund pension costs, this Budget accelerates the phase-in toward full funding.

The Fiscal 2007 Budget recommendation for most categories of direct aid is at the same level as in fiscal 2006. Categories of aid have been evaluated for effectiveness. Existing resources have been reallocated to recognize shifts in enrollment, both increases and decreases. Growth has been contained in aid to Charter Schools, School Choice, and Abbott Bordered Districts. Although the appropriation for High Expectations for Learning Proficiency has been reduced, the eligibility criteria have been revised to direct the resources to low-income districts for improvement of achievement levels. Teacher Quality Mentoring will be level funded at \$2.5 million. Education Opportunity Aid funding for Abbott districts will grow to \$1.5 billion, an increase of \$96 million over the fiscal 2006 appropriation. These resources will ensure parity and support educational priorities in those districts. As shown in the attached chart entitled "Components of State Aid for Education," total state aid to the Abbott districts will reach \$4 billion when all categories of formula aid are summed.

Components of State Aid for Education
(In Millions)



Abbott aid represents about 38% of state aid to schools.

The Governor recognizes that it is time to address the inequities that exist in the school funding system and intends to work with the Legislature and stakeholders to develop a new school funding formula in the upcoming year. The Comprehensive Educational Improvement Financing Act (CEIFA) formula has not been used

to determine state aid for the past five years. During this time, almost all of the increases in state aid have gone to the Abbott districts. As a result, Abbott districts now represent 12 of the state's 15 highest spending K-12 districts. In addition, some of the lowest spending districts are rural districts or those non-Abbott districts with high numbers of low-income students.

Promoting Literacy

The Governor's Literacy Initiative has been redesigned to target low-performing non-Abbott school districts. Under Governor Corzine, a more effective model will be applied to the Literacy Initiative, and this approach will reach a greater number of students. The initiative will provide grants and technical support to implement the core features of the Department's successful Intensive Early Literacy model. State funding will be provided for the purchase of instructional materials to support the literacy learning of students in kindergarten through grade four, including students with disabilities and students with limited English proficiency. A second grant program under the Governor's Literacy Initiative will blend State and federal funding to provide the services of a Special Education Literacy Resource Coach within the low-performing, non-Abbott districts.

Under Governor Corzine, additional emphasis will be placed on adolescent literacy. Funding from the Governor's Literacy Initiative will be used to support a pilot program to improve the literacy achievement of students in middle schools. The Department of Education will also use a grant from the National Governor's Association to support the development of policies to promote adolescent literacy.

School Construction

The New Jersey Schools Construction Corporation (SCC), a subsidiary of the New Jersey Economic Development Authority, is dedicated exclusively to school construction. To date, the SCC has managed 587 school facilities projects, including 354 Abbott health and safety projects. Of the projects, 50 represented major facilities, including renovations and additions. In addition, 2,461 grants to non-Abbott school districts have been executed, totaling \$2.1 billion. In February 2006, Governor Corzine issued Executive Order #3 that established the Interagency Working Group on School Construction to review the SCC and develop recommendations for reform. On March 15, 2006, the Group released its initial report of findings to the Governor. Workgroup suggestions include a framework for reorganization and recommendations for collaboration between the Department and local districts to prioritize facilities, as well as collaboration with the community to incorporate new or expanded facilities into the development of an urban plan. The workgroup also recommended no additional State funding be authorized until new management procedures have been implemented, new systems to improve cost control are in place, and a process is adopted for prioritizing remaining projects.

OTHER INITIATIVES

Higher Education

Even in the State's current fiscal situation, continued investment in higher education is critical to New Jersey's long-term economic and social health. Accordingly, this Budget provides over \$1.9 billion in overall support of the State's higher education system in fiscal 2007. Although this is a reduction of \$169.1 million, or 7.9%, from fiscal 2006, and will certainly challenge New Jersey's colleges and universities to find ways to improve the efficiency of their operations, this Budget maintains New Jersey's commitment to a diversified, accessible system of higher education. In particular, programs providing need-based financial assistance to students receive \$6.3 million in increased funding in this Budget, to assure that our neediest students will not be denied the opportunity to go to college.

Higher education benefits both the individual and society in a variety of ways. Educated individuals are less likely to be unemployed or live in poverty. Research has shown that, in addition to contributing more to tax revenues than others do, adults with higher levels of education are less likely to depend on social safety-net programs, generating decreased demand on public budgets. Higher levels of education also correlate with higher levels of civic participation, including volunteer work, voting, and blood donation.

This Budget provides the State's twelve senior public colleges and universities with over \$1.3 billion in overall support in fiscal 2007. This includes \$807.6 million in direct support, a reduction of \$143.5 million, or 15.1%, and \$545.7 million in indirect support through continued funding for fringe benefits for college and university personnel.

The senior public institutions have several options available to offset the fiscal 2007 reduction in State support:

- Low-priority or duplicative programs could be scaled back or eliminated.

- Operational efficiencies could be implemented.
- Non-State revenues could be increased. For example, initiating a gradual four-year phase-in of charging out-of-state undergraduates the full cost of their education would yield additional fiscal 2007 revenue of approximately \$5.7 million. Approximately 7% of all undergraduates at the senior public institutions are out-of-state students, who are subsidized by New Jersey taxpayers in the estimated amount of \$22.7 million annually.

This Budget also provides \$208.1 million in support of the State's county colleges, a decline of \$15.5 million, or 6.9%. Direct support declines by \$16.3 million, or 10%; this decline is partially offset by a net increase of \$745,000 in indirect support for these institutions.

The State's 14 independent colleges and universities will receive \$12 million in direct support during fiscal 2007, a reduction of 50% from fiscal 2006. These institutions serve an important role in providing higher education for more than 24,000 New Jersey residents, and must be supported even in this extremely difficult fiscal circumstance.

This Budget eliminates funding for the Higher Education Incentive Endowment Fund, a savings of \$3 million. This program's purpose – to create a matching incentive for private individuals and organizations to make large endowment contributions to New Jersey's higher education institutions – is a good one; however, the program has never been adequately funded. The State cannot afford to provide the funds, which would require a five-fold increase in appropriations, to fully match eligible endowment contributions already received by the colleges and universities.

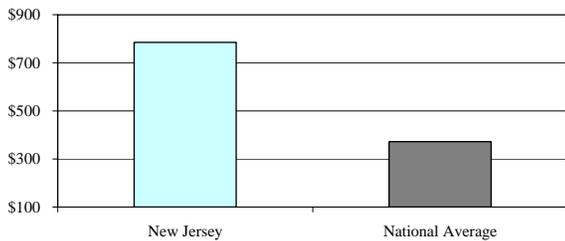
Student Financial Assistance

Even in this time of fiscal austerity, this Budget provides approximately \$290.1 million for the various student financial assistance programs, including the Tuition Aid Grant programs and the Educational Opportunity Fund programs. This Budget increases funding for need-based student assistance programs by \$6.3 million, and reduces funding for other, non-need-based student aid programs by \$5.7 million. Overall, this Budget increases funding for student assistance by \$648,000 from fiscal 2006.

Tuition Aid Grants

New Jersey’s student financial assistance programs are among the strongest in the nation. New Jersey’s flagship Tuition Aid Grant (TAG) program continues to provide more than twice the national average grant support per student (see chart entitled “Tuition Aid Grant (TAG) Per Student”).

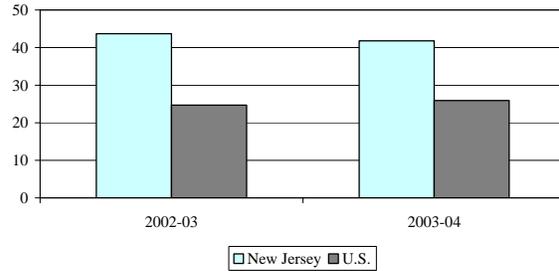
TUITION AID GRANT (TAG) PER STUDENT
TAG Funding Per Full-Time Equivalent Undergraduate Enrollment
Compared to National Average,
2003 - 2004 Academic Year



New Jersey provides more than twice the national average grant support to college students.

According to Postsecondary Education’s *OPPORTUNITY* January 2006 research letter, New Jersey currently ranks second in the nation at 41.8% in college participation rates for students from low-income families (see chart entitled “College Participation”); the national average is 25.9%.

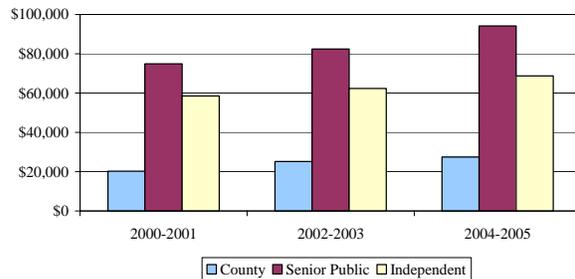
COLLEGE PARTICIPATION
Percentage of Students from Low-Income Families,
2002-03 and 2003-04



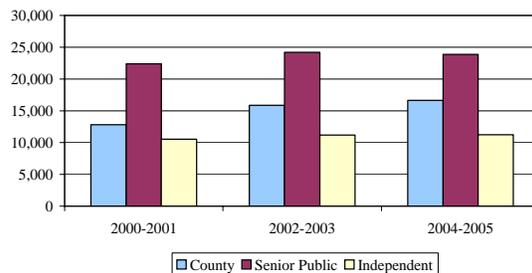
New Jersey ranks 2nd in the nation in college-attendance rates for students from low-income families.

New Jersey’s need-based TAG program generously supports low income students at the State’s senior public institutions, independent institutions, and county colleges (see charts entitled “Tuition Aid Grant (TAG) Funding” and “Tuition Aid Grant (TAG) Participants”).

TUITION AID GRANT (TAG) FUNDING
By Sector: Academic Years 2001 - 2005
(000s)



TUITION AID GRANT (TAG) PARTICIPANTS
By Sector, Academic Years 2001 - 2005



The TAG program supports low-income students at all New Jersey colleges and universities.

SUMMARIES OF APPROPRIATIONS

This Budget provides \$214.7 million for the TAG program for full-time students, an increase of \$5.8 million. This Budget ensures that the State's neediest 18,800 students across all sectors will receive an additional average award increase of \$265 to mitigate anticipated tuition increases in fiscal 2007.

In addition, this Budget provides \$4.9 million for the Part-Time TAG for County Colleges program that was initiated in fiscal 2004. The \$490,000 increase in this program will support 9,941 recipients during fiscal 2007, 986 more than in fiscal 2006, with a \$497 average award.

New Jersey Educational Opportunity Fund

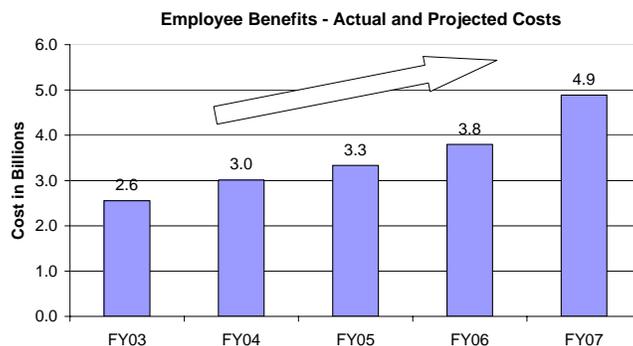
The New Jersey Educational Opportunity Fund (EOF) was created by law in 1968 to ensure meaningful access to higher education for those who come from backgrounds of economic and educational disadvantage. EOF funding has been preserved at \$40.6 million in fiscal 2007; these programs will assist disadvantaged New Jersey residents who are capable and motivated, through a variety of programs such as Opportunity Program Grants, Supplementary Education Program Grants, the C. Clyde Ferguson Law Scholarships, and the Martin Luther King Physician-Dentist Scholarships.

Employee Benefits

Within the State Budget, Employee Benefits is defined to include pensions, health benefits, post retirement medical costs, and employer payroll taxes. State appropriations support not only active and retired State employees, but also employees of senior public colleges and universities, school districts and certain local governments. Health benefits for active school district and local employees are not a State responsibility; however, under statute, the State funds the health insurance costs of retired teachers and certain public employees with 25 or more years of service prior to retirement. Even though the State does not negotiate teacher contracts, the State also funds the cost of teacher federal social security taxes.

Due in part to the breadth of coverage provided, Employee Benefits has become one of the most intense growth areas in the State Budget. As

depicted on the attached chart entitled "Employee Benefits-Actual and Projected Costs," the appropriation for these fixed costs grew by \$2.3 billion or 91% from approximately \$2.6 billion in fiscal 2003 to almost \$4.9 billion in fiscal 2007. Employee Benefits costs are projected to be 15.8% of the State's overall Fiscal 2007 Budget as compared to 10.6% just four years ago.



FY07 total employee benefit costs have increased by \$2.3B since FY03.

The majority of the fiscal 2007 growth is in pension contributions, with the largest increase in payments to the Teachers' Pension and Annuity Fund. Although fiscal constraints limit the Administration's ability to fully fund pension costs, this Budget accelerates toward full funding. The chart entitled "History of Defined Benefit Pension Contribution Costs" demonstrates the magnitude of the increase in fiscal 2007. The Budget also anticipates savings from recommendations of the Benefits Review Task Force for pension reforms. These changes will curtail the ability for certain public employees to manipulate the pension plans. The following changes are recommended:

- Adoption of new criterion for membership eligibility in the Public Employees' Retirement System (PERS) to curtail the abusive practice of pension "boosting." The current minimum \$1,500 per year salary compulsory membership requirement will be replaced with the ERISA standard of a minimum of 1,000 hours worked to earn service credit or by increasing the salary standard to \$5,000;

- Elected officials who have no previous pension service credit in one of the State’s defined benefit plans would only be eligible to participate in a newly designed defined contribution plan. Appointed officials will have the option of enrolling in the defined benefit or a defined contribution plan. A defined contribution plan is a more portable benefit and more appropriate for appointees and elected officials who may only remain in public employment for a short period; and
- Professional service vendors, such as municipal attorneys, tax assessors, and others who are retained by public contracts approved by an appointing agency, would not be eligible for pension system membership.

generic drugs, and improved pharmacy administration. Even with these savings, health benefits costs for active and retired members, at \$2.1 billion, comprise 43% of employee benefit costs. By statute, the State assumes all health benefit costs for eligible retired school district employees; payments for this group are expected to be \$721 million for the next fiscal year or approximately 34% of the total \$2.1 billion appropriated for this purpose. Escalating health benefit costs continue to be a significant commitment of limited resources in the State Budget.

Health

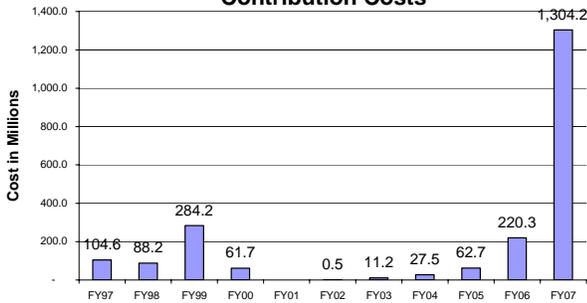
This Budget continues to enhance the State’s health services and infrastructure, particularly through the expansion of health care to uninsured children across the State. This needed budget growth is tempered, however, with responsible savings initiatives to preserve fiscal integrity. Major initiatives are outlined as follows:

Long-Term Care: Cost Containment

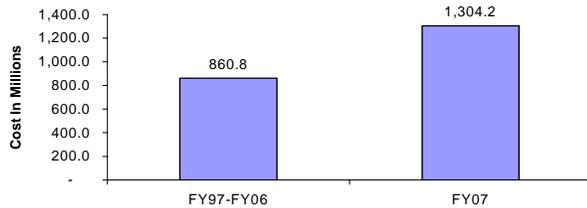
Since fiscal 2004, Medical Day Care costs have increased by 59%, making it the fastest growing, non-institutional, long-term care program. Likewise, due to a decline in federal revenue, Nursing Home costs have grown 249% over the same time period. In fiscal 2007, cost containment of \$49.5 million will be achieved in the following ways:

- Eliminating the inflation adjustment for nursing facilities and medical day care providers will result in a State savings of \$26 million.
- Federal legislation has increased the look-back period from three to five years for determining whether individuals improperly transferred assets to gain Medicaid-eligibility. This will save \$15 million of State funds.
- A reduction of non-Medicare patient days in fiscal 2006 reduced State revenue from the provider assessment from these

History of Defined Benefit Pension Contribution Costs



Defined Benefit Pension Contribution Costs



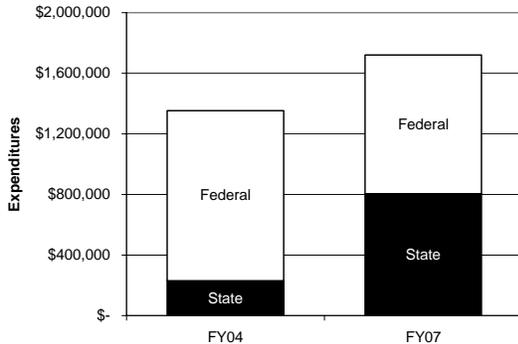
The FY07 defined benefit pension appropriation is \$443 million more than the total combined amount from FY97-06.

Cost containment measures are also being implemented in the area of health benefits for active and retired state employees and retired school district employees. These include bulk purchasing of pharmaceuticals, mandatory mail-order for maintenance drugs, mandatory use of

SUMMARIES OF APPROPRIATIONS

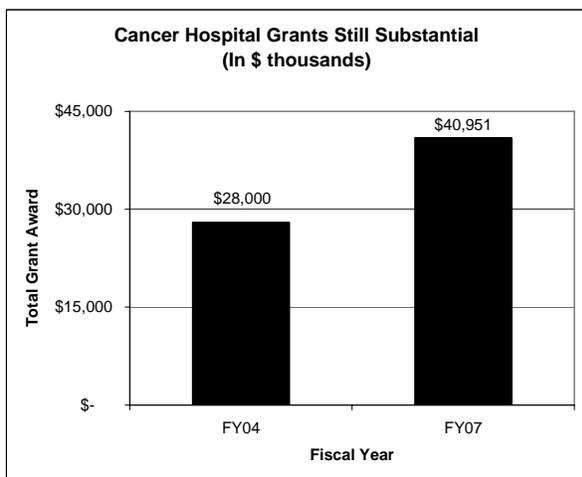
- facilities by \$8.5 million. In addition, certain facilities have not paid their share of the assessment. Payments will be reduced by this amount to cover the lost State revenue.

**State Nursing Home Cost Up 249% In Three Years
(In \$ thousands)**



Reduce Operational and Capital Portions of Cancer Hospital Grants

This reduction generates a savings of \$23.3 million by focusing the grants solely on research and reducing the funding of operations and construction. Because of unprecedented growth in this area, the remaining \$41 million base appropriation still represents a 46% increase in comparison to the original State appropriation provided in fiscal 2004.



Cancer hospital grants for costly non-research activity are reduced; however, remaining research funds are still 46% higher than fiscal 2004 level.

Reduce Hospital Assistance Grants

These grants are a one-time fiscal 2006 legislative addition that supplement other State grants and programs, such as Charity Care, and are not continued in fiscal 2007, thus saving \$69.2 million. State and federal distributions from the hospital provider tax will offset this reduction for hospitals serving high volumes of low-income Medicaid patients.

Prescription Drug Cost Containment

Since fiscal 2003, the costs for the State's prescription drug programs have been increasing 10% annually, and in fiscal 2007 total spending in this area will reach \$1.4 billion. The federal Department of Health and Human Services, Office of the Inspector General conducted a study in 2002 comparing the prices that states pay for prescription drugs for their Medicaid programs. Of the states surveyed, New Jersey paid the highest amount for generic (non-innovator multiple source), single-source brand, and multi-source brand drugs.

To counter this trend, this Budget includes pharmaceutical-related savings totaling \$145 million. As an initial step, the State will institute a bulk purchasing system to maximize our market presence and secure the best possible price. This measure is estimated to save \$75 million annually in Medicaid, the Department of Health and Senior Services (e.g., PAAD and Senior Gold), and the State Health Benefits Program and will be supplemented by several other initiatives to consolidate pharmaceutical purchasing statewide.

Drug Reimbursement Rate Adjustments

A total of \$17.1 million will be saved by switching the reimbursement methodology for prescription drugs. Currently, the State pays providers the Average Wholesale Price less 12.5%. Based on new federal guidelines, by the end of the fiscal 2007 single-source brand name drugs will be reimbursed at the federally-calculated Retail Survey Price, and generic and multi-source drugs will be reimbursed at the Average Manufacturer's Price.

Medicaid Co-pay

A savings of \$13 million will be generated by a \$2 co-pay on prescription drugs in fee-for-service and Managed Care plans. To preserve access and health for all beneficiaries, co-pays are limited to \$10 per month, and pregnant women and children are exempt from the new requirements.

Use of Generic Psychotropic Drugs

Psychotropic drugs are among the most expensive prescription drugs because of their specialized use in treating serious mental illnesses, such as schizophrenia. Despite newer versions of these drugs, recent studies have shown that the current brand-name drugs are no more effective, and in some instances less effective, than the generic alternatives. This will save the State a total of \$8.8 million.

Human Services

The fiscal 2007 Budget maintains the State's commitment to its most vulnerable citizens, particularly through new initiatives transitioning developmentally disabled and mentally ill individuals from State facilities to community-based care. This growth, however, is offset by well-reasoned and fiscally sound savings.

Hospital Provider Tax

This Budget proposes a provider assessment of 5.5% based on non-Medicare hospital revenue that will generate \$430 million. Of the total, \$215 million will become a State budget resource. The remaining \$215 million will generate federal Medicaid match, resulting in a total of \$430 million that will be distributed to hospitals in the form of higher Medicaid payments. This initiative, which will benefit hospitals that have a higher than average Medicaid client base, will require State legislation.

Developmental Centers – Revenue Enhancements

In response to legislative criticism of delays in rate reconciliation on federal match programs, the Department of Human Services elevated retroactive claiming as an administrative priority for fiscal 2006. Due to the diligence of this effort,

rates were finalized for fiscal 2001 through 2004, generating \$194 million of one-time federal revenue. Updated projections for federal Intermediate Care Facility reimbursement, which provides 50% of developmental center funds, increased revenue by an additional \$17.6 million. Collectively, these initiatives will provide a total of \$211.6 million in new resources.

Of this amount, \$94 million from prior year claiming and \$17.6 million from updated projections will be used to offset State appropriations in the seven developmental centers for a total savings of \$111.6 million. Another \$50 million will fund critical fiscal 2006 needs such as Medicaid caseload increases, fuel and utility costs in the developmental centers, and additional State Aid to county psychiatric hospitals. Finally, \$50 million will be used to provide community placements for 180 developmental center residents. This three-year initiative addresses the United States Supreme Court's *Olmstead* decision requiring care in the least-restrictive setting.

Mental Health

Last year, Governor Codey championed an historic reform of the State's mental health system designed to lead more New Jerseyans with mental illness to treatment, recovery and long-term wellness. This Budget supports the initiatives of Governor Codey's Mental Health Task Force in furtherance of mental health reform. In addition, the Budget invests \$10 million to develop essential services and community capacity to facilitate the de-institutionalization of persons living in State psychiatric hospitals consistent with the United States Supreme Court's *Olmstead* decision.

Abbott Pre-School Co-pay

Currently, the Division of Family Development (DFD) provides free after-school and summer child care to families in the 31 Abbott districts, regardless of income. This structure creates serious equity imbalances across the State by directing funds to districts in amounts that are not truly indicative of need. This Budget proposes implementing a sliding-scale co-pay for child care in Abbott districts – as is the practice in all other DFD-run child care programs – which would generate a savings of \$30 million. In fiscal

SUMMARIES OF APPROPRIATIONS

2007, 2,100 families earning \$60,000 to \$75,000 will pay 50% of the annual cost, and 5,100 families earning above \$75,000 will pay the full annual cost of approximately \$3,800 per child.

Environment

The Fiscal 2007 Budget provides a total increase of \$109 million for critical Department of Environmental Protection (DEP) programs and new initiatives.

Corporation Business Tax Dedication

A constitutional dedication of 4% of Corporation Business Tax (CBT) revenues has supported critical DEP programs for the past 10 years. In fiscal 2007 this important funding source will increase by \$53.8 million due to higher collections of CBT revenues.

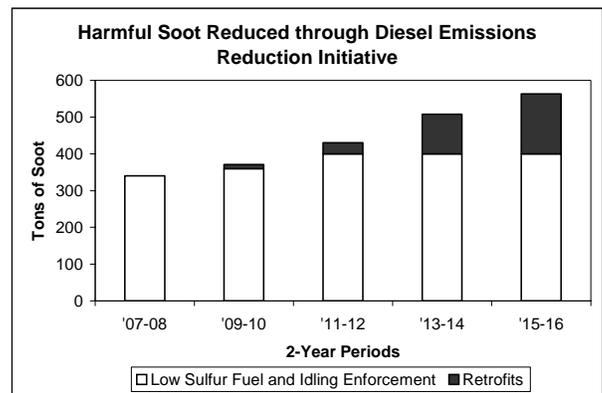
CBT Fiscal 2007 Increase:	
(In Millions)	
Diesel Emissions Reduction Program	\$22
Watershed Restoration Projects	\$5
Administrative Costs	\$5
Brownfields	\$13
Other Capital Projects	\$9
Total Increase	\$54

Along with providing additional funding for ongoing projects, such as cleanup of privately owned underground tanks, remediation of contaminated sites, and watershed monitoring and planning, the \$53.8 million increase in the CBT constitutional dedication will support two new initiatives:

Diesel Emissions Reduction

Over the next ten years, the Diesel Emissions Reduction program aims to reduce diesel exhaust emission levels through the use of ultra-low-sulfur

diesel fuel, prevention of idling, and retrofitting of 40,000 vehicles in the following categories: all school buses; garbage trucks that are publicly owned or used in a public contract; all transit and charter buses; and publicly owned on-road and non-road vehicles. By reducing exposure to diesel particulates, this new program will enable New Jersey to prevent up to 150 premature deaths each year and save up to \$1.4 billion in health care costs annually. This new program sets the framework for the most comprehensive mandatory diesel vehicle control program in the nation, and is a critical first step in reducing the risk posed by diesel emissions.



By 2016, the Diesel Emissions Reduction program will have eliminated 565 tons of soot from the atmosphere.

Watershed Restoration Projects

The Regional Stormwater Management Committees have identified over \$13 million in watershed restoration projects that are needed to address the ongoing sedimentation and pollution of impaired ponds and streams. The \$5 million Grants-In-Aid appropriation for Watershed Restoration Projects will help to address this need and successfully restore various watersheds including Lake Hopatcong, Long Swamp Creek in the Barnegat Bay Estuary, Delaware & Raritan Canal Tributaries, Wreck Pond, and Pequannock River.

Parks, Forests, Wildlife Management Areas, and Historic Sites

Recognizing the need for repairs and maintenance, an appropriation of \$40 million is proposed for fiscal 2007 for capital improvements in our state

parks, forests, wildlife management areas, and historic sites. This appropriation will provide an important step towards long-neglected capital needs and maintenance. DEP will undertake critical health and safety improvements including demolition of unsafe structures, asbestos removal, and lead abatement. Additional major projects will include restorations to State-owned historic sites, such as Batsto and Atsion Mansions, Rockingham, Waterloo Village, the historic train sheds at Liberty State Park, and DEP's most recent acquisition - the office and homestead of James Still in the Pinelands.

Water Resource Interconnection Projects

An amount of \$6 million will be appropriated to a new Water Resource Interconnection Projects program intended to protect and enhance the State's water supply through infrastructure and land acquisition projects. Some portion of this appropriation will be used to leverage approximately \$100 million in debt to finance projects required to address the State's most critical water supply needs. Major projects planned include:

- The Raritan Confluence Reservoir Project will connect Round Valley Reservoir and the confluence of the north and south branches of the Raritan River;
- An interconnection between the Central and Coastal North Drought Regions to help avert or mitigate Coastal North drought events in Southeastern Middlesex, Monmouth and Ocean Counties;
- Interconnections within the Southwest Drought Region which will extend the New Jersey American Tri-County Pipeline into Southwestern New Jersey to serve growth areas where water supplies are impacted by saltwater intrusion or contamination.

Passaic River Cleanup Litigation

To pursue the cleanup of toxic dioxin contamination in the Newark Bay Complex, the Fiscal 2007 Budget will provide an amount sufficient to cover legal and expert services, investigative expenses, and other associated costs.

For more than 20 years, Occidental Chemical and its predecessors knowingly discharged a highly toxic form of dioxin, pesticides, and other chemicals into the Passaic River from their Newark facility. The environmental and economic damage this pollution has inflicted on the state includes increased cancer risks from consuming blue claw crabs and higher costs to dredge the New York Harbor's navigational channels.

Reduced Salary Costs

As part of Governor Corzine's initiative to minimize operating costs of the State, the DEP's appropriation for salaries will be reduced by \$2.5 million. The Department will manage this reduction through more efficient reallocation of resources and staff attrition.

Impact of the Federal Budget on NJ

The President's Fiscal 2007 Budget contains major reductions in federal funding for states. If the President's proposed budget is enacted, New Jersey will see cuts in many discretionary and mandatory health, education, transportation, homeland security, labor, and justice programs. Also, several critical programs, including the Community Services Block Grant, would be eliminated. In addition to these proposed cuts, the recently enacted Deficit Reduction Act (DRA) includes new TANF mandates that will impose substantial financial burdens on the State. Finally, the State has incurred significant costs due to the serious complications that have arisen during the transition to the new Medicare Part D prescription drug program.

These critical losses of federal funding pose serious challenges for New Jersey's citizens and for the State's budget.

Medicare

The President's Fiscal 2007 Budget also imposes deep cuts in Medicare reimbursement for New Jersey's health care providers. The President's budget would reduce outpatient hospital reimbursements by \$29.2 million in fiscal 2007 and by \$384.5 million over the next five years. This potential loss of funding threatens to impact the quality care that New Jersey's hospitals

SUMMARIES OF APPROPRIATIONS

provide to our citizens. New Jersey's hospitals currently provide \$1 billion in charity care every year. Any loss of federal funding will increase financial burdens on hospitals currently struggling to make ends meet and will result in additional pressure to increase State financial assistance to the State's hospitals.

Additionally, since January 1, 2006, New Jersey has incurred almost \$130 million in expenditures to provide prescription drug coverage to Medicaid and Pharmaceutical Assistance for the Aged and Disabled (PAAD) beneficiaries who enrolled in the new Medicare Part D prescription drug benefit and whose prescription drug expenses should have been paid for by Medicare's private insurance contractors but were not because of disruptions in the transition to the new benefit. Despite the fact that the federal government has committed to reimburse New Jersey for the \$67 million it has incurred to provide emergency drug coverage to nearly 1 million Medicaid beneficiaries who are dually eligible for Medicare, no reimbursements have yet been provided. Additionally, the State continues to negotiate with the federal government for reimbursement of the \$60 million New Jersey spent to provide emergency coverage to PAAD beneficiaries who enrolled in Part D, but who were unable to access coverage under the program; however, the federal government has not yet offered a plan for reimbursing the State. As a result, it remains unclear whether New Jersey will have to seek reimbursement directly from the private drug plans that should have paid for these claims, or whether the federal government will reimburse the State for any differential between the pharmacy rates the State paid and what the plans would have paid.

Temporary Assistance for Needy Families (TANF)

While the Deficit Reduction Act maintains level funding of \$404 million for New Jersey's TANF block grant, the Act imposes new work participation requirements that would require New Jersey to increase its current caseload work participation rate from 29 percent to 50 percent. This will impose significant burdens on single parents and individuals with disabilities who face substantial barriers to work. The fiscal 2007 costs

to meet the provisions of the Act include: \$19 million to meet the new work participation requirements, \$13 million to provide child care services to parents in the new work activity slots, and \$4 million to for a new work participation validation system. These costs will be funded through \$7 million of new State appropriations and \$29 million of federal TANF and Child Care block grant funding.

No Child Left Behind

The President's Fiscal 2007 Budget dramatically underfunded the No Child Left Behind Act (NCLB) authorization by \$15.4 billion. The cumulative funding shortfall for NCLB programs would rise to \$55.7 billion, since the enactment of the law in 2002. The President's budget leaves behind nearly 71,000 New Jersey students who could be served by Title I, if the program were funded at the level promised by NCLB. New Jersey is projected to lose \$3.8 million in Title I funding under the President's proposed budget; this is particularly problematic because Title I funding is dedicated to the purpose of improving the academic achievement of low-income and educationally needy children. As the 2014 benchmark of 100% proficiency for all students draws closer, the required accountability activities at the State, district, and school levels are increasing while funding for New Jersey is decreasing. This imbalance continues to make implementation of required activities more difficult.

Afterschool Programs

While total federal funding for 21st Century Community Learning Centers would remain flat under the President's proposed budget, New Jersey's funding will be cut by 2.8%. This cut will prevent the State from awarding new grants and compromise the existing grantees' capacity to operate high quality programs and meet additional program requirements mandated by NCLB.

Special Education

In fiscal 2007, the proposed federal budget continues to retreat from its commitment to students with disabilities and the communities that educate them. Indeed, for the second year in a

row, the federal government would provide for an even smaller share of the State's total costs for special education. The federal government intends to meet only 17% of the national average expenditure per student for educating students with disabilities. This is still less than half of the 40% level that Congress committed to paying when the Individuals with Disabilities Education Act (IDEA) was first adopted 31 years ago and is down from 18% in fiscal 2006 and 19% in fiscal 2005.

Higher Education

The federal budget does not meet its share of the cost of higher education. The Pell grant, the foundation of federal need-based aid, serves 95,037 New Jersey students with \$236.2 million in grant aid. The maximum grant has been flat funded at \$4,050 for four years, even though tuitions in New Jersey and across the nation have been increasing, and this year the President again proposed no increase. As a result, the maximum Pell grant now covers only 36% of the cost of attending a four-year college.

In addition, campus-based aid programs that allow institutions to meet student need through Supplemental Education Opportunity Grants, Work Study and Perkins loans have also been flat-funded during this time, leaving little alternative to students other than incurring more debt.

Social Services Block Grant and Community Services Block Grant

New Jersey's communities rely on the critical federal funding they receive from the Social Services Block Grant (SSBG) and the Community Services Block Grant (CSBG) programs that for 25 years have funded substance abuse treatment, child care, foster care services, and services to reduce poverty. The State currently passes \$17 million of the \$50 million federal SSBG funds it receives to the counties to administer critical social services programs. The President's budget would result in a \$14.7 million reduction – almost a 30% cut – in SSBG funding for New Jersey. These proposed cuts would either require a reduction in funding to the counties and a reduction in important services, or would require the State to come up with State funds to supplant the loss of federal funding.

In addition, the President's proposed budget would also completely eliminate the CSBG, which provides \$17 million in federal funds annually to the State. With the CSBG grant it receives, New Jersey funds various health, education, and employment programs aimed at reducing poverty. This loss of federal funds will result in a decrease of critical services to assist our State's most vulnerable citizens.

MANAGEMENT EFFICIENCIES

Overview

As evidenced by this fiscal year document, New Jersey has gone about the exercise of meeting the funding needs of State government through an annual process. While Governor Corzine has served in office just two months as of this writing, he is recasting how the public's money will be managed and conserved. In essence, the proposal and enactment of a budget will be neither the beginning nor the end of the fiscal process in the Corzine Administration. Every spending line and every program in the budget has been examined, and will be repeatedly reviewed and scrutinized on an ongoing basis through the course of the fiscal year.

Through vigilant and persistent management oversight, the Corzine Administration will:

- Target waste, fraud and abuse of all spending;
- Scrutinize and challenge all expenditures for the operations of government;
- Improve the efficiency and effectiveness of government without compromising our basic services to citizens;
- Articulate and implement re-engineering strategies to achieve long term structural balance in the budget;
- Collect and maximize all federal revenues and reimbursement programs available to the State;
- Manage revenues and appropriations with transparency and openness.

Ending Pension Abuses

In his Fiscal 2006 Budget, Governor Codey committed to creating a task force to review pension and health benefits and make recommendations for savings in these rapidly growing fixed costs. Among the recommendations

of that task force were several statutory changes to the pension systems that would eliminate abuses such as tacking and double-dipping. Governor Corzine looks forward to working with the Legislature to enact these reforms, which are anticipated to produce \$3.5 million in savings. The proposed reforms include:

- Ending hired professional services pensions. Since the principal purpose of any public retirement plan is to provide adequate retirement benefits, such coverage should only be extended to "true" public employees. Professional services vendors, such as municipal attorneys, tax assessors, etc., who are retained under public contracts approved by an appointing agency, should not be eligible for a pension. These vendors simply do not meet the original purpose of the public retirement plan and should not be eligible to participate in the plan.
- Newly elected officials and political appointees would receive a defined contribution pension. Instead of the defined benefit plan that is currently offered, elected officials and political appointees should be eligible for a defined contribution plan similar to the Alternate Benefit Program available to higher education employees. A prohibition on participation in the defined benefits plan would not apply to those who have previously vested with a defined benefit pension account and who meet the annual income requirements.
- End tacking: pick your job going forward. "Tacking" is holding multiple positions at the same time in order to increase the salary base that will be used for retirement purposes. There is currently no prohibition against employees enrolling in the retirement system through multiple jobs and aggregating the salaries for the purpose of increasing their retirement

calculation. This practice cannot be continued. Employees would be required to designate a single job on which their pension would be calculated, and contributions would be derived solely from that job.

- Change the rules for obtaining pension service credit. The pension system is meant for individuals who are career employees of the State or local governments. Currently, an individual receiving a salary as low as \$1,500 per year is entitled to earn service credit in the pension system on the same basis as a full-time career employee. This low threshold has facilitated pension abuses, such as “boosting,” that occurs when members participate at a minimal level for many years and obtain a high-paying position only as they near retirement, or when members who have had a full career take a low paying job prior to retirement in order to extend years of service that are used to calculate the pension. Simply put, people who should not be earning credit in the pension system are, and that hurts everyone. Increasing the salary standard to \$5,000 or adopting a standard of 1,000 hours of service per year, as is done in private sector pensions governed by the federal Employee Retirement Income Security Act, will decrease this problem.

Compliance Measures

The Department of Human Services projects savings of \$55 million in Division of Medical Assistance and Health Services (DMAHS) and Division of Family Development (DFD) programs by bringing providers into compliance with State regulations.

DMAHS has recently found lapses in provider standards and is experiencing excessive growth and costs in certain service areas. A savings of \$50 million will be generated by establishing stricter oversight through various initiatives including: limiting and monitoring provider participation to ensure quality service and termination of low performers; auditing areas of unexpected high growth; competitively bidding a broader array of

services; providing targeted case management to high-cost clients; increasing investigative staff; and improving recoveries from third-party providers.

In fiscal 2006, a DFD auditing team reviewing Newark’s municipal General Assistance (GA) program, which provides cash assistance to singles and childless couples, identified multiple processing deficiencies, which, once corrected, resulted in a caseload reduction of 30%. These deficiencies were primarily related to improper client identification and untimely reevaluation of employment status, resulting in poor client tracking and working clients collecting benefits. A newly established five-person team will now examine all county and municipal welfare agencies, and is anticipating a 3% caseload decline for a fiscal 2007 savings of \$5 million.

General Assistance Retroactive Credit

This initiative will leverage additional federal revenue of \$14.1 million. The Department of Human Services’ Division of Medical Assistance and Health Services is retroactively claiming beneficiaries deemed Medicaid-eligible, allowing for greater federally matchable recoveries in fiscal 2007.

Enroll Institutional Medicare-only Clients into Medicare Part D

This initiative generates a savings of \$14.9 million by enrolling all Medicare-eligible institutional beneficiaries in Medicare Part D, the new federal prescription drug program. Through enrollment, the federal government will become the primary payer for nearly 3,000 individuals.

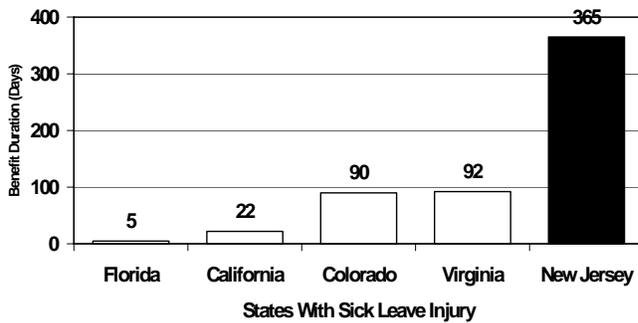
Sick Leave Injury

This Budget proposes to eliminate the Sick Leave Injury (SLI) program for a savings of \$3 million. New Jersey is one of only five states that provide a sick leave benefit at full wages in addition to Workers Compensation (WC). As opposed to WC, which pays injured employees a temporary benefit at 70% of the statewide average weekly wage (equivalent to pre-tax wage of \$50,000 per year), SLI is a salary continuation program that provides full pay to employees. This one year benefit is by

SUMMARIES OF APPROPRIATIONS

far the most generous in the country, as coverage in the four other states ranges from 5 to 90 days. From fiscal 1999 through fiscal 2000, SLI costs increased 104%, from \$4.7 million to an estimated \$9.6 million, far outpacing growth in State employees (less than 3%) and collective bargaining increases (18%). Recent audits of State benefit programs have uncovered numerous repeat claims, suggesting that the availability of dual programs for sick leave and work-related injuries encourages fraud and abuse.

NJ - Most Generous Sick Leave Injury Benefit in Nation



New Jersey's Sick Leave Injury benefit is four times longer than any other state.

Risk Management

A recent study conducted by one of New Jersey's largest joint insurance funds determined that fundamental changes were required in the State's approach to risk management, particularly in Workers Compensation (WC). According to the study, New Jersey has the second highest accident rate among state governments. The number of WC claims for State employees increased sharply in recent years, growing by 20% from 7,015 in fiscal 2000 to 8,440 in fiscal 2005. Costs rose by over \$17 million (over 40%) during the same period.

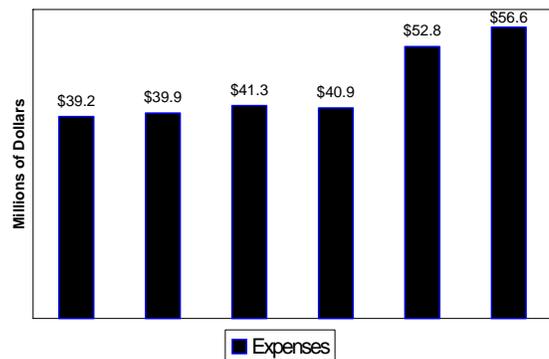
Although New Jersey was one of the first states to establish a Bureau of Risk Management (BRM) within the Department of Treasury, authority and responsibility is fragmented among several unrelated departments, including Personnel and Labor. The study further concluded that line departments have little responsibility for managing claims and even less financial accountability.

In response, BRM identified reforms in three broad areas: claims management, risk finance, and loss control. The following improvements were recently implemented:

- Electronic claims reporting to agencies to determine claim trends and causes;
- Additional staffing to aggressively investigate claims and encourage employees' return to work;
- To combat potential fraud, increased coordination with the Department of Labor and Workforce Development, to determine if injured employees are working elsewhere, and with the Department of Personnel to review Sick Leave Injury claims; and
- Improved subrogation program to increase third party recoveries.

Over the next six months, BRM will work with agencies to establish safety committees. BRM will also implement a Statewide Risk Management Committee to provide a forum for agency input, particularly in how the State should manage its risk. The goal is to arrest the growth of claims and costs, reduce fraud and abuse and, most importantly, improve worker safety.

N.J.'s Workers Compensation Expenses



N.J.'s Workers Compensation costs have risen more than 40% over six years.

Employee Telephone – Cost Recovery

The Office of Information Technology (OIT) issues paper copies of telephone billings to recover the cost of employees' personal calls. Currently, an average of only 1,200 of the State's 78,000 total employees actually pay, generating only \$115,000 per year. Printing costs alone, however, total \$360,000. To improve the efficiency of these cost recoveries, OIT is implementing a new telephone billing system that will reduce printing costs and administration. It will also highlight billing irregularities through automated management reports, as well as isolate areas of potential reimbursement and possible abuse.

Cooperative Purchasing - Computers

Treasury's Division of Purchase and Property (DPP) is actively pursuing the implementation of a strategic sourcing initiative designed to reduce the cost of purchases by leveraging the State's buying power and expanding competition among vendors. As its first order of business, DPP recently restructured the mini/micro computer contract that was awarded in 1997. New contracts will be issued to include: personal computers (PCs); ruggedized PCs; network servers and storage; wiring and cabling; IT services; and software. Statewide buying power in fiscal 2005 for these categories, including both State departments and local government expenditures, is estimated at more than \$500 million, of which at least \$217 million was from State departments. The new cooperative purchasing contracts are expected to generate millions in savings for both State departments and local governments in fiscal 2007. For localities, this represents a key opportunity to offset the rising cost of municipal services, one that can be maximized only by their full participation. DPP plans to reconstruct other state contracts to realize additional cost benefits.

Cooperative Purchasing –Local Energy Aggregation

In fiscal 2003, the State implemented the Consolidated Energy Savings Program (NJCESP), joining with New Jersey Transit, public colleges,

and toll road authorities to buy natural gas and electrical power in bulk. These contracts provide two primary benefits: price certainty and potential cost avoidance. When compared to the normal power rates charged by utilities, cost avoidance under NJCESP has averaged 14% for electricity and 13% for natural gas over the life of the contracts. These savings could be increased and extended to benefit localities (e.g., municipal governments and school districts, but not residences) if towns were permitted to join NJCESP on a voluntary basis. That concept is authorized in pending legislation (S-1448, sponsored by State Senator Martha Bark) that is currently before the State Senate Economic Growth Committee. This bill, which unanimously passed the State Senate in 2005, would concentrate the energy needs of State and local facilities, thus maximizing market presence to ensure the best price possible. It would also provide more sophisticated contracting techniques/strategies vis-à-vis suppliers, and reduce administrative costs. Essentially, this legislation would provide another tool for localities to use to arrest the rising cost of local services.

Parking – Maximizing Existing Space

Presently, there are approximately 300 empty parking spaces in State-owned parking lots at Perry Street in Trenton. Separately, agencies have arranged for "waiver parking," which exceeds the standard allotment as allocated by Treasury's Division of Property Management, at a cost of over \$5 million annually. The State could save \$325,000 annually by simply reducing waiver parking and shifting affected employees to the Perry Street facility.

In addition, this Budget increases the Department of Banking and Insurance's existing annual assessment on the insurance industry by \$180,000 to properly charge the pro-rated portion of parking at the State's Bank Street garage in Trenton that is attributable to its Insurance-related employees. An analysis is ongoing to determine if other non-State programs are similarly situated.

SUMMARIES OF APPROPRIATIONS

Business Employment Incentive Program

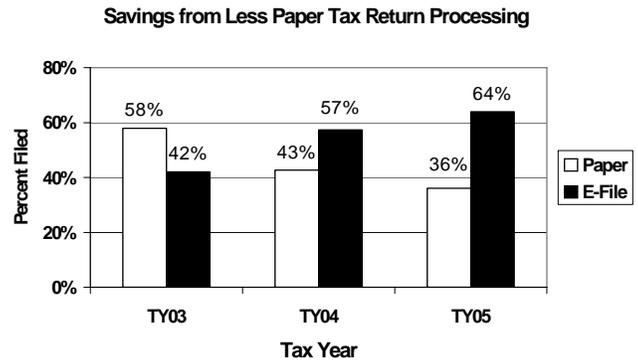
This Budget restores direct funding of the Business Employment Incentive Program (BEIP), reversing an expensive trend of using debt to pay for these grants. The BEIP offers incentives to attract out-of-state businesses to New Jersey and to retain those already in the State. Businesses that meet their job creation and retention commitments are entitled to a portion of the increased State income tax revenue these jobs generate. Since fiscal 1997, nearly 250 companies have committed to creating or retaining more than 58,000 jobs in the State. Since fiscal 1999, over 150 businesses have met their job commitments and been awarded rebates totaling \$253 million.

Because BEIP was viewed as too expensive for past State budgets, over \$300 million in debt has been issued since 2003 to pay for the rebates. Faced with escalating BEIP debt service of over \$48 million in fiscal 2007, this Administration has chosen to discontinue future debt financing and return to paying for BEIP rebates from the current year income tax revenues that the BEIP businesses generate. In fiscal 2007, income tax revenues generated by the BEIP program are expected to far exceed the estimated \$152 million that will be rebated back to these businesses.

Electronic Filing

Electronic filing/payment processing, or “e-filing,” enables the Department of Treasury to reduce its expenditures for paper handling tasks while increasing the speed and accuracy of services for taxpayers and employers. Specifically, e-filing eliminates manual tasks such as mail receipt and extraction, return screening, scanning, and data entry/verification. This, in turn, results in reduced outlays for staff, equipment, and contract services that support manual and semi-automated processing operations. In fiscal 2007, the threshold at which employers must e-file their quarterly wage reports will be reduced from ten to five employees, and tax practitioners who prepare 100 or more income tax returns also will be required to e-file. As a result, savings of \$1.3 million is projected. As a critical first step, enactment of legislation is required so that the

Division of Taxation may mandate and enforce e-filing for various tax systems. Ultimately, this initiative may also be expanded to include other agencies, such as the Department of Labor and Workforce Development, which may further reduce e-filing thresholds for employer wage reports.



NJ expects an FY07 savings of \$1.3m in processing costs due to the increasing popularity of e-filing.

Motor Vehicle Commission Management Efficiencies

The Motor Vehicle Commission (MVC) is planning a statewide initiative that would result in shorter motorist waiting times and eliminate the inconvenience and expense of a second trip to an inspection station for over 126,000 drivers. The proposal would eliminate the requirement of a re-inspection for minor safety violations (e.g., parking lights, wipers) and issue an advisory notifying the motorist of the violations. This initiative, which is subject to a public comment and rulemaking process, would effectuate a budget savings of approximately \$3.5 million.

Efficiencies planned by the MVC in fiscal 2007 for advertising, overtime, and postage total \$2.4 million. Reduced advertising expenditures will generate a savings of \$1 million. The MVC processes an average of 15 to 17 million pieces of mail annually. This includes Drivers License Renewals, Registration Renewals, Vehicle Titles, Change of Address Labels, Violation Documents, and Registration Certificates. Mailroom

modernization, related to sorting equipment, will save \$760,000 through efficiency in staffing and reduced overtime costs. Limiting the postage, by minimizing the number of inserts included in mailings, will reduce the standard weight of a single mailing from over two ounces to less than one ounce, generating a savings of \$600,000.

Reuse/Refurbishment of Furniture

The first phase of the consolidation of warehouse/records space, which was initiated in fiscal 2006, has been completed. Annual savings of over \$800,000 will be realized in the Central Rent budget as projected. During this consolidation, all excess or surplus furniture previously stored by departments individually in separate areas was consolidated into a "common stock" furniture section at the First Avenue warehouse in Trenton.

Simple repairs/cleaning/refurbishment of this furniture is being done by existing staff and then sorted by type and manufacturer. All departments have been notified and, before placing new orders, can now select appropriate furniture from this warehouse at no additional cost to the State. In the first nine months this project has been in effect, furniture purchases of almost \$1 million have been avoided.

In fiscal 2007, it is projected that over \$1.5 million worth of new furniture purchases can be avoided due to this project.

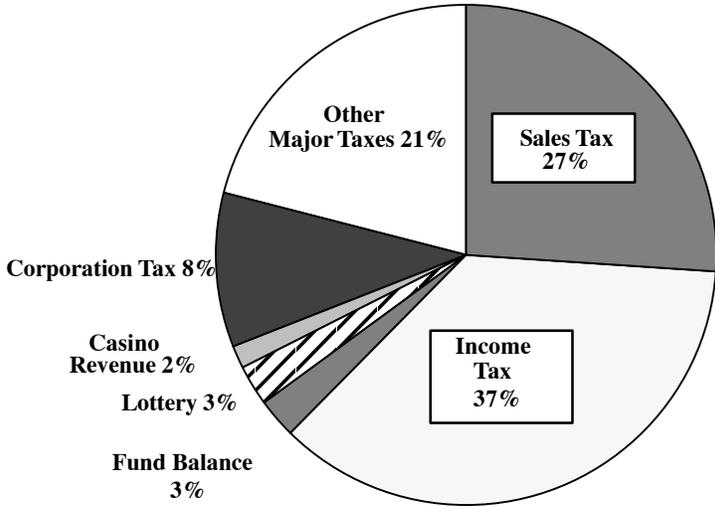
Statewide Management Efficiencies

The Budget assumes \$50 million in savings from management efficiencies in fiscal 2007. Taxpayer dollars should be expended wisely and only after painstaking efforts to conserve and preserve fiscal resources. New Jersey government has both the responsibility and capability to operate at peak efficiency, although it appears to fall short. To improve the efficiency and effectiveness of the State's operations requires a continuous and vigilant effort to find and harness the economies of scale in the day-to-day functions of government. For fiscal 2007, stepped-up efforts will be initiated to consolidate the operations and functions of state government agencies. These efforts will include, but not be limited to: ongoing and comprehensive reviews of fixed costs; pursuit of economies on materials, supplies, equipment, communications systems, and other operational tools of government; greater coordination and consolidation among agencies; and the elimination of duplication and waste. For example, one such initiative will include redeployment of the State vehicle fleet by the Department of Treasury Central Motor Pool. Treasury intends to recall ten percent of the State's 6,145 passenger vehicles (614 vehicles) which will be sold at auction.

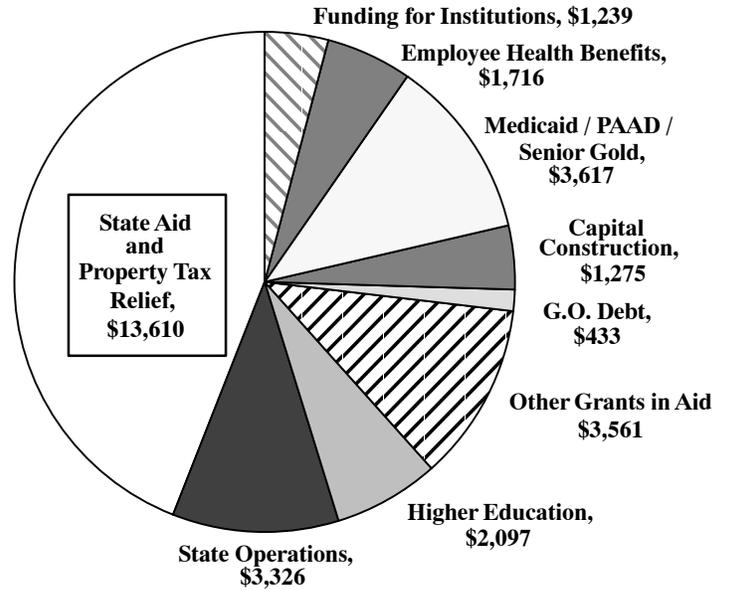
SUMMARIES OF APPROPRIATIONS

**RESOURCES AND RECOMMENDATIONS FOR FISCAL YEAR 2007
ALL STATE FUNDS**

Resources



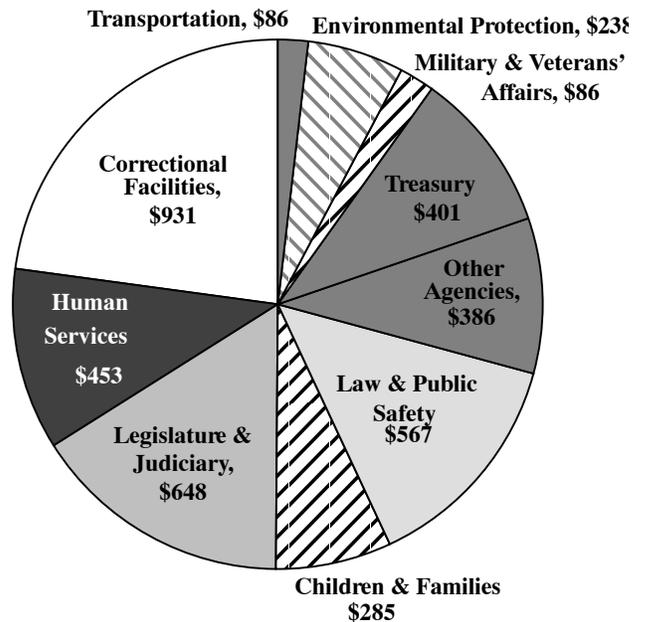
**Recommendations
(Millions of Dollars)**



**RESOURCES
(Thousands of Dollars)**

Income Tax	\$11,615,000
Sales Tax	8,377,000
Corporation and Bank Tax	2,648,000
Lottery Revenue	836,000
Casino Revenue	468,000
Other Major Taxes:	
Motor Fuels	554,000
Transfer Inheritance	539,000
Cigarette	491,000
Realty Transfer	476,000
Insurance Premium	462,000
Motor Vehicle Fees	275,000
Petroleum Products Gross Receipts	252,000
Alcoholic Beverage Excise	106,000
Tobacco Products Wholesale Sales	14,000
Public Utility Excise	10,000
Other Resources	3,528,691
Subtotal Resources	30,651,691
Estimated Fund Balance July 1, 2006:	
General Fund	514,628
Surplus Revenue Fund	300,372
Casino Control Fund	8,527
TOTAL	\$31,475,218

**STATE OPERATIONS
(Millions of Dollars)**



SUMMARIES OF APPROPRIATIONS

TABLE I
SUMMARY OF FISCAL YEAR 2006–2007 APPROPRIATION RECOMMENDATION
(thousands of dollars)

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

	2006 Adjusted Approp.	2007 Recommended	Change		
			Dollar	Percent	
GENERAL FUND AND PROPERTY TAX RELIEF FUND					
State Aid and Grants	20,449,890	22,373,145	1,923,255	%	9.4
State Operations					
Executive Branch	3,464,171	3,360,655	-103,516		-3.0
Legislature	76,221	76,221	—		—
Judiciary	571,750	571,750	—		—
Interdepartmental	1,867,233	2,244,943	377,710		20.2
Total State Operations	5,979,375	6,253,569	274,194	%	4.6
Capital Construction	1,091,220	1,274,893	183,673		16.8
Debt Service	169,326	432,785	263,459		155.6
TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND	27,689,811	30,334,392	2,644,581	%	9.6
CASINO CONTROL FUND	72,039	72,039	—		—
CASINO REVENUE FUND	500,941	468,087	-32,854		-6.6
GUBERNATORIAL ELECTIONS FUND	2,525	—	-2,525		-100.0
GRAND TOTAL STATE APPROPRIATIONS	28,265,316	30,874,518	2,609,202	%	9.2

TABLE II
SUMMARY OF FISCAL YEAR 2006–07 APPROPRIATION RECOMMENDATIONS
(thousands of dollars)

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

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
General Fund							
5,796,194	512,547	21,751	6,330,492	6,004,180	5,979,375	6,261,696	6,253,569
7,902,194	408,179	9,350	8,319,723	8,063,658	8,165,114	8,853,127	8,563,099
3,232,897	59,963	-110,354	3,182,506	3,125,889	1,925,276	2,245,942	2,195,046
1,104,633	189,422	17,671	1,311,726	1,106,110	1,091,220	1,274,893	1,274,893
270,179	—	-8,151	262,028	260,336	169,326	432,785	432,785
18,306,097	1,170,111	-69,733	19,406,475	18,560,173	17,330,311	19,068,443	18,719,392
Property Tax Relief Fund					10,359,500	11,615,000	11,615,000
9,761,500	5,765	84,694	9,851,959	9,284,031	72,039	72,039	72,039
68,500	956	—	69,456	68,277	500,941	468,087	468,087
499,836	143,596	—	643,432	643,060	2,525	—	—
8,870	—	—	8,870	6,310			
28,644,803	1,320,428	14,961	29,980,192	28,561,851	28,265,316	31,223,569	30,874,518
GRAND TOTAL STATE APPROPRIATIONS							

SUMMARIES OF APPROPRIATIONS

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

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

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>							
Legislative Branch							
11,494	2,329	150	13,973	10,966	12,269	12,269	12,269
18,905	2,542	250	21,697	18,250	18,692	18,692	18,692
28,372	2,815	932	32,119	31,454	29,991	29,991	29,991
14,730	6,596	-39	21,287	14,357	15,269	15,269	15,269
73,501	14,282	1,293	89,076	75,027	76,221	76,221	76,221
Executive Branch							
5,267	977	187	6,431	5,133	5,183	4,924	4,924
9,123	2,257	683	12,063	11,403	9,569	8,994	8,994
67,703	7,686	—	75,389	64,386	68,033	67,965	67,965
230,939	—	10,258	241,197	241,114	191,881	285,046	285,046
35,969	35,426	-4,905	66,490	53,081	37,811	36,914	36,914
881,282	1,590	18,145	901,017	898,264	938,166	931,420	931,420
60,436	3,284	14,593	78,313	69,313	62,368	62,042	62,042
217,273	34,215	15,181	266,669	251,306	226,918	238,217	238,217
75,947	11,624	11,206	98,777	95,063	65,743	73,797	73,797
75,076	11,593	11,078	97,747	94,084	64,872	72,926	72,926
871	31	128	1,030	979	871	871	871
565,540	16,089	57,355	638,984	623,960	598,515	453,381	453,381
60,242	53,199	888	114,329	107,749	62,072	61,849	61,849
536,278	167,931	17,052	721,261	620,752	585,571	566,953	566,953
495,587	167,753	17,052	680,392	579,984	542,880	524,262	524,262
40,599	178	—	40,777	40,676	42,599	42,599	42,599
92	—	—	92	92	92	92	92
81,881	4,294	1,744	87,919	84,217	88,280	86,411	86,411
25,448	6,939	—	32,387	30,535	25,463	23,990	23,990
13,790	2,437	-325	15,902	13,164	16,220	19,420	19,420
32,729	1,116	845	34,690	32,925	28,116	31,514	23,387
110,288	5,997	2,951	119,236	118,513	103,955	86,448	86,448
409,808	67,996	4,069	481,873	452,543	421,877	401,092	401,092
381,907	67,218	4,069	453,194	424,942	392,437	371,652	371,652
27,901	778	—	28,679	27,601	29,440	29,440	29,440
1,390	3	6	1,399	1,399	1,432	1,407	1,407
3,421,333	423,060	149,933	3,994,326	3,774,820	3,537,173	3,441,784	3,433,657
3,351,870	422,073	149,805	3,923,748	3,705,472	3,464,171	3,368,782	3,360,655
68,500	956	—	69,456	68,277	72,039	72,039	72,039
963	31	128	1,122	1,071	963	963	963

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Inter-Departmental Accounts								
153,023	134	—	153,157	150,856	Property Rentals	146,320	158,690	158,690
103,911	7,214	-1	111,124	94,206	Insurance and Other Services	103,011	106,711	106,711
1,357,386	19,008	605	1,376,999	1,368,281	Employee Benefits	1,495,797	1,716,124	1,716,124
55,469	761	-6,985	49,245	33,516	Other Inter-Departmental Accounts	79,421	77,142	77,142
137,280	33,860	-126,027	45,113	5,717	Salary Increases and Other Benefits	7,500	135,360	135,360
31,681	2,212	—	33,893	33,893	Utilities and Other Services	35,184	50,916	50,916
1,838,750	63,189	-132,408	1,769,531	1,686,469	Total Inter-Departmental Accounts	1,867,233	2,244,943	2,244,943
Judicial Branch								
532,073	13,003	3,061	548,137	537,212	The Judiciary	571,750	571,750	571,750
5,865,657	513,534	21,879	6,401,070	6,073,528	Total Direct State Services	6,052,377	6,334,698	6,326,571
5,796,194	512,547	21,751	6,330,492	6,004,180	(From General Fund)	5,979,375	6,261,696	6,253,569
68,500	956	—	69,456	68,277	(From Casino Control Fund)	72,039	72,039	72,039
963	31	128	1,122	1,071	(From Casino Revenue Fund)	963	963	963
<u>GRANTS-IN-AID</u>								
Executive Branch								
2,755	92	182	3,029	2,688	Department of Agriculture	1,575	5,025	5,025
415,155	—	16,754	431,909	431,558	Department of Children and Families	547,372	679,769	679,769
69,005	10,163	9,997	89,165	61,118	Department of Community Affairs	55,710	63,760	63,760
113,599	2,219	1,950	117,768	116,618	Department of Corrections	138,383	133,151	133,151
25,544	—	396	25,940	25,277	Department of Education	18,129	41,813	41,813
16,250	8,207	-5,980	18,477	13,491	Department of Environmental Protection	750	33,165	33,165
1,837,841	170,369	-830	2,007,380	1,940,408	Department of Health and Senior Services	1,624,988	1,859,112	1,859,112
1,485,432	26,804	-702	1,511,534	1,444,773	(From General Fund)	1,274,646	1,542,202	1,542,202
352,409	143,565	-128	495,846	495,635	(From Casino Revenue Fund)	350,342	316,910	316,910
3,303,048	335,272	798	3,639,118	3,591,061	Department of Human Services	3,536,989	3,461,642	3,461,642
3,184,311	335,272	798	3,520,381	3,472,434	(From General Fund)	3,424,145	3,348,798	3,348,798
118,737	—	—	118,737	118,627	(From Casino Revenue Fund)	112,844	112,844	112,844
45,603	—	341	45,944	41,944	Department of Labor and Workforce Development	47,282	54,282	54,282
43,163	—	341	43,504	39,504	(From General Fund)	44,842	51,842	51,842
2,440	—	—	2,440	2,440	(From Casino Revenue Fund)	2,440	2,440	2,440
28,178	—	81	28,259	25,399	Department of Law and Public Safety	23,702	21,379	21,379
19,308	—	81	19,389	19,089	(From General Fund)	21,177	21,379	21,379
8,870	—	—	8,870	6,310	(From Gubernatorial Elections Fund)	2,525	—	—
1,044	62	1	1,107	1,073	Department of Military and Veterans' Affairs	1,544	1,544	1,544
1,158,257	21,695	28,891	1,208,843	1,179,280	Department of State	1,288,348	1,401,649	1,133,287
278,700	1,655	45	280,400	278,791	Department of Transportation	273,700	300,700	300,700
2,398,523	117	3,279	2,401,919	1,821,795	Department of the Treasury	1,029,865	1,740,039	1,718,373
235,812	93	3,279	239,184	211,950	(From General Fund)	239,977	399,851	378,185
2,162,711	24	—	2,162,735	1,609,845	(From Property Tax Relief Fund)	789,888	1,340,188	1,340,188
9,693,502	549,851	55,905	10,299,258	9,530,501	Total Executive Branch	8,588,337	9,797,030	9,507,002
7,048,335	406,262	56,033	7,510,630	7,297,644	(From General Fund)	7,330,298	8,024,648	7,734,620
2,162,711	24	—	2,162,735	1,609,845	(From Property Tax Relief Fund)	789,888	1,340,188	1,340,188
473,586	143,565	-128	617,023	616,702	(From Casino Revenue Fund)	465,626	432,194	432,194
8,870	—	—	8,870	6,310	(From Gubernatorial Elections Fund)	2,525	—	—

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID								
Inter-Departmental Accounts								
619,292	179	-1,868	617,603	615,500	Employee Benefits	673,658	683,358	683,358
114,198	—	-14,157	100,041	59,326	Other Inter-Departmental Accounts	54,925	14,925	14,925
31,158	—	-31,158	—	—	Salary Increases and Other Benefits	—	—	—
89,211	1,738	—	90,949	90,688	Aid to Independent Authorities	106,233	130,196	130,196
853,859	1,917	-47,183	808,593	765,514	Total Inter-Departmental Accounts	834,816	828,479	828,479
Judicial Branch								
—	—	500	500	500	The Judiciary	—	—	—
—	—	500	500	500	Total Judicial Branch	—	—	—
10,547,361	551,768	9,222	11,108,351	10,296,515	Total Grants-in-Aid	9,423,153	10,625,509	10,335,481
7,902,194	408,179	9,350	8,319,723	8,063,658	(From General Fund)	8,165,114	8,853,127	8,563,099
2,162,711	24	—	2,162,735	1,609,845	(From Property Tax Relief Fund)	789,888	1,340,188	1,340,188
473,386	143,565	-128	617,023	616,702	(From Casino Revenue Fund)	465,626	432,194	432,194
8,870	—	—	8,870	6,310	(From gubernatorial Elections Fund)	2,525	—	—
STATE AID								
Executive Branch								
11,085	331	-48	11,368	10,345	Department of Agriculture	11,727	11,727	11,727
1,032,765	25,750	-953	1,057,562	1,050,857	Department of Community Affairs	1,100,015	1,057,368	1,057,368
103,196	25,750	-18,220	110,726	106,535	(From General Fund)	107,446	92,196	92,196
929,569	—	17,267	946,836	944,322	(From Property Tax Relief Fund)	992,569	965,172	965,172
8,882,235	11,314	-18,527	8,875,022	8,857,738	Department of Education	9,384,942	10,424,820	10,424,820
2,385,849	5,573	-93,915	2,297,507	2,291,403	(From General Fund)	983,919	1,282,814	1,282,814
6,496,386	5,741	75,388	6,577,515	6,566,335	(From Property Tax Relief Fund)	8,401,023	9,142,006	9,142,006
20,707	32	150	20,889	20,619	Department of Environmental Protection	19,222	20,566	20,566
12,207	32	150	12,389	12,162	(From General Fund)	10,222	11,066	11,066
8,500	—	—	8,500	8,457	(From Property Tax Relief Fund)	9,000	9,500	9,500
9,508	—	—	9,508	9,269	Department of Health and Senior Services	9,552	9,552	9,552
370,567	9,014	833	380,414	379,793	Department of Human Services	468,879	428,123	428,123
1,624	—	—	1,624	1,624	Department of Labor and Workforce Development	1,522	1,522	1,522
14,820	10,984	1,629	27,433	12,453	Department of Law and Public Safety	8,030	28,030	28,030
16,827	—	—	16,827	16,598	Department of State	18,537	38,160	18,520
25,287	—	—	25,287	25,287	Department of Transportation	34,352	34,930	34,930
25,287	—	—	25,287	25,287	(From Casino Revenue Fund)	34,352	34,930	34,930
471,548	8,279	-8,744	471,083	440,779	Department of the Treasury	472,462	500,886	469,630
307,214	8,279	-783	314,710	285,707	(From General Fund)	305,442	342,752	311,496
164,334	—	-7,961	156,373	155,072	(From Property Tax Relief Fund)	167,020	158,134	158,134
10,856,973	65,704	-25,660	10,897,017	10,825,362	Total Executive Branch	11,529,240	12,555,684	12,504,788
3,232,897	59,963	-110,354	3,182,506	3,125,889	(From General Fund)	1,925,276	2,245,942	2,195,046
7,598,789	5,741	84,694	7,689,224	7,674,186	(From Property Tax Relief Fund)	9,569,612	10,274,812	10,274,812
25,287	—	—	25,287	25,287	(From Casino Revenue Fund)	34,352	34,930	34,930
10,856,973	65,704	-25,660	10,897,017	10,825,362	Total State Aid	11,529,240	12,555,684	12,504,788
3,232,897	59,963	-110,354	3,182,506	3,125,889	(From General Fund)	1,925,276	2,245,942	2,195,046
7,598,789	5,741	84,694	7,689,224	7,674,186	(From Property Tax Relief Fund)	9,569,612	10,274,812	10,274,812
25,287	—	—	25,287	25,287	(From Casino Revenue Fund)	34,352	34,930	34,930

SUMMARIES OF APPROPRIATIONS

Orig. & (S)Supple- mental	Year Ending June 30, 2005					2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended			Requested	Recom- mended
CAPITAL CONSTRUCTION								
Legislative Branch								
—	2,363	—	2,363	2,190	Legislative Support Services	—	—	—
—	2,363	—	2,363	2,190	Total Legislative Branch	—	—	—
Executive Branch								
—	1,142	—	1,142	150	Department of Agriculture	—	250	250
—	—	—	—	—	Department of Children and Families	—	10,000	10,000
500	6,359	—	6,859	1,710	Department of Corrections	5,000	—	—
—	946	—	946	166	Department of Education	1,050	2,450	2,450
116,453	100,273	-9,730	206,996	89,837	Department of Environmental Protection	84,263	147,767	147,767
—	752	—	752	327	Department of Health and Senior Services	—	—	—
10,400	18,727	—	29,127	14,112	Department of Human Services	11,600	7,700	7,700
—	18,246	3,000	21,246	10,790	Department of Law and Public Safety	4,805	1,500	1,500
2,627	812	505	3,944	1,143	Department of Military and Veterans' Affairs	175	2,590	2,590
—	2	—	2	—	Department of Personnel	—	—	—
1,000	122	300	1,422	971	Department of State	—	—	—
805,000	—	—	805,000	805,000	Department of Transportation	805,000	895,000	895,000
—	5,318	5,954	11,272	5,825	Department of the Treasury	—	—	—
—	2	—	2	—	Miscellaneous Commissions	—	—	—
935,980	152,701	29	1,088,710	930,031	Total Executive Branch	911,893	1,067,257	1,067,257
Inter-Departmental Accounts								
168,653	34,358	17,642	220,653	173,889	Capital Projects – Statewide	179,327	207,636	207,636
168,653	34,358	17,642	220,653	173,889	Total Inter-Departmental Accounts	179,327	207,636	207,636
1,104,633	189,422	17,671	1,311,726	1,106,110	Total Capital Construction	1,091,220	1,274,893	1,274,893
DEBT SERVICE								
Executive Branch								
37,660	—	3,577	41,237	39,715	Department of Environmental Protection	24,675	64,664	64,664
232,519	—	-11,728	220,791	220,621	Department of the Treasury	144,651	368,121	368,121
270,179	—	-8,151	262,028	260,336	Total Executive Branch	169,326	432,785	432,785
270,179	—	-8,151	262,028	260,336	Total Debt Service	169,326	432,785	432,785
28,644,803	1,320,428	14,961	29,980,192	28,561,851	GRAND TOTAL-STATE APPROPRIATIONS	28,265,316	31,223,569	30,874,518
18,306,097	1,170,111	-69,733	19,406,475	18,560,173	(From General Fund)	17,330,311	19,068,443	18,719,392
68,500	956	—	69,456	68,277	(From Casino Control Fund)	72,039	72,039	72,039
9,761,500	5,765	84,694	9,851,959	9,284,031	(From Property Tax Relief Fund)	10,359,500	11,615,000	11,615,000
499,836	143,596	—	643,432	643,060	(From Casino Revenue Fund)	500,941	468,087	468,087
8,870	—	—	8,870	6,310	(From Gubernatorial Elections Fund)	2,525	—	—

SUMMARIES OF APPROPRIATIONS

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

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

	2005 Expenditures	2006 Adjusted Appropriation	2007 Requested	2007 Recom- mended
General Fund—				
Direct State Services—				
Personal Services	2,746,902	2,837,267	2,833,683	2,832,845
Materials and Supplies	232,266	210,735	223,809	223,620
Services Other Than Personal	456,309	431,443	439,010	438,922
Maintenance and Fixed Charges	242,989	231,775	238,297	238,246
Improvements and Equipment	50,376	37,164	30,749	30,703
Employee Pension and Health Benefits	1,368,281	1,495,797	1,716,124	1,716,124
Human Services Programs	55,556	28,672	23,746	23,746
Other	851,501	706,522	756,278	749,363
<i>Total Direct State Services</i>	<i>6,004,180</i>	<i>5,979,375</i>	<i>6,261,696</i>	<i>6,253,569</i>
Grants-in-Aid—				
Employee Pension and Health Benefits	615,500	673,658	673,658	673,658
Rutgers, The State University	326,961	356,250	349,400	300,329
University of Medicine and Dentistry of New Jersey	215,150	242,939	273,131	194,165
New Jersey Institute of Technology	50,312	51,512	60,532	45,752
State Colleges	288,197	300,352	383,855	267,340
Other Higher Education Programs	82,550	89,559	108,173	98,768
Transit Subsidy	278,791	273,700	300,700	300,700
Student Aid—Scholarships and Grants	252,045	289,535	292,933	290,183
Support of Independent Higher Education Institutions	25,359	25,959	31,919	13,378
Correctional Facilities	116,618	138,383	133,151	133,151
Support of the Arts	28,903	30,030	23,562	23,562
Income Maintenance Management	244,887	248,574	257,991	257,991
Medicaid and Pharmaceutical Assistance to the Aged and Disabled	3,344,466	3,250,008	3,242,489	3,242,489
Children's Services	431,558	547,372	674,769	674,769
Services for the Developmentally Disabled	476,690	471,484	492,526	492,526
Mental Health Services	251,726	289,872	266,133	266,133
AIDS Control	33,374	34,351	31,651	31,651
Other Human Services Programs	52,287	56,093	49,206	49,206
Other	948,284	795,483	1,207,348	1,207,348
<i>Total Grants-in-Aid</i>	<i>8,063,658</i>	<i>8,165,114</i>	<i>8,853,127</i>	<i>8,563,099</i>
State Aid—				
Educational	2,536,474	1,240,092	1,612,840	1,561,944
Welfare	268,349	352,304	299,548	299,548
Health and Senior Services and Human Services	120,713	126,127	138,127	138,127
Payment to Counties and Municipalities	176,738	189,501	157,331	157,331
Other	23,615	17,252	38,096	38,096
<i>Total State Aid</i>	<i>3,125,889</i>	<i>1,925,276</i>	<i>2,245,942</i>	<i>2,195,046</i>

SUMMARIES OF APPROPRIATIONS

	2005 Expenditures	2006 Adjusted Appropriation	2007 Requested	2007 Recom- mended
Capital Construction—				
Transportation Trust Fund	805,000	805,000	895,000	895,000
Environmental	—	—	40,000	40,000
Educational	166	1,050	2,450	2,450
Institutional	15,822	16,600	7,700	7,700
Constitutionally Dedicated Projects	177,484	182,263	205,767	205,767
All Other	107,638	86,307	123,976	123,976
<i>Total Capital Construction</i>	<u>1,106,110</u>	<u>1,091,220</u>	<u>1,274,893</u>	<u>1,274,893</u>
Debt Service—				
Principal	104,712	13,670	254,246	254,246
Interest	155,624	155,656	178,539	178,539
<i>Total Debt Service</i>	<u>260,336</u>	<u>169,326</u>	<u>432,785</u>	<u>432,785</u>
<i>Total General Fund</i>	<u>18,560,173</u>	<u>17,330,311</u>	<u>19,068,443</u>	<u>18,719,392</u>
Property Tax Relief Fund—				
Homestead Rebates	1,609,845	789,888	1,340,188	1,340,188
Educational	6,566,335	8,401,023	9,142,006	9,142,006
Payments to Municipalities	1,107,851	1,168,589	1,132,806	1,132,806
<i>Total Property Tax Relief Fund</i>	<u>9,284,031</u>	<u>10,359,500</u>	<u>11,615,000</u>	<u>11,615,000</u>
Casino Control Fund – Direct State Services—				
Enforcement	40,676	42,599	42,599	42,599
Administration	27,601	29,440	29,440	29,440
<i>Total Casino Control Fund – Direct State Services</i>	<u>68,277</u>	<u>72,039</u>	<u>72,039</u>	<u>72,039</u>
Casino Revenue Fund—				
Programs for Senior Citizens and the Disabled	643,060	500,941	468,087	468,087
<i>Total Casino Revenue Fund</i>	<u>643,060</u>	<u>500,941</u>	<u>468,087</u>	<u>468,087</u>
Gubernatorial Elections Fund – Grants–In–Aid—				
Public Financing of Gubernatorial General Election	6,310	2,525	—	—
<i>Total Gubernatorial Elections Fund – Grants–In–Aid</i>	<u>6,310</u>	<u>2,525</u>	<u>—</u>	<u>—</u>
GRAND TOTAL STATE APPROPRIATIONS	<u>28,561,851</u>	<u>28,265,316</u>	<u>31,223,569</u>	<u>30,874,518</u>

SUMMARIES OF APPROPRIATIONS

TABLE V
SUMMARY OF APPROPRIATIONS BY STATEWIDE PROGRAM

(thousands of dollars)

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

Orig. & (S) Supplemental	Year Ending June 30, 2005					2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended			Requested	Recommended
GENERAL FUND								
Direct State Services								
10. Public Safety and Criminal Justice								
					11. Vehicular Safety			
316,203	25,048	9,581	350,832	338,370	12. Law Enforcement	344,615	338,250	338,250
10,787	7,171	1,216	19,174	12,909	13. Special Law Enforcement Activities	10,556	8,667	8,667
17,891	2,306	460	20,657	19,064	14. Military Services	18,082	16,447	16,447
532,073	13,003	3,061	548,137	537,212	15. Judicial Services	571,750	571,750	571,750
809,126	854	14,523	824,503	821,775	16. Detention and Rehabilitation	854,841	850,496	850,496
55,473	701	1,401	57,575	57,550	17. Parole	64,617	62,221	62,221
91,362	41	2,533	93,936	93,931	18. Juvenile Services	98,381	97,025	97,025
32,127	35	5,564	37,726	35,558	19. Central Planning, Direction and Management	36,633	39,879	39,879
1,865,042	49,159	38,339	1,952,540	1,916,369	Total Appropriation	1,999,475	1,984,735	1,984,735
20. Physical and Mental Health								
49,878	2,562	3,750	56,190	55,757	21. Health Services	44,504	44,604	44,604
5,074	8,372	-5,641	7,805	7,550	22. Health Planning and Evaluation	3,874	8,444	8,444
256,913	997	30,778	288,688	287,695	23. Mental Health Services	268,737	264,015	264,015
23,345	8,514	3,609	35,468	31,369	24. Special Health Services	26,221	25,779	25,779
4,688	20	4,529	9,237	9,170	25. Health Administration	5,238	3,767	3,767
15,436	639	8,440	24,515	21,607	26. Senior Services	11,256	16,111	16,111
984	—	—	984	984	27. Disability Services	1,096	1,096	1,096
356,318	21,104	45,465	422,887	414,132	Total Appropriation	360,926	363,816	363,816
30. Educational, Cultural, and Intellectual Development								
266	—	14	280	280	31. Direct Educational Services and Assistance	284	284	284
237,565	358	-19,600	218,323	214,552	32. Operation and Support of Educational Institutions	220,503	97,705	97,705
8,612	733	-155	9,190	9,098	33. Supplemental Education and Training Programs	9,418	9,418	9,418
40,598	2,305	13,441	56,344	49,501	34. Educational Support Services	41,273	43,231	43,231
16,396	905	1,180	18,481	16,326	35. Education Administration and Management	17,396	14,997	14,997
3,659	304	112	4,075	3,941	36. Higher Educational Services	4,761	3,562	3,412
19,921	—	600	20,521	20,516	37. Cultural and Intellectual Development Services	14,837	21,616	13,639
327,017	4,605	-4,408	327,214	314,214	Total Appropriation	308,472	190,813	182,686
40. Community Development and Environmental Management								
22,552	35,279	-4,544	53,287	40,005	41. Community Development Management	25,235	24,810	24,810
61,788	1,869	8,558	72,215	70,102	42. Natural Resource Management	68,849	67,074	67,074
38,461	7,666	3,076	49,203	43,852	43. Science and Technical Programs	38,129	42,079	42,079
46,203	20,860	-221	66,842	60,322	44. Site Remediation and Waste Management	44,852	56,530	56,530
34,685	975	107	35,767	35,268	45. Environmental Regulation	36,930	35,360	35,360
19,520	46	1,379	20,945	20,889	46. Environmental Planning and Administration	20,330	17,997	17,997
17,856	2,799	2,282	22,937	22,113	47. Compliance and Enforcement	19,093	20,417	20,417
9,123	2,257	683	12,063	11,403	49. Agricultural Resources, Planning, and			
250,188	71,751	11,320	333,259	303,954	Total Appropriation	262,987	273,261	273,261

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending — June 30, 2007 —			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					50. Economic Planning, Development, and Security			
4,347	32	273	4,652	4,493	51. Economic Planning and Development	4,688	4,266	4,266
90,644	12,395	678	103,717	90,192	52. Economic Regulation	94,909	93,839	93,839
65,424	23,303	—	88,727	80,526	53. Economic Assistance and Security	67,459	67,160	67,160
20,203	34,839	1,112	56,154	52,260	54. Manpower and Employment Services	21,229	21,006	21,006
234,056	21	33,009	267,086	266,559	55. Social Services Programs	194,769	287,934	287,934
414,674	70,590	35,072	520,336	494,030	Total Appropriation	383,054	474,205	474,205
					60. Transportation Programs			
104,804	5,957	2,359	113,120	112,449	61. State and Local Highway Facilities	98,347	82,138	82,138
5,484	40	592	6,116	6,064	64. Regulation and General Management	5,608	4,310	4,310
110,288	5,997	2,951	119,236	118,513	Total Appropriation	103,955	86,448	86,448
					70. Government Direction, Management, and Control			
58,771	7,686	1,332	67,789	60,670	71. Legislative Activities	60,952	60,952	60,952
20,232	24,847	-15,149	29,930	27,186	72. Governmental Review and Oversight	22,796	21,734	21,734
183,760	21,649	2,905	208,314	199,619	73. Financial Administration	172,210	187,681	187,681
1,953,806	85,109	-124,734	1,914,181	1,816,963	74. General Government Services	1,995,928	2,324,264	2,324,264
4,518	126	-660	3,984	3,923	75. State Subsidies and Financial Aid	4,053	4,053	4,053
35,402	3,096	23,162	61,660	59,677	76. Management and Administration	71,046	53,631	53,631
14,730	6,596	-39	21,287	14,357	77. Legislative Commissions and Committees	15,269	15,269	15,269
2,271,219	149,109	-113,183	2,307,145	2,182,395	Total Appropriation	2,342,254	2,667,584	2,667,584
					80. Special Government Services			
137,458	138,244	4,911	280,613	195,420	82. Protection of Citizens' Rights	148,054	150,870	150,870
63,990	1,988	1,284	67,262	65,153	83. Services to Veterans	70,198	69,964	69,964
201,448	140,232	6,195	347,875	260,573	Total Appropriation	218,252	220,834	220,834
5,796,194	512,547	21,751	6,330,492	6,004,180	<i>Total Direct State Services – General Fund</i>	5,979,375	6,261,696	6,253,569
					Grants-In-Aid			
					10. Public Safety and Criminal Justice			
565	—	—	565	265	12. Law Enforcement	565	2,315	2,315
35	—	—	35	35	14. Military Services	35	35	35
—	—	500	500	500	15. Judicial Services	—	—	—
83,605	1,579	1,950	87,134	87,134	16. Detention and Rehabilitation	103,105	96,873	96,873
29,994	640	—	30,634	29,484	17. Parole	35,278	36,278	36,278
18,743	—	81	18,824	18,824	18. Juvenile Services	20,612	19,064	19,064
132,942	2,219	2,531	137,692	136,242	Total Appropriation	159,595	154,565	154,565
					20. Physical and Mental Health			
175,986	2,035	7,283	185,304	177,312	21. Health Services	223,284	164,784	164,784
339,025	—	—	339,025	338,925	22. Health Planning and Evaluation	110,425	369,462	369,462
242,029	—	11,234	253,263	253,263	23. Mental Health Services	289,872	276,133	276,133
2,022,995	319,146	21,191	2,363,332	2,360,695	24. Special Health Services	2,254,839	2,184,242	2,184,242
970,421	24,769	-7,985	987,205	928,536	26. Senior Services	940,937	1,007,956	1,007,956
90,547	1,800	-4,140	88,207	88,149	27. Disability Services	103,283	98,700	98,700
3,841,003	347,750	27,583	4,216,336	4,146,880	Total Appropriation	3,922,640	4,101,277	4,101,277

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
					30. Educational, Cultural, and Intellectual Development			
—	—	—	—	—	31. Direct Educational Services and Assistance	—	19,500	19,500
474,422	—	22,152	496,574	476,690	32. Operation and Support of Educational Institutions	471,484	492,526	492,526
4,178	—	48	4,226	4,223	33. Supplemental Education and Training Programs	4,235	4,242	4,242
25,544	—	396	25,940	25,277	34. Educational Support Services	18,129	22,313	22,313
1,228,836	21,689	29,034	1,279,559	1,240,501	36. Higher Educational Services	1,356,004	1,499,841	1,209,813
36,622	6	—	36,628	36,620	37. Cultural and Intellectual Development Services	37,952	28,500	28,500
<u>1,769,602</u>	<u>21,695</u>	<u>51,630</u>	<u>1,842,927</u>	<u>1,783,311</u>	Total Appropriation	<u>1,887,804</u>	<u>2,066,922</u>	<u>1,776,894</u>
					40. Community Development and Environmental Management			
31,150	6,420	5,559	43,129	25,937	41. Community Development Management	32,150	46,150	46,150
10,250	5,054	-4,167	11,137	11,073	42. Natural Resource Management	250	—	—
6,000	3,153	-1,813	7,340	2,418	43. Science and Technical Programs	500	11,400	11,400
—	—	—	—	—	45. Environmental Regulation	—	21,765	21,765
2,755	92	182	3,029	2,688	49. Agricultural Resources, Planning, and Regulation	1,575	5,025	5,025
<u>50,155</u>	<u>14,719</u>	<u>-239</u>	<u>64,635</u>	<u>42,116</u>	Total Appropriation	<u>34,475</u>	<u>84,340</u>	<u>84,340</u>
					50. Economic Planning, Development, and Security			
33,351	93	2,767	36,211	26,986	51. Economic Planning and Development	36,694	185,994	185,994
70,840	—	—	70,840	65,788	52. Economic Regulation	79,840	70,840	70,840
245,787	14,326	329	260,442	244,887	53. Economic Assistance and Security	248,574	257,991	257,991
43,163	—	341	43,504	39,504	54. Manpower and Employment Services	44,842	51,842	51,842
469,288	768	22,941	492,997	484,682	55. Social Services Programs	619,424	729,324	729,324
<u>862,429</u>	<u>15,187</u>	<u>26,378</u>	<u>903,994</u>	<u>861,847</u>	Total Appropriation	<u>1,029,374</u>	<u>1,295,991</u>	<u>1,295,991</u>
					60. Transportation Programs			
278,700	—	—	278,700	278,700	62. Public Transportation	273,700	300,700	300,700
—	1,655	45	1,700	91	64. Regulation and General Management	—	—	—
<u>278,700</u>	<u>1,655</u>	<u>45</u>	<u>280,400</u>	<u>278,791</u>	Total Appropriation	<u>273,700</u>	<u>300,700</u>	<u>300,700</u>
					70. Government Direction, Management, and Control			
857,579	1,917	-47,177	812,319	769,149	74. General Government Services	838,546	830,699	830,699
10,000	2,975	3,788	16,763	13,675	75. State Subsidies and Financial Aid	—	—	—
82,375	—	-55,190	27,185	14,209	76. Management and Administration	1,071	724	724
<u>949,954</u>	<u>4,892</u>	<u>-98,579</u>	<u>856,267</u>	<u>797,033</u>	Total Appropriation	<u>839,617</u>	<u>831,423</u>	<u>831,423</u>
					80. Special Government Services			
16,400	—	—	16,400	16,400	82. Protection of Citizens' Rights	16,400	16,400	16,400
1,009	62	1	1,072	1,038	83. Services to Veterans	1,509	1,509	1,509
<u>17,409</u>	<u>62</u>	<u>1</u>	<u>17,472</u>	<u>17,438</u>	Total Appropriation	<u>17,909</u>	<u>17,909</u>	<u>17,909</u>
<u>7,902,194</u>	<u>408,179</u>	<u>9,350</u>	<u>8,319,723</u>	<u>8,063,658</u>	<i>Total Grants-In-Aid – General Fund</i>	<u>8,165,114</u>	<u>8,853,127</u>	<u>8,563,099</u>

SUMMARIES OF APPROPRIATIONS

Orig. & (S)Supple- mental	Year Ending June 30, 2005				Expended	2006 Adjusted Approp.	Year Ending — June 30, 2007 —	
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Available			Requested	Recom- mended
11,090	10,748	-1,671	20,167	5,429	State Aid			
3,730	236	3,300	7,266	7,024	10. Public Safety and Criminal Justice			
—	—	—	—	—	12. Law Enforcement	1,000	1,000	1,000
—	—	—	—	—	13. Special Law Enforcement Activities	7,030	7,030	7,030
—	—	—	—	—	19. Central Planning, Direction and Management	—	20,000	20,000
14,820	10,984	1,629	27,433	12,453	Total Appropriation	8,030	28,030	28,030
2,400	—	—	2,400	2,161	20. Physical and Mental Health			
93,510	5,934	—	99,444	99,444	21. Health Services	2,400	2,400	2,400
7,108	—	—	7,108	7,108	23. Mental Health Services	104,575	116,575	116,575
—	—	—	—	—	26. Senior Services	7,152	7,152	7,152
103,018	5,934	—	108,952	108,713	Total Appropriation	114,127	126,127	126,127
773,500	779	-1,113	773,166	768,979	30. Educational, Cultural, and Intellectual Development			
4,860	—	—	4,860	4,860	31. Direct Educational Services and Assistance	322,337	553,491	553,491
1,607,489	4,794	-92,802	1,519,481	1,517,564	33. Supplemental Education and Training Programs	4,860	4,860	4,860
184,075	—	-783	183,292	183,061	34. Educational Support Services	656,722	724,463	724,463
16,827	—	—	16,827	16,598	36. Higher Educational Services	181,023	203,824	172,568
—	—	—	—	—	37. Cultural and Intellectual Development Services	18,537	38,160	18,520
2,586,751	5,573	-94,698	2,497,626	2,491,062	Total Appropriation	1,183,479	1,524,798	1,473,902
16,925	23,750	-23,750	16,925	16,925	40. Community Development and Environmental Management			
2,300	—	—	2,300	2,218	41. Community Development Management	16,925	16,925	16,925
6,454	27	150	6,631	6,491	44. Site Remediation and Waste Management	—	—	—
3,453	5	—	3,458	3,453	46. Environmental Planning and Administration	6,769	7,613	7,613
11,085	331	-48	11,368	10,345	47. Compliance and Enforcement	3,453	3,453	3,453
—	—	—	—	—	49. Agricultural Resources, Planning, and Regulation	11,727	11,727	11,727
40,217	24,113	-23,648	40,682	39,432	Total Appropriation	38,874	39,718	39,718
265,057	3,080	833	268,970	268,349	50. Economic Planning, Development, and Security			
1,624	—	—	1,624	1,624	53. Economic Assistance and Security	352,304	299,548	299,548
12,000	—	—	12,000	12,000	54. Manpower and Employment Services	1,522	1,522	1,522
—	—	—	—	—	55. Social Services Programs	12,000	12,000	12,000
278,681	3,080	833	282,594	281,973	Total Appropriation	365,826	313,070	313,070
209,410	10,279	5,530	225,219	192,256	70. Government Direction, Management, and Control			
209,410	10,279	5,530	225,219	192,256	75. State Subsidies and Financial Aid	214,940	214,199	214,199
3,232,897	59,963	-110,354	3,182,506	3,125,889	Total Appropriation	214,940	214,199	214,199
—	—	—	—	—	<i>Total State Aid – General Fund</i>	<i>1,925,276</i>	<i>2,245,942</i>	<i>2,195,046</i>

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					Capital Construction			
					10. Public Safety and Criminal Justice			
—	—	—	—	—	11. Vehicular Safety	—	—	—
—	9,870	—	9,870	5,691	12. Law Enforcement	4,055	—	—
2,627	612	505	3,744	962	14. Military Services	175	590	590
500	305	-3	802	267	16. Detention and Rehabilitation	—	—	—
—	8,376	3,000	11,376	5,099	18. Juvenile Services	750	1,500	1,500
—	6,054	3	6,057	1,443	19. Central Planning, Direction and Management	5,000	—	—
3,127	25,217	3,505	31,849	13,462	Total Appropriation	9,980	2,090	2,090
					20. Physical and Mental Health			
—	741	—	741	327	21. Health Services	—	—	—
—	8,072	—	8,072	1,419	23. Mental Health Services	—	—	—
—	11	—	11	—	25. Health Administration	—	—	—
—	8,824	—	8,824	1,746	Total Appropriation	—	—	—
					30. Educational, Cultural, and Intellectual Development			
—	3,295	—	3,295	704	32. Operation and Support of Educational Institutions	—	1,950	1,950
—	1,045	—	1,045	494	33. Supplemental Education and Training Programs	—	—	—
—	388	—	388	118	35. Education Administration and Management	1,050	500	500
—	9	—	9	—	36. Higher Educational Services	—	—	—
1,000	48	300	1,348	964	37. Cultural and Intellectual Development Services	—	—	—
1,000	4,785	300	6,085	2,280	Total Appropriation	1,050	2,450	2,450
					40. Community Development and Environmental Management			
36,233	27,708	-4,470	59,471	25,478	42. Natural Resource Management	29,106	70,555	70,555
—	2	—	2	—	43. Science and Technical Programs	—	—	—
80,220	72,549	-5,260	147,509	64,359	44. Site Remediation and Waste Management	55,157	77,212	77,212
—	3	—	3	—	45. Environmental Regulation	—	—	—
—	13	—	13	—	46. Environmental Planning and Administration	—	—	—
—	1,142	—	1,142	150	49. Agricultural Resources, Planning, and Regulation	—	250	250
116,453	101,417	-9,730	208,140	89,987	Total Appropriation	84,263	148,017	148,017
					50. Economic Planning, Development, and Security			
—	1	—	1	—	52. Economic Regulation	—	—	—
—	—	—	—	—	55. Social Services Programs	—	10,000	10,000
—	1	—	1	—	Total Appropriation	—	10,000	10,000
					60. Transportation Programs			
805,000	—	—	805,000	805,000	61. State and Local Highway Facilities	805,000	895,000	895,000
805,000	—	—	805,000	805,000	Total Appropriation	805,000	895,000	895,000

SUMMARIES OF APPROPRIATIONS

Orig. & (S)Supple- mental	Year Ending June 30, 2005				2006 Adjusted Approp.	Year Ending — June 30, 2007 —	
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		Requested	Recom- mended
	2,363	—	2,363	2,190			
168,653	39,742	23,596	231,991	179,721	179,327	207,636	207,636
10,400	6,873	—	17,273	11,543	11,600	7,700	7,700
179,053	48,978	23,596	251,627	193,454	190,927	215,336	215,336
	200	—	200	181			
	200	—	200	181			
1,104,633	189,422	17,671	1,311,726	1,106,110	1,091,220	1,274,893	1,274,893
37,660	—	3,577	41,237	39,715			
37,660	—	3,577	41,237	39,715			
232,519	—	-11,728	220,791	220,621	144,651	368,121	368,121
232,519	—	-11,728	220,791	220,621	144,651	368,121	368,121
270,179	—	-8,151	262,028	260,336	169,326	432,785	432,785
18,306,097	1,170,111	-69,733	19,406,475	18,560,173	17,330,311	19,068,443	18,719,392
2,162,711	24	—	2,162,735	1,609,845	789,888	1,340,188	1,340,188
2,162,711	24	—	2,162,735	1,609,845	789,888	1,340,188	1,340,188
2,162,711	24	—	2,162,735	1,609,845	789,888	1,340,188	1,340,188
6,149,196	5,741	75,388	6,230,325	6,219,149	6,806,645	6,679,796	6,679,796
38,948	—	—	38,948	38,948	38,948	38,948	38,948
308,242	—	—	308,242	308,238	1,555,430	2,423,262	2,423,262
28,045	—	-2,839	25,206	25,206	28,556	27,500	27,500
6,524,431	5,741	72,549	6,602,721	6,591,541	8,429,579	9,169,506	9,169,506

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending — June 30, 2007 —			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
8,500	—	—	8,500	8,457	40. Community Development and Environmental Management			
					46. Environmental Planning and Administration	9,000	9,500	9,500
8,500	—	—	8,500	8,457	Total Appropriation	9,000	9,500	9,500
					70. Government Direction, Management, and Control			
1,065,858	—	12,145	1,078,003	1,074,188	75. State Subsidies and Financial Aid	1,131,033	1,095,806	1,095,806
1,065,858	—	12,145	1,078,003	1,074,188	Total Appropriation	1,131,033	1,095,806	1,095,806
7,598,789	5,741	84,694	7,689,224	7,674,186	<i>Total State Aid – Property Tax Relief Fund</i>	9,569,612	10,274,812	10,274,812
9,761,500	5,765	84,694	9,851,959	9,284,031	Total Property Tax Relief Fund	10,359,500	11,615,000	11,615,000
					CASINO CONTROL FUND			
					Direct State Services			
					10. Public Safety and Criminal Justice			
40,599	178	—	40,777	40,676	12. Law Enforcement	42,599	42,599	42,599
40,599	178	—	40,777	40,676	Total Appropriation	42,599	42,599	42,599
					70. Government Direction, Management, and Control			
27,901	778	—	28,679	27,601	73. Financial Administration	29,440	29,440	29,440
27,901	778	—	28,679	27,601	Total Appropriation	29,440	29,440	29,440
68,500	956	—	69,456	68,277	<i>Total Direct State Services – Casino Control Fund</i>	72,039	72,039	72,039
68,500	956	—	69,456	68,277	Total Casino Control Fund	72,039	72,039	72,039
					CASINO REVENUE FUND			
					Direct State Services			
					20. Physical and Mental Health			
871	31	128	1,030	979	26. Senior Services	871	871	871
871	31	128	1,030	979	Total Appropriation	871	871	871
					80. Special Government Services			
92	—	—	92	92	82. Protection of Citizens' Rights	92	92	92
92	—	—	92	92	Total Appropriation	92	92	92
963	31	128	1,122	1,071	<i>Total Direct State Services – Casino Revenue Fund</i>	963	963	963
					Grants-In-Aid			
					20. Physical and Mental Health			
500	—	—	500	497	21. Health Services	529	529	529
351,909	143,565	-128	495,346	495,138	26. Senior Services	349,813	316,381	316,381
80,328	—	—	80,328	80,328	27. Disability Services	80,328	80,328	80,328
432,737	143,565	-128	576,174	575,963	Total Appropriation	430,670	397,238	397,238

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending — June 30, 2007 —			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
38,409	—	—	38,409	38,299	30. Educational, Cultural, and Intellectual Development			
					32. Operation and Support of Educational Institutions	32,516	32,516	32,516
38,409	—	—	38,409	38,299	Total Appropriation	32,516	32,516	32,516
					50. Economic Planning, Development, and Security			
2,440	—	—	2,440	2,440	54. Manpower and Employment Services	2,440	2,440	2,440
2,440	—	—	2,440	2,440	Total Appropriation	2,440	2,440	2,440
473,586	143,565	-128	617,023	616,702	<i>Total Grants-In-Aid – Casino Revenue Fund</i>	465,626	432,194	432,194
					State Aid			
					60. Transportation Programs			
25,287	—	—	25,287	25,287	62. Public Transportation	34,352	34,930	34,930
25,287	—	—	25,287	25,287	Total Appropriation	34,352	34,930	34,930
25,287	—	—	25,287	25,287	<i>Total State Aid – Casino Revenue Fund</i>	34,352	34,930	34,930
499,836	143,596	—	643,432	643,060	<i>Total Casino Revenue Fund</i>	500,941	468,087	468,087
					GUBERNATORIAL ELECTIONS FUND – Grants-In-Aid			
					10. Public Safety and Criminal Justice			
8,870	—	—	8,870	6,310	13. Special Law Enforcement Activities	2,525	—	—
8,870	—	—	8,870	6,310	Total Appropriation	2,525	—	—
8,870	—	—	8,870	6,310	<i>Total Grants-In-Aid – Gubernatorial Elections Fund</i>	2,525	—	—
8,870	—	—	8,870	6,310	<i>Total Gubernatorial Election Fund</i>	2,525	—	—
28,644,803	1,320,428	14,961	29,980,192	28,561,851	GRAND TOTAL STATE APPROPRIATIONS	28,265,316	31,223,569	30,874,518

SUMMARIES OF APPROPRIATIONS

DEDICATED FUNDS

Summary of Appropriations by Department (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended	
PROPERTY TAX RELIEF FUND								
Grants-In-Aid								
Department of the Treasury								
2,162,711	24	—	2,162,735	1,609,845	Homestead Exemptions	789,888	1,340,188	1,340,188
<u>2,162,711</u>	<u>24</u>	<u>—</u>	<u>2,162,735</u>	<u>1,609,845</u>	<i>Total Department of the Treasury</i>	<u>789,888</u>	<u>1,340,188</u>	<u>1,340,188</u>
<u>2,162,711</u>	<u>24</u>	<u>—</u>	<u>2,162,735</u>	<u>1,609,845</u>	<i>Total Grants-In-Aid – Property Tax Relief Fund</i>	<u>789,888</u>	<u>1,340,188</u>	<u>1,340,188</u>
State Aid								
Department of Community Affairs								
929,569	—	17,267	946,836	944,322	Local Government Services	992,569	965,172	965,172
<u>929,569</u>	<u>—</u>	<u>17,267</u>	<u>946,836</u>	<u>944,322</u>	<i>Total Department of Community Affairs</i>	<u>992,569</u>	<u>965,172</u>	<u>965,172</u>
Department of Education								
4,914,195	5,741	69,788	4,989,724	4,978,600	General Formula Aid	5,559,906	5,434,107	5,434,107
73,491	—	5,600	79,091	79,039	Miscellaneous Grants-In-Aid	85,229	84,179	84,179
65,578	—	—	65,578	65,578	Bilingual Education	65,578	65,578	65,578
199,512	—	—	199,512	199,512	Programs for Disadvantaged Youths	199,512	199,512	199,512
896,420	—	—	896,420	896,420	Special Education	896,420	896,420	896,420
38,948	—	—	38,948	38,948	General Vocational Education	38,948	38,948	38,948
—	—	—	—	—	Office of School Choice	—	—	—
307,287	—	—	307,287	307,283	Pupil Transportation	309,787	309,787	309,787
955	—	—	955	955	Facilities Planning and School Building Aid	775	23	23
—	—	—	—	—	Teachers' Pension and Annuity Assistance	1,244,868	2,113,452	2,113,452
<u>6,496,386</u>	<u>5,741</u>	<u>75,388</u>	<u>6,577,515</u>	<u>6,566,335</u>	<i>Total Department of Education</i>	<u>8,401,023</u>	<u>9,142,006</u>	<u>9,142,006</u>
Department of Environmental Protection								
8,500	—	—	8,500	8,457	Administration and Support Services	9,000	9,500	9,500
<u>8,500</u>	<u>—</u>	<u>—</u>	<u>8,500</u>	<u>8,457</u>	<i>Total Department of Environmental Protection</i>	<u>9,000</u>	<u>9,500</u>	<u>9,500</u>
Department of the Treasury								
109,000	—	-5,122	103,878	103,878	Reimbursement of Senior/ Disabled Citizens' and Veterans' Tax Deductions	109,000	99,100	99,100
27,289	—	—	27,289	25,988	Consolidated Police and Firemen's Pension Fund	29,464	31,534	31,534
28,045	—	-2,839	25,206	25,206	Aid to County Colleges	28,556	27,500	27,500
<u>164,334</u>	<u>—</u>	<u>-7,961</u>	<u>156,373</u>	<u>155,072</u>	<i>Total Department of the Treasury</i>	<u>167,020</u>	<u>158,134</u>	<u>158,134</u>
<u>7,598,789</u>	<u>5,741</u>	<u>84,694</u>	<u>7,689,224</u>	<u>7,674,186</u>	<i>Total State Aid – Property Tax Relief Fund</i>	<u>9,569,612</u>	<u>10,274,812</u>	<u>10,274,812</u>
<u>9,761,500</u>	<u>5,765</u>	<u>84,694</u>	<u>9,851,959</u>	<u>9,284,031</u>	<i>Total Property Tax Relief Fund</i>	<u>10,359,500</u>	<u>11,615,000</u>	<u>11,615,000</u>

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
2,440	—	—	2,440	2,440	Department of Labor and Workforce Development		
					Vocational Rehabilitation Services		
					2,440	2,440	2,440
2,440	—	—	2,440	2,440	<i>Total Department of Labor and Workforce Development</i>		
					2,440	2,440	2,440
473,586	143,565	-128	617,023	616,702	<i>Total Grants-In-Aid – Casino Revenue Fund</i>		
					465,626	432,194	432,194
					State Aid		
					Department of Transportation		
					Railroad and Bus Operations		
25,287	—	—	25,287	25,287	34,352	34,930	34,930
25,287	—	—	25,287	25,287	<i>Total Department of Transportation</i>		
					34,352	34,930	34,930
25,287	—	—	25,287	25,287	<i>Total State Aid – Casino Revenue Fund</i>		
					34,352	34,930	34,930
499,836	143,596	—	643,432	643,060	<i>Total Casino Revenue Fund</i>		
					500,941	468,087	468,087
					GUBERNATORIAL ELECTIONS FUND		
					Grants-In-Aid		
					Department of Law and Public Safety		
					Election Law Enforcement		
8,870	—	—	8,870	6,310	2,525	—	—
8,870	—	—	8,870	6,310	<i>Total Department of Law and Public Safety</i>		
					2,525	—	—
8,870	—	—	8,870	6,310	<i>Total Grants-In-Aid – Gubernatorial Elections Fund</i>		
					2,525	—	—
8,870	—	—	8,870	6,310	<i>Total Gubernatorial Elections Fund</i>		
					2,525	—	—
10,338,706	150,317	84,694	10,573,717	10,001,678	<i>Total Appropriation</i>		
					10,935,005	12,155,126	12,155,126

SUMMARIES OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS MAJOR INCREASES AND DECREASES

This table summarizes the major increases and decreases in the Fiscal 2007 Budget and is organized by category.

Categories of recommended appropriations are defined as follows:

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

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

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

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

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

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
State Operations			
Pension - State Employees	\$ 287.695		
Salary Increase - State Employees	199.950		
State Active and Retiree Employee Health Benefits	54.150		
Child Welfare Reform	50.364		
Fuel/Utilities/Rent	28.102		
Division of Taxation - Data Mining and Enhancements	22.800		
Enhanced Mental Health Hospital Staffing	6.752		
Workers' Compensation/Tort Claims	6.700		
CBT Dedication	5.010		
Pharmaceutical Assistance to the Aged and Disabled (PAAD)	4.855		
Student Proficiency Testing	4.500		
Debt Service	3.925		
Emergency Operations Center - Operating Expenses	3.466		
Public Advocate Administration	3.200		
Gang Violence - Project Phoenix	0.250		
Other (Net)	8.889		
Subtotal - State Operations Increases	\$ 690.608		

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Human Services Shift to Federal Resources		\$ (117.687)	
Reduce Prescription Fund Balance		(60.000)	
Management Efficiencies		(50.000)	
Division of Pensions/Pension Fund		(33.482)	
Mandatory Pharmacy Mail - Order and Generics - State Employees		(20.000)	
Bulk Purchasing - State Health Benefits		(16.500)	
Unclassified Employees Reduction		(14.000)	
Fringe Savings Staffing Reduction		(13.600)	
Department of Treasury Efficiencies		(13.249)	
Department of Law and Public Safety Efficiencies		(12.874)	
Snow Removal - Winter Operations		(10.000)	
Increased Health Benefits Cost Sharing		(7.661)	
Department of Transportation Efficiencies		(7.507)	
Department of Corrections Efficiencies		(6.586)	
Pharmacy Management		(4.800)	
Employer Taxes		(3.059)	
Duplicative Sick Leave Injury		(3.000)	
Department of Environmental Protection Efficiencies		(2.872)	
Department of Human Services Efficiencies		(2.827)	
Pension Reform		(2.510)	
Department of Health and Senior Services Efficiencies		(2.274)	
Department of Education Efficiencies		(2.077)	
Department of Banking and Insurance Efficiencies		(1.868)	
Paying Communities Back - Inmates		(1.610)	
Elections Pilot		(1.500)	
Department of Personnel Efficiencies		(1.473)	
Student Registration and Record System		(1.364)	
Higher Education Student Assistance Authority Efficiencies		(1.349)	
New Jersey Network Efficiencies		(1.123)	
Department of Community Affairs Efficiencies		(0.897)	
Reduction of Governor's Contingency Funds		(0.875)	
Reduction of Contingency Funds		(0.625)	
Governor's Transition Funding		(0.600)	
Department of Agriculture Efficiencies		(0.575)	
Department of Military and Veterans Affairs Efficiencies		(0.529)	
Chief Executive Reduction		(0.259)	
Reduce Cultural Programs - Staffing		(0.250)	
Palisades Interstate Park Commission Efficiencies		(0.150)	
ELEC Efficiencies		(0.119)	
Subtotal - State Operations Decreases		\$ (421.731)	
Net Change (State Operations)			\$ 268.877
Grants-In-Aid			
Homestead Rebate	\$ 529.800		
Medicaid/General Assistance Health Care	312.019		
Charity Care - Replace Unemployment Insurance Diversion	300.000		
Business Employment Incentive Program	169.667		
Child Welfare Reform	64.611		
Pharmaceutical Assistance to the Aged and Disabled (PAAD)	47.680		

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Nursing Homes and Alternatives	46.017		
NJ Transit Operating Subsidy	27.000		
CBT Dedication	26.765		
TANF Work Activities and Case Management	21.000		
Senior/Disabled Citizens' Property Tax Freeze	20.500		
Special Education & Autism Grants	19.500		
Higher Education Capital Improvement Program Debt Service	15.046		
Abbott Expansion Carryforward Restoration	12.000		
DDD Placements Annualized	11.100		
State Rental Assistance Program	10.000		
Mental Health Community Placements	10.000		
Annualize FY06 Third Party Provider COLA	9.603		
New Jersey After 3	7.500		
Debt Service	6.091		
Water Resource Interconnection Projects	6.000		
Tuition Aid Grants	5.821		
Family Care Child Outreach Expansion	5.000		
Capital Improvements for Homeless Shelters	5.000		
Capital Improvements for Child Advocacy Centers	5.000		
Food Assistance Program	3.000		
Capital Improvements for Group Homes	3.000		
Family Planning Services Expansion	2.000		
Capital Improvements for Substance Abuse Treatment and Recovery Centers	2.000		
Capital Improvements for Women's Shelters	1.500		
Halfway Back Program	1.000		
Addressing Violence Against Women	1.000		
Capital Improvements for Storing Food for Food Banks	1.000		
Gang Violence - Operation Ceasefire	0.750		
Capital Improvements for Rape Care Centers	0.500		
Part-Time TAG for County Colleges	0.490		
<i>Subtotal - Grants-In-Aid Increases</i>	<u>\$ 1,708.960</u>		
Hospital Provider Assessment		\$ (215.000)	
Reduce Operating Support to Senior Public Colleges and Universities		(89.568)	
Hospital Assistance Grants		(69.200)	
Enhanced Medicaid Anti-Fraud Initiative		(50.000)	
Bulk Purchasing - Medicaid/PAAD		(44.000)	
Property Tax Assistance and Community Development Grants		(40.000)	
Implement Co-Payment After School/Summer Child Care Abbott Districts		(30.000)	
One-Time Funding UMDNJ		(28.000)	
Nursing Home/Medical Day Care Rates - No Inflation		(26.000)	
Reduction to Cancer Hospital Building Grants		(23.300)	
Rutgers - One Time Grant		(18.000)	
Pharmaceutical Procurement		(17.105)	
Increase Federal Lookback Period for Nursing Home Eligibility from 3 to 5 Years		(15.000)	
Enroll Institutional Medicare-Only Clients into Medicare Part D		(14.900)	
Shift General Assistance Recipients to Medicaid		(14.100)	
Energy Assistance Programs		(13.000)	
Institute Co-Payments for Medicaid Pharmaceuticals		(13.000)	
Aid to Independent Colleges and Universities		(11.981)	
Prior Authorization of Psychotropics		(8.750)	

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Partial Hospitalization Rate Reduction		(7.500)	
County Jail Placement Trend		(6.232)	
Tuition Policy for Out-of-State Undergraduate Students		(5.685)	
Outstanding Scholars Recruitment Program		(4.303)	
Heldrich Center for Workforce Development		(4.000)	
Higher Education Incentive Endowment Fund		(3.000)	
Grant for Stroke Centers		(3.000)	
Early Intervention Program (EIP) - Co-payment Increase		(3.000)	
Science and Technology Reduction		(2.700)	
Newark Museum		(2.500)	
Cultural Projects Grants		(2.268)	
Reduce Special Welfare Initiatives		(2.000)	
Governor's School		(1.929)	
Office of Faith-Based Initiatives Grants		(1.500)	
Battleship New Jersey Museum		(1.500)	
Social Promotion Initiative		(1.500)	
Boys and Girls Clubs of New Jersey		(1.500)	
Veterinary Medical Education Program		(1.337)	
Pharmacy Management		(1.300)	
Tourette Syndrome Association of NJ		(1.250)	
Contracted Day Reporting Programs		(1.200)	
Co-Payments on Hospital Visits - Medicaid		(1.100)	
Supported Employment Excess Capacity		(1.044)	
Public Financing of the Gubernatorial Primary and General Election		(1.025)	
Liberty Science Center - Educational Services		(1.000)	
Lead Testing Kits		(1.000)	
Reduce AIDS Grants		(1.000)	
Stevens Institute of Technology - New Jersey Community College Strategic Partnership		(1.000)	
Health Care Initiatives and Networking Technology (HINT) Program		(1.000)	
Paper Mill Playhouse		(1.000)	
Automated External Defibrillator Grant Program		(1.000)	
Larc School - Bellmawr		(1.000)	
Big Brothers/Big Sisters		(0.750)	
Teaching Positions at Kean		(0.750)	
Arthritis Quality of Life Initiative		(0.642)	
Competitively Bid Transportation and Durable Medical Equipment - Medicaid		(0.630)	
Ellis Island New Jersey Foundation		(0.600)	
Rutgers - Gubernatorial Papers Project		(0.500)	
Thomas Edison Museum		(0.500)	
Bloomfield College - Science Laboratory		(0.500)	
Celeste Foundation Early Intervention of Autism Research Project		(0.500)	
Atlantic Health Care Patient ID System		(0.500)	
Rutgers - Camden Performing Arts Center		(0.450)	
Grant to ASPIRA		(0.400)	
Integrity, Inc.		(0.400)	
Reduce Historical Commission Agency Grants		(0.384)	
United Way 2-1-1 System		(0.350)	
Soil & Water Grants		(0.300)	
High Enrollment Growth Adjustment at Edison		(0.300)	
Waterloo Village		(0.250)	
Weehawken Arts		(0.250)	

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Agriculture & Natural Resources - Conservation Assistance Program		(0.250)	
Grant to St. Barnabas Medical Center		(0.250)	
Governor's Literacy Initiative - Returning Coaches		(0.225)	
Respite Care for the Elderly		(0.207)	
AIDS Drug Distribution Program (ADDP) \$2 Co-pay		(0.200)	
Other (Net)		(2.081)	
<i>Subtotal - Grants-In-Aid Decreases</i>		<u>\$ (823.446)</u>	
<i>Net Change (Grants-In-Aid)</i>			<u>\$ 885.514</u>
State Aid			
Teachers' Pension and Annuity Fund	\$ 744.117		
School Construction and Renovation Fund	115.946		
Education Opportunity Aid (Abbott Districts)	92.000		
Post-Retirement Medical - Teachers' Pension and Annuity Fund	54.358		
Abbott Preschool Expansion Aid	39.000		
Local School Districts Teacher Social Security Payments	36.000		
Local Employee Benefits	33.499		
Capital for Homeland Security Critical Infrastructure	20.000		
County Psychiatric Hospitals	12.000		
Debt Service Pension Obligation Bonds	8.165		
Supplemental Security Income Caseload Increase	3.266		
Charter School Aid	2.200		
Abbott Bordered District Aid	1.903		
Unknown District of Residence	1.500		
DEP - Highlands Council Administration & Operations	1.000		
South Jersey Port Corporation Debt Service Reserve Fund	0.800		
<i>Subtotal - State Aid Increases</i>	<u>\$ 1,165.754</u>		
General Assistance Caseload Savings		\$ (18.891)	
Solid Waste Debt Service		(17.328)	
Special Municipal Aid		(16.405)	
County College Operating Support		(16.256)	
Bulk Purchasing - State Health Benefits		(14.500)	
Extraordinary Aid		(13.000)	
Regional Efficiency Aid Program (REAP)		(10.992)	
Senior/Disabled Citizens/Veterans Property Tax Deduction Projected Surplus		(9.900)	
High Expectations for Learning Proficiency (HELP)		(5.000)	
General Assistance Efficiencies		(5.000)	
Character Education		(4.750)	
Pharmacy Management		(3.900)	
Ewing School District		(2.200)	
West New York Parking Authority		(2.000)	
School District of Trenton - Security		(1.500)	
Aid to Nonpublic Schools		(1.134)	
Pension Ethics		(1.000)	
Department of Education Efficiencies		(0.955)	
Other (Net)		(13.364)	
<i>Subtotal - State Aid Decreases</i>		<u>\$ (158.075)</u>	
<i>Net Change (State Aid)</i>			<u>\$ 1,007.679</u>

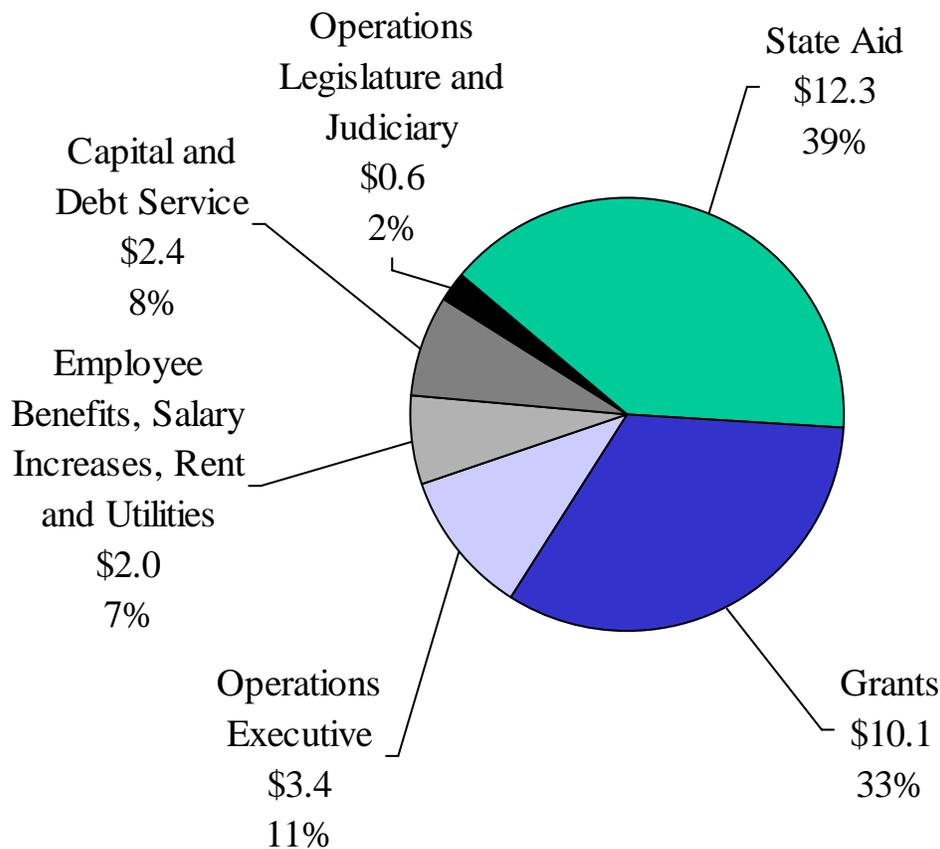
SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Capital Construction			
Transportation Trust Fund	\$ 90.000		
Capital Improvements for State Parks	40.000		
NJ Building Authority	30.618		
CBT Dedication	22.055		
Statewide Automated Child Welfare Information System	10.000		
H.R. 6 Flood Control – Urgent Projects	5.555		
Capital Improvements for Sheltering Homeless Veterans	<u>2.000</u>		
<i>Subtotal - Capital Construction Increases</i>	<u>\$ 200.228</u>		
Other (Net)		\$ (16.555)	
<i>Subtotal - Capital Construction Decreases</i>		<u>\$ (16.555)</u>	
<i>Net Change (Capital Construction)</i>			<u>\$ 183.673</u>
Debt Service			
General Obligation Debt Service	\$ 263.459		
<i>Subtotal - Debt Service Increases</i>	<u>\$ 263.459</u>		
<i>Net Change (Debt Service)</i>			<u>\$ 263.459</u>
GRAND TOTAL	<u>\$ 4,029.009</u>	<u>\$(1,419.807)</u>	<u>\$ 2,609.202</u>

Where Does the Money Go – State Aid and Grants Represent 72% of Budget

(In Billions)



72 cents of every dollar goes to Property Tax Relief and Grants in Aid

State Aid: includes Education Aid programs, Municipal Aid, Property Tax Relief programs, General Assistance, and Aid to County Colleges.

Grant-In-Aid: includes Property Tax Relief programs, Medicaid, Pharmaceutical Assistance for the Aged and Disabled, Nursing Home programs, and support for Higher Education.

Operations Executive: includes funding for adult prisons and juvenile facilities, State Police and other Law Enforcement programs, Human Services institutions, Veterans Homes, and the new Children and Families and the Public Advocate Departments.

SUMMARIES OF APPROPRIATIONS

FY 2006 Supplementals

(In Millions)

Supplemental Appropriations

Employee Benefits and Taxes	\$	69.70
Special Municipal Aid		65.50
Human Services - Medicaid		52.00
Nursing Homes and Medical Day Care		32.50
Purchase of County Jail Services		22.00
Additional School Aid		17.20
Energy Assistance Programs		13.00
Abbott Preschool Expansion Aid		11.80
Snow Removal		10.00
Debt Service		6.94
Workers' Compensation		6.00
Property Rentals		5.50
Insurance Tort Claims		3.00
Parole Board Sex Offender Monitoring Pilot Project		3.00
Other Supplementals		27.29
	\$	345.43

Shortfalls Funded by Transfers

Abbott Education Opportunity Aid	\$	92.36
Health Care Subsidy Fund		18.15
Taxation Investigation and Collection Services		13.70
Asset Diversification Initiative		5.58
Snow Removal		3.70
September 11 Memorial Design		2.80
Other Transfers		5.86
	\$	142.15
Grand Total	\$	487.58

Growth in Selected Mandated Programs

(In Millions)

Teachers' Pension and Annuity Fund	\$	744.12
Homestead Rebates		529.80
Charity Care - Replace UI Diversion		300.00
Medicaid Including Long Term Care (Includes \$50 million UI Diversion)		358.04
Pensions State Employees		287.70
G.O. Debt Service Costs		263.46
Salary Increases State Employees		199.95
All Other Debt Service		184.13
Business Employment Incentive Program		169.67
School Construction and Renovation Fund		115.95
Child Welfare Reform		114.98
Education Opportunity Aid (Abbott Districts)		92.00
Local Teachers' Post-Retirement Medical		54.36
State Employees' Active and Retirees Health Benefits		54.15
CBT Constitutionally Dedicated Programs		53.83
Pharmaceutical Assistance Aged and Disabled (PAAD)		52.50
Abbott Preschool Expansion Aid		39.00
Local Employee Benefits		33.50
New Jersey Building Authority Debt Service		30.62
Central Rent, Fuel and Utility Costs		28.10
NJ Transit Operating Subsidy		27.00
TANF Work Activities Case Management		21.00
Senior / Disabled Citizens' Property Tax Freeze		20.50
Pension Bond Debt Service		15.38
DDD Placement Annualization		11.10
Mental Health Community Placements		10.00

Restraint in Spending Growth

(In Millions)

Reduced Growth:	\$ 525.00
Flat Fund Municipal Aid	
Flat Fund School Districts	
Flat Fund Senior Public College Fringe Benefits	
Provide No Senior Public College Salary Funding	
Nursing Home and Medical Day Care Rates	
Reduced Base Spending:	
FY 2006 Legislative Additions	\$ 193.22
Senior Public College Support	89.57
Extraordinary and Special Municipal Aid	29.41
Cancer Hospital Grants	23.30
County College Operating Aid	16.26
Independent College and Universities Support	11.98
Regional Efficiency Aid Program	10.99
Efficiencies:	
Hospital Provider Assessment	\$ 215.00
Human Services - Shift to Federal Resources	117.69
Bulk Purchasing Prescriptions	75.00
Staffing Reduction with Associated Fringe Savings	67.17
Reduction in Prescription Fund Balance	60.00
Enhanced Medicaid Anti-Fraud Initiative	50.00
Management Efficiencies	50.00
Abbott District After School / Summer Copayment	30.00
State Employee Prescription - Mandatory Mail	20.00
Order and Generics	
Medicaid / Pharmaceutical Assistance Pharmacy Reimbursement	17.11
Medicaid Prescription Copayment	13.00

SUMMARIES OF APPROPRIATIONS

***Total Direct State Services
By Department***

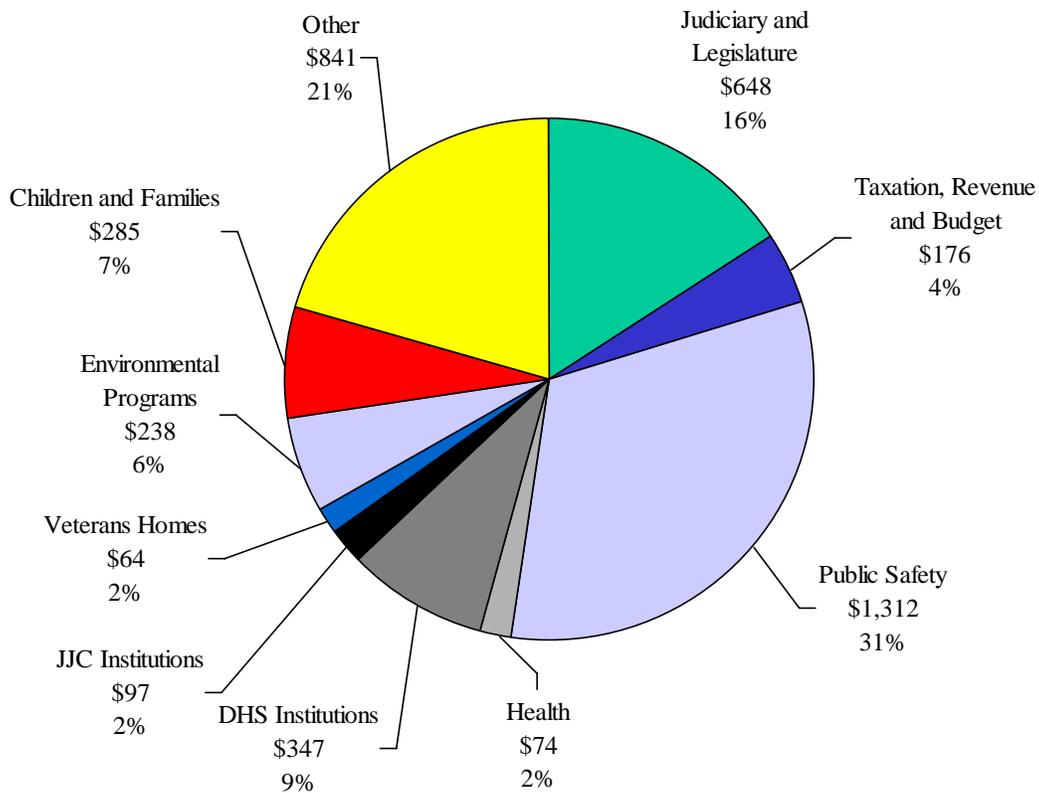
(In Thousands)

	FY2006 Appropriation	FY2006 Adjusted Appropriation	FY2007 Recommendation	Change \$	%
Chief Executive	\$ 4,972	\$ 5,183	\$ 4,924	\$ (259)	-5.0%
Agriculture	9,215	9,569	8,994	(575)	-6.0%
Banking and Insurance	67,037	68,033	67,965	(68)	-0.1%
Community Affairs	35,586	37,811	36,914	(897)	-2.4%
Corrections	906,980	938,166	931,420	(6,746)	-0.7%
Education	60,124	62,368	62,042	(326)	-0.5%
Environmental Protection	217,956	226,918	238,217	11,299	5.0%
Health & Senior Services	63,581	65,743	73,797	8,054	12.3%
Balance of Human Services	51,371	38,749	38,450	(299)	-0.8%
Central Office	24,068	47,454	30,696	(16,758)	-35.3%
Developmental Disabilities	208,074	217,354	94,441	(122,913)	-56.5%
Medical Assistance	26,989	26,221	25,779	(442)	-1.7%
Mental Health	259,530	268,737	264,015	(4,722)	-1.8%
Labor	60,696	62,072	61,849	(223)	-0.4%
Law & Public Safety	135,503	146,079	146,352	273	0.2%
State Police	304,949	312,464	306,524	(5,940)	-1.9%
Division of Law	28,983	28,647	17,052	(11,595)	-40.5%
Juvenile Justice Commission	94,910	98,381	97,025	(1,356)	-1.4%
Military & Veterans' Affairs	85,711	88,280	86,411	(1,869)	-2.1%
Personnel	24,540	25,463	23,990	(1,473)	-5.8%
Public Advocate	15,937	16,220	19,420	3,200	19.7%
State	14,268	16,819	13,213	(3,606)	-21.4%
Public Broadcasting	6,446	6,727	5,604	(1,123)	-16.7%
State Library	4,370	4,570	4,570	-	0.0%
Transportation	89,675	103,955	86,448	(17,507)	-16.8%
Treasury	394,053	421,877	401,092	(20,785)	-4.9%
Misc. Executive Commissions	1,403	1,432	1,407	(25)	-1.7%
Total Executive Branch	\$ 3,196,927	\$ 3,345,292	\$ 3,148,611	\$ (196,681)	-5.9%
Legislature	\$ 74,173	\$ 76,221	\$ 76,221	\$ -	0.0%
Judiciary	554,026	571,750	571,750	-	0.0%
Subtotal Operations-Base	\$ 3,825,126	\$ 3,993,263	\$ 3,796,582	\$ (196,681)	-4.9%
Required Increases					
Children and Families	\$ 182,509	\$ 191,881	\$ 285,046	93,165 ^(a)	48.6%
Interdepartmental					
Other	\$ 86,921	\$ 86,921	\$ 84,642	\$ (2,279)	-2.6%
Pension, Health Benefits & PRM	1,097,748	1,149,748	1,375,787	226,039	19.7%
Employer Taxes	337,049	346,049	340,337	(5,712)	-1.7%
Insurance, Utilities, and Other	271,115	284,515	316,317	31,802	11.2%
Salary Program	140,124	-	127,860	127,860	-
Subtotal Interdepartmental	\$ 1,932,957	\$ 1,867,233	\$ 2,244,943	377,710	20.2%
Total	\$ 5,940,592	\$ 6,052,377	\$ 6,326,571	274,194	4.5%

(a) Includes \$39.5 million reallocated from the Department of Human Services

Components of Operating Budget

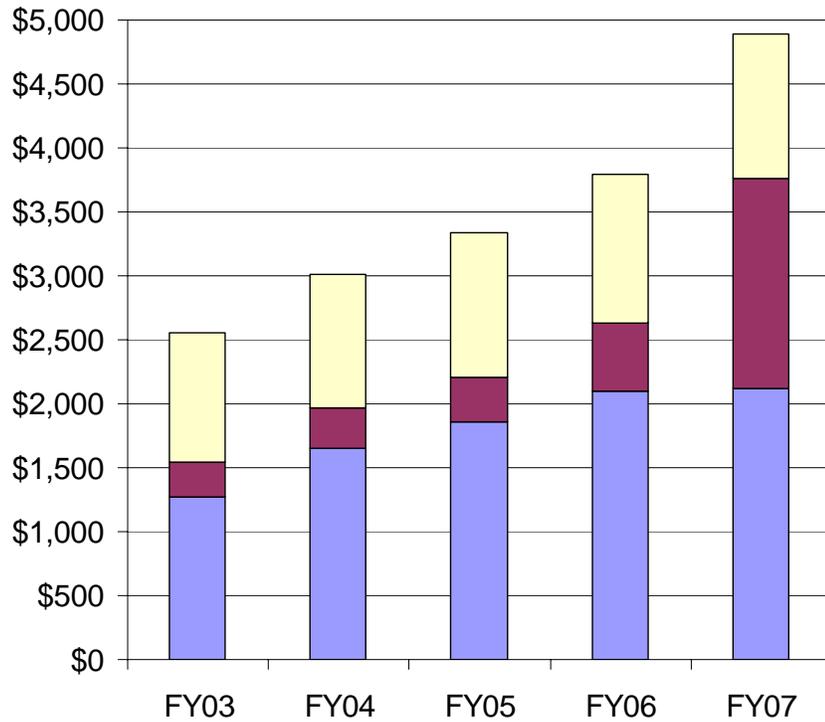
(In Millions)



Total State \$4.1 billion

Employee Benefit Costs

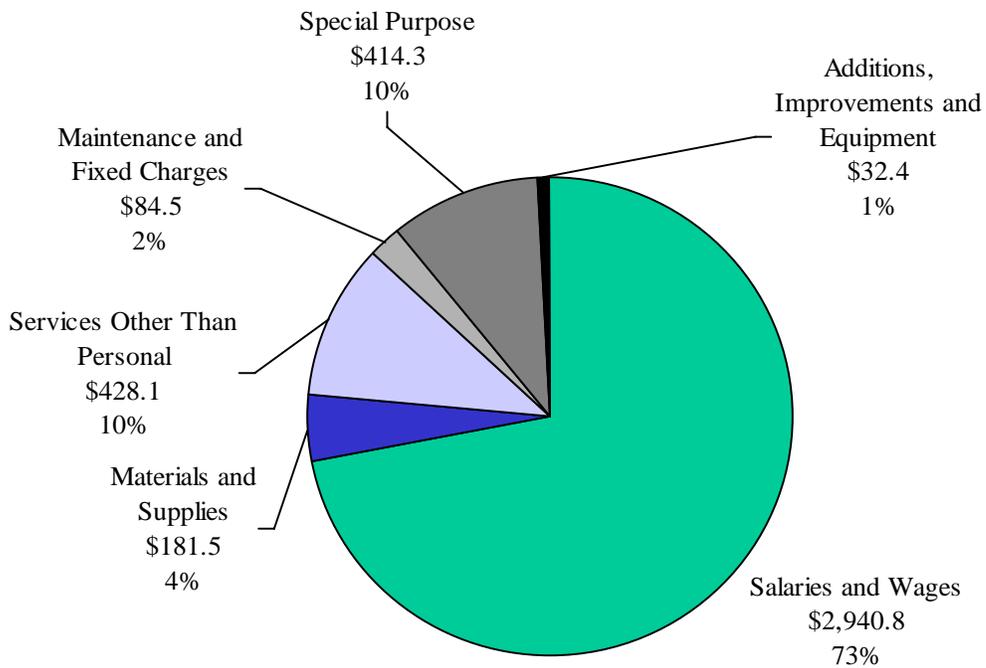
(In Millions)



■ Health Benefits/PRM ■ Pensions/Debt Service ■ Employer Taxes

Operating Split between Salaries and Other Costs

(In Millions)



SUMMARIES OF APPROPRIATIONS

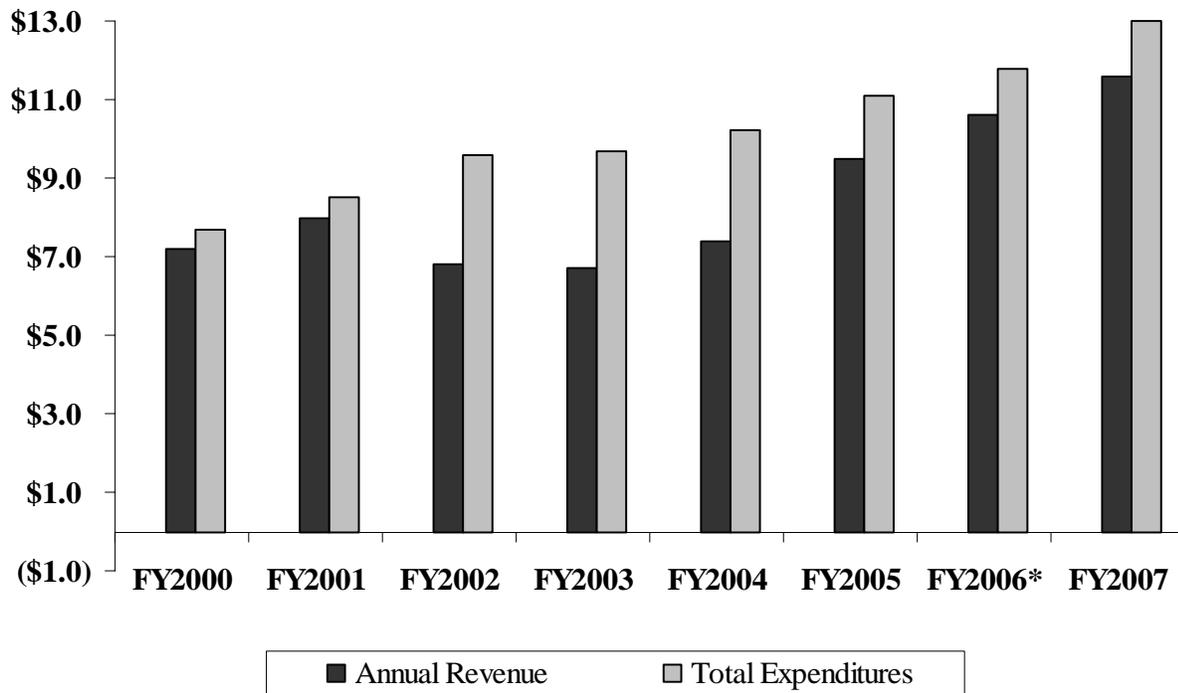
***Funding for
Property Tax Relief***

(In Millions)

<u>Programs</u>	<u>FY2006 Adjusted Approp.</u>	<u>FY2007 Budget</u>	<u>\$ Change</u>
School Aid	\$ 9,384.9	\$ 10,424.8	\$ 1,039.9
Municipal Aid	1,881.3	1,841.4	(39.9)
Other Local Aid	813.0	817.6	4.6
Direct Taxpayer Relief	<u>1,313.9</u>	<u>1,877.3</u>	<u>563.4</u>
Subtotal Direct Aid	<u>\$ 13,393.0</u>	<u>\$ 14,961.1</u>	<u>\$ 1,568.0</u>
Pension Savings	182.8	151.6	(31.2)
Police and Firemen's Pension Savings	<u>174.0</u>	<u>105.7</u>	<u>(68.3)</u>
Subtotal Pension Savings	<u>\$ 356.8</u>	<u>\$ 257.3</u>	<u>\$ (99.5)</u>
Hotel Revenue	<u>\$ 38.0</u>	<u>\$ 38.0</u>	<u>\$ -</u>
Realty Transfer Fee - County Share	<u>\$ 130.0</u>	<u>\$ 130.0</u>	<u>\$ -</u>
Grand Totals	<u><u>\$ 13,917.8</u></u>	<u><u>\$ 15,386.4</u></u>	<u><u>\$ 1,468.5</u></u>

Funding for Property Tax Relief Programs Exceeds Income Tax Revenues

(In Billions)



* Includes \$400 million fiscal 2005 carryforward

SUMMARIES OF APPROPRIATIONS

Taxpayer Relief (In Millions)

PROGRAM DESCRIPTION	FY2006	FY2007	Change	
	Adjusted Approp.	Budget	\$	%
School Aid				
Direct Aid	\$ 7,483.4	\$ 7,586.9	\$ 103.6	1.4%
School Building Aid	378.9	492.0	113.1	29.8%
Teachers' Retirement Benefits & Social Security	1,522.6	2,345.9	823.2	54.1%
Subtotal School Aid	\$ 9,384.9	\$ 10,424.8	\$ 1,039.9	11.1%
Municipal Aid				
Consolidated Municipal Property Tax Relief Aid	\$ 835.4	\$ 835.4	\$ -	-
* Energy Receipts Property Tax Relief Aid	788.5	788.5	-	-
Special Municipal Aid	94.8	78.4	(16.4)	(17.3%)
Legislative Initiative Block Grant Program	34.8	34.8	-	-
Extraordinary Aid	43.0	30.0	(13.0)	(30.2%)
Trenton Capitol City Aid	16.5	16.5	-	-
Highlands Protection Fund Aid	12.0	12.0	-	-
Regional Efficiency Aid Program (REAP)	11.0	-	(11.0)	(100.0%)
Open Space - Payments in Lieu of Taxes	9.0	9.5	0.5	5.6%
Regional Efficiency Development Incentive Grants (REDI)	4.2	4.2	-	-
Municipal Homeland Security Assistance	32.0	32.0	-	-
Subtotal Municipal Aid	\$ 1,881.3	\$ 1,841.4	\$ (39.9)	(2.1%)
Other Local Aid				
County College Aid	\$ 223.6	\$ 208.1	\$ (15.5)	(6.9%)
* Transportation Trust Fund - Local Project Aid	145.0	175.0	30.0	20.7%
Aid to County Psychiatric Hospitals	104.6	116.6	12.0	11.5%
Property Tax Assistance and Community Development	40.0	-	(40.0)	(100.0%)
General Assistance Administration	26.0	26.0	-	-
* Urban Enterprise Zones - Sales Tax Dedication	82.0	84.0	2.0	2.4%
County Solid Waste Debt	57.3	40.0	(17.3)	(30.2%)
DCA - Housing and Neighborhood Assistance	16.7	16.7	-	-
Library Aid	18.5	18.5	-	-
Employee Benefits on behalf of Local Governments	72.9	106.4	33.5	46.0%
911 Enhancement	14.9	14.9	-	0.0%
County Prosecutors	8.0	8.0	-	0.0%
County Environmental Health Act	3.5	3.5	-	0.0%
Subtotal Other Local Aid	\$ 813.0	\$ 817.6	\$ 4.6	0.6%
Direct Taxpayer Relief				
Homestead Rebates	691.5	1,221.3	529.8	76.6%
Senior/Disabled Citizens' Property Tax Freeze	98.4	118.9	20.5	20.8%
Municipal Reimbursement--Veterans' Tax Deductions	86.0	76.4	(9.6)	(11.2%)
Municipal Reimbursement--Senior/Disabled Citizens' Tax Deductions	23.0	22.7	(0.3)	(1.3%)
* Property Tax Deduction Act	415.0	438.0	23.0	5.5%
Subtotal Direct Taxpayer Relief	\$ 1,313.9	\$ 1,877.3	\$ 563.4	42.9%
Pension Savings				
School District Pension Savings	\$ 39.8	\$ 33.0	\$ (6.8)	(17.1%)
Municipal Pension Savings	48.0	39.8	(8.2)	(17.1%)
Other Local Pension Savings	95.0	78.8	(16.2)	(17.1%)
Police & Firemen's Retirement System	174.0	105.7	(68.3)	(39.3%)
Subtotal Pension Savings	\$ 356.8	\$ 257.3	\$ (99.5)	(27.9%)
Hotel Municipal Revenue	\$ 38.0	\$ 38.0	\$ -	0.0%
Realty Transfer Fee - County Share	\$ 130.0	\$ 130.0	\$ -	0.0%
GRAND TOTAL - TAXPAYER RELIEF	\$ 13,917.9	\$ 15,386.4	\$ 1,468.4	10.6%

* Not part of State budget

SUMMARIES OF APPROPRIATIONS

School Aid

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	\$ Change
Formula/Supplemental Programs	\$ 7,000.0	\$ 7,094.3	\$ 94.3
Abbott Preschool Expansion	204.2	243.2	39.0
Nonpublic School Aid	102.7	101.6	(1.1)
Above Average Enrollment Growth	12.0	17.6	5.6
Other Aid	164.4	130.2	(34.2)
Total Direct School Aid	\$ 7,483.4	\$ 7,586.9	\$ 103.6
Teachers' Pension and Annuity Fund	\$ 94.5	\$ 837.6	\$ 743.1
Post Retirement Medical	685.4	721.4	36.0
Debt Service on Pension Obligation Bonds	86.9	95.1	8.2
Teachers' Social Security	655.8	691.8	36.0
Total Direct State Payments for Education	\$ 1,522.6	\$ 2,345.9	\$ 823.2
School Construction and Renovation Fund	\$ 259.3	\$ 375.2	\$ 115.9
Debt Service Aid	119.7	116.8	(2.9)
Total School Building Aid	\$ 378.9	\$ 492.0	\$ 113.1
Total School Aid	\$ 9,384.9	\$ 10,424.8	\$ 1,039.9

SUMMARIES OF APPROPRIATIONS

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

---Recommended Fiscal Year 2007---

	Expended Fiscal 2005	Adjusted Appropriation Fiscal 2006	Requested Fiscal 2007	General Fund	Property Tax Relief Fund	Total
Formula Aid Programs:						
Core Curriculum Standards Aid	\$ 3,080,270	\$ 3,080,318	\$ 3,080,318	\$ 384,935	\$ 2,695,383	\$ 3,080,318
Supplemental Core Curriculum Standards Aid	251,768	251,768	251,768	0	251,768	251,768
Early Childhood Aid	330,630	330,630	330,630	0	330,630	330,630
Instructional Supplement	15,621	15,621	15,621	0	15,621	15,621
Demonstrably Effective Program Aid	199,512	199,512	199,512	0	199,512	199,512
Stabilization Aid	111,626	111,626	111,626	0	111,626	111,626
Stabilization Aid 2	2,491	2,491	2,491	0	2,491	2,491
Stabilization Aid 3	11,402	11,402	11,402	0	11,402	11,402
Additional Supplemental Stabilization Aid:						
Large Efficient Districts	5,250	5,250	5,250	0	5,250	5,250
High Senior Citizen Concentrations	1,231	1,231	1,231	0	1,231	1,231
Regionalization Incentive Aid	18,295	18,295	18,295	0	18,295	18,295
Categorical Aids:						
Adult Education Grants	28,721	28,721	28,721	0	28,721	28,721
Bilingual Education	65,578	65,578	65,578	0	65,578	65,578
Special Education	896,420	896,420	896,420	0	896,420	896,420
County Vocational Education	38,948	38,948	38,948	0	38,948	38,948
Pupil Transportation Aid	307,187	309,687	309,687	0	309,687	309,687
School Choice	7,969	9,969	8,306	0	8,306	8,306
Abbott-Bordered District Aid	0	20,000	21,903	0	21,903	21,903
Aid for Enrollment Adjustments	16,456	16,456	16,456	0	16,456	16,456
Consolidated Aid	130,127	130,127	129,684	0	129,684	129,684
Above Average Enrollment Growth	11,091	12,000	17,575	0	17,575	17,575
Additional Formula Aid	90,000	90,000	86,772	0	86,772	86,772
Less:						
Stabilization Aid Growth Limitation	(73,576)	(73,576)	(73,576)	0	(73,576)	(73,576)
Growth Savings - Payment Change	(4,415)	(2,450)	(8,450)	0	(8,450)	(8,450)
Subtotal, Net T&E Budget	\$ 5,542,602	\$ 5,570,024	\$ 5,566,168	\$ 384,935	\$ 5,181,233	\$ 5,566,168
School Construction and Renovation Fund	128,962	259,269	375,215	375,215	0	375,215
Debt Service Aid	120,663	119,679	116,826	116,826	0	116,826
Subtotal, School Building Aid	\$ 249,625	\$ 378,948	\$ 492,041	\$ 492,041	\$ -	\$ 492,041
TOTAL FORMULA AID	\$ 5,792,227	\$ 5,948,972	\$ 6,058,209	\$ 876,976	\$ 5,181,233	\$ 6,058,209

SUMMARIES OF APPROPRIATIONS

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

---Recommended Fiscal Year 2007---

	Expended Fiscal 2005	Adjusted Appropriation Fiscal 2006	Requested Fiscal 2007	General Fund	Property Tax Relief Fund	Total
Other Aid to Education:						
Nonpublic School Aid	\$ 107,123	\$ 102,749	\$ 101,615	\$ 101,615	\$ -	\$ 101,615
Education Opportunity Aid	1,372,273	1,449,495	1,545,540	0	1,545,540	1,545,540
Abbott Preschool Expansion Aid	179,753	204,200	243,200	0	243,200	243,200
Early Launch to Learning Initiative	1,565	4,000	3,000	0	3,000	3,000
High Expectations for Learning Proficiency	17,000	15,000	10,000	10,000	0	10,000
Payment for Children with Unknown District of Residence	25,900	28,700	30,200	0	30,200	30,200
Extraordinary Special Education Costs Aid	51,998	52,000	52,000	52,000	0	52,000
General Vocational Aid	4,860	4,860	4,860	4,860	0	4,860
Additional School Building Aid (Debt Service)	955	775	23	0	23	23
Educational Information & Resource Center	450	450	450	450	0	450
Charter School Aid	11,745	12,258	12,258	0	12,258	12,258
Charter Schools - Council on Local Mandates Decision Offset Aid	5,432	8,300	10,500	0	10,500	10,500
Character Education	4,723	4,750	0	0	0	0
Teacher Quality Mentoring	2,498	2,500	2,500	0	2,500	2,500
Other Aid	11,297	23,291	4,591	4,491	100	4,591
Subtotal, Other Aid to Education	\$1,797,572	\$1,913,328	\$2,020,737	\$173,416	\$1,847,321	\$2,020,737
Subtotal, Department of Education	\$7,589,799	\$7,862,300	\$8,078,946	\$1,050,392	\$7,028,554	\$8,078,946
Direct State Payments for Education:						
Teachers' Pension and Annuity Fund	0	68,727	805,162	0	805,162	805,162
Teachers' Pension and Annuity Fund - Post Retirement Medical	484,507	589,118	616,540	0	616,540	616,540
Teachers' Pension and Annuity Fund - Non-Contributory	0	25,789	32,471	32,471	0	32,471
Debt Service on Pension Obligation Bonds	79,779	86,940	95,097	95,097	0	95,097
Post Retirement Medical Other Than TPAF	78,908	96,318	104,854	104,854	0	104,854
Teachers' Social Security Assistance	624,745	655,750	691,750	0	691,750	691,750
Subtotal, Direct State Payments for Education	\$1,267,939	\$1,522,642	\$2,345,874	\$232,422	\$2,113,452	\$2,345,874
TOTAL	\$8,857,738	\$9,384,942	\$10,424,820	\$1,282,814	\$9,142,006	\$10,424,820

SUMMARIES OF APPROPRIATIONS

Municipal Aid

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	\$ Change
Consolidated Municipal Property Tax Relief Aid (CMPTRA)	\$ 835.4	\$ 835.4	\$ -
Energy Receipts Property Tax Relief Aid	788.5	788.5	-
Special Municipal Aid	94.8	78.4	(16.4)
Municipal Homeland Security Assistance	32.0	32.0	-
Regional Efficiency Aid Program (REAP)	11.0	-	(11.0)
Trenton Capitol City Aid	16.5	16.5	-
Highlands Protection Fund Aid	12.0	12.0	-
Legislative Initiative Block Grant Program	34.8	34.8	-
Extraordinary Aid	43.0	30.0	(13.0)
Open Space - Payment In Lieu of Taxes (PILOT)	9.0	9.5	0.5
Regional Efficiency Development Incentive Grants (REDI)	4.2	4.2	-
Total Direct Municipal Aid	\$ 1,881.3	\$ 1,841.4	\$ (39.9)

SUMMARIES OF APPROPRIATIONS

Direct Property Tax Relief

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	\$ Change
Homestead Rebates	\$ 691.5	\$ 1,221.3 *	\$ 529.8
Senior/Disabled Citizens Property Tax Freeze	98.4	118.9	20.5
Property Tax Deduction Act	415.0	438.0	23.0
Municipal Reimbursement - Veterans' Tax Deductions	86.0	76.4	(9.6)
Municipal Reimbursement - Senior/Disabled Citizens' Tax Deductions	23.0	22.7	(0.3)
Total Direct Property Tax Relief	\$ 1,313.9	\$ 1,877.3	\$ 563.4

* Of this amount, \$400 million was a FY 2005 appropriation.

SUMMARIES OF APPROPRIATIONS

Higher Education

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	Change	
			\$	%
Colleges and Universities				
Senior Public Colleges and Universities	\$ 1,496.7	\$ 1,353	\$ (143)	(9.6%)
County Colleges	223.6	208.1	(15.5)	(6.9%)
Independent Colleges and Universities	24.0	12.0	(12.0)	(50.0%)
Student Financial Assistance	248.8	249.5	0.6	0.3%
Educational Opportunity Fund	40.6	40.6	-	---
Facility and Capital Improvement Programs	90.0	98.5	8.5	9.4%
Other Programs	24.3	17.1	(7.2)	(29.7%)
Total Higher Education	\$ 2,148.0	\$ 1,979.0	\$ (169.1)	(7.9%)

SUMMARIES OF APPROPRIATIONS

Higher Education (In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	\$ Change
Senior Public Institutions			
Rutgers University	\$ 356.3	\$ 300.3	\$ (55.9)
UMDNJ	242.9	194.2	(48.8)
NJIT	51.5	45.8	(5.8)
Thomas Edison State College	6.7	5.4	(1.2)
Rowan University	39.5	35.4	(4.1)
New Jersey City University	33.5	30.1	(3.4)
Kean University	43.2	37.8	(5.4)
William Paterson University	42.1	37.8	(4.2)
Montclair State University	50.4	44.8	(5.6)
College of New Jersey	38.0	34.0	(4.0)
Ramapo College of New Jersey	21.4	19.0	(2.4)
Richard Stockton College of New Jersey	25.7	23.0	(2.7)
Subtotal Senior Publics Direct Aid	<u>\$ 951.1</u>	<u>\$ 807.6</u>	<u>\$ (143.5)</u>
Senior Publics Salary Funding	-	-	-
Senior Publics Net Fringe Benefits	545.7	545.7	-
Total Senior Publics	<u>\$ 1,496.7</u>	<u>\$ 1,353.2</u>	<u>\$ (143.5)</u>
Total County Colleges ^(a)	<u>223.6</u>	<u>208.1</u>	<u>(15.5)</u>
Total Independent Colleges and Universities	<u>24.0</u>	<u>12.0</u>	<u>(12.0)</u>
Student Financial Assistance			
Tuition Aid Grants (TAG)	208.9	214.7	5.8
Part-time TAG for County Colleges	4.5	4.9	0.5
NJSTARS I & II	8.0	8.0	-
EOF Grants and Scholarships	40.6	40.6	-
Loan Forgiveness for Mental Health Workers	3.5	3.5	-
Other Student Aid Programs	24.0	18.3	(5.7)
Total Student Financial Assistance	<u>\$ 289.4</u>	<u>\$ 290.1</u>	<u>\$ 0.6</u>
Other Programs			
Capital Grants and Facilities Support ^(b)	90.0	98.5	8.5
New Jersey Stem Cell Research Institute	5.5	5.5	-
All Other Programs	18.8	11.6	(7.2)
Total Other Programs	<u>\$ 114.3</u>	<u>\$ 115.6</u>	<u>\$ 1.3</u>
Grand Total Higher Education	<u><u>\$ 2,148.0</u></u>	<u><u>\$ 1,979.0</u></u>	<u><u>\$ (169.1)</u></u>

^(a) Includes funding from Supplemental Workforce Fund for Basic Skills of \$14.0 million in FY 2006 and \$8.0 million in FY 2007.

^(b) Includes use of off-budget fund balances totaling \$18.0 million in FY 2006 and \$12.0 million in FY 2007.

SUMMARIES OF APPROPRIATIONS

Direct Property Tax Relief

(In Millions)

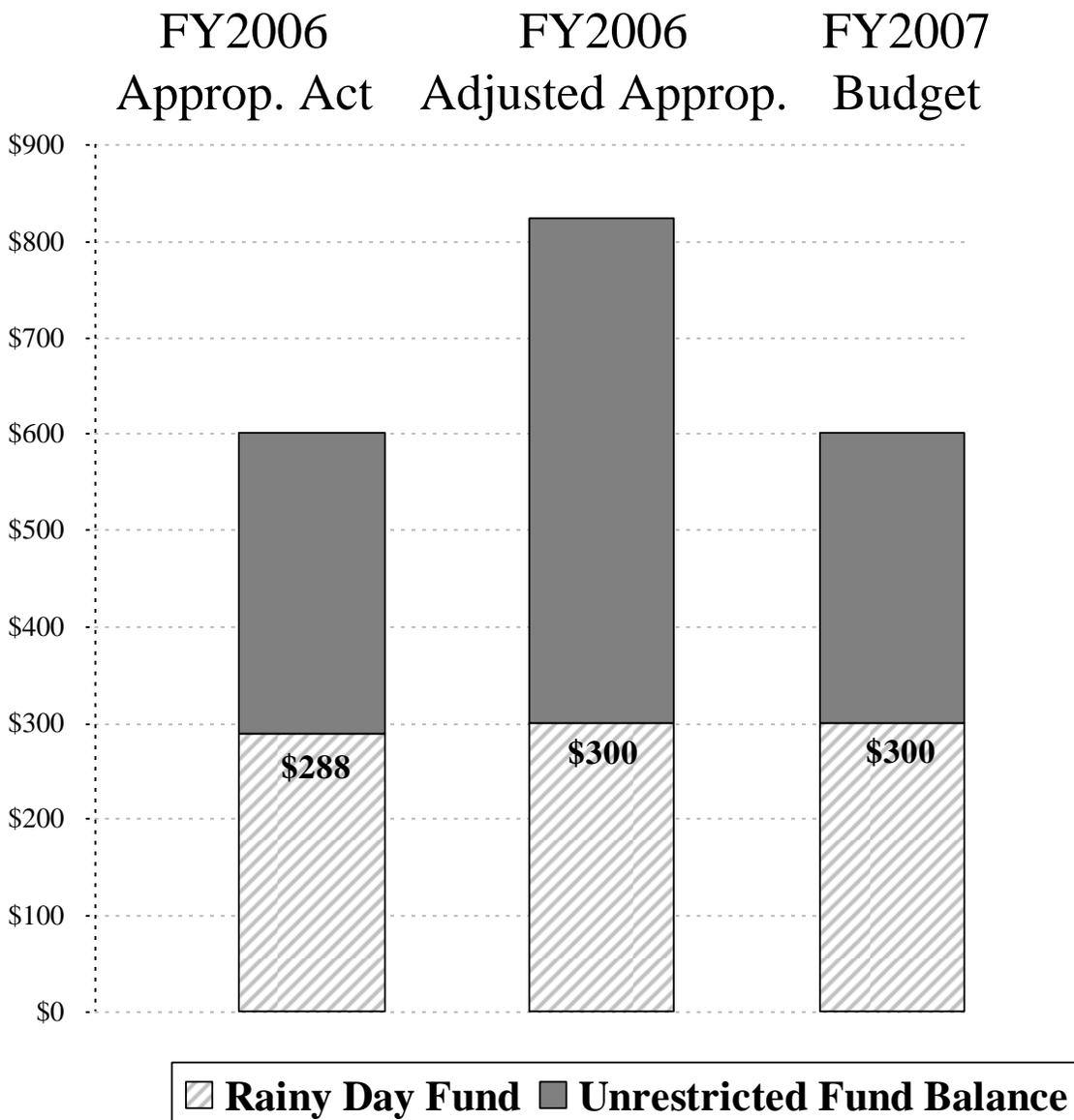
	<u>FY2006 Adjusted Approp.</u>	<u>FY2007 Budget</u>	<u>\$ Change</u>
Homestead Rebates	\$ 691.5	\$ 1,221.3 *	\$ 529.8
Senior/Disabled Citizens Property Tax Freeze	98.4	118.9	20.5
Property Tax Deduction Act	415.0	438.0	23.0
Municipal Reimbursement - Veterans' Tax Deductions	86.0	76.4	(9.6)
Municipal Reimbursement - Senior/Disabled Citizens' Tax Deductions	23.0	22.7	(0.3)
Total Direct Property Tax Relief	<u><u>\$ 1,313.9</u></u>	<u><u>\$ 1,877.3</u></u>	<u><u>\$ 563.4</u></u>

* Of this amount, \$400 million was a FY 2005 appropriation.

SUMMARIES OF APPROPRIATIONS

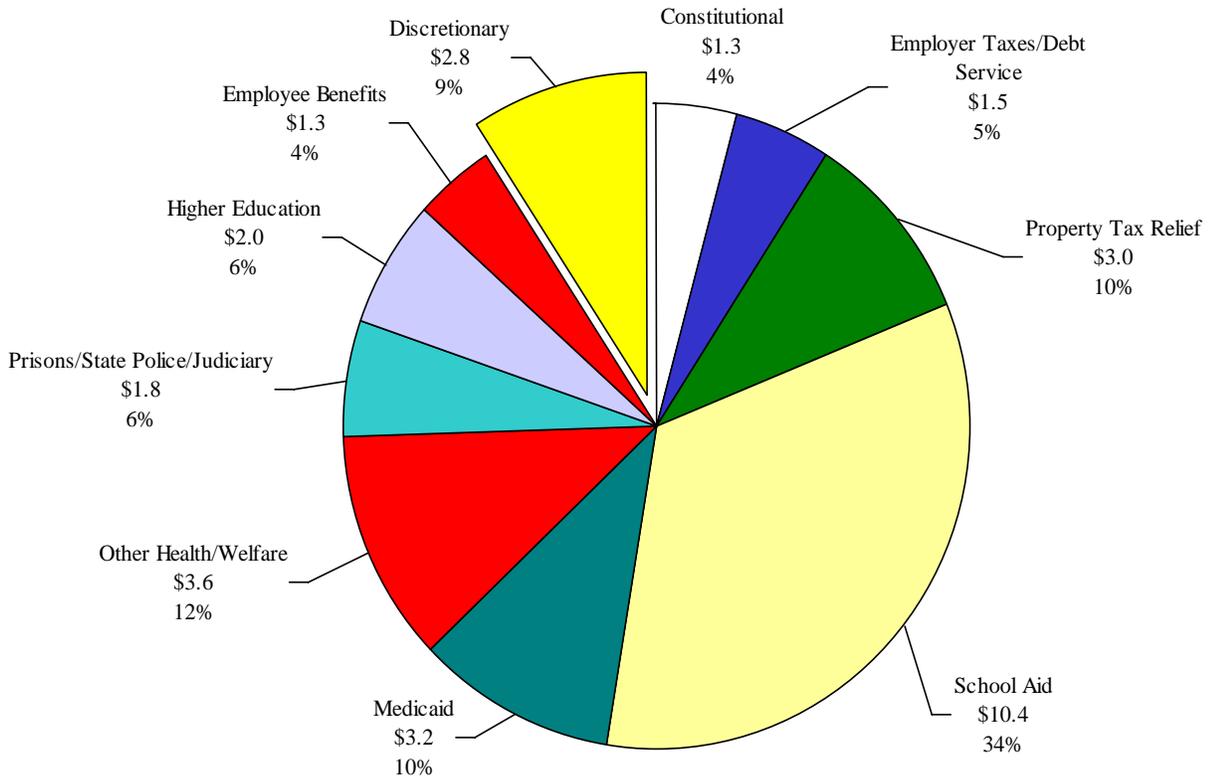
Surplus

(In Millions)



Fiscal Year 2007

(In Billions)



Total \$30.9 Billion

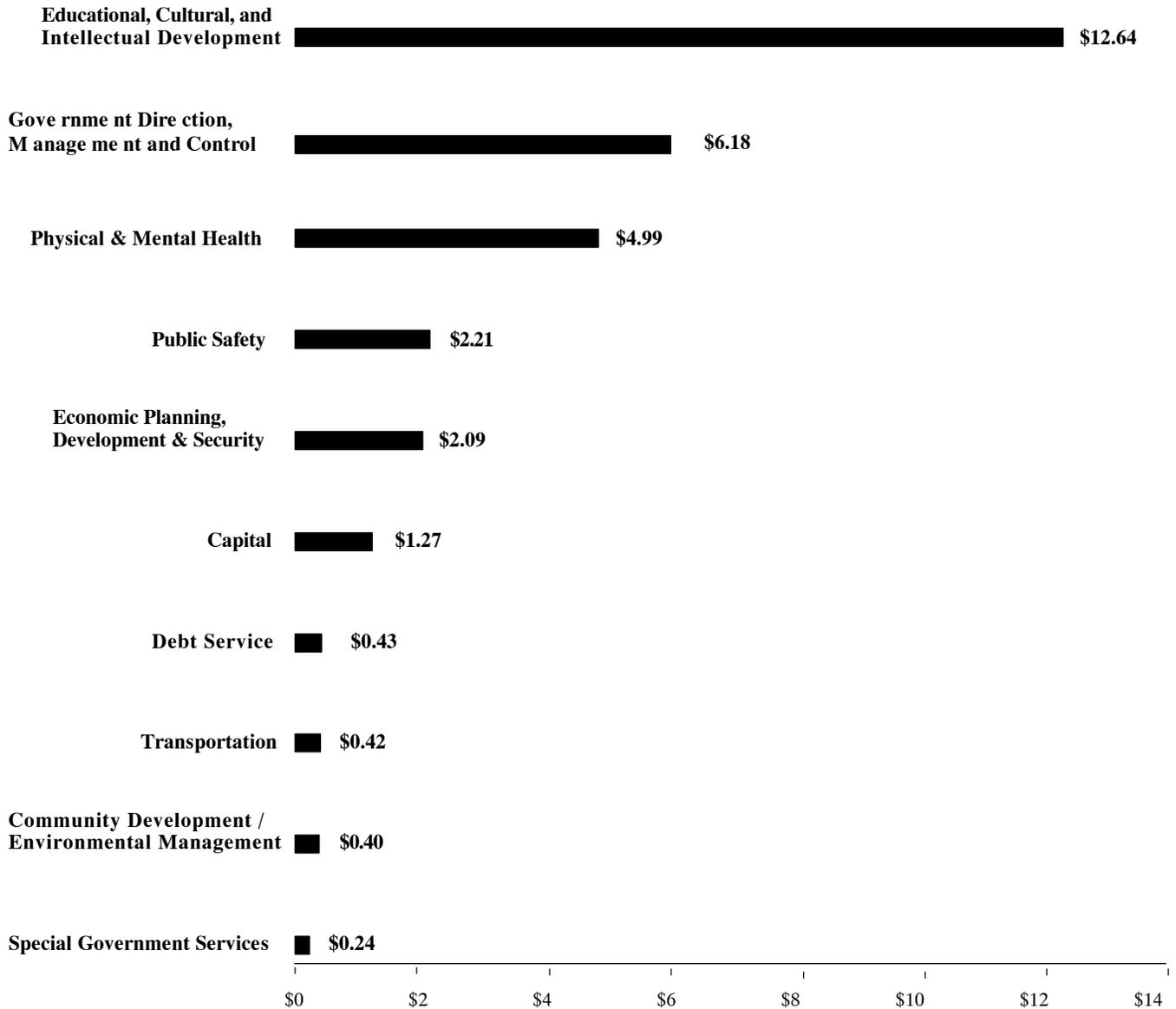
SUMMARIES OF APPROPRIATIONS

Projected Shortfall Continues Into FY 2008

(In Millions)

	<u>FY2007</u>	<u>FY2008</u>	<u>-----DIFF-----</u>	
			<u>\$</u>	<u>%</u>
OPENING FUND BALANCE	\$ 824	\$ 601	\$ (223)	-27.06%
REVENUES				
Income	11,615	12,805	1,190	10.2%
Sales	6,944	7,180	236	3.4%
Corporate	2,463	1,955	(508)	-20.6%
Other	7,829	7,850	21	0.3%
FY 2007 Revenue Solutions	1,801	1,746	(55)	-3.0%
Total	<u>\$ 30,652</u>	<u>\$ 31,536</u>	<u>\$ 884</u>	<u>2.9%</u>
RECOMMENDATIONS/PROJECTIONS	\$ 30,875	\$ 33,069	\$ 2,194	7.1%
Employee Benefits (other than pensions)	\$ 735			
Pensions 80%	355			
Debt Service	260			
Aid to Education	350			
Medicaid	320			
One-Time Balances/Federal Funds	154			
Deferred COLA and Increments	50			
Continued Hiring Freeze	(30)			
FUND BALANCE	<u>601</u>	<u>(932)</u>	<u>(1,533)</u>	<u>-255.0%</u>

Fiscal 2007
Summary of Recommendations
by Statewide Program
(In Billions)



NOTES

NOTES



Summaries of Revenues, Expenditures and Fund Balances

This section provides an overview of the major revenue assumptions incorporated in the Governor's Budget recommendations. The tables included in this section highlight the State's major revenue sources, such as the income tax, sales tax, corporate tax, etc. and provides projections for the upcoming fiscal year.

SUMMARIES OF REVENUES, EXPENDITURES AND FUND BALANCES

The basis of budgeting in New Jersey is in accordance with generally accepted accounting principles (GAAP) as it applies to fund financial statements prescribed by the Governmental Accounting Standards Board (GASB) with certain exceptions. GAAP is the same basis utilized in the preparation of the fund financial statements section of the State's audited Comprehensive Annual Financial Report. In accordance with this basis, revenues are estimated and recognized when they can be accrued; that is, when they become both measurable and available to finance expenditures of the fiscal period.

Appropriations are recommended at a level sufficient to recognize all accrued expenditures applicable to the fiscal period. Goods and services delivered during a fiscal period are accrued as expenditures if not actually paid for by year end. Note that the use of the term "expended" to report the most recent actual year activity in this budget is not in strict accordance with GAAP, in that this amount includes encumbrances which under GAAP are reservations of fund balance. In addition, under GAAP certain grants and other financial assistance programs are required to be recorded as revenues and expenditures but are not part of the budget. The schedules and exhibits contained in this section provide both summary and detailed financial information for all funds maintained by the State. Individual funds are grouped into one of the following categories—General State Funds, Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds.

GENERAL STATE FUNDS include the General Fund, Property Tax Relief Fund, Casino Revenue Fund, Casino Control Fund, and Gubernatorial Elections Fund.

The General Fund is the fund into which all State revenues, not otherwise restricted by statute, are deposited and from which appropriations are made. The largest part of the total financial operations of the State is accounted for in the General Fund. Revenues received from most taxes, federal revenues, and certain miscellaneous revenue items are recorded in the General Fund.

The Property Tax Relief Fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulae established by the Legislature, to individuals, counties, municipalities, and school districts.

The Casino Revenue Fund accounts for the taxes imposed on the casinos and other related activities. Appropriations from this fund must be used for reductions in property taxes, utility charges and other specified expenses of eligible senior and disabled citizens.

The Casino Control Fund accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations are made to fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

The Gubernatorial Elections Fund is used to account for receipts from the one dollar designations on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriations pursuant to the New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

SPECIAL REVENUE FUNDS account for resources legally restricted to expenditure for specified current operating purposes. (While the Property Tax Relief, Casino Revenue, Casino Control, and Gubernatorial Elections Funds actually fall into this category, they are included under General State Funds as they make up an integral portion of the State's Annual Budget).

CAPITAL PROJECTS FUNDS account for financial resources used for the acquisition or construction of major capital facilities for State use.

PROPRIETARY FUNDS are used to report any activity for which a fee is charged to external users for goods and services. Activities are required to be reported as proprietary funds if laws or regulations require that the activity's cost of providing services be recovered with fees and charges.

PRIVATE PURPOSE TRUST FUNDS account for all trust fund arrangements for which principal and income benefit individuals, private organizations, or other governments.

The schedule on the following page displays the information for the State's fiscal years ending June 30.

REVENUES & EXPENDITURES

COMBINED SUMMARY—ALL FUNDS REVENUES, EXPENDITURES AND FUND BALANCES (thousands of dollars)

	Fiscal Years Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Beginning Balances July 1			
General State Funds	\$2,006,106	\$2,392,820	\$2,436,828
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	4,975,834	4,884,809	5,142,320
<i>Total Beginning Balances</i>	<u>6,981,940</u>	<u>7,277,629</u>	<u>7,579,148</u>
Revenues			
General State Funds	41,193,878	41,909,631	45,297,666
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	6,090,658	6,168,446	6,381,829
Total	47,284,536	48,078,077	51,679,495
<i>Less: Interfund Transfers</i>	3,902,479	1,912,111	1,900,567
Net Revenues	<u>50,363,997</u>	<u>53,443,595</u>	<u>57,358,076</u>
Other Adjustments			
General State Funds	169,181	112,227	—
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	2,325,746	89,000	75,200
<i>Total Other Adjustments</i>	<u>2,494,927</u>	<u>201,227</u>	<u>75,200</u>
Net Available	<u>52,858,924</u>	<u>53,644,822</u>	<u>57,433,276</u>
Expenditures			
General State Funds	40,976,345	41,977,850	45,520,493
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	5,095,924	4,949,126	4,982,457
Total	46,072,269	46,926,976	50,502,950
<i>Less: Interfund Transfers</i>	(490,974)	(861,302)	(464,644)
Net Expenditures	<u>45,581,295</u>	<u>46,065,674</u>	<u>50,038,306</u>
Ending Balances June 30			
General State Funds	2,392,820	2,436,828	2,214,001
Special Revenue, Capital Projects, Proprietary, and Private Purpose Trust Funds	4,884,809	5,142,320	5,180,969
Total Ending Balances	<u>\$7,277,629</u>	<u>\$7,579,148</u>	<u>\$7,394,970</u>

REVENUES & EXPENDITURES

SUMMARY ESTIMATED REVENUES, EXPENDITURES AND FUND BALANCES (thousands of dollars)

	Fiscal Year Ending June 30	
	2006 Estimated	2007 Estimated
Beginning Balances July 1		
Undesignated Fund Balances		
General Fund	\$ 461,701	\$ 514,628
Surplus Revenue Fund	288,654	300,372
Property Tax Relief Fund	27,875	—
Gubernatorial Elections Fund	—	—
Casino Control Fund	1,289	8,527
Casino Revenue Fund	—	—
<i>Total Undesignated Fund Balances</i>	<i>779,519</i>	<i>823,527</i>
State Revenues		
General Fund	17,046,944	18,504,392
Property Tax Relief Fund	10,585,000	11,615,000
Gubernatorial Elections Fund	700	700
Casino Control Fund	63,512	63,512
Casino Revenue Fund	500,941	468,087
<i>Total State Revenues</i>	<i>28,197,097</i>	<i>30,651,691</i>
Other Adjustments		
General Fund		
Balances lapsed	98,565	—
From/(To) Property Tax Relief Fund	267,037	—
From/(To) Gubernatorial Elections Fund	(1,825)	—
From/(To) Casino Control Fund	(15,765)	—
From/(To) Surplus Revenue Fund	(11,718)	—
Property Tax Relief Fund		
From/(To) General Fund	(267,037)	—
Balances lapsed	13,662	—
Gubernatorial Elections Fund		
From/(To) General Fund	1,825	—
Casino Control Fund		
From/(To) General Fund	15,765	—
Surplus Revenue Fund		
From/(To) General Fund	11,718	—
<i>Total Other Adjustments</i>	<i>112,227</i>	<i>—</i>
<i>Total Available</i>	<i>29,088,843</i>	<i>31,475,218</i>
Appropriations		
General Fund	17,330,311	18,719,392
Property Tax Relief Fund	10,359,500	11,615,000
Gubernatorial Elections Fund	2,525	—
Casino Control Fund	72,039	72,039
Casino Revenue Fund	500,941	468,087
<i>Total Appropriations</i>	<i>28,265,316</i>	<i>30,874,518</i>
Ending Balances June 30		
Undesignated Fund Balances		
General Fund	514,628	299,628
Surplus Revenue Fund	300,372	300,372
Property Tax Relief Fund	—	—
Gubernatorial Elections Fund	—	700
Casino Control Fund	8,527	—
Casino Revenue Fund	—	—
<i>Total Undesignated Fund Balances</i>	<i>\$ 823,527</i>	<i>\$ 600,700</i>

REVENUE FORECAST & INITIATIVES

Fiscal 2006 Anticipated Revenue

The current estimate of \$28.2 billion in total fiscal 2006 revenue is \$321 million higher than when the Governor certified revenues in June 2005.

The three largest taxes, Gross Income, Sales and Use, and Corporation Business account for about 71% of total State revenues and are now forecast to yield \$20.1 billion. This represents an increase of \$479.0 million over certified revenues, reflecting the following revisions (+/-) in the estimates for: the Gross Income Tax (+\$250 million), due to strong collections generated by the higher 8.97% tax rate and continued employment growth in 2005; the Sales Tax (-\$174 million) reflecting continued softness in year-to-date collections; and the Corporation Business Tax (+\$403 million), based on strong year-to-date collections, which reflect strong profit growth in 2005.

The Gross Income Tax forecast for fiscal 2006 is revised up to \$10.6 billion, an increase of \$250 million compared to the June 2005 certified revenue estimate. This represents an increase in growth of 11% rather than the 8.4% growth anticipated in June 2005. This was mainly driven by solid double-digit growth of almost 21%, compared to the 17% anticipated rate, in year-to-date estimated payments. Employer withholdings grew by 9.9% in calendar year 2005, only slightly below the 10.2% growth in 2004. The overall momentum of economic recovery during calendar year 2005 when New Jersey added 42,400 jobs along with maintaining a state unemployment rate consistently below the national rate has helped the growth in income tax collections.

The Sales and Use Tax is estimated to generate \$6.7 billion in fiscal 2006, a 3.1% growth compared to the 5.8% rate originally projected. The estimate was decreased on the basis of year-to-

date collection trends. The July-September quarter saw very weak growth of only 2.3% but that rebounded in the October-December quarter to 4.3%. We anticipate continued moderate growth for the balance of the year.

The Corporation Business Tax (CBT) is estimated to generate \$2.8 billion in fiscal 2006, which is \$403 million above the original estimate of \$2.4 billion. The upward revision in the CBT estimate is in line with the year-to-date collections trend. Strong pre-tax profit growth in 2005, estimated nationally at over 30%, combined with an 8% decline in the level of refunds paid through January support this revision.

Fiscal 2007 Revenue Projections

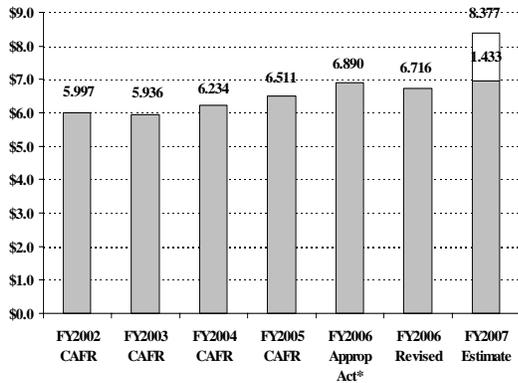
Total revenues for fiscal 2007 are expected to be \$30.7 billion, \$2.5 billion above the revised fiscal 2006 anticipation, and include new revenue solutions of \$1.8 billion. Base revenues are expected to grow moderately in fiscal 2007. Most economic indicators for the nation and New Jersey are projected to be at least as strong in 2006 as they were in 2005 and somewhat softer in 2007. Absent any of the revenue actions that have been proposed by the Governor, base revenue for fiscal 2007 would have been only \$29 billion which is \$800 million more than the total revenue in the current budget.

Sales Tax

The forecast of \$8.4 billion for fiscal 2007 Sales Tax revenues is an increase of \$1.7 billion, which includes \$1.1 billion for a rate change to 7%, \$248 million for expanding the Sales Tax base to selected consumer services and \$100 million for Urban Enterprise Zone reform. The basic underlying growth of 3.4% is the average growth of the Sales Tax over the FY01-05 period. With continued growth of payroll employment in the 1-1.5% range over 2006-07 and personal income growth in the 5.5-6% range, spending should keep growing at a moderate pace.

SALES TAX

(In Billions)



FY07 includes \$1.433 billion in initiatives.

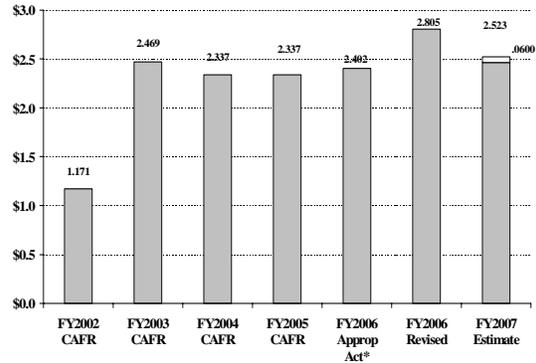
Sales tax excludes the tax on energy
CAFR – Comprehensive Annual Financial Report
*Restated

Corporation Business Tax

The fiscal 2007 Corporation Business Tax (CBT) revenue forecast of \$2.5 billion represents a decrease of \$282 million (or 10.1%), compared with revised fiscal 2006. This net downward revision is the result of losses due to the resumption of full net operating loss (NOL) deductibility (-\$205 million), reduction in the tax rate on S-corporations from 1.33% to 0.67%, and the addition of a 2.5% surcharge (+\$60 million). It also assumes slower growth in payments for tax year 2006 associated with the anticipated slow down in corporate pre-tax profit growth from over 30% in 2005 to under 10% in 2006.

CORPORATION BUSINESS TAX

(In Billions)



FY07 includes \$60 million in initiatives.

Corporation business tax excludes the tax on energy
CAFR – Comprehensive Annual Financial Report
*Restated

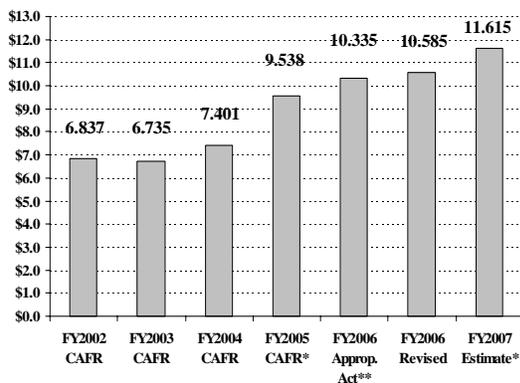
Gross Income Tax

The fiscal 2007 forecast of \$11.6 billion is an increase of \$1.0 billion, which includes a \$105 million decline for new low-income tax relief initiatives. The basic underlying growth of 10.7% over revised fiscal 2006 is a reflection of the continuation of current income growth trends. New Jersey Total Income, which is the tax base, increased 9.5% in 2004. In 2005 and 2006, the tax base is projected to grow at 8.9% and 8.3%, respectively, reflecting the strong anticipated personal income outlook for 2005 and 2006. The growth in income for households reporting over \$100,000 in total income, who account for 80% of the tax, is expected to grow at a 13% average annual rate (2004-2006). This is slightly below the 14.6% rate experienced in the 1994-96 period when economic conditions were similar.

REVENUES & EXPENDITURES

GROSS INCOME TAX

(In Billions)



*These revenues include changes in tax policy.
 FY 2005 – Tax rate increase on incomes of \$500,000 or greater
 FY 2007 – Low income refundable tax credit proposal
 **Restated

The budget also assumes a new low-income refundable tax credit will be effective for tax year 2006. This will provide 100% tax relief for filers who are married-filing jointly, household heads, and qualifying spouses who report less than \$25,000 in taxable NJ income. Taxpayers in these groups with taxable incomes between \$25,000 and \$30,000 will receive a credit that declines over that range from 100% to 0%.

Taxpayers who file as single or married-separate will be eligible for a 100% refundable credit if their taxable income is less than \$15,000. The credit will phase-down from 100% to 0% over the taxable income range of \$15,000 - \$20,000.

Eligibility for the credit will be limited to taxpayers for whom the total of NJ taxable income plus excluded income sources such as Social Security, tax-exempt interest, and excluded retirement income is under \$20,000 for single and married-separate filers and \$30,000 for all other filers.

Revenue Initiatives

Sales and Use Tax (\$1.085 billion)

The proposed Fiscal 2007 Budget assumes the Sales and Use Tax rate will increase from 6% to 7%, effective July 1, 2006.

Sales Tax on Consumer Services (\$248 million)

The economy has grown and modernized since the Sales and Use Tax was first introduced in 1967. Consumer spending has shifted from primarily goods to a wide mix of consumer services and electronically accessed goods which are not included in the sales tax base. The Fiscal 2007 Budget would expand the Sales and Use Tax to include a broad array of consumer services, effective October 1, 2006. Affected items could include membership fees in golf and health clubs, landscaping services, shipping and handling services, self-storage services, private investigator services, electronic data access, and downloaded music and videos.

Sales Tax: Reform of Urban Enterprise Zones (\$100 million)

This Administration will seek to restructure the Urban Enterprise Zone (UEZ) program, preserving its attributes, while preventing manipulation of its benefits by a small number of businesses. UEZ promotes economic growth in 37 of the State's municipalities by allowing a reduced 3% sales tax rate and returning to the affected municipalities a portion of the sales tax revenue collected in their zones. In fiscal 2007, it is estimated that \$84 million in sales tax revenue will be returned to zones.

UEZ also allows qualified zone businesses to be exempt from all sales tax on purchases of construction materials and other equipment and supplies. Contrary to the program's goals, these current exemptions have given a disproportionately large financial benefit to a relatively small number of businesses. As a first step to more precisely target these incentives, the sales tax exemption for qualified businesses would be limited to the purchases of goods and materials related to building, initially equipping, or expanding a commercial structure within the UEZ. Sales tax

would be rebated upon submission of auditable receipts, beginning in July 2007.

Other reforms will:

- Initiate an examination and auditing program in the Division of Taxation to uncover and prosecute fraudulent or abusive practices by vendors.
- Evaluate whether the 3% sales tax rate is appropriate for high-ticket, personal luxury items and examine potential exclusions.

These changes will continue to support economic development in the identified areas of the state by maintaining the existing \$80 million UEZ municipal revenue stream, which supports critical infrastructure and development. Ending fraud and abuse of the UEZ program will benefit the State by an estimated \$100 million in sales tax revenue in fiscal 2007.

Cigarette Tax (\$80 million)

The Fiscal 2007 Budget assumes additional revenue from increasing the cigarette tax from \$2.40 per pack of 20 cigarettes to \$2.75 per pack. This proposed increase assumes an effective date of July 1, 2006.

Corporation Business Tax Surcharge (\$60 million)

The Corporation Business Tax (CBT) accounts for about 8.4% of the total revenue collections. The Fiscal 2007 Budget assumes that a 2.5% surcharge will be assessed on all corporations with fiscal years beginning on or after January 1, 2006.

State Disability Benefits Fund (\$50 million)

The Fiscal 2007 Budget proposes a \$50 million diversion from the State Disability Benefit Fund. The fund's fiscal 2006 ending balance is projected to be a healthy \$189 million and would have grown to an estimated \$231 million in fiscal 2007, the highest fund balance since fiscal 1996. Annual revenues were projected to outpace expenditures by approximately \$42 million. Following the proposed \$50 million diversion, the fund is projected to have an ending balance of \$181 million. This initiative should not materially impact the fund's ability to meet its obligations.

Autonomous Transportation Authorities (\$38 million)

Prior to fiscal 2005, the New Jersey Turnpike / Parkway Authority provided an annual contribution of \$22 million towards transportation-related projects statewide, which were funded primarily from the Transportation Trust Fund. Over the past two fiscal years, the Authority retained these funds and allocated them to partially offset costs associated with the repair and rehabilitation of the Driscoll Bridge in Middlesex County. Beginning in fiscal 2007, the New Jersey Turnpike will resume a contribution of \$12 million for the Transportation Trust Fund and provide an additional \$37.5 million. These additional funds will be used for transportation-related projects by the Department of Transportation.

Audit and Enforcement Collection (\$36 million)

Increased revenue of \$36 million is projected from new and expanded initiatives to improve the collection of outstanding tax delinquencies. These measures will be spearheaded by the Department of the Treasury through accelerated and concentrated efforts by audit and compliance staff. Collection of tax and other delinquencies can be enhanced through numerous means, such as improved technology, cross-jurisdictional cooperation and inter-agency efforts. The Treasury Department will leverage these tools and others to improve collection of arrears for state income tax, corporation business tax, sales tax, cigarette tax and other liabilities. These efforts will focus on how to achieve maximum returns with the most cost-efficient approach to enforcement.

State Police Rural Patrol (\$24 million)

In the proposed Fiscal 2007 Budget, municipalities that have requested rural patrol services from the State Police would provide a partial reimbursement to offset this cost.

Per N.J.S.A. 53:2-1 (P.L. 1921), the State Police must provide adequate police protection to the inhabitants of rural sections of the State of New Jersey. Currently, there are 73 municipalities receiving full rural patrol services with an

REVENUES & EXPENDITURES

additional 24 receiving part-time services. In fiscal 2005, the Department of Law and Public Safety expended \$74.2 million for this purpose.

AVERAGE NET PROPERTY TAX

TOWNS USING RURAL POLICING

FULL TIME COVERAGE	\$2,892
PART TIME COVERAGE	\$4,075
N.J. AVERAGE PROPERTY TAX	\$4,537

Towns receiving these services have significantly lower municipal tax rates than those with their own police forces.

With this Budget, those towns with a higher property tax rate than their respective county average will continue to be provided rural patrol services by the New Jersey State Police. For towns with tax rates below their county average or where residential property values are higher than the county average, a reimbursement schedule will be established that will generate revenue of \$24 million.

Motor Vehicle Fees: Surcharge on New Luxury Car Registrations (\$17 million)

A new one-time registration fee will be imposed on selected passenger vehicles being registered for the first time with the NJ Motor Vehicle Commission (MVC) after June 30, 2006. This one-time fee assessed at a 0.4% rate of the sticker price (manufacturer suggested retail price) will apply to 2 types of vehicles:

1. **Luxury vehicles** (including pickups and SUVs) with a sticker price of \$45,000 or more.
2. **Fuel-inefficient vehicles** with an EPA rating of less than 19 miles per gallon.

Any vehicle priced over \$45,000 that has an EPA rating of over 40 miles per gallon would be

exempt. The fee is paid only the first time the vehicle is registered at MVC and is in addition to the current MVC fees. Subsequent registration renewals will be at the current MVC rates which range from \$43 to \$81 per year.

Realty Transfer Tax on Commercial Property Greater Than \$1 Million (\$17 million)

The Fiscal 2007 Budget assumes that the 1% fee on grantees (buyers) of residential property in excess of \$1 million be extended to transfers of commercial property valued in excess of \$1 million. Non-profit and manufacturing properties would be exempt. This is assumed to be effective July 1, 2006.

Alcoholic Beverage Excise (\$12 million)

Excise taxes on sales of alcoholic beverages were last increased in 1992. The tax on a gallon of beer would be raised 5 cents a gallon (from \$0.12 to \$0.17), the tax on a gallon of wine would increase 10 cents a gallon (from \$0.70 to \$0.80), and the tax on a gallon of liquor would increase 10 cents (from \$4.40 to \$4.50). The Fiscal 2007 Budget assumes the new rates are effective July 1, 2006.

Water Supply Surcharge (\$12 million)

A new surcharge in the amount of 4 cents per 1,000 gallons of water will be imposed on owners or operators of public community water supply systems, which will result in an average cost of \$3 to \$4 per household per year. The Fiscal 2007 Budget proposes to capitalize this revenue to leverage over \$100 million. A fund this size will enable the State to immediately address urgent drought mitigation and water resource interconnection projects.

Medicaid Uncompensated Care: Enhanced Disproportionate Share Hospital Claims (\$8 million)

Disproportionate share payments include all State programs and grants to hospitals to offset costs of medical care provided to the uninsured. The State then claims a federal match on these payments through Medicaid. This revenue enhancement will generate \$8 million in unclaimed federal revenues for past expenses that were paid through HMO

fiscal intermediaries. It will not adversely impact recipients or beneficiaries.

**Nuclear Facilities Security Detail
(\$4 million)**

By assessing the power plant facilities that utilize State Police and State National Guard personnel for added security, the Fiscal 2007 Budget proposes to raise additional revenue of \$4.4 million.

As a result of the terrorist attacks on September 11, 2001, increased security was mandated for the State's nuclear power plants. State Police troopers are assigned to provide 24

hour a day security details in and around the nuclear power plants at Oyster Creek in Lacey Township and Salem Creek in Lower Alloways Creek Township.

In addition, all key power generating stations throughout New Jersey now have State National Guard troops assigned to supplement the existing security at each facility.

It is proposed that an assessment for the costs attached to supplementing the private security of these facilities with State Police and State National Guard be apportioned to the responsible corporate entity. It is anticipated that this will result in total revenues to the State of approximately \$4.4 million to offset expenditures of \$1.6 million for the State Police and \$2.8 million for the National Guard.

REVENUES & EXPENDITURES

STATEMENT OF ESTIMATED REVENUES AND EXPENDITURES

A description of the major categories of anticipated revenue sources within the five funds and a description of the principal taxes are discussed in the following.

GENERAL FUND

Major Taxes

The Major Taxes category is composed of thirteen taxes or fees which are levied within the State. The majority of the revenue is generated from the sale and use of goods and services; general business taxes, which are received from various corporations; motor vehicle fees; and other excise taxes. A description of principal sources, all raising more than \$200 million, follows:

The Sales and Use Tax Act imposes a tax on receipts from retail sale, rental or use of tangible personal property; retail sale of producing, fabricating, processing, installing, maintaining, repairing, storing and servicing tangible personal property; certain advertising services; sales of restaurant meals; rental of hotel and motel rooms; telecommunications; alcohol; cigarettes; non-prescription drugs; soaps and detergents; disposable paper products; and certain admission charges. Sales of food, clothing, and personal and business services not specifically enumerated in the law are exempt. A tax rate increase of 1% from 6% to 7% is proposed for the fiscal year beginning July 1, 2006.

The Corporation Business Tax imposes a franchise tax for the privilege of having or exercising a corporate charter or doing business, employing or owning capital or property, or maintaining an office in New Jersey. The corporate tax or alternative minimum assessment is applicable to every corporation not expressly exempted. There is a 2.5% surcharge on all corporations with fiscal years beginning on or after January 1, 2006.

The Motor Fuels Tax applies to sales of gasoline, diesel fuel, or liquified petroleum gas and compressed natural gas used in motor vehicles on public highways. The tax is \$.105 per gallon for gasoline and \$.135 per gallon for diesel fuel, and half the gasoline rate for other gases.

The Cigarette Tax is imposed at a rate per cigarette. The tax is collected primarily from licensed distributors who receive the cigarettes directly from out-of-state manufacturers.

The Insurance Premium Tax applies to premiums collected on insurance risks by every insurance company transacting business in New Jersey. The tax base is gross contract premiums less specified deductions.

The Transfer Inheritance Tax applies to the transfer of personal property and New Jersey real property in estates. The tax rates depend on the amount received and the relationship between the decedent and the beneficiary. No tax is imposed on immediate family or spouses.

The Motor Vehicle Fees include automobile and truck registrations, drivers' licenses, and miscellaneous fees collected by the Motor Vehicle Commission.

The Petroleum Products Gross Receipts Tax is imposed on all companies engaged in the refining/distribution of petroleum products in the State. It only applies to the first sale (not exports) of petroleum products in the State.

The Realty Transfer Fee is imposed upon the recording of deeds evidencing transfers of title to real property in the State of New Jersey and is calculated based on the amount of consideration paid.

Miscellaneous Taxes, Licenses, and Other Departmental Fees

This category includes revenues received by the various State agencies. Typical items include license and inspection fees, recreation and boating fees, institutional and patient fees, investment earnings, and other similar items.

Interfund Transfers

The Interfund Transfer category includes monies which were received into various capital projects, special revenue, proprietary, and private purpose trust funds because of legal or statutory requirements, and then subsequently transferred into the General Fund as anticipated revenue for expenditure purposes. Included in these types of revenue are the monies received by the State Lottery and interest earned on investment of bond funds.

PROPERTY TAX RELIEF FUND

The Gross Income Tax is a graduated tax levied on gross income earned or received by New Jersey resident and non-resident individuals, estates and trusts. All monies in the fund must be appropriated exclusively for reducing or offsetting property taxes.

GUBERNATORIAL ELECTIONS FUND

A taxpayer can voluntarily indicate that \$1 of income tax can be set aside into this special fund. Such monies are used to finance a portion of the expenses of gubernatorial primary and general elections.

CASINO REVENUE FUND

An 8 percent tax on the gross revenue of all casinos is deposited into the Casino Revenue Fund. In addition, there are five other taxes/fees imposed as follows: Casino Net Income Tax (expires July 1, 2006), Casino Complimentary Tax, Casino Room Fee, Progressive Slot Tax, and Casino Parking Tax. All monies in this fund must be used for reduction in property taxes, and utility and rental charges of eligible disabled and senior citizens.

CASINO CONTROL FUND

License fees for the issuance of annual renewal of casino licenses, slot machines, non-refundable deposits for each application for a license, and fees for the issuance of various work permits are deposited into the Casino Control Fund. Such revenues are used to support the operation of the Casino Control Commission and the Division of Gaming Enforcement.

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Major Taxes:			
Sales	6,552,199	6,733,300	8,410,400
Corporation Business	2,366,435	2,901,700	2,585,271
Motor Fuels	547,325	543,000	554,000
Transfer Inheritance	520,776	580,000	539,000
Cigarette	633,628	640,000	490,833
Realty Transfer	384,975	455,000	475,500
Insurance Premium	431,481	445,000	462,000
Motor Vehicle Fees	263,360	264,805	275,244
Petroleum Products Gross Receipts	248,534	247,000	252,000
Corporation Banks and Financial Institutions	105,381	130,000	125,000
Alcoholic Beverage Excise	88,359	91,000	106,000
Tobacco Products Wholesale Sales	11,514	13,000	14,000
Public Utility Excise (Reform)	10,367	10,000	10,000
	<u>12,164,334</u>	<u>13,053,805</u>	<u>14,299,248</u>
<i>Total Major Taxes</i>			
Miscellaneous Taxes, Fees, and Revenues:			
Executive Branch—			
Department of Agriculture:			
Animal Health – Laboratory Test Fees	125	—	—
Environmental Services	192	—	—
Fertilizer Inspection Fees	506	366	366
Milk Control Licenses and Fees	718	—	—
Miscellaneous Revenue	404	4	362
	<u>1,945</u>	<u>370</u>	<u>728</u>
Department of Banking and Insurance:			
Actuarial Services	45	54	55
Bank Assessments	3,153	3,000	9,093
Banking – Examination Fees	2,221	2,300	—
Banking – Licenses and Other Fees	12,608	7,800	4,447
FAIR Act Administration	19,778	16,000	16,500
Fraud Fines	1,954	2,000	2,000
Insurance – Examination Billings	2,035	2,400	2,400
Insurance – Special Purpose Assessment	13,696	14,896	15,219
Insurance Fraud Prevention	31,807	31,836	32,000
Insurance Licenses and Other Fees	14,768	12,855	30,226
Public Adjusters Licenses	31	—	—
Real Estate Commission	11,744	7,000	10,000
	<u>113,840</u>	<u>100,141</u>	<u>121,940</u>
Department of Children and Families:			
Child Care Licensing/Adoption Law	314	350	350
Marriage License Fees	1,239	1,309	1,309
	<u>1,553</u>	<u>1,659</u>	<u>1,659</u>
Department of Community Affairs:			
Affordable Housing and Neighborhood Preservation – Fair Housing	19,767	20,300	20,300
Boarding Home Fees	670	—	—
Construction Fees	26,197	13,205	13,205
Divorce Filing Fees	1,209	1,276	1,276
Fire Safety	24,695	15,384	15,384
Housing Inspection Fees	11,733	8,108	8,108
Miscellaneous Revenue	127	—	—
NJ Meadowlands Development Commission	3,369	—	—
Planned Real Estate Development Fees	2,674	828	828
Truth In Renting	192	—	—
	<u>90,633</u>	<u>59,101</u>	<u>59,101</u>

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Department of Corrections:			
Miscellaneous Revenue	8	—	—
Violent Crime Compensation	9	—	—
	<u>17</u>	<u>—</u>	<u>—</u>
Department of Education:			
Audit Recoveries	1,038	425	425
Audit of Enrollments	1,590	1,228	137
Local School District Loan Recoveries – NJEDA	9,067	8,369	8,268
Miscellaneous Revenue	29	—	—
Nonpublic Schools Handicapped and Auxiliary Recoveries	10,330	—	—
Nonpublic Schools Textbook Recoveries	1,351	1,000	1,000
School Construction Inspection Fees	2,547	3,246	2,150
State Board of Examiners	8,067	4,600	5,000
	<u>34,019</u>	<u>18,868</u>	<u>16,980</u>
Department of Environmental Protection:			
Air Pollution Fees – Minor Sources	3,358	3,500	10,000
Air Pollution Fees – Title V Operating Permits	13,151	13,100	13,100
Air Pollution Fines	3,381	3,250	3,250
Clean Water Enforcement Act	1,303	1,500	1,500
Coastal Area Facility Review Act	2,413	2,525	3,330
Endangered Species Tax Checkoff	216	200	200
Environmental Infrastructure Financing Program Administrative Fee	5,000	5,000	5,000
Excess Diversion	190	261	261
Freshwater Wetlands Fees	3,782	4,000	5,310
Freshwater Wetlands Fines	407	300	100
Hazardous Discharge Site Cleanup	6,118	—	—
Hazardous Waste Fees	2,616	2,990	4,260
Hazardous Waste Fines	755	400	675
Highlands Permitting	296	396	396
Hunters' and Anglers' Licenses	11,671	11,000	11,000
Industrial Site Recovery Act	711	800	1,120
Laboratory Certification Fees	814	780	780
Laboratory Certification Fines	8	20	20
Lake Restoration Fund	94	—	—
Marina Rentals	1,053	885	885
Marine Lands – Preparation and Filing Fees	2,160	120	140
Medical Waste	4,219	4,100	4,400
Miscellaneous Revenue	12	—	—
New Jersey Pollutant Discharge Elimination System/Stormwater Permits	19,887	15,600	16,700
New Jersey Spill Compensation Fund	6,441	—	—
Parks Management Fees and Permits	5,472	4,300	4,300
Parks Management Fines	141	160	165
Pesticide Control Fees	4,230	4,200	4,200
Pesticide Control Fines	49	120	50
Radiation Protection Fees	4,199	3,740	5,439
Radiation Protection Fines	93	88	88
Radon Testers Certification	270	253	263
Recycling Fund	41	—	—
Safe Drinking Water Fund	860	—	—
Shellfish and Marine Fisheries	8	7	7
Solid Waste – Utility Regulation Assessments	4,108	3,100	3,100
Solid Waste Fines	564	900	700
Solid Waste Management Fees	8,096	8,080	11,700
Solid and Hazardous Waste Disclosure	237	—	—
Spring Meadow Golf Course	300	300	300
Stream Encroachment	2,722	2,860	3,710
Toxic Catastrophe Prevention Fees	1,366	1,366	1,366
Toxic Catastrophe Prevention Fines	29	44	44
Treatment Works Approval	1,170	1,877	1,957
Underground Storage Tanks Fees	1,155	1,000	1,400
Water Allocation	1,687	2,050	2,050
Water Supply Fund	322	—	—
Water Supply Management Regulations	1,330	1,300	1,300

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Water Supply Surcharge	—	—	12,000
Water/Wastewater Operators Licenses	211	215	215
Waterfront Development Fees	2,687	2,800	3,510
Waterfront Development Fines	14	10	10
Well Permits/Well Drillers/Pump Installers Licenses	1,123	1,100	1,100
Wetlands	81	91	140
Worker Community Right to Know – Fines	38	40	40
	132,659	110,728	141,581
 Department of Health and Senior Services:			
Admission Charge Hospital Assessment	6,000	6,000	6,000
Clinical Laboratory	617	—	—
Consumer Health Penalties	5,842	—	—
HMO Covered Lives	1,576	1,800	1,800
Health Care Reform	1,200	1,200	1,200
Licenses, Fines, Permits, Penalties & Fees	4,780	790	790
Miscellaneous Revenue	132	400	400
Pharmaceutical Assistance to the Aged – Recoveries	5,677	—	—
	25,824	10,190	10,190
 Department of Human Services:			
Commission for the Blind – Miscellaneous	567	—	—
Early Periodic Screening, Diagnosis and Treatment	139	4,000	4,000
Family Care II	589	—	—
Interim Assistance	567	—	—
Medicaid Uncompensated Care – Acute	226,573	275,799	236,325
Medicaid Uncompensated Care – Mental Health	34,186	33,055	33,055
Medicaid Uncompensated Care – Psychiatric	189,966	184,458	178,685
Medical Assistance – Recoveries	22,296	—	—
Medical Assistance–Federal Match on PAAD/Medicaid Dual Eligibles	1	1,400	—
Miscellaneous Revenue	1,152	5,500	1,500
Patients’ and Residents’ Cost Recovery – Developmental Disability	15,770	15,612	15,612
Patients’ and Residents’ Cost Recovery – Psychiatric Hospitals	69,569	55,991	56,483
Payments for Medical Assistance Recipients – Prescription Drugs	294,421	—	—
Purchased Institutional Care	2,606	—	—
School Based Medicaid	4,583	7,126	7,126
	862,985	582,941	532,786
 Department of Labor and Workforce Development:			
Miscellaneous Revenue	133	200	155
Special Compensation Fund	2,341	1,708	1,708
State Disability Benefits Fund	7,545	—	—
Urban Enterprise Zone Administration Cost	30	—	—
Workers’ Compensation Assessment	20,267	12,285	12,285
Workforce Development	27,863	—	—
Workplace Standards – Licenses, Permits and Fines	9,791	2,820	4,720
	67,970	17,013	18,868
 Department of Law and Public Safety:			
Beverage Licenses	9,505	3,960	3,960
Charities Registration Section	1,486	695	695
Consumer Affairs	5,129	—	—
Controlled Dangerous Substances	895	100	100
Criminal Disposition	490	—	—
EDA School Construction Recoveries	917	955	955
Forfeiture Funds	—	—	250
General Client Services	36,190	—	—
Legal Services	23,883	—	—
Legalized Games of Chance Control	1,258	1,200	1,200
Miscellaneous Revenue	425	400	—
New Jersey Cemetery Board	270	120	96
New Jersey Emergency Medical Service Helicopter Response Program	—	—	21,000
Pleasure Boat Licenses	2,426	3,000	3,000

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Private Employment Agencies	706	258	258
Retired Officer Handgun Permit	215	—	—
Safe & Secure Receipts	239	—	—
Securities Enforcement	38,255	7,794	8,994
State Board of Architects	950	450	420
State Board of Audiology and Speech–Language Pathology Advisory	88	270	18
State Board of Certified Psychoanalysts	—	50	150
State Board of Certified Public Accountants	510	1,425	42
State Board of Chiropractors	231	675	90
State Board of Cosmetology and Hairstyling	6,221	625	2,700
State Board of Court Reporting	28	75	9
State Board of Dentistry	540	1,415	210
State Board of Electrical Contractors	869	1,200	300
State Board of Marriage Counselor Examiners	989	150	420
State Board of Master Plumbers	1,044	75	540
State Board of Medical Examiners	18,866	2,125	6,600
State Board of Mortuary Science	643	300	210
State Board of Nursing	6,503	3,750	2,400
State Board of Occupational Therapists and Assistants	83	375	16
State Board of Ophthalmic Dispensers and Ophthalmic Technicians	74	270	12
State Board of Optometrists	570	30	270
State Board of Orthotics and Prosthetics	81	31	25
State Board of Pharmacy	2,966	300	1,260
State Board of Physical Therapy	192	600	30
State Board of Professional Engineers and Land Surveyors	730	1,050	300
State Board of Professional Planners	80	45	12
State Board of Psychological Examiners	906	75	480
State Board of Public Movers and Warehousemen	280	—	—
State Board of Real Estate Appraisers	328	1,050	51
State Board of Respiratory Care	46	150	10
State Board of Social Workers	1,727	300	200
State Board of Veterinary Medical Examiners	592	60	270
State Police – Fingerprint Fees	13,790	2,694	3,694
State Police – Nuclear Facilities Security Detail	—	—	1,600
State Police – Other Licenses	269	230	230
State Police – Private Detective Licenses	488	220	220
State Police – Rural Patrol	—	—	24,000
State Police Recruit Training	65	—	—
Victim and Witness Advocacy Fund	1,252	—	—
Violent Crime Compensation	8,426	3,930	3,930
Weights and Measures – General	4,238	2,612	2,612
	<u>196,954</u>	<u>45,089</u>	<u>93,839</u>
Department of Military and Veterans' Affairs:			
Miscellaneous Revenue	1,900	—	—
Nuclear Facilities Security Detail	—	—	2,780
Soldiers' Homes	28,620	31,393	33,326
	<u>30,520</u>	<u>31,393</u>	<u>36,106</u>
Department of Personnel:			
Examination Fees	1,136	—	—
Human Resource Development Institute	2,811	—	—
	<u>3,947</u>	<u>—</u>	<u>—</u>
Department of the Public Advocate:			
Office of Dispute Settlement Mediation	139	158	158
Rate Counsel	6,295	6,387	6,387
	<u>6,434</u>	<u>6,545</u>	<u>6,545</u>

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Department of State:			
Autism Medical Research	3,948	—	—
Governor's Teaching Scholars Program Loan Repayment	—	53	91
Miscellaneous Revenue	43	—	—
	3,991	53	91
Department of Transportation:			
Air Safety Fund	579	965	965
Applications and Highway Permits	2,548	1,300	1,300
Auto Body Repair Shop Licensing	527	9	536
Autonomous Transportation Authorities	2,292	2,500	52,000
Drunk Driving Fines	330	350	350
Good Driver	81,694	80,000	77,450
Graduated Driver's License	1,365	1,390	1,390
Heavy Duty Diesel Fines	540	450	450
Interest on Purchase of Right of Way	21	5	5
Logo Sign Program Fees	794	300	300
Miscellaneous Revenue	49	—	—
Motor Vehicle Database—Automated Access	47,170	47,250	47,500
Motor Vehicle Fees	112	—	—
Motor Vehicle Inspection Fund	82,409	82,800	78,900
Outdoor Advertising	5,906	5,240	5,240
Parking Offenses	459	410	410
Placarded Railcar	39	—	—
Rental Receipts – Tenant Relocation Program	442	—	—
Salvage Title Program	1,121	1,100	1,100
Special Plate Fees	1,077	750	750
Uninsured Motorists Program	5,695	5,000	5,000
	235,169	229,819	273,646
Department of the Treasury:			
Assessment on Real Property Greater Than \$1 Million	51,434	86,400	89,600
Assessments – Cable TV	4,241	4,443	4,443
Assessments – Public Utility	26,061	30,643	29,313
Audit and Enforcement Collection	—	—	36,000
Casino Fines	495	—	—
Coin Operated Telephones	4,220	3,600	3,600
Commercial Recording – Expedited	3,302	2,853	2,853
Commissions (Notary)	1,291	1,500	1,500
Communication Fee – Lottery	317	—	—
Cost Assessment	5,188	—	—
Domestic Security	—	—	5,000
Dormitory Safety Trust Fund – Debt Service Recovery	—	—	5,708
Equipment Leasing Fund – Debt Service Recovery	4,421	4,642	4,625
Escrow Interest – Construction Accounts	32	50	37
General Revenue – Fees (Commercial Recording and UCC)	48,016	44,800	44,800
Higher Education Capital Improvement Fund – Debt Service Recovery	2,766	—	15,383
Hotel/Motel Occupancy Tax	78,024	74,000	74,000
Investment Earnings	28,718	—	—
MVC Securitization	185	—	—
Miscellaneous Revenue	2,614	950	950
NJ Economic Development Authority	2,273	1,973	—
NJ Public Records Preservation	39,167	41,200	65,100
Nuclear Emergency Response Assessment	5,001	5,233	4,139
Public Defender Client Receipts	4,241	4,900	4,900
Public Utility – Customer Specific Tax	2,260	2,000	2,000
Public Utility Fines	2,818	3,000	1,200
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer)	75,827	75,000	75,000
Railroad Tax – Class II	3,484	3,500	3,500
Railroad Tax – Franchise	932	700	700
Sale of Real Property	137	—	—
State Disability Benefits Fund	41	—	—
Stormwater Management—Combined Sewer Overflow	1,497	—	—
Surplus Property	1,420	1,100	1,100
Tax Audit Services – Uncollected Revenue Recovery	286	—	—

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Tax Referral Cost Recovery Fee	6,723	6,600	6,600
Telephone Assessment	114,944	119,000	119,000
Tire Clean-Up Surcharge	9,119	9,000	9,000
Transitional Energy Facilities Assessment	239,609	226,779	186,328
	<u>771,104</u>	<u>753,866</u>	<u>796,379</u>
Other Sources:			
Miscellaneous Revenue	752	500	500
Interdepartmental Accounts:			
Administration and Investment of Pension & Health Benefit Funds – Recoveries	59,416	59,367	24,156
Employee Maintenance Deductions	300	300	300
Fringe Benefit Recoveries from Colleges and Universities	126,510	128,000	146,000
Fringe Benefit Recoveries from Federal and Other Funds	199,478	207,000	248,446
Fringe Benefit Recoveries from School Districts	31,570	35,000	49,450
Indirect Cost Recoveries – DEP Other Funds	10,617	10,500	11,307
MTF Revenue Fund	59,561	77,500	39,737
Rent of State Building Space	1,609	1,900	1,900
Social Security Recoveries from Federal and Other Funds	56,013	58,000	59,000
Standard Offer Payments – Utilities	1,977	—	—
	<u>547,051</u>	<u>577,567</u>	<u>580,296</u>
Judicial Branch—			
The Judiciary:			
Civil Arbitration Program	2,737	—	—
Court Fees	64,892	66,645	66,345
Miscellaneous Revenue	374	—	—
	<u>68,003</u>	<u>66,645</u>	<u>66,345</u>
<i>Total Miscellaneous Taxes, Fees, and Revenues</i>	<u>3,195,370</u>	<u>2,612,488</u>	<u>2,757,580</u>
Interfund Transfers:			
Beaches and Harbor Fund	28	76	94
Cigarette Tax Securitization Fund	1,190,000	—	—
Clean Waters Fund	8	5	10
Correctional Facilities Construction Fund	13	20	20
Correctional Facilities Construction Fund of 1987	38	32	13
Cultural Centers and Historic Preservation Fund	57	60	55
Dam, Lake, Stream and Flood Control Project Fund – 2003	—	—	175
Developmental Disabilities Waiting List Reduction Fund	529	765	313
Dredging and Containment Facility Fund	338	355	355
Emergency Flood Control Fund	8	12	12
Energy Conservation Fund	6	15	15
Enterprise Zone Assistance Fund	4,699	8,490	9,631
Fund for the Support of Free Public Schools	2,092	2,822	2,822
Garden State Farmland Preservation Trust Fund	1,879	1,765	1,765
Garden State Green Acres Preservation Trust Fund	5,279	5,007	5,007
Garden State Historic Preservation Trust Fund	640	617	617
Hazardous Discharge Fund	4	7	7
Hazardous Discharge Site Cleanup Fund	17,637	11,162	10,615
Housing Assistance Fund	—	232	140
Human Services Facilities Construction Fund	2	1	—
Jobs, Education and Competitiveness Fund	147	175	15
Jobs, Science and Technology Fund	1	—	—
Judiciary Bail Fund	586	1,050	1,050
Judiciary Child Support and Paternity Fund	479	800	800
Judiciary Probation Fund	233	325	325
Judiciary Special Civil Fund	56	90	90
Judiciary Superior Court Miscellaneous Fund	115	140	140
Legal Services Fund	9,791	10,410	10,410
Mortgage Assistance Fund	746	761	715
Motor Vehicle Security Responsibility Fund	5	3	3
Motor Vehicle Surcharge Securitization Fund	740,000	—	—
NJ Bridge Rehab. and Improvement and R.R. Right-of-Way Preservation Fund	137	223	196

REVENUES & EXPENDITURES

SCHEDULE 1 STATE REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Natural Resources Fund	78	90	53
New Home Warranty Security Fund	—	20,000	—
New Jersey Green Acres Fund – 1983	436	675	680
New Jersey Spill Compensation Fund	15,269	15,589	15,589
New Jersey Workforce Development Partnership Fund	13,570	17,266	17,266
Pollution Prevention Fund	2,168	1,775	1,775
Public Purpose Buildings Construction Fund	3	8	8
Public Purpose and Community Based Facilities Construction Fund	103	159	120
Safe Drinking Water Fund	1,804	2,368	2,368
Sanitary Landfill Facility Contingency Fund	—	—	5,000
School Fund Investment Account	3,532	3,582	3,582
Shore Protection Fund	354	457	445
Solid Waste Service Tax Fund	4	2	2
Special Compensation Fund	—	5,000	—
State Disability Benefit Fund	136,204	27,797	77,797
State Land Acquisition and Development Fund	7	6	3
State Lottery Fund	812,047	832,000	836,000
State Lottery Fund Administration	27,331	22,490	21,900
State Recreation and Conservation Land Acquisition and Development Fund	20	29	25
State Recycling Fund	1,046	—	—
State of New Jersey Cash Management Fund	2,391	3,034	3,034
Statewide Transportation and Local Bridge Fund	1,127	1,000	400
Supplemental Workforce Fund for Basic Skills	1,644	2,000	2,000
Tobacco Settlement Fund	—	12,922	196
Transportation Rehabilitation and Improvement Fund	7	11	11
Unclaimed Insurance Payments on Deposits Trust Fund	40	54	34
Unclaimed Personal Property Trust Fund	144,075	269,075	311,342
Unclaimed Utility Deposits Trust Fund	41	160	165
Unemployment Compensation Auxiliary Fund	17,530	17,607	22,297
Universal Services Fund	70,804	72,509	72,509
Wage and Hour Trust Fund	24	75	75
Water Conservation Fund	31	37	24
Water Supply Fund	3,683	3,911	3,911
Worker and Community Right to Know Fund	3,369	3,543	3,543
<i>Total Interfund Transfers</i>	<u>3,234,295</u>	<u>1,380,651</u>	<u>1,447,564</u>
Total State Revenues General Fund	<u>18,593,999</u>	<u>17,046,944</u>	<u>18,504,392</u>
PROPERTY TAX RELIEF FUND			
Gross Income Tax	9,537,939	10,585,000	11,615,000
CASINO CONTROL FUND			
Investment Earnings	310	500	500
License Fees	64,051	63,012	63,012
<i>Total Casino Control Fund</i>	<u>64,361</u>	<u>63,512</u>	<u>63,512</u>
CASINO REVENUE FUND			
Casino Simulcasting Fund	600	700	600
Gross Revenue Tax	388,593	413,913	424,000
Investment Earnings	976	1,000	1,000
Other Casino Taxes and Fees	85,492	85,328	42,487
PAAD Recoveries	143,565	—	—
<i>Total Casino Revenue Fund</i>	<u>619,226</u>	<u>500,941</u>	<u>468,087</u>
GUBERNATORIAL ELECTIONS FUND			
Taxpayers' Designations	517	700	700
TOTAL STATE REVENUES	<u>28,816,042</u>	<u>28,197,097</u>	<u>30,651,691</u>

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Dedicated:			
Executive Branch—			
Chief Executive:			
State Authority Review and Oversight	1,221	1,100	1,100
Department of Agriculture:			
Administration – Development Potential Transfer Bank	—	200	200
Administrative Costs – Farmland Preservation	650	700	415
Animal Disease Control	—	153	153
Commodity Distribution	2,141	1,501	1,501
Food Distribution Assessment	12	—	—
Fruit and Vegetable Grading Service	374	162	162
Future Farmers of America – Student Loans from Department of Education	71	75	75
Garden State Preservation Trust	—	—	125
Horse Breeding and Development Fund	335	380	380
Marketing and Development Services	—	724	724
Nursery Inspection Program	—	265	289
Organic Certification	145	150	75
Plant Pest and Disease Control	—	23	23
Poultry Service	1,043	810	810
Risk Management Commodity Partnership	62	—	—
Sire Stakes	4,460	5,000	5,000
Standardbred Breeder Awards	201	240	240
Stormwater Discharge Permit Fees	—	250	250
Wine Promotion Program	120	90	90
Miscellaneous	269	227	252
	9,883	10,950	10,764
Department of Banking and Insurance:			
Public Adjusters Licensing	—	52	52
Small Employer Health Benefits	336	380	380
Supervision and Examination of Financial Institutions	—	400	400
Miscellaneous	102	64	64
	438	896	896
Department of Children and Families:			
Administration and Support Services	35,117	22,756	24,573
Adopt U.S. Kids	23	—	—
Child Protective and Permanency Services	—	1,657	1,797
Criminal History Record Checks	272	120	120
Domestic Violence Victims Fund	596	—	—
Legally Responsible Relatives – Probation Supplement	3,035	2,054	2,054
Old Age Survivors Insurance	1,137	1,492	1,492
	40,180	28,079	30,036
Department of Community Affairs:			
Boarding Home Regulation and Assistance	—	700	775
Fire Certification Program	40	325	325
Grants to Displaced Homemaker Centers	654	688	688
Historic Preservation License	29	25	25
Housing Code Enforcement	—	3,756	4,719
Housing Opportunities for Persons with AIDS	1,380	923	1,318
Housing Services	75,604	80,000	80,000
Lead Hazard Control Assistance Fund Administration	66	500	545
Neighborhood Revitalization Tax Credit	750	—	—
New Home Warranty Program	3,934	4,816	4,816
New Jersey Meadowlands Commission – Operations	—	3,205	110
New Jersey Meadowlands Tax Sharing Stabilization Fund	—	279	190
Paterson Housing Opportunities for Persons with AIDS Program	470	600	600
Prevention of Homelessness	495	243	293
Section 8 Housing Voucher Portability	—	1,600	1,600
Truth in Renting	—	150	150
Uniform Construction Code	—	9,327	10,442
Uniform Fire Code	—	10,000	10,485
Miscellaneous	1,649	1,125	1,161
	85,071	118,262	118,242

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Department of Corrections:			
Administration and Support Services	23,373	22,553	23,497
Workplace Literacy – Learning Lab Program	176	—	—
Miscellaneous	1,049	464	—
	24,598	23,017	23,497
Department of Education:			
Abbott Implementation	—	11,734	10,619
Compliance and Auditing	136	200	385
Early Childhood Compliance Audits	—	299	307
Early Childhood Education	—	2,442	2,575
Early Childhood Enrollment Audits	—	211	230
Facilities Planning and School Building Aid	—	824	—
Katzenbach PLUS Program	677	686	787
Marie H. Katzenbach School for the Deaf – Tuition from Local Boards	9,007	8,737	9,496
Professional Development and Licensure	41	1,300	1,000
Rental of Vacant Building Space	522	546	544
State Action for Education Leadership Project	151	100	100
Student Registration and Record System	—	—	6,522
Vocational Technology Upgrade	300	—	—
Miscellaneous	162	41	41
	10,996	27,120	32,606
Department of Environmental Protection:			
Administrative Costs – Natural Resources Damages	—	2,316	936
Administrative Costs Water Supply Bond Act of 1981 – Management	—	330	94
Administrative Costs Water Supply Bond Act of 1981 – Planning and Standards	—	37	17
Administrative Costs Water Supply Bond Act of 1981 – Watershed and Aquifer	—	60	104
Aeroflex Foundation – Kittatinny Valley State Park	—	25	25
Air Pollution Control	—	660	2,930
Battleship New Jersey Memorial Fund	205	200	200
Battleship New Jersey Tax Check-Off	67	50	50
Coalition of Northeast Governors	—	30	30
Comprehensive Wildlife Conservation Strategic Plan for Hackensack Meadowlands	240	—	—
Council of State Governments of USAEP Water Quality Grant	46	—	—
Diesel Exhaust Emissions Program	—	719	1,252
Drinking Water State Revolving Fund – Capacity Development	245	500	500
Drinking Water State Revolving Fund – Delineation and Assessments	443	—	—
Drinking Water State Revolving Fund – Operator Certification	256	500	500
Drinking Water State Revolving Fund – Program Administration	731	1,000	800
Drinking Water State Revolving Fund – Small System Technical Assistance	343	700	700
Drinking Water State Revolving Fund – Source Water Program Administration	307	800	800
Endangered and Nongame Species of Wildlife Fund	260	200	200
Environmental Infrastructure Trust Loan Fund	—	—	1,200
Exotic and Nongame Species Inspection Fund	163	132	132
Farley Marina Escrow	278	257	257
Fish and Wildlife Field Office Projects	2	4	2
Forest Resource Management Special Revenue	251	450	472
Garden State Preservation Trust	—	205	364
Hazardous Discharge Site Cleanup Fund – Responsible Party	—	9,362	9,852
Historic Preservation Fund	120	120	120
Land Use Regulation	—	—	2,914
Landscape Irrigation Contractor Certification	140	51	50
Liberty State Park – Central Parking	303	325	329
Liberty State Park License Plates	73	70	70
Low Emission Vehicle Program	—	—	125
Mammography Quality Standards Act	274	300	306
Marina Rentals	—	238	240
New Jersey Waterfowl Stamp Act	207	100	100
Nuclear Emergency Response	—	—	1,201
Office of Dredging and Sediment Technology	—	247	251
Oil Spill Prevention	—	1,248	1,490
PSE&G Delaware River Striped Bass Recruitment Study	31	22	31
Palisades Interstate Park Commission (PIPC) – Court Fund Revenue	—	502	577
Palisades Interstate Park Commission (PIPC) – Gas Station Revenue	—	2,403	2,503
Palisades Interstate Park Commission (PIPC) – Operating Fund Revenue	—	1,150	930
Parks Management Fees	—	1,200	1,400

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Parks Management Revolving Fund	1,091	1,000	1,000
Private Well Testing – Safe Drinking Water Fund	531	800	800
Remediation Management and Response	—	6,539	6,854
Sedge Island	21	15	20
Shaw Farm Wetlands Mitigation	54	—	—
Shellfish Enforcement	128	129	129
Shellfish Management	70	60	60
Shore Protection Fund Projects	910	6,250	5,000
Shore Protection License Plates	1,024	1,000	1,000
Solid Waste Utility Regulation Excess Receipts	—	1,300	1,300
Spring Meadow Golf Course	980	1,000	1,000
State Public Water System Supervision Program	580	900	1,100
State Revolving Fund – Administrative Costs	2,497	1,761	1,280
Teterboro Airport Air Quality Study	300	—	—
Tidelands Peak Demands	—	2,495	2,889
UMDNJ Radiation Preparedness	110	70	100
Urban Forest Energy Efficiency Initiative	—	5,000	4,995
Water Allocation	—	4,225	3,273
Water Pollution Control	—	1,400	1,900
Worker and Community Right to Know Act	—	245	316
Miscellaneous	1,262	1,010	1,021
	<u>14,543</u>	<u>61,712</u>	<u>68,091</u>
Department of Health and Senior Services:			
AIDS Drug Distribution Program Copay	—	—	200
AIDS Drug Distribution Program Rebates	18,872	22,600	22,600
Administrative Overhead – Non State Program	1,378	1,300	1,300
Animal Population Control Program – License	271	300	300
Brain Injury Research Fund	3,882	3,600	3,600
Certificate of Need Program	2,006	537	537
Clinical Laboratory Improvement Services	326	330	350
Early Intervention Program (EIP) Copays	33	3,500	7,000
Electronic Death Registration Support Fund	481	600	600
Emergency Medical Services	56	79	79
Emergency Medical Services for Children	—	—	150
Emergency Medical Technician Training Fund	95	1,800	1,800
Estrogen, Diet, Genetics, and Endometrial Cancer	72	110	100
Evaluation of California Initiatives to Reduce Violence in Health Care Setting	54	105	195
First Response Emergency Medical Technician Cardiac Training Program	82	125	125
Health Care Cost Reduction Fund	21,007	32,599	40,000
Health Care Planning	2,920	7,200	7,000
Live Long Live Well	107	150	150
Managed Care Oversight	200	—	—
Medical Emergency Disaster Preparedness for Bioterrorism	—	4,722	4,722
New Jersey Emergency Medical Services Helicopter Response Program	—	2,764	2,858
New Jersey Turnpike Authority / Garden State Parkway Food Inspections	133	228	237
Newborn Screening, Follow-up, and Treatment	3,790	3,306	3,306
Nursing Home Provider Assessment Fee	135,374	135,374	135,374
Office of the Public Guardian	781	600	800
Ovarian Cancer Study	31	82	82
Rabies Control Program	467	465	475
Women, Infants, and Children (WIC) Rebates	27,093	24,000	30,000
Worker and Community Right to Know	—	—	699
Miscellaneous	6,351	9,443	9,238
	<u>225,862</u>	<u>255,919</u>	<u>273,877</u>
Department of Human Services:			
Address Violence Against Women With Disabilities Grant	50	—	—
Administration and Support Services	17,118	6,200	5,819
Alcohol Education Rehabilitation and Enforcement Fund	1,765	1,750	2,344
Alcohol Treatment Fund Program	6,000	6,000	7,500
Catastrophic Illness in Children Relief Fund	1,208	925	1,041
Children's Trust Fund	253	519	519
Client Copayments – Developmental Disabilities	38,504	38,630	38,630
Drug Enforcement Demand Reduction Fund	—	350	350
Education Therapy Building	117	—	—
Hospital Provider Assessment Fee	—	—	430,000

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Licensing Fees	207	—	—
Management and Administrative Services	—	475	475
Mental Health Contract Fees	302	316	316
NJ Family Care	52,691	56,911	72,806
New Jersey Health Care Hospital Payments	595,574	595,691	545,961
Olmstead Grant	20	—	—
Partnership for a Drug Free New Jersey	—	1,000	1,000
Personal Needs Allowance	—	600	600
Racing Commission Funds for Compulsive Gambling Treatment	—	200	200
SSA Reimbursement to Enhance Vocational Rehabilitation	835	300	300
Traumatic Brain Injury	3,808	—	—
Universal Services Fund	844	—	—
Work First New Jersey Support Services	—	10,000	—
Work First New Jersey Technology Investment – Child Support Incentives	—	12,502	12,502
Miscellaneous	116	—	85
	719,412	732,639	1,120,448
Department of Labor and Workforce Development:			
Construction Trades Trng Program – Women & Minorities	1,961	—	—
Division of Workers Compensation Uninsured Employers	974	—	—
Enforcement of Workplace Standards – Receipts	—	5,234	5,234
Health Care Tax Collection	5,258	5,700	—
Private Disability Insurance Plan	—	1,000	1,000
Public Works Contractor Registration	—	1,756	1,756
Reimbursement to Unemployment Insurance for Joint Tax Functions	—	2,700	4,700
Special Compensation Fund	141,316	126,530	126,530
State Disability Insurance Plan	—	3,850	3,850
Urban Enterprise Zones – Employer Rebate Awards	108	—	—
Work First New Jersey Work Activities	—	25,500	25,500
Workers' Compensation	—	6,700	6,700
Workforce Development Partnership – Counselors	—	770	770
Workforce Development Partnership Program	—	1,384	1,384
Workforce Literacy and Basic Skills Program	—	276	276
Miscellaneous	30	—	—
	149,647	181,400	177,700
Department of Law and Public Safety:			
Anti-Drug Profiteering	6	—	—
Atlantic County Detention Center	1,890	1,962	2,210
Backstretch Benevolence	164	210	210
Body Armor Replacement Fund – Administrative Costs	75	75	75
Charity Racing Day for the Developmentally Disabled	77	—	—
Claims – Victims of Crime	—	3,870	3,870
Commercial Vehicle Enforcement Program	—	8,500	10,287
Commissions Award Program	1,968	2,500	2,500
Consumer Affairs	250	300	300
Consumer Affairs Charitable Registrations Program	—	813	680
Consumer Affairs Legalized Games of Chance	—	100	100
Consumer Affairs Weights and Measures Program	—	1,200	1,200
Controlled Dangerous Substance Registration Program	—	700	700
Criminal Disposition and Revenue Collection Fund	—	375	375
Criminal Justice Cost Recovery	—	243	162
Department of Transportation – State Police Construction Detail	—	6,353	6,978
Division of Consumer Affairs – Appropriated Receipts	—	5,748	5,748
Drunk Driving Enforcement Fund – MVC Reimbursement	100	—	—
Election Law Enforcement	22	365	365
FBI Mitochondrial DNA Testing	593	810	861
Fines Account – Miscellaneous Settlements	235	80	80
Forfeiture Program	3,085	2,255	2,655
Gubernatorial Public Finance Program	466	—	—
Insurance Fraud Operations	27,750	29,771	29,771
Investigative Unit	581	650	706
Juvenile Detention Alternatives – Annie E. Casey Foundation	200	—	—
Law Enforcement Officers Training and Equipment Fund	728	—	—
Medical Examiner Services	7,672	8,624	9,055
New Jersey Emergency Medical Service Helicopter Program	—	5,495	5,691
New Jersey Expressway Authority	5,413	6,432	7,411

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
New Jersey Parkway Authority	24,505	26,047	30,825
New Jersey Turnpike Authority	24,215	24,842	30,917
Noncriminal Records Checks	—	11,879	14,101
Northeast Hazardous Waste Project—Resource Conservation and Recovery Act	157	274	274
Office of Counter Terrorism	—	7,200	7,200
Pari—Mutuel Racing in Accordance with N.J.S.A. 5:5—37	647	738	757
Pre—Race Blood Testing and Chemical Testing Program	3,096	3,317	3,458
Private Employment Agencies	—	420	420
Racing Officials	936	1,193	1,225
Regional Computer Forensic Laboratory	1,625	—	—
Regulation of Alcoholic Beverages	—	5,615	5,615
Regulation of Racing Activities	3,343	3,694	4,047
Retired Officers Handgun Permits	—	140	215
Safe and Secure Neighborhoods Program	7,539	7,100	7,100
Securities Enforcement Fund	—	8,567	8,567
Sexual Assault Nurse Examiner Program	63	—	—
State Athletic Control	693	500	500
State Facilities Education Act	29,283	36,013	38,447
State Forensic Laboratory Fund Program	963	800	800
State Police Central Lab Operations	—	934	986
State Police DNA Laboratory Enhancement	7,296	8,200	8,200
State Police Equine Lab Unit	—	1,362	1,426
State Police Private Detective Receipts	—	230	230
State Police Recruit Training	—	77	77
State Veterinarians New Jersey Racing Commission	702	686	902
Vehicle Rental Surcharge State Police Salaries	—	13,855	13,855
Victim and Witness Advocacy Fund	—	1,344	1,252
Miscellaneous	2,410	2,316	2,476
	<u>158,748</u>	<u>254,774</u>	<u>275,862</u>
Department of Military and Veterans' Affairs:			
Burial Services	—	595	500
Distance Learning Center	2	15	15
Document Storage and Retrieval	116	—	—
New Jersey National Guard Support Services	—	1,100	1,100
Transitional Housing	—	550	550
World War II Memorial Dedications	24	—	—
Miscellaneous	33	25	25
	<u>175</u>	<u>2,285</u>	<u>2,190</u>
Department of Personnel:			
Human Resource Development Institute	—	2,000	1,900
State and Local Government Operations	—	1,300	1,300
	<u>—</u>	<u>3,300</u>	<u>3,200</u>
Department of the Public Advocate:			
New Home Owner's Warranty	242	251	251
Residential Warranty Corporation	119	158	158
	<u>361</u>	<u>409</u>	<u>409</u>
Department of State:			
Americorps – Homeland Security Match	1	—	—
Americorps – Promise Fellows Match	17	—	—
Extraordinary Programming	300	400	400
Law Enforcement Officers Memorial Fund	311	325	325
Leasing of Space on NJN Transmitter Towers	954	980	1,050
NJN – Cablevision Rental	185	—	—
NJN – TV Food Network/Time Warner Capital Project	1,346	1,200	1,200
New Jersey College Loans to Assist State Students (NJCLASS)	5,474	5,915	6,505
New Jersey Workforce Development Coalition Initiative	719	1,250	621
Office of Faith Based Initiatives – Substance Abuse & Mental Health Services	13	—	—
Office of Faith Based Initiatives Donations	15	—	—
Primary Care Physician/Dentist Loan Redemption Program	1,000	2,000	2,000
Public Broadcasting Services	8,335	7,641	7,999
Rental of NJN Studio and Production Facilities	1,949	1,975	2,050
Sale or Rental of NJN Productions	92	100	100

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
War Memorial	601	527	527
Miscellaneous	514	330	339
	21,826	22,643	23,116
Department of Transportation:			
Applications and Highway Permits	—	1,500	1,500
Commercial Vehicle Enforcement Program	12,309	—	—
Cost of "Cause" Plates	96	—	—
County and Other Shared Projects	9,806	—	—
Greenwood Lake Airport	50	—	—
Highway Safety Fund	1,824	—	—
In-Terminal School Bus Inspection Program	1,239	1,225	1,250
Logo Sign Program	—	200	200
Maritime Industry Fund	2,369	—	—
Motor Vehicle Services	195,980	194,833	198,663
Motorbus Regulation	728	745	750
Motorcycle Safety Education Fund	307	389	538
NJ Board of Pilot Commissioners	481	481	481
NJ Medical Service Helicopter Response Act	7,613	—	—
New Jersey Motor Vehicle Commission New Revenues	65,341	65,744	62,813
Office of Maritime Resources	—	2,500	2,500
Outdoor Advertising Program	—	880	880
Placarded Railcar Program	—	80	50
Rental Receipts, Tenant Relocation Program	—	350	350
Security Responsibility	13,464	13,765	13,800
Wireless Communication	1,180	—	—
	312,787	282,692	283,775
Department of the Treasury:			
Administration of State Lottery	—	60	60
Annual Licensing Fee – Office of Administrative Law Publications	867	656	633
Business Services Bureau	—	560	560
Capital City Redevelopment Corporation	80	378	378
Clean Energy Program	—	820	820
Confiscations from the Cigarette Tax Act	—	20	20
Division of Developmental Disabilities Community Placement and Services	33,405	32,000	32,000
Domestic Security	23,957	23,500	18,500
Economic Recovery Fund	17,605	17,606	19,608
Energy Tax Receipts	787,739	788,492	788,492
Governor's Council on Alcoholism and Drug Abuse	14,411	14,700	14,700
Judicial Hearings Receipts	2,865	3,667	3,844
Management of DEP Properties	—	563	589
New Jersey Geographic Information Network (NJGIN) Property Investigator	5	—	—
New Jersey Public Records Preservation	25,673	28,000	1,000
Office of Management and Budget	18,582	8,950	8,980
Ombudsman	—	350	380
Other Capital Building Services	2,370	2,327	2,327
Other Distributed Taxes	3,191	3,363	3,363
Pensions and Benefits	—	—	33,257
Prequalification Fees	—	107	107
Property Management and Construction – Property Management Services	295	310	310
Public Finance Activities	—	700	700
Purchasing and Inventory Management	—	55	10
Real Property Leasing Out Program	—	350	377
Royalties – Office of Administrative Law Publications	186	40	270
Small Business Registration	—	430	450
State Pension System Audit	—	—	225
Taxation Compliance and Enforcement Activities	—	4,000	4,000
Third Party Subrogation – Property Damage	—	500	500
Unclaimed Property Trust Fund	6,635	6,861	6,920
Urban Enterprise Zone (UEZ) Authority Administrative Expenses	2,128	3,007	3,310
Vendor Surcharge Collection – Motor Vehicle Commission	11,705	12,000	12,000
Miscellaneous	846	811	820
	952,545	955,183	959,510

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Judicial Branch—			
The Judiciary:			
Automated Traffic System for Municipal Courts	17,856	23,100	21,000
Civil Courts	500	540	756
Comprehensive Enforcement Program	2,393	2,300	2,400
Court Adult Probation System	484	500	500
Court Technology Improvement Fund	12,315	12,900	12,700
Electronic Access To Court Records	1,342	408	408
Family Court Probation Liaison JAIBG	165	—	—
Family Courts	400	400	400
Girl Talk JAIBG	2	—	—
Information Services	403	516	516
JAIBG – Juvenile Assessment	62	—	—
JAIBG Essex– Substance Abuse Evaluator Program	39	—	—
JAIBG School Probation	58	—	—
Juvenile Accountability Incentive Block Grant (JAIBG)	29	—	—
License Reinstatement	50	—	—
Middlesex Vicinage Bar Foundation Artwork	5	—	—
Newark Alliance for Compliance JAIBG	65	—	—
Robert Wood Johnson Family Drug Court Grant	72	—	—
Service Learning Program–JAIBG Ocean County	10	—	—
Special Civil Part Certified Mailers	1,535	1,450	1,450
State Incentive Program	63	—	—
State Incentive Program – Juvenile Justice Commission	200	—	—
Supreme Court	11,880	13,665	14,747
Miscellaneous	532	13	6
	<u>50,460</u>	<u>55,792</u>	<u>54,883</u>
<i>Total Dedicated</i>	<u>2,778,753</u>	<u>3,018,172</u>	<u>3,460,202</u>
Federal:			
Executive Branch—			
Department of Agriculture:			
Child Care	46,814	56,865	62,073
Child Nutrition – School Breakfast	28,902	40,000	46,200
Child Nutrition – School Lunch	128,907	158,050	174,300
Child Nutrition – Special Milk	1,044	1,500	1,600
Child Nutrition – Summer Programs	6,775	10,017	10,347
Child Nutrition Administration	2,716	3,677	4,085
Cooperative Gypsy Moth Suppression	25	75	750
Farm Risk Management Education Program	271	301	272
Farmland Preservation	2,301	12,301	9,429
Federal Organic Certification Cost Share Program	8	30	15
Fish Inspection Service	137	160	125
Food Stamp – Temporary Emergency Food Assistance Program (TEFAP)	1,221	1,278	1,425
National Animal Identification Infrastructure	—	—	92
Team Nutrition Training	—	225	225
Various Federal Programs and Accruals	13,837	2,133	2,600
	<u>232,958</u>	<u>286,612</u>	<u>313,538</u>
Department of Children and Families:			
Restricted Federal Grants	9,797	10,107	10,107
Social Services Block Grant	50,241	51,529	51,529
Title IV–B Child Welfare Services	9,072	5,500	5,500
Title IV–E Foster Care	85,975	150,612	135,017
Title XIX Child Residential	42,699	77,983	82,560
	<u>197,784</u>	<u>295,731</u>	<u>284,713</u>
Department of Community Affairs:			
Community Services Block Grant	16,426	17,185	17,023
Emergency Shelter Grants Program	1,053	1,565	1,520
Fair Housing Initiatives Grant	60	85	93
Lead–Based Paint Abatement in Low and Moderate Income Housing	271	3,000	3,000
Moderate Rehabilitation Housing Assistance	16,936	12,595	12,162
National Affordable Housing – HOME Investment Partnerships	7,957	8,261	7,890

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
National Fire Academy Training Program	12	28	28
Section 8 Housing Voucher Program	167,508	173,200	173,200
Shelter Plus Care Program	616	4,500	4,500
Small Cities Block Grant Program	8,269	9,000	8,206
Transitional Housing – Homeless	79	—	136
Weatherization Assistance Program	5,344	5,169	5,126
Various Federal Programs and Accruals	-8,754	86	86
	215,777	234,674	232,970
Department of Corrections:			
Body Alarms Justice Technology Grant	—	500	500
Crime Prevention Funding	—	300	300
National Institute of Justice	—	—	35
National Institute of Justice Grant for Corrections Research	—	100	100
Prison Rape Elimination Grant	—	452	—
Project In-Side	637	602	624
Serious and Violent Offender Reentry Initiative	503	1,000	—
State Criminal Alien Assistance Program	4,062	5,000	5,000
Various Federal Programs and Accruals	152	50	50
	5,354	8,004	6,609
Department of Education:			
21st Century Schools	15,245	19,898	19,898
AIDS Prevention Education	258	243	243
Adult Basic Education – Administration/Discretionary	673	—	—
Bilingual and Compensatory Education – Homeless Children and Youth	1,402	1,290	1,290
Byrd Scholarship Program	1,123	1,200	1,200
Character Education Partnership	391	539	539
Drug-Free Schools and Communities – Administration	1,318	2,092	1,650
Drug-Free Schools and Communities – Discretionary	7,974	8,329	6,600
Enhancing Education Thru Technology	16,526	9,756	5,381
Even Start Family Literacy Grant – Discretionary	4,361	4,142	2,071
Grants Management	—	2,458	2,339
Improving America’s Schools Act – Consolidated Administration	5,560	5,106	4,600
Individuals with Disabilities Education Act Basic State Grant	325,528	334,650	333,206
Individuals with Disabilities Education Act Preschool Grants	12,475	11,478	11,529
Language Acquisition State Grants	15,511	20,204	21,530
Mathematics and Science Partnerships Grants	1,338	3,013	3,013
Migrant Education – Administration/Discretionary	2,358	2,117	2,117
Public Charter Schools	1,291	6,010	6,010
Refugee Children School Impact Program	864	—	—
School Renovation Grants	2,097	—	—
State Assessments	10,068	9,945	9,945
State Data Grants	49	480	480
State Grants for Improving Teacher Quality	68,801	65,255	64,447
State Improvement Grant, Administration	1,160	1,273	1,273
Step Up – Teacher Recruitment	—	1,098	1,098
Title I – Comprehensive School Reform	4,655	4,360	—
Title I – Grants to Local Educational Agencies	266,076	271,610	263,753
Title I – Part D, Neglected and Delinquent	2,278	2,548	2,713
Title I – Reading First State Grant	18,687	18,065	18,065
Title V – Innovative Program Strategies	8,305	5,550	2,859
Vocational Education – Basic Grants, Administration	23,409	24,735	23,903
Vocational Education Technical Preparation	2,131	2,263	2,263
Various Federal Programs and Accruals	2,940	1,365	1,365
	824,852	841,072	815,380
Department of Environmental Protection:			
Air Pollution Maintenance Program	8,398	5,218	9,967
Americorps	—	300	325
Artificial Reef Program – PSE&G/NJPDES Permit Fees	596	825	825
Asian Longhorned Beetle Project	69	2,300	2,300
Assessing New Jersey’s Bays	—	—	100
Assistance to Firefighters – Wildfire and Arson Prevention	—	—	200
Asthma Outreach and Education Initiative – Camden	—	—	15
Atlantic Coastal Cooperative Program	58	200	200
BioWatch Monitoring	247	170	200

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Boat Access (Fish and Wildlife)	—	1,000	1,000
Brownfields	1,094	2,000	1,000
Cape May Peninsula Project (Sandritter Property)	—	1,000	—
Cheesequake Marshland Acquisition	—	1,000	—
Clean Lakes Program	—	500	500
Clean Vessels	161	1,000	1,000
Coastal Estuarine Land Program	—	6,000	6,000
Coastal Zone Management Implementation	2,735	2,722	3,400
Community Assistance Program	196	200	200
Community and Public Water Supply Operators – Expense Reimbursement	58	—	—
Comprehensive Wildfire Conservation Plan Coordination Federal Share	48	—	—
Consolidated Forest Management	—	1,070	1,070
Construction Grants Program	—	57,600	44,035
Data Exchange – Water Quality Monitoring	—	188	—
Defensible Space	60	400	400
Delaware Bay and Great Egg Harbor Corridor Project (SV Farming) Federal Share	109	1,000	—
Domestic Preparedness – Supplemental Training	—	80	200
Endangered Species	45	205	125
Endangered and Nongame Species Program State Wildlife Grants	261	1,500	1,500
Environmental Justice	—	100	—
Estuary Program	547	—	—
Firewise in the Pines	—	200	200
Fish and Wildlife Health	50	100	100
Forest Legacy	3,177	10,040	10,040
Forest Resource Management – Cooperative Forest Fire Control	172	1,725	1,725
Grassland Habitat Project	71	200	200
Hazardous Waste – Resource Conservation Recovery Act	6,520	4,281	4,895
Historic Preservation Survey & Planning	723	950	950
Hunters' and Anglers' License Fund	4,170	5,925	5,925
Investigation and Management of Nongame Freshwater Fisheries Resources	18	150	150
Land and Water Conservation Fund	—	5,000	5,000
Lower Cohansey Watershed	—	1,000	1,000
Marine Fisheries Investigation and Management	1,039	1,150	1,150
Multimedia	1,089	750	750
Multimedia Enforcement Grant	157	1,000	1,000
NJ Field Office Bog Turtle Cooperative Agreement	—	50	50
NJ Landowner Incentive	97	1,450	180
NJ Landowner Incentive Program – Tier 2 (5 Yr. Projects)	—	—	200
NJ Landowner Incentive Program – Tier 2 (10 Yr. Projects)	—	—	1,200
NJ Landowner Incentive Program – Tier 2 (2 Yr. Projects)	—	—	300
NJDEP Air Toxics	72	—	—
National Coastal Wetlands Conservation	9	2,215	2,215
National Dam Safety Program (FEMA)	20	90	90
National Geologic Mapping Program	118	200	200
National Pollutant Discharge Elimination System Implementation Support Program	837	600	600
National Recreational Trails	362	1,500	1,500
New Jersey Commercial Blue Crab Fishery Economic Assistance Federal Share	218	—	—
Non-Point Source Implementation (319H)	6,985	3,851	4,000
Northern Bobwhite Evaluation in New Jersey	—	73	125
Particulate Monitoring Grant	635	1,499	1,500
Pesticide Recording Program	21	20	20
Pesticide Technology	889	670	670
Pinelands Grant – Acquisition	—	6,000	6,000
Preliminary Assessments/Site Inspections	2,174	3,000	1,500
Radon Program	643	500	500
Rare Wildlife Strategy Implementation	—	20	—
Regional Climate and Fire Damage Modeling – Pinelands	87	—	—
Regional Environmental Monitoring and Assessment Program Benthik Indicators	—	—	400
Safe Drinking Water Act	3,695	22,200	22,200
Shortnose Sturgeon Research	—	150	150
Southern New Jersey Drinking Water Sampling Project	45	50	50
Southern Pine Beetle	19	100	100
State Recreational Trails	231	11,980	11,505
State Wetlands Conservation Plan	115	492	1,017
State Wildlife Grant Projects	—	1,500	1,500
State and EPA Data Management Grant	371	2,112	2,300
Superfund Grants	7,552	30,450	30,450
Training for Publicly Owned Treatment Works	10	—	—

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
US Army Corps of Engineers Beachnesters	—	80	80
Underground Storage Tanks	2,797	2,055	2,055
Urban History Initiative	—	59	—
Voluntary Cleanup Program	862	—	—
Voluntary Cleanup Site Specific	121	—	—
Water Monitoring and Planning	375	547	547
Water Pollution Control Program	6,600	4,025	4,025
Wildland and Urban Interface II	—	500	100
Wildlife Education	—	285	285
Wildlife Management Area Planning	215	300	300
Various Federal Programs and Accruals	-17,927	3,305	2,900
	50,116	220,977	208,461
Department of Health and Senior Services:			
Abstinence Education – Family Health Services (FHS)	995	1,122	1,122
Asthma Surveillance and Coalition Building	309	356	457
Asthma and Hazardous Substances Applied Research	95	108	108
Bioterrorism Hospital Emergency Preparedness	4,370	13,600	13,600
Birth Defects Surveillance Program	76	250	250
Childhood Lead Poisoning	979	1,400	1,400
Chronic Disease Prevention and Health Promotion – Family Health Services	1,544	1,011	1,011
Chronic Disease Prevention and Health Promotion Programs – Public Health	—	1,525	1,912
Clinical Laboratory Improvement Amendments Program	528	526	450
Comprehensive AIDS Resources Grant	38,070	50,400	55,000
Core Injury Prevention and Control Program	—	200	280
Demonstration Program to Conduct Health Assessments	594	634	600
Early Hearing Detection and Intervention (EHDI) Tracking, Research	164	334	334
Early Intervention for Infants and Toddlers with Disabilities (Part H)	11,161	13,000	13,000
Eliminating Disparities in Perinatal Health	379	3,430	500
Emergency Medical Services for Children (EMSC) Partnership Grants	49	100	115
Emergency Preparedness For Bioterrorism	28,620	29,970	32,125
Exposure – Tremolite Asbestos – Vermiculite	163	220	115
Family Planning Program – Title X	3,076	4,200	4,200
Federal Lead Abatement Program	365	461	467
Food Inspection	297	387	427
HIV/AIDS Prevention and Education Grant	13,649	18,000	17,999
HIV/AIDS Surveillance Grant	4,147	4,812	4,713
Housing Opportunities For Persons With AIDS	221	3,263	2,828
Housing Opportunities for Incarcerated Persons with AIDS	—	—	1,763
Immunization Project	4,817	8,810	7,727
Lead Training and Certification Enforcement Program	21	85	81
Maternal and Child Health (MCH) Early Childhood Comprehensive System	112	100	140
Maternal and Child Health Block Grant	15,002	13,000	13,000
Medicare/Medicaid Inspections of Nursing Facilities	9,629	16,660	16,660
Memorandum of Agreement with Emory University–National Down Syndrome Study	—	150	—
Minority AIDS Demo	—	150	150
Morbidity and Mortality Review Program	21	150	150
Morbidity and Risk Behavior Surveillance	294	750	553
National Cancer Prevention and Control – Public Health	3,893	6,574	6,574
National Family Caregiver Program	4,524	4,800	5,200
New Jersey Ease for Caregivers – Building Support Systems	208	250	250
Nurse Aide Certification Program	—	1,000	1,000
Nursing Facilities Transition Grant	276	600	600
Older Americans Act – Title III	25,952	33,450	34,480
Pediatric AIDS Health Care Demonstration Project	2,435	2,850	2,850
Pregnancy Risk Assessment Monitoring System	335	750	750
Preventative Health and Health Services Block Grant	3,847	3,975	3,983
Public Employees Occupational Safety and Health – State Plan	—	—	900
Rape Prevention and Education Program	1,261	1,237	1,234
Research on Ecology of Lyme Disease in US	169	325	325
Senior Farmers Market Nutrition Program	596	1,000	1,000
State Pharmacy Assistance Program Payments – Federally Funded Grant	2,890	11,366	3,842
Supplemental Food Program – Women, Infants, and Children	89,576	94,000	100,000
Surveillance, Epidemiology and End Results (SEER)	681	1,800	1,201
Traumatic Brain Injury Surveillance	230	105	105
Tuberculosis Control Program	5,643	6,000	6,000
United States Department of Agriculture (USDA) Older Americans Act – Title III	3,364	3,900	3,900

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Universal Newborn Hearing Screening	309	250	250
Venereal Disease Project	3,784	3,882	3,882
Violence Related Injury Prevention	—	160	160
Vital Statistics Component	648	850	850
WIC Farmer's Market Nutrition Program	1,158	2,000	2,369
West Nile Virus – Laboratory	—	242	190
West Nile Virus – Public Health	1,734	2,258	2,060
Various Federal Programs and Accruals	150,397	5,085	5,451
	<u>443,657</u>	<u>377,873</u>	<u>382,643</u>
Department of Human Services:			
Access to Recovery	1,426	4,049	4,049
Block Grant Mental Health Services	14,365	12,227	12,227
Child Care Block Grant	102,773	109,778	119,250
Child Support Enforcement Program	174,230	173,677	168,455
Community Based Residential Program Grant	567	1,000	1,000
Developmental Disabilities Council	1,587	1,598	1,598
Federal Independent Living	980	1,153	1,153
Food Stamp Program	78,782	99,022	102,842
Foster Grandparents Program	726	1,080	1,127
Low Income Energy Assistance Block Grant	64,690	84,514	112,991
Projects for Assistance in Transition from Homelessness (PATH)	1,719	1,745	1,944
Refugee Resettlement Program	2,700	5,705	5,705
State Data Infrastructure Project	98	—	—
Substance Abuse Block Grant	48,178	53,606	51,882
Temporary Assistance to Needy Families Block Grant	531,298	437,021	462,186
Title XIX Community Care Waiver	230,744	262,235	268,654
Title XIX ICF/MR	279,053	282,111	314,562
Title XIX Medical Assistance	3,172,512	3,600,285	3,570,063
Title XX Urban Empowerment Zone	821	—	—
Title XXI Children's Health Insurance Program	201,979	205,019	231,645
Vocational Rehabilitation Act, Section 120	11,137	10,961	10,961
Various Federal Programs and Accruals	-118,014	7,784	8,510
	<u>4,802,351</u>	<u>5,354,970</u>	<u>5,450,804</u>
Department of Labor and Workforce Development:			
Adult and Continuing Education – Workforce Investment Act	14,388	18,343	18,121
Comprehensive Services for Independent Living	746	1,012	1,012
Current Employment Statistics	2,254	2,764	2,764
Disability Determination Services	35,606	48,000	49,176
Disabled Veterans' Outreach Program	2,399	2,500	2,658
Employment Services	16,806	22,930	25,902
Employment Services – One-Stop Shopping	180	325	325
Employment Services Cost Reimbursable Grants – Migrant Housing	32	50	50
Employment Services Grants – Alien Labor Certification	1,274	2,321	2,403
Employment Services Reemployment Services	689	1,100	1,100
Federal Public Employees Occupational Safety and Health Act	2,095	1,900	1,942
Local Veterans' Employment Representatives	1,625	1,700	1,770
National Council on Aging – Senior Community Services Employment Project	2,290	3,000	3,014
Occupational Informational Coordinating Program	131	159	175
Occupational Safety Health Act – On-Site Consultation	1,998	2,002	2,103
Occupational Safety and Health Administration Data Collection Survey	33	74	74
Old Age and Survivor Insurance Disability Determination Services	—	1,000	1,000
One Stop Labor Market Information	1,124	940	940
Redesigned Occupational Safety and Health (ROSH)	182	233	233
Rehabilitation of Supplemental Security Income Beneficiaries	225	2,000	2,000
Supported Employment	808	975	975
Technical Assistance Training	122	1,700	1,700
Technology Related Assistance Project	365	350	350
Trade Adjustment Assistance Project	1,521	4,000	4,121
Unemployment Insurance	105,073	135,500	119,916
Vocational Rehabilitation Act of 1973	49,030	45,325	46,556
Work Incentive – Project Access	548	700	700
Work Opportunity Tax Credit	445	750	750
Workforce Investment Act	79,310	79,947	80,154

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Workforce Investment Act Title IIID Discretionary Funding	382	4,000	4,000
Various Federal Programs and Accruals	23,130	245	251
	344,811	385,845	376,235
Department of Law and Public Safety:			
Anti Trafficking Task Force	—	600	600
April 2005 Flood Disaster Relief	150	—	—
Buffer Zone Protection	—	1,400	2,731
Bulletproof Vest Partnership	663	800	800
Bureau of Justice State Police Communications Grant	17,928	—	—
Burlington/Camden County Flood 2004 – Public Assistance	2,784	—	—
Casework DNA Backlog Reduction Program	80	1,300	1,300
Challenge Grant	374	300	326
Child Passenger Protection Education	70	500	500
Child Safety/Child Booster Seats	—	750	750
Combating Underage Drinking	303	360	360
Community Emergency Response Team Program	383	550	—
Community Oriented Policing Services (COPS) – Homeland Security Overtime	876	—	—
Community Oriented Policing Services (COPS) – In Schools	285	—	—
Convicted Offender In–House (DNA)	—	1,500	1,000
Criminal Justice Information System Master Plan Study	350	—	—
Criminal Justice Victims of Crime Act 9/11 Attack on America	2,408	—	—
Crisis Counseling Immediate Services	44	—	—
Declared Counties For New Jersey Power Outage	39	—	—
Delaware Flood / Hurricane Ivan – Crisis Counseling	37	—	—
Delaware Flood/Hurricane Ivan	2,135	—	—
Distance Learning Law Enforcement Training Initiative	325	—	—
Domestic Marijuana Eradication Suppression Program	—	200	89
Domestic Preparedness Equipment Grant	11,209	—	—
Domestic Preparedness Training	6,817	—	—
Drunk Driver Prevention	42	—	—
EOC Physical Modifications For Secure Communications	55	—	—
Edward Byrne Memorial Grant	11,086	—	—
Emergency Management Performance Grant – Non Terrorism	3,561	4,500	4,500
Equal Employment Opportunity Commission	793	600	600
FEMA Pre–Disaster Mitigation Grant	—	300	300
Financial Investigations & Money Laundering Initiative	—	5,000	5,000
Flood Mitigation Assistance	25	946	750
Forensic Crime Laboratory Improvement Program	—	2,000	1,000
Forensic DNA Testing Program	—	1,000	1,000
Grants To Encourage Arrest Polices and Enforcement of Protection Orders	191	500	—
Hazardous Materials Transportation	—	350	451
Help America Vote Act	68,067	2,210	2,210
High Intensity Drug Trafficking Area (HIDTA)	—	50	50
High Visibility Enforcement	—	750	750
Highway Safety Data Improvement Grant	—	1,500	1,500
Highway Traffic Safety	3,438	6,775	6,952
Housing and Urban Development	—	115	115
Incident Command	—	750	833
Innovative Seat Belt Use	1,512	3,000	3,000
Internet Crimes Against Children	116	300	390
Justice Assistance Grant (JAG)	—	10,500	10,500
Juvenile Accountability Incentive Block Grant – JAIBG	3,169	1,200	1,200
Juvenile Justice Delinquency Prevention	2,181	2,476	2,336
Law Enforcement Training Academy	107	—	—
Local Law Enforcement Block Grant	702	1,400	—
Marine Police Boat	494	—	—
Medicaid Fraud Unit	2,328	3,315	3,315
Motorcycle Safety	—	500	500
National Criminal History Program – Office of the Attorney General	—	2,000	2,000
National Forensic Sciences Improvement Act Program	—	400	198
New Jersey Anti–Money Laundering Initiative	293	750	—
Northeast Hazardous Waste Project–Resource Conservation and Recovery Act	150	250	250
Occupant Protection Grant	1,492	1,965	1,965
Pre–Disaster Mitigation – Competitive	—	2,056	2,000
Pre–Disaster Mitigation Grant–FEMA	16	—	—
Primary Safety Belt Use Law	—	3,000	3,000

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Protecting Our Urban Areas	19,099	25,000	19,353
Recreational Boating Safety	408	2,000	2,440
Residential Treatment for Substance Abuse	514	1,600	1,600
Safety Incentive Grants	940	5,000	5,000
Section 163 Prevent Operations of Motor Vehicles By Intoxicated Persons	126	3,000	3,000
State Homeland Security Grant Program	9,376	36,785	7,239
State Police In-Car Camera Technology Grant	190	—	—
State Traffic Safety Information System	—	1,500	1,500
Title V Funding	235	1,500	1,500
Truth In Sentencing Incentive Grant	11,505	—	—
Victim Assistance Grants	19,481	12,000	12,000
Victim Compensation Award	4,707	7,000	7,000
Victims of Crime Act Compensation for 9/11 Attack	433	—	—
Violence Against Women Act	5,125	4,000	4,000
Various Federal Programs and Accruals	-43,602	100	100
	<u>175,615</u>	<u>168,203</u>	<u>129,853</u>
Department of Military and Veterans' Affairs:			
Armory Renovations and Improvements	384	1,800	1,900
Army Facilities Service Contracts	762	1,400	1,600
Army National Guard Statewide Security Agreement	65	500	500
Army National Guard Sustainable Range Program	—	200	200
Army National Guard Transportation	—	125	125
Army Training and Technology Lab	183	500	500
Atlantic City Air Base – Service Contracts	1,112	2,200	2,200
Atlantic City Environmental	34	50	50
Atlantic City Operations and Maintenance	29	65	65
Brigadier General Doyle Memorial Cemetery Building Project	567	8,500	12,000
Combined Logistics Facility	—	26,000	—
Design and Construction of the Vineland Memorial Veterans' Home	10,440	—	—
Dining Facility Operations	—	700	700
Facilities Support Contract	1,797	6,000	6,433
Federal Distance Learning Program	34	200	200
Fire Fighter/Crash Rescue Service Cooperative Funding Agreement	580	1,500	1,500
Hazardous Waste Environmental Protection Program	120	500	500
McGuire AFB Environmental	17	50	50
McGuire Air Force Base – Service Contracts	1,434	2,095	2,049
McGuire Operations and Maintenance	21	70	70
Medicare Part A Receipts for Resident Care and Operational Costs	3,513	5,042	6,108
National Guard Communications Agreement	341	750	880
New Jersey National Guard Challenge Youth Program	629	2,000	2,000
New Jersey National Guard Counter Drug Program Interservice State-Federal	12	12	12
Training and Equipment – Pool Sites	85	250	250
Transitional Housing	45	360	360
Veterans Haven Life Safety Code Rehabilitation – VA grant	229	—	—
Veterans' Education Monitoring	43	565	583
Warren Grove/Coyle Field	—	80	80
Various Federal Programs and Accruals	11,138	55	55
	<u>33,614</u>	<u>61,569</u>	<u>40,970</u>
Department of State:			
Americorps Grants	142	5,552	5,607
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	3,910	3,500	3,500
Leveraging Educational Assistance Partnership	2,266	2,097	2,097
National Endowment for the Arts Partnership	1,093	750	750
National Endowment for the Humanities Grant	—	715	715
National Health Service Corps – Student Loan Repayment Program	108	240	240
National Telecommunications Information Agency	—	625	625
Student Loan Administrative Cost Deduction and Allowance	15,368	22,056	23,175
Various Federal Programs and Accruals	2,823	—	—
	<u>25,710</u>	<u>35,535</u>	<u>36,709</u>

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Department of Transportation:			
Airport Fund	1,186	10,000	10,000
Highway Planning and Research	11,789	19,500	19,500
Homeland Security	909	10,000	10,000
Metropolitan Planning Funds	15,111	12,039	12,039
Motor Carrier Safety Assistance Program	1,776	9,808	9,998
New Jersey Maritime Program	—	1,600	1,600
New Jersey Transportation Planning Assistance	84	8,700	8,700
Supportive Services Highway Construction Training Program	—	500	500
	30,855	72,147	72,337
Department of the Treasury:			
Diamond Shamrock Oil Overcharge Settlement	—	717	717
Division of Gas Expansion	801	600	600
NJ Partnership for the National Map	72	—	—
State Energy Conservation Program	—	2,602	2,602
Various Federal Programs and Accruals	1,219	700	700
	2,092	4,619	4,619
Judicial Branch—			
The Judiciary:			
Juvenile Drug Court Grant	366	—	—
Various Federal Programs and Accruals	517	835	835
	883	835	835
<i>Total Federal</i>	7,386,429	8,348,666	8,356,676
Revolving:			
Legislative Branch—			
Legislature:			
Various Revolving Funds	5	—	—
Executive Branch—			
Department of Community Affairs:			
Administration and Support Services	479	650	650
Housing Services	—	495	495
Liquid Petroleum Gas Education and Safety Board	111	360	315
Uniform Construction Code	9,749	6,800	6,394
Various Revolving Funds	74	—	—
	10,413	8,305	7,854
Department of Corrections:			
Culinary Arts Vocational Program	108	135	135
Farm Operations	9,615	10,500	10,700
Institutional Care and Treatment	442	470	499
State Use	20,494	20,500	20,500
	30,659	31,605	31,834
Department of Education:			
Administration and Support Services	5,334	3,419	3,599
General Education Development	306	350	350
Professional Development and Licensure	328	199	199
	5,968	3,968	4,148
Department of Environmental Protection:			
Administration and Support Services	126	100	130
Pesticide Control	104	225	225
Publicly-Funded Site Remediation	207	—	—
	437	325	355
Department of Health and Senior Services:			
Administration and Support Services	5,216	5,497	5,497
Laboratory Services	10,496	10,530	11,000
	15,712	16,027	16,497

REVENUES & EXPENDITURES

SCHEDULE 2 OTHER REVENUES (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Department of Human Services:			
Administration and Support Services	883	861	890
Income Maintenance Management	4,835	5,463	5,767
	<u>5,718</u>	<u>6,324</u>	<u>6,657</u>
Department of Labor and Workforce Development:			
Administration and Support Services	1,186	—	—
Planning and Analysis	36	—	—
	<u>1,222</u>	<u>—</u>	<u>—</u>
Department of Law and Public Safety:			
Criminal Justice	251	300	300
State Police Operations	1	553	553
	<u>252</u>	<u>853</u>	<u>853</u>
Department of State:			
Records Management	1,535	200	200
Department of Transportation:			
Administration and Support Services	716	—	—
Department of the Treasury:			
Adjudication of Administrative Appeals	894	895	895
Automotive Services	19,760	25,539	25,957
Capitol Post Office	1,648	1,648	1,648
Escrow – Construction Management Services	1,173	—	—
Office of Emergency Telecommunication Services	1,500	—	—
Office of Information Technology	102,296	101,554	101,554
Printing Services	2,484	2,324	2,324
Property Management and Construction – Construction Management Services	2,617	4,527	4,425
Public Information Services	1,430	1,293	1,001
Purchasing and Inventory Management	51,613	45,386	45,386
	<u>185,415</u>	<u>183,166</u>	<u>183,190</u>
<i>Total Revolving</i>	<i>258,052</i>	<i>250,773</i>	<i>251,588</i>
Total Other Revenues General Fund	<u>10,423,234</u>	<u>11,617,611</u>	<u>12,068,466</u>
SPECIAL TRANSPORTATION FUND			
General:			
County and Other Shared Projects	2,527	—	—
Transportation Trust Fund – Local Highway Facilities	196,654	145,000	175,000
Transportation Trust Fund – Public Transportation Projects	573,101	534,000	750,000
Transportation Trust Fund – State Highway Projects	558,298	526,000	675,000
	<u>1,330,580</u>	<u>1,205,000</u>	<u>1,600,000</u>
Federal:			
Federal Highway Administration	624,022	889,923	977,509
<i>Total Special Transportation Trust Fund</i>	<i>1,954,602</i>	<i>2,094,923</i>	<i>2,577,509</i>
TOTAL OTHER REVENUES	<u>12,377,836</u>	<u>13,712,534</u>	<u>14,645,975</u>

REVENUES & EXPENDITURES

SCHEDULE 3 EXPENDITURES BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
GENERAL FUND			
Legislative Branch			
Senate	10,966	12,269	12,269
General Assembly	18,250	18,692	18,692
Office of Legislative Services	33,644	29,991	29,991
Legislative Commissions	4,949	6,124	6,124
State Capitol Joint Management Commission	9,260	9,001	9,001
Clean Ocean and Shore Trust Committee	148	144	144
	77,217	76,221	76,221
Executive Branch			
Chief Executive	5,133	5,183	4,924
Department of Agriculture	24,586	22,871	25,996
Department of Banking and Insurance	64,386	68,033	67,965
Department of Children and Families	672,672	739,253	974,815
Department of Community Affairs	220,734	200,967	192,870
Department of Corrections	1,016,592	1,081,549	1,064,571
Department of Education	2,386,159	1,065,466	1,389,119
Department of Environmental Protection	406,511	346,828	494,879
Department of Health and Senior Services	1,548,453	1,349,070	1,624,680
Department of Human Services	4,490,299	4,503,139	4,238,002
Department of Labor and Workforce Development	148,877	108,436	115,213
Department of Law and Public Safety	622,316	576,892	575,171
Department of Military and Veterans' Affairs	86,433	89,999	90,545
Department of Personnel	30,535	25,463	23,990
Department of the Public Advocate	13,164	16,220	19,420
Department of State	1,229,774	1,335,001	1,175,194
Department of Transportation	1,202,304	1,182,655	1,282,148
Department of the Treasury	1,149,045	1,082,507	1,429,454
Miscellaneous Commissions	1,399	1,432	1,407
	15,319,372	13,800,964	14,790,363
Inter-Departmental Accts			
Inter-Departmental Services	543,532	570,075	654,149
Employee Benefits	1,983,781	2,169,455	2,399,482
Other Inter-Departmental Accounts	92,842	134,346	92,067
Salary Increases and Other Benefits	5,717	7,500	135,360
	2,625,872	2,881,376	3,281,058
Judicial Branch			
The Judiciary	537,712	571,750	571,750
	537,712	571,750	571,750
Total General Fund	18,560,173	17,330,311	18,719,392
CASINO CONTROL FUND – DIRECT STATE SERVICES			
Department of Law and Public Safety	40,676	42,599	42,599
Department of the Treasury	27,601	29,440	29,440
Total Casino Control Fund – Direct State Services	68,277	72,039	72,039

REVENUES & EXPENDITURES

SCHEDULE 3 EXPENDITURES BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
CASINO REVENUE FUND			
Department of Health and Senior Services	496,614	351,213	317,781
Department of Human Services	118,627	112,844	112,844
Department of Labor and Workforce Development	2,440	2,440	2,440
Department of Law and Public Safety	92	92	92
Department of Transportation	25,287	34,352	34,930
<i>Total Casino Revenue Fund</i>	<u>643,060</u>	<u>500,941</u>	<u>468,087</u>
GUBERNATORIAL ELECTIONS FUND – GRANTS-IN-AID			
Department of Law and Public Safety	6,310	2,525	—
PROPERTY TAX RELIEF FUND			
Department of Community Affairs	944,322	992,569	965,172
Department of Education	6,566,335	8,401,023	9,142,006
Department of Environmental Protection	8,457	9,000	9,500
Department of the Treasury	1,764,917	956,908	1,498,322
<i>Total Property Tax Relief Fund</i>	<u>9,284,031</u>	<u>10,359,500</u>	<u>11,615,000</u>
GRAND TOTAL EXPENDITURES BUDGETED	<u>28,561,851</u>	<u>28,265,316</u>	<u>30,874,518</u>

REVENUES & EXPENDITURES

SCHEDULE 4 EXPENDITURES NOT BUDGETED (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
GENERAL FUNDS			
Dedicated Funds			
Chief Executive	1,101	1,100	1,100
Department of Agriculture	9,276	10,950	10,764
Department of Banking and Insurance	432	896	896
Department of Children and Families	26,725	28,079	30,036
Department of Community Affairs	78,647	118,262	118,242
Department of Corrections	25,740	23,017	23,497
Department of Education	13,497	27,120	32,606
Department of Environmental Protection	33,936	61,712	68,091
Department of Health and Senior Services	180,596	255,919	273,877
Department of Human Services	733,328	732,639	1,120,448
Department of Labor and Workforce Development	149,648	181,400	177,700
Department of Law and Public Safety	186,281	254,774	275,862
Department of Military and Veterans' Affairs	323	2,285	2,190
Department of Personnel	4	3,300	3,200
Department of the Public Advocate	358	409	409
Department of State	46,379	22,643	23,116
Department of Transportation	293,179	282,692	283,775
Department of the Treasury	870,608	955,183	959,510
The Judiciary	50,616	55,792	54,883
<i>Total Dedicated Funds</i>	<i>2,700,674</i>	<i>3,018,172</i>	<i>3,460,202</i>
Federal Funds			
Legislature	2	—	—
Department of Agriculture	223,900	286,534	313,460
Department of Children and Families	309,891	366,981	407,910
Department of Community Affairs	248,726	286,031	283,409
Department of Corrections	9,136	10,065	8,613
Department of Education	821,115	835,799	809,975
Department of Environmental Protection	45,545	220,977	208,461
Department of Health and Senior Services	1,371,726	1,573,448	1,595,575
Department of Human Services	3,585,610	3,930,644	3,941,664
Department of Labor and Workforce Development	366,075	411,329	413,835
Department of Law and Public Safety	207,716	172,584	134,552
Department of Military and Veterans' Affairs	34,205	61,569	40,970
Department of Personnel	322	—	—
Department of the Public Advocate	728	1,023	1,023
Department of State	27,714	36,109	37,283
Department of Transportation	28,381	69,647	69,647
Department of the Treasury	3,405	5,847	5,847
Interdepartmental Accounts	1,194	—	—
The Judiciary	75,292	80,079	84,452
<i>Total Federal Funds</i>	<i>7,360,683</i>	<i>8,348,666</i>	<i>8,356,676</i>
Revolving Funds			
Legislature	4	—	—
Department of Community Affairs	15,223	8,305	7,854
Department of Corrections	31,139	31,605	31,834
Department of Education	5,110	3,968	4,148
Department of Environmental Protection	706	325	355
Department of Health and Senior Services	18,838	16,027	16,497
Department of Human Services	7,209	6,324	6,657
Department of Labor and Workforce Development	1,618	—	—
Department of Law and Public Safety	445	853	853
Department of State	1,351	200	200
Department of Transportation	701	—	—
Department of the Treasury	189,356	183,166	183,190
<i>Total Revolving Funds</i>	<i>271,700</i>	<i>250,773</i>	<i>251,588</i>
<i>Total Expenditures General Fund</i>	<i>10,333,057</i>	<i>11,617,611</i>	<i>12,068,466</i>
SPECIAL TRANSPORTATION TRUST FUND			
General	2,081,437	2,094,923	2,577,509
GRAND TOTAL EXPENDITURES NOT BUDGETED	12,414,494	13,712,534	14,645,975

REVENUES & EXPENDITURES

SUMMARY REVENUES, EXPENDITURES AND FUND BALANCES GENERAL STATE FUNDS (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Beginning Balances July 1			
<i>Undesignated Fund Balances</i>			
General Fund	\$ 376,502	\$ 461,701	\$ 514,628
Surplus Revenue Fund	282,416	288,654	300,372
Property Tax Relief Fund	175,264	27,875	—
Gubernatorial Elections Fund	1,310	—	—
Casino Control Fund	4,888	1,289	8,527
Casino Revenue Fund	22,747	—	—
Total Undesignated Fund Balances	863,127	779,519	823,527
<i>Designated Fund Balances</i>			
General Fund	1,105,427	1,205,284	1,205,284
Property Tax Relief Fund	5,765	407,101	407,101
Casino Control Fund	947	873	873
Casino Revenue Fund	30,840	43	43
Special Transportation Fund	—	—	—
Total Designated Fund Balances	1,142,979	1,613,301	1,613,301
Total Beginning Balances	2,006,106	2,392,820	2,436,828
Revenues			
<i>General Fund</i>			
State Revenues (Schedule I)	18,593,999	17,046,944	18,504,392
Other Revenues (Schedule II)	10,423,234	11,617,611	12,068,466
Property Tax Relief Fund (Schedule I)	9,537,939	10,585,000	11,615,000
Gubernatorial Elections Fund (Schedule I)	517	700	700
Casino Control Fund (Schedule I)	64,361	63,512	63,512
Casino Revenue Fund (Schedule I)	619,226	500,941	468,087
Special Transportation Fund (Schedule II)	1,954,602	2,094,923	2,577,509
Total Revenues	41,193,878	41,909,631	45,297,666
Other Adjustments			
<i>General Fund</i>			
Balances lapsed	—	98,565	—
From (To) Property Tax Relief Fund	—	267,037	—
From (To) Gubernatorial Elections Fund	(4,483)	(1,825)	—
From (To) Casino Control Fund	—	(15,765)	—
From (To) Surplus Revenue	(6,238)	(11,718)	—
Budget vs GAAP adjustment	62,094	—	—
Miscellaneous	9,680	—	—
<i>Property Tax Relief Fund</i>			
From (To) General Fund	—	(267,037)	—
Balances lapsed	—	13,662	—
Budget vs GAAP adjustment	(401,297)	—	—
Miscellaneous	401,336	—	—
<i>Gubernatorial Elections Fund</i>			
From (To) General Fund	4,483	1,825	—
<i>Casino Control Fund</i>			
From (To) General Fund	—	15,765	—
Budget vs GAAP adjustment	317	—	—
Miscellaneous	(74)	—	—
<i>Casino Revenue Fund</i>			
Budget vs GAAP adjustment	1,087	—	—
Miscellaneous	(30,797)	—	—
<i>Surplus Revenue Fund</i>			
From (To) General Fund	6,238	11,718	—
<i>Special Transportation Fund</i>			
Budget vs GAAP adjustment	126,835	—	—
Total Other Adjustments	169,181	112,227	—
Total Available	43,369,165	44,414,678	47,734,494

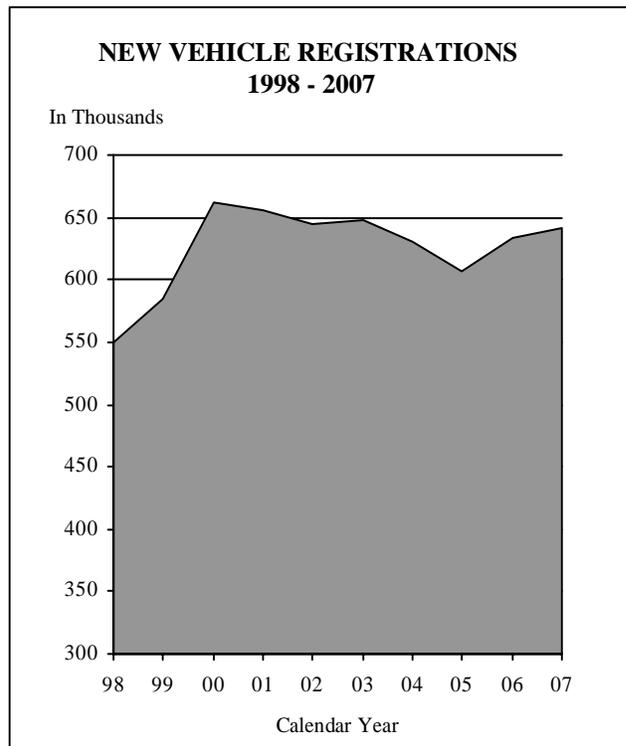
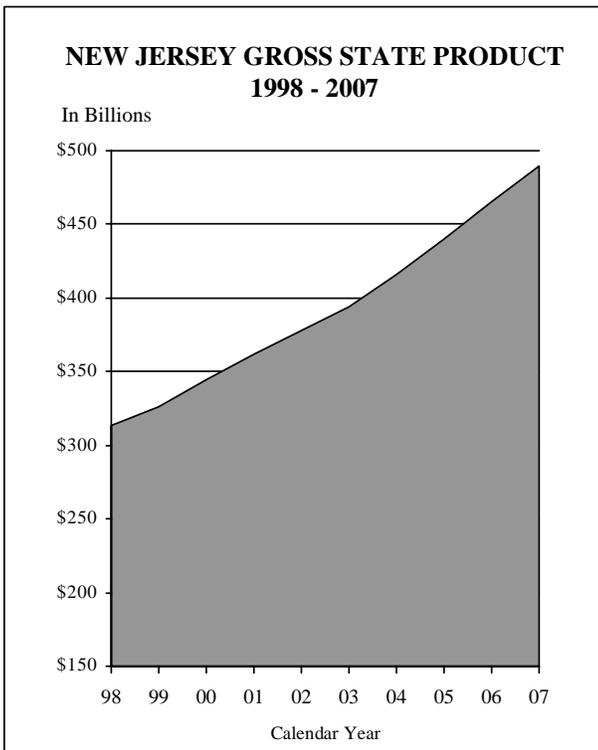
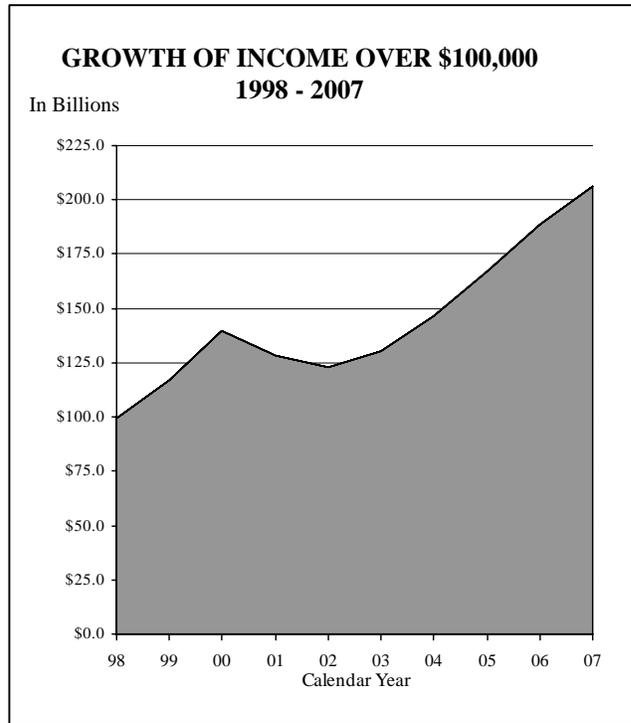
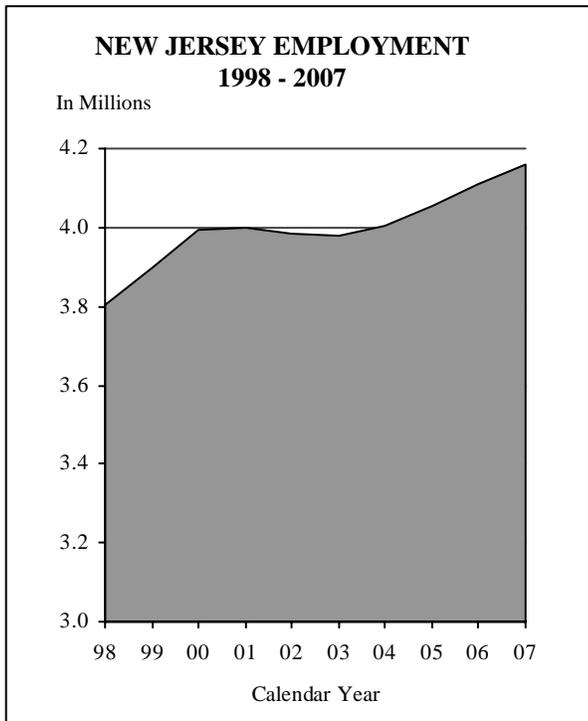
REVENUES & EXPENDITURES

SUMMARY REVENUES, EXPENDITURES AND FUND BALANCES GENERAL STATE FUNDS (thousands of dollars)

	Fiscal Year Ending June 30		
	2005 Actual	2006 Estimated	2007 Estimated
Expenditures			
<i>General Fund</i>			
Expenditures Budgeted (Schedule III)	18,560,173	17,330,311	18,719,392
Expenditures Not Budgeted (Schedule IV)	10,333,057	11,617,611	12,068,466
Property Tax Relief Fund (Schedule III)	9,284,031	10,359,500	11,615,000
Gubernatorial Elections Fund (Schedule III)	6,310	2,525	—
Casino Control Fund (Schedule III)	68,277	72,039	72,039
Casino Revenue Fund (Schedule III)	643,060	500,941	468,087
Special Transportation Fund (Schedule IV)	2,081,437	2,094,923	2,577,509
Total Expenditures	40,976,345	41,977,850	45,520,493
Ending Balances June 30			
<i>Undesignated Fund Balances</i>			
General Fund	461,701	514,628	299,628
Surplus Revenue Fund	288,654	300,372	300,372
Property Tax Relief Fund	27,875	—	—
Gubernatorial Elections Fund	—	—	700
Casino Control Fund	1,289	8,527	—
Casino Revenue Fund	—	—	—
Total Undesignated Fund Balances	779,519	823,527	600,700
<i>Designated Fund Balances</i>			
General Fund	1,205,284	1,205,284	1,205,284
Property Tax Relief Fund	407,101	407,101	407,101
Casino Control Fund	873	873	873
Casino Revenue Fund	43	43	43
Special Transportation Fund	—	—	—
Total Designated Fund Balances	1,613,301	1,613,301	1,613,301
Total Ending Balances	\$ 2,392,820	\$ 2,436,828	\$ 2,214,001

NOTES

Economic Growth (1998 – 2007)



The FY 2007 Budget

(In Millions)

	FY2006 Adjusted Approp.	FY2007 Budget	% Change
Opening Surplus	\$ 780	\$ 824	5.6
Revenues			
Income			
Base	10,585	11,720	10.7
Initiatives		(105)	
Sales			
Base	6,716	6,944	3.4
Initiatives		1,433	
Corporate			
Base	2,805	2,463	(12.2)
Initiatives		60	
Other			
Base	8,091	7,829	(3.2)
Initiatives		308	
Total Revenues	\$ 28,197	\$ 30,652	8.7
Lapses	112		
Total Resources	\$ 29,089	\$ 31,476	8.2
Appropriations			
Original	\$ 27,920	\$ 30,875	10.6
Supplemental	345		
Total Appropriations	\$ 28,265	\$ 30,875	9.2
Fund Balance	\$ 824	\$ 601	

REVENUES & EXPENDITURES

FY 2006 Revenues

(In Millions)

	FY2006 Approp. Act Revenues*	FY2006 Adjusted Revenues	Change	
			\$	%
Income	\$ 10,335	\$ 10,585	\$ 250	2.4
Sales	6,890	6,716	(174)	(2.5)
Corporate	2,402	2,805	403	16.8
Other**	<u>8,249</u>	<u>8,091</u>	<u>(158)</u>	(1.9)
Total	<u>\$ 27,876</u>	<u>\$ 28,197</u>	<u>\$ 321</u>	1.2

* Restated

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

FY 2007 Revenues

(In Millions)

	FY2006 Adjusted Revenues	FY2007 Budget	Change	
			\$	%
Income	\$ 10,585	\$ 11,615	\$ 1,030	9.7
Sales	6,716	8,377	1,661	24.7
Corporate	2,805	2,523	(282)	(10.1)
Other*	<u>8,091</u>	<u>8,137</u>	<u>46</u>	0.6
Total	<u>\$ 28,197</u>	<u>\$ 30,652</u>	<u>\$ 2,455</u>	8.7

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

FY 2007 Revenue Actions

(In Millions)

Taxes

Sales Tax - Increase to 7%	\$ 1,085
Sales Tax - Consumer Services	248
Cigarette Tax	80
Corporation Business Tax Surcharge 2.5%	60
Surcharge on New Luxury Car Registrations	17
Realty Transfer Tax Commercial Property >\$1 Million	17
Alcohol Beverage Tax Increase	12
Water Supply Surcharge	12

Miscellaneous Revenues

Sales Tax - Urban Enterprise Zone Reform	100
State Disability Benefit Fund	50
Autonomous Transportation Authorities	38
Improved Tax Collections from Audit and Enforcement Collection	36
State Police Rural Patrol	24
Other	<u>22</u>

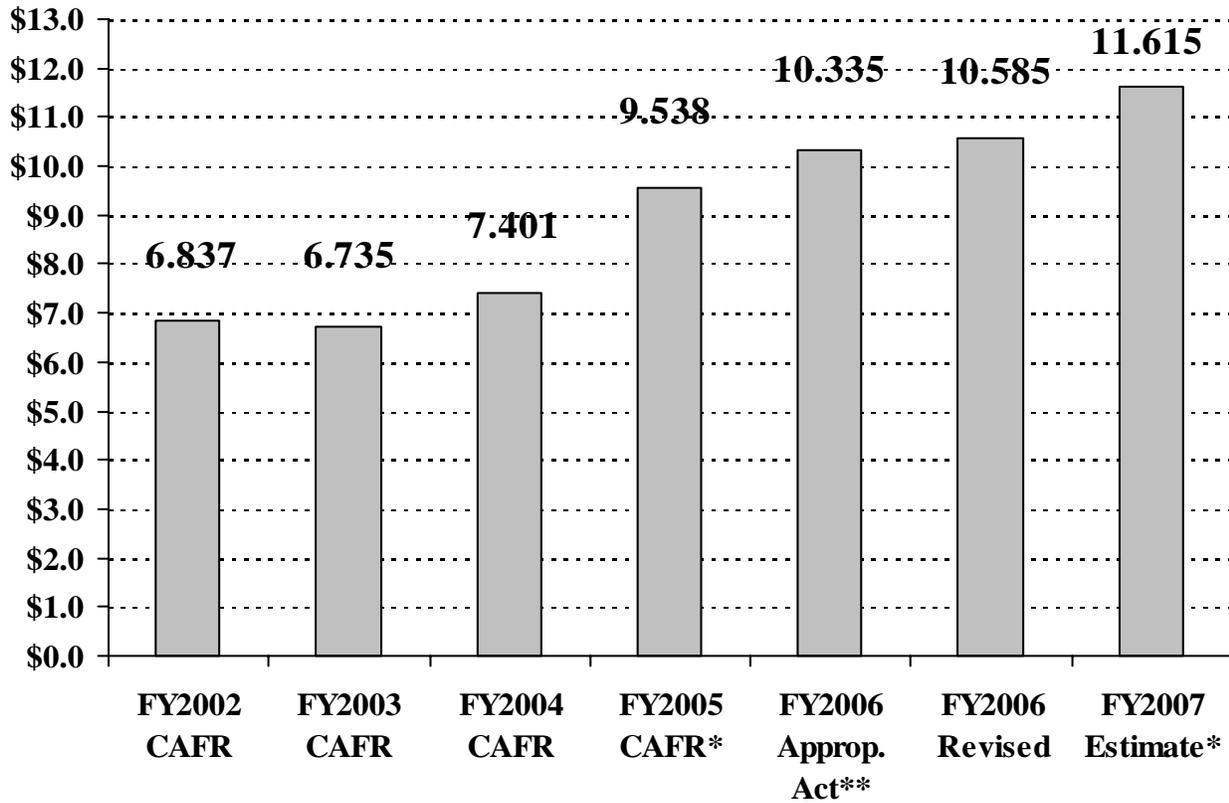
Revenue Solutions 1,801

Low-Income Refundable Tax Credit (105)

Total Revenue Actions \$ 1,696

GROSS INCOME TAX

(In Billions)



*These revenues include changes in tax policy.

FY 2005 – Tax rate increase on incomes of \$500,000 or greater

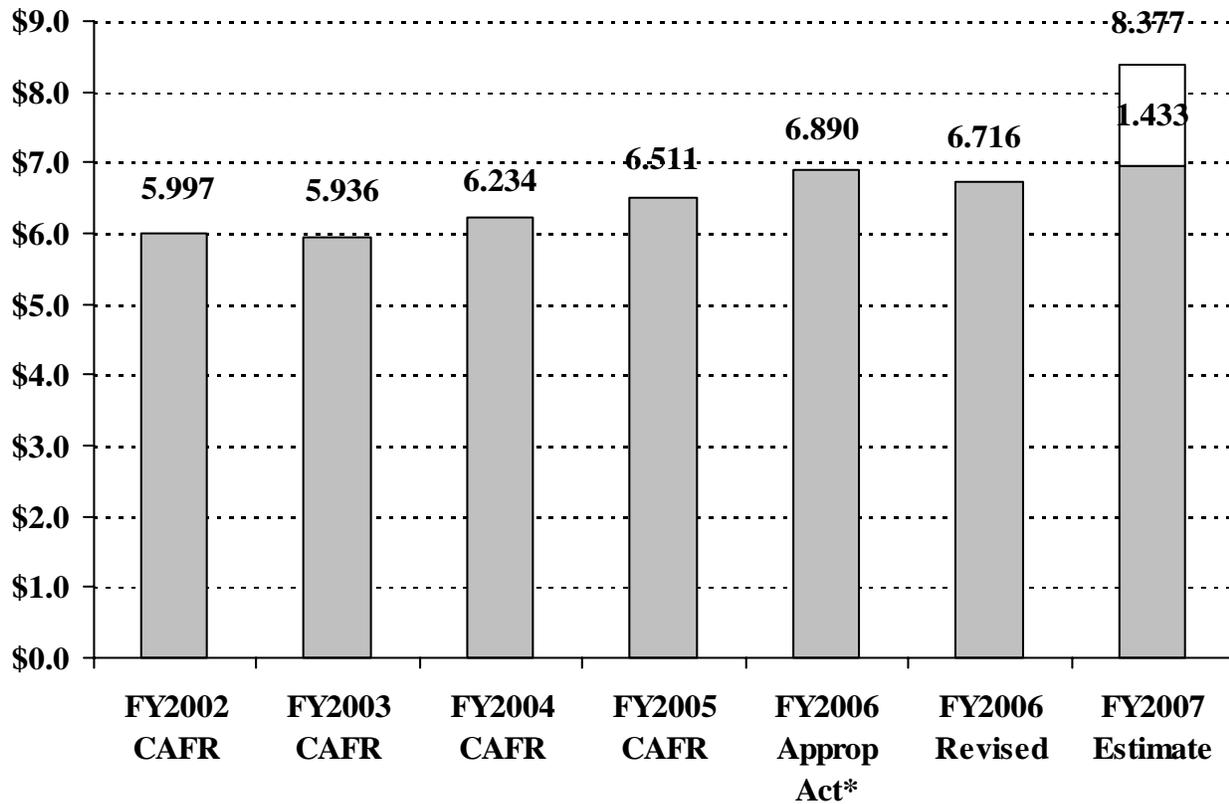
FY 2007 – Low-income refundable tax credit proposal

**Restated

CAFR – Comprehensive Annual Financial Report

SALES TAX

(In Billions)



FY07 includes \$1.433 billion in initiatives.

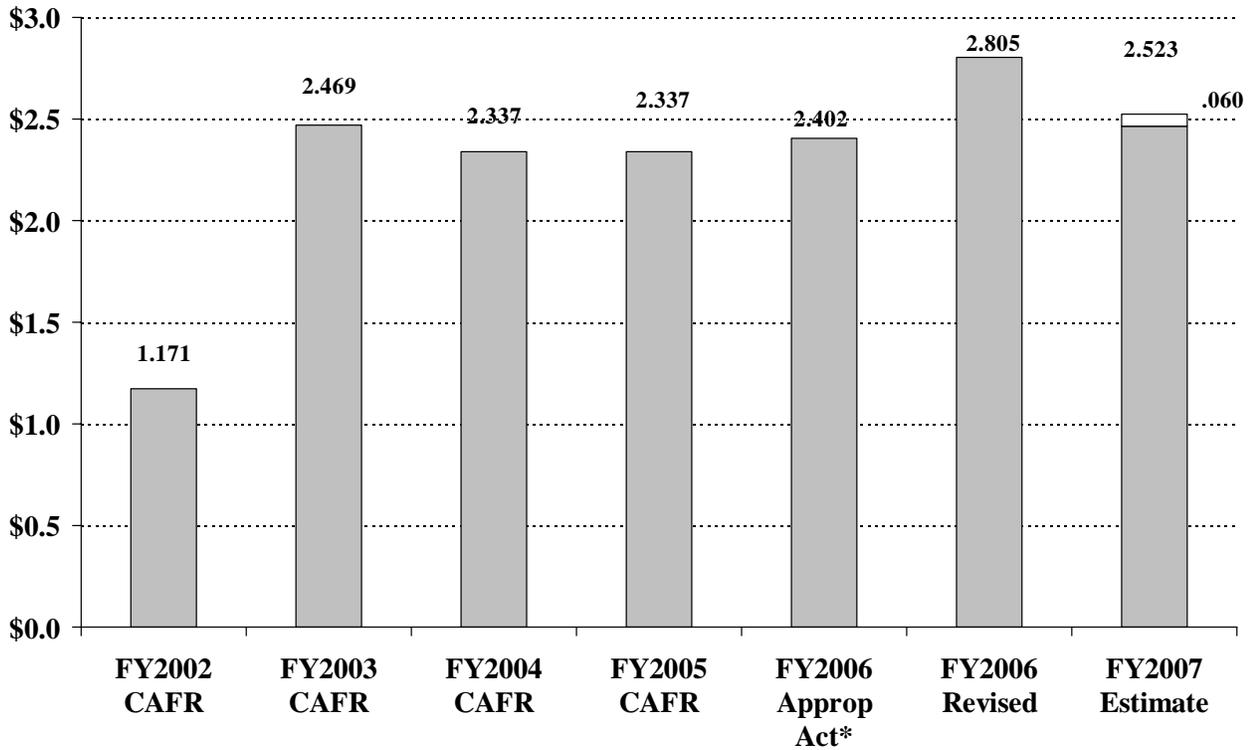
Sales tax excludes the tax on energy

CAFR – Comprehensive Annual Financial Report

*Restated

CORPORATION BUSINESS TAX

(In Billions)



FY07 includes \$60 million in initiatives.

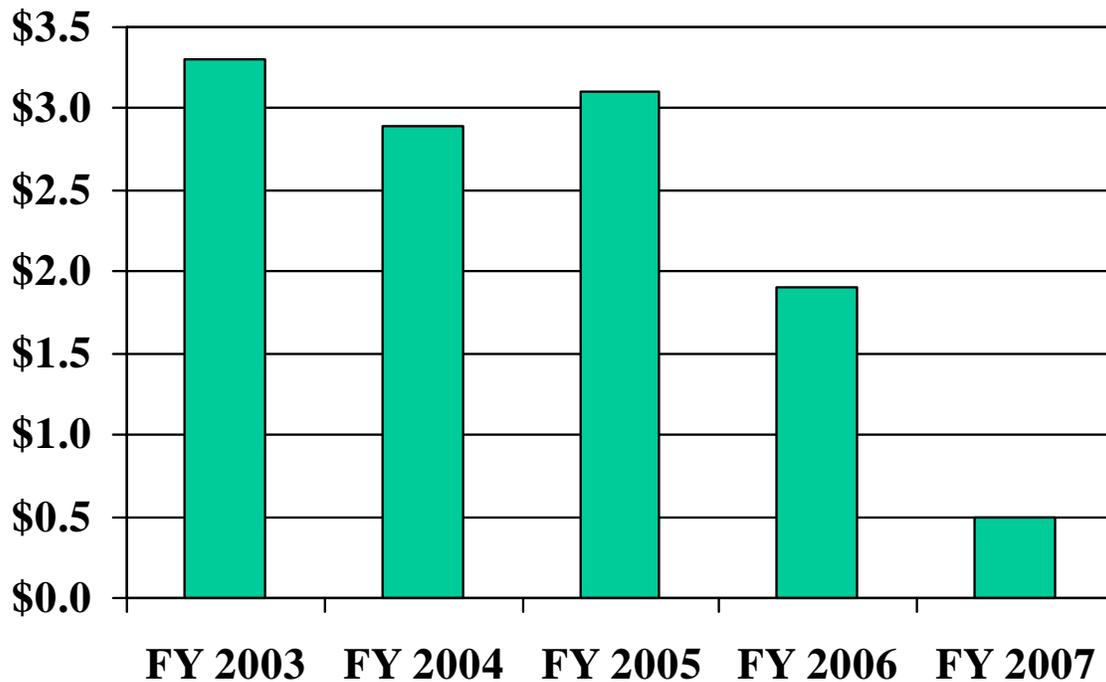
Corporation business tax excludes the tax on energy

CAFR – Comprehensive Annual Financial Report

*Restated

***Nonrecurring Resources Down by More Than 80%
Compared to the Average of Last 4 Years***

(In Billions)



Note: Excludes \$80 million of one-time revenues for capital improvement projects.

***Nonrecurring Resources Down by More Than 80%
Compared to the Average of Last 4 Years***

(In Millions)

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Tobacco Securitization	\$ 1,557	\$ 1,612	\$ ---	\$ ---	\$ ---
New Revenue Securitization	---	---	1,930	---	---
General Fund Surplus	15	---	463	44	223
Unemployment Insurance Fund	325	325	100	350	---
Millionaire's Tax - Retroactive Impact	---	---	156	---	---
Federal Stimulus	106	433	---	---	---
PAAD Waiver	147	148	---	---	---
CBT Accelerated Payments	651	---	---	---	---
Car Registration Acceleration	---	---	16	22	22 *
Unclaimed Property	100	---	---	---	---
State Disability Fund	---	30	110	---	50
Securities Enforcement Collections	---	10	2	---	---
Real Estate Guarantee	---	1	---	---	---
NJ Redevelopment Authority	---	9	---	---	---
Hotel Revenue State Share	---	25	---	---	---
Economic Development Authority	---	30	2	2	---
Toll Road Revenue TTF	22	22	---	---	---
Catastrophic Illness in Children Relief Fund	---	4	---	---	---
Drug Enforcement Demand Reduction	4	3	1	2	---
Educational Facilities Authority	---	---	2	---	---
Federal TANF Balances	70	86	18	---	---
VOI/TIS Federal Funds	12	13	---	---	---
Cash Management Fund	20	---	---	12	---
Free Public Schools	25	---	---	---	---
Meadowlands Commission	62	---	---	---	---
Sanitary Landfill Contingency	6	6	---	---	---
Second Injury Fund	20	---	---	5	---
Surplus Lines	43	---	---	---	---
UMDNJ Self Insurance Fund	77	---	---	---	---
UEZ Balances/Overpayment Deferred	37	---	---	---	50
Mutual Workers' Compensation Fund	---	---	5	---	---
Petroleum Surcharge Fund	---	---	---	5	---
PAAD / ADDP Rebate Receivable	---	---	---	56	---
PAAD Medicare D Administration	---	---	---	5	---
Bond Refinancing	---	---	---	150	---
Benefit Enhancement Fund / Pensions	---	126	265	385	---
Asset Sales	---	---	---	200	---
Human Services-Revenues	---	---	---	4	94
Tobacco Settlement Fund	---	---	---	10	---
New Home Warranty Security Fund	---	---	---	20	---
Phase-out of Casino Comps	---	---	---	43	---
Public Records Preservation Fund	---	---	---	5	---
G.O./Bldg. Authority Refinance Savings	---	---	---	266	---
Health Benefits / Rx Fund Balance	---	---	---	60	60
Cigarette and MVC Revenues	---	---	---	243	---
Total	<u>\$ 3,299</u>	<u>\$ 2,883</u>	<u>\$ 3,070</u>	<u>\$ 1,889</u>	<u>\$ 499</u>

Based on planned actions, comparing Approp Act to Approp Act

* FY2008 impact from 4 year vehicle registration

Note: Excludes \$80 million of one-time revenues for capital improvement projects.



Department and Branch Recommendations

This sub-division of the Budget includes appropriations, expenditures and programmatic evaluation data for the Legislature, State Departments and the Judiciary. A single unified presentation provides a comprehensive view of all of a department's operations across all fund categories (Direct State Services, Grants-In-Aid, State Aid and Capital Construction) and funds (General Fund and Dedicated Funds). The four major dedicated funds included are Property Tax Relief Fund, Casino Control Fund, Casino Revenue Fund and the Gubernatorial Election Fund.

Direct State Services support the operation of State programs. Grants-In-Aid represent funds, which are allocated to various public, and private, non-profit agencies for State supported services. State Aid comprises recommendations for payments by the State to or on behalf of a local unit of government, including school districts, municipalities and counties. Capital Construction includes funds for various equipment, renovation and construction of facilities, and infrastructure projects such as roads, bridges, and wastewater treatment systems.

Departmental presentations in alphabetical order. Within departments activities are grouped by Statewide Programs.

Departmental overview with total Direct State Services funding recommendations by program and spending object.

Objectives for each program.

Purpose of department divisions and programs.

Evaluation data detailing measures of performance, effectiveness, and efficiency.

Three-year comparison of prior year expenditures, current year appropriations and Acting Governor Codey's major budget recommendations for each program.

LEGISLATURE
OVERVIEW

The Legislature is the State’s highest lawmaking body. It is one of the three separate and independent branches of government that make up the checks and balances system created by the New Jersey Constitution, and is empowered to appropriate funds for the operation of State government. The 40 members of the Senate are elected for a term of four years. The 80 members of the Assembly are elected for a term of two years. The Office of Legislative Services, a nonpartisan agency that provides legislators with economic and budget analyses required for making legislative decisions, is also a part of the legislative branch. Legislative commissions assist in the legislative process by providing in-depth studies, holding public hearings, and making recommendations on select issues as they arise.

Budget Highlights

The fiscal 2007 recommendation for the Legislature is \$76.2 million. It provides \$12.3 million to the Senate and \$18.7 million to the Assembly. The recommendation also provides \$30.0 million to the Office of Legislative Services and \$15.2 million to the various legislative commissions.

The Fiscal 2007 Budget recommends line-item appropriations to seven legislative commissions:

The Intergovernmental Relations Commission provides funding which permits the State of New Jersey to participate as a member of national and regional organizations.

The Joint Committee On Public Schools provides an ongoing study of the system of free public schools--its financing, administration, and operations.

The Commission on Business Efficiency in the Public Schools studies and recommends improvements that will result in greater efficiency in the operation of public schools.

The State Commission of Investigation (SCI) fiscal 2007 recommendation is \$4.9 million, which is a continuation of the fiscal 2006 appropriation. SCI probes organized crime and improprieties in the conduct of public-funded programs. The Commission has repeatedly demonstrated its ability to uncover and document waste, fraud, and abuse at all levels of government via investigations that have recouped millions of dollars in tax revenues.

The New Jersey Law Revision Commission promotes and encourages the clarification and simplification of New Jersey laws.

The State Capitol Joint Management Commission ensures the artistic, historical and architectural integrity of any restoration or preservation project at the State House, the State House Annex, and adjacent environs, and manages the Capitol Complex, including security and janitorial services.

The Clean Ocean And Shore Trust Committee studies strategies to enhance coastal tourism and preserve, protect, maintain, and restore the natural and scenic resources and the environmental integrity of the Hudson-Raritan estuary and the New York/New Jersey Bight area. The coasts of New York and New Jersey, along with a strong ocean current, create a triangular mini-sea wedge within the ocean, which is officially known as the New York/New Jersey Bight.

LEGISLATURE
SUMMARY OF APPROPRIATIONS BY FUND
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
GENERAL FUND							
73,501	14,282	1,293	89,076	75,027	76,221	76,221	76,221
---	2,363	---	2,363	2,190	---	---	---
73,501	16,645	1,293	91,439	77,217	76,221	76,221	76,221
73,501	16,645	1,293	91,439	77,217	76,221	76,221	76,221
Total Appropriation, Legislature					76,221	76,221	76,221

LEGISLATURE

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES - GENERAL FUND							
Legislative Activities							
11,494	2,329	150	13,973	10,966	12,269	12,269	12,269
18,905	2,542	250	21,697	18,250	18,692	18,692	18,692
28,372	2,815	932	32,119	31,454	29,991	29,991	29,991
<u>58,771</u>	<u>7,686</u>	<u>1,332</u>	<u>67,789</u>	<u>60,670</u>	<u>60,952</u>	<u>60,952</u>	<u>60,952</u>
Legislative Commissions and Committees							
14,730	6,596	-39	21,287	14,357	15,269	15,269	15,269
<u>14,730</u>	<u>6,596</u>	<u>-39</u>	<u>21,287</u>	<u>14,357</u>	<u>15,269</u>	<u>15,269</u>	<u>15,269</u>
<u>73,501</u>	<u>14,282</u>	<u>1,293</u>	<u>89,076</u>	<u>75,027</u>	<u>76,221</u>	<u>76,221</u>	<u>76,221</u>
<u>73,501</u>	<u>14,282</u>	<u>1,293</u>	<u>89,076</u>	<u>75,027</u>	<u>76,221</u>	<u>76,221</u>	<u>76,221</u>
CAPITAL CONSTRUCTION							
Legislative Activities							
---	2,363	---	2,363	2,190	---	---	---
<u>---</u>	<u>2,363</u>	<u>---</u>	<u>2,363</u>	<u>2,190</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>---</u>	<u>2,363</u>	<u>---</u>	<u>2,363</u>	<u>2,190</u>	<u>---</u>	<u>---</u>	<u>---</u>
<u>73,501</u>	<u>16,645</u>	<u>1,293</u>	<u>91,439</u>	<u>77,217</u>	<u>76,221</u>	<u>76,221</u>	<u>76,221</u>

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

71. LEGISLATIVE ACTIVITIES

0001. SENATE

Under the Constitution, as amended in 1966, certified by the Apportionment Commission and modified by the Supreme Court, the legislative power is vested in a Senate of 40 members and a General Assembly of 80 members with one Senator and two members of the General Assembly being elected from each of 40 legislative districts, apportioned according to population based on the latest decennial census. All members of the Senate were elected in November 2003 and members of the Assembly in November

2005. Senators are elected for a term of four years and members of the General Assembly for a term of two years.

The compensation of members of the Legislature is \$49,000 per year (C52:10A-1). The President of the Senate and the Speaker of the General Assembly, by virtue of their offices, receive an additional allowance equal to one-third of their compensation.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	49	44	48	---
Total Positions	49	44	48	---
Filled Positions by Program Class				
Senate	49	44	48	---
Total Positions	49	44	48	---

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. Not included are the 40 Senators and part-time positions. The funded position count for fiscal year 2007 will be determined by the Legislature.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
11,494	2,329	150	13,973	10,966	Senate	01	12,269	12,269	12,269
<u>11,494</u>	<u>2,329</u>	<u>150</u>	<u>13,973</u>	<u>10,966</u>	Total Direct State Services		<u>12,269</u> (a)	<u>12,269</u>	<u>12,269</u>
Distribution by Fund and Object									
Personal Services:									
---	---	---	---	1,945	Senators (40)		1,990	1,990	1,990
10,694	563	150	11,407	4,061	Salaries and Wages		5,079	5,079	5,079
---	---	---	---	4,315	Members' Staff Services		4,400	4,400	4,400
<u>10,694</u>	<u>563</u>	<u>150</u>	<u>11,407</u>	<u>10,321</u>	Total Personal Services		<u>11,469</u>	<u>11,469</u>	<u>11,469</u>
150	372	---	522	61	Materials and Supplies		150	150	150
540	866	---	1,406	581	Services Other Than Personal		540	540	540
80	470	---	550	3	Maintenance and Fixed Charges		80	80	80
<u>30</u>	<u>58</u>	<u>---</u>	<u>88</u>	<u>---</u>	Additions, Improvements and Equipment		<u>30</u>	<u>30</u>	<u>30</u>
<u>11,494</u>	<u>2,329</u>	<u>150</u>	<u>13,973</u>	<u>10,966</u>	Grand Total State Appropriation		<u>12,269</u>	<u>12,269</u>	<u>12,269</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
71. LEGISLATIVE ACTIVITIES
0002. GENERAL ASSEMBLY

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	72	65	68	---
Total Positions	72	65	68	---
Filled Positions by Program Class				
General Assembly	72	65	68	---
Total Positions	72	65	68	---

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. Not included are the 80 State Assemblypersons and part-time positions. The funded position count for fiscal year 2007 will be determined by the Legislature.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
18,905	2,542	250	21,697	18,250	02	18,692	18,692	18,692
<u>18,905</u>	<u>2,542</u>	<u>250</u>	<u>21,697</u>	<u>18,250</u>		<u>18,692</u> (a)	<u>18,692</u>	<u>18,692</u>
Distribution by Fund and Object								
Personal Services:								
---	---	---	---	3,940				
18,040	431	250	18,721	5,096		3,937	3,937	3,937
---	---	---	---	8,524		5,090	5,090	5,090
						8,800	8,800	8,800
<u>18,040</u>	<u>431</u>	<u>250</u>	<u>18,721</u>	<u>17,560</u>		<u>17,827</u>	<u>17,827</u>	<u>17,827</u>
120	146	---	266	115		120	120	120
640	1,560	---	2,200	506		640	640	640
100	118	---	218	67		100	100	100
Special Purpose:								
---	100	---	100	---	02	---	---	---
5	187	---	192	2		5	5	5
<u>18,905</u>	<u>2,542</u>	<u>250</u>	<u>21,697</u>	<u>18,250</u>		<u>18,692</u>	<u>18,692</u>	<u>18,692</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

71. LEGISLATIVE ACTIVITIES

0003. OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services was established under the provisions of the Legislative Services Law , P.L. 1979, c. 8 and amended by P.L. 1985, c. 162 (C52:11-54 et seq.) which merged the former Office of Fiscal Affairs and the Legislative Services Agency. The Office is under the Legislative Services Commission

and provides nonpartisan staff services for the Legislature through an Executive Director, an Administrative Unit and Divisions of Legal Services, State Auditing, Information and Research, and Budget and Finance.

OBJECTIVES

1. To provide legal, fiscal, research and information services to the members and officers of the Legislature and its committees and commissions.
2. To provide administrative services on behalf of the Legislature in the areas of purchasing, data processing, facilities, public educational programs and legislative district offices.
3. To provide continuous revision of the general and permanent statute law of the State; to prepare and submit to the Legislature for its action, legislative bills designed to revise such portions of the general and permanent statute law as in the judgment of the commission may be necessary to remedy defects therein, to accomplish improvement thereof and to maintain the same in revised, consolidated and simplified form under the general plan and classification of the Revised Statutes.

4. To study the methods, practices and procedures employed by the Legislature and make such recommendations for their improvement and modernization as the commission shall deem desirable.

PROGRAM CLASSIFICATIONS

03. **Legislative Support Services.** This function encompasses the following: Office of the Executive Director, Office of the Legislative Counsel, Central Management Unit, Office of the State Auditor, Office of the Legislative Budget and Finance Officer, Data Management Unit and the Administrative Unit.
Office of the Executive Director--Supervises and directs the office; conducts the district office leasing program and the related district office program for the Legislature.
Office of the Legislative Counsel--Acts as counsel to the Legislature; furnishes the Legislature with legal opinions as to the subject matter and legal effect of statutes and statutory proposals and parliamentary law and legislative procedure; provides standards for the examination and editing of all

proposed bills and resolutions for compliance with prescribed form; conducts a continuous examination of statutory law and court decisions for the purpose of preparing legislation to correct defects and to revise and modernize the statutory law; assigns compilation numbers to newly enacted laws.

Central Management Unit--Provides staff for legislative standing reference committees and such other committees and commissions as directed; prepares informational memoranda and reports on legislative matters, drafts of bills, resolutions and bill amendments.

Office of Public Information--Operates a public information service; records proceedings of hearings; prepares and distributes various legislative documents.

Office of the State Auditor--Performs a comprehensive financial post-audit of the State and all of its agencies. The division examines and audits accounts, reports and statements and, in addition, makes independent verification of all assets and liabilities, revenues and expenditures, policies and

programs. The division makes, or causes to be made, studies and reports with respect to economy, internal management control and compliance with laws and regulations of the operation of State or State-supported agencies.

Office of the Legislative Budget and Finance Officer--Collects and assembles information with reference to the fiscal affairs of the State, examines all requests for appropriations and claims against the State; provides the Legislature with expenditure information and performance analyses of programs and transactions; examines and processes fiscal notes.

Data Management Unit--Supervises the operation, maintenance and security of the legislative computer system.

Administrative Unit--Handles personnel, budgeting, accounting, purchasing, space acquisition and assignment and other centralized services for the Office of Legislative Services as well as the administration of legislative printing.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	347	347	349	---
Total Positions	347	347	349	---
Filled Positions by Program Class				
Legislative Support Services	347	347	349	---
Total Positions	347	347	349	---

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The funded position count for fiscal year 2007 will be determined by the Legislature.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
28,372	2,815	932	32,119	31,454				
28,372	2,815	932	32,119	31,454				
					<u>DIRECT STATE SERVICES</u>			
					Distribution by Fund and Program			
					03	29,991	29,991	29,991
						29,991 ^(a)	29,991	29,991
					Distribution by Fund and Object			
					Personal Services:			
						21,184	21,184	21,184
						21,184	21,184	21,184
						1,065	1,065	1,065
						2,527	2,527	2,527
						3,681	3,681	3,681
					Special Purpose:			
						30	30	30
					03	29	29	29
					03	657	657	657

LEGISLATURE

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
---	5	---	5	---					
100	---	---	100	100					
69	---	---	69	69					
649	115	39	803	748					
<u>DIRECT STATE SERVICES</u>									
					03	---	---	---	
					03	100	100	100	
					03	69	69	69	
						649	649	649	
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	2,363	---	2,363	2,190	03	---	---	---	
---	2,363	---	2,363	2,190		---	---	---	
Distribution by Fund and Object									
Office of Legislative Services									
---	2,363	---	2,363	2,190	03	---	---	---	
<u>28,372</u>	<u>5,178</u>	<u>932</u>	<u>34,482</u>	<u>33,644</u>		<u>29,991</u>	<u>29,991</u>	<u>29,991</u>	

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

Such sums as may be required for the cost of information system audits performed by the State Auditor are funded from the departmental data processing accounts of the department in which the audits are performed.

Such sums as are required, as determined by the Technology Executive Group of the Legislative Information Systems Committee of the Legislative Services Commission, for the continuation and expansion of existing and emerging computer and information technologies for the Legislature including but not limited to interactive video conferencing, telecommunication capabilities, electronic copying and facsimile transmissions, training and such other technologies in order to sustain a coordinated and comprehensive legislative technology infrastructure that the Legislature deems necessary are appropriated. No amounts so determined shall be obligated, expended or otherwise made available without the written prior authorization of the Senate President and the Speaker of the General Assembly.

Such sums as are required for Master Lease payments, subject to the approval of the Director of the Division of Budget and Accounting and the Legislative Budget and Finance Officer, are appropriated.

Receipts derived from fees and charges for public access to legislative information systems and the unexpended balance at the end of the preceding fiscal year of such receipts are appropriated and shall be credited to a non-lapsing revolving fund established in and administered by the Office of Legislative Services for the purpose of continuing to modernize, maintain, and expand the dissemination and availability of legislative information.

The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

77. LEGISLATIVE COMMISSIONS AND COMMITTEES

The functions of the Intergovernmental Relations Commission (C52:9B-1 et seq.) are to participate as a member of regional and national commissions; to confer with officials of other states and the Federal government; to formulate proposals for cooperation between this State and other states and with the Federal government and to maintain liaison with inter-governmental agencies.

The functions of the Joint Committee on Public Schools Commission (C52:9B-1 et seq.) are to participate as a member of regional and national commissions; to confer with officials of other states and the Federal government; to formulate proposals for

cooperation between this State and other states and with the Federal government and to maintain liaison with inter-governmental agencies.

The State Commission of Investigation (C52:9M-1) conducts investigations in connection with the effective enforcement of the laws of the State, with particular reference to organized crime and racketeering, the conduct of public officers and public employees, and of officers and employees of public corporations and authorities. The Commission, in addition, performs investigations at the direction of the Legislature or the Governor and recommends legislative or regulatory changes.

The Commission on Business Efficiency in the Public Schools (P.L. 1979, c.69) was established to develop and implement a five-year plan to monitor the recommendations of the task force on business efficiency and to recommend to the Legislature such statutory changes as may become necessary to facilitate improvements in the business efficiency of the public schools.

The functions of the Apportionment Commission, pursuant to Article IV, Section III of the New Jersey State Constitution, are to establish Senate and Assembly districts and apportion the senators and members of the General Assembly among them within one month of receipt by the Governor of the official decennial census of the United States for New Jersey.

The New Jersey Law Revision Commission (created by P.L. 1985, c.498) was established to promote and encourage the clarification and simplification of the laws of New Jersey. The Commission conducts a continuous examination of the general and permanent statutory law and related judicial decisions for the purpose of discovering defects and anachronisms.

The function of the New Jersey Redistricting Commission is to formulate Congressional districts in New Jersey for the election of

members to the United States House of Representatives. The districts remain unaltered through the next year ending in zero in which a federal census for New Jersey is taken, unless the districts are ruled invalid by New Jersey or United States courts.

The State Capitol Joint Management Commission was created by P.L. 1992, c.67 for the purpose of maintaining, monitoring, and preserving the architectural, historical, cultural and artistic integrity of any completed project whose purpose is to restore, preserve or improve the capitol complex. The complex consists of the State House, the State House Annex and the adjacent environs. The eight-member commission is equally represented by four members from the executive branch of State government and four members from the legislative branch.

The Clean Ocean and Shore Trust Commission was created by P.L. 1993, c.57 for the purpose of creating an 18 member bi-state committee, to be known as the Clean Ocean and Shore Trust (COAST) Committee. The committee studies strategies to preserve, protect, maintain, and restore the natural and scenic resources and the environmental integrity of the Hudson--Raritan estuary and the New York--New Jersey Bight area and to enhance coastal tourism.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	50	54	52	---
Total Positions	50	54	52	---
Filled Positions by Program Class				
Legislative Commission	50	54	52	---
Total Positions	50	54	52	---

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The funded position count for fiscal 2007 will be determined by the Legislature.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Organization								
419	122	---	541	390				
						436	436	436
335	682	---	1,017	131		335	335	335
4,400	2,144	---	6,544	4,039		4,922	4,922	4,922
110	19	---	129	101		110	110	110
---	27	-27	---	---		---	---	---
321	231	---	552	288		321	321	321
---	12	-12	---	---		---	---	---
9,001	3,250	---	12,251	9,260		9,001	9,001	9,001

LEGISLATURE

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
144	109	---	253	148					
					DIRECT STATE SERVICES				
					Clean Ocean and Shore Trust Committee				
						144	144	144	
					Distribution by Fund and Program				
14,730	6,596	-39	21,287	14,357	09	15,269	15,269	15,269	
14,730	6,596	-39	21,287	14,357		15,269	15,269	15,269	
					Distribution by Fund and Object				
					Intergovernmental Relations Commission				
36	110	---	146	8	09	36	36	36	
151	4	---	155	151	09	155	155	155	
171	4	---	175	170	09	184	184	184	
36	4	---	40	36	09	36	36	36	
25	---	---	25	25	09	25	25	25	
					Joint Committee on Public Schools				
335	682	---	1,017	131	09	335	335	335	
					State Commission of Investigation				
4,400	2,144	---	6,544	4,039	09	4,922	4,922	4,922	
					Commission on Business Efficiency In the Public Schools				
110	19	---	129	101	09	110	110	110	
					Apportionment Commission				
---	27	-27	---	---	09	---	---	---	
					New Jersey Law Revision Commission				
321	231	---	552	288	09	321	321	321	
					New Jersey Redistricting Commission				
---	12	-12	---	---	09	---	---	---	
					State Capitol Joint Management Commission				
9,001	3,250	---	12,251	9,260	09	9,001	9,001	9,001	
					Clean Ocean and Shore Trust Committee				
144	109	---	253	148	09	144	144	144	
14,730	6,596	-39	21,287	14,357		15,269	15,269	15,269	
					OTHER RELATED APPROPRIATIONS				
					Federal Funds				
---	---	2	2	2	09	---	---	---	
---	---	2	2	2		---	---	---	
14,730	6,596	-37	21,289	14,359		15,269	15,269	15,269	
					GRAND TOTAL ALL FUNDS				

Language Recommendations -- Direct State Services - General Fund

The unexpended balances at the end of the preceding fiscal year in these accounts are appropriated.

Receipts from the rental of the Cafeteria and the Welcome Center and any other facility under the jurisdiction of the State Capitol Joint Management Commission are appropriated to defray custodial, security, maintenance and other related costs of these facilities.

**CHIEF EXECUTIVE
OVERVIEW**

In the State of New Jersey, the Office of the Chief Executive, also referred to as the Governor’s Office, includes the Governor along with staff who assist in the execution of the Governor’s constitutional powers and duties. The Governor’s Office also includes the newly created Office of Economic Growth, which will coordinate the actions of State government to work with municipal and county business, labor, community, and government leaders to grow the economy and create jobs.

The Governor is the State’s chief executive officer. The Governor’s Office assists in directing and coordinating the activities of the various State departments. These duties include the implementation of new laws and activities, as well as ongoing responsibilities associated with existing laws and other essential aspects of

governing. The Office is active in the review and formulation of proposals of law that are ultimately submitted to the State Legislature. Staff assist in the development of public policy affecting the citizens of the State, and in the implementation of the State’s fiscal plan, once it is adopted.

The Fiscal 2007 Budget for the Office of the Chief Executive totals \$4.9 million, a decrease of \$259,000, or 5% less than the fiscal 2006 adjusted appropriation of \$5.2 million. These savings are a result of budget reductions in fiscal 2007 for salary savings resulting from position eliminations. Additionally, the Executive’s Office in fiscal 2007 will be operating on a reduced reliance on mobility of staff from other departments.

**CHIEF EXECUTIVE
SUMMARY OF APPROPRIATIONS BY FUND**
(thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
5,267	977	187	6,431	5,133	GENERAL FUND			
					Direct State Services	5,183	4,924	4,924
5,267	977	187	6,431	5,133	<i>Total General Fund</i>	5,183	4,924	4,924
5,267	977	187	6,431	5,133	<i>Total Appropriation, Chief Executive</i>	5,183	4,924	4,924

SUMMARY OF APPROPRIATIONS BY PROGRAM
(thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
5,267	977	187	6,431	5,133	DIRECT STATE SERVICES - GENERAL FUND			
					Management and Administration			
					Executive Management	5,183	4,924	4,924
5,267	977	187	6,431	5,133	<i>Subtotal</i>	5,183	4,924	4,924
5,267	977	187	6,431	5,133	<i>Total Direct State Services - General Fund</i>	5,183	4,924	4,924
5,267	977	187	6,431	5,133	TOTAL DIRECT STATE SERVICES	5,183	4,924	4,924
5,267	977	187	6,431	5,133	<i>Total Appropriation, Chief Executive</i>	5,183	4,924	4,924

CHIEF EXECUTIVE

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL 76. MANAGEMENT AND ADMINISTRATION

OBJECTIVES

1. To administer affairs of the State so that public needs are met and maximum benefit is effected from available public resources.
2. To assure that the laws of the State are faithfully executed.
3. To serve as Commander-In-Chief of all military and naval forces of the State.
4. To make appointments and fill vacancies in accordance with legal requirements.
5. To approve or disapprove legislation.
6. To grant pardons and reprieves in all cases other than impeachment and treason.
7. To supervise each department and agency of the State.
8. To represent the State in relations with other governments and the public.

PROGRAM CLASSIFICATIONS

01. **Executive Management.** In accordance with provisions of the State Constitution, the Governor is elected by the legally qualified voters of this state and is the principal executive and administrative officer of the State. The Governor administers the affairs of the State so that public needs are met and maximum benefit is attained. The Governor appoints executive and judicial officers pursuant to law, supervises the administration of the executive branch, presides at regularly scheduled cabinet meetings with department heads, executes the laws, serves as Commander-In-Chief of the military and naval forces of the State, grants pardons and reprieves, convenes the Legislature, communicates to the Legislature concerning the condition of the State and recommends measures, submits the annual State budget to the Legislature, and approves or vetoes legislation either conditionally or absolutely.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	115	110	96	91
Total Positions	115	110	96	91
Filled Positions by Program Class				
Executive Management	115	110	96	91
Total Positions	115	110	96	91

Notes:

- (a) Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Organization								
5,267	977	187	6,431	5,133		5,183	4,924	4,924
Distribution by Fund and Program								
5,267	977	187	6,431	5,133	01	5,183	4,924	4,924
5,267	977	187	6,431	5,133		5,183 ^(a)	4,924	4,924
Distribution by Fund and Object								
Personal Services:								
4,324	661	-691	4,294	3,363		4,255	3,996	3,996
4,324	661	-691	4,294	3,363		4,255	3,996	3,996
Chief Executive's Office								
158	41	-8	191	172	01	158	158	158
48	211	---	259	37	01	37	37	37

CHIEF EXECUTIVE

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
108	---	---	108	107	01	108	108	108	
42	2	8	52	48	01	42	42	42	
10	1	---	11	10	01	10	10	10	
95	---	---	95	85	01	95	95	95	
89	8	150	247	209	01	89	89	89	
284	34	703	1,021	963		284	284	284	
85	5	15	105	95		85	85	85	
<u>24</u>	<u>14</u>	<u>10</u>	<u>48</u>	<u>44</u>		<u>20</u>	<u>20</u>	<u>20</u>	
5,267	977	187	6,431	5,133	Grand Total State Appropriation	5,183	4,924	4,924	
OTHER RELATED APPROPRIATIONS									
All Other Funds									
---	460 1,221 ^R	---	1,681	1,101	01	1,100	1,100	1,100	
---	<u>1,681</u>	---	<u>1,681</u>	<u>1,101</u>	Total All Other Funds	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	
5,267	2,658	187	8,112	6,234	GRAND TOTAL ALL FUNDS	6,283	6,024	6,024	

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

**DEPARTMENT OF AGRICULTURE
OVERVIEW**

The mission of the Department of Agriculture is to promote and provide high-quality, nutritious, abundant, safe, and affordable food and other agricultural products; improve the economic viability of the agricultural industry; foster opportunities for farm profitability; preserve and protect agricultural and natural resources; and provide leadership and excellence in services to New Jersey agriculture and to the general public.

The Department's goals are to preserve farms; protect producers and consumers by ensuring safe, high-quality agricultural products and services; support and expand profitable, innovative agricultural and food industry development; protect and conserve natural and agricultural resources; provide access to fresh and nutritious foods for children, the needy, and other New Jersey citizens; promote agricultural education awareness and involvement; and guarantee the delivery of quality services by a well-trained and motivated workforce. The State Agricultural Development Committee, which is in but not of the Department, administers the Farmland Preservation Program.

FY 2007 Budget Highlights

The Fiscal 2007 Budget for the Department of Agriculture totals \$26 million, this is an increase of \$3.1 million or 13.7% over the fiscal 2006 adjusted appropriation of \$22.9 million. The increase for Grants-in-Aid of \$3.4 million includes an appropriation of \$3 million as a Governor's initiative for the Food Assistance Program, \$1 million for capital improvements for storing food for food banks; the increase is offset by the elimination of \$300,000 in State funding for Soil and Water Conservation grants and the shift of \$250,000 from the Conservation Assistance Program to dedicated Corporation Business Tax funding in the Department of Environmental Protection. In addition, a capital appropriation of \$250,000 is recommended for new chromatographic diagnostic equipment. Finally, the Direct State Services recommended amount is being reduced by \$575,000, due to savings from salary and other non-salary administrative efficiencies.

Preservation and Conservation

The Farmland Preservation Program purchases development easements on farms and buys farmland outright for permanent preservation, helping to ensure a stable land base for agriculture while protecting the quality of life in communities throughout the State. It helps meet Smart Growth goals by keeping communities green, open, and productive. A total of 668 farms covering 53,150 acres have been preserved since 2002, including 44 farms covering 3,712 acres in the Pinelands and 135 farms covering 11,652 acres in the Highlands. In December 2002, New Jersey passed the 100,000-acre mark for farmland preservation, a milestone that has helped make the State a national leader in farmland preservation. In total, since the establishment of the Farmland Preservation Program in 1983, 1,302 farms covering 139,891 acres have been preserved statewide thanks to this program. 17% of New Jersey's 805,682 farmland acres have been preserved - a greater percentage than any other state.

The current Garden State Preservation Trust financing structure allows the State to minimize interest and debt service costs to taxpayers while maximizing the proceeds generated for this open space program. The Trust uses current interest and zero coupon bonds to expedite preservation of critical open space.

The Conservation Cost Share Program helps to improve the quality of New Jersey's waterways and groundwater by providing financial and technical assistance to farmers who implement conservation practices that control non-point source pollution. To maximize program assistance to farmers and provide increased environmental

benefits to the State, this funding is combined with the Federal Environmental Quality Incentive Program. In fiscal 2007, the Conservation Cost Share Program's funding of \$540,000 will be provided through the Corporation Business Tax (CBT) dedication for Watershed Management, which funds similar non-point source pollution projects in the Department of Environmental Protection.

Continuing Programs

To maximize the impact of the Jersey Fresh marketing campaign, the Department coordinates with the New Jersey Commerce, Economic Growth and Tourism Commission's fall advertising for travel and tourism as well as with the New Jersey State Lottery. In addition, funding of \$75,000 is provided in fiscal 2007 for Promotional Marketing Development matching grants to enable agricultural organizations to carve out their own Jersey Fresh niche, through such means as festivals and farm market promotional events.

The School Breakfast Program reimburses school districts that provide breakfast to students. The program will receive approximately \$3.9 million in fiscal 2007. The program is intended to augment an existing breakfast program by mandating participation by schools in which 20% or more of the students enrolled are eligible for a free or reduced price meal under the Federal School Lunch Program. The State Aid appropriations for the School Lunch Program will continue at \$7.4 million in fiscal 2007.

State Agriculture Development Committee (SADC)

The State Agriculture Development Committee (SADC) takes the lead in preserving New Jersey's farmland and promoting innovative approaches to maintaining the viability of agriculture. The SADC administers the Farmland Preservation Program, providing grants to counties, municipalities, and nonprofit groups to fund the purchase of development easements on farmland; directly purchasing farms and development easements from landowners; and offering grants to landowners in the program to fund up to 50% of the cost of soil and water conservation projects. It also administers the Right-to-Farm Program, oversees the Transfer of Development Rights Bank, and operates the Farm Link Program, which helps match farm owners with farmers seeking access to land and farming opportunities.

Department Accomplishments

The Department has increased surveillance to lower the incidence of Avian Influenza in live bird markets, following the outbreak of Low Pathogenic Avian Influenza (LPAI) in neighboring states. The Division of Animal Health implemented additional protective measures to prevent infected birds from entering the State. Since the LPAI program was initiated in New Jersey, the prevalence of infected live bird markets has dropped from 35% to as low as 1.4% in a given monitoring period. A monitored flock program was also created to allow residents a means to ensure that their birds are healthy and marketable. Furthermore, monitoring for LPAI provides for an immediate response if a more pathogenic strain of this virus is found in the State.

The Asian longhorned beetle was detected in Jersey City, Hudson County in 2002. The Department quarantined the site and the surrounding area within a 1-1/2 mile radius to prevent the beetle's spread. In 2003, over 13,000 host trees within the quarantine zone were inspected of which 461 host trees were removed under a joint state and federal eradication program, and 1,060 host trees were safeguarded with treatments. The Department worked with the New Jersey Department of Environmental Protection's Community Forestry Program and the U.S. Forest Service to garner funds to replant the trees that were removed. In August 2004, a significant Asian longhorned beetle infestation was found in Carteret and Woodbridge, Middlesex County and Rahway and Linden, Union County. To date, 10,658 host trees have been removed in the

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takedown zones. The New Jersey Forest Service managed the planting of 700 replacement trees in spring 2005. In July 2005, 5 new infested trees were found over a 16.5 square mile area. No new municipalities were added to the quarantine zone. Survey work is ongoing to determine the number of nearby high-risk host trees that will be removed as a result of the newly-found infested trees.

In an effort to promote healthier eating habits and combat obesity and childhood diseases, the Department proposed rule amendments and new rules concerning the Child Nutrition Program in June 2005. The Department, which administers the Federal School Breakfast and Lunch programs, developed a Model School Nutrition Policy to help school districts develop their own policies for replacing unhealthy foods with more nutritious options. School districts have until September 2007 to meet the nutrition standards, which are considered the most comprehensive in the nation, but must adopt their own district-wide nutrition policies by September 2006.

The Division of Food and Nutrition developed a web-based voucher payment system for sponsors participating in the Federal National School Lunch, School Breakfast, After School Snack, and Special Milk Programs. Historically, public and non-public schools participating in one or more of these programs would submit a paper optical-scan voucher to claim federal and State reimbursement for

meals and/or milk served to eligible students. Processing and receipt of payment under this system would take anywhere from 30 to 90 days after the end-of-the-month. Under the new web-based system, payments are made 5 to 10 days after claims. More than \$173 million in vouchers were processed through the web-based voucher system in the 2005 federal fiscal year.

The Department developed and adopted the Humane Standards for Livestock, the first comprehensive humane regulations strictly for livestock in the country. These standards use a holistic approach to determine if an animal is being treated in a humane manner. They ensure that practices that are taught in land grant universities, agricultural extension agencies, and schools of veterinary medicine are not deemed cruel. They will be modified as new science becomes available on the humane treatment and care of livestock. Since the adoption of these standards in June 2004, the Division of Animal Health has investigated over 80 alleged abuse cases.

An Aquatic Farmer License rule was adopted to establish a program to license the possession and ownership of aquatic stock. The rule establishes provisions to protect the environment, wild stocks, and the growing New Jersey aquaculture industry. To date, the Department has issued over 164 aquatic farmer licenses.

DEPARTMENT OF AGRICULTURE SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
GENERAL FUND								
9,123	2,257	683	12,063	11,403	Direct State Services	9,569	8,994	8,994
2,755	92	182	3,029	2,688	Grants-In-Aid	1,575	5,025	5,025
11,085	331	-48	11,368	10,345	State Aid	11,727	11,727	11,727
---	1,142	---	1,142	150	Capital Construction	---	250	250
22,963	3,822	817	27,602	24,586	Total General Fund	22,871	25,996	25,996
22,963	3,822	817	27,602	24,586	Total Appropriation, Department of Agriculture	22,871	25,996	25,996

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES - GENERAL FUND							
Agricultural Resources, Planning, and Regulation							
1,180	213	249	1,642	1,506	Animal Disease Control	1,315	1,315
1,889	596	-112	2,373	2,107	Plant Pest and Disease Control	2,220	2,090
1,024	338	560	1,922	1,855	Agriculture and Natural Resources	917	792
338	---	---	338	338	Food and Nutrition Services	338	338
2,309	1,110	-320	3,099	2,938	Marketing and Development Services	2,471	2,261
1,740	---	---	1,740	1,740	Farmland Preservation	1,740	1,740
643	---	306	949	919	Administration and Support Services	568	458
9,123	2,257	683	12,063	11,403	Subtotal	9,569	8,994
9,123	2,257	683	12,063	11,403	Total Direct State Services - General Fund	9,569	8,994
9,123	2,257	683	12,063	11,403	TOTAL DIRECT STATE SERVICES	9,569	8,994

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Orig. & (S)Supple- mental	Year Ending June 30, 2005					Year Ending June 30, 2007		
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
GRANTS-IN-AID - GENERAL FUND								
Agricultural Resources, Planning, and Regulation								
1,500	92	92	1,684	1,343	Agriculture and Natural Resources	1,200	950	950
---	---	---	---	---	Food and Nutrition Services	---	4,000	4,000
75	---	90	165	165	Marketing and Development Services	75	75	75
1,180	---	---	1,180	1,180	Farmland Preservation	300	---	---
<i>Subtotal</i>						<i>1,575</i>	<i>5,025</i>	<i>5,025</i>
<i>2,755</i>	<i>92</i>	<i>182</i>	<i>3,029</i>	<i>2,688</i>	<i>Total Grants-In-Aid - General Fund</i>			
<i>2,755</i>	<i>92</i>	<i>182</i>	<i>3,029</i>	<i>2,688</i>		<i>1,575</i>	<i>5,025</i>	<i>5,025</i>
TOTAL GRANTS-IN-AID						1,575	5,025	5,025
STATE AID - GENERAL FUND								
Agricultural Resources, Planning, and Regulation								
11,035	331	---	11,366	10,343	Food and Nutrition Services	11,677	11,677	11,677
---	---	---	---	---	Marketing and Development Services	---	---	---
50	---	-48	2	2	Farmland Preservation	50	50	50
<i>Subtotal</i>						<i>11,727</i>	<i>11,727</i>	<i>11,727</i>
<i>11,085</i>	<i>331</i>	<i>-48</i>	<i>11,368</i>	<i>10,345</i>	<i>Total State Aid - General Fund</i>			
<i>11,085</i>	<i>331</i>	<i>-48</i>	<i>11,368</i>	<i>10,345</i>		<i>11,727</i>	<i>11,727</i>	<i>11,727</i>
TOTAL STATE AID						11,727	11,727	11,727
CAPITAL CONSTRUCTION								
Agricultural Resources, Planning, and Regulation								
---	2	---	2	---	Plant Pest and Disease Control	---	250	250
---	1,140	---	1,140	150	Agriculture and Natural Resources	---	---	---
<i>Subtotal</i>						<i>---</i>	<i>250</i>	<i>250</i>
<i>---</i>	<i>1,142</i>	<i>---</i>	<i>1,142</i>	<i>150</i>	TOTAL CAPITAL CONSTRUCTION			
<i>---</i>	<i>1,142</i>	<i>---</i>	<i>1,142</i>	<i>150</i>		<i>---</i>	<i>250</i>	<i>250</i>
22,963	3,822	817	27,602	24,586	Total Appropriation, Department of Agriculture	22,871	25,996	25,996

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

49. AGRICULTURAL RESOURCES, PLANNING, AND REGULATION

OBJECTIVES

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Permanently preserve and retain the maximum amount of New Jersey farmland in order to maintain a viable agriculture and food industry and to promote smart growth and a high quality of life for New Jersey citizens. 2. To encourage and support stewardship of agricultural open land and other natural resources in order to protect and enhance fertile soils, clean water, and productive and healthy animal and plant resources. 3. To administer fair and effective regulatory, inspection, grading, and other quality assurance programs for food, agricultural products, and agricultural inputs. 4. To foster agricultural economic growth, profitability, and a positive business climate through technical and financial assistance, market development, and effective product and industry promotion. | <ol style="list-style-type: none"> 5. To implement food and nutrition assistance programs to maximize participation of eligible New Jersey citizens and strengthen agriculture's relationship with the food industry. 6. To ensure the sustainability of New Jersey's agricultural industry through agricultural education, youth development, training opportunities, and successful communication with the agricultural community, general public, and all levels of government. 7. To produce quality in all the Department does through a diverse, effectively managed, highly trained, and committed staff supported by efficient use of available technology and resources in a work environment that fosters excellence. |
|--|--|

PROGRAM CLASSIFICATIONS

01. **Animal Disease Control.** Resident and imported animals are subject to Department programs of disease detection, control, and eradication. These include surveys, periodic inspections, regular and special field and laboratory examinations,

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quarantines, slaughter of certain animals, disinfection, and related epidemiology. Programs and regulations are adjusted based on changes in the appearance and virulence of disease in and out of the State. The Division sets standards and issues licenses to livestock dealers, auctions, and biologic manufacturers and distributors in order to reduce the spread of infection. To prevent the introduction of exotic diseases not known to this country, it participates in the United States Department of Agriculture's (USDA) National Emergency Animal Disease Eradication Program. One phase involved is the licensing and supervision of the processing of food wastes fed to swine to prevent food borne disease. The Division takes the lead in working with the State's Domestic Security Taskforce in identifying potential terrorism threats related to the State's agricultural and agribusiness sectors.

In addition, the Division of Animal Health operates an animal health diagnostic laboratory to identify causes of disease.

02. **Plant Pest and Disease Control.** The food crop, forests, and other plant resources of the State are protected against injurious plant insects and diseases by programs of the Department. Surveys and investigations are conducted regularly to delineate and measure insect populations and disease problems. Major infestations are countered with carefully regulated chemical and/or biological control programs. Where beneficial insects or other parasites are known, the Department, through its beneficial insect rearing laboratory, mass produces and releases them into the agricultural or forest environment for pest control.

In cooperation with the USDA, the Department controls the movement of plant materials. All nurseries producing plant materials are inspected for pests and disease and must be free of both to qualify for certification.

Samples of agricultural and garden seed are randomly selected and tested for variety content, germination, and other labeled guarantees. Products which do not conform to label claims are removed from sale and violators are subject to penalty action and prosecution.

03. **Agriculture and Natural Resources.** This program is designed to maintain, conserve, and enhance New Jersey's rural and agricultural resources and to control erosion, sedimentation, and non-point sources of water pollution and storm water damage. The primary objective of this program is to improve agricultural productivity and New Jersey's agricultural business climate while maintaining environmental quality.

Soil and water resource management standards and regulations are promulgated and plans for soil erosion and sediment control are certified for land disturbance activities. Technical assistance is provided to landowners and public agencies through the State Soil Conservation Committee and local soil conservation districts. Cost sharing is provided to eligible farmland owners who install conservation systems.

The Division coordinates the implementation of the State's Aquaculture Development Act and coordinates the agricultural education and Future Farmers of America youth programs.

05. **Food and Nutrition Services.** This division, which consolidated the former Bureaus of Commodity Distribution and Child Nutrition Services, was created to more accurately reflect the mission of the organizational unit.

The Child Nutrition program consists of six components in public and non-public schools, residential and non-residential childcare institutions, day care centers, recreation centers, and other agencies that qualify for this aid. Program

responsibilities include developing, disseminating, evaluating, and approving all pertinent program documents required for participation; providing technical assistance in the areas of implementation, facilities improvement, and food service methods; on-site monitoring of programs for compliance with State and federal regulations; and providing financial assistance.

State and federal reimbursements are paid to school districts for part of the cost of school lunches and federal funds are paid to offset part of the cost of school breakfasts. In addition, non-school programs receive federal foods, especially for disadvantaged children.

The Commodity Distribution program requisitions, receives, handles, stores, and distributes federal surplus food made available by the United States Department of Agriculture for distribution to State, county and municipal institutions, schools, charitable and welfare organizations, and needy individuals. It also processes some of the federally-donated basic food commodities. Inspections are made in all organizations and institutions for compliance.

The Temporary Emergency Food Assistance Program (TEFAP) distributes federally-donated food commodities to needy citizens through a network of food centers, food banks, and food pantries.

06. **Marketing and Development Services.** This division, formerly the Division of Markets, was renamed as directed by the reorganization plan submitted by the Department to accurately reflect the intent of the organizational unit. The program conducts advertising, market development, and promotional activities to create a positive image of New Jersey's agricultural products and to increase consumer awareness and sales.

This "Jersey Fresh" Program, aimed at domestic and foreign consumers, assists New Jersey farmers in expanding their market share. Individual product promotions are also conducted by eight agricultural commodity councils.

Programs for the promotion of the New Jersey horse industry are conducted with funds derived from a small percentage of the pari-mutuel handle at both the thoroughbred and standard bred racetracks. Growth of the horse breeding industry is encouraged through monies awarded in the form of stakes purses and breeders awards. The continued growth and expansion of the Horse Park of New Jersey is supported.

This program also contains the Agricultural Chemistry Program, which determines compliance with the stated contents of animal feeds, fertilizers, and liming materials offered for sale for farm and non-farm use. Random inspections and analyses of raw material commodities and animal feeds are conducted to determine the presence of natural and anthropogenic contaminants and adulterants.

Through on-site inspections at agribusiness plants, consumers are assured a supply of the highest quality fresh fruits and vegetables, fish, shell eggs, and egg and poultry products. Official inspection and grading services are provided to farmers, packers, processors, and wholesale and retail markets under formal agreements with the United States Departments of Agriculture and Commerce.

The Dairy program is responsible for fostering a stable and competitive dairy industry, including the regulation and enforcement of the production, processing, distribution, and sales of fluid dairy products. In addition, this program licenses dealers who purchase milk from New Jersey farmers or who sell fluid dairy products to other dealers and to retail outlets. In order to be licensed, the dealers must post a bond

with the Secretary of Agriculture conditioned upon the payment of all amount due and owing to New Jersey farmers.

08. Farmland Preservation. The State Agriculture Development Committee (SADC) administers New Jersey's Farmland Preservation Program.

The Farmland Preservation Program compensates farm owners for their development rights if they deed restrict their farms against future development. The terms of these deed restrictions can be permanent or for as short a period as eight years. Future owners of permanently preserved farms must comply with all deed restrictions.

The SADC also coordinates a variety of programs with participating counties and farmland owners to protect important farmland in sufficient quantity and quality to foster long-term agricultural viability. It is also charged with specific right-to-farm responsibilities relating to agriculture.

99. Administration and Support Services. The State Board of Agriculture consists of eight farmers, elected at the annual Agricultural Convention. The Board is empowered to establish those programs, regulations, and policies it deems essential to accomplish responsibilities assigned to the Department. The Secretary of Agriculture serves as Secretary to the Board and Chief Executive of the Department, and is a member of the Governor's Cabinet. The Secretary is responsible for implementing State laws, regulations, and policies established by the Board of Agriculture.

The Secretary's office provides overall planning, coordination, and priority guidance for Department programs, policy and plan development, general hearing services, agricultural information services, and executive and legislative liaison. Department-wide general administrative services are provided, including services related to personnel and employee relations, fiscal control, management systems, and other administrative functions.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Animal Disease and Plant Pest and Disease Control				
Animal Disease Control:				
Regulatory licensing and fees	645	645	645	645
General, special, and other laboratory exams	48,000	48,000	48,000	48,000
Plant Pest and Disease Control:				
Nurseries and dealers certified free of plant pests	1,600	1,514	1,600	1,587
Nursery acreage certified free of plant pests	16,500	17,261	17,000	18,554
% of bee colonies found disease free (%)	99	99	98	97
% of seed meeting truth in labeling requirements (%)	95	95	95	95
Pounds of pesticide not applied	1,290,000	1,300,000	1,280,000	1,280,000
Forest and crop acreage stabilized biologically	995,000	995,000	992,000	992,000
Forested acres protected from gypsy moth infestations	4,577	---	656	27,203
Major exotic insect and plant disease field surveys	8	9	9	9
Agriculture and Natural Resources				
Aquaculture Production (lbs.)	43,000,000	43,000,000	44,000,000	44,000,000
Soil and Water Conservation Programs:				
Land protected from soil erosion and sedimentation during development (acres)	36,000	34,000	34,000	34,000
Farm acreage subject to non-point source pollution control efforts	445,000	448,000	455,000	455,000
Marketing and Development Services				
% agricultural inputs meeting label guarantees:				
Fertilizer (%)	88	89	90	88
Lime (%)	90	80	90	90
Feed (%)	92	95	90	95
Milk license financial disputes settled	111	161	175	175
Producers licensed to pack Jersey Fresh logo	258	287	285	300
Agricultural commodities inspected and graded (lbs.)	726,219,758	843,957,517	850,000,000	850,000,000
Impressions from Jersey Fresh advertising	150,000,000	200,000,000	200,000,000	200,000,000
Individual store outlets featuring New Jersey agricultural products	3,300	3,300	3,500	3,500
Racing mares bred	1,577	1,828	2,000	2,000
Food and Nutrition Services				
Temporary emergency food assistance program (lbs. delivered)	9,900,000	9,750,000	10,500,000	10,500,000
School lunch (lbs. delivered)	30,483,000	27,500,000	29,500,000	29,500,000
Farmland Preservation				
Cumulative acres permanently preserved	127,038	137,947	155,000	173,000
Cumulative farms permanently preserved	1,147	1,273	1,450	1,625
Eight year program (acres)	28,327	26,136	26,500	26,500
County/Municipal participation (\$)	37,439,567	39,065,180	38,000,000	39,000,000

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	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	20	19	19	21
Male Minority%	7.8	7.3	7.0	7.2
Female Minority	33	33	41	46
Female Minority%	12.9	12.7	15.0	16.0
Total Minority	53	52	60	67
Total Minority%	20.7	20.0	22.0	23.2
Position Data				
Filled Positions by Funding Source				
State Supported	150	150	150	144
Federal	54	54	60	71
All Other	50	51	53	65
Total Positions	254	255	263	280
Filled Positions by Program Class				
Animal Disease Control	22	24	23	28
Plant Pest and Disease Control	38	40	43	50
Agriculture and Natural Resources	26	25	25	25
Food and Nutrition Services	52	20	57	61
Marketing and Development Services	60	94	59	62
Administration and Support Services	25	23	24	23
Farmland Preservation	31	29	32	31
Total Positions	254	255	263	280

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimates for fiscal year 2007 reflect the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
1,180	213	249	1,642	1,506	01	1,315	1,315	1,315	
1,889	596	-112	2,373	2,107	02	2,220	2,090	2,090	
1,024	338	560	1,922	1,855	03	917	792	792	
338	---	---	338	338	05	338	338	338	
2,309	1,110	-320	3,099	2,938	06	2,471	2,261	2,261	
1,740	---	---	1,740	1,740	08	1,740	1,740	1,740	
643	---	306	949	919	99	568	458	458	
9,123	2,257	683	12,063	11,403		9,569^(a)	8,994	8,994	
Distribution by Fund and Object									
Personal Services:									
5,432	1,007 ^{60 R}	450	6,949	6,878		5,760	5,225	5,225	
5,432	1,067	450	6,949	6,878		5,760	5,225	5,225	
189	2	355	546	538		167	167	167	
296	10	177	483	461		251	211	211	
195	---	-6	189	175		195	195	195	

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Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Special Purpose:									
---	80 125 ^R	-69	136	---	Animal Disease Control	01	---	---	---
---	20 15 ^R	-15	20	---	Plant Pest and Disease Control	02	---	---	---
---	---	---	---	---	Asian Longhorned Beetle Monitoring	02	200	200	200
---	116 83 ^R	---	199	126	Beneficial Insect Laboratory	02	---	---	---
---	146 192 ^R	---	338	270	Stormwater Discharge Permit Fees	03	---	---	---
338	---	---	338	338	Temporary Emergency Food Assistance Program	05	338	338	338
826	177	-13	990	831	Promotion/Market Develop- ment	06	826	826	826
---	215 ^R	-215	---	---	Marketing and Development Services	06	---	---	---
90	---	---	90	90	Agricultural Right-to-Farm Program	08	90	90	90
1,650	---	---	1,650	1,650	Open Space Administrative Costs	08	1,650	1,650	1,650
18	---	---	18	18	Expenses of State Board of Agriculture	99	18	18	18
28	---	---	28	28	Affirmative Action and Equal Employment Opportunity	99	28	28	28
61	9	19	89	---	Additions, Improvements and Equipment		46	46	46
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
1,500	92	92	1,684	1,343	Agriculture and Natural Resources	03	1,200	950	950
---	---	---	---	---	Food and Nutrition Services	05	---	4,000	4,000
75	---	90	165	165	Marketing and Development Services	06	75	75	75
1,180	---	---	1,180	1,180	Farmland Preservation	08	300	---	---
2,755	92	182	3,029	2,688	Total Grants-in-Aid		1,575	5,025	5,025
Distribution by Fund and Object									
Grants:									
1,500	---	-298	1,202	1,197	Conservation Assistance Program	03	1,200	950	950
---	92	390	482	146	Conservation Cost Share Program	03	---	---	---
---	---	---	---	---	Food Assistance Program	05	---	3,000	3,000
---	---	---	---	---	Capital Improvements for Storing Food for Food Banks	05	---	1,000	1,000
75	---	---	75	75	Promotion/Market Develop- ment	06	75	75	75
---	---	90	90	90	New Jersey Museum of Agriculture	06	---	---	---
1,180	---	---	1,180	1,180	Soil and Water Conservation Grants	08	300	---	---

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Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
STATE AID									
Distribution by Fund and Program									
11,035	331	---	11,366	10,343	Food and Nutrition Services	05	11,677	11,677	11,677
50	---	-48	2	2	Farmland Preservation	08	50	50	50
11,085	331	-48	11,368	10,345	Total State Aid		11,727	11,727	11,727
Distribution by Fund and Object									
State Aid:									
3,212	54 ^R	---	3,266	2,644	School Breakfast - State Aid Grants	05	3,854	3,854	3,854
439	---	---	439	439	Non-Public Nutrition Aid - State Aid Grants	05	439	439	439
7,384	277 ^R	---	7,661	7,260	School Lunch Aid - State Aid Grants	05	7,384	7,384	7,384
50	---	-48	2	2	Payments in Lieu of Taxes	08	50	50	50
CAPITAL CONSTRUCTION									
Distribution by Fund and Program									
---	2	---	2	---	Plant Pest and Disease Control	02	---	250	250
---	1,140	---	1,140	150	Agriculture and Natural Resources	03	---	---	---
---	1,142	---	1,142	150	Total Capital Construction		---	250	250
Distribution by Fund and Object									
Division of Plant Industry									
---	---	---	---	---	Chromatographic Diagnostic Equipment	02	---	250	250
---	2	---	2	---	Renovations to Phillip Alampi Beneficial Insect Laboratory	02	---	---	---
State Agriculture Development Commission									
---	1,140	---	1,140	150	Direct Easement	03	---	---	---
22,963	3,822	817	27,602	24,586	Grand Total State Appropriation		22,871	25,996	25,996

OTHER RELATED APPROPRIATIONS

Federal Funds									
18					Animal Disease Control	01	718	682	682
411 ^S	362	118	909	419	Plant Pest and Disease Control	02	1,473	2,743	2,743
1,270	516	---	3,723	2,872	Agriculture and Natural Resources	03	---	---	---
1,937 ^S	183	-25	244	235	Dairy and Commodity Regulation	04	---	---	---
25	107	---	107	107	Food and Nutrition Services	05	271,534	300,177	300,177
61 ^S	---	---	---	---	Marketing and Development Services	06	508	429	429
---	703	---	703	703	Commodity Distribution	07	---	---	---
248,329	882	---	6,882	528	Farmland Preservation	08	12,301	9,429	9,429
112 ^S	---	---	---	---	Total Federal Funds		286,534	313,460	313,460
399	-1,529	70	---	---	All Other Funds				
1,060 ^S	703	---	703	703	Animal Disease Control	01	153	153	153
---	882	---	6,882	528	Plant Pest and Disease Control	02	323	372	372
259,622	1,224	163	261,009	223,900	Agriculture and Natural Resources	03	325	325	325
---	531	-531	---	---	Dairy and Commodity Regulation	04	---	---	---
---	2,132 ^R	744	2,876	1,596	Food and Nutrition Services	05	1,516	1,516	1,516

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Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
OTHER RELATED APPROPRIATIONS									
---	2,271 7,008 ^R	553	9,832	6,977	Marketing and Development Services	06	7,733	7,658	7,658
---	737 21 ^R	-744	14	---	Commodity Distribution	07	---	---	---
---	650 ^R	---	650	651	Farmland Preservation	08	900	740	740
---	16	---	16	2	Administration and Support Services	99	---	---	---
---	<u>13,470</u>	<u>35</u>	<u>13,505</u>	<u>9,276</u>	<i>Total All Other Funds</i>		<u>10,950</u>	<u>10,764</u>	<u>10,764</u>
<u>282,585</u>	<u>18,516</u>	<u>1,015</u>	<u>302,116</u>	<u>257,762</u>	GRAND TOTAL ALL FUNDS		<u>320,355</u>	<u>350,220</u>	<u>350,220</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of the salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

- Receipts from laboratory test fees are appropriated to support the Animal Health Laboratory program. The unexpended balance at the end of the preceding fiscal year in the Animal Health Laboratory receipt account is appropriated for the same purpose.
- Receipts from the seed laboratory testing and certification programs are appropriated for program costs. The unexpended balance at the end of the preceding fiscal year in the seed laboratory testing and certification receipt account is appropriated for the same purpose.
- Receipts from Nursery Inspection fees are appropriated for Nursery Inspection program costs. The unexpended balance at the end of the preceding fiscal year in the Nursery Inspection program is appropriated for the same purpose.
- Receipts from the sale or studies of beneficial insects are appropriated to support the Beneficial Insect Laboratory. The unexpended balance at the end of the preceding fiscal year in the Sale of Insects account is appropriated for the same purpose.
- Receipts from Stormwater Discharge Permit program fees are appropriated for program costs. The unexpended balance at the end of the preceding fiscal year in the Stormwater Discharge Permit Program account is appropriated for the same purpose.
- Receipts from dairy licenses and inspections are appropriated for program costs.
- Receipts in excess of the amount anticipated from feed, fertilizer, and liming material registrations and inspections are appropriated for program costs.
- Receipts from agriculture chemistry fees not to exceed \$75,000 shall be available to support the organic certification program.
- Receipts from inspection fees derived from fruit, vegetable, fish, red meat, and poultry inspections are appropriated for the cost of conducting fruit, vegetable, fish, and poultry inspections.
- An amount equal to receipts generated at the rate of \$.47 per gallon of wine, vermouth, and sparkling wine sold by plenary winery and farm winery licensees issued pursuant to R.S.33:1-10, and certified by the Director of the Division of Taxation, are appropriated to the Department of Agriculture from the alcoholic beverage excise tax for expenses of the Wine Promotion Program.
- Receipts derived from the distribution of commodities, sale of containers, and salvage of commodities, in accordance with applicable federal regulations, are appropriated for Commodity Distribution expenses.
- Notwithstanding any other law to the contrary, the amount hereinabove for the Open Space Administrative Costs account is transferred from the Garden State Farmland Preservation Trust Fund to the General Fund, together with an amount not to exceed \$125,000, and is appropriated to the Department of Agriculture for the State Agriculture Development Committee's administration of the Farmland Preservation program subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance at the end of the preceding fiscal year in the Promotion/Market Development Account is appropriated for the same purpose.
- Notwithstanding any other law to the contrary, an amount not to exceed \$200,000 shall be transferred from the appropriate funds established in the Open Space Preservation Bond Act of 1989, P.L.1989, c.183, to the State Transfer of Development Bank account and is appropriated to the State Agriculture Development Committee for Transfer of Development Rights administrative costs.
- Receipts derived from the surcharge on vehicle rentals pursuant to section 54 of P.L. 2002, c.34 (C.App.A:9-78), not to exceed \$278,000, are appropriated to support the Agro-Terrorism program within the Department of Agriculture.
- Receipts from organic program fees are appropriated for program costs.

Language Recommendations -- Grants-In-Aid - General Fund

- The expenditure of funds for the Conservation Cost Share program shall be based upon an expenditure plan subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any law to the contrary, \$540,000 shall be transferred from the Department of Environmental Protection's Water Resources Monitoring and Planning - Constitutional Dedication special purpose account to support the Conservation Cost Share program in the Department of Agriculture on or before September 1, 2005. Further additional sums may be transferred pursuant to a Memorandum of Understanding between the Department of Environmental Protection and the Department of Agriculture, from the

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Department of Environmental Protection's Water Resources Monitoring and Planning - Constitutional Dedication account to support non-point source pollution control programs in the Department of Agriculture, subject to the approval of the Director of the Division of Budget and Accounting. The unexpended balance of this program at the end of the preceding fiscal year is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, the State Agriculture Development Committee, in determining eligibility for funding from the amount hereinabove appropriated for Soil and Water Conservation projects, shall give consideration to applications pursuant to the following priority: a. lands from which a development easement has been permanently conveyed pursuant to section 17 of P.L.1983, c.32 (C.4:1C-24), section 5 of P.L.1988, c.4 (C.4:1C-31.1), section 39 of P.L.1999, c.152 (C.13:8C-39), section 40 of P.L.1999, c.152 (C.13:8C-40) or section 1 of P.L.1999, c.180 (C.4:1C-43.1); b. lands certified by the State Agriculture Development Committee to be within a municipally approved program or other farmland preservation program on or before January 1, 2006 pursuant to P.L.1983, c.32; c. lands certified by the State Agriculture Development Committee to be within a municipally approved program or other farmland preservation program subsequent to January 1, 2006 pursuant to P.L.1983, c.32.

Of the amounts appropriated hereinabove for the Conservation Assistance Program, an amount not to exceed \$750,000 is allocated for the administrative expenses of the Conservation Assistance Program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year in the Conservation Assistance Program are appropriated for the same purpose.

Notwithstanding any law to the contrary, \$250,000 shall be transferred from the Department of Environmental Protection's Corporate Business Tax receipts and is appropriated for the Animal Waste Management program of the Conservation Assistance Program in the Division of Agriculture and Natural Resources in the Department of Agriculture.

Language Recommendations -- State Aid - General Fund

The unexpended balances at the end of the preceding fiscal year in the School Breakfast - State Aid Grants Account are appropriated for the same purpose.

Of the amount hereinabove appropriated for the Department of Agriculture, such sums as the Director of the Division of Budget and Accounting shall determine from the amount listed under School Nutrition in the Department of Agriculture schedule included in the Governor's Budget Message, first shall be charged to the State Lottery Fund.

The unexpended balances at the end of the preceding fiscal year in the School Lunch and Non-Public Nutrition Aid - State Aid Grants Accounts are appropriated for the same purpose.

**DEPARTMENT OF BANKING AND INSURANCE
OVERVIEW**

The mission of the Department of Banking and Insurance is to regulate the banking, insurance, and real estate industries in a professional and timely manner that protects and educates consumers and promotes the growth, financial stability, and efficiency of those industries.

The Department’s goals are to ensure the solvency of the financial institutions through regular financial examinations and analysis; to protect the public from unlawful or unfair practices by insurers, financial institutions, and real estate licensees by promptly investigating complaints filed by consumers and aggressively prosecuting violators; to issue licenses to qualified individuals and companies to provide banking, insurance, and real estate services to New Jersey citizens; to improve the efficient and effective review of insurance rates and forms; and to apply technology, where appropriate, to more effectively interact with the public and regulated industries.

FY 2007 Budget Highlights

The Fiscal 2007 Budget for the Department of Banking and Insurance totals \$68 million and remains essentially unchanged from fiscal 2006. Two offsetting factors impacted the fiscal 2007 appropriation: lower salary and related administrative costs, in addition to the elimination of funded vacancies and attrition contributed \$1.9 million in reductions. This reduction was partially offset by an increase of \$1.8 million that represents the movement of 21 managed care positions from the Department of Health & Senior Services to the Department of Banking and Insurance, pursuant to Reorganization Plan #005-2005. In addition to its central mission of regulating the banking, insurance, and real estate industries, \$29.9 million of the Department’s budget is used to fund the activities of the Office of the Insurance Fraud Prosecutor in the Department of Law & Public Safety.

Consumer Protection

The Enforcement Unit and the Ombudsman’s Office answer and investigate complaints about insurance issues from consumers and take action against companies that have behaved improperly. In fiscal 2005, these units, along with the Office of Consumer Finance and Real Estate Commission, recovered more than \$11 million for consumers and collected more than \$3.1 million in fines. In the first three quarters of fiscal 2006, the Department recovered nearly \$8.8 million and collected fines of more than \$2.2 million.

Department Accomplishments

The continuing progress of the auto insurance reform initiative codified in P.L.2003, c.89, resulted in the entrance of AMEX Assurance Company and the Progressive Group of Companies into the New Jersey auto insurance marketplace and economy. Eight of the top ten national companies now write business in New Jersey. Since calendar year 2003, 76% of New Jersey drivers have received rate reductions and special dividends of more than \$436 million.

Fiscal 2006 saw the initial payments from the Medical Malpractice Liability Insurance Subsidy, provided for in the “New Jersey Medical Care and Responsibility and Patients First Act” of 2004. The Department distributed over \$13 million to more than 1,200 eligible physicians in high-risk specialties and subspecialties to assist in payment of medical malpractice insurance premiums.

P.L.2005, c.199 establishes assessment-based dedicated funding of the Division of Banking, beginning in fiscal 2007. The legislation not only provides a stable source of funding for the Division, but also will result in advantages for the financial services industry, including lower costs for licensed lenders and the elimination of fees that are now part of the assessment.

**DEPARTMENT OF BANKING AND INSURANCE
SUMMARY OF APPROPRIATIONS BY FUND
(thousands of dollars)**

Orig. & (S)Supplemental	Year Ending June 30, 2005			Expended		Year Ending June 30, 2007		
	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available			2006 Adjusted Approp.	Requested	Recommended
67,703	7,686	---	75,389	64,386	GENERAL FUND			
					Direct State Services	68,033	67,965	67,965
67,703	7,686	---	75,389	64,386	Total General Fund	68,033	67,965	67,965
67,703	7,686	---	75,389	64,386	Total Appropriation,			
					Department of Banking and Insurance	68,033	67,965	67,965

BANKING AND INSURANCE

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & Supplemental	Reapp. & Recpts.	Transfers & Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES - GENERAL FUND								
Economic Regulation								
15,992	244	167	16,403	16,039	Consumer Protection Services and Solvency Regulation	17,234	17,880	17,880
5,820	33	-464	5,389	5,226	Actuarial Services	6,194	6,344	6,344
3,151	46	1	3,198	2,934	Regulation of the Real Estate Industry	3,151	3,009	3,009
1,844	8	---	1,852	1,825	Public Affairs, Legislative and Regulatory Services	2,012	1,971	1,971
---	---	---	---	---	Unsatisfied Claims	---	---	---
32,976	36	---	33,012	29,739	Insurance Fraud Prevention	31,976	31,747	31,747
3,600	6,321	-343	9,578	3,627	Supervision and Examination of Financial Institutions	3,547	3,404	3,404
---	987	---	987	187	Pinelands Development Credit Bank	---	---	---
4,320	11	639	4,970	4,809	Administration and Support Services	3,919	3,610	3,610
67,703	7,686	---	75,389	64,386	<i>Subtotal</i>	68,033	67,965	67,965
67,703	7,686	---	75,389	64,386	<i>Total Direct State Services - General Fund</i>	68,033	67,965	67,965
67,703	7,686	---	75,389	64,386	TOTAL DIRECT STATE SERVICES	68,033	67,965	67,965
67,703	7,686	---	75,389	64,386	<i>Total Appropriation, Department of Banking and Insurance</i>	68,033	67,965	67,965

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

52. ECONOMIC REGULATION

OBJECTIVES

- To ensure fair and equitable treatment of the public by financial institutions.
- To inform and educate the public concerning financial matters.
- To protect the public from financial loss resulting from the failure of financial and consumer credit institutions.
- To ensure that fair and equitable insurance markets exist to provide reliable insurance coverage.
- To improve the efficiency and responsiveness of the prior approval rate making process.
- To protect the public from unlawful or unfair practices by insurance or real estate agents, brokers, solicitors, and salespersons.
- To provide research and legislative support for new or revised legislation and regulations which will ensure equitable pricing and reasonable underwriting standards.
- To examine, monitor, and investigate the affairs of insurance companies, banks, and consumer finance companies authorized to do business in New Jersey.
- To aggressively combat insurance fraud through prevention, investigations, and prosecution.
- To oversee the provision of services by managed care organizations, develop analytical data on managed care quality, and outcome measures for dissemination to the public,

manage external appeals of managed care denials of care, and investigate consumer complaints.

PROGRAM CLASSIFICATIONS

- Consumer Protection Services and Solvency Regulation.** Insurance companies, brokers, and agents are licensed to engage in the business of insurance in the State. Companies are examined periodically for solvency and compliance with statutes and regulations and market conduct with regard to treatment of consumers. In instances of serious financial problems or insolvency, domiciled firms may be placed under the Department's jurisdiction as the rehabilitator or liquidator. The Office of the Ombudsman investigates direct property-casualty claims settlements to determine the appropriate disposition of claims. As a result of complaints and investigations, the Department may fine licensees and suspend or revoke licenses.

Responsible for the chartering of commercial banks, savings banks, credit unions, and savings and loan associations which operate in New Jersey. Responsible for investigating complaints against these institutions and/or licensees. Responsible for the licensing of all consumer credit lenders and vendors of credit as well as mortgage bankers and financial institutions and performs the necessary statistical, economic, and demographic research to determine the merits of these applications. Responsible for review and development of regulations, which includes regulating managed care

organizations, addressing consumer complaints, and assessing the performance of Health Maintenance Organizations.

- 02. **Actuarial Services.** Reviews insurance policies and other insurance forms relating to individual and group accident health, life, property and liability insurance; regulates compliance with the rating law for property and liability insurance; verifies and analyzes liability calculations of domestic life and health insurers; participates with the Department of Health and Senior Services in regulating the financial aspects of health care facilities; and determines reasonableness of benefits provided in relation to premium charged.
- 03. **Regulation of the Real Estate Industry.** Ensures that members of the industry comply with existing statutes and regulations; investigates and resolves complaints; conducts hearings involving violations and improper practices; registers and regulates out-of-state land sales arranged through New Jersey brokers; inspects brokers' offices; examines and licenses brokers and salespersons; and maintains a directory of licensees and publishes bulletins.
- 04. **Public Affairs, Legislative and Regulatory Services.** Promulgates regulations and monitors proposed legislation and legal issues affecting the regulation of the banking, insurance, and real estate industries for the Department; publishes a quarterly newsletter and consumer booklets and provides consumer educational outreach programs; researches policy questions and investigates consumer issues.
- 06. **Insurance Fraud Prevention.** The Office of the Insurance Fraud Prosecutor thoroughly and aggressively investigates allegations of insurance fraud in order to fully develop the facts of each case and thus determine whether criminal prosecution, civil fraud enforcement, or administrative professional licensing enforcement are required. Activities of State and local law enforcement and regulatory agencies are coordinated to develop a statewide enforcement strategy addressing insurance fraud in its many forms. Information is

collected and analyzed about persons and entities engaging in insurance fraud related conduct to assist the prosecution in criminal, civil, or administrative forums. Fines are assessed with restitution made to insurance carriers. Activities related to Fraud Prevention are handled as part of a company's market conduct exam, including audits of fraud prevention and detection plans. Collection of all civil penalties related to insurance fraud and training for industry groups and law enforcement groups are also handled by the Department.

- 07. **Supervision and Examination of Financial Institutions.** Responsible for the supervision and examination of State chartered commercial banks, savings banks, credit unions, and savings and loan associations, as well as consumer credit associations such as check cashers, check sellers, insurance premium finance companies, pawnbrokers, secondary mortgage loan companies, and foreign money remitters. Ensures compliance with the mortgage loan discrimination statute (C17:16F et seq.). Regulates, supervises, and examines mortgage bankers and brokers (C17:11B-1 et seq.). Determines financial and legal compliance with all applicable statutes and regulations and takes appropriate legal and regulatory action to ensure compliance with existing statutes and regulations. Responsible for the examination of bank holding companies (C17:9A-1 et seq.) and savings and loan holding companies (C17:12B-281 et seq.).
- 08. **Pinelands Development Credit Bank.** Empowered to purchase and sell Pinelands development credits in accordance with the Comprehensive Management Plan for the Pinelands, thus preserving the resources of this area and accommodating regional growth in an orderly fashion.
- 99. **Administration and Support Services.** Directs the activities of the Department and provides administrative and support services. The Office of the Commissioner provides legislative and policy guidance to programs within the Department and coordinates all regulatory and legislative initiatives with the Legislature, Executive Branch, and the financial community.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Consumer Protection Services and Solvency Regulation				
Consumer Credit Associations - Banking				
Licenses issued	6,732	8,061	6,700	6,700
Associations subject to examination	2,262	2,172	2,200	2,200
Examinations conducted	384	336	365	415
Consumer Complaints				
Received	2,577	2,450	2,100	2,200
Completed	2,430	2,215	2,100	2,200
Inquiries and Referrals	732	700	745	865
Insurance Licensing				
Licenses issued	37,778	38,014	42,000	43,000
Candidates examined	18,480	13,432	13,500	14,000
Phone inquiries handled	38,111	34,951	35,000	40,000
Number of Insurance Companies and Regulated Entities	1,827	1,830	1,916	1,950
Field financial exams	27	30	24	24
Office analysis of companies - exams	554	554	600	625

BANKING AND INSURANCE

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Insurance Consumer Assistance				
Complaints received	12,035	10,226	10,500	10,500
Complaints resolved	10,714	13,648	10,500	10,500
Inquiries handled	62,980	63,758	57,200	54,200
Market analysis of companies	---	102	150	175
Companies data audited	16	20	25	25
Funds recovered on behalf of complainants	\$5,486,152	\$5,143,363	\$4,500,000	\$4,500,000
Actuarial Services				
Property and Casualty				
Commercial lines filings	1,871	2,139	2,200	2,300
Personal lines filings	857	774	900	925
Individual risk filings	14	18	20	22
Consent-to-rate filings	12	10	15	16
Authorization filings	115	107	125	130
Excess profits filings	49	47	49	50
Statistical filings	175	175	175	175
Surveys	598	598	600	600
Record requests	323	361	400	425
Complaints/inquiries	360	285	300	325
Life and Health				
Policy forms processed	25,952	23,258	26,000	28,000
Dental rate filings	134	195	200	200
HMO filings	87	23	20	20
Office of Managed Care				
Written complaints	811	608	966	1,000
Phone complaints/inquiries	2,936	1,200	1,614	1,700
Independent Utilization Review Organization	394	322	462	600
Eligible/forwarded requests	284	229	326	500
Ineligible/returned requests	110	93	136	125
Regulation of the Real Estate Industry				
Licensed brokers and salespersons	86,259	87,050	87,500	88,000
Candidates examined	20,297	20,500	20,700	20,900
Broker offices	660	675	690	705
Offices inspected	280	290	300	310
Complaints investigated	2,935	3,000	3,100	3,200
Licensed schools	121	131	135	139
Licensed instructors	220	247	260	272
Public Affairs, Legislative and Regulatory Services				
OAL submissions	119	124	116	125
Bulletins and orders issued	127	102	100	125
Written inquiries handled	926	588	616	650
Services of process handled	953	899	846	900
Newsletters and booklets published	48	70	76	76
Insurance Fraud Prevention				
Market conduct examinations	15	9	9	10
Civil fines collected	\$2,133,250	\$4,873,550	\$4,000,000	\$4,000,000
Restitution of fraudulently obtained dollars	\$88,071	\$69,606	\$78,000	\$78,000
Type of cases investigated (%)				
Auto	77%	66%	72%	72%
Health	8%	9%	8%	8%
Workers' compensation	3%	4%	3%	3%
Homeowners	2%	4%	3%	3%
Commercial	2%	3%	2%	2%
All other	8%	14%	12%	12%
New investigations referred	8,821	7,266	7,700	7,700
Pending investigations	6,536	5,082	5,700	5,700

BANKING AND INSURANCE

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Supervision and Examination of Financial Institutions				
State Chartered Institutions				
Banks and Savings and Loans	98	94	97	98
Examinations conducted	39	39	41	41
Bank Holding Companies	15	11	19	20
Specialty examinations	56	31	44	59
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	48	50	52	55
Male Minority %	9.6	10.1	10.5	11.1
Female Minority	97	99	105	110
Female Minority %	19.4	19.9	21.1	22.1
Total Minority	145	149	157	165
Total Minority %	29.0	30.0	31.6	33.2
Position Data				
Filled Positions by Funding Source				
State Supported	4	4	3	4
All Other	478	495	498	501
Total Positions	482	499	501	505
Filled Positions by Program Class				
Consumer Protection Services and Solvency Regulation	206	226	236	243
Actuarial Services	69	72	73	72
Regulation of the Real Estate Industry	44	45	45	45
Public Affairs, Legislative and Regulatory Services	26	28	30	31
Unsatisfied Claims	14	---	---	---
Insurance Fraud Prevention	27	27	23	23
Supervision and Examination of Financial Institutions	41	39	36	41
Pinelands Development	---	4	3	4
Administration and Support Services	55	58	55	46
Total Positions (a)	482	499	501	505

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimates for fiscal year 2007 reflect the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

(a) Per executive Reorganization Plan No. 005-2005, the total positions listed for fiscal year 2007 reflect the transfer of 21 Managed Care positions from the Department of Health and Senior Services.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
15,992	244	167	16,403	16,039					
					01	17,234	17,880	17,880	
5,820	33	-464	5,389	5,226	02	6,194	6,344	6,344	
3,151	46	1	3,198	2,934	03	3,151	3,009	3,009	
1,844	8	---	1,852	1,825	04	2,012	1,971	1,971	
32,976	36	---	33,012	29,739	06	31,976	31,747	31,747	
3,600	6,321	-343	9,578	3,627	07	3,547	3,404	3,404	

BANKING AND INSURANCE

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
---	987	---	987	187				
4,320	11	639	4,970	4,809	08	---	---	---
					99	3,919	3,610	3,610
67,703	7,686	---	75,389	64,386		68,033 (a)	67,965	67,965
Distribution by Fund and Object								
Personal Services:								
29,532	---	790	30,322	30,173				
						31,643	31,519	31,519
29,532	---	790	30,322	30,173		31,643	31,519	31,519
317	---	-14	303	275		332	332	332
5,009	---	58	5,067	4,919		5,340	5,396	5,396
203	---	20	223	208		211	211	211
Special Purpose:								
---	179	---	210	---	01	---	---	---
	31 R							
711	---	---	711	633	01	---	---	---
600	---	-464	136	35	02	600	600	600
29,877	---	---	30,877	27,750	06	29,877	29,877	29,877
1,000 S	---	---						
---	400	---	5,934	---	07	---	---	---
	5,921 R	-387						
---	987	---	987	187	08	---	---	---
30	---	---	30	29	99	30	30	30
424	168	-3	589	177		---	---	---
67,703	7,686	---	75,389	64,386		68,033	67,965	67,965
OTHER RELATED APPROPRIATIONS								
Federal Funds								
---	---	170	170	---	07	---	---	---
---	---	170	170	---		---	---	---
All Other Funds								
---	150	---	515	401	01	445	445	445
	365 R							
---	71 R	---	240	31	03	51	51	51
---	---	---	---	---	07	400	400	400
---	755	---	755	432		896	896	896
67,703	8,441	170	76,314	64,818		68,929	68,861	68,861

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.
- (b) Appropriation of \$711,000 for the Ombudsman Program has been reallocated to the Consumer Protection Services and Solvency Regulation salary account.

Language Recommendations -- Direct State Services - General Fund

Receipts derived from extraordinary financial condition examinations or actuarial certifications of loss reserves are appropriated for the conduct of such examinations or certifications, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Public Adjusters' Licensing account, together with receipts derived from the "Public Adjusters' Licensing Act," P.L. 1993, c. 66 (C.17:22B-1 et seq.), are appropriated for the administration of the act, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from the investigation of out-of-State land sales are appropriated for the conduct of those investigations.

There are appropriated from the Real Estate Guaranty Fund such sums as may be necessary to pay claims.

There are appropriated from the assessments imposed by the New Jersey Individual Health Coverage Program Board, created pursuant to P.L. 1992, c. 161 (C.17B:27A-2 et seq.), and by the New Jersey Small Employer Health Benefits Program Board, created pursuant to P.L. 1992, c. 162 (C.17B:27A-17 et seq.), those sums as may be necessary to carry out the provisions of those acts, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of anticipated revenues from examination and licensing fees, bank assessments, fines and penalties, and the unexpended balances at the end of the preceding fiscal year, not to exceed \$400,000, are appropriated to the Division of Banking, subject to the approval of the Director of the Division of Budget and Accounting.

Proceeds from the sale of credits by the Pineland Development Credit Bank pursuant to P.L.1985, c.310 (C.13:18A-30 et. seq.) shall be appropriated to the Pineland Development Credit Bank for the same purpose.

The unexpended balance at the end of the preceding fiscal year in the Pinelands Development Credit Bank account is appropriated for the same purpose.

In addition to the amounts appropriated hereinabove, such other sums as the Director of the Division of Budget and Accounting shall determine, are appropriated from the assessments of the insurance industry pursuant to P.L. 1995, c. 156 (C.17:1C-19 et seq.) and from the assessments of the banking and consumer finance industries pursuant to P.L. 2005, c.199 (C.17:1C-33 et seq.) for the purpose of implementing the requirements of those statutes.

The amount hereinabove for the Division of Insurance accounts is payable from receipts received from the Special Purpose Assessment of insurance companies pursuant to section 2 of P.L.1995, c.156 (C.17:1C-20). If the Special Purpose Assessment cap calculation is less than the amount herein appropriated for this purpose for the Division of Insurance, the appropriation shall be reduced to the level of funding supported by the Special Purpose Assessment cap calculation.

All monies deposited in the Division of Motor Vehicles Surcharge Fund are appropriated to the Market Transition Facility Revenue Fund in accordance with the provisions of P.L. 1994, c. 57 (C.34:1B-21.1 et seq.).

The amount hereinabove appropriated for FAIR Act Administration shall be funded from the additional taxes on the taxable premiums of insurers for the payment of Department of Banking and Insurance administrative costs related to its statutory duties, pursuant to P.L. 1990, c. 8 (C.17:33B-1 et al.).

There is appropriated such sums as are necessary to fund the administrative costs of the New Jersey Hospital Care Payment Commission pursuant to P.L.2003, c. 112, (C.17B:30-41 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provision of any other law to the contrary, such sums as the Director of the Division of Budget and Accounting determines are necessary for the administrative costs associated with the "New Jersey Medical Care Access and Responsibility and Patients First Act," P.L. 2004, c.17 (C.2A:53A-37 et al.), are appropriated from the Medical Malpractice Liability Insurance Premium Assistance Fund. Such other sums as the Director of the Division of Budget and Accounting shall determine as necessary on behalf of State employees are appropriated to the Interdepartmental, Unemployment Insurance Liability account for deposit in the Medical Malpractice Liability Insurance Premium Assistance Fund. If annual receipts deposited in the Medical Malpractice Liability Insurance Premium Assistance Fund are higher or lower than the amounts projected for specific spending categories in the "New Jersey Medical Care Access and Responsibility and Patients First Act," the difference shall be pro-rated among those categories in the same proportion as established in section 27 of P.L.2004, c.17 (C.17:30D-29).

NOTES

DEPARTMENT OF CHILDREN AND FAMILIES
OVERVIEW

Budget Highlights

The Fiscal 2007 Budget for the Department of Children and Families (DCF) totals \$974.8 million, an increase of \$235.6 million in State funds over the fiscal 2006 adjusted appropriation of \$739.3 million for the Department of Human Services' (DHS) Office of Children Services. The increase of \$235.6 million includes \$113.5 million of funds reallocated from DHS. This increase of \$235.6 million will be dedicated entirely to child welfare services and operations, with no new funding dedicated to costs associated with establishing the new Department of Children and Families. Cost savings achieved through creating greater efficiencies in the full DHS budget will cover funding required to separate the operation of the two departments.

Establishment of the Department of Children and Families

This Budget reflects Governor Corzine's commitment to helping those who cannot help themselves, and children are central to that commitment. New Jersey's child welfare system has been in a state of crisis. Nearly three years ago, the State settled a federal class action lawsuit alleging the system's failures placed children at risk of harm. Almost two years ago, the State submitted a comprehensive plan to reform all aspects of the child welfare system, which has been monitored by a panel of national child welfare experts appointed by the federal court.

The panel has determined in its monitoring reports to date that implementation of the reform plan has been unacceptable in certain respects. If there is any area that should be marked by urgency, this is it. The stakes for the most vulnerable New Jerseyans could not be higher. A meaningful part of the problem has been that the child

welfare system is embedded in one of the largest agencies in State government, the Department of Human Services (DHS). DHS is responsible, in addition to child welfare, for the enormous Temporary Assistance for Needy Families and Medicaid programs; services for persons with developmental disabilities, including the publicly-operated developmental centers; mental health programs, including public psychiatric hospitals; addictions treatment and prevention; and a host of other critical programs for disabled and vulnerable New Jerseyans.

Aggressive reform of the child welfare system requires focus that is not possible under the current structure. New Jersey needs a Cabinet agency devoted exclusively to the State's most vulnerable children and families. In addition, Human Service clients, such as those with disabilities and mental illness, will greatly benefit from a streamlined DHS with a smaller, more focused purview. Governor Corzine looks forward to working cooperatively with the Legislature to make the necessary statutory changes to create the New Jersey Department of Children and Families (DCF) to provide this focus for both populations.

Because results must be achieved quickly, DCF will begin on July 1st, and initially be composed only of the divisions in DHS focused on child protection, welfare, education and permanency, child behavioral health, and abuse prevention. A new interim body, the Governor's Task Force on Human Service Restructuring, will be empanelled to evaluate existing resources within State government and to make recommendations for efficiency and alignment of resources to improve services in the areas of child welfare in DCF and for vulnerable residents being served by DHS. Structural change will not be a panacea, but it is an essential element of success in an area in which failure is not an option.

DEPARTMENT OF CHILDREN AND FAMILIES
SUMMARY OF APPROPRIATIONS BY FUND
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended
230,939	---	10,258	241,197	241,114			
415,155	---	16,754	431,909	431,558			
---	---	---	---	---			
646,094	---	27,012	673,106	672,672	739,253	974,815	974,815
646,094					739,253 974,815 974,815		

SUMMARY OF APPROPRIATIONS BY PROGRAM
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended
214,579	---	10,258	224,837	224,837			
---	---	---	---	---			
7,665	---	---	7,665	7,582			

CHILDREN AND FAMILIES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
---	---	---	---	---	Child Welfare Training Academy Services and Operations	2,234	3,661	3,661
---	---	---	---	---	Safety and Security Services	---	2,575	2,575
8,695	---	---	8,695	8,695	Administration and Support Services	54,639	69,843	69,843
<u>230,939</u>	<u>---</u>	<u>10,258</u>	<u>241,197</u>	<u>241,114</u>	<i>Subtotal</i>	<u>191,881</u>	<u>285,046</u>	<u>285,046</u>
<u>230,939</u>	<u>---</u>	<u>10,258</u>	<u>241,197</u>	<u>241,114</u>	<i>Total Direct State Services - General Fund</i>	<u>191,881</u>	<u>285,046</u>	<u>285,046</u>
<u>230,939</u>	<u>---</u>	<u>10,258</u>	<u>241,197</u>	<u>241,114</u>	TOTAL DIRECT STATE SERVICES	<u>191,881</u>	<u>285,046</u>	<u>285,046</u>
GRANTS-IN-AID - GENERAL FUND								
Social Services Programs								
243,731	---	11,063	254,794	254,443	Child Protective and Permanency Services	302,374	357,246	357,246
171,424	---	5,691	177,115	177,115	Child Behavioral Health Services	225,353	284,576	284,576
---	---	---	---	---	Prevention and Community Partnership Services	19,645	37,947	37,947
<u>415,155</u>	<u>---</u>	<u>16,754</u>	<u>431,909</u>	<u>431,558</u>	<i>Subtotal</i>	<u>547,372</u>	<u>679,769</u>	<u>679,769</u>
<u>415,155</u>	<u>---</u>	<u>16,754</u>	<u>431,909</u>	<u>431,558</u>	<i>Total Grants-In-Aid - General Fund</i>	<u>547,372</u>	<u>679,769</u>	<u>679,769</u>
<u>415,155</u>	<u>---</u>	<u>16,754</u>	<u>431,909</u>	<u>431,558</u>	TOTAL GRANTS-IN-AID	<u>547,372</u>	<u>679,769</u>	<u>679,769</u>
CAPITAL CONSTRUCTION								
Social Services Programs								
---	---	---	---	---	Administration and Support Services	---	10,000	10,000
---	---	---	---	---	<i>Subtotal</i>	---	10,000	10,000
---	---	---	---	---	TOTAL CAPITAL CONSTRUCTION	---	10,000	10,000
<u>646,094</u>	<u>---</u>	<u>27,012</u>	<u>673,106</u>	<u>672,672</u>	<i>Total Appropriation, Department of Children and Families</i>	<u>739,253</u>	<u>974,815</u>	<u>974,815</u>

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY
55. SOCIAL SERVICES PROGRAMS

OBJECTIVES

1. To oversee the implementation of the Child Welfare Reform Plan.
2. To oversee the operations of the Division of Youth and Family Services (DYFS), the Division of Child Behavioral Health Services (DCBHS), the Division of Prevention and Community Partnerships (DPCP), the New Jersey Child Welfare Training Academy, and the Office of Education.
3. To provide a system that clearly identifies risk factors and service needs, develops service plans, and coordinates service provision to children and families who require protection and permanency services, child welfare services, or behavioral health services.
4. To provide temporary out of home care for children whose families cannot safely care for them until a more permanent plan can be developed.
5. To facilitate adoption when family reunification is not possible, preserve adoptive placements, and ensure alternate, family-like long-term placements when adoption is not appropriate.
6. To facilitate the development of a network of community systems and services to support families and children as an alternative to more intensive contact with the formal State social service system and to preserve and strengthen families and communities.
7. To ensure the safety and well being of children and youth by providing a timely and consistent initial response capability for children, youth, and families who need assistance and to refer children and families to the services that are appropriate for their needs.

PROGRAM CLASSIFICATIONS

01. **Child Protective and Permanency Services.** These services to children and families include Initial Response/Case Management, Family Support, Subsidized Adoptions, and Substitute Care activities.

Initial Response/Case Management includes intake services, which are designed to assist clients with identifying service needs and developing service plans to meet those needs. Initial crisis services are provided when family members are at risk of abuse and/or neglect or other emergency situations requiring immediate attention. Case management services include service planning, assistance to clients requiring support services, and supervision in protective service cases. Initial response and case management activities are performed by a variety of agencies. Initial protective service investigations and protective services case management for children are provided directly by DYFS through 46 local offices. Child abuse and neglect reports are initially screened by DYFS through the Statewide Central Registry. Emergency assistance is also provided to families under DYFS supervision when necessary to prevent disruption.

Family Support includes a wide variety of services designed to assist families in crisis and preserve and strengthen families and communities. Family support services are intended to reduce the need for more intensive services and promote independence and self-sufficiency. Activities include home-maker, transportation, psychological/therapeutic, day treatment, companionship, legal, and health-related services.

Family support services are also provided to assist Resource Families.

Resource Families include relative caregivers, foster parents, and adoptive families. These are families that provide a home to children who cannot live safely with their parents. Adoption subsidies are provided to resource families who have adopted children categorized as hard-to-place.

Substitute Care involves the purchase or provision of care, temporary or permanent, to children whose needs prevent them from remaining in their own homes. Substitute care settings include: resource homes (foster, adoptive and relative), independent living placements, and shelter care placements. Also included in substitute care are shelter programs and services for victims of domestic violence.

Three DYFS-operated residential treatment centers provide intensive therapeutic, support, and educational services in a structured and self-contained environment for children who are unable to function in their own homes and communities and cannot be served in less restrictive community-based settings because of their behavioral health treatment needs. In addition, DYFS contracts with various private residential treatment centers, group homes, and treatment homes that provide board, care, support, and treatment services to special populations not served under the auspices of the Division of Child Behavioral Health Services. These special populations include substance abusers, multiple-handicapped (developmentally disabled with mental health issues), medically fragile, adolescents aging out of the foster care system, physically handicapped, and abused/neglected children.

Independent Living is an alternative living arrangement for older adolescents in need of placement away from their families, but who possess adequate living skills to be somewhat self-sufficient with minimal supervision. A network of both private and county-operated facilities provide temporary shelter care to children and adolescents in emergency situations.

02. **Child Behavioral Health Services.** These services to children and families include Initial Response, Case Management, and Family Support. Initial Response includes intake services performed by the Contracted Systems Administrator, that creates a single point of entry into the behavioral health system that registers, tracks, and coordinates care for children at any level. Referrals can be made to the Systems Administrator by DYFS through the Statewide Central Registry (NJ ABUSE telephone hotline) or from behavioral health care providers, the Juvenile Justice System, or families themselves.

Case management services are provided depending on the level of services required by the child. The highest level of case management is provided by Care Management Organizations (CMOs): contracted not-for-profit organizations which provide a full range of treatment and support (wrap-around) services to children with the most complex needs. They work with child-family teams to develop individualized service plans. The main goal of CMOs is to keep children in their homes, their schools, and their communities by using community and locally available services as much as possible.

The next level of case management is provided by Youth Case Managers. Youth Case Managers provide case management for moderate risk children who do not need the intensive care provided by a CMO but require some level of case

CHILDREN AND FAMILIES

management support. Youth case management services include assessment, monitoring, and coordinating services. Youth Case Managers also work with child and family teams to develop individualized service plans, and utilize community services so that children can stay at home while they are receiving services.

Family Support Organizations (FSOs) are family-run, county-based organizations that provide direct family-to-family peer support, education, advocacy, and other services to family members of children with emotional and behavioral problems. FSOs provide support to children and families with the lowest level of services required. FSOs are not case management services per se but provide support and information so families are better able to manage their children's cases themselves.

The Division also contracts with providers for Mobile Response and Stabilization Services to respond quickly when a child exhibits emotional or behavioral challenges that threaten to disrupt current living arrangements. Mobile response provides face-to-face crisis response within one hour of notification with the goal of stabilizing behavior and avoiding family disruption or loss of placement. This system operates 7 days per week, 24 hours per day and can offer up to eight weeks of stabilization services to children and caregivers.

When children need more intensive services, treatment will be provided in residential settings including treatment homes, group homes, residential treatment centers, and psychiatric community residences. A determination of clinical necessity determines whether children and youth are in need of this level of services.

03. **Prevention and Community Partnership Services.** The Division of Prevention and Community Partnerships was created pursuant to the Child Welfare Reform Plan to expand the role of the Department of Children and Families (DCF) in the coordination and development of statewide prevention and early intervention efforts for child welfare. The goal of the Division is to develop the State's prevention and early intervention system into a network of locally based, user-friendly and culturally competent array of services and supports to make it possible for families to get the help they need in their own communities.
04. **Education Services.** The Office of Education provides year-round educational programming for students who are clients of the Department of Children and Families or who have been referred to the office through arrangements with other governmental agencies. These students generally require intensive educational services and support that are not available through public schools. Students include children

with severe physical or emotional disabilities, pregnant and parenting teens who have dropped out of school, and youth who have been referred by the juvenile justice system.

05. **Child Welfare Training Academy Services and Operations.** The New Jersey Child Welfare Training Academy will be the central location for all training and development opportunities for new and existing staff of the divisions within the Department of Children and Families including DYFS, DCBHS, and the DPCP. The Training Academy will also develop and implement training related to child welfare services for personnel of other state agencies, contracted providers, and members of the community. The training developed by the Academy will focus on skills based curricula, classroom training with integrated on-the-job training, and ongoing coaching and mentoring.
With a focus on DYFS, case-carrying staff will receive training and support in the new case practice strategies of investigation, family team meetings and one worker, one family coordinated by the Training Academy. Ongoing coaching and mentoring will follow formal training. New DYFS staff will receive a combination of pre-service and foundation courses during their first year of employment. Training will consist of classroom, simulation, and field experiences. Thereafter, Training Academy staff, workplace coaches, and mentors will be available to provide continued support in skills and strategies.
06. **Safety and Security Services.** The purpose of safety and security services is to provide funding for the reimbursement of costs associated with the utilization of the Department of Human Services (DHS) Police to provide escort and intervention services for department staff and clients. Utilization of DHS Police will alleviate the need to create a new police force in the Department of Children and Families.
99. **Administration and Support Services.** The purpose of administration and support services is to direct and support the divisions and offices of the Department of Children and Families including the 16 Area Offices, the 46 DYFS local offices, the Child Welfare Training Academy and the other facilities operated by DYFS, the Office of Education, and the Division of Child Behavioral Health Services and Division of Prevention and Community Partnerships. Also included in this program is the administration of purchase of service contracts to ensure compliance with the Department of Children and Families' policies and requirements and to planning, controlling and evaluation of internal operations, human resources administration, technological support, facilities management and fiscal operations including assessments, continuous quality improvement, legal, legislative, communications, and licensing.

CHILDREN AND FAMILIES

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Education Services				
Average enrollment (a)	1,325	1,356	1,568	1,568
Child Protective and Permanency Services				
Active Caseload, Children Receiving Services	63,300 (b)	64,300	59,200	58,100
Active Caseload, Families	33,600 (b)	34,400	31,200	30,400
Ewing Residential Center				
Average population	29	28	28	28
Rated capacity	36	36	36	36
Total program cost	\$5,717,608	\$5,419,000	\$5,869,000	\$6,055,000
Average annual per capita	\$197,159	\$193,536	\$209,607	\$216,250
Vineland Residential Center				
Average population	37	36	36	36
Rated capacity	40	40	40	40
Total program cost	\$5,851,944	\$5,739,000	\$6,152,000	\$6,352,000
Average annual per capita	\$158,161	\$159,417	\$170,889	\$176,444
Woodbridge Residential Center				
Average population	25	29	29	29
Rated capacity	30	30	30	30
Total program cost	\$4,823,418	\$4,834,000	\$5,351,000	\$5,522,000
Average annual per capita	\$192,937	\$166,690	\$184,517	\$190,414
Domestic Violence Program				
Clients served	183,000	205,000	206,000	206,000
Total program cost	\$11,265,000	\$13,071,000	\$14,492,000	\$14,492,000
Resource Family Placements (c)				
Average daily population	5,072	8,970	8,587	8,476
Total program cost	\$58,605,000	\$74,679,000	\$78,923,000	\$76,158,000
Average annual per capita	\$11,555	\$8,325	\$9,191	\$8,985
Adoption Subsidies				
Average daily population	8,065	8,829	9,351	9,816
Subsidy cost	\$58,605,000	\$67,650,000	\$72,213,000	\$76,422,000
Average annual per capita	\$7,267	\$7,662	\$7,722	\$7,785
Independent Living Placements				
Number of children	121	131	134	138
Total program cost	\$5,486,000	\$5,506,000	\$5,355,000	\$5,516,000
Average annual per capita	\$45,339	\$42,031	\$39,963	\$39,971
Residential Placements (d)				
Average daily population	134	145	151	157
Total program cost	\$11,199,000	\$12,302,000	\$12,969,000	\$13,554,000
Average annual per capita	\$83,575	\$84,841	\$85,887	\$86,331
Group Home Placements (d)				
Average daily population	186	186	188	193
Total program cost	\$11,535,000	\$11,496,000	\$11,531,000	\$11,324,000
Average annual per capita	\$62,016	\$61,806	\$61,335	\$58,674
Treatment Home Placements (d)				
Average daily population	67	76	84	90
Total program cost	\$22,250,000	\$3,068,000	\$2,697,000	\$2,568,000
Average annual per capita	\$332,090	\$40,368	\$32,107	\$28,533
Shelter Care Placements				
Average number of children	415	413	381	392
Total program cost	\$14,517,000	\$14,875,000	\$16,865,000	\$17,073,000
Average annual per capita	\$34,981	\$36,017	\$44,265	\$43,554
Family Support Services				
Total program cost	\$60,783,000	\$67,647,000	\$67,773,000	\$70,686,000

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	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Child Behavioral Health Services				
Care Management Organizations - Treatment Slots	n/a	1,840	2,520	2,700
Family Support Organizations - Family Slots	n/a	1,022	2,800	3,068
Behavioral Assistance and Intensive In-Home Community Services Hours	n/a	200,982	531,439	703,125
Mobile Response and Stabilization Services - Families Served	n/a	6,160	7,440	7,680
Youth Case Management				
Case Managers	n/a	30	134	244
Case Managers - Division of Mental Health Services	n/a	53	53	n/a
Slots Available	n/a	652	2,948	4,774
Slots Available - Division of Mental Health Services	n/a	1,166	726	n/a
Out of Home Treatment Services				
Bed Days Available	n/a	699,916	882,818	997,284
Partial Care/Partial Hospitalization - Treatment Slots	n/a	n/a	n/a	1,907
Outpatient Services				
Hours Available	n/a	n/a	n/a	143,118
Prevention and Community Partnership Services				
Child Welfare Planning Councils Supported	n/a	3	21	21
Collaboratives Supported	n/a	14	18	18
Additional School Based Youth Services Program Expansions Supported	n/a	19	37	37
PERSONNEL DATA				
Position Data				
Filled positions by Funding Source				
State Supported	3,266	3,931	4,269	4,505
Federal	681	722	1,435	1,632
All Other	450	452	474	483
Total Positions	4,397	5,105	6,178	6,620
Filled Positions by Program Class				
Education Services	494	516	560	---
Child Protective and Permanency Services	3,450	4,154	5,059	---
Prevention and Community Partnership Services	---	---	5	---
Training Academy Services and Operations	---	---	---	---
Administration and Support Services	453	435	554	---
Total Positions	4,397	5,105	6,178	6,620

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March and adjusted to reflect the prospective shift of State positions to federal positions. The Budget Estimate for fiscal 2007 reflects the number of positions funded and will be allocated by program class upon approval of a revised Child Welfare Reform Plan.

Program expenditure data includes funds appropriated for cost of living adjustments and special purpose appropriations.

The evaluation data for fiscal 2007 does not reflect increased services that will occur upon approval of a revised Child Welfare Reform Plan.

- (a) Includes State Facilities Education Act (SFEA) Residential, Regional, State Responsible, and District Placed students.
- (b) Data revised to reflect revised totals.
- (c) The Actual fiscal 2005, Revised fiscal 2006 and the fiscal 2007 Budget Estimate include both paid Foster Care and Relative Care Placements as well as the resources from the Child Welfare Reform that support these placements. Actual fiscal 2004 data does not include paid Relative Care Placements.
- (d) Data reflects only Division of Youth and Family Services (DYFS) paid placements. DYFS clients served by the Division of Medical Assistance and Health Services in the Department of Human Services and the Division of Child Behavioral Health Services, and the related expenditures, are not displayed here.

CHILDREN AND FAMILIES

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
387,752	4,256	12,510	404,518	386,720	Child Protective and Permanency Services	01	309,272	391,269	391,269
214,579	---	10,258	224,837	224,837	(From General Fund)		124,545	198,504	198,504
173,173	3,283	738	177,194	159,784	(From Federal Funds)		182,658	190,556	190,556
---	973	1,514	2,487	2,099	(From All Other Funds)		2,069	2,209	2,209
---	---	---	---	---	Prevention and Community Partnership Services	03	2,319	2,417	2,417
---	---	---	---	---	(From General Fund)		1,936	1,936	1,936
---	---	---	---	---	(From Federal Funds)		383	481	481
9,618	977	21,149	31,744	30,556	Education Services	04	33,291	35,216	35,216
7,665	---	---	7,665	7,582	(From General Fund)		8,527	8,527	8,527
1,953	977	---	2,930	1,825	(From Federal Funds)		2,008	2,116	2,116
---	---	21,149	21,149	21,149	(From All Other Funds)		22,756	24,573	24,573
---	---	---	---	---	Child Welfare Training Academy Services and Operations	05	4,022	5,449	5,449
---	---	---	---	---	(From General Fund)		2,234	3,661	3,661
---	---	---	---	---	(From Federal Funds)		1,788	1,788	1,788
---	---	---	---	---	Safety and Security Services	06	---	2,575	2,575
19,125	85	---	19,210	18,981	Administration and Support Services	99	85,219	93,164	93,164
8,695	---	---	8,695	8,695	(From General Fund)		54,639	69,843	69,843
10,430	70	---	10,500	10,279	(From Federal Funds)		30,580	23,321	23,321
---	15	---	15	7	(From All Other Funds)		---	---	---
416,495	5,318	33,659	455,472	436,257	Total Direct State Services		434,123 ^(a)	530,090	530,090
Less:									
(185,556)	(4,330)	(738)	(190,624)	(171,888)	Federal Funds		(217,417)	(218,262)	(218,262)
---	(988)	(22,663)	(23,651)	(23,255)	All Other Funds		(24,825)	(26,782)	(26,782)
230,939	---	10,258	241,197	241,114	Total State Appropriation		191,881	285,046	285,046
Distribution by Fund and Object									
Personal Services:									
189,302	1,107 23 ^R	39,528	229,960	229,773	Salaries and Wages		341,163	389,214	389,214
189,302	1,130	39,528	229,960	229,773	Total Personal Services		341,163	389,214	389,214
3,053	---	1,583	4,636	4,482	Materials and Supplies		4,072	5,100	5,100
10,121	-12	492	10,601	9,496	Services Other Than Personal		28,464	21,182	21,182
11,358	---	---	11,358	11,275	Maintenance and Fixed Charges		21,041	22,894	22,894
Special Purpose:									
4,189	---	---	4,189	4,189	Child Protective and Permanency Services	01	4,189	3,437	3,437
500	---	18	518	518	New Jersey Safe Haven Infant Protection Act	01	523	526	526
187,222	---	-4,509	182,713	165,458	Child Welfare Reform ^(b)	01	---	44,267	44,267
---	---	---	---	---	Safety and Security Services	06	---	2,575	2,575
---	---	---	---	---	Information Technology	99	---	1,524	1,524
---	---	---	---	---	Safety and Permanency in the Courts	99	16,200	20,900	20,900
10,750	3,928 272 ^R	-3,453	11,497	11,066	Additions, Improvements and Equipment		18,471	18,471	18,471
Less:									
(185,556)	(4,330)	(738)	(190,624)	(171,888)	Federal Funds		(217,417)	(218,262)	(218,262)
---	(988)	(22,663)	(23,651)	(23,255)	All Other Funds		(24,825)	(26,782)	(26,782)

CHILDREN AND FAMILIES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Program									
300,878	14,722	26,188	341,788	319,915	Child Protective and Permanency Services	01	346,938	405,314	405,314
243,731	---	11,063	254,794	254,443	(From General Fund)		302,374	357,246	357,246
57,147	8,229	15,125	80,501	62,002	(From Federal Funds)		41,310	44,814	44,814
---	6,493	---	6,493	3,470	(From All Other Funds)		3,254	3,254	3,254
276,580	-340	-3,609	272,631	251,961	Child Behavioral Health Services	02	332,319	419,619	419,619
171,424	---	5,691	177,115	177,115	(From General Fund)		225,353	284,576	284,576
105,156	-340	-9,300	95,516	74,846	(From Federal Funds)		106,966	135,043	135,043
---	---	---	---	---	Prevention and Community Partnership Services	03	19,645	46,450	46,450
---	---	---	---	---	(From General Fund)		19,645	37,947	37,947
---	---	---	---	---	(From Federal Funds)		---	8,503	8,503
1,123	335	---	1,458	1,155	Administration and Support Services	99	1,288	1,288	1,288
1,123	335	---	1,458	1,155	(From Federal Funds)		1,288	1,288	1,288
578,581	14,717	22,579	615,877	573,031	Total Grants-in-Aid (d)		700,190	872,671	872,671
Less:									
(163,426)	(8,224)	(5,825)	(177,475)	(138,003)	Federal Funds		(149,564)	(189,648)	(189,648)
---	(6,493)	---	(6,493)	(3,470)	All Other Funds		(3,254)	(3,254)	(3,254)
415,155	---	16,754	431,909	431,558	Total State Appropriation		547,372	679,769	679,769
Distribution by Fund and Object									
Grants:									
950	23	---	973	826	Rutgers MSW Program	01	950	950	950
---	---	---	---	---	Substance Abuse Services	01	---	12,000	12,000
---	---	---	---	---	Capital Improvements for Child Advocacy Centers	01	---	5,000	5,000
13,678	---	437	14,115	14,115	Group Homes	01	12,672	11,324	11,324
2,087	22	69	2,178	2,169	Treatment Homes	01	1,826	2,568	2,568
277	---	10	287	283	Public Awareness for Child Abuse Prevention Program	01	289	290	290
19,636	---	818	20,454	20,454	Independent Living and Shelter Care	01	24,429	22,589	22,589
8,998	707 2,034 ^R	281	12,020	10,322	Residential Placements	01	13,075	13,554	13,554
49,334	---	1,657	54,306	54,290	Family Support Services	01	55,982	58,839	58,839
3,315 ^S	---	395	11,673	11,673	Child Abuse Prevention	01	11,791	11,847	11,847
11,278	257 2,137 ^R	14,006	71,037	70,315	Foster Care	01	77,234	76,158	76,158
54,637	---	2,037	75,041	67,722	Subsidized Adoption	01	69,936	76,422	76,422
61,203	125	---	125	125	Amanda Easel Project	01	125	125	125
11,285 ^S	---	---	---	---	Ginnie's House, Sussex County	01	100	---	---
---	---	---	---	---	Hudson Cradle	01	100	---	---
654	---	23	677	677	Recruitment of Adoptive Parents	01	684	687	687
4,707	740 596 ^R	165	6,208	5,314	Domestic Violence Program	01	7,116	7,140	7,140
7,777	---	272	8,049	8,018	Foster Care and Permanency Initiative	01	8,131	8,108	8,108
---	---	---	---	---	Child Welfare Reform (f)	01	---	21,810	21,810
7,833	---	274	8,107	8,107	County Human Services Advisory Board-Formula Funding	01	8,190	7,945	7,945
1,304	---	46	1,350	1,350	Children and Families Initiative (g)	01	1,363	---	---

CHILDREN AND FAMILIES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
GRANTS-IN-AID									
1,485	---	52	1,537	1,537	New Jersey Homeless Youth Act	01	1,553	1,560	1,560
---	---	244	244	244	Personal Assistance Services Program	01	---	---	---
973	---	34	1,007	1,007	Wynona M. Lipman Child Advocacy Center, Essex County	01	1,017	1,022	1,022
25,360	583	600	26,543	26,543	Purchase of Social Services	01	40,428	55,429	55,429
13,895	---	---	---	---	Restricted Federal Grants	01	9,947	9,947	9,947
87 ^S	7,107	4,768	25,857	14,824	Care Management Organiza- tions	02	40,942	42,311	42,311
38,721	---	-784	37,937	35,275	Treatment Homes and Emergency Behavioral Health Services ^(b)	02	220,660	265,686	265,686
177,012	-340	-2,589	174,083	161,256	Youth Case Managers	02	8,533	16,180	16,180
8,298	---	171	8,469	7,559	Family Support Organizations	02	8,794	9,134	9,134
13,829	---	285	14,114	12,598	Mobile Response	02	11,496	12,263	12,263
11,063	---	227	11,290	10,078	Intensive In-Home Behavioral Assistance	02	33,529	45,588	45,588
24,892	---	-976	23,916	22,676	Youth Incentive Program	02	8,365	8,411	8,411
2,765	---	57	2,822	2,519	Outpatient	02	---	4,599	4,599
---	---	---	---	---	Partial Care	02	---	6,421	6,421
---	---	---	---	---	Contracted Systems Administrator	02	---	9,026	9,026
---	---	---	---	---	Area Prevention and Support Services	03	4,273	2,423	2,423
---	---	---	---	---	Collaboratives	03	3,645	2,830	2,830
---	---	---	---	---	Community Case Managers	03	2,844	5,044	5,044
---	---	---	---	---	School Based Youth Program	03	8,883	32,928	32,928
---	---	---	---	---	Domestic Violence Prevention Services	03	---	3,225	3,225
483	---	---	---	---	Children's Justice Act	99	487	487	487
4 ^S	287	---	774	676	National Center for Child Abuse and Neglect	99	801	801	801
597	---	---	---	---	Less:				
39 ^S	48	---	684	479	Federal Funds		(149,564)	(189,648)	(189,648)
(163,426)	(8,224)	(5,825)	(177,475)	(138,003)	All Other Funds		(3,254)	(3,254)	(3,254)
---	(6,493)	---	(6,493)	(3,470)					
CAPITAL CONSTRUCTION									
Distribution by Fund and Program									
---	---	---	---	---	Administration and Support Services	99	---	10,000	10,000
---	---	---	---	---	Total Capital Construction				
---	---	---	---	---			---	10,000	10,000
Distribution by Fund and Object									
Office of Children's Services									
---	---	---	---	---	State Automated Child Welfare Information System	99	---	10,000	10,000
646,094	---	27,012	673,106	672,672	Grand Total State Appropriation		739,253	974,815	974,815
OTHER RELATED APPROPRIATIONS									
348,982	12,554	6,563	368,099	309,891	Total Federal Funds		366,981	407,910	407,910
---	7,481	22,663	30,144	26,725	Total All Other Funds		28,079	30,036	30,036
995,076	20,035	56,238	1,071,349	1,009,288	GRAND TOTAL ALL FUNDS		1,134,313	1,412,761	1,412,761

CHILDREN AND FAMILIES

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies. In fiscal year 2007, a total of \$39,528,000 has been reallocated from the Department of Human Services.
- (b) The Child Welfare Reform line shall be distributed to the appropriate accounts throughout the Department of Children and Families upon approval of a revised Child Welfare Reform Plan.
- (c) In fiscal year 2006, funding of \$2,575,000 for the Safety and Security Services account and \$1,524,000 for the Information Technology account was appropriated in the Division of Management and Budget in the Department of Human Services.

Notes -- Grants-In-Aid - General Fund

- (d) In fiscal year 2007, a total of \$63,949,000 has been reallocated from the Department of Human Services as follows: \$1,300,000 from the Division of Medical Assistance and Health Services; \$1,404,000 from the Division of Management and Budget; \$5,542,000 from the Arthur Brisbane Child Treatment Center; \$7,980,000 from the Arthur Brisbane Child Treatment Center Bridge Fund account in the Division of Mental Health Services; \$10,751,000 from the Division of Family Development; \$16,001,000 from the Community Care account in the Division of Mental Health Services; and \$20,971,000 from the Division of Addiction Services.
- (e) In fiscal year 2006, funding of \$12,000,000 was appropriated in the Substance Abuse Services - Child Welfare Reform account in the Division of Addiction Services in the Department of Human Services.
- (f) The Child Welfare Reform line shall be distributed to the appropriate accounts throughout the Department of Children and Families upon approval of a revised Child Welfare Reform Plan.
- (g) In fiscal year 2007, funding for the Children and Families Initiative is provided in the base appropriation for the School Based Youth Program in the Division of Prevention and Community Partnership Services.
- (h) Funding for the Other Residential Services account is provided in the base appropriation for Treatment Homes and Emergency Behavioral Health Services.
- (i) In fiscal year 2006, funding of \$4,599,000 for the Outpatient account and \$6,421,000 for the Partial Care account was appropriated in the Division of Mental Health Services in the Department of Human Services.
- (j) In fiscal year 2006, funding of \$5,668,000 was appropriated in the Treatment Homes and Emergency Behavioral Health Services account and \$3,358,000 in the Services Other Than Personal line.
- (k) In fiscal year 2006, funding of \$3,225,000 was appropriated in the Domestic Violence Program account in the Division of Youth and Family Services.

Notes -- Capital Construction

- (l) In fiscal year 2006, funding of \$3,500,000 was appropriated in the Division of Management and Budget in the Department of Human Services. This program receives a 100% federal match which is appropriated in the Division of Youth and Family Services.

Language Recommendations -- Direct State Services - General Fund

Of the amount hereinabove appropriated for Safety and Permanency in the Courts, an amount not to exceed \$20,500,000 shall be transferred to the Department of Law and Public Safety and the Office of the Public Defender in accordance with the approved Child Welfare Reform Plan, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amounts hereinabove appropriated for Safety and Permanency in the Courts, \$750,000 shall be allocated to the Court Appointed Special Advocate Program.

Language Recommendations -- Grants-In-Aid - General Fund

The sums hereinabove appropriated for the Residential Placements, Group Homes, Treatment Homes, Other Residential Services, Foster Care, Subsidized Adoption, and Family Support Services accounts are available for the payment of obligations applicable to prior fiscal years.

Any change by the Department of Children and Families in the rates paid for the foster care and adoption subsidy programs shall first be approved by the Director of the Division of Budget and Accounting.

Of the amount hereinabove appropriated for Foster Care and Subsidized Adoption, the Division of Youth and Family Services may expend up to \$225,000 for recruitment of foster and adoptive families; provided, however, that a plan for recruitment and training first shall be approved by the Director of the Division of Budget and Accounting.

Receipts in the Marriage License Fee Fund in excess of the amount anticipated are appropriated.

Of the amount hereinabove appropriated for the Domestic Violence Program, \$1,309,000 is payable out of the Marriage License Fee Fund. If receipts to that fund are less than anticipated, the appropriation shall be reduced by the amount of the shortfall.

Funds recovered under P.L. 1951, c. 138 (C. 30:4C-1 et seq.) during the current fiscal year are appropriated for resource families and other out of home placements.

Notwithstanding the provision of any law to the contrary, the appropriation hereinabove in the Residential Placements account is subject to the following condition: amounts that become available as a result of the return of persons from in-State and out-of-State residential placements to community programs within the State may be transferred from the Residential Placements account to the appropriate Child Protective and Permanency Services account, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from counties for persons under the care and supervision of the Division of Youth and Family Services are appropriated for the purpose of providing State Aid to the counties, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove appropriated for the Purchase of Social Services account, \$800,000 is appropriated to the UMDNJ - School of Osteopathic Medicine Academic Center - Stratford, for the Center for Children's Support to support the development of a model

comprehensive diagnostic and treatment program to address both the medical and mental health needs of children experiencing abuse. The model program will demonstrate mental health treatment services that utilize measurable evidence-based outcomes with known effectiveness. This comprehensive model will be designed to be replicated statewide to directly benefit children and families throughout New Jersey.

Of the amount hereinabove appropriated for the Purchase of Social Services account, \$1,000,000 is appropriated for the programs administered under the "New Jersey Homeless Youth Act," P.L. 1999, c.224 (C.9:12A-2 et seq.), and the Division of Youth and Family Services shall prioritize the expenditure of this allocation to address transitional living services in the Division's region that is experiencing the most severe over-capacity.

Notwithstanding any provisions of any law or regulation to the contrary, no funds hereinabove appropriated for Treatment Homes and Emergency Behavioral Health Services, Youth Case Managers, Care Management Organizations, Youth Incentive Program, and Mobile Response shall be expended for any individual served by the Division of Child Behavioral Health Services, with the exception of court-ordered placements or to ensure services necessary to prevent risk of harm to the individual or others, unless that individual makes a full and complete application for Medicaid and/or FamilyCare. Individuals receiving services from appropriations covered by the exceptions above shall apply for Medicaid and/or FamilyCare in a timely manner, as shall be defined by the Commissioner of Children and Families, after receiving services.

Language Recommendations -- Direct State Services - General Fund

Language Recommendations -- Grants-In-Aid - General Fund

In order to permit flexibility in implementing the Child Welfare Reform Plan amounts may be transferred among the following appropriations: Office of Children's Services, Child Behavioral Health Services, Prevention and Community Partnerships, Division of Youth and Family Services, subject to the approval of the Director of the Division of Budget and Accounting.

To ensure the proper reallocation of funds in connection with the creation of the new Department of Children and Families, of the amounts hereinabove appropriated, the Department of Children and Families may transfer appropriations to the Department of Human Services, subject to the approval of the Director of the Division of Budget and Accounting.

NOTES

DEPARTMENT OF COMMUNITY AFFAIRS

OVERVIEW

The Department of Community Affairs (DCA) has many responsibilities, but one common mission - to help people and communities to help themselves. Through its divisions and agencies, in partnership with public, private, and nonprofit entities, the Department provides a variety of services and programs to improve the quality of life in New Jersey. Departmental activities are designed to assist local governments, improve communities, revitalize cities, create housing opportunities, ensure fire and building safety, promote smart growth, empower women, and advocate on behalf of the State's Latino community. Organizationally, DCA also includes the following in-but-not-of agencies that receive funding through the State Budget: the Council on Affordable Housing (COAH); the Historic Trust, which provides grants for capital preservation and historic site management and planning; the Government Records Council, which provides assistance and guidance concerning the Open Public Records Act; and the State Planning Commission.

Budget Highlights

The Fiscal 2007 Budget for the Department of Community Affairs totals \$1.158 billion, a decrease of \$35.5 million or 3.0% under the fiscal 2006 adjusted appropriation of \$1.194 billion. This reduction is primarily taken in municipal grants and aid as well as one-time legislative grants. A portion of this reduction is offset by a \$10 million General Fund increase for the State Rental Assistance Program.

The State Rental Assistance Program was initiated in fiscal 2005 with a \$15 million General Fund appropriation and a \$10 million earmark from the Neighborhood Preservation Fund. The program supplements federal Section 8 funds to make rental housing affordable for needy families. The General Fund increase of \$10 million that is recommended in this Budget, coupled with an increase of \$5 million from the Neighborhood Preservation Fund, will bring total State funding for rental assistance to \$40 million in fiscal 2007. Together with federal Section 8 funds, this funding will assist more than 21,000 families.

Governor Corzine is committed to leveraging limited resources to assist one of our most vulnerable populations: the homeless. By investing an additional \$5 million in capital improvements for New Jersey's Shelter Support Program, the Corzine Administration will help add new beds, repair leaking roofs, provide heating systems, repair fire safety and building code violations, improve handicapped accessibility, replace doors and windows to make homes secure, and upgrade outdated electrical systems. This will enable shelters to increase their capacity and enhance health and safety conditions for the people in need.

Women's domestic violence shelters throughout New Jersey provide temporary housing to women and their children fleeing abusive situations. Each year, the Department of Community Affairs receives an overwhelming number of applications from the 22 women's shelters located throughout the state for grants for capital improvements. This Budget adds \$1.5 million in capital investments through DCA's Division on Women to allow women's shelters to not only improve their existing facilities, but also to add more beds and serve an increased number of survivors of domestic violence. In 2004 (the most recent data available), these shelters served nearly 1,700 women and approximately 2,000 children. Due to lack of capacity, however, over 1,900 women and children were turned away. This increased funding will allow for the shelters most in need to expand capacity and improve the upkeep of their buildings so that every woman seeking a safe haven can be served.

Rape care centers in all 21 counties throughout the State provide essential services to survivors of sexual violence and their families, ensuring compassionate treatment of survivors of sexual assault who

seek assistance. New Jersey's rape care centers are some of the most comprehensive in the country, providing free and confidential services such as crisis intervention, individual and group counseling, information and referrals for needed services, and accompaniment to hospitals, police stations, and court proceedings. Last year, over 4,200 women visited a rape care center, and rape crisis hotlines received over 24,000 hotline calls. Governor Corzine will devote \$500,000 in capital funding for rape care centers to allow for much needed technological upgrades and other capital improvements that will improve the care that women receive during these difficult times.

Municipal Aid

Municipal aid programs that are budgeted through the Department of Community Affairs total \$1.0 billion, including \$835.4 million for Consolidated Municipal Property Tax Relief Aid (CMPTRA), the single largest municipal aid program in the State Budget. The fiscal 2007 CMPTRA appropriation continues at the fiscal 2006 level, but a portion of the appropriation will be diverted to provide for mandatory increases in municipal aid from the Energy Tax Receipts Fund.

Though formula aid is held flat, discretionary aid is reduced by \$42.6 million in fiscal 2007. Less State Aid is required to be provided in the Special Municipal Aid and Extraordinary Aid programs, which are reduced by \$16.4 million and \$13 million, respectively, in fiscal 2007. The appropriation for the Regional Efficiency Aid Program (REAP), funded at \$11 million in fiscal 2006, has been eliminated, along with one-time grants valued at \$2.3 million. Other municipal aid programs such as the Legislative Initiative Municipal Block Grant Program, the Municipal Homeland Security Assistance Aid Program, the Trenton Capital City Aid Program, the County Prosecutor's Funding Initiative Pilot Program, and the Regional Efficiency Development Incentive Program, continue to be funded at the fiscal 2006 level. These programs total over \$95.5 million.

Together with dedicated municipal aid funding of \$788.5 million from Energy Tax Receipts, which is provided through the Department of Treasury, the State is providing more than \$1.8 billion of aid during fiscal 2007, reflecting the State's continuing commitment to provide municipal governments with a stable base of revenue to address their needs for local public services.

Department Accomplishments

During fiscal 2006, DCA administered almost \$1 billion in local aid and provided training and technical assistance to municipal officials, chief financial officers, and municipal clerks.

The Division of Codes and Standards adopted regulations requiring that all multiple dwellings be maintained in a lead-safe condition. These new rules are enforced as part of the hotel and multiple dwelling regulations. With the adoption of these rules, New Jersey became the first state in the nation to address lead-safe maintenance through a comprehensive housing inspection program. All multiple-dwelling units (over 850,000) will be inspected for lead in the next five years. The Department's new Lead Hazard Control Assistance program will conduct a broad outreach and education campaign and provide loans and grants, to help homeowners and landlords understand the danger of lead, and to remove it wherever it is found. It is the Department's goal to eliminate lead poisoning in New Jersey by 2010.

The Council on Affordable Housing adopted its third round substantive and procedural rules, which establish municipal affordable housing obligations for the 1999 to 2014 period using a "growth share" approach. COAH has received over 200 municipal plans and petitions for substantive certification. To date, the State has financed over 22,000 affordable housing units over the past four years, exceeding its goal of creating 20,000 units by 2006.

COMMUNITY AFFAIRS

The Special Needs Housing Trust Fund Act, P.L. 2005, c.163, was enacted to create affordable housing units for persons with mental illness and other special needs. The purpose of this non-lapsing revolving fund is to provide capital financing to create permanent supportive housing and residential opportunities as alternatives to institutionalization or homelessness for those who need assistance, but who can live independently, with appropriate support.

The Housing Resource Center, interactive inventory of affordable housing, was developed and placed on the Internet. The Housing Resource Center provides a free registry of affordable and accessible housing in New Jersey. There were 350,000 searches in its first five months of operation.

The Office of Smart Growth (OSG) initiated negotiations with counties and municipalities across the State as part of its statutory requirement to "cross-accept" every new edition of the State Development and Redevelopment Plan. The OSG also provided financial and technical resources to municipalities throughout the state, with the goal of improving long term land use planning.

The Department provided training, financial support, and technical assistance to municipalities and non-profit organizations for neighborhood and downtown improvement, community and economic development, and infrastructure upgrades. It also provided assistance to community-based nonprofit and local government agencies to improve the quality of life for low-income, disabled and disadvantaged citizens. The Division currently administers 675

grantees, with a portfolio value totaling over \$178.7 million.

The Division of Fire Safety expanded the Arson/K9 Investigation Unit statewide; established the Office of Fire Department Preparedness; and spearheaded the Homeland Security Fire Department Computer Distribution Project. New Jersey became the first state in the nation requiring 100% public/private dormitory sprinkler compliance.

The 2005 Garden State Preservation Trust Fund grant round conducted by the New Jersey Historic Trust resulted in the awarding of 40 Historic Site Management grants totaling \$1.3 million. Of the 40 funded projects, 16 fit within the Trust's 2005 special initiative to encourage applications related to urban, collaborative and/or heritage tourism projects.

Displaced Homemakers and Hispanic and Urban Women Centers provided services including education, supportive counseling, job readiness workshops, computer literacy, and job placement to over 3,500 women in 2005, and provided over 10,000 hours of on-site training that enabled 805 women to secure employment.

The Center for Hispanic Policy, Research and Development (CHPRD) administers a Grants-in-Aid budget of \$3 million, with a mission to empower the Hispanic community of New Jersey, which now comprises 13.3% of the total State population. In addition, the CHPRD leveraged \$71,000 in public and private funds to continue its Hispanic Interns in Community Service and Latino Leaders Fellowship Institute Program in 2005.

DEPARTMENT OF COMMUNITY AFFAIRS SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
GENERAL FUND								
35,969	35,426	-4,905	66,490	53,081	Direct State Services	37,811	36,914	36,914
69,005	10,163	9,997	89,165	61,118	Grants-In-Aid	55,710	63,760	63,760
103,196	25,750	-18,220	110,726	106,535	State Aid	107,446	92,196	92,196
208,170	71,339	-13,128	266,381	220,734	Total General Fund	200,967	192,870	192,870
PROPERTY TAX RELIEF FUND								
929,569	---	17,267	946,836	944,322	State Aid	992,569	965,172	965,172
929,569	---	17,267	946,836	944,322	Total Property Tax Relief Fund	992,569	965,172	965,172
1,137,739	71,339	4,139	1,213,217	1,165,056	Total Appropriation, Department of Community Affairs	1,193,536	1,158,042	1,158,042

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES - GENERAL FUND								
Community Development Management								
5,519	4,565	---	10,084	8,357	Housing Code Enforcement	6,119	6,119	6,119
4,390	996	618	6,004	5,159	Housing Services	4,906	4,856	4,856
6,588	16,079	---	22,667	16,504	Uniform Construction Code	7,391	7,391	7,391
---	671	349	1,020	1,020	Boarding Home Regulation and Assistance	---	---	---
267	192	-11	448	448	Codes and Standards	297	297	297
5,788	12,776	-5,500	13,064	8,517	Uniform Fire Code	6,522	6,147	6,147
22,552	35,279	-4,544	53,287	40,005	Subtotal	25,235	24,810	24,810

COMMUNITY AFFAIRS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
16,925	23,750	-23,750	16,925	16,925	STATE AID - GENERAL FUND			
Community Development Management								
					Housing Services	16,925	16,925	16,925
16,925	23,750	-23,750	16,925	16,925	<i>Subtotal</i>	16,925	16,925	16,925
State Subsidies and Financial Aid								
86,271	2,000	5,530	93,801	89,610	Local Government Services	90,521	75,271	75,271
86,271	2,000	5,530	93,801	89,610	<i>Subtotal</i>	90,521	75,271	75,271
103,196	25,750	-18,220	110,726	106,535	Total State Aid - General Fund	107,446	92,196	92,196
STATE AID - PROPERTY TAX RELIEF FUND								
State Subsidies and Financial Aid								
929,569	---	17,267	946,836	944,322	Local Government Services	992,569	965,172	965,172
929,569	---	17,267	946,836	944,322	<i>Subtotal</i>	992,569	965,172	965,172
929,569	---	17,267	946,836	944,322	Total State Aid - Property Tax Relief Fund	992,569	965,172	965,172
1,032,765	25,750	-953	1,057,562	1,050,857	TOTAL STATE AID	1,100,015	1,057,368	1,057,368
1,137,739	71,339	4,139	1,213,217	1,165,056	Total Appropriation, Department of Community Affairs	1,193,536	1,158,042	1,158,042

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

41. COMMUNITY DEVELOPMENT MANAGEMENT

OBJECTIVES

1. To continue neighborhood preservation and balanced housing activities throughout the state by providing grants and technical assistance to municipalities for the establishment of neighborhood rehabilitation programs, the development of revitalization strategies, planning and sustainable development concepts, and construction of low and moderate income housing.
2. To provide for the protection of the health, safety, welfare, and rights of the residents of the state's rooming and boarding homes.
3. To preserve the existing multi-family housing stock in the State and protect the health and safety of the occupants.
4. To protect the public safety by ensuring that all buildings constructed in New Jersey meet required uniform construction standards.
5. To ensure that all the areas of the state are protected by a uniform, minimum fire safety code and that uniform and thorough fire safety inspections protect the public and firefighters in buildings which pose a serious life safety hazard. To serve as the lead State fire service agency.
6. To protect purchasers of units in condominiums, cooperatives, retirement communities, and other planned real estate developments by regulating such developments and requiring full and fair disclosure in their disposition; protect the residents of continuing care retirement communities from a

provider becoming insolvent or unable to provide responsible care.

7. To provide rental assistance payments to low-income families and rehabilitation of existing housing units, with a special emphasis on services to the mentally and physically-challenged.
8. To maximize the effectiveness of existing landlord/tenant laws and regulations through programs of information, education, training, outreach and enforcement; perform functions mandated by the Truth in Renting Act and tenants' rights legislation.
9. To continue providing to the residents of the State the opportunity to acquire low- and moderate-income housing through the efforts of the Council on Affordable Housing.
10. Address the needs of the homeless through prevention measures and by providing adequate shelter through rehabilitation and expansion of existing shelters.
11. Within the Meadowlands District, to continue to acquire open space for permanent preservation, enhance environmentally sensitive wetland areas, develop active and passive recreational opportunities, redevelop brownfields properties and enhance wildlife habitats.
12. To prevent injuries to persons and damage to property from liquefied petroleum gases, and to prevent injuries and fatalities to the public on carnival amusement rides and ski lifts.

PROGRAM CLASSIFICATIONS

- 01. **Housing Code Enforcement.** Inspects, registers, and issues appropriate certificates of registration and occupancy for hotels, motels, and multiple dwellings; encourages participation in the cooperative housing inspection program; and maintains a statewide inventory of hotels and multiple dwellings.
- 02. **Housing Services.** Provides services in such areas as the Neighborhood Preservation program (P.L. 1975, c.248 and c.249), the Balanced Housing program (Fair Housing Act of 1985, C52:27D-10), the regulation of limited dividend and non-profit housing agencies (C55:16-1 et seq.), assistance to established housing authorities (C55:14A-1) and redevelopment agencies (C40:55C-1), and administers a federal and state sponsored housing assistance program, and the HOME Investment Partnerships program. The Prevention of Homelessness program provides assistance for the homeless by providing emergency accommodations, rental assistance, and interest rate subsidies to low- and moderate-income families for affordable housing. The Shelter Assistance program provides assistance for construction of emergency shelters and services for the homeless.
- 06. **Uniform Construction Code.** Ensures that all buildings are constructed to meet uniform standards; ensures that all local construction code officials are competent through a licensing program and that all pre-manufactured buildings shipped into the state conform to the code (C55:13A-1, C52:27B-119); administers the New Home Warranty program (C46:3B-1 et seq.); and enforces the Planned Real Estate Full Disclosure Act (C45:22A-1). Inspects ski lifts, liquefied petroleum gas facilities, and carnival/amusement rides in the interest of public safety.
- 12. **Boarding Home Regulation and Assistance.** Provides for the health, safety, and welfare of all those who reside in rooming and boarding houses in the state; promotes the

growth and continued improvement of boarding homes; and ensures that all State agencies work in unison for the protection and care of the residents of rooming houses, boarding houses, and residential health care facilities.

- 13. **Codes and Standards.** Provides for the management of the Division of Codes and Standards, which includes Housing Code Enforcement, Uniform Construction Code and Boarding Home Regulation and Assistance.
- 18. **Uniform Fire Code.** Provides for public education programs to inform the general public on fire prevention, provides loans to emergency service agencies, and provides training programs for local firefighters, fire officers, and fire code enforcement personnel under the Uniform Fire Safety Act (C52:27D-192 et seq. and C52:27D-25a et seq.). Administers a statewide fire incident reporting program, administers local fire code enforcement and monitoring, conducts inspections in approximately 100 municipalities as well as all State-owned and leased property, and regulates and certifies the fire protection equipment industry. Provides domestic security guidance to local fire departments, administers the States' Fire Coordinator System as well as responds to all emergency incidents requiring mutual aid. Conducts fire cause determination investigations in coordination with the NJ State Police Arson/Bomb Unit as well as investigates serious firefighter injuries or fatalities. Supports the New Jersey Fire Safety Commission and its six advisory councils, and serves as the chair of the Governor's Fire Service and Safety Task Force.
- 20. **New Jersey Meadowlands Commission.** Empowered with regional planning and zoning authority to ensure the environmental protection and enhancement of the Meadowlands District (C13:17-1 et seq.). Its mandates are to protect the delicate balance of nature, provide for orderly development, and provide facilities for the disposal of solid waste.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Housing Code Enforcement				
Buildings registered	82,130	82,929	82,929	82,929
Dwelling units registered	919,620	927,320	927,320	927,320
Dwelling units requiring inspection	181,833	193,723	198,848	187,815
Dwelling units inspected	171,781	195,524	195,524	187,815
Percentage of dwelling units inspected	94%	101%	98%	100%
Cost per unit inspected, State	\$43.10	\$35.67	\$36.44	\$37.19
Cost per unit inspected, local	\$25.45	\$27.18	\$36.43	\$35.38
Penalties issued	11,754	10,542	10,550	10,550
Housing Services				
Neighborhood Preservation				
Neighborhood improvement projects	28	40	37	37
Housing units produced	2,300	2,200	2,400	2,400
Technical assistance to non-profit housing developers	45	40	45	48
Homelessness Prevention				
Households assisted	2,300	2,300	2,300	2,300
Shelter beds funded	150	150	150	150
Relocation Assistance				
Families receiving State relocation funds	100	43	50	50
Relocation assistance programs approved	35	60	50	50
Complaints resolved	9	5	6	6

COMMUNITY AFFAIRS

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Uniform Construction Code				
Permits issued	4,527	4,943	4,866	4,815
Inspections	29,924	36,025	35,390	35,500
Officials licensed	4,417	4,813	4,824	4,824
Plans reviewed	2,198	2,338	2,203	2,194
State Building Unit				
Annual permits	39	50	50	50
Construction permits issued	948	706	720	720
Certificates of occupancy and approvals issued	338	337	344	344
Continuing education and training programs offered	300	332	332	332
Elevator Safety Unit				
Devices registered	28,418	29,438	29,440	29,440
State-administered municipalities	435	437	437	437
Liquefied petroleum gas inspections	1,155	1,656	1,675	1,675
Amusement ride inspections	5,166	5,802	5,825	5,825
Ski lift inspections	111	197	200	200
Boarding Home Regulation and Assistance				
Evaluations	1,665	1,658	1,665	1,665
Reevaluations	1,340	1,574	1,575	1,575
Closings-imminent hazard	4	10	10	10
Permanent licenses	1,325	1,291	1,394	1,394
Penalties issued	361	435	435	435
Complaints filed	157	197	190	190
Uniform Fire Code				
Life hazards registered	68,459	65,815	66,000	66,500
State inspections or re inspections performed	14,868	13,675	14,000	14,700
Fire officials and inspectors certified	3,926	4,070	4,038	4,198
State owned and maintained buildings inspected or reinspected	7,200	4,926	5,000	5,250
National fire incident reporting - participating organizations ..	530	479	580	580
Local enforcement monitoring	120	76	80	110
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	28	28	27	29
Federal	220	211	215	246
All Other	592	638	691	755
Total Positions	840	877	933	1,030
Filled Positions by Program Class				
Housing Code Enforcement	119	138	144	149
Housing Services	299	289	291	345
Uniform Construction Code	304	326	355	370
Boarding Home Regulation and Assistance	19	20	22	23
Codes and Standards	9	8	9	13
Uniform Fire Code	90	96	112	130
Total Positions	840	877	933	1,030

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
5,519	4,565	---	10,084	8,357	01	6,119	6,119	6,119	
4,390	996	618	6,004	5,159	02	4,906	4,856	4,856	
6,588	16,079	---	22,667	16,504	06	7,391	7,391	7,391	
---	671	349	1,020	1,020	12	---	---	---	
267	192	-11	448	448	13	297	297	297	
5,788	12,776	-5,500	13,064	8,517	18	6,522	6,147	6,147	
22,552	35,279	-4,544	53,287	40,005		25,235 (a)	24,810	24,810	
Distribution by Fund and Object									
Personal Services:									
16,508	3,306 30,512 ^R	-6,315	44,011	28,931		18,581	18,251	18,251	
---	---	---	---	3,411		---	---	---	
16,508	33,818	-6,315	44,011	32,342		18,581	18,251	18,251	
86	97	528	711	338		86	86	86	
872	21	592	1,485	1,398		859	859	859	
626	131	133	890	592		621	621	621	
Special Purpose:									
243	---	---	243	243	02	243	243	243	
1,835	365	---	2,200	1,558	02	2,168	2,168	2,168	
2,007	631	---	2,638	2,435	02	2,207	2,207	2,207	
---	192 ^R	---	192	192	13	---	---	---	
---	---	---	---	---		---	---	---	
375	---	326	701	701	18	95	---	---	
---	24	192	216	206	18	375	375	375	
						---	---	---	
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
919	101	---	1,020	863	01	919	919	919	
21,660	2,246	59	23,965	7,425	02	21,660	36,660	36,660	
8,571	704	5,500	14,775	14,280	18	9,571	8,571	8,571	
---	3,369	---	3,369	3,369	20	---	---	---	
31,150	6,420	5,559	43,129	25,937		32,150	46,150	46,150	
Distribution by Fund and Object									
Grants:									
919	101	---	1,020	863	01	919	919	919	
2,300	1,731	---	4,031	3,253	02	2,300	2,300	2,300	
4,360	---	---	4,360	4,172	02	4,360	4,360	4,360	
---	515	59	574	---	02	---	---	---	
15,000 ^S	---	---	15,000	---	02	15,000	25,000	25,000	
---	---	---	---	---	02	---	5,000	5,000	

COMMUNITY AFFAIRS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
8,425	554	5,500	14,479	14,049					
---	---	---	---	---					
146	150	---	296	231					
---	3,205 ^R	---	3,205	3,205					
---	164 ^R	---	164	164					
GRANTS-IN-AID									
Uniform Fire Code-Local Enforcement Agency Rebates									
					18	8,425	8,425	8,425	
Automated External Defibrillator Grant Program									
					18	1,000	---	---	
Uniform Fire Code-Continuing Education									
					18	146	146	146	
New Jersey Meadowlands Commission									
					20	---	---	---	
New Jersey Meadowlands Tax Sharing Stabilization Fund									
					20	---	---	---	
STATE AID									
Distribution by Fund and Program									
16,925	23,750	-23,750	16,925	16,925	02	16,925	16,925	16,925	
Housing Services									
16,925	23,750	-23,750	16,925	16,925		16,925	16,925	16,925	
Total State Aid									
Distribution by Fund and Object									
State Aid:									
250	---	---	250	250	02	250	250	250	
Relocation Assistance									
2,750	---	---	2,750	2,750	02	2,750	2,750	2,750	
Neighborhood Preservation (P.L. 1975, c.248 and c.249)									
13,925	23,750	-23,750	13,925	13,925	02	13,925	13,925	13,925	
Neighborhood Preservation-Fair Housing (P.L. 1985, c.222)									
70,627	65,449	-22,735	113,341	82,867		74,310	87,885	87,885	
Grand Total State Appropriation									
OTHER RELATED APPROPRIATIONS									
Federal Funds									
215,736									
1,017 ^S	5,730	5	222,488	193,605	02	214,469	213,398	213,398	
Housing Services									
110	92	---	202	92	18	28	28	28	
Uniform Fire Code									
216,863	5,822	5	222,690	193,697		214,497	213,426	213,426	
Total Federal Funds									
All Other Funds									
---	---	---	---	---	01	3,756	4,719	4,719	
Housing Code Enforcement									
---	69,612	23,782	172,473	71,871	02	83,366	83,811	83,811	
Housing Services									
---	10	---	3,944	3,944	06	14,143	15,258	15,258	
Uniform Construction Code									
---	3,934 ^R	---	---	---	12	700	775	775	
Boarding Home Regulation and Assistance									
---	---	---	---	---	13	150	150	150	
Codes and Standards									
---	28	---	71	65	18	10,325	10,810	10,810	
Uniform Fire Code									
---	43 ^R	---	---	---	20	3,484	300	300	
New Jersey Meadowlands Commission									
---	152,706	23,782	176,488	75,880		115,924	115,823	115,823	
Total All Other Funds									
287,490	223,977	1,052	512,519	352,444		404,731	417,134	417,134	
GRAND TOTAL ALL FUNDS									

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program which includes \$1,383,000 in appropriated receipts.

Language Recommendations -- Direct State Services - General Fund

The amount hereinabove appropriated for the Housing Code Enforcement program classification is payable out of the fees and penalties derived from bureau activities. If the receipts are less than anticipated, the appropriation shall be reduced proportionately.

The unexpended balance at the end of the preceding fiscal year in the Housing Code Enforcement program classification, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year, in the several Uniform Construction Code program classification fee accounts, together with any receipts in excess of the amounts anticipated, is appropriated for expenses of code enforcement activities, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Planned Real Estate Development Full Disclosure Act fees account, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts received by the Uniform Construction Code Revolving Fund attributable to that portion of the surcharge fee in excess of \$0.0006, and to surcharges on other construction, shall be dedicated to the general support of the Uniform Construction Code Program and, notwithstanding the provisions of section 2 of P.L. 1979, c.121 (C.52:27D-124.1), shall be available for training and non-training purposes, except that the amounts attributable to \$0.00075 per cubic foot of new construction and \$0.39 per \$1000 of other construction shall be dedicated to the Smart Future Planning Grant-in-Aid program. Notwithstanding the provision of law to the contrary, unexpended balances at the end of the preceding fiscal year in the Uniform Construction Code Revolving Fund are appropriated.

Such sums as may be required for the registration of builders and reviewing and paying claims under the "New Home Warranty and Builders' Registration Act," P.L. 1977, c.467 (C.46:3B-1 et seq.), are appropriated from the New Home Warranty Security Fund in accordance with section 7 of P.L. 1977, c.467 (C.46:3B-7), subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Uniform Fire Code program classification, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts hereinabove appropriated for the Uniform Fire Code program classification are payable out of the fees and penalties derived from code enforcement activities. If these receipts are less than anticipated, the appropriations shall be reduced proportionately.

Notwithstanding the provisions of any law to the contrary, receipts derived from fees associated with the Fire Protection Contractor's Certification program pursuant to P.L. 2001, c.289 (C.52:27D-25n et seq.) are appropriated to the Department of Community Affairs Division of Fire Safety, necessary to operate the program subject to the approval of the Director of the Division of Budget and Accounting.

The amount appropriated hereinabove for the Council on Affordable Housing and Neighborhood Preservation-Fair Housing accounts shall be payable from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L. 1968, c.49 (C.46:15-8) and from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L. 1975, c.176 (C.46:15-10.1). Any receipts in excess of the amount anticipated, and any unexpended balance at the end of the preceding fiscal year are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Pursuant to section 15 of P.L. 1983, c.530 (C.55:14K-15), the Commissioner of the Department of Community Affairs shall determine, at least annually, the eligibility of each boarding house resident for rental assistance payments; and notwithstanding any provision of P.L. 1983, c.530 (C.55:14K-1 et seq.) to the contrary, moneys held in the Boarding House Rental Assistance Fund that were originally appropriated from the General Fund may be used by the Commissioner for the purpose of providing life safety improvement loans, and any moneys held in the Boarding House Rental Assistance Fund may be used for the purpose of providing rental assistance for repayment of such loans. Notwithstanding any provision of P.L. 1983, c.530 (C.55:14K-1 et seq.), the Commissioner shall have authority to disburse funds from the Boarding House Rental Assistance Fund established pursuant to section 14 of P.L. 1983, c.530 (C.55:14K-14) for the purpose of repaying, through rental assistance or otherwise, loans made to the boarding house owners for the purpose of rehabilitating boarding houses.

Any receipts from the sale of truth in renting statements, including fees, fines, and penalties, are appropriated.

There is appropriated from the Petroleum Overcharge Reimbursement Fund the sum of \$300,000 for the expenses of the Green Homes Office in the Division of Housing, subject to the approval of the Director of the Division of Budget and Accounting.

Any receipts from the Boarding Home Regulation and Assistance program, including fees, fines, and penalties, are appropriated.

Language Recommendations -- Grants-In-Aid - General Fund

The amount hereinabove appropriated for the Housing Code Enforcement program classification is payable out of the fees and penalties derived from bureau activities. If these receipts are less than anticipated, the appropriation shall be reduced proportionately.

The unexpended balance at the end of the preceding fiscal year, in the Housing Code Enforcement program classification, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for the Uniform Fire Code program classification is payable out of the fees and penalties derived from inspection and enforcement activities. If these receipts are less than anticipated, the appropriation shall be reduced proportionately.

The unexpended balance at the end of the preceding fiscal year in the Uniform Fire Code program classification together with any receipts in excess of the amount anticipated is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount appropriated hereinabove for the State Rental Assistance Program (SRAP), an amount not less than \$15 million is allocated from the Neighborhood Preservation Nonlapsing Revolving Fund to SRAP for the purposes of subsections a. and c. of section 1 of P.L. 2004, c.140 (C.52:27D-287.1).

The amount hereinabove appropriated for Shelter Assistance is payable from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L. 1968, c.49 (C.46:15-8) and from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L. 1975, c.176 (C.46:15-10.1). If the receipts are less than anticipated, the appropriation shall be reduced proportionately.

COMMUNITY AFFAIRS

The unexpended balance at the end of the preceding fiscal year in the Shelter Assistance account is appropriated.

Upon determination by the Commissioner that all eligible shelter assistance projects have received funding from the amount appropriated for Shelter Assistance from receipts of the portions of the realty transfer tax dedicated to the Neighborhood Preservation Nonlapsing Revolving Fund, any available balance in the Shelter Assistance account may be transferred to the Neighborhood Preservation-Fair Housing account, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated to the Revolving Housing Development and Demonstration Grant Fund an amount not to exceed 50% of the penalties derived from bureau activities in the Housing Code Enforcement program classification, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from repayment of loans from the Downtown Business Improvement Loan Fund, together with the unexpended balance at the end of the preceding fiscal year of such loan fund and any interest thereon, are appropriated for the purposes of P.L. 1998, c.115 (C40:56-71.1 et seq.).

Notwithstanding the provisions of section 35 of P.L. 1975, c.326 (C.13:17-10.1), sections 10 and 11 of P.L. 1981, c.306 (C.13:1E-109 and C.13:1E-110), section 8 of P.L. 1985, c.368 (C.13:1E-176), or any rules and regulations adopted pursuant thereto, or any order issued by the Board of Public Utilities to the contrary, an amount equal to \$110,000 shall be withdrawn from the escrow accounts by the New Jersey Meadowlands Commission and paid to the State Treasurer for deposit in the General Fund and the amount so deposited shall be appropriated to the New Jersey Meadowlands Commission to cover operational costs of the Hackensack Meadowlands Municipal Committee.

Notwithstanding the provisions of section 35 of P.L.1975, c.326 (C.13:17-10.1), sections 10 and 11 of P.L.1981, c.306 (C.13:1E-109 and C.13:1E-110), section 8 of P.L.1985, c.368 (C.13:1E-176), or any rules and regulations adopted pursuant thereto, or any order issued by the Board of Public Utilities to the contrary, an amount equal to \$190,233 shall be withdrawn from the escrow accounts by the commission and paid to the State Treasurer for deposit in the General Fund, and the amount so deposited is appropriated for payment to the New Jersey Meadowlands Tax Sharing Stabilization Fund and paid to the commission in accordance with the certification of the fund's requirements, for distribution by the commission to municipalities entitled to payments from the fund for 2006.

Notwithstanding any law to the contrary, Revolving Housing Development and Demonstration Grant funds are appropriated to support loans and grants to non-profit entities for the purpose of economic development and historic preservation.

Notwithstanding any law to the contrary, an amount equal to 5% of the Homelessness Prevention Program Grants-In-Aid appropriation shall be available for program administrative expenses, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- State Aid - General Fund

In addition to the sum hereinabove for Relocation Assistance, such amounts as may be required to fund relocation costs of boarding home residents are appropriated from the Boarding Home Rental Assistance Fund.

Of the sum hereinabove appropriated for Neighborhood Preservation-Fair Housing, a sum not to exceed \$300,000 may be used for matching on a 50/50 basis for the administrative costs of the Federal Small Cities Block Grant.

Any receipts in excess of the amount anticipated in the Neighborhood Preservation-Fair Housing account are appropriated.

The amount hereinabove appropriated for Neighborhood Preservation-Fair Housing is payable from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L. 1968, c.49 (C.46:15-8), and from the receipts of the portion of the realty transfer tax directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund pursuant to section 4 of P.L. 1975, c.176 (C.46:15-10.1). If the receipts are less than anticipated, the appropriation shall be reduced proportionately.

Of the amount hereinabove appropriated for Neighborhood Preservation-Fair Housing, an amount not to exceed \$5,500,000 may be used to provide technical assistance grants to non-profit housing organizations and authorities for creating and supporting affordable housing and community development opportunities.

The unexpended balance at the end of the preceding fiscal year in the Neighborhood Preservation-Fair Housing account is appropriated.

Notwithstanding any law to the contrary, funds appropriated for Neighborhood Preservation-Fair Housing may be provided directly to the housing project being assisted; provided however, that any such project have the support by resolution of the governing body of the municipality in which it is located.

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

51. ECONOMIC PLANNING AND DEVELOPMENT

OBJECTIVES

1. The Office of Smart Growth is charged with implementing the New Jersey State Development and Redevelopment Plan, providing expertise and staff to carry out the objectives of the Governor's Smart Growth Policy Council and the State Planning Commission.

PROGRAM CLASSIFICATIONS

49. **Office of Smart Growth.** This office incorporates the Office of State Planning, and provides support to the State Planning Commission and the Governor's Smart Growth Policy Council. The office administers smart future planning grants,

available to counties and municipalities to promote redevelopment, economic activities, and preservation that are consistent with smart growth principles. The office facilitates the implementation of the State Plan and smart growth projects. It ensures agency cooperation on plans, policies, and projects that serve smart growth principles. The office carries out the statutory functions of the State Planning Commission, coordinates with State agencies, provides technical planning assistance, works with communities to implement the State Plan through cross-acceptance and plan endorsement, and supports outreach programs such as the Brownfields Redevelopment Task Force and urban redevelopment initiatives.

COMMUNITY AFFAIRS

The Historic Trust and associated administrative costs are affiliated with the Department of Community Affairs. The Historic Trust, through the Garden State Historic Preservation

Trust Fund, provides for the awarding and administration of grant funded historic preservation planning and capital projects.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Office of Smart Growth				
Smart Future Planning Grants Awarded	42	40	40	35
Endorsed County and Municipal Plans (Including Center Designations)	6	7	5	7
Historic Trust Grants	60	85	41	50
 PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	24	31	31	38
Total Positions	24	31	31	38
Filled Positions by Program Class				
Office of Smart Growth				
Total Positions	24	31	31	38
.....	24	31	31	38

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
2,945	---	-22	2,923	2,866	Office of Smart Growth	49	2,907	2,485	2,485
2,945	---	-22	2,923	2,866	Total Direct State Services		2,907^(a)	2,485	2,485
Distribution by Fund and Object									
Personal Services:									
1,611	---	3	1,614	1,613	Salaries and Wages		1,596	1,596	1,596
1,611	---	3	1,614	1,613	Total Personal Services		1,596	1,596	1,596
55	---	-10	45	45	Materials and Supplies		51	51	51
245	---	-34	211	211	Services Other Than Personal		229	229	229
6	---	9	15	15	Maintenance and Fixed Charges		6	6	6
Special Purpose:									
25	---	10	35	35	Governor's Smart Growth Policy Council	49	25	25	25
325	---	---	325	325	State Planning Commission	49	---	---	---
100 ^S	---	---	100	44	Smart Growth Ombudsman	49	137 ^S	---	---
---	---	---	---	---	Brownfields Redevelopment Task Force	49	285 ^S	---	---
578	---	---	578	578	Historic Trust/Open Space Administrative Costs	49	578	578	578
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
2,700	---	---	2,700	2,700	Office of Smart Growth	49	2,295	2,295	2,295
2,700	---	---	2,700	2,700	Total Grants-in-Aid		2,295	2,295	2,295

COMMUNITY AFFAIRS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
GRANTS-IN-AID								
Distribution by Fund and Object								
Grants:								
2,700	---	---	2,700	2,700	Smart Future Planning Grants	49	2,295	2,295
5,645	---	-22	5,623	5,566	Grand Total State Appropriation		5,202	4,780
OTHER RELATED APPROPRIATIONS								
Federal Funds								
---	42	26	68	68	Office of Smart Growth	49	---	---
---	42	26	68	68	Total Federal Funds		---	---
All Other Funds								
---	91	---	120	---	Office of Smart Growth	49	25	25
---	120 ^R	---	120	---	Total All Other Funds		25	25
5,645	162	4	5,811	5,634	GRAND TOTAL ALL FUNDS		5,227	4,805

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and the reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

The Office of Smart Growth is authorized to collect reasonable fees for the distribution of its publications, and receipts derived from such fees are appropriated for the Office of Smart Growth.

The amount hereinabove for the Historic Trust/Open Space Administrative Costs program is appropriated for all administrative costs and expenses pursuant to the "New Jersey Cultural Trust Act," P.L. 2000, c.76 (C.52:16A-72 et seq.); the "Garden State Preservation Trust Act," P.L. 1999, c.152 (C.13:8C-1 et seq.); the "Historic Preservation Revolving Loan Fund," P.L. 1991, c.41 (C.13:1B-15.115a et seq.); the "Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992," P.L. 1992, c.88; and the "Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995," P.L. 1995, c.204, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other law to the contrary, an amount not to exceed \$578,000 shall be transferred from the Garden State Historic Preservation Trust Fund to the General Fund and is appropriated to the Department of Community Affairs for Historic Trust/Open Space Administrative Costs.

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY
55. SOCIAL SERVICES PROGRAMS

OBJECTIVES

1. To continue to address the needs of New Jersey's disadvantaged low- and moderate-income population through community-based organizations and agencies of local government.
2. To serve as the central permanent agency for the coordination of programs and services for the women of New Jersey and as a planning agency for the development of policy and new programs and services with the underlying theme of ensuring rights and opportunities for all of New Jersey's women.
3. To empower the Hispanic community in New Jersey through the process of inclusion in policy development and direct social services.
4. To increase energy conservation and reduce the utility costs of low-income households through the weatherization of single- and multi-family dwellings and through direct energy assistance payments.
5. To assess and respond to the recreation needs of New Jersey's mentally and physically challenged citizens through events such as the Special Olympics and the Tournament of Champions.
6. To promote representation of the interests and needs of the State's low- and moderate-income people in state policy deliberations on issues of relevance to them.
7. To mitigate lead related paint hazards in housing by providing grants and loans to help fund interim controls, lead rehabilitation and abatement; to increase public awareness of such dangers; to provide training in lead-safe maintenance, rehabilitation and identification of lead-based paint hazards; to increase awareness of the different types of indoor environmental hazards; and to identify housing that has been classified as lead safe.

PROGRAM CLASSIFICATIONS

05. **Community Resources.** Provides assistance to nonprofit groups, local governments, and other local organizations in improving the quality of life for the state's low-income population. In addition to serving as the New Jersey Office of Economic Opportunity (C52:27D-7), supports programs for disadvantaged groups, community action agencies, community development, community recreation (especially for the disabled), the Hispanic community, weatherization, and lead-based paint hazard control.

The Center for Hispanic Policy, Research and Development (CHPRD) ensures the empowerment of the Latino/Hispanic community of the State through the provision of grants to Hispanic community-based organizations for innovative programs and initiatives; technical assistance and referral services aimed at empowering Hispanic community-based organizations; creating training/employment opportunities for Hispanic college interns (a source of potential leadership); conducting and supporting research on Hispanics in New Jersey; developing public/private partnerships that would enrich CHPRD programs and initiatives and provide additional resources; and recognizing the contributions of the Latino community in New Jersey.

The Special Olympics program, supported through volunteers, consists of four statewide sports training and athletic competition programs: the Association of Blind Athletes, NJ Tournament of Champions, Special Olympics NJ, and Wheelchair Sports Council of New Jersey. It provides training for 25,000 children and adult athletes with physical, intellectual, and learning disabilities and to those who are blind and/or visually impaired.

The State Office of Recreation (created by P.L. 1950, c.338) promotes and encourages the development and expansion of recreational facilities, sites, programs, and opportunities for

all citizens including the developmentally and physically challenged. This office has made possible the creation of 82 recreation programs serving 5,200 persons with disabilities across the state, and it has provided training and technical assistance to more than 1,000 individuals with disabilities each year.

15. **Women's Programs.** The Division on Women (C52:27D-43.9) serves as the central permanent agency for the coordination of programs and services for the women of New Jersey and as a planning agency for the development of policy and new programs and services. Executive Order No. 61 (1992) established the Office on the Prevention of Violence Against Women within the Division and rules adopted through NJAC5:2-1.1(f)2 established by the office on Women's Policy and Research, Support, Employment, and Training. The Division administers grant programs for displaced homemakers, urban women, Hispanic women, sexual assault programs, information hotlines, and women's shelters, and carries out multiple activities to expand rights and opportunities for all of New Jersey's women. The Division on Women has a successful outreach program to statewide women's organizations through the distribution of information concerning issues and programs that are pertinent to women, community-based organizations, and the general public.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Community Resources				
Hispanic population served	286,000	300,000	330,000	363,000
Community action agencies	27	27	27	27
Persons served by community action agencies	294,134	317,581	327,109	336,922
Recreation programs for individuals with disabilities	75	82	82	82
Units weatherized	2,680	2,757	2,757	2,757
Women's Programs				
Clients served by Women's Referral Central Hot Line	7,360	7,683	7,600	7,600
Displaced homemakers served by funded programs	2,714	2,474	3,000	3,000
Number of rape victims served	8,264	8,581	8,749	8,250
Number of prevention and education programs for rape victims	2,859	2,000	2,000	2,000
Urban women served by grant programs	490	442	450	500
Hispanic women served by grant programs	518	615	500	500
Clients served by Women's Domestic Violence Hotline	4,448	4,248	4,500	4,500
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	18	21	19	22
Federal	30	35	38	40
All Other	---	---	9	13
Total Positions	48	56	66	75
Filled Positions by Program Class				
Community Resources	33	40	53	58
Women's Programs	15	16	13	17
Total Positions	48	56	66	75

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

COMMUNITY AFFAIRS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
485	1	87	573	572	Community Resources	05	502	502	502
1,456	20	-4	1,472	1,471	Women's Programs	15	1,184	1,184	1,184
1,941	21	83	2,045	2,043	Total Direct State Services		1,686 (a)	1,686	1,686
Distribution by Fund and Object									
Personal Services:									
828	---	92	920	920	Salaries and Wages		872	872	872
828	---	92	920	920	Total Personal Services		872	872	872
70					Materials and Supplies		62	62	62
88 ^S	21	-43	136	136	Services Other Than Personal		172	172	172
174					Maintenance and Fixed Charges		5	5	5
200 ^S	---	39	413	412	Special Purpose:				
6	---	-5	1	1	Center for Hispanic Policy, Research and Development	05	75	75	75
75	---	---	75	75	Address Confidentiality Program	15	93	93	93
93	---	---	93	92	Expenses of the New Jersey Commission on Women	15	7	7	7
7	---	---	7	7	Office on the Prevention of Violence Against Women	15	400	400	400
400	---	---	400	400					
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
22,040	18	250	22,308	15,291	Community Resources	05	18,150	10,200	10,200
3,115	750	400	4,265	3,515	Women's Programs	15	3,115	5,115	5,115
25,155	768	650	26,573	18,806	Total Grants-in-Aid		21,265	15,315	15,315
Distribution by Fund and Object									
Grants:									
50	---	---	50	---	Ethnic Advisory Council	05	---	---	---
840	---	---	840	840	Nutley Township - Park Development	05	---	---	---
750	---	---	750	750	Big Brothers / Big Sisters	05	750	---	---
1,500	---	---	1,500	1,500	Ewing Township - Municipal Purposes	05	---	---	---
3,000	---	---	3,000	3,000	Center for Hispanic Policy, Research and Development	05	3,000	3,000	3,000
650	---	---	650	650	Recreation for the Handicapped	05	650	650	650
1,800	---	---	1,800	1,800	Essex County - South Mountain Arena Renovations	05	---	---	---
1,000	---	---	1,000	1,000	Larc School - Bellmawr	05	1,000	---	---
450	---	---	450	450	Special Olympics	05	450	450	450
1,500	---	250	1,750	1,501	Boys and Girls Clubs of New Jersey	05	1,500	---	---
---	---	---	---	---	Alcyon Lake Dredging	05	300	---	---
---	18	---	18	---	Puerto Rican Congress, Inc., Lakewood	05	---	---	---
500	---	---	500	500	Grant to SPIRA	05	500	100	100
10,000	---	---	10,000	3,300	Lead Hazard Control Assistance Fund	05	10,000	6,000	6,000
500	---	---	500	500	Grants to Hispanic Women's Resource Centers	15	500	500	500

COMMUNITY AFFAIRS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
GRANTS-IN-AID									
25	---	---	25	25	Women's Referral Central	15	25	25	25
1,000	---	400	1,400	1,400	Rape Prevention	15	1,000	1,000	1,000
315	---	---	315	315	Job Training Center for Urban Women Act	15	315	315	315
25	---	---	25	25	Grants to Women's Shelters	15	25	25	25
1,250	---	---	1,250	1,250	Grants to Displaced Homemaker Centers	15	1,250	1,250	1,250
---	---	---	---	---	Capital Improvements for Rape Care Centers	15	---	500	500
---	---	---	---	---	Capital Improvements for Women's Shelters	15	---	1,500	1,500
---	750	---	750	---	Women's Micro-Business Pilot Program	15	---	---	---
27,096	789	733	28,618	20,849	Grand Total State Appropriation		22,951	17,001	17,001
OTHER RELATED APPROPRIATIONS									
Federal Funds									
62,106	9,378	3,280	74,764	53,325	Community Resources	05	70,087	68,539	68,539
<u>1,476</u>	<u>207</u>	<u>---</u>	<u>1,683</u>	<u>1,636</u>	Women's Programs	15	<u>1,447</u>	<u>1,444</u>	<u>1,444</u>
63,582	9,585	3,280	76,447	54,961	Total Federal Funds		71,534	69,983	69,983
All Other Funds									
---	91 41 R	1	133	107	Community Resources	05	500	545	545
---	194 684 R	---	878	808	Women's Programs	15	688	688	688
---	1,010	1	1,011	915	Total All Other Funds		1,188	1,233	1,233
90,678	11,384	4,014	106,076	76,725	GRAND TOTAL ALL FUNDS		95,673	88,217	88,217

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

Notwithstanding the provision of any law to the contrary, receipts derived from the increases in divorce filing fees enacted in the amendment to N.J.S.22A:2-12 by section 41 of P.L. 2003, c.117, are appropriated for transfer to the General Fund as general State revenue, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated from the Petroleum Overcharge Reimbursement Fund such amount as may be required to provide the State 25% cost share for the Low-Income Weatherization Assistance Program, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

Notwithstanding the provisions of P.L. 2003, c.311 (C.52:27D-437.1 et seq.), or any other law or regulation to the contrary, the amount hereinabove appropriated for the Lead Hazard Control Assistance Fund is payable from receipts of the portion of the sales tax directed to be credited to the Lead Hazard Control Assistance Fund pursuant to section 11 of P.L. 2003, c.311 (C.52:27D-437.11), and there is further appropriated from such receipts an amount not to exceed \$8,000,000, subject to the approval of the Director of the Division of Budget and Accounting.

COMMUNITY AFFAIRS

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL 75. STATE SUBSIDIES AND FINANCIAL AID

OBJECTIVES

1. To maintain the fiscal integrity of local government units, and provide intense financial, professional, and technical assistance in strengthening their fiscal, managerial, and functional systems.
2. To provide a central staff agency to serve as a clearinghouse and information and referral service on general municipal law, local government problems and matters of concern to local officials.

PROGRAM CLASSIFICATIONS

04. **Local Government Services.** Provides assistance to local governments and authorities in developing and strengthening managerial, planning, and financial competence; administers statutory and regulatory programs overseeing local govern-

ment financial activities and ethics programs; conducts research and generates reports on local fiscal and operational activities; administers State Aid providing property tax relief to municipalities; assists fiscally distressed municipalities with financial and management support; assists local governments and schools with procurement law assistance; distributes and maintains financial disclosure statements of local government officials; administers and supports state programs encouraging shared services and improved operational efficiency of government activities; coordinates the GovConnect program and promotes e-government; administers certification and continuing education programs for local officials; oversees local government deferred compensation programs and length of service award programs to volunteer fire and rescue organizations; and assists the public in resolving problems with their local governments.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Local Government Services				
Managerial Competence				
Local Public Contracts Law - assistance requests processed	2,200	2,460	2,500	2,550
Deferred compensation plans approved	25	22	25	25
Cooperative purchasing plans approved	20	30	30	25
Municipalities receiving self insurance assistance	60	48	50	50
Municipalities approved to join existing joint insurance pools	17	15	20	20
Applications for professional certification exams (a)	410	413	450	425
Professional certifications issued (a)	164	173	185	200
Length Of Service Award Program - plans approved	35	23	25	25
Qualified purchasing agents certificates issued	79	66	60	50
Continuing education programs approved	835	781	800	900
Research and Technical Assistance				
Budget amendments reviewed	3,500	3,500	3,600	3,700
Legislative proposals reviewed	480	400	380	350
Single audit reviews conducted	60	60	60	45
Joint insurance pools supervised	41	41	42	42
Number of officials enrolled in GovConnect	3,500	4,025	4,550	4,850
Number of GovConnect postings	375	450	500	550
State Aid Administration				
Municipalities applying for extraordinary aid	150	179	157	180
Municipalities receiving extraordinary aid	114	139	132	100
REDI (SHARE) applications received	---	64	60	60
REDI (SHARE) applications approved	---	59	45	45
Municipalities receiving REAP grants	14	14	14	---
Authority Regulation				
Authority budgets approved	548	555	560	565
Authority project financing proposals reviewed	170	190	200	200
Authorities assisted	470	490	500	500
Registered municipal accountants and certified public accountants assisted	302	325	325	325
Local Government Ethics Law				
Complaints filed against local officials	20	25	25	25
Local codes of ethics reviewed	3	3	3	3
Requests for advisory opinions	27	23	25	25

COMMUNITY AFFAIRS

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	51	46	50	53
Total Positions	51	46	50	53
Filled Positions by Program Class				
Local Government Services	51	46	50	53
Total Positions	51	46	50	53

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

(a) Applications for exams and issuance of professional certifications include Municipal Clerk, Municipal Finance Officer, Tax Collector, and Public Works Manager titles.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
4,518	126	-660	3,984	3,923	04	4,053	4,053	4,053	
4,518	126	-660	3,984	3,923		4,053 ^(a)	4,053	4,053	
Distribution by Fund and Object									
Personal Services:									
---	---	---	---	84		84	84	84	
2,584	126 ^R	-577	2,133	2,049		3,095	3,095	3,095	
2,584	126	-577	2,133	2,133		3,179	3,179	3,179	
50	---	-20	30	29		67	67	67	
320	---	-14	306	299		411	411	411	
18	---	-6	12	12		58	58	58	
Special Purpose:									
1,138	---	---	1,138	1,138					
408	---	-43	365	312	04	---	---	---	
					04	338	338	338	
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
10,000	2,975	3,788	16,763	13,675	04	---	---	---	
10,000	2,975	3,788	16,763	13,675		---	---	---	
Distribution by Fund and Object									
Grants:									
4,000	2,975	294	7,269	4,182	04	---	---	---	
6,000	---	3,494	9,494	9,493	04	---	---	---	

COMMUNITY AFFAIRS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
STATE AID									
Distribution by Fund and Program									
1,015,840	2,000	22,797	1,040,637	1,033,932	Local Government Services	04	1,083,090	1,040,443	1,040,443
86,271	2,000	5,530	93,801	89,610	(From General Fund)		90,521	75,271	75,271
929,569	---	17,267	946,836	944,322	(From Property Tax Relief Fund)		992,569	965,172	965,172
1,015,840	2,000	22,797	1,040,637	1,033,932	Total State Aid		1,083,090	1,040,443	1,040,443
86,271	2,000	5,530	93,801	89,610	(From General Fund)		90,521	75,271	75,271
929,569	---	17,267	946,836	944,322	(From Property Tax Relief Fund)		992,569	965,172	965,172
Distribution by Fund and Object									
State Aid:									
41,000	---	6,000	47,000	47,000	Extraordinary Aid (C.52:27D-118.35)	04	43,000	30,000	30,000
835,447	---	-18,733	816,714	816,714	Consolidated Municipal Property Tax Relief Aid (PTRF)	04	835,447	835,447	835,447
821	---	---	821	804	County Prosecutors Salary Increase (P.L. 1996, c.99)	04	821	821	821
8,000	---	---	8,000	7,730	County Prosecutor Funding Initiative Pilot Program	04	8,000	8,000	8,000
32,000	---	-470	31,530	31,530	Municipal Homeland Security Assistance Aid	04	32,000	32,000	32,000
34,825	---	---	34,825	34,825	Legislative Initiative Municipal Block Grant Program (PTRF)	04	34,825	34,825	34,825
250	---	---	250	250	Domestic Violence Training Cost Reimbursement - Local Law Enforcement Agencies	04	250	250	250
16,500	---	---	16,500	16,500	Trenton Capital City Aid (PTRF)	04	16,500	16,500	16,500
4,200	2,000	---	6,200	2,296	Regional Efficiency Development Incentive Grant Program	04	4,200	4,200	4,200
10,992	---	---	10,992	10,979	Regional Efficiency Aid Program (PTRF)	04	10,992	---	---
29,305	---	36,000	65,305	65,304	Special Municipal Aid Act (PTRF)	04	29,305	78,400	78,400
2,500	---	---	2,500	---	Taxpayer Hero Grants (PTRF)	04	65,500 ^S	---	---
---	---	---	---	---	West New York Parking Authority	04	2,000	---	---
---	---	---	---	---	Lambertville Municipal Assistance	04	250	---	---
1,030,358	5,101	25,925	1,061,384	1,051,530	Grand Total State Appropriation		1,087,143	1,044,496	1,044,496

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and the reallocation of administrative efficiencies.
- (b) Funding for administrative costs associated with the Special Municipal Aid Act is provided in the base appropriation for Local Government Services beginning in fiscal 2006.

Language Recommendations -- Direct State Services - General Fund

Receipts from the Division of Local Government Services are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- State Aid - General Fund

The amount hereinabove appropriated for Extraordinary Aid shall be charged first to receipts of the supplemental fee established pursuant to section 2 of P.L. 2003, c.113 (C.46:15-7.1), credited to the Extraordinary Aid account. Notwithstanding any provisions of that law to the contrary, the amount appropriated for municipal aid from receipts deposited in the Extraordinary Aid account shall not exceed the amount appropriated hereinabove.

Notwithstanding the provisions of any other law to the contrary, the amount hereinabove appropriated for Extraordinary Aid shall be distributed subject to the determination of the Director of the Division of Local Government Services.

In addition to the amount hereinabove for the County Prosecutors Salary Increase, there is appropriated an amount not to exceed \$40,000, subject to the approval of the Director of the Division of Budget and Accounting.

Loan repayments received in the Regional Efficiency Development Incentive Grant Program account, established pursuant to P.L. 2003, c.122, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Regional Efficiency Development Incentive Grant Program account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any provisions of the "Local Budget Law," N.J.S.40A:4-1 et seq., to the contrary, in administering the appropriation hereinabove for the Special Municipal Aid program, the Director of the Division of Local Government Services may require any municipality which is determined to be experiencing fiscal distress pursuant to the provisions of the "Special Municipal Aid Act," P.L. 1987, c.75 (C.52:27D-118.24 et seq.), to anticipate and include in its annual budget any additional item or amount of revenue as the director deems to be appropriate and fiscally prudent.

Notwithstanding any provision of law to the contrary, municipal appropriations for "Reserve for Tax Appeals" may be made in exception to spending limitations pursuant to section 3 of P.L. 1976, c.68 (C.40A:4-45.3).

Notwithstanding any provision of law to the contrary, any qualified municipality as defined in section 1 of P.L. 1978, c.14 (C.52:27D-178) for the previous fiscal year shall continue to be a qualified municipality thereunder during the current fiscal year.

Language Recommendations -- State Aid - Property Tax Relief Fund

The amount hereinabove appropriated for Consolidated Municipal Property Tax Relief Aid shall be distributed on the following schedule: on or before August 1, 45% of the total amount due; September 1, 30% of the total amount due; October 1, 15% of the total amount due; November 1, 5% of the total amount due; and December 1, 5% of the total amount due.

Notwithstanding any law to the contrary, from the amount received from the appropriation to the Consolidated Municipal Property Tax Relief Aid program, each municipality shall be required to distribute to each fire district within its boundaries the amount received by the fire district from the Supplementary Aid for Fire Services program pursuant to the provisions of the fiscal year 1995 annual appropriations act, P.L. 1994, c.67.

Notwithstanding any law to the contrary, the amount hereinabove appropriated for Consolidated Municipal Property Tax Relief Aid shall be distributed in the same amounts, and to the same municipalities which received funding pursuant to the previous fiscal year's annual appropriations act, provided further, however, that from the amount hereinabove appropriated there is transferred to the Energy Tax Receipts Property Tax Relief Fund account such sums as were determined for fiscal year 2003, fiscal year 2006, and fiscal year 2007 pursuant to subsection e. of section 2 of P.L. 1997, c.167 (C.52:27D-439) as amended by P.L. 1999, c.168, and except that the amount received by the city of Newark shall be further reduced by an amount certified by the Division of Taxation and appropriated to the Division of Taxation for any aspect of the revaluation of real property in Newark, subject to the approval of the Director of the Division of Budget and Accounting. The Director of the Division of Local Government Services shall further take such actions as may be necessary to ensure that the Consolidated Municipal Property Tax Relief Aid appropriated to offset losses from business personal property tax that would have otherwise been used for the support of public schools will be used to reduce the school property tax levy for those affected school districts with the remaining State Aid used as municipal property tax relief. The chief financial officer of the municipality shall pay to the school districts such amounts as may be due by December 31, 2006.

The amount appropriated hereinabove for the Legislative Initiative Municipal Block Grant Program (PTRF) shall be distributed to the same municipalities and in the same proportions as the distributions received therefrom during the previous fiscal year.

Of the amount hereinabove appropriated for the Special Municipal Aid Act program, there is transferred to the Energy Tax Receipts Property Tax Relief Fund an amount not to exceed \$2,211,000, subject to the approval of the Director of the Division of Budget and Accounting.

Municipalities that received Municipal Revitalization Program aid in fiscal year 1995 pursuant to the provisions of P.L. 1994, c.67 shall continue to be subject to the provisions of the "Special Municipal Aid Act," P.L. 1987, c.75 (C.52:27D-118.24 et seq.), and the Director of the Division of Local Government Services may withhold aid payments or portions thereof from any municipality that fails to comply with those provisions, until such time as the director determines the municipality to be in compliance.

Notwithstanding any law to the contrary, whenever funds appropriated as State aid and payable to any municipality, which municipality requests and receives the approval of the Local Finance Board, such funds may be pledged as a guarantee for payment of principal and interest on any bond anticipation notes issued pursuant to section 11 of P.L. 2003, c.15 (C.40A:2-8.1) and any tax anticipation notes issued pursuant to N.J.S.40A:4-64 by such municipality. Such funds, if so pledged, shall be made available by the State Treasurer upon receipt of a written notification by the Director of the Division of Local Government Services that the municipality does not have sufficient funds available for prompt payment of principal and interest on such notes, and shall be paid by the State Treasurer directly to the holders of such notes at such time and in such amounts as specified by the director, notwithstanding that payment of such funds does not coincide with any date for payment otherwise fixed by law.

The State Treasurer, in consultation with the Commissioner of the Department of Community Affairs, is empowered to direct the Director of the Division of Budget and Accounting to transfer appropriations from any State department to any other State department as may be necessary to provide a loan for a term not to exceed 30 days to a municipality faced with a fiscal crisis, including but not limited to a potential default on tax anticipation notes. Extension of the term of the loan shall be conditioned on the municipality being an "eligible municipality" pursuant to P.L. 1987, c.75 (C.52:27D-118.24 et seq.).

COMMUNITY AFFAIRS

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL 76. MANAGEMENT AND ADMINISTRATION

OBJECTIVES

1. To maximize efficiency in all departmental operating programs and to improve budgeting and accounting, personnel, grant policy and procedures, operational analysis, office automation, data processing, public information, and both the State and federal legislative review subsystems.
2. To enhance the delivery of services to local governments and constituent groups by evaluating the impact of changing federal and State aid systems and by initiating and advocating priority legislation and other actions in their best interest.
3. To maintain an effective affirmative action policy.
4. To continue to undertake needed special research studies for the Governor, the Commissioner, the Legislature, and local governments.
5. To adjudicate complaints filed by the public with the Government Records Council concerning access to govern-

ment records, issue advisory opinions on public records issues, and prepare guidelines for records custodians.

PROGRAM CLASSIFICATIONS

99. **Administration and Support Services.** Provides, through the office of the Commissioner, executive and management leadership for the Department and provides staff services for grant coordination and management, fiscal control, data processing, personnel, public information, management services, legislative review, and intergovernmental relations. In addition, the Department (C52:27D-1 et seq.) provides assistance in improving the management, financial and planning capability of New Jersey's 566 municipalities and 21 counties. The Government Records Council, as an "in-but-not-of" agency, provides through its members and staff, technical and educational assistance and guidance to the public and government records custodians concerning the Open Public Records Act.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Government Records Council				
Formal Complaints Received	200	266	280	285
Public Inquiries Received	1,300	1,035	1,150	1,200
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	85	90	91	103
Male Minority %	7.7	8.0	7.9	8.0
Female Minority	251	265	276	292
Female Minority %	22.7	23.5	23.9	22.6
Total Minority	336	355	367	395
Total Minority %	30.4	31.5	31.8	30.6
Position Data				
Filled Positions by Funding Source				
State Supported	50	53	57	59
All Other	21	22	23	24
Total Positions	71	75	80	83
Filled Positions by Program Class				
Management and Administrative Services	71	75	80	83
Total Positions	71	75	80	83

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
4,013	---	238	4,251	4,244				
4,013	---	238	4,251	4,244				
DIRECT STATE SERVICES					Distribution by Fund and Program			
Administration and Support Services					99	3,930	3,880	3,880
Total Direct State Services						3,930^(a)	3,880	3,880

COMMUNITY AFFAIRS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available Expended		Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES								
Distribution by Fund and Object								
Personal Services:								
2,799	---	238	3,037	3,037		2,804	2,754	2,754
Salaries and Wages								
						<u>2,804</u>	<u>2,754</u>	<u>2,754</u>
2,799	---	238	3,037	3,037		2,804	2,754	2,754
Total Personal Services								
10	---	37	47	47		8	8	8
Materials and Supplies								
281	---	-15	266	259		266	266	266
Services Other Than Personal								
26	---	-22	4	4		21	21	21
Maintenance and Fixed Charges								
Special Purpose:								
792	---	---	792	792	99	771	771	771
Government Records Council								
60	---	---	60	60				
Affirmative Action and Equal Employment Opportunity								
45	---	---	45	45	99	60	60	60
Additions, Improvements and Equipment								
<u>4,013</u>	<u>---</u>	<u>238</u>	<u>4,251</u>	<u>4,244</u>		<u>3,930</u>	<u>3,880</u>	<u>3,880</u>
						Grand Total State Appropriation		
						<u>3,930</u>	<u>3,880</u>	<u>3,880</u>
OTHER RELATED APPROPRIATIONS								
All Other Funds								
Administration and Support Services								
---	766 <u>1,139^R</u>	465	2,370	1,852	99	1,125	1,161	1,161
Total All Other Funds								
<u>---</u>	<u>1,905</u>	<u>465</u>	<u>2,370</u>	<u>1,852</u>		<u>1,125</u>	<u>1,161</u>	<u>1,161</u>
						GRAND TOTAL ALL FUNDS		
<u>4,013</u>	<u>1,905</u>	<u>703</u>	<u>6,621</u>	<u>6,096</u>		<u>5,055</u>	<u>5,041</u>	<u>5,041</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and the reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

Notwithstanding any provision of law to the contrary, from the amount appropriated hereinabove for the Government Records Council, the Council shall expend such amount as is necessary to employ staff legal counsel other than counsel provided by the Office of the Attorney General.

DEPARTMENT OF COMMUNITY AFFAIRS

Notwithstanding the provisions of any prior law to the contrary, deposits of any funds into the Revolving Housing Development and Demonstration Grant Fund are subject to prior approval of the Director of the Division of Budget and Accounting.

NOTES

DEPARTMENT OF CORRECTIONS

OVERVIEW

The mission of the New Jersey Department of Corrections is to ensure that all persons committed to the State's correctional institutions are confined with the level of custody necessary to protect the public, and that they are provided with the care, discipline, training, and treatment needed to prepare them for reintegration into the community.

The Department's goals and objectives are to: enhance safety within institutions and protect the community; control costs, and improve productivity and operational efficiency; expand treatment and rehabilitation services; increase community programs and reintegration services; and improve academic and educational programs.

The Department will accomplish these goals and objectives by: promoting staff development; maximizing the use of technology to improve service delivery in the most cost effective manner; evaluating and measuring program effectiveness; and enhancing departmental emergency response capabilities.

Fiscal 2007 Budget Highlights

The Fiscal 2007 Budget for the Department of Corrections (including State Parole Board) totals \$1.065 billion, a decrease of \$17 million, or 1.6%, below the fiscal 2006 adjusted appropriation of \$1.082 billion.

Prisons

The Division of Operations is responsible for 14 major institutions-12 men's correctional facilities, one women's correctional institution, and the central reception/intake unit. Collectively, county jails, community treatment programs and these facilities, which are diverse and unique in their operations, house approximately 27,000 inmates in minimum, medium, and maximum security levels. The maximum security New Jersey State Prison contains the State's Capital Sentence Unit. The Adult Diagnostic and Treatment Center operates a rehabilitative program for habitual sex offenders. Northern State Prison contains the Security Threat Group Management Unit, which houses gang members considered a threat to the safety of the institutions and individuals. The Edna Mahan Correctional Facility, New Jersey's only correctional institution for women, houses inmates at all security levels.

In fiscal 2007, \$850.5 million is recommended for State prison facilities and system-wide program support. This amount represents a net decrease of \$4.3 million from the fiscal 2006 adjusted appropriation. Components of the change are increases of \$8.1 million to fund certain ongoing operating costs, an increase of \$1.7 million to fund the civilly committed sex offender units, and a net reduction of \$14.1 million in operating efficiencies.

The Fiscal 2007 Budget recommendation for Central Planning, Direction and General Support has no increase over the fiscal 2006 adjusted appropriation and remains at \$18.7 million.

Funding of \$33.8 million is recommended for the purchase of services for approximately 1,829 inmates incarcerated in county penal facilities. This represents a net decrease of \$6.2 million from the fiscal 2006 adjusted appropriation. This decrease is due to a slight decline in the overall inmate population and the continued effective use of parole alternative programs. Alternative parole programs are designed to allow certain offenders, who would not otherwise be released due to a lack of adequate post release services, an opportunity to be paroled. By using these programs, the State places a larger number of technical parole violators and/or new parolees in less costly and more appropriate alternative parole programs where they receive drug treatment and other services.

Capital funding of \$8 million from other sources for fiscal 2007 is recommended for the replacement of the high temperature hot water

(HTHW) piping system at the South Woods State Prison. In addition, \$1 million is recommended for trailer replacements.

Programs and Community Services

The Division of Programs and Community Services offers an array of institutional and community-based programs for offenders, including community labor assistance, academic and vocational educational programs, recreational programs, library (lending and law) services, and substance abuse treatment. The Division also contracts with private and non-profit providers throughout the State to provide community-based residential treatment programs for offenders under community supervision. The recommended Fiscal 2007 Budget continues at \$61.5 million, providing for 2,744 slots.

Office of Transitional Services

In an effort to combat the problem of recidivism, the New Jersey Department of Corrections created the Office of Transitional Services. This office is responsible for the coordination of the delivery of institutional and community programs and social services that reduce the risk of recidivism and increase the likelihood of successful reentry. All institutional social services have been centralized under the Office of Transitional Services, which has also begun to develop partnerships with federal, state and local agencies for creating linkages to existing resources that provide the support necessary to reduce the cycle of incarceration.

State Parole Board

The State Parole Board's mission is to promote the effective and efficient assessment of inmates prior to parole and the efficient supervision of parolees after they have attained parole status. During fiscal 2002, the Division of Parole Supervision within the Department of Corrections was transferred to the State Parole Board to promote the effective and efficient assessment of inmates prior to parole and supervision of parolees. The Division of Parole is responsible for monitoring parolee compliance with special release conditions imposed by the State Parole Board and the collection of fines, penalties, and restitution payments owed by parolees.

The Fiscal 2007 Budget for the State Parole Board totals \$98.5 million, a decrease of \$1.4 million or 1.4%, below the fiscal 2006 adjusted appropriation of \$99.9 million. This decrease includes management efficiencies of \$2.2 million, which will be achieved through the attrition of 26 positions and cost reductions through operational efficiencies. This decrease is offset by a \$1 million Governor's Priority increase for the Halfway Back Program.

In fiscal 2007, funding for alternative programs supports the Electronic Monitoring/Home Confinement Program (\$5.9 million), Intensive Supervision Surveillance Program (\$2.2 million), and Intensive Parolee Drug Program (\$2.3 million). The Mutual Agreement Program or MAP provides inpatient and outpatient substance abuse treatment to parolees in need of these services. The budget recommendation for MAP remains at \$3.1 million for fiscal 2007.

The Re-Entry Substance Abuse Program (RESAP), a residential treatment program, was initiated in fiscal 2004 and expanded in fiscal 2005. The program provides specialized residential substance abuse treatment services for offenders who are eligible to re-enter the community on parole but have a chronic substance abuse history. The Re-Entry Substance Abuse Program has a fiscal 2007 recommended budget of \$4 million.

The Halfway Back Program was initiated in fiscal 2002 to reduce recidivism. It is designed for technical parole violators as an alternative to returning these violators to prison. This program provides a highly supervised resident environment with services concentrated in the areas of the offenders' highest needs such as addictive or chemical dependencies and life skills development. In

CORRECTIONS

fiscal 2005 the State Parole Board expanded the Halfway Back Program by 45 beds. The fiscal 2007 funding recommendation for the Halfway Back Program is \$17.3 million, including a \$1 million Governor's Priority increase over the fiscal 2006 adjusted appropriation, resulting in an increase of approximately 50 beds.

The Day Reporting Centers provide services in the areas of the offenders' highest needs in a supervised, non-residential environment. The services include anger and aggression management, job readiness skills, academic assistance and life skills development. The Day Reporting Program was expanded in fiscal 2005 by 100 slots and again in fiscal 2006 by 115 slots. The fiscal 2007 funding recommendation for the Day Reporting Program is \$11.9 million.

In fiscal 2005 the State Parole Board established the Sex Offender Management Unit. The staff in this unit is specifically trained to address the unique challenges faced in managing sexual offenders and sexually violent predator caseloads within the community supervision for life program. Reallocations from other programs into the Sex Offender Management Unit increased the fiscal 2007 recommended appropriation to \$5.6 million, \$782,000 over the fiscal 2006 adjusted appropriation.

The GPS Monitoring of Sex Offenders was initiated in fiscal 2006. Funding from a legislative supplemental to the Satellite-based Monitoring of Sex Offenders Pilot Program is recommended to continue in fiscal 2007 with a funding recommendation of \$3 million.

Department Accomplishments

In response to a recently amended state law, the Department of Law and Public Safety has coordinated the collection of DNA samples for all persons convicted of a crime in New Jersey. During the first quarter of 2005, the Department of Corrections began a system-wide DNA sweep of all offenders in the 14 correctional facilities and halfway houses and has virtually completed the task, having collected over 42,000 samples. DNA collection continues as an

ongoing project at intake and prior to an offender's release from custody.

In accordance with federal and state requirements, the Department provides mandatory educational services in all of the department's facilities housing inmates under the age of 21 who have been identified as being in need of special education intervention in addition to other formal educational instruction provided on a voluntary basis for the adult inmate population. In fiscal 2005, 88 high school diplomas were awarded to the school age population, and 1,014 GED tests were administered to both school age and adult students, with 700 passing, or a 69% pass rate.

The department has fully implemented two automation enhancements that provide increased public awareness and improved internal security. A Community Notification System has been created, whereby citizens are alerted in the case of a correctional emergency such as an escape, fire, or evacuation. The system is designed to notify the public in three ways. A general website broadcast will alert the public when an emergency occurs and when it is resolved. Individuals may call in directly to a toll free number for emergency updates and lastly, interested citizens may request to be automatically called at a designated number with an emergency alert.

During fiscal 2005, the department implemented a security enhancement module, which maintains accessible records of all inmate visitors. The department views the tracking of those who enter the secure perimeters of its institutions as an essential security requirement intended to enhance the safety of officers and the surrounding communities.

In fiscal 2006, the Department of Corrections successfully renegotiated the first of three one-year contract extensions for substance use disorder treatment services awarded to the Gateway Foundation. This contract extension was revised to enhance the credentialing and staffing process in order to maximize treatment bed space utilization.

DEPARTMENT OF CORRECTIONS SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					GENERAL FUND			
881,282	1,590	18,145	901,017	898,264	Direct State Services	938,166	931,420	931,420
113,599	2,219	1,950	117,768	116,618	Grants-In-Aid	138,383	133,151	133,151
500	6,359	---	6,859	1,710	Capital Construction	5,000	---	---
995,381	10,168	20,095	1,025,644	1,016,592	Total General Fund	1,081,549	1,064,571	1,064,571
995,381	10,168	20,095	1,025,644	1,016,592	Total Appropriation, Department of Corrections	1,081,549	1,064,571	1,064,571

SUMMARY OF APPROPRIATIONS BY PROGRAM
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
					DIRECT STATE SERVICES - GENERAL FUND			
					Detention and Rehabilitation			
461,999	25	16,257	478,281	477,342	Institutional Control and Supervision	482,903	484,645	484,645
196,390	11	-4,212	192,189	192,177	Institutional Care and Treatment	225,951	222,951	222,951
68,868	251	-1,849	67,270	66,577	Institutional Program Support	61,503	58,416	58,416
81,869	567	4,327	86,763	85,679	Administration and Support Services	84,484	84,484	84,484
<u>809,126</u>	<u>854</u>	<u>14,523</u>	<u>824,503</u>	<u>821,775</u>	<i>Subtotal</i>	<u>854,841</u>	<u>850,496</u>	<u>850,496</u>
					Parole			
40,206	701	143	41,050	41,032	Parole	47,462	45,146	45,146
12,164	---	528	12,692	12,692	State Parole Board	13,375	13,428	13,428
3,103	---	730	3,833	3,826	Administration and Support Services	3,780	3,647	3,647
<u>55,473</u>	<u>701</u>	<u>1,401</u>	<u>57,575</u>	<u>57,550</u>	<i>Subtotal</i>	<u>64,617</u>	<u>62,221</u>	<u>62,221</u>
					Central Planning, Direction and Management			
---	---	---	---	---	Planning, Management and General Support	---	---	---
16,683	35	2,221	18,939	18,939	Administration and Support Services	18,708	18,703	18,703
<u>16,683</u>	<u>35</u>	<u>2,221</u>	<u>18,939</u>	<u>18,939</u>	<i>Subtotal</i>	<u>18,708</u>	<u>18,703</u>	<u>18,703</u>
<u>881,282</u>	<u>1,590</u>	<u>18,145</u>	<u>901,017</u>	<u>898,264</u>	<i>Total Direct State Services - General Fund</i>	<u>938,166</u>	<u>931,420</u>	<u>931,420</u>
<u>881,282</u>	<u>1,590</u>	<u>18,145</u>	<u>901,017</u>	<u>898,264</u>	TOTAL DIRECT STATE SERVICES	<u>938,166</u>	<u>931,420</u>	<u>931,420</u>
					GRANTS-IN-AID - GENERAL FUND			
					Detention and Rehabilitation			
83,605	1,579	1,950	87,134	87,134	Institutional Program Support	103,105	96,873	96,873
<u>83,605</u>	<u>1,579</u>	<u>1,950</u>	<u>87,134</u>	<u>87,134</u>	<i>Subtotal</i>	<u>103,105</u>	<u>96,873</u>	<u>96,873</u>
					Parole			
29,994	640	---	30,634	29,484	Parole	35,278	36,278	36,278
<u>29,994</u>	<u>640</u>	<u>---</u>	<u>30,634</u>	<u>29,484</u>	<i>Subtotal</i>	<u>35,278</u>	<u>36,278</u>	<u>36,278</u>
<u>113,599</u>	<u>2,219</u>	<u>1,950</u>	<u>117,768</u>	<u>116,618</u>	<i>Total Grants-In-Aid - General Fund</i>	<u>138,383</u>	<u>133,151</u>	<u>133,151</u>
<u>113,599</u>	<u>2,219</u>	<u>1,950</u>	<u>117,768</u>	<u>116,618</u>	TOTAL GRANTS-IN-AID	<u>138,383</u>	<u>133,151</u>	<u>133,151</u>
					CAPITAL CONSTRUCTION			
					Detention and Rehabilitation			
500	305	-3	802	267	Administration and Support Services	---	---	---
<u>500</u>	<u>305</u>	<u>-3</u>	<u>802</u>	<u>267</u>	<i>Subtotal</i>	<u>---</u>	<u>---</u>	<u>---</u>

CORRECTIONS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
---	6,054	3	6,057	1,443	Central Planning, Direction and Management			
					Administration and Support Services	5,000	---	---
---	6,054	3	6,057	1,443	<i>Subtotal</i>	5,000	---	---
500	6,359	---	6,859	1,710	TOTAL CAPITAL CONSTRUCTION	5,000	---	---
995,381	10,168	20,095	1,025,644	1,016,592	Total Appropriation, Department of Corrections	1,081,549	1,064,571	1,064,571

10. PUBLIC SAFETY AND CRIMINAL JUSTICE

16. DETENTION AND REHABILITATION

OBJECTIVES

- To receive, diagnose and classify offenders legally committed to the prisons, correctional institutions and the Adult Diagnostic and Treatment Center, with emphasis on satisfying the individual rehabilitation program needs of the offender.
- To effect a reorientation of attitudes and habits, upgrade educational attainment and develop work skills through vocational programs which will assist offenders to conform to acceptable community living standards upon release from institutions.
- To develop and enhance public interest and encourage community participation in the correctional process.

PROGRAM CLASSIFICATIONS

- Institutional Control and Supervision.** Designed to provide the level of control necessary to protect the inmate and the community from harm by providing custodial control and supervision in all institutional areas and during inmate transportation outside of the institution.
- Institutional Care and Treatment.** Includes the activities of housekeeping, safety and medical care which provide a safe, sanitary and healthful environment for inmates and employees; and food service, which meets the nutritional needs of inmates and staff. Provides suitable and adequate clothing to inmates to meet their needs during the period of incarceration. Provides medical, dental, surgical and nursing services to maintain and promote the physical health of inmates.

Includes the treatment and classification services designed to assist the offender with emotional and/or maturational problems; makes program assignments, reassignments, and release decisions for inmates; and maintains accurate, up-to-date cumulative records of relevant information concerning all inmates from admission to final discharge from parole. A recreation program is provided to enhance inmate social development and promote the constructive use of leisure time. Professional staff activities in the disciplines of psychology, psychiatry and social work provide guidance counseling and other diagnostics and treatments designed to enable offenders to adopt norms of acceptable behavior, improve their adaptive behavior and increase their positive interaction with the staff, other offenders and the community upon release. Institutional work is available in State Use shops and in the operation of farming, laundry, bakery, maintenance and food service programs. In addition, furlough and work release programs are provided for the transition to normal family and employment situations.

Provides basic, secondary and college education, library activities, high school equivalency and vocational training. State and federal funds support this program.

- Administration and Support Services.** Coordinates the fiscal, physical and personnel resources of the institution.

Comprises the planning, management and operation of the physical assets of the institution including utilities, buildings and structures, grounds and equipment of all kinds. Activities include operation, maintenance, repair, rehabilitation, improvement, custodial and housekeeping services.

INSTITUTIONAL DESCRIPTIONS

New Jersey State Prison

The maximum security prison, located in Trenton, provides programs for adult male offenders. Work opportunities are provided by five State Use Industries shops within the prison for the production of materials and products to be used by various State agencies and local governments.

Educational opportunities are comprehensive, covering adult basic education through college and includes a five cluster vocational education program. An Administration and Management Services Unit inside the prison is available for housing and programming designed to treat the more severe behavioral problems which occur in the prison system.

Vroom Central Reception and Assignment Facility

The Central Reception and Assignment Center serves as a central processing unit for all adult males sentenced to the New Jersey Department of Corrections. It is responsible for objectively classifying all State inmates, and providing all intake examinations/evaluations, including medical, dental, educational, psychological, etc.

The Jones Farm Minimum Security Unit is a satellite unit. It serves as a work camp for inmates serving non-violent short term sentences. The facility supports the Reception and Assignment Facility in the delivery of food services, building and grounds, maintenance/repairs and other activities as needed.

East Jersey State Prison

This prison provides maximum, medium, and minimum security programs for male adult offenders. Work opportunities are provided by five State Use Industries shops. Food service, grounds maintenance, institutional maintenance and farm services are provided by inmates at the North Jersey Developmental Center, Totowa. A functional vocational technical training program offers courses in auto body, mechanics, welding, building trades, painting and decorating, masonry and horticulture.

South Woods State Prison

This facility, located in Bridgeton, Cumberland County, houses male offenders in a safe and secure environment providing custody, care, and rehabilitative services. Its bedspace design capacity totals 3,188, consisting of three 960 bed medium security general housing units, a 44 bed long term care facility, and a 264 bed minimum security unit. The first 960 bed unit became operational in fiscal 1997, and the second in October 1997. The remaining beds opened in the spring of 1998.

Bayside State Prison

This combined minimum-medium security prison located at Leesburg in Cumberland County provides programs for male adult offenders at the medium security prison and the minimum security unit. In addition, an inmate detail is housed at, and provides services for, the Ancora Psychiatric Hospital.

Work opportunities are provided in farm operations for minimum security inmates. The auto license tag and clothing industries offer training for medium security inmates. The Regional Bakery, which has an inmate training program, provides services to institutions throughout the State. The dairy provides milk for State institutions in southern New Jersey.

The education program covers adult basic education and a vocational education program offering a total of ten subjects. Modular units on institution grounds provide for additional inmate housing.

Southern State Correctional Facility

Southern State Correctional Facility, which opened in July 1983, is located at Delmont in Cumberland County adjacent to Bayside State Prison. This institution is a medium security facility constructed of modular buildings with a razor ribboned double fence acting as the secured perimeter. A 352 bed minimum-security permanent unit opened on the grounds of the facility in fiscal 2004.

Mid-State Correctional Facility

The medium security facility, which opened in May, 1982, is located on 13 acres of federal government property in Burlington County. The Department of Corrections has a leasing agreement with the federal government which requires unique operating procedures. In compliance with the basic agreement, there are no programs involving work release, furloughs, or community activities. All inmates are assigned to work details and have the opportunity to participate in programs as developed within the guidelines established in the lease agreement.

Riverfront State Prison

Riverfront State Prison is a medium security institution located in the City of Camden on a 12.5 acre site adjacent to the Delaware River. The population consists of adult male offenders who are incarcerated for a variety of offenses adjudicated by the courts of New Jersey.

Edna Mahan Correctional Facility for Women

This institution, located at Clinton in Hunterdon County, provides custody and treatment programs for female offenders 16 years of age and older. The academic program offers educational opportunities from basic education through high school equivalency. College courses are also available. A vocational education program offers courses in quantity food service, beauty culture, upholstery training, clerical skills, horticulture, life skills, nurses aide, and electronic assembly programs. The State Use sewing industry provides work experience and training.

Psychiatric, psychological, and social work services are available on an individual and group basis. A drug and alcohol treatment unit is operational. Inmates who have a history of alcohol abuse are provided with individual and group counseling. Medical services are affiliated with surrounding community medical facilities.

Food service is provided for the neighboring Hunterdon Developmental Center and the Mountainview Youth Correctional Facility.

Northern State Prison

This medium security institution, designed for male adult offenders and located on 42 acres of property in Essex County, opened in fiscal 1987. Programs provide work release, furloughs, and community service activities for inmates classified in minimum security status. Vocational training courses are offered in printing, carpentry, and electrical repairs. Located within the main structure, a State Use shop for the production of clothing items, also provides training and work opportunities.

Adult Diagnostic and Treatment Center, Avenel

This Center provides custody and inpatient treatment services for adult male sex offenders who come under the purview of the Sex Offender Act (NJS 2A:164 and 2C:47); it also provides outpatient services, comprised of diagnostic assessments for the courts, State Parole Board, and other State and local agencies; moreover, aftercare therapy is afforded to sex offender parolees. Also, a county-based treatment program is offered for offenders housed in county jails awaiting admission. In fiscal 2000, the Kearny Unit was converted to the first temporary facility for housing the civilly committed. In fiscal 2001, Rahway Camp was converted to be a second temporary facility for the same purpose. Both facilities are administered by the Adult Diagnostic and Treatment Center.

Garden State Youth Correctional Facility

The facility, located at Yardville in Burlington County, is part of the State's youth correctional institution complex. It consists of eight housing units (RS 30:4-146). The Prison Reception Unit previously located at Garden State, was transferred to the Central Reception and Assignment Facility effective July 1, 1997.

A number of programs, such as academic education, vocational training, and the supportive education team program, are offered. In addition, two therapeutic community programs have been established.

Albert C. Wagner Youth Correctional Facility

The Youth Correctional Institution (RS 30:4-146), located at Bordentown in Burlington County, provides programs for male offenders. A limited number of prison complex inmates are also housed here. This medium security institution emphasizes vocational, academic, and social education along with group and individual psychotherapy, substance abuse treatment, social casework, and psychiatric treatment. The Bureau of State Use Industries operates a metal fabrication shop in this facility. A 120 bed residential Adult Offender Boot Camp program was initiated in fiscal 1997.

CORRECTIONS

Mountainview Youth Correctional Facility

This medium security, cottage-type institution, located at Annandale in Hunterdon County, provides programs for males with

both indeterminate and State prison sentences who have a minimal history of previous commitment to correctional institutions. Work opportunities include a farming operation and various work release projects for all offenders.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
New Jersey State Prison				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	371	399	405	405
General Educational Development	43	50	51	51
Vocational Education	26	18	20	22
OPERATING DATA				
Design Capacity	1,811	1,811	1,819	1,819
Average daily population	1,932	1,931	1,907	1,898
Vroom Central Reception and Assignment Facility				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	104	110	110	110
General Educational Development	54	45	48	48
Vocational Education	41	39	40	40
OPERATING DATA				
Design Capacity	631	691	691	691
Average daily population	1,061	1,056	1,134	1,123
East Jersey State Prison				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	393	405	410	410
General Educational Development	169	134	145	145
Vocational Education	128	131	128	129
OPERATING DATA				
Design Capacity	1,735	1,735	1,551	1,551
Average daily population	2,032	1,928	1,941	1,922
Main institution	1,417	1,313	1,383	1,383
Satellite units	255	255	122	103
Administrative Segregation	360	360	436	436
South Woods State Prison				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	709	674	681	685
General Educational Development	322	323	325	328
Vocational Education	941	1,097	1,097	1,099
OPERATING DATA				
Design Capacity	3,188	3,188	3,188	3,188
Average daily population	3,352	3,378	3,352	3,331

CORRECTIONS

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Bayside State Prison				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	281	219	220	220
General Educational Development	122	211	215	215
Vocational Education	241	287	288	288
OPERATING DATA				
Design capacity	1,465	1,347	1,347	1,347
Average daily population	2,170	2,249	2,364	2,340
Main institution	744	1,066	1,066	1,066
Modular units	378	275	274	274
Satellite units	1,048	908	1,024	1,000
Southern State Correctional Facility				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	419	382	391	395
General Educational Development	114	148	151	155
Vocational Education	361	300	310	324
OPERATING DATA				
Design Capacity	1,312	1,352	1,352	1,352
Average daily population	1,924	1,940	2,048	2,028
Mid-State Correctional Facility				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	175	176	180	180
General Educational Development	78	73	75	75
Vocational Education	56	43	54	62
OPERATING DATA				
Design Capacity	604	604	604	604
Average daily population	627	640	649	643
Riverfront State Prison				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	304	298	316	315
General Educational Development	46	31	34	38
Vocational Education	518	472	481	485
OPERATING DATA				
Design Capacity	631	631	631	631
Average daily population	1,083	1,018	1,019	1,009
Edna Mahan Correctional Facility for Women				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	413	518	520	520
General Educational Development	65	57	59	59
Vocational Education	505	545	550	550

CORRECTIONS

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Design Capacity	694	694	648	648
Average daily population	1,146	1,114	1,112	1,101
Northern State Prison				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	242	233	253	263
General Educational Development	105	123	125	127
Vocational Education	142	111	141	148
OPERATING DATA				
Design Capacity	1,530	1,530	1,530	1,530
Average daily population	2,656	2,651	2,641	2,615
Adult Diagnostic and Treatment Center, Avenel				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	138	165	167	167
General Educational Development	46	74	75	75
Vocational Education	188	226	216	216
OPERATING DATA				
Design Capacity	512	512	512	512
Average daily population	656	679	691	684
Main institution	656	679	691	684
Residents--Civilly Committed Sexual Offender Facility	150	155	158	158
Residents--Civilly Committed Sexual Offender Facility - Annex	147	159	236	236
Garden State Youth Correctional Facility				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	1,574	1,570	1,570	1,630
General Educational Development	102	86	95	110
Vocational Education	1,646	1,634	1,640	1,640
OPERATING DATA				
Design Capacity	1,168	1,168	1,168	1,168
Average daily population	1,754	1,733	1,836	1,818
Albert C. Wagner Youth Correctional Facility				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	820	809	815	815
General Educational Development	190	216	220	220
Vocational Education	299	322	325	325
OPERATING DATA				
Design Capacity	1,080	1,080	1,080	1,032
Average daily population	1,362	1,350	1,395	1,381
Main institution	875	875	875	875
Close-custody unit	185	235	185	235
Modular units	172	133	205	141
Satellite Units/Boot Camp	130	107	130	130

CORRECTIONS

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Mountainview Youth Correctional Facility				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	1,027	1,005	1,025	1,030
General Educational Development	280	269	285	285
Vocational Education	716	688	690	695
OPERATING DATA				
Design Capacity	803	803	803	755
Average daily population	1,251	1,265	1,270	1,265
Main institution	1,166	1,157	1,162	1,135
Satellite Units	85	108	108	108
Institutional Total				
PROGRAM DATA				
Education Program				
Participants				
Adult Basic Education	6,970	6,963	7,063	7,145
General Educational Development	1,736	1,840	1,903	1,931
Vocational Education	5,808	5,913	5,980	6,023
OPERATING DATA				
Design Capacity	17,164	17,146	16,876	16,828
Average daily population	23,006	22,932	23,359	23,158
Main institution	20,393	20,551	20,875	20,731
Modular units	550	408	479	415
Close-custody unit	185	235	185	235
Administrative Segregation	360	360	436	436
Satellite Units/Boot Camp	1,518	1,378	1,384	1,341
Ratio: Population/positions	2.8/1	2.8/1	2.8/1	2.8/1
Residents--Civilly Committed Sexual Offender Facility	150	155	158	158
Residents--Civilly Committed Sexual Offender Facility - Annex	147	159	236	236
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	8,030	8,135	8,297	8,144
Federal	25	24	21	21
All Other	141	140	134	138
Total Positions	8,196	8,299	8,452	8,303
Filled Positions by Program Class				
Institutional Control and Supervision	6,555	6,672	6,831	6,595
Institutional Care and Treatment	1,000	988	1,025	1,048
Administration and Support Services	641	639	596	660
Total Positions	8,196	8,299	8,452	8,303

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded. Position Ratios and per capita costs do not include the Civilly Committed Sexual Offender Facility and the Civilly Committed Sexual Offender Facility - Annex.

In accordance with county assistance contracts with the Department of Corrections, the rate of per diem reimbursement to the counties attributable to the housing of state inmates shall be based on the average cost of operating the New Jersey, East Jersey, and Bayside State Prisons, using fiscal 2005 actual daily per capita data of \$71.93 for Bayside State Prison, \$93.46 for East Jersey State Prison, and \$103.13 for New Jersey State Prison.

CORRECTIONS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
443,718	25	11,970	455,713	454,774	Institutional Control and Supervision	07	461,139	462,881	462,881
196,390	11	-4,212	192,189	192,177	Institutional Care and Treatment	08	225,951	222,951	222,951
81,869	567	4,327	86,763	85,679	Administration and Support Services	99	84,484	84,484	84,484
721,977	603	12,085	734,665	732,630	Total Direct State Services (a)		771,574 (b)	770,316	770,316
Distribution by Fund and Object									
Personal Services:									
471,973					Salaries and Wages		516,926	516,926	516,926
14,380 ^S	---	14,901	501,254	499,287	Food In Lieu of Cash		2,067	2,067	2,067
---	---	---	---	1,965					
486,353	---	14,901	501,254	501,252	Total Personal Services		518,993	518,993	518,993
77,638	539	3,687	81,864	81,857	Materials and Supplies		76,721	75,226	75,226
114,154	11	-6,100	108,065	108,054	Services Other Than Personal		134,785	133,280	133,280
13,617	1	1,531	15,149	15,127	Maintenance and Fixed Charges		12,286	12,286	12,286
Special Purpose:									
3,625	---	---	3,625	3,624	Stabilization and Reintegration Unit at Albert C. Wagner	07	3,539	3,546	3,546
746	---	-102	644	644	Gang Management Unit	07	757	757	757
8,538	---	40	8,578	8,578	Civilly Committed Sexual Offender Facility	07	8,586	8,607	8,607
14,433	---	-2,000	12,433	11,554	Civilly Committed Sexual Offender Facility - Annex	07	12,413	14,127	14,127
82	---	---	82	82	Byrne Grant - Therapeutic Community Program	08	82	82	82
268	---	---	268	268	State Match - Residential Substance Abuse Treatment Grant	08	268	268	268
33	---	---	33	32	State Match - Social Services Block Grant	08	33	33	33
---	---	23	23	19	Violence Against Women Grant - State Match	08	---	---	---
---	---	2	2	---	Administration and Support Services	99	---	---	---
100	---	382	482	482	Other Special Purpose		---	---	---
2,390	52	-279	2,163	1,057	Additions, Improvements and Equipment		3,111	3,111	3,111
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
500	305	-3	802	267	Administration and Support Services	99	---	---	---
500	305	-3	802	267	Total Capital Construction		---	---	---
Distribution by Fund and Object									
East Jersey State Prison									
---	76	---	76	60	Rotunda/Dome Repair	99	---	---	---
Bayside State Prison									
500	---	---	500	66	Bayside Locking System	99	---	---	---
---	1	-1	---	---	Sewage Treatment Plant, Bayside State Prison	99	---	---	---

CORRECTIONS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
CAPITAL CONSTRUCTION									
Riverfront State Prison									
---	30	---	30	---					
---	1	---	1	---	99	---	---	---	
Northern State Prison									
---	48	-2	46	45	99	---	---	---	
Albert C. Wagner Youth Correctional Facility									
---	148	---	148	96					
---	1	---	1	---	99	---	---	---	
---	1	---	1	---	99	---	---	---	
<u>722,477</u>	<u>908</u>	<u>12,082</u>	<u>735,467</u>	<u>732,897</u>	Grand Total State Appropriation		<u>771,574</u>	<u>770,316</u>	<u>770,316</u>
OTHER RELATED APPROPRIATIONS									
Federal Funds									
<u>1,807</u>	<u>1,282</u>	<u>-1</u>	<u>3,088</u>	<u>2,696</u>					
<u>1,807</u>	<u>1,282</u>	<u>-1</u>	<u>3,088</u>	<u>2,696</u>	08	<u>1,881</u>	<u>1,813</u>	<u>1,813</u>	
Total Federal Funds						<u>1,881</u>	<u>1,813</u>	<u>1,813</u>	
All Other Funds									
---	2,249	---	---	---					
---	82 ^R	7,758	10,089	8,873	08	7,228	8,206	8,206	
---	1,489	---	---	---					
---	14,873 ^R	-662	15,700	14,138	99	14,206	14,722	14,722	
---	<u>18,693</u>	<u>7,096</u>	<u>25,789</u>	<u>23,011</u>	Total All Other Funds		<u>21,434</u>	<u>22,928</u>	<u>22,928</u>
<u>724,284</u>	<u>20,883</u>	<u>19,177</u>	<u>764,344</u>	<u>758,604</u>	GRAND TOTAL ALL FUNDS		<u>794,889</u>	<u>795,057</u>	<u>795,057</u>

Notes -- Direct State Services - General Fund

- (a) Funding for Jones Farm Repopulation, the Southern State Correctional Facility - New Unit Expansion and the Sewage Hauling and Disposal Costs is provided in the base appropriation beginning in fiscal 2007.
- (b) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

In order to permit flexibility and ensure the appropriate levels of services to the civilly committed, appropriated amounts may be transferred between the Civilly Committed Sexual Offender Facility and the Civilly Committed Sexual Offender Facility - Annex accounts, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from the Upholstery Program at the Albert C. Wagner Youth Correctional Facility, and any unexpended balance at the end of the preceding fiscal are appropriated for the operation of the program with surplus funds being credited to the institution's Inmate Welfare Fund, subject to the approval of the Director of the Division of Budget and Accounting.

**10. PUBLIC SAFETY AND CRIMINAL JUSTICE
16. DETENTION AND REHABILITATION
7025. SYSTEM-WIDE PROGRAM SUPPORT**

OBJECTIVES

1. To provide for the cost of maintaining State sentenced offenders housed in county correctional facilities and private halfway houses under contract to the Department.
2. To conduct a central training and staff development program to provide training to staff of all Departmental operating units.
3. To plan, direct, and coordinate the Department's automated information processing activities.
4. To upgrade and maintain the quality of medical and dental care provided to the inmate population of State correctional institutions.
5. To provide for a coordinated approach to the institutional personnel and payroll function.

PROGRAM CLASSIFICATIONS

07. **Institutional Control and Supervision.** Designed to provide the level of control necessary to protect the inmate and the community from harm by providing custodial control and supervision in all institutional areas and during inmate transportation outside of the institution.
13. **Institutional Program Support.** Includes those activities which support institutional programs and programs directly administered by the Commissioner and staff. Programs include the purchase of services for State inmates housed in county facilities, private contracted residential facilities, inmate medical support programs, training and staff development, integrated information systems planning, and the provision of hospital services and medical transportation of inmates.

CORRECTIONS

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Institutional Control and Supervision				
Average Number of State Inmates in County Penal Facilities .	1,781	1,545	1,991	1,829
County Assistance and County Contract	2,762	2,762	1,562	1,562
Funded Community Bed Spaces	2,629	2,629	2,629	2,629
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	755	685	616	618
Federal	10	12	13	12
All Other	20	27	23	27
Total Positions	785	724	652	657
Filled Positions by Program Class				
Institutional Control and Supervision	435	357	314	299
Institutional Program Support	350	367	338	358
Total Positions	785	724	652	657

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

Payroll counts for fiscal 2004 include 157 Correction Officer Trainees and for fiscal 2005 include 72 Correction Officer Trainees.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
18,281	---	4,287	22,568	22,568				
68,868	251	-1,849	67,270	66,577	07	21,764	21,764	21,764
					13	61,503	58,416	58,416
87,149	251	2,438	89,838	89,145		83,267^(c)	80,180	80,180
Distribution by Fund and Object								
Personal Services:								
31,010	---	4,877	36,579	36,579				
692 ^S						35,967	35,967	35,967
31,702	---	4,877	36,579	36,579		35,967	35,967	35,967
1,383	---	-20	1,363	1,363		1,145	1,145	1,145
17,571	27	-2,438	15,160	15,160		7,843	7,364	7,364
Special Purpose:								
7,758	210	---	7,968	7,658	13	8,472	7,472	7,472
49	---	---	49	49				
					13	49	49	49
27	---	-1	26	26				
					13	27	27	27
44	---	-44	---	---				
					13	44	44	44
---	---	---	---	---				
					13	200	200	200
1,590	---	-13	1,577	1,577				
1,168	---	6	1,174	1,173				
537	---	---	537	537				
300	---	---	300	300				

CORRECTIONS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES									
24,478	---	---	24,478	24,478					
314	---	-314	---	---	13	25,638	25,638	25,638	
---	---	105	105	105	13	---	---	---	
228	14	280	522	140		317	317	317	
GRANTS-IN-AID									
Distribution by Fund and Program									
83,605	1,579	1,950	87,134	87,134	13	103,105	96,873	96,873	
<u>83,605</u>	<u>1,579</u>	<u>1,950</u>	<u>87,134</u>	<u>87,134</u>		<u>103,105</u>	<u>96,873</u>	<u>96,873</u>	
Distribution by Fund and Object									
Grants:									
20,510	1,495	4,758	26,763	26,763	13	18,010 22,000 ^S	33,778	33,778	
100	---	-22	78	78	13	100	100	100	
61,495	84	-2,786	58,793	58,793	13	61,495	61,495	61,495	
<u>1,500</u>	<u>---</u>	<u>---</u>	<u>1,500</u>	<u>1,500</u>	13	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	
<u>170,754</u>	<u>1,830</u>	<u>4,388</u>	<u>176,972</u>	<u>176,279</u>		<u>186,372</u>	<u>177,053</u>	<u>177,053</u>	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
4,423					13				
463 ^S	1,321	724	6,931	5,896	13	7,004	6,574	6,574	
<u>4,886</u>	<u>1,321</u>	<u>724</u>	<u>6,931</u>	<u>5,896</u>		<u>7,004</u>	<u>6,574</u>	<u>6,574</u>	
All Other Funds									
---	1,736 878 ^R	2	2,616	677	13	---	---	---	
---	<u>2,614</u>	<u>2</u>	<u>2,616</u>	<u>677</u>		---	---	---	
<u>175,640</u>	<u>5,765</u>	<u>5,114</u>	<u>186,519</u>	<u>182,852</u>		<u>193,376</u>	<u>183,627</u>	<u>183,627</u>	

Notes -- Direct State Services - General Fund

- (a) Funding for the Central Office Transportation Unit and the Special Operations Group is provided in the base appropriation beginning fiscal 2007.
- (b) Funding for Augment Medical Testing, Return of Escapees and Absconders, Recruit Screening, and Bulletproof Vests is provided in the base appropriation for Institutional Program Support beginning in fiscal 2007.
- (c) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal in the Integrated Information Systems account is appropriated to provide funding for the cost of replacing the Department of Corrections S/36 Correctional Management Information System, subject to the approval of the Director of the Division of Budget and Accounting, the expenditures of which shall directly improve the department's ability to collect fines, restitutions, penalties, surcharges or other debts owed by inmates.

Of the sums appropriated hereinabove for Video Teleconferencing, an amount shall be transferred to the Judiciary and the Office of the Public Defender for telephone line charges, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

A portion of the total amount appropriated in the Purchase of Service for Inmates Incarcerated in County Penal Facilities account is available for operational costs of additional State facilities for inmate housing, which become ready for occupancy and other programs which reduce the number of State inmates in county facilities, subject to the approval of the Director of the Division of Budget and Accounting.

CORRECTIONS

The unexpended balance at the end of the preceding fiscal in the Purchase of Service for Inmates Incarcerated in County Penal Facilities account is appropriated for the same purpose.

Any change by the Department of Corrections in the per diem rates paid for Inmates Incarcerated in County Penal Facilities and for Community Services shall first be approved by the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal in the Purchase of Community Services account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

10. PUBLIC SAFETY AND CRIMINAL JUSTICE

17. PAROLE

OBJECTIVES

1. To carry out, in the community, programs of conditional release from custody, i.e. furlough, work/study release, which assist institutionalized offenders in reintegrating into the community and prevent their further involvement in the formal institutionalized correctional process.
2. To provide supervision of parolees by making available the necessary assistance, guidance and controls required for community living.
3. To provide residential/community service and treatment programs for reintegrating institutionalized offenders into the community.
4. To determine when adult and juvenile inmates of State and county correctional facilities are eligible for parole release and to conduct parole hearings to grant parole to those eligible where it appears consistent with the safety of the community and the successful reintegration of the individual therein.
5. To provide at least an annual review for all young adult cases and a quarterly review of all juvenile cases.
6. To provide a legal due process hearing when parole revocation or parole rescission is considered.
7. To consider parole discharges and the imposition of parole conditions.
8. To issue parole warrants, subpoenas, and certificates of good conduct when necessary.
9. To process executive clemency petitions for the Governor.
10. To receive and evaluate the input of victims of crimes and provide preparole information to prosecutors.
11. To promulgate rules and regulations governing the parole system.

PROGRAM CLASSIFICATIONS

03. **Parole.** This program provides supervision, investigates parole plans, work/study release, and furlough sites for all adult parolees from State and county institutions and those

entering New Jersey from other states. It manages several unique community programs designed to support the re-entry and effective supervision of parolees and promotes pro-social behavior for those re-entering our communities. Executive clemency and extradition investigations are performed for the Executive Office. Through its various field offices, fines, penalties, and restitution are collected for deposit in the General Treasury. Treatment is obtained and the progress of parolees and offenders is monitored through the general and specialized caseload officers.

05. **State Parole Board.** The Parole Board establishes parole eligibility for young adult State inmates and monitors parole eligibility for adult inmates of State and county facilities; monitors cases, conducts parole hearings, approves community parole plans for the parolee, receives and evaluates the input of victims of crime, complies with court ordered procedures for parole revocation or parole rescission, approves discharge from parole earlier than maximum sentences, processes executive clemency petitions; and provides pre-parole information to prosecutors. The Board exercises a quasi-judicial decision making function to determine when and under what conditions inmates are released on parole. In addition, the Board hears parole revocation cases to consider alleged parole violations.

99. **Administration and Support Services.** The Chairman and supporting staff are responsible for conducting all Agency programs by developing and maintaining an efficient administration of programs, operations and services by identifying, defining and delegating authority where appropriate; by interpreting and enforcing statutes and administrative regulations of the Agency and the Departments of Personnel and Treasury; by seeking and providing opportunities for interested agencies, individuals and groups to receive information so as to enhance public interest, awareness and participation in the parole process and by increasing efficiency and effectiveness by providing leadership and overall supervision of parole and community programs.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Parole				
Parolees under supervision (beginning of year)	13,297	13,667	14,800	16,000
Added to Parole	10,780	9,628	9,800	9,800
Removed from Parole	10,410	8,495	8,600	8,600

CORRECTIONS

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Level of Parole Supervision				
General Supervision	8,567	9,541	10,595	10,595
Special Caseload Data	5,009	5,259	6,127	6,677
Electronic Monitoring	372	395	400	400
Intensive Supervision and Surveillance (ISSP) (a)	871	893	450	450
High Impact Diversion Program	178 (b)	---	---	---
Parolee Drug Treatment	310	525	525	525
Sex Offender Management Unit (c)	2,112	2,273	3,000	3,500
Re-Entry Substance Abuse Program (RESAP)	102	72	152	152
Day Reporting	389	395	700	700
Halfway Back Program	675	706	650	700
Satellite Based Monitoring of Sex Offenders (d)	---	---	250	250
State Parole Board				
Hearings	42,377	44,338	45,800	45,800
State	26,902	29,007	29,500	29,500
Counties	7,039	6,800	7,500	7,500
Juvenile	3,999	3,872	4,300	4,300
Parole revocations considered	4,437	4,659	5,100	5,100
Reviews:				
Appeals	1,866	1,648	1,800	1,800
MAP Referral	518	540	540	540
Victim Input Registration	1,142	1,100	1,100	1,100
Special Investigations	206	250	250	250
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	85	85	96	100
Male Minority %	13.0	12.0	12.7	13.3
Female Minority	155	155	169	172
Female Minority %	23.7	21.8	22.3	22.9
Total Minority	240	240	265	272
Total Minority %	36.7	33.8	35.0	36.3
Position Data				
Filled Positions by Funding Source				
State Supported	654	711	757	750
Total Positions	654	711	757	750
Filled Positions by Program Class				
Parole	443	497	530	520
State Parole Board	166	171	173	179
Administration and Support Services	45	43	54	51
Total Positions	654	711	757	750

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

(a) Beginning in fiscal 2006, caseloads in Intensive Supervision and Surveillance Program will be reduced and resources reallocated to Community Programs and the Sex Offender Management Unit.

(b) Discontinued data category.

(c) Category was previously titled Community Supervision for Life

(d) New two-year pilot program initiated in fiscal 2006.

CORRECTIONS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
40,206	701	143	41,050	41,032	Parole	03	47,462	45,146	45,146
12,164	---	528	12,692	12,692	State Parole Board	05	13,375	13,428	13,428
3,103	---	730	3,833	3,826	Administration and Support Services	99	3,780	3,647	3,647
55,473	701	1,401	57,575	57,550	Total Direct State Services		64,617^(a)	62,221	62,221
Distribution by Fund and Object									
Personal Services:									
36,450	360	2,395	39,205	39,189	Salaries and Wages		39,701	37,926	37,926
36,450	360	2,395	39,205	39,189	Total Personal Services		39,701	37,926	37,926
962	---	-26	936	934	Materials and Supplies		962	962	962
2,740	---	364	3,104	3,104	Services Other Than Personal		2,632	2,632	2,632
1,560	---	-384	1,176	1,176	Maintenance and Fixed Charges		1,094	1,094	1,094
Special Purpose:									
120	---	---	120	116	Payments to Inmates				
					Discharged From Facilities	03	120	120	120
5,331	50	-1	5,380	5,380	Parolee Electronic Monitoring Program	03	5,861	5,861	5,861
3,641	120	-520	3,241	3,241	Intensive Supervision/Surveillance Program	03	3,356	2,192	2,192
---	80	-80	---	---	High Impact Diversion Program	03	---	---	---
2,309	90	-740	1,659	1,659	Parolee Drug Treatment	03	2,345	2,345	2,345
437	---	---	437	437	Mutual Agreement Program (MAP)	03	437	437	437
1,895	---	---	1,895	1,895	Sex Offender Management Unit	03	4,842	5,624	5,624
---	---	---	---	---	Ballistic Vest Replacement Initiative	03	239	---	---
---	---	---	---	---	Satellite-based Monitoring of Sex Offenders Pilot Program	03	3,000 ^S	3,000	3,000
28	1	393	422	419	Additions, Improvements and Equipment		28	28	28
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
29,994	640	---	30,634	29,484	Parole	03	35,278	36,278	36,278
29,994	640	---	30,634	29,484	Total Grants-in-Aid		35,278	36,278	36,278
Distribution by Fund and Object									
Grants:									
3,714	---	-800	2,914	2,496	Re-Entry Substance Abuse Program	03	3,997	3,997	3,997
14,497	640	1,600	16,737	16,426	Halfway Back Program	03	16,289	17,289	17,289
2,690	---	---	2,690	2,690	Mutual Agreement Program (MAP)	03	2,690	2,690	2,690
9,093	---	-800	8,293	7,872	Day Reporting Program	03	11,902	11,902	11,902
---	---	---	---	---	Re-Entry Case Management Services	03	400	400	400
85,467	1,341	1,401	88,209	87,034	Grand Total State Appropriation		99,895	98,499	98,499

CORRECTIONS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
---	376	11	387	376					
---	376	11	387	376	03	1,000	35	35	
85,467	1,717	1,412	88,596	87,410		1,000	35	35	
						GRAND TOTAL ALL FUNDS	100,895	98,534	98,534

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

From the appropriations hereinabove, the Executive Director shall make payment to the Interstate Commission for Adult Offender Supervision in the amount required for the New Jersey state assessment in the current fiscal.

The unexpended balance at the end of the preceding fiscal in the Satellite Based Monitoring of Sex Offenders Pilot Program account is appropriated.

Language Recommendations -- Grants-In-Aid - General Fund

Any change by the Division of Parole in the per diem rates affecting Special Caseload accounts shall first be approved by the Director of the Division of Budget and Accounting.

Notwithstanding the provision of any law to the contrary, the New Jersey State Parole Board is authorized to expend the amounts appropriated for Re-Entry Substance Abuse Program, Halfway Back Program and Day Reporting Program to provide services to ex-offenders under juvenile or adult parole supervision who are age 18 or older, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts appropriated hereinabove for Re-Entry Case Management Services shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health.

10. PUBLIC SAFETY AND CRIMINAL JUSTICE
19. CENTRAL PLANNING, DIRECTION AND MANAGEMENT

OBJECTIVES

1. To identify, define, and delegate authority and responsibility for the effective operation of State correctional institutions, residential centers, and staff bureaus.
2. To coordinate fiscal operations throughout the Department and to provide administrative data and analysis for planning and budgeting.
3. To account for the efficient and effective operation of the Department's operational components.
4. To provide the support services necessary to improve and modify the methods and techniques used in the State's correctional operations in intervening in the lives of offenders.
5. To coordinate the disparate Statewide operations so that a wide range of resources is made available to offenders with a minimum of duplication.
6. To provide inspection and consultation services for maintaining proper and adequate standards in correctional facilities at the county and local government level.

PROGRAM CLASSIFICATIONS

99. **Administration and Support Services.** The Commissioner and the supporting staff are responsible for conducting all Department programs by developing and maintaining an efficient administration of programs, operations and services by identifying, defining and delegating authority where appropriate; by interpreting and enforcing statutes and administrative regulations of the Department of Personnel and the Department; by seeking and providing opportunities for interested agencies, individuals and groups to receive information so as to enhance public interest, awareness and participation in the correctional process and by increasing efficiency and effectiveness by providing leadership and overall supervision of institutional services, parole and community programs.

Comprises the planning, management and operation of physical assets including utilities, buildings and structures, grounds and equipment of all kinds. Activities include operation, maintenance, repair, rehabilitation and improvement and custodial and housekeeping services.

CORRECTIONS

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	2,634	2,679	2,709	2,709
Male Minority %	28.0	28.3	28.2	28.8
Female Minority	1,287	1,334	1,399	1,399
Female Minority %	13.7	14.1	14.5	14.9
Total Minority	3,921	4,013	4,108	4,108
Total Minority %	41.7	42.4	42.7	43.7
Position Data				
Filled Positions by Funding Source				
State Supported	187	204	189	186
All Other	12	13	9	10
Total Positions	199	217	198	196
Filled Positions by Program Class				
Administration and Support Services	199	217	198	196
Total Positions	199	217	198	196

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
16,683	35	2,221	18,939	18,939	Administration and Support Services	99	18,708	18,703	18,703
16,683	35	2,221	18,939	18,939	Total Direct State Services		18,708 ^(a)	18,703	18,703
Distribution by Fund and Object									
Personal Services:									
13,032	---	1,101	14,133	14,133	Salaries and Wages		14,557	14,557	14,557
13,032	---	1,101	14,133	14,133	Total Personal Services		14,557	14,557	14,557
528	35	327	890	890	Materials and Supplies		628	623	623
1,790	---	350	2,140	2,140	Services Other Than Personal		2,090	2,090	2,090
601	---	261	862	862	Maintenance and Fixed Charges		701	701	701
Special Purpose:									
---	---	7	7	7	Administration and Support Services	99	---	---	---
655	---	---	655	655	Affirmative Action and Equal Employment Opportunity	99	655	655	655
77	---	175	252	252	Additions, Improvements and Equipment		77	77	77
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	6,054	3	6,057	1,443	Administration and Support Services	99	5,000	---	---
---	6,054	3	6,057	1,443	Total Capital Construction		5,000	---	---

CORRECTIONS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
CAPITAL CONSTRUCTION									
Distribution by Fund and Object									
Division of Management and General Support									
---	329	-37	292	191	Deferred Maintenance-Vari- ous Institutions	99	---	---	---
---	31	---	31	31	Emergency Generators	99	---	---	---
---	445	-94	351	49	Additional Bed Spaces-Vari- ous Institutions	99	---	---	---
---	---	---	---	---	Locking System Upgrade	99	1,000	---	---
---	1,163	-80	1,083	160	Perimeter Security Enhance- ments, Various Facilities	99	---	---	---
---	628	---	628	---	Fire Safety Code Compliance	99	---	---	---
---	1,660	233	1,893	422	Critical Repairs	99	---	---	---
---	748	-10	738	354	Roof Replacements/Repairs	99	---	---	---
---	2	---	2	---	Repairs and Renovations, Vari- ous Institutions	99	---	---	---
---	92	---	92	56	Sewage Separators & System Upgrades	99	---	---	---
---	481	---	481	152	Replace Facility Systems Computer	99	---	---	---
---	5	---	5	---	Network Infrastructure	99	---	---	---
---	469	-8	461	28	Security Improvements	99	---	---	---
---	1	-1	---	---	Highpoint Cleanup	99	---	---	---
---	---	---	---	---	Replace Modular Units	99	4,000	---	---
<u>16,683</u>	<u>6,089</u>	<u>2,224</u>	<u>24,996</u>	<u>20,382</u>	Grand Total State Appropriation	<u>23,708</u>	<u>18,703</u>	<u>18,703</u>	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
<u>155</u>	<u>31</u>	<u>18</u>	<u>204</u>	<u>168</u>	Administration and Support Services	99	<u>180</u>	<u>191</u>	<u>191</u>
<u>155</u>	<u>31</u>	<u>18</u>	<u>204</u>	<u>168</u>	Total Federal Funds	<u>180</u>	<u>191</u>	<u>191</u>	
All Other Funds									
---	1,102	---	---	---	Administration and Support Services	99	---	---	---
---	8,765 ^R	-6,903	2,964	2,052	Administration and Support Services	99	1,583	569	569
---	<u>9,867</u>	<u>-6,903</u>	<u>2,964</u>	<u>2,052</u>	Total All Other Funds	<u>1,583</u>	<u>569</u>	<u>569</u>	
<u>16,838</u>	<u>15,987</u>	<u>-4,661</u>	<u>28,164</u>	<u>22,602</u>	GRAND TOTAL ALL FUNDS	<u>25,471</u>	<u>19,463</u>	<u>19,463</u>	

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

The Department of the Public Advocate was created in fiscal 2006 pursuant to P.L. 2005, c.155. For comparison purposes, appropriations in fiscal 2005 and 2006 for salary and other operating costs were transferred from the following departments: Corrections Ombudsperson in the Department of Corrections; Office of the Ombudsman in the Department of Health and Senior Services; Child Advocate Agency in-but-not-of the Department of Law and Public Safety; and the Ratepayer Advocacy, Dispute Settlement and Mental Health Screening Services in the Department of Treasury.

Language Recommendations -- Direct State Services - General Fund

Receipts derived from the Culinary Arts Vocational Program, and any unexpended balance at the end of the preceding fiscal, are appropriated for the operation of the program, subject to the approval of the Director of the Division of Budget and Accounting.

No employee of the Department of Corrections shall reside in departmental housing without payment of fair market rental rate.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal of funds held for the benefit of inmates in the several institutions, and such funds as may be received, are appropriated for the use of such inmates.

Payments received by the State from employers of prisoners on their behalf, as part of any work release program, are appropriated for the purposes provided under P.L. 1969, c. 22 (C.30:4-91.4 et seq.).

NOTES

DEPARTMENT OF EDUCATION

OVERVIEW

In its stated mission, “The New Jersey Department of Education will provide leadership for a superior education by utilizing multiple and diverse paths to success for all children in New Jersey.”

Every initiative is dedicated to fulfilling the Department’s mission that aims for excellence, but recognizes that there are many ways to achieve it. It is a mission that encourages flexibility, innovation, and collaboration.

One major focus of the mission centers on early literacy. Research has shown that children who can read by the end of grade three have a greater chance for success in school from that point on. Once students have received an excellent start to education, the Department has ensured that from kindergarten through grade 12, students will be required to meet rigorous standards in nine areas. The original standards adopted in 1996 by the State Board of Education in language arts literacy, math, science, social studies, world languages, comprehensive health and physical education, and the visual and performing arts have been revised to be more specific. In 2003-2004, the State Board adopted revised standards in the original seven areas and also added two new areas – technology and career education and consumer, family, and life skills. Once the standards were adopted, the Department aligned the state assessments in grades 4, 8, and 11 to the more rigorous standards. In accordance with requirements of the federal No Child Left Behind Act (NCLB), the State has added a third-grade test.

As students progress from pre-K to grade 12, in order to continue to achieve success, they must have access to excellent teachers. The Department has worked with the State Board on numerous aspects of the professional development and licensing codes. Teachers have newly adopted professional standards that upgrade the quality of college preparation, as well as the quality of professional development programs and activities.

The Department continues to channel all of its efforts into helping school districts provide a superior education for our students. In addition to monitoring its own initiatives, the Department ensures that New Jersey schools are meeting the requirements of State and federal law in regard to school safety and student achievement.

Budget Highlights

The Fiscal 2007 Budget for the Department of Education (DOE) totals \$10.531 billion, an increase of \$1.065 billion or 11.2% over the fiscal 2006 adjusted appropriation of \$9.466 billion.

School Aid

School Aid for fiscal 2007 is recommended at \$10.4 billion, an increase of \$1 billion from fiscal 2006. This figure includes \$7.6 billion in direct aid awards to school districts. It also provides \$2.3 billion in State payments made on behalf of local school districts for pension and post-retirement medical benefits, debt service on pension bonds, and the employer’s share of social security payments for teachers. Categories of aid have been evaluated for effectiveness and existing resources have been reallocated to recognize shifts in enrollment. Most categories of aid have been held flat and ineffective programs have been reworked or eliminated to streamline funding to the most crucial and effective programs.

School Construction

Fiscal 2007 school aid also includes \$375.2 million for the School Construction and Renovation Program and \$116.8 million in School Building Aid. This funding will provide for State school construction debt service on new and existing bond issues, as well as aid for qualifying local debt issued for school construction. Under the Educational Facilities Construction and Financing Act (EFCFA), the State provides 100% of Abbott districts’ approved construction/renovation project costs, while all other districts are guaranteed a minimum of 40% of approved project costs.

The New Jersey Schools Construction Corporation (SCC), a subsidiary of the New Jersey Economic Development Authority, is dedicated exclusively to school construction. In February 2006, the Governor issued Executive Order #3 that established the Interagency Working Group on School Construction to review the SCC and develop recommendations for reform.

Early Childhood Education

Under the Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA), all districts awarded Early Childhood Program Aid were required to provide full-day kindergarten and half-day preschool programs for four-year-olds by the 2001-2002 school year. For Abbott districts, the preschool requirement was expanded to full-day, full-year programs for three- and four-year-olds. It is expected that the number of Abbott preschoolers served in fiscal 2007 will continue to grow as a result of the Department’s efforts. The Budget provides \$243.2 million for the expansion of preschool programs in these districts, an increase of \$39 million from fiscal 2006.

In addition, \$3 million is provided for the Early Launch to Learning Initiative (ELLI) to expand high quality preschool access for four-year-olds in low-income, non-Abbott districts.

Statewide Assessment Program

The development and expansion of assessments to determine student achievement of the Core Curriculum Content Standards continues in the Fiscal 2007 Budget with an appropriation of \$20.7 million for the Statewide Assessment Program, an increase of \$4.5 million over fiscal 2006. This appropriation continues standards-based assessments in grades 3, 4, and 8 and a high school proficiency assessment in grade 11. The increase also provides funding for standards-based assessments in grades 5, 6, and 7. The addition of these three grade levels and the development of science assessments for grades 4, 8, and 11 will put New Jersey in compliance with federal mandates designed to ensure the success of every child.

Special Education Grants

Classification of autistic special education students in New Jersey has been rapidly increasing in recent years, more than doubling since 2000. Many of these students are served in out-of-district programs, which are typically the most expensive special education placements. To address the increasing population and costs, the Fiscal 2007 Budget includes \$15 million in new spending for grants to districts to plan, expand, or enhance in-district programs. In recognition of the challenges faced by districts in serving special education students with other needs, the Budget also includes \$4.5 million in new spending for grants for districts to develop, expand, or enhance in-district special education programs.

Afterschool Programs

In addition to the traditional school day, the hours after school are a crucial time for children to be involved in activities that improve and reinforce academic performance. In addition, such programs engage children in productive activities during times when they would otherwise be unsupervised, making these programs an important alternative to potentially harmful activities. To address this need, the Fiscal 2007 Budget reflects a commitment to afterschool programs by doubling funding for the New Jersey After 3 program to \$15 million. With this funding, New Jersey After 3 will provide afterschool programs to an additional 2,000 children.

Continuing Programs

The Budget recommends \$188,000 for grants to help teachers seeking National Board of Professional Teaching Standards certification. A fiscal 2007 appropriation of \$2.5 million is also recommended to support the Teacher Mentoring program. This program reimburses districts for stipends paid to experienced

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teachers serving as mentors to new teachers with the goal of increasing the rate of retention.

The Budget continues to support the Marie H. Katzenbach School for the Deaf, providing \$3.3 million in fiscal 2007.

An appropriation of \$5.1 million for the Liberty Science Center will continue to provide science education services for students in the Abbott districts in fiscal 2007, a reduction of \$1 million from fiscal 2006.

The Budget provides \$5.9 million for reading coaches and other forms of reading assistance to schools, children, and communities. In the coming year, the assistance will be expanded to include mathematics education. These efforts will help achieve the goal that every student will be able to read and perform basic mathematical functions at or above grade level by the third grade. This includes \$1.5 million for a new grant program, the Initiative for the Development of Early Achievement in Literacy (IDEAL), for the lowest performing, non-Abbott, non-Reading First elementary schools to support literacy instruction of students in kindergarten through grade 4.

Department Accomplishments

To carry out its mission and support the Administration's education agenda, the Department of Education has identified five areas of focus for all of its actions and initiatives: teacher and administrator quality; raising student achievement; diverse and multiple paths for student success; innovative and outstanding practices and programs; and public communication, engagement, and accountability.

Teacher and administrator quality: One major accomplishment in this area of focus includes the State Board's adoption of the Department's new, revised Professional Licensure and Standards regulations that are aligned to the Core Curriculum Content Standards. The code contains the following: the new professional standards; national accreditation requirements for standards-based teacher preparation programs; a continuous path of teacher training from college preparation to ongoing professional development; and certification requirements that result in highly qualified teachers. Another major accomplishment was the implementation of two sizable national grant awards from the Wallace Foundation to develop national standards for school leaders in conjunction with the State Action for Educational Leadership Project (SAELP). The Department, working with the State Board, has raised standards for prospective teachers, including a higher grade point average and higher Praxis scores.

Raising student achievement: The major initiative in regard to long-term results in raising student achievement has been the emphasis on high-quality early childhood education. The Department's goal is to have every child able to read, at or above grade level, by the end of grade three. The Department has increased

participation in the Abbott preschool program, and it has raised the quality of the programs through preschool teaching and learning expectations aligned with the Core Curriculum Content Standards, P-3 certification of teachers and self-evaluation tools to monitor progress. The Department has conducted the revision process for the original Core Curriculum Content Standards, resulting in standards that are more rigorous and specific, and the state assessments have been aligned to the new standards.

Diverse and multiple paths for student success: Several of the major initiatives in this area involve the high school population. The Department worked with the State Board of Education to develop and adopt new high school graduation requirements that permit greater flexibility in teaching and learning the skills and knowledge required for graduation. The new regulations represent a shift away from seat time to optional ways for students to demonstrate proficiency in required subject matter. In conjunction with the more flexible rules, the Department has been conducting a pilot project to encourage high school seniors who have finished all graduation requirements to participate in a variety of out-of-school options to finish out their high school requirements, such as internships, community service, and college or online courses.

Innovative and outstanding programs and practices: Through the use of a variety of incentives and awards, the Department has opened up possibilities for districts to share their successful educational practices with each other. In many of the programs, one of the requirements is to help other districts replicate the successful program or practice. The Department has held numerous events showcasing best practices in many areas including vocational-technical and second language learners.

Public communication, engagement, and accountability: Through the Department's restructuring in 2002 into regional offices with greater accessibility to the local districts, it has been better able to communicate with districts and involve them in the development of policy. The Department has utilized task forces in early and middle school literacy, as well as teacher town meetings. As the Department has launched initiatives, it has worked with the school districts by offering technical assistance. Numerous awards programs reward innovation and excellent performance in districts. Sometimes incentives do not work to improve performance in low-performing districts, however. The recently enacted New Jersey Quality Single Accountability Continuum (NJQSAC) replaces the old monitoring system and shifts emphasis away from compliance and continuous oversight to that of targeted support and technical assistance. Districts must be held accountable, but the Department is emphasizing early intervention and technical assistance to accomplish immediate improvement, rather than imposing long-term sanctions that have proven ineffective.

DEPARTMENT OF EDUCATION SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended	
60,436	3,284	14,593	78,313	69,313				
25,544	---	396	25,940	25,277				
2,385,849	5,573	-93,915	2,297,507	2,291,403				
---	946	---	946	166				
2,471,829	9,803	-78,926	2,402,706	2,386,159				
					GENERAL FUND			
					Direct State Services	62,368	62,042	62,042
					Grants-In-Aid	18,129	41,813	41,813
					State Aid	983,919	1,282,814	1,282,814
					Capital Construction	1,050	2,450	2,450
					Total General Fund	1,065,466	1,389,119	1,389,119

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Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
6,496,386	5,741	75,388	6,577,515	6,566,335	PROPERTY TAX RELIEF FUND			
					State Aid	8,401,023	9,142,006	9,142,006
6,496,386	5,741	75,388	6,577,515	6,566,335	Total Property Tax Relief Fund	8,401,023	9,142,006	9,142,006
8,968,215	15,544	-3,538	8,980,221	8,952,494	Total Appropriation, Department of Education	9,466,489	10,531,125	10,531,125

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES - GENERAL FUND								
Direct Educational Services and Assistance								
---	---	---	---	---	Adult and Continuing Education	---	---	---
212	---	12	224	224	Bilingual Education	226	226	226
54	---	2	56	56	Special Education	58	58	58
266	---	14	280	280	Subtotal	284	284	284
Operation and Support of Educational Institutions								
2,899	74	---	2,973	2,971	Marie H. Katzenbach School for the Deaf	3,149	3,264	3,264
2,899	74	---	2,973	2,971	Subtotal	3,149	3,264	3,264
Supplemental Education and Training Programs								
277	---	-42	235	235	General Vocational Education	266	266	266
277	---	-42	235	235	Subtotal	266	266	266
Educational Support Services								
---	---	---	---	---	Educational Technology	---	---	---
27,076	---	-214	26,862	21,301	Educational Programs and Assessment	26,923	28,920	28,920
528	---	---	528	528	Grants Management	644	644	644
2,143	1,010	---	3,153	3,129	Professional Development and Licensure	2,862	2,830	2,830
5,722	3	495	6,220	6,219	Service to Local Districts	6,008	6,407	6,407
---	---	---	---	---	Office of School Choice	---	---	---
120	---	2,329	2,449	2,449	Early Childhood Education	127	127	127
415	---	14	429	429	Pupil Transportation	422	422	422
---	---	10,821	10,821	10,820	Abbott Implementation	---	---	---
3,246	1,292	---	4,538	3,290	Facilities Planning and School Building Aid	2,911	2,770	2,770
1,348	---	-4	1,344	1,336	Health, Safety, and Community Services	1,376	1,111	1,111
40,598	2,305	13,441	56,344	49,501	Subtotal	41,273	43,231	43,231
Education Administration and Management								
3,152	3	221	3,376	3,375	School Finance	3,403	3,353	3,353
2,258	---	313	2,571	2,570	Compliance and Auditing	2,288	1,918	1,918
10,986	902	646	12,534	10,381	Administration and Support Services	11,705	9,726	9,726
16,396	905	1,180	18,481	16,326	Subtotal	17,396	14,997	14,997
60,436	3,284	14,593	78,313	69,313	Total Direct State Services - General Fund	62,368	62,042	62,042
60,436	3,284	14,593	78,313	69,313	TOTAL DIRECT STATE SERVICES	62,368	62,042	62,042

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Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended
---	---	---	---	---			
---	---	---	---	---			
10,544	---	396	10,940	10,277			
15,000	---	---	15,000	15,000			
25,544	---	396	25,940	25,277			
25,544	---	396	25,940	25,277			
25,544	---	396	25,940	25,277			
598,227	650	---	598,877	598,227			
111,344	70	---	111,414	108,123			
11,929	59	-1,113	10,875	10,631			
---	---	---	---	---			
52,000	---	---	52,000	51,998			
773,500	779	-1,113	773,166	768,979			
4,860	---	---	4,860	4,860			
4,860	---	---	4,860	4,860			
---	---	---	---	---			
295,968	4,794	-49,882	250,880	249,625			
1,311,521	---	-42,920	1,268,601	1,267,939			
1,607,489	4,794	-92,802	1,519,481	1,517,564			
2,385,849	5,573	-93,915	2,297,507	2,291,403			
4,914,195	5,741	69,788	4,989,724	4,978,600			
73,491	---	5,600	79,091	79,039			
65,578	---	---	65,578	65,578			
199,512	---	---	199,512	199,512			
896,420	---	---	896,420	896,420			
6,149,196	5,741	75,388	6,230,325	6,219,149			
38,948	---	---	38,948	38,948			
38,948	---	---	38,948	38,948			

GRANTS-IN-AID - GENERAL FUND

Direct Educational Services and Assistance

Special Education --- 19,500 19,500

Subtotal --- 19,500 19,500

Educational Support Services

Educational Programs and Assessment 10,629 7,313 7,313

Health, Safety, and Community Services 7,500 15,000 15,000

Subtotal 18,129 22,313 22,313

Total Grants-In-Aid - General Fund 18,129 41,813 41,813

TOTAL GRANTS-IN-AID 18,129 41,813 41,813

STATE AID - GENERAL FUND

Direct Educational Services and Assistance

General Formula Aid 143,947 394,935 394,935

Nonpublic School Aid 102,749 101,615 101,615

Miscellaneous Grants-In-Aid 23,641 4,941 4,941

Adult and Continuing Education --- --- ---

Special Education 52,000 52,000 52,000

Subtotal 322,337 553,491 553,491

Supplemental Education and Training Programs

General Vocational Education 4,860 4,860 4,860

Subtotal 4,860 4,860 4,860

Educational Support Services

Grants Management --- --- ---

Facilities Planning and School Building Aid 378,948 492,041 492,041

Teachers' Pension and Annuity Assistance 277,774 232,422 232,422

Subtotal 656,722 724,463 724,463

Total State Aid - General Fund 983,919 1,282,814 1,282,814

STATE AID - PROPERTY TAX RELIEF FUND

Direct Educational Services and Assistance

General Formula Aid 5,559,906 5,434,107 5,434,107

Miscellaneous Grants-In-Aid 85,229 84,179 84,179

Bilingual Education 65,578 65,578 65,578

Programs for Disadvantaged Youths 199,512 199,512 199,512

Special Education 896,420 896,420 896,420

Subtotal 6,806,645 6,679,796 6,679,796

Supplemental Education and Training Programs

General Vocational Education 38,948 38,948 38,948

Subtotal 38,948 38,948 38,948

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
---	---	---	---	---	Educational Support Services			
307,287	---	---	307,287	307,283	Office of School Choice	---	---	---
955	---	---	955	955	Pupil Transportation	309,787	309,787	309,787
---	---	---	---	---	Facilities Planning and School Building Aid	775	23	23
---	---	---	---	---	Teachers' Pension and Annuity Assistance	1,244,868	2,113,452	2,113,452
308,242	---	---	308,242	308,238	<i>Subtotal</i>	1,555,430	2,423,262	2,423,262
6,496,386	5,741	75,388	6,577,515	6,566,335	<i>Total State Aid - Property Tax Relief Fund</i>	8,401,023	9,142,006	9,142,006
8,882,235	11,314	-18,527	8,875,022	8,857,738	TOTAL STATE AID	9,384,942	10,424,820	10,424,820
					CAPITAL CONSTRUCTION			
					Operation and Support of Educational Institutions			
---	558	---	558	48	Marie H. Katzenbach School for the Deaf	---	1,950	1,950
---	558	---	558	48	<i>Subtotal</i>	---	1,950	1,950
					Education Administration and Management			
---	388	---	388	118	Administration and Support Services	1,050	500	500
---	388	---	388	118	<i>Subtotal</i>	1,050	500	500
---	946	---	946	166	TOTAL CAPITAL CONSTRUCTION	1,050	2,450	2,450
8,968,215	15,544	-3,538	8,980,221	8,952,494	<i>Total Appropriation, Department of Education</i>	9,466,489	10,531,125	10,531,125

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT

31. DIRECT EDUCATIONAL SERVICES AND ASSISTANCE

OBJECTIVES

1. To provide financial assistance to all public local education agencies to ensure their capacity to deliver the programs and services necessary to bring their students to achievement of the Core Curriculum Content Standards.
2. To provide financial assistance for the education of children attending nonpublic schools.
3. To promote local programs to improve the English and citizenship skills of foreign born adults.
4. To provide technical assistance to local school districts in the preparation, adoption, and implementation of school desegregation plans and affirmative action plans. To monitor departmental and school district compliance with federal and State law and established policy regarding school desegregation, affirmative action, and equality of opportunity for minorities and women.
5. To aid, administer, evaluate, and monitor educational programs for children and adults with educational disabilities, including those served by State and federal projects.
6. To aid, develop, manage, and evaluate federal and State educational programs for children and adults of limited English speaking proficiency; to assist in implementing mandated statewide testing programs for the limited English speaking population.

7. To administer and monitor the funding of federal and State programs for students at risk of educational failure, including remedial programs for youth and adults; and to assure suitable educational programs to residents of State institutions.

PROGRAM CLASSIFICATIONS

Since fiscal 2003, the school aid calculations described below as modified by the fiscal 2002 Appropriations Act have been used to establish a minimum level of funding that would be provided to a school district and have been modified to provide increases in some categories as outlined in the provisions of the annual Appropriations Act.

01. **General Formula Aid.** The Comprehensive Educational Improvement and Financing Act of 1996 established the basis for the aid that ensures the provision of the regular education portion of a thorough and efficient (T&E) education. The Act specifies the amount of money per pupil - the T&E amount - appropriate for delivering the Core Curriculum Content Standards under certain delivery and efficiency assumptions. In recognition of legitimate local differences in cost, a flexible amount of 5% is added to and subtracted from the T&E amount to determine the T&E range, or range of spending on regular education that will be supported by the State. The T&E amount represents the cost of educating a student in the elementary school (grades 1-5). The cost of educating a kindergarten pupil is 50% of the T&E amount, as the delivery

and efficiency assumptions include a half-day kindergarten program. The cost for a middle school student (grades 6-8) is 4% higher, and for a high school student (grades 9-12), 11% higher.

A district's T&E budget for regular education of its resident pupils is determined by inflating its prior year per-pupil net T&E budget by the consumer price index, provided that the increase in the consumer price index is not less than 3%, and multiplying that amount by the district's weighted enrollment, and then subtracting out categorical aid for the budget year. If the result falls outside the T&E range, the T&E budget is then the top or bottom of the range, as appropriate. For the 31 poor urban districts known as Abbott districts, the T&E budget is the top of the T&E range, notwithstanding prior year spending.

a. **Core Curriculum Standards Aid** - Aid is provided to a district whose T&E budget exceeds the local fair share tax effort. The measure of fiscal capacity is determined by applying statewide multipliers to the value of property and personal income in the district, adjusting the result by the position of the district's T&E budget within the T&E range. The local fair share represents the local resources a district would have to appropriate in order to spend at the level of its T&E budget. A district may spend above its T&E budget level under a variety of circumstances, but its Core Curriculum Standards Aid would not increase. A district may appropriate less than its fair share without its Core Curriculum Standards Aid being reduced. However, all districts are required to appropriate a minimum local share. The determination of this required local share varies by type of district.

b. **Supplemental Core Curriculum Standards Aid** - A first component of Supplemental Core Curriculum Standards Aid is provided to a district with a high concentration of low-income pupils and an excessive burden on its property tax base, and is intended to offset a portion of the required local share. An Abbott district or district that falls within the Department of Education's District Factor Group A designation receives additional Supplemental Core Curriculum Standards Aid in the amount required to offset any tax increase that would be required to meet its required local share after consideration of other regular education aids. A second component of Supplemental Core Curriculum Standards Aid is provided to districts with high T&E tax rates after considering the first component of Supplemental Core Curriculum Standards Aid.

c. **Stabilization Aid and Supplemental Stabilization Aid** - Stabilization provisions in the Act moderate the effects of the abrupt changes in the entitlements from the prebudget year to the budget year. A district whose entitlement growth exceeds the stabilization growth limit of the greater of 10% or the district's projected rate of growth in resident enrollment over the prebudget year, experiences an aid reduction to reach the limit; this reduction is reflected in its aid allocations. A district that experiences a loss in selected aids from the prebudget year receives stabilization aid to offset the amount of the loss. Supplemental stabilization aid is also provided to large efficient districts and to districts in communities with high concentrations of senior citizens.

d. **Early Childhood Aid** - Aid is provided to districts with a 20% or greater concentration of students from low income families, with a larger amount provided to districts with a 40% or greater concentration of low income pupils, for the purpose of providing preschool, full-day kindergarten, and other early childhood programs and services.

e. **Consolidated Aid** - Represents the consolidation and redistribution of distance learning network aid, adult high school/post graduate aid, and academic achievement rewards which along with additional supplemental funds are provided to districts on a per-pupil basis.

02. **Nonpublic School Aid.** Various types of assistance are available to Boards of Education in public school districts in New Jersey to reimburse such districts for expenses they are required to incur on behalf of students who are enrolled in grades K-12 in a nonpublic school, within the district, which complies with compulsory school attendance requirements and with the requirements of Title VI of the Civil Rights Act of 1964. The following aid programs are included:

a. **Nonpublic Textbook Aid** - Supports the purchase and lending of textbooks upon individual request (N.J.S.A. 18A:58-37.1 et seq.). State aid is paid in an amount equal to the state average budgeted textbook expense per public school pupil for the prebudget year, for all nonpublic students enrolled in grades K-12 of a nonpublic school on the last school day prior to October 16 of the prebudget year.

b. **Nonpublic Auxiliary Services Aid** - Aid for compensatory education, English as a second language, and home instruction (N.J.S.A. 18A:46A-1 et seq.) is provided upon consent of the parent or guardian. State aid is paid for providing services to nonpublic pupils equivalent to the services provided to pupils enrolled in the public schools.

c. **Nonpublic Handicapped Aid** - Provides identification, examination, classification, supplemental, and speech correction services (N.J.S.A. 18A:46-19.1 et seq.) for each student who is enrolled full time. State aid is paid to each school district in an amount sufficient to provide examination, classification, supplemental, and speech correction services to nonpublic pupils.

d. **Nonpublic Auxiliary/Handicapped Transportation Aid** - Provides for transporting nonpublic pupils to public schools or neutral sites, for auxiliary/handicapped services that cannot be provided constitutionally in sectarian schools.

e. **Nonpublic Nursing Services Aid** - Provides funds for Boards of Education to provide basic nursing services for nonpublic school pupils who are enrolled full time in nonpublic schools within the school district (N.J.S.A. 18A:40-23).

f. **Nonpublic Technology Initiative** - Provides funds for Boards of Education to provide technology to nonpublic school students. The goal of the nonpublic technology initiative program is to provide nonpublic school pupils with computers, educational software, distance learning equipment, and other technologies that can improve their education by meeting their specific educational needs and to give nonpublic school teachers the skills, resources, and incentives to use educational technologies effectively to improve teaching and learning in the classroom.

03. **Miscellaneous Grants-in-Aid.** The following programs are included:

a. **Emergency Fund** - Allows the commissioner, with the approval of the State Board of Education, to distribute funds to meet unforeseen conditions in any school district (N.J.S.A. 18A:58-11).

b. **Charter School Aid** - Provides direct State aid to charter schools for the support of former nonpublic students in the first year of enrollment at a charter school and for technology improvements and additional funding for full-day kindergarten programs in charter schools located in Abbott districts.

c. Charter School Aid-Council on Local Mandates - Provides aid for charter school students from any district whose basic spending is above the T&E amount, since such districts are obligated to provide only the T&E amount to charter schools.

d. Payments for Institutionalized Children-Unknown District of Residence - Provides for the payment of State aid for educational services to students in grades K-12 who are homeless or a resident in an institution of the Department of Corrections, the Department of Human Services or Juvenile Justice Commission, and for whom a local school district of residence has not been identified.

e. Distance Learning Network Aid - Provided to all districts on a per-pupil basis for the purchase of computers, software and supplies, equipment, wiring, access fees, professional development, staffing, maintenance, and other uses that may be necessary for the establishment of effective distance learning networks.

f. Adult, Post Graduate, and Postsecondary Vocational Aid - State aid is distributed for pupils enrolled in approved adult high schools, post graduate programs and approved full-time postsecondary programs of county vocational schools.

g. Rewards and Recognition -This program was established by the Comprehensive Educational Improvement and Financing Act of 1996 to provide grants to districts with schools demonstrating high levels of achievement or significant gains in achievement on statewide tests.

h. Evening School for the Foreign Born provides financial assistance to school districts for classes in English and in citizenship, with the State matching local funds to a maximum of \$5,000 per school district in any one year (N.J.S.A. 18A:49-1 et seq.)

05. **Bilingual Education.** Categorical aid is provided to local districts for the additional costs of educating students of limited English proficiency. The division also provides technical assistance and program support (N.J.S.A. 18A:35-15). Funding is provided to school districts that meet the following criteria: (1) having greater than 20 students of limited English proficiency in any one language classification who are enrolled in approved bilingual programs; (2) having fewer than 20 students of limited English proficiency who are enrolled in approved English as a Second Language programs; or (3) operating other programs approved by the State Board of Education.

The Bureau of Bilingual Education administers, monitors, and evaluates State and federal grant programs related to the education of limited English proficient students and develops administrative code to implement laws related to the provision of programs and services. The Bureau provides and/or coordinates professional development and technical assistance activities for school district professionals, and assists in the implementation of mandated statewide testing programs as they relate to the limited English speaking population.

06. **Programs for Disadvantaged Youths.** Federal and State funds are provided to school districts to address the needs of

educationally disadvantaged pupils who are vulnerable to school failure as a consequence of community conditions of poverty. The Comprehensive Educational Improvement and Financing Act of 1996 established specific State aid programs for this purpose. Demonstrably Effective Program Aid (DEPA) is provided to schools with a 20% or greater concentration of students from low income families, with a larger amount provided to schools with a 40% or greater concentration of low income students. DEPA is provided to districts to fund a constellation of instruction, governance, health and social services programs in qualified schools. Schools in the Abbott districts are also permitted to expend these funds for implementation of whole school reform. Aid is provided on a per-enrolled pupil basis in the qualifying school. Instructional Supplement aid is provided to districts with a concentration of low income pupils equal to or greater than 5% but less than 20% on a per-low-income pupil basis, for the purpose of providing supplemental services.

07. **Special Education.** The Comprehensive Educational Improvement and Financing Act of 1996 established a four-tier system for funding the additional costs incurred by districts in providing individualized educational programs to special education pupils in public and private school settings, and to non-classified pupils in certain State facilities. Pupils are aided in their district of residence. Pupils classified solely for speech correction services are considered in the T&E amount and aided through general formula aid and thus do not generate special education aid. Tier I aid is paid for students receiving related services such as, but not limited to, occupational therapy, physical therapy, speech and counseling. A classified pupil may generate aid for up to four services covered by Tier I aid, and classified pupils generating aid under other tiers are eligible for Tier I aid as well. Tier II pupils are pupils resident in the district not receiving Tier IV intensive services meeting the criteria for specific learning disability, traumatic brain injury or cognitive impairment, mild or educable mentally retarded and preschool disabled and all classified pupils receiving services pursuant to Chapter 46 of Title 18A in shared time county vocational programs in a county vocational school which does not have a full child study team. Tier III pupils are pupils resident in the district not receiving Tier IV intensive services meeting the criteria for cognitive impairment-moderate, orthopedically impaired, auditorily impaired, communication impaired, emotionally disturbed, multiply disabled, other health impaired, and visually impaired. Tier IV pupils are pupils resident in the district meeting the classification definitions for autistic and cognitive impairment-severe and other pupils who receive one or more of the following nine services that must be specified in the pupil's individualized education program: Individual Instruction, Pupil:Teacher-Aide Ratio of 3:1 or Less, High Level Assistive Technology, Extended School Year, Intensive Related Services, Interpreter Services, Personal Aide, Residential Placement for Educational Purposes and Individual Nursing Services.

EDUCATION

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
General Formula Aid				
Resident Enrollment	1,441,748	1,446,815	1,448,232	1,451,486
Support Per Pupil (Per State Expenditure/Appropriation and District Budgets)	\$13,300	\$14,085	\$14,951	\$16,102
Local	\$7,167	\$7,509	\$7,967	\$8,400
State	\$5,628	\$6,032	\$6,409	\$7,097
Federal	\$505	\$544	\$575	\$605
Percent Support Per Pupil				
Local	53.9%	53.3%	53.3%	52.2%
State	42.3%	42.8%	42.9%	44.1%
Federal	3.8%	3.9%	3.8%	3.7%
Enrollment as of October 15 (Pre-Budget Year)				
All Districts, Total	1,424,773	1,441,748	1,446,815	1,448,232
Kindergarten/Preschool	134,731	137,722	138,331	140,531
Elementary School (Grades 1-5)	470,886	466,528	461,671	458,842
Middle School (Grades 6-8)	277,674	278,105	276,422	272,255
High School (Grades 9-12)	314,981	326,032	333,547	338,223
Evening School, Post Graduate	13,592	13,366	12,182	10,908
Special Education	187,989	195,020	198,805	201,260
County Vocational	21,081	21,234	22,316	22,883
Students in State Facilities	3,839	3,741	3,541	3,330
Nonpublic School Aid				
Textbook Aid - Pupils Enrolled	195,543	190,970	184,161	184,161
Auxiliary Services Aid - Students Served	38,424	37,298	36,910	36,910
Handicapped Aid - Students Served	30,888	32,618	35,730	35,730
Nursing Services Aid - Pupils Enrolled	197,114	191,761	185,851	185,851
Bilingual Education				
Limited English Speaking Students Served	57,548	58,365	55,394	54,043
Programs for Disadvantaged Youths				
Federal Title I				
Migrant Children Served	3,488	3,488	3,488	4,234
Disadvantaged Children Served	300,000	300,000	300,000	300,000
Students Eligible for Free Lunch/Free Milk				
All Districts	280,281	276,951	285,445	287,400
Abbott Districts	171,741	164,970	168,258	161,853
Special Education				
Enrollments				
Local Districts	181,238	188,217	192,140	194,741
Regional Day Schools	1,076	1,051	1,038	960
County Vocational Special Education	5,675	5,752	5,627	5,559
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	4	4	4	4
Federal	109	104	109	128
Total Positions	113	108	113	132
Filled Positions by Program Class				
Bilingual Education	5	4	2	5
Programs for Disadvantaged Youths	12	7	13	19
Special Education	96	97	98	108
Total Positions	113	108	113	132

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
212	---	12	224	224	05	226	226	226	
54	---	2	56	56	07	58	58	58	
266	---	14	280	280		284^(a)	284	284	
Distribution by Fund and Object									
Personal Services:									
207	---	14	221	221		225	225	225	
Total Personal Services									
207	---	14	221	221		225	225	225	
21	---	---	21	21		21	21	21	
37	---	---	37	37		37	37	37	
1	---	---	1	1		1	1	1	
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
---	---	---	---	---	07	---	19,500	19,500	
---	---	---	---	---		---	19,500	19,500	
Distribution by Fund and Object									
Grants:									
---	---	---	---	---	07	---	15,000	15,000	
---	---	---	---	---	07	---	4,500	4,500	
<u>STATE AID</u>									
Distribution by Fund and Program									
5,600,498	6,391	59,703	5,666,592	5,654,818	01	5,779,879	5,911,068	5,911,068	
598,227	650	---	598,877	598,227		143,947	394,935	394,935	
5,002,271	5,741	59,703	5,067,715	5,056,591		5,635,932	5,516,133	5,516,133	
111,344	70	---	111,414	108,123	02	102,749	101,615	101,615	
85,420	59	4,487	89,966	89,670	03	108,870	89,120	89,120	
11,929	59	-1,113	10,875	10,631		23,641	4,941	4,941	
73,491	---	5,600	79,091	79,039		85,229	84,179	84,179	
65,578	---	---	65,578	65,578	05	65,578	65,578	65,578	
65,578	---	---	65,578	65,578		65,578	65,578	65,578	
199,512	---	---	199,512	199,512	06	199,512	199,512	199,512	
199,512	---	---	199,512	199,512		199,512	199,512	199,512	
948,420	---	---	948,420	948,418	07	948,420	948,420	948,420	
52,000	---	---	52,000	51,998		52,000	52,000	52,000	
896,420	---	---	896,420	896,420		896,420	896,420	896,420	
7,010,772	6,520	64,190	7,081,482	7,066,119		7,205,008	7,315,313	7,315,313	
773,500	779	-1,113	773,166	768,979		322,337	553,491	553,491	
6,237,272	5,741	65,303	6,308,316	6,297,140		6,882,671	6,761,822	6,761,822	

EDUCATION

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
STATE AID								
<i>Less:</i>								
(73,576)	---	---	(73,576)	(73,576)		(73,576)	(73,576)	(73,576)
(14,500)	---	10,085	(4,415)	(4,415)				
						(2,450)	(8,450)	(8,450)
(88,076)	---	10,085	(77,991)	(77,991)		(76,026)	(82,026)	(82,026)
6,922,696	6,520	74,275	7,003,491	6,988,128		7,128,982	7,233,287	7,233,287
Distribution by Fund and Object								
State Aid:								
---	650	---	650	---		---	---	---
598,227	---	---	598,227	598,227	01	128,947	384,935	384,935
2,482,091	---	---	2,482,091	2,482,043	01	2,951,371	2,695,383	2,695,383
251,768	---	---	251,768	251,768	01	251,768	251,768	251,768
90,000	---	---	90,000	90,000	01	90,000	86,772	86,772
---	---	---	---	---	01	15,000	10,000	10,000
17,000	---	---	17,000	17,000	01	---	---	---
330,630	---	---	330,630	330,630	01	330,630	330,630	330,630
2,500	---	-2,500	---	---	01	---	---	---
15,621	---	---	15,621	15,621	01	15,621	15,621	15,621
111,626	---	---	111,626	111,626	01	111,626	111,626	111,626
5,250	---	---	5,250	5,250	01	5,250	5,250	5,250
1,231	---	---	1,231	1,231	01	1,231	1,231	1,231
2,491	---	---	2,491	2,491	01	2,491	2,491	2,491
11,402	---	---	11,402	11,402	01	11,402	11,402	11,402
18,295	---	---	18,295	18,295	01	18,295	18,295	18,295
130,127	---	---	130,127	130,127	01	130,127	129,684	129,684
1,298,414	5,741	75,166	1,379,321	1,372,273	01	1,449,495	1,545,540	1,545,540
182,400	---	---	182,400	179,753	01	192,400	243,200	243,200
15,000	---	-12,963	2,037	1,565	01	11,800 ^S	3,000	3,000
---	---	---	---	---	01	4,000	3,000	3,000
7,969	---	---	7,969	7,969	01	20,000	21,903	21,903
16,456	---	---	16,456	16,456	01	9,969	8,306	8,306
12,000	---	---	12,000	11,091	01	16,456	16,456	16,456
12,271	---	-287	11,984	11,984	01	12,000	17,575	17,575
26,789	---	5,830	32,619	32,619	02	12,271	10,279	10,279
34,912	---	---	34,912	34,912	02	29,322	32,032	32,032
7,226 ^S	70	-5,446	36,762	36,537	02	34,224	33,366	33,366
3,610	---	496	4,106	4,040	02	34,224	33,366	33,366
14,636	---	-393	14,243	14,243	02	4,396	4,694	4,694
					02	14,636	13,800	13,800

EDUCATION

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom-mended	
					Prog. Class.				
STATE AID									
7,900	---	-200	7,700	7,700	Nonpublic Technology Initiative	02	7,900	7,444	7,444
3,000	---	---	3,000	---	Nonpublic Capital Projects Aid	02	---	---	---
1,000	---	---	1,000	1,000	Settlement Music School	02	---	---	---
200	---	---	200	75	Emergency Fund	03	200	200	200
211	---	---	211	178	Evening School for the Foreign Born	03	211	211	211
10,500	---	1,268	11,768	11,745	Charter School Aid (PTRF)	03	11,758 500 ^S	12,258	12,258
5,500	---	-68	5,432	5,432	Charter Schools - Council on Local Mandates (PTRF)	03	8,300	10,500	10,500
125	---	---	125	125	EIRC - P20 Program	03	---	---	---
450	---	---	450	450	Educational Information and Resource Center	03	450	450	450
50	---	---	50	23	Bridge Loan Interest and Approved Borrowing Cost	03	50	50	50
21,400	---	4,500	25,900	25,900	Payments for Institutionalized Children - Unknown District of Residence (PTRF)	03	24,500 4,200 ^S	30,200	30,200
1,213	---	-1,213	---	---	High School Equivalency	03	---	---	---
30	---	---	30	30	Community Relations Committee of the United Jewish Federation of Metrowest	03	30	30	30
1,900	---	---	1,900	1,900	North Bergen School District - Facilities Leasing	03	---	---	---
750	---	---	750	750	Lawrence Township (Mercer) School District Extraordinary Aid	03	750	---	---
1,500	---	---	1,500	1,500	School District Of Trenton - Security	03	1,500	---	---
---	---	100	100	100	Character Education	03	---	---	---
4,750	---	-100	4,650	4,623	Character Education (PTRF)	03	4,750	---	---
2,500	---	---	2,500	2,498	Teacher Quality Mentoring (PTRF)	03	2,500	2,500	2,500
28,721	---	---	28,721	28,721	Adult and Postsecondary Education Grants (PTRF)	03	28,721	28,721	28,721
120	---	---	120	120	County Special Services Restoration Aid (PTRF)	03	---	---	---
---	7	---	7	---	Safe Schools and Communities Violence Prevention Pilot Plan	03	---	---	---
500	---	---	500	500	Montclair Board of Education - Desegregation Aid	03	500	---	---
1,000	---	---	1,000	1,000	Montclair Board of Education - Minority Student Achievement Network	03	1,000	---	---
---	52	---	52	---	Lakewood School District	03	---	---	---
4,000	---	---	4,000	4,000	Englewood Implementation Aid	03	4,000	4,000	4,000
---	---	---	---	---	Edison School District	03	1,000	---	---
---	---	---	---	---	Wallington School District	03	750	---	---
---	---	---	---	---	Ewing School District	03	2,200	---	---
---	---	---	---	---	Collingswood School District	03	1,000	---	---
---	---	---	---	---	School District Deficit Relief	03	10,000 ^S	---	---
65,578	---	---	65,578	65,578	Bilingual Education Aid (PTRF)	05	65,578	65,578	65,578
199,512	---	---	199,512	199,512	Demonstrably Effective Program Aid (PTRF)	06	199,512	199,512	199,512
896,420	---	---	896,420	896,420	Special Education Aid (PTRF)	07	896,420	896,420	896,420
52,000	---	---	52,000	51,998	Extraordinary Special Education Costs Aid	07	52,000	52,000	52,000

EDUCATION

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
STATE AID								
<i>Less:</i>								
(88,076)	---	10,085	(77,991)	(77,991)		(76,026)	(82,026)	(82,026)
6,922,962	6,520	74,289	7,003,771	6,988,408		7,129,266	7,253,071	7,253,071
					OTHER RELATED APPROPRIATIONS			
					Federal Funds			
16,458								
438 ^S	2,360	---	19,256	15,688	Bilingual Education	05	19,897	
							307 ^S	21,530
298,061	28,325	-257	326,129	311,634	Programs for Disadvantaged Youths	06	301,584	287,296
								287,296
330,173	39,871	-239	369,805	332,025	Special Education	07	344,807	343,370
								343,370
<u>645,130</u>	<u>70,556</u>	<u>-496</u>	<u>715,190</u>	<u>659,347</u>	Total Federal Funds		<u>666,595</u>	<u>652,196</u>
<u>7,568,092</u>	<u>77,076</u>	<u>73,793</u>	<u>7,718,961</u>	<u>7,647,755</u>	GRAND TOTAL ALL FUNDS		<u>7,795,861</u>	<u>7,905,267</u>

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Notes -- State Aid - Property Tax Relief Fund

(b) The fiscal 2005 data has been adjusted to reflect the consolidation of Education Access Aid and Education Opportunity Aid.

Language Recommendations -- State Aid - General Fund

The amount hereinabove appropriated for High Expectations for Learning Proficiency Aid shall be distributed to a school district, other than an "Abbott district" or a district receiving Abbott-Bordered District Aid, that is not a non-operating district as determined by the commissioner, and that is either (a) in district factor group A or B and has an equalized valuation per pupil less than \$380,000; (b) in district factor group A, B, CD or DE, and has a concentration of low-income pupils that is equal to or greater than 14 percent and has an equalized valuation per pupil that is less than \$750,000, and either has a general fund tax levy per pupil that exceeds \$9,000 or a concentration of low-income pupils that exceeds 30 percent; (c) contiguous to an "Abbott district" and has at least one school with a concentration of low-income pupils equal to or greater than 20 percent and has an equalized valuation per pupil that is less than \$750,000; or (d) a county vocational school district in which 51 percent or more of its resident enrollment is comprised of students who reside in an "Abbott district." Each such school district shall receive the same proportion of the appropriation as its October 2006 resident enrollment bears to the total October 2006 resident enrollment of all such districts. As used hereinabove, "district factor group" shall be determined by the commissioner using 2000 federal decennial census data; "equalized valuation per pupil" and "general fund tax levy per pupil" shall be as determined by the commissioner for the school year 2005-06; and "concentration of low-income pupils" shall be as defined in section 3 of P.L.1996, c.138 (C.18A:7F-3), except that ASSA data shall be as of October 2005.

Such sums received in the "School District Deficit Relief Account", established pursuant to pending legislation, including loan repayments, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the School District Deficit Relief account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

In the event that sufficient balances are not available in the "School District Deficit Relief Account" for amounts recommended by the Commissioner of Education to the State Treasurer for advance State Aid payments in accordance with pending legislation, the Director of the Division of Budget and Accounting is authorized to transfer such sums as required from available balances in State Aid accounts.

Receipts from nonpublic schools handicapped and auxiliary recoveries are appropriated for the payment of additional aid in accordance with section 17 of P.L.1977, c.192 (C.18A:46A-14) and section 14 of P.L.1977, c.193 (C.18A:46-19.8).

Notwithstanding the provisions of section 14 of P.L.1977, c.193 (C.18A:46-19.8) for the purpose of computing Nonpublic Handicapped Aid for pupils requiring the following services, the per pupil amounts for the 2006-2007 school year shall be: \$1,372.20 for an initial evaluation or reevaluation for examination and classification; \$380.00 for an annual review for examination and classification; \$930.00 for speech correction; and \$826.00 for supplementary instruction services.

Notwithstanding the provisions of section 9 of P.L.1977, c.192 (C.18A:46A-9), the per pupil amount for compensatory education for the 2006-2007 school year for the purposes of computing Nonpublic Auxiliary Services Aid shall equal \$856.25.

Notwithstanding the provisions of section 9 of P.L.1991, c.226 (C.18A:40-31), the amount appropriated hereinabove for Nonpublic Nursing Services Aid shall be made available to local school districts based upon the number of pupils enrolled in each nonpublic school on the last day prior to October 16, 2005 and the rate per pupil shall be \$74.25.

Nonpublic Technology Initiative aid shall be paid to school districts and allocated for nonpublic school pupils at the rate of \$40.00 per pupil in a manner that is consistent with the provisions of the federal and State constitutions.

The amount hereinabove appropriated for Extraordinary Special Education Costs Aid shall be charged first to receipts of the supplemental fee established pursuant to section 2 of P.L.2003, c.113 (C.46:15-7.1) credited to the Extraordinary Aid Account. Notwithstanding any provisions of that law to the contrary, the amount appropriated for Extraordinary Special Education Costs Aid from receipts deposited in the Extraordinary Aid account shall not exceed the amount appropriated hereinabove.

Language Recommendations -- State Aid - Property Tax Relief Fund

Notwithstanding any other law or regulation to the contrary, the amount provided to each district from the amounts hereinabove appropriated for Consolidated Aid and Additional Formula Aid shall be included in the calculation of the spending growth limitation pursuant to section 5 of P.L.1996, c.138 (C.18A:7F-5).

Notwithstanding any law to the contrary, the amount hereinabove appropriated for Additional Formula Aid shall be allocated in a manner that provides those districts that have not experienced a continued decline in enrollment with the amount payable for Additional Formula Aid in the 2005-2006 school year. Districts are defined as experiencing a continued decline in two categories: (1) any district in which the resident enrollment has declined or remained the same each year, starting with October 2001 and ending October 2005, or (2) any district in which the resident enrollment has declined or remained the same each year, starting with October 2002 and ending October 2005. A district in category (1) shall have its Additional Formula Aid allocation reduced by the sum of the percentage difference between the October 2005 enrollment and the October 2001 enrollment applied to its 2005-2006 allocation of Additional Formula Aid and the percentage difference between the October 2004 enrollment and October 2001 enrollment applied to its 2004-2005 allocation of Additional Formula Aid. A district in category (1) in which the total special education enrollment has declined or remained the same each year, starting with the October 2001 and ending October 2005, shall have its Additional Formula Aid allocation further reduced by the difference in the special education enrollment in October 2001 and October 2005 within each tier classification multiplied by the corresponding special education cost factor used in 2001-2002. A district in category (2) shall have its Additional Formula Aid allocation reduced by the sum of the percentage difference between the October 2005 enrollment and the October 2002 enrollment applied to its 2005-2006 allocation of Additional Formula Aid and the percentage difference between the October 2004 enrollment and October 2002 enrollment applied to its 2004-2005 allocation of Additional Formula Aid. A district in category (2) in which the total special education enrollment has declined or remained the same each year, starting with the October 2002 and ending October 2005, shall have its Additional Formula Aid allocation further reduced by the difference in the special education enrollment in October 2002 and October 2005 within each tier classification multiplied by the corresponding special education cost factor used in 2001-2002. For the purposes of this section, the October 2001 resident enrollment refers to the projected resident enrollment. All other resident enrollment figures refer to the actual resident enrollment based on the information reported to the Department on the Application for State School Aid for applicable year.

Notwithstanding any law to the contrary, the amount hereinabove appropriated for Consolidated Aid shall be allocated in a manner that provides those districts that have not experienced a continued decline in enrollment with the amount payable for Consolidated Aid in the 2005-2006 school year. Districts are defined as experiencing a continued decline in two categories: (1) any "non-Abbott district" in which the resident enrollment has declined or remained the same each year, starting with October 2001 and ending October 2005, or (2) any "non-Abbott district" in which the resident enrollment has declined or remained the same each year, starting with October 2002 and ending October 2005. A district in category (1) shall have its Consolidated Aid allocation reduced by the difference between the October 2005 enrollment and the October 2001 enrollment multiplied by \$44. A district in category (2) shall have its Consolidated Aid allocation reduced by the difference between the October 2005 enrollment and the October 2002 enrollment multiplied by \$44. For the purposes of this section, the October 2001 resident enrollment refers to the projected resident enrollment. All other resident enrollment figures refer to the actual resident enrollment based on the information reported to the Department on the Application for State School Aid for applicable year.

The Commissioner of Education shall not authorize the disbursement of funds to any "Abbott district" until the commissioner is satisfied that all educational expenditures in the district will be spent effectively and efficiently in order to enable those students to achieve the core curriculum content standards. The commissioner shall be authorized to take any necessary action to fulfill this responsibility, including but not limited to, the adoption of regulations related to the receipt and/or expenditure of State aid by the "Abbott districts" and the programs, services, and positions supported thereby. Notwithstanding any provision of P.L.1968, c.410 (C.52:14B-1 et seq.), any such regulations adopted by the commissioner shall be deemed adopted immediately upon filing with the Office of Administrative Law. In order to expeditiously fulfill the responsibilities of the commissioner under Abbott v. Burke, determinations by the commissioner hereunder shall be considered to be final agency action and appeal of that action shall be directly to the Appellate Division of the Superior Court.

Of the amount hereinabove appropriated for Education Opportunity Aid, an amount not to exceed \$13,731,000, shall be transferred to the Department of Education's operating budget, subject to the approval of the Director of the Division of Budget and Accounting, for the purpose of managing and supervising implementation of Abbott remedies. In addition, the unexpended balance at the end of the preceding fiscal year, in the Education Opportunity Aid account is appropriated for the same purpose and may also be transferred to the Department of Education's operating budget, subject to the approval of the Director of the Division of Budget and Accounting.

The amount appropriated hereinabove for Education Opportunity Aid shall provide resources to equalize spending between "I" and "J" districts and "Abbott districts," and provide aid to fund additional needs of "Abbott districts." Notwithstanding any other law to the contrary, Education Opportunity Aid shall be provided to each "Abbott district" whose per pupil regular education expenditure for 2006-2007 under P.L.1996, c.138 is below the estimated per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2006-2007. The minimum amount of aid shall be determined as follows: funds shall be allocated in the amount of the difference between each "Abbott district's" per pupil regular education expenditure for 2006-2007 and the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2005-2006 indexed by the actual percentage increase in the per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2005-2006 over the per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2004-2005. In calculating the per pupil regular education expenditure of each "Abbott district" for 2006-2007, regular education expenditure

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shall equal the sum of the general fund tax levy for 2005-2006, Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, and all forms of stabilization aid pursuant to section 10 of P.L.1996, c.138 (C.18A:7F-10); enrollments shall initially be those resident enrollments for preschool through grade 12 contained on the Application for State School Aid for 2006-2007 indexed by the district's enrollment growth rate used to determine the estimated enrollments of October 2006; enrollments shall be calculated at their full-time equivalent and reduced by preschool and one half of full-day kindergarten enrollments. State aid shall be adjusted upon receipt of resident enrollment for the "Abbott districts" as of October 13, 2006 as reflected on the Application for State School Aid for 2007-2008. In calculating the actual per pupil regular education expenditure of each "Abbott district" for 2006-2007, regular education expenditure shall equal the sum of the actual general fund tax levy for 2006-2007, Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, and all forms of stabilization aid pursuant to section 10 of P.L.1996, c.138 (C.18A:7F-10). State aid shall also be adjusted based on the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2006-2007. In calculating the actual per pupil average regular education expenditure of districts in district factor groups "I" and "J" for 2006-2007, regular education expenditure shall equal the sum of the general fund tax levy for 2006-2007, Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, and all forms of stabilization aid pursuant to section 10 of P.L.1996, c.138 (C.18A:7F-10); enrollments shall be the resident enrollment for preschool through grade 12 as of October 13, 2006 as reflected on the Application for State School Aid for 2007-2008; enrollments shall be calculated at their full-time equivalent and reduced by preschool and one half of full-day kindergarten enrollments in districts receiving Early Childhood Program Aid.

Of the amount hereinabove appropriated for Education Opportunity Aid, each "Abbott district's" allocation shall be the greater of the amount calculated in accordance with the provisions hereinabove for equalized spending or the district's final adjusted 2005-2006 Education Opportunity Aid, including any supplemental award. The district's Education Opportunity Aid allocation shall be reduced by an amount equal to any general fund tax levy increase required by the commissioner. After calculating the "Abbott district's" actual regular education expenditure, State aid shall be reduced by the difference between the required general fund tax levy increase and the total general fund tax levy increase from 2005-2006 to 2006-2007.

The amount hereinabove appropriated for Education Opportunity Aid shall also be used to ensure that every "Abbott district" is at parity and to implement other priorities as established by the commissioner. Any "Abbott district" that fails to submit any required documentation or fails to submit its annual audit by November 15, 2006 may have its State aid withheld upon the commissioner's request to the Director of the Division of Budget and Accounting.

Notwithstanding any other law to the contrary, as a condition of receiving Education Opportunity Aid, an "Abbott district" shall examine all available group options for every insurance policy held by the district, including any self-insurance plan administered by the New Jersey School Boards Association Insurance Group on behalf of districts, and shall participate in the most cost effective plans. As a further condition, all "Abbott districts" shall take steps to maximize the district's participation in the federal Universal Service Program (E-rate) and the ACT telecommunications program offered through the New Jersey Association of School Business Administrators, shall participate in the ACES energy program offered through the New Jersey School Boards Association unless a district can demonstrate that it receives the goods or services at a cost less than or equal to the cost achieved by participants, and shall take appropriate steps to maximize the district's participation in the Special Education Medicaid Initiative (SEMI) program, with maximum participation defined by the Commissioner of Education and shall refinance all outstanding debt for which a three percent net present value savings threshold is achievable. An "Abbott district" that fails to meet any of these requirements may have payment of Education Opportunity Aid withheld until such time as these requirements are met. The commissioner is authorized to establish any additional condition on the disbursement of Education Opportunity Aid that the commissioner deems appropriate to ensure effective and efficient spending in the "Abbott districts."

Notwithstanding any other law to the contrary, as a condition of receiving Education Opportunity Aid, an "Abbott district" shall raise a general fund tax levy which shall be no less than the sum of the general fund tax levy raised in 2005-2006 and the increase in the levy from 2005-2006 to 2006-2007 that may be required by the commissioner. The required levy increase shall be such that an "Abbott district's" total equalized tax rate shall not be below 110% of the state average total equalized tax rate unless such increase would result in an increase in the average household's tax liability of more than \$125 when using the 2005 tax data as published by the Department of Community Affairs.

Notwithstanding any law to the contrary, the allocation of the amount hereinabove appropriated for Education Opportunity Aid to an "Abbott district" shall be reduced by the amount of proceeds received by the district from the sale of district surplus property, which shall be appropriated by the district for regular education operations. Surplus property means that property which is not being replaced by other property under a grant agreement with the New Jersey Schools Construction Corporation.

The amount appropriated hereinabove as Abbott Preschool Expansion Aid is for the purpose of funding the increase in the approved budgeted costs from 2001-2002 to 2006-2007 for the projected expansion of preschool programs in "Abbott districts" with "Abbott" status in 2001-2002. For any district receiving "Abbott" status after 2001-2002, the increase in approved budgeted costs for the purpose of funding will be based on the year "Abbott" status was obtained. Payments of Abbott Preschool Expansion Aid shall be based on documented expansion of the preschool program. Upon the Commissioner of Education's request, "Abbott districts" will be required to provide such supporting documentation as deemed necessary to verify that the actual expansion in the preschool program has occurred in the 2006-2007 fiscal year. Such documentation may include expenditure, enrollment, and attendance data that may be subject to an audit. Appropriate adjustments to a district's Abbott Preschool Expansion Aid amount may be made by the commissioner based on actual need.

From the amount appropriated hereinabove for the Early Launch to Learning Initiative, an amount not to exceed \$325,000 shall be transferred to the Office of Early Childhood Education in direct state services for the support of two staff persons and related operational costs to administer the program, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, any district that received State aid pursuant to P.L. 2005, c.122 in 2005-2006, shall receive that same allocation of Abbott-Bordered District Aid in 2006-2007. Any district that did not receive Abbott-Bordered District Aid

pursuant to section 2 of P.L. 2005, c.122 shall receive aid as determined by section 1 of P.L. 2005, c.122 as it would have been calculated in 2005-2006.

Notwithstanding any other law or regulation to the contrary, district allocations from the amount hereinabove appropriated for School Choice aid shall be calculated using the choice district's October 2005 actual choice student enrollment as reported to the Department on the Application for State School Aid for 2006-2007.

The amount hereinabove appropriated for Above Average Enrollment Growth Aid shall be distributed to "non-Abbott districts" whose resident enrollment for the 2005-2006 school year was equal to or greater than 100 pupils and whose projected resident enrollment for the 2006-2007 school year exceeds its resident enrollment for the 2005-2006 school year by at least 2.5 percent, as determined by the commissioner. Each such school district shall receive the same proportion of the total appropriation as its projected resident enrollment increase between October 2005 and October 2006 bears to the total resident enrollment increase of all such districts.

Notwithstanding any law to the contrary, amounts appropriated hereinabove for Charter School aid shall be used to distribute aid to any charter school which operates a full-day kindergarten program and which is located in an "Abbott district" in accordance with the formula contained in section 1 of P.L.1999, c.385, except that "KPP" which is defined therein as the amount paid by the district to the charter school for each kindergarten pupil pursuant to section 12 of P.L.1995, c.426 (C.18A:36A-12), shall be the sum of the amount paid by the district and the State to the charter school for each kindergarten pupil; when a charter school is located in an "Abbott district," to distribute an amount equal to the difference between the per pupil T&E amount for a given grade level and the program budget of an "Abbott district" when that "Abbott district's" program budget is below the T&E amount; to distribute \$40 for each student enrolled in the charter school; and to distribute aid to charter schools pursuant to the provisions of subsection d. of section 12 of P.L.1995, c.426 (C.18A:36A-12).

Notwithstanding the provisions of section 12 of P.L.1995, c.426 (C.18A:36A-12) and any other provision to the contrary, if necessary, the State shall pay on behalf of a resident district an amount not to exceed the difference between the district's 2006-2007 total actual charter school payment and the estimated appropriations used in completing the school district's 2005-2006 budget as stated in the 2005-2006 Potential Charter School Aid notification letter.

Notwithstanding any other law to the contrary, the amount of State aid made available to the Department of Human Services pursuant to "The State Facilities Education Act of 1979," P.L.1979, c.207 (C.18A:7B-1 et al.), to defray the costs of educating eligible children in approved private schools under contract with the Department of Human Services shall not exceed the actual costs of the education of those children in such private schools.

Notwithstanding any other law to the contrary, Special Education Aid for pupils classified as severe cognitive impairment shall be paid directly to the resident school district; provided however, that for pupils under contract for service in a regional day school operated by or under contract with the Department of Human Services, tuition shall be withheld and paid to the Department of Human Services.

Notwithstanding the provisions of section 3 of P.L.1971, c.271 (C.18A:46-31), a portion of the district tuition amounts payable to a county special services school district operating an extended school year program may be transferred to the county special services school district prior to the first of September in the event the board shall file a written request with the Commissioner of Education stating the needs for the funds. The commissioner shall review the board's request and determine whether to grant the request after an assessment of whether the district needs to spend the funds prior to September and after considering the availability of district surplus. The commissioner shall transfer the payment for the portion of the tuition payable for which need has been demonstrated.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT

32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS

OBJECTIVES

1. To provide preschool, elementary, middle, and comprehensive high school programs for deaf and multiply disabled students whose primary disability is deafness.
2. To provide regional facilities for the education of disabled students.
3. To implement the Katzenbach Center on Deafness to provide services to deaf and hard of hearing persons of all ages in order to enhance their quality of life and to assist them in maximizing their potential.

school's operating costs are supported by State appropriation and tuition.

Regional Schools for the Handicapped are authorized by the State Facilities for the Handicapped Bond Fund (Chapter 149, Laws of 1973). Funds were used for the construction of eleven regional schools to provide educational services to children with severe disabilities. The first schools opened in the fall of 1981, and by September 1984 all eleven schools were serving children. All of the schools are managed by local school districts, under contract, and are funded entirely by receipts from the sending school districts.

PROGRAM CLASSIFICATIONS

12. **Marie H. Katzenbach School for the Deaf.** The Marie H. Katzenbach School for the Deaf provides educational and vocational services to deaf and multiply disabled deaf children from birth through twelfth grade. Residential services will be provided to nearly 42 percent of the school's 224 students on a five-day-a-week basis. Special programs to broaden the population served by the school include preschool age deaf, adult deaf, emotionally disturbed and deaf-blind students. The

13. **Positive Learning Understanding Support Program.** The PLUS program will continue for its tenth year with a projected enrollment of 10 students. Four residential pupils will participate for ten months. The PLUS program responds to the needs of deaf and hard-of-hearing students with behavioral difficulties. This program provides educational services that address the social, cultural, behavioral, and psychological needs of students in elementary through high school who also have emotional disturbances. Tuition paid by the districts that send these children to the Katzenbach School will fully support the costs of the program.

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EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Marie H. Katzenbach School for the Deaf				
Annual Enrollment	214	226	211	224
Day Pupils	121	126	123	131
Residential Pupils	93	100	88	93
Gross Annual Cost Per Student	\$51,238	\$56,858	\$58,919	\$59,393
Annual Payments From Local School Boards				
For Regular Day Pupils	\$29,329	\$30,209	\$31,115	\$32,049
For Residential Pupils	\$36,031	\$37,112	\$38,225	\$39,372
Direct Annual State Support Per Student	\$13,299	\$13,146	\$14,924	\$14,571
Annual Graduates	21	24	27	16
Annual Graduates Enrolled in College	9	8	5	6
Annual Graduates Employed	12	16	22	10
Regional Schools for the Handicapped				
Annual Enrollment in Schools Operated Under Contract	1,076	1,051	1,038	960

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	27	24	31	31
Federal	14	14	15	13
All Other	163	163	184	188
Total Positions	204	201	230	232

Filled Positions by Program Class

Marie H. Katzenbach School for the Deaf	191	186	217	217
Positive Learning Understanding Support Program	13	15	13	15
Total Positions	204	201	230	232

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of November and Revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
2,899	10,169	---	13,068	12,850	12	12,432	13,304	13,304
2,899	74	---	2,973	2,971		3,149	3,264	3,264
---	10,095	---	10,095	9,879		9,283	10,040	10,040
---	773	---	773	696				
---	773	---	773	696	13	686	787	787
						686	787	787
2,899	10,942	---	13,841	13,546		13,118^(a)	14,091	14,091
---	(10,868)	---	(10,868)	(10,575)		(9,969)	(10,827)	(10,827)
2,899	74	---	2,973	2,971		3,149	3,264	3,264

EDUCATION

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Object								
Personal Services:								
1,425	200 8,791 ^R	---	10,416	10,351	Salaries and Wages	10,509	11,176	11,176
<u>1,425</u>	<u>8,991</u>	<u>---</u>	<u>10,416</u>	<u>10,351</u>	<i>Total Personal Services</i>	<u>10,509</u>	<u>11,176</u>	<u>11,176</u>
815	11 500 ^R	---	1,326	1,260	Materials and Supplies	1,133	1,439	1,439
193	27 172 ^R	---	392	351	Services Other Than Personal	335	335	335
295	114 403 ^R	---	812	691	Maintenance and Fixed Charges	690	690	690
40	---	---	40	40	Special Purpose:			
					Transportation Expenses for Students	12	40	40
131	76 648 ^R	---	855	853	Additions, Improvements and Equipment	411	411	411
---	(10,868)	---	(10,868)	(10,575)	<i>Less:</i>			
					All Other Funds	(9,969)	(10,827)	(10,827)
<u>CAPITAL CONSTRUCTION</u>								
Distribution by Fund and Program								
---	558	---	558	48	Marie H. Katzenbach School for the Deaf	12	---	1,950
<u>---</u>	<u>558</u>	<u>---</u>	<u>558</u>	<u>48</u>	<i>Total Capital Construction</i>	<u>---</u>	<u>1,950</u>	<u>1,950</u>
Distribution by Fund and Object								
Marie H. Katzenbach School for the Deaf								
---	10	-10	---	---	Re-roofing of Various Buildings	12	---	---
---	168	---	168	---	Fire Protection	12	1,950	1,950
---	121	---	121	---	Bathroom Renovations	12	---	---
---	105	---	105	22	Small Capital Projects			
					Contingency	12	---	---
---	5	---	5	---	Upgrade Campus Lighting	12	---	---
---	149	-149	---	---	Sprinkler Systems	12	---	---
---	---	106	106	---	Boiler System Upgrades	12	---	---
<u>---</u>	<u>---</u>	<u>53</u>	<u>53</u>	<u>26</u>	Lower School Air Conditioning Project	12	---	---
<u>2,899</u>	<u>632</u>	<u>---</u>	<u>3,531</u>	<u>3,019</u>	<i>Grand Total State Appropriation</i>	<u>3,149</u>	<u>5,214</u>	<u>5,214</u>
OTHER RELATED APPROPRIATIONS								
---	10,868	---	10,868	10,575	<i>Total All Other Funds</i>	9,969	10,827	10,827
Federal Funds								
554	100	236	890	572	Marie H. Katzenbach School for the Deaf	12	826	793
<u>554</u>	<u>100</u>	<u>236</u>	<u>890</u>	<u>572</u>	<i>Total Federal Funds</i>	<u>826</u>	<u>793</u>	<u>793</u>
<u>3,453</u>	<u>11,600</u>	<u>236</u>	<u>15,289</u>	<u>14,166</u>	GRAND TOTAL ALL FUNDS	<u>13,944</u>	<u>16,834</u>	<u>16,834</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

Notwithstanding the provisions of N.J.S.18A:61-1 and N.J.S.18A:46-13, or any other statute, in addition to the amount appropriated hereinabove to the Marie H. Katzenbach School for the Deaf for the 2006-2007 academic year, payments from local boards of education to the school at an annual rate and payment schedule adopted by the Commissioner of Education and the Director of the Division of Budget and Accounting are appropriated.

Any income from the rental of vacant space at the Marie H. Katzenbach School for the Deaf is appropriated for the operation and maintenance cost of the facility and for capital costs at the school, subject to the approval of the Director of the Division of Budget and Accounting.

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The unexpended balance at the end of the preceding fiscal year, in the receipt account of the Marie H. Katzenbach School for the Deaf is appropriated for expenses of operating the school.

The unexpended balance at the end of the preceding fiscal year, in the receipt account of the Positive Learning Understanding Support (PLUS) program is appropriated for the expenses of operating the Marie H. Katzenbach School for the Deaf.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT 33. SUPPLEMENTAL EDUCATION AND TRAINING PROGRAMS

OBJECTIVES

1. To provide quality educational programs that further develop the academic, vocational, and technical skills of vocational-technical education students through high standards.
2. To provide quality programs to New Jersey students to assist them in clarifying career goals, exploring career possibilities, experiencing career applications of academic knowledge and skills, developing employability skills, and obtaining other skills necessary to function in a technological society.
3. To facilitate the planning, implementation and expansion of transition programs, activities or services for vocational-technical students to support linkages between secondary and postsecondary vocational, technical, and career programs, including two-year and four-year collegiate programs.
4. To provide students strong experience in and understanding of all aspects of an industry, including the academic, technical, and technological requirements for career development and lifelong learning.
5. To provide professional development and technical assistance to vocational and technical educators.

In order for the State to qualify to receive federal grant money under the Perkins Act, New Jersey is required to provide a maintenance of effort equal to, or greater than, the amount of effort in the prior fiscal year. Failure to provide such maintenance of effort disqualifies a state from receipt of Perkins money.

These combined funds allow the State to maintain, in cooperation with business, industry and labor, quality vocational education programs, by providing consultation, technical assistance, and regulatory services to public and private educational agencies.

The Department also develops new and innovative vocational, technical, and career education programs; provides in-service training for vocational teachers; conducts program evaluations; develops occupational competencies; provides administrative services for the Office of Vocational-Technical Career and Adult Programs; maintains liaison with agencies and personnel on the local, State, and federal levels; and develops the annual revisions of the State Plan for Vocational Education. These activities maximize educational opportunities and minimize costly duplication of effort.

General vocational education is paid (N.J.S.A. 18A:58-34 et seq.) to local school districts according to the following criteria: (a) the State may grant up to 100% of approved expenditures for new and innovative projects, and (b) expenditures for the improvement of vocational programs conducted under Public Law 101-392, subject to federal mandates requiring that special populations be given full opportunity to participate in vocational programs.

County Vocational Program Aid--Categorical aid is paid to county vocational school districts on a per pupil basis for all pupils enrolled in the district.

PROGRAM CLASSIFICATIONS

20. **General Vocational Education.** To assist the State in attaining the objectives stated above in assuring a well-trained quality workforce, the federal government provides funds to conduct State occupational program administrative activities. To be eligible for these monies under the Carl D. Perkins Vocational and Technical Education Act, the State must match this federal grant award on a dollar for dollar basis (P.L. 105-332).

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
General Vocational Education				
Secondary Vocational Education				
Annual Enrollments	104,873	121,200	140,069	161,875
Annual Graduates or Completions	28,438	32,680	37,555	43,156
Annual Grade 11-12 Occupational Program Enrollments	53,617	61,026	69,459	79,058
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	3	4	6	5
Federal	25	25	25	24
All Other	1	1	---	---
Total Positions	29	30	31	29
Filled Positions by Program Class				
General Vocational Education	29	30	31	29
Total Positions	29	30	31	29

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and Revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
277	---	-42	235	235	20	266	266	266
					General Vocational Education			
277	---	-42	235	235	Total Direct State Services			
					266 ^(a) 266 266			
Distribution by Fund and Object								
Personal Services:								
226	---	-42	184	184	Salaries and Wages			
					215 215 215			
226	---	-42	184	184	Total Personal Services			
					215 215 215			
26	---	---	26	26	Materials and Supplies			
					26 26 26			
25	---	---	25	25	Services Other Than Personal			
					25 25 25			
<u>STATE AID</u>								
Distribution by Fund and Program								
43,808	---	---	43,808	43,808	20	43,808	43,808	43,808
					General Vocational Education			
4,860	---	---	4,860	4,860	<i>(From General Fund)</i>			
					4,860 4,860 4,860			
38,948	---	---	38,948	38,948	<i>(From Property Tax Relief Fund)</i>			
					38,948 38,948 38,948			
43,808	---	---	43,808	43,808	Total State Aid			
					43,808 43,808 43,808			
4,860	---	---	4,860	4,860	<i>(From General Fund)</i>			
					4,860 4,860 4,860			
38,948	---	---	38,948	38,948	<i>(From Property Tax Relief Fund)</i>			
					38,948 38,948 38,948			
Distribution by Fund and Object								
State Aid:								
4,860	---	---	4,860	4,860	20	4,860	4,860	4,860
					Vocational Education			
38,948	---	---	38,948	38,948	20	38,948	38,948	38,948
					County Vocational Program Aid (PTRF)			
44,085	---	-42	44,043	44,043	Grand Total State Appropriation			
					44,074 44,074 44,074			
<u>OTHER RELATED APPROPRIATIONS</u>								
Federal Funds								
26,363	2,705	61	29,129	25,511	20	26,620	25,767	25,767
					General Vocational Education			
26,363	2,705	61	29,129	25,511	Total Federal Funds			
					26,620 25,767 25,767			
All Other Funds								
---	555	---	555	397	20	---	---	---
					General Vocational Education			
---	555	---	555	397	Total All Other Funds			
					--- --- ---			
70,448	3,260	19	73,727	69,951	GRAND TOTAL ALL FUNDS			
					70,694 69,841 69,841			

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT

34. EDUCATIONAL SUPPORT SERVICES

OBJECTIVES

1. To ensure that all schools and districts meet State standards for a thorough and efficient system of education, pursuant to the Comprehensive Educational Improvement and Financing Act of 1996 and other laws and regulations.
2. To provide curriculum leadership for local school districts in various instructional areas.
3. To establish curriculum frameworks, which can guide the districts' instructional decisions for schools and teachers in designing programs to meet the content standards in all subject areas.
4. To create comprehensive assessments that will measure students' progress toward achieving the new content standards.
5. To design and implement mandated professional development for teachers and school leaders to enable them to accomplish these new educational initiatives in schools and districts throughout the state.
6. To approve college teacher training programs based on professional standards and issue educational certificates upon verification of eligibility.
7. To provide oversight and guide implementation of the Charter School Program Act of 1995.
8. To ensure that young children are ready to learn the Core Curriculum Content Standards in all districts receiving Early Childhood Program Aid, including districts that have contracted services from Department of Human Services-licensed child care providers.
9. To successfully implement the equal educational opportunity mandates of the New Jersey Supreme Court in *Abbott v. Burke*.
10. To provide technical and financial assistance for transportation of public and nonpublic students at minimum expense to the State and local school districts.
11. To ensure provision of suitable educational facilities in local school districts through inspections and financial assistance.
12. To assist the schools in understanding the comprehensive and challenging K-12 curriculum content areas and communicate the depth and scope of the standards and frameworks.
13. To maximize resources to support the Department's mission and priorities; to assure accountability for use of the Department's grant resources.
14. To provide program resources, technical assistance and demonstration projects supporting school efforts to reduce student violence and disruption, so that school environments are safe, disciplined, and conducive to learning.

PROGRAM CLASSIFICATIONS

30. **Educational Programs and Assessment.** Coordinates standards-based reform initiatives to improve teaching and learning; identifies and promotes research-based programs to assist school improvement and other innovation efforts, including early literacy initiatives and gifted and talented programs; coordinates with the higher education community to ensure that there are sufficient numbers of highly qualified teachers; and oversees the statewide assessment program.

To ensure that New Jersey's students are prepared for lives as productive citizens, Core Curriculum Content Standards

(CCCS) have been adopted in mathematics, language arts literacy (reading, writing, listening, viewing and speaking), science, the arts, social studies, world languages, gifted education, comprehensive health/physical education, technological literacy, and career education and consumer, family and life skills. Supporting the CCCS, curriculum frameworks have been developed to help teachers help their students to master the knowledge and skills identified in the standards. Professional development requirements are in place for teachers and administrators. To maintain currency in their fields, all teachers are required to complete 100 hours of State-approved continuing education every five years effective September 2000. A similar professional development requirement for school leaders was implemented in 2004. Additional professional development initiatives include the National Board for Professional Teaching Standards subsidy program and the State Action for Education Leadership Project (SAELP).

Research-based programmatic initiatives include the Governor's Literacy Initiative and the federal Reading First program, both geared at ensuring that all children read at or above grade level by the end of the third grade. The Charter School Program Act of 1995 allows for the creation of new types of public schools to provide parents and students with a variety of educational options. Charter schools are designed to stimulate reform in the traditional public school system and serve as one of the State's strategies to bring about significant improvements in student achievement. The Inter-district Public School Choice Program provides options for parents and students in participating districts.

To ensure that New Jersey has sufficient numbers of highly qualified teachers, several strategies are employed, including partnerships with college and university placement offices and a public relations campaign promoting careers in education. The division is working collaboratively with key higher education administrators and faculty to ensure the success of this program. The teacher quality preparation initiatives unit provides services to the higher education community in areas such as, but not limited to, review of teacher education programs, accreditation, and the teacher quality initiative.

The statewide assessment program includes testing in language arts literacy and mathematics in grades 3 through 8 and at the high school level. Science assessments, already in place for grades 4 and 8, will be included in the high school assessment beginning in 2006. The Alternate Proficiency Assessment is administered to students with severe cognitive disabilities. All assessments are based on the Core Curriculum Content Standards in the academic areas being assessed. For individuals aged 16 or older who are no longer enrolled in school, the General Education Development (GED) assessment process provides an opportunity to earn a New Jersey high school diploma.

31. **Grants Management.** Establishes and maintains systems to acquire, manage and distribute approximately \$780 million in State and federal grant funds to school districts, colleges, community-based organizations and other eligible grant recipient agencies in a manner that supports initiatives that enhance the educational experience of children and adult learners and that promote statewide educational excellence. The grant management systems ensure efficiency, accountability and integrity in the management of the Department's subgrant funds. The Office of Grants Management provides

assistance to program units in the development of requests for proposals, guidelines and applications. Specifically, this office coordinates application receipt, evaluation/review, and notifications; award management, contract modification, and carryover approvals; and audit controls including central file maintenance and public records. The Office of Grant Appeals and Funding Acquisition facilitates the Department's efforts to identify and obtain new resources, to coordinate or consolidate existing resources to support educational priorities, and to resolve appeals related to the grants management process.

32. **Professional Development and Licensure.** Assures that educational personnel meet minimum professional qualifications (N.J.S.A. 18A:6-38 et seq.) by setting standards for approval of teacher education programs; providing professional assistance to establish, evaluate and approve college programs which lead to licensure; providing technical assistance to county and district offices; coordinating the employment and training of professional educators; determining licensure eligibility for in-state and out-of-state applicants; issuing professional certificates, and evaluating existing certificates. The Office of Licensure and Credentials, which also administers the State Board of Examiners, is supported by a fee structure.
33. **Service to Local Districts.** Consists of the following regulatory functions: the tasks of educational planning and evaluation/accreditation (required by N.J.S.A. 18A:7A-1 et seq.); accelerated intervention of Level II districts, including an external team review, report, and approval of corrective action plans and quarterly progress reports; review and approval of school district budgets for all districts receiving early childhood and demonstrably effective program aid, audits and spending growth limitation increases; supervision of school and special elections; review and approval of private schools for the disabled; and oversight of transportation, teacher certification and reporting procedures. These functions are performed by the Department's county and regional offices, which also maintain liaison between the local school districts and the Department.
35. **Early Childhood Education.** Responsible for the oversight of early childhood education statewide, including the development, administration and implementation of early childhood education and coordination with other K-12 initiatives. The Office of Early Childhood Education coordinates policy, program development, and evaluation for early childhood education in accordance with State mandates. The office has developed Abbott Preschool Program Implementation Guidelines that provide instructions for districts on developing their program plans to assure accountability and implementation of early childhood programs. The office provides technical support and oversight to school districts; reviews literature; collaborates with other State departments and State and national experts on early childhood education; organizes and facilitates the delivery of professional development; and develops evaluation data to track the progress and implementation of early childhood education programs.
36. **Pupil Transportation.** Monitors, analyzes and evaluates local districts' transportation systems and records in order to increase the safety, cost-effectiveness and accountability of transportation operations. Develops safety education programs and provides technical assistance to local boards of education to promote safety and to efficiently administer

transportation services. The Department trains county and local district personnel to administer transportation services according to statute and code. Transportation Aid is provided to local school districts for students who are required to be transported according to N.J.S.A. 18A:39-1 et seq. and N.J.S.A. 18A:46-23 as amended, based on the efficient costs of transporting pupils. The efficient costs are based on per-pupil allocations for pupils with and without special transportation requirements, and adjusted for the average distance pupils reside from school, and an incentive factor.

37. **Abbott Implementation.** Created to bring together the Department's activities supporting the implementation of the Abbott v. Burke decisions, the Abbott Implementation Division focuses on high quality early childhood education for 3 and 4 year-olds that will ensure that every child will be reading at or above grade level by the end of third grade; literacy instruction and a literacy-rich curriculum in the primary grades; small classes; the development of research-based educational programs designed to close the achievement gap between urban and suburban students; continuous school improvement through the use of a data-driven accountability system; standards-driven school improvement to ensure that every student is provided the opportunity to achieve the Core Curriculum Content Standards; professional development focused on improving classroom instruction; collaboration with all stakeholders, including the Education Law Center, district and school staff, parents, and representatives from higher education, professional organizations and the community at large; school-based decision-making relying on fruitful collaboration and cooperation with the district's central office; and fiscal accountability to improve efficiency and effectiveness of Abbott spending. The Abbott Implementation Division also oversees the three State-operated school districts (Newark, Paterson, and Jersey City), as well as Abbott-related activities of the Office of Early Childhood Education.
38. **Facilities Planning and School Building Aid.** Approves architectural review, master plans, and site acquisitions; evaluates facilities for educational adequacy, health and safety; and periodically surveys public school buildings. Reviews and approves long-range facilities plans, as well as applications for school facilities projects. Project review includes the determination of consistency with the district's long-range plan and compliance with facilities efficiency standards and area allowances per FTE student derived from those standards. Based on that review, the preliminary eligible costs for State financing will be calculated. School Building Aid provides State support for debt service on projects approved prior to the enactment of the Educational Facilities Construction and Financing Act of 2000 (EFCFA). The School Construction and Renovation Fund provides for State debt service and increased aid for local debt for school construction projects approved under the provisions of EFCFA.
39. **Teachers' Pension and Annuity Assistance.** The State provides the employer's share to the Teachers' Pension and Annuity Fund (N.J.S.A. 18A:66-33) in amounts actuarially determined by using experience of the preceding year as certified to the Governor by the Fund's Board of Trustees. All public school teachers are required to contribute to the Fund, except for optional participation of certain persons based on age, veteran's status or teacher status prior to specified dates. Janitorial employees of local boards of education also are covered.

EDUCATION

40. Health, Safety, and Community Services. Provides statewide leadership to assist school districts in promoting positive student development and behavior. Specifically, the Department develops and implements policy and programs in the following areas: violence prevention and school security, substance abuse prevention and education, comprehensive health education, suicide prevention, school health services, HIV/AIDS education, family life education, bilingual education, character education, equal education opportunities, adult literacy, and basic skills.
Holocaust and Genocide Education was mandated by the State

Legislature in 1994. The New Jersey Commission on Holocaust Education has as its central mission the study, development, recommendation and dissemination of curricular materials to local school districts on a wide range of genocides, with the goal of eradicating ethnic and racial intolerance, and fostering tolerance for cultural diversity. The Commission coordinates activities to assist districts in implementing the mandate, including the dissemination of instructional materials, the provision of staff training, and the establishment of Holocaust Education demonstration sites.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Educational Programs and Assessment				
High School Proficiency Assessment - Mathematics				
Students Ranked Proficient	24.5%	28.4%	29.0%	29.0%
Students Ranked Advanced Proficient	45.5%	47.1%	49.0%	49.0%
Students Ranked Partially Proficient	30.0%	24.5%	22.0%	22.0%
High School Proficiency Assessment - Language Arts Literacy				
Students Ranked Proficient	17.2%	16.8%	17.0%	17.0%
Students Ranked Advanced Proficient	65.0%	63.6%	64.0%	64.0%
Students Ranked Partially Proficient	17.8%	19.6%	19.0%	19.0%
High School Equivalency				
Adults Enrolled	13,000	15,800	17,000	20,500
Adults Earning State Diplomas	6,200	9,500	11,900	14,300
Charter Schools Licensed	48	50	51	54
Grants Management				
Discretionary Contracts Awarded Annually	381	337	350	350
Entitlement Contracts Awarded Annually	4,743	4,849	4,905	4,905
Professional Development And Licensure				
Annual Evaluations (Non-Issuance)(a)	8,000	2,419	1,104	---
Certificates Awarded Annually(b)	16,500	17,500	17,500	27,000
Academic Credentials Issued Annually	400	450	500	500
County Substitute Certificate Applications Received Annually	10,000	23,000	25,000	25,000
Certificates of Eligibility Issued Annually	14,000	15,600	17,590	18,000
Training Contracts Approved Annually	8,000	6,846	7,000	7,000
Annual Induction Evaluations	24,000	20,538	21,000	21,000
Service to Local Districts				
Needs Identified				
Districts Monitored Annually	147	150	148	100
School Level Objectives Approved Annually	4,500	4,500	4,500	4,500
Level II and Level III Monitors of School Districts Annually	9	9	9	9
Assistance Rendered				
Districts Certified Annually	62	70	69	60
Districts Conditionally Certified for One Year Annually ..	85	80	80	40
District Objectives Achieved Annually	4,300	4,300	4,300	4,300
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	283	287	262	273
Federal	65	55	52	54
All Other	32	30	37	43
Total Positions	380	372	351	370

EDUCATION

Filled Positions by Program Class	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Educational Programs and Assessment	112	107	92	89
Grants Management	34	31	32	32
Professional Development and Licensure	31	30	38	44
Service to Local Districts	67	67	60	66
Early Childhood Education	14	16	16	21
Pupil Transportation	6	6	5	6
Abbott Implementation	66	68	65	69
Facilities Planning and School Building Aid	32	28	29	31
Health, Safety, and Community Services	18	19	14	12
Total Positions	380	372	351	370

Notes:

- Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimates for fiscal year 2007 reflect the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.
- (a) Annual Evaluations were suspended in fiscal year 2006 and discontinued in fiscal year 2007.
- (b) The Certificates Awarded Annually amount increased based on an updated data collection system implemented in fiscal year 2007.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
27,076	---	-214	26,862	21,301					
528	---	---	528	528	30	26,923	28,920	28,920	
2,143	1,010	---	3,153	3,129	31	644	644	644	
5,722	3	495	6,220	6,219	32	2,862	2,830	2,830	
120	---	2,329	2,449	2,449	33	6,008	6,407	6,407	
415	---	14	429	429	35	127	127	127	
---	---	10,821	10,821	10,820	36	422	422	422	
3,246	1,292	---	4,538	3,290	37	---	---	---	
1,348	---	-4	1,344	1,336	38	2,911	2,770	2,770	
					40	1,376	1,111	1,111	
40,598	2,305	13,441	56,344	49,501	41,273 (a)		43,231	43,231	
Distribution by Fund and Object									
Personal Services:									
13,704	1,029								
709 ^S	700 ^R	335	16,477	14,779		15,250	15,082	15,082	
---	---	---	---	1,234		---	---	---	
14,413	1,729	335	16,477	16,013	15,250		15,082	15,082	
425	74	-45	454	375		425	425	425	
1,351	441	287	2,079	1,374		981	981	981	
52	13	-5	60	60		52	52	52	
Special Purpose:									
55	---	---	55	---		---	---	---	
16,225	---	---	16,225	11,725	30	---	---	---	
135	---	---	135	134	30	16,225	20,725	20,725	
152	---	---	152	152	30	135	135	135	
6,650	---	-708	5,942	4,937	30	6,200	3,826	3,826	

EDUCATION

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
STATE AID								
955	---	---	955	955				
					38	775	23	23
121,272	---	-500	120,772	120,663	38	119,679	116,826	116,826
32,094	---	---	32,094	32,094				
					38	31,742	33,394	33,394
151,897					38	227,527	341,821	341,821
-9,295 ^S	4,794	-49,382	98,014	96,868				
524,979	---	-39,815	485,164	484,507				
					39	---	---	---
---	---	---	---	---	39	589,118	616,540	616,540
---	---	---	---	---	39	68,727 ^(c)	---	---
---	---	---	---	---	39	---	805,162	805,162
624,750	---	---	624,750	624,745	39	---	---	---
---	---	---	---	---	39	655,750	691,750	691,750
---	---	---	---	---	39	25,789 ^(c)	32,471	32,471
1	---	---	1	1	39	1	1	1
82,012	---	-3,105	78,907	78,907	39	96,317	104,853	104,853
79,779	---	---	79,779	79,779	39	86,940	95,097	95,097
1,981,873	7,099	-78,965	1,910,007	1,900,580	Grand Total State Appropriation		2,271,554	3,213,269
OTHER RELATED APPROPRIATIONS								
Federal Funds								
94,710	12,043	-10	106,743	92,146	30	91,478		
						1,248 ^S	89,168	89,168
2,796	---	---	2,796	175	31	2,458	2,339	2,339
---	45	---	45	44	32	100 ^S	100	100
33,464					40	30,911		
401 ^S	3,511	125	37,501	25,814		690 ^S	29,620	29,620
131,371	15,599	115	147,085	118,179	Total Federal Funds		126,885	121,227
All Other Funds								
---	47	---	47	47	29	---	---	---
---	3,872	---	4,039	1,332	30	101	101	101
---	167 ^R	---	3,677	654	32	1,300	1,000	1,000
---	3,636	---	---	---	35	2,442	2,575	2,575
---	41 ^R	---	---	---	37	11,734	10,619	10,619
---	---	---	---	---	38	824	---	---
---	73	---	---	---	40	40	40	40
---	138 ^R	248	459	372	Total All Other Funds		16,441	14,335
---	7,974	248	8,222	2,405	GRAND TOTAL ALL FUNDS		2,414,880	3,348,831
2,113,244	30,672	-78,602	2,065,314	2,021,164				

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program, which includes \$148,000 in appropriated receipts, and for the reallocation of administrative efficiencies.

EDUCATION

Notes -- State Aid - General Fund

- (b) The fiscal 2005 data and fiscal 2006 appropriation have been adjusted to separately report School Construction Debt Service Aid.
- (c) The fiscal 2006 appropriation has been adjusted to report the non-contributory insurance component.

Notes -- All Other Funds

- (d) In addition to the resources reflected in All Other Funds above, funding will be transferred from the Department of Treasury to support operations and services related to the Project DARE (Drug Abuse Resistance Education) in fiscal 2007. The recent history of such receipts is reflected in the Department of Education's budget.

Language Recommendations -- Direct State Services - General Fund

From the amount appropriated hereinabove for the Governor's Literacy Initiative, the sum of \$900,000 may be transferred to the Commission for the Blind and Visually Impaired for increased Braille lessons for blind children, subject to the approval of the Director of the Division of Budget and Accounting.

From the amount hereinabove appropriated for the Governor's Literacy Initiative, there is appropriated, \$300,000 for a grant for the Learning Through Listening program at the New Jersey Unit of the Recording for the Blind and Dyslexic.

Receipts from the State Board of Examiners' fees in excess of those anticipated, not to exceed \$1,000,000, and the unexpended program balances at the end of the preceding fiscal year, are appropriated for the operation of the Professional Development and Licensure programs.

Language Recommendations -- Grants-In-Aid - General Fund

The amount hereinabove appropriated for the Liberty Science Center--Educational Services shall be used to provide educational services to students in the "Abbott districts" in the science education component of the core curriculum content standards as established by law.

The sums provided hereinabove for New Jersey After 3 shall be conditioned upon the State Treasurer and the grant recipient entering into a grant agreement; shall be available for grants and reasonable administrative costs of New Jersey After 3, Inc.; and shall be available for funding programs, activities, functions and facilities consistent with recommendations and proposals of the New Jersey After 3 Advisory Committee.

The amount hereinabove appropriated for the Governor's Literacy Program shall be used for the returning coach program and to provide grants to districts to improve instruction in language arts literacy and mathematics. In awarding such grants, the Commissioner of Education shall use criteria including the School Improvement Status based upon the federal No Child Left Behind Act and student performance on the New Jersey Assessment of Skills and Knowledge.

Language Recommendations -- State Aid - General Fund

Of the amount appropriated hereinabove for School Building Aid, the calculation of each eligible district's allocation shall include the amount based on school bond and lease purchase agreement payments for interest and principal payable during the 2006-2007 school year pursuant to section 10 of P.L.2000, c.72 (C.18A:7G-10) and the adjustments required based on the difference between the amounts calculated using actual 2004-2005 principal and interest amounts and the amounts allocated and paid in 2004-2005.

Notwithstanding the provisions of section 9 of P.L.2000, c.72 (C.18A:7G-9), for the purpose of calculating a district's State debt service aid, "DAP x 1.15" shall not be less than 40%. Notwithstanding the provisions of section 10 of P.L.2000, c.72 (C.18A:7G-10), for the purposes of calculating aid, CCSAID will be equal to the district's core curriculum standards aid calculated pursuant to section 15 of P.L.1996, c.138 (C.18A:7F-15) for fiscal 2002 and TEBUD shall be equal to the district's T&E budget calculated pursuant to subsection d. of section 13 of P.L.1996, c.138 (C.18A:7F-13) for fiscal 2002.

Of the amount hereinabove appropriated for the School Construction and Renovation Fund, an amount equal to the total earnings of investments of the School Fund shall first be charged to such fund.

In addition to the sum hereinabove appropriated for the School Construction and Renovation Fund account to make payments under the contracts authorized pursuant to section 18 of P.L. 2000, c.72 (C.18A:7G-18), there are hereby appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

The unexpended balance at the end of the preceding fiscal year in the School Construction and Renovation Fund account is appropriated for the same purpose.

Such additional sums as may be required for the Teachers' Pension and Annuity Fund - Non-contributory Insurance and Post Retirement Medical Other Than TPAF are appropriated, as the Director of the Division of Budget and Accounting shall determine.

Language Recommendations -- State Aid - Property Tax Relief Fund

Notwithstanding the provisions of section 1 of P.L.1997, c.53 (C.18A:39-11.1) districts shall not be reimbursed for administrative fees paid to Cooperative Transportation Service Agencies.

Notwithstanding the provisions of section 2 of P.L.1981, c.57 (C.18A:39-1a) and any other law or provision to the contrary, the additional costs of providing transportation shall be provided from the amount hereinabove appropriated for Transportation Aid, except that the maximum amount of nonpublic school transportation costs per pupil provided for in N.J.S.18A:39-1 shall equal \$794.

For any school district receiving amounts from the amount appropriated hereinabove for Pupil Transportation, and notwithstanding the provisions of N.J.S.18A:39-1 to the contrary, if the school district is located in a county of the third class or a county of the second class with a population of less than 235,000, according to the 1990 federal decennial census, transportation shall be provided to school pupils residing in this school district in going to and from any remote school other than a public school, not operated for profit in whole or in part, located within the State not more than 30 miles from the residence of the pupil.

Notwithstanding the provisions of section 2 of P.L.1996, c.96 (C.39:3B-1.2) and section 3 of P.L.1996, c.96 (C.39:3B-1.3) or any other law or regulation to the contrary, the amount appropriated hereinabove for School Bus Crossing Arms shall be provided to the owners of newly manufactured vehicles equipped with a crossing control arm with a manufacture date of 2004 or later, as noted on the vehicle registration, upon submission to the Department of Education of a complete application for reimbursement within one year of the vehicle purchase date.

Such additional sums as may be required for Teachers' Pension and Annuity Fund - Post Retirement Medical are appropriated, as the Director of the Division of Budget and Accounting shall determine.

In addition to the amounts hereinabove for Social Security Tax, there are appropriated such sums as are required for payment of Social Security Tax on behalf of members of the Teachers' Pension and Annuity Fund.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
35. EDUCATION ADMINISTRATION AND MANAGEMENT

OBJECTIVES

1. To plan, execute, monitor, and evaluate the management of the administrative, programmatic, and fiscal affairs of the Department consistent with State Board rules and State and federal regulations.
2. To provide assistance to local school districts in the administration of their financial and accounting procedures.
3. To maintain the Department's budgetary, human resource, and support services.
4. To compute and distribute State aid, to provide payment of federal aid, and to advise districts on borrowing funds.
5. To provide local school district personnel with assistance in their budgeting, accounting, fiscal, and recordkeeping activities; and to collect, edit, review, and compile statistical information for the Commissioner's Annual Report.
6. To provide Department level executive and management leadership in implementing laws affecting the educational system of the State.
7. To support the State Board of Education in its function of establishing goals and policies, as well as resolving conflicts in the educational system.
8. To improve fiscal and management practices of local school districts and the Department.

PROGRAM CLASSIFICATIONS

42. **School Finance.** Responsible for the calculation and distribution of Education State Aid in accordance with the applicable statutes; provides leadership in the development of uniform school district accounting and administrative practices; provides support for research and consulting services for start-up requirements needed for reorganization under N.J.S.A. 18A:7A-1 et seq., including an analysis of school business practices, dissemination of modern budgeting materials, and further design of reporting requirements.
43. **Compliance and Auditing.** Provides the auditing capability to examine how money is used in local school districts; monitors Department fiscal activities and investigates complaints of irregularities or improprieties in the Depart-

ment, school districts, and other entities receiving educational funding. Performs background checks of applicants for positions with local school districts.

99. **Administration and Support Services.** Provides Department-wide direction, management, and general administrative support services. The State Board of Education (N.J.S.A. 18A:4-3 et seq.) consists of 13 members appointed by the Governor with the consent of the Senate. The Board sets policy for the Department as well as local school districts and hears appeals from the commissioner's decisions on controversies and disputes. The Commissioner of Education is appointed by the Governor to serve as the official agent of the State Board of Education and chief executive and administrative officer of the Department (N.J.S.A. 18A:4-22 and N.J.S.A. 18A:4-35) and is responsible for assisting the Board, implementing the Board's policy and laws affecting education, and deciding controversies and disputes presented to the Department. The School Ethics Commission (N.J.S.A. 18A:12-21 et seq.) is responsible for collecting, retaining, and reviewing financial and personal/relative disclosure statements from all local school board members and administrators as set forth by the School Ethics Act, and rendering decisions on alleged violations of that Act. In addition, numerous citizens' councils are formally established to provide advice to the Department in specific areas of responsibility.

Support services include oversight of information and educational technology and infrastructure for statewide connectivity so that all students will have access to resources needed to achieve the Core Curriculum Content Standards, budgeting, accounting, purchasing, personnel and payroll as well as administrative services such as printing, mail, and facilities. The department has developed a student data handbook; a statewide student information data warehouse is underway to assist educators and federal reporting requirements. Executive services include providing support to the State Board of Education and the School Ethics Commission, assisting the commissioner in developing policy positions on legislative initiatives, and providing accountability information to the public. Federal funds include the consolidated administration of federal programs under the No Child Left Behind Act and educational technology grants to schools.

EDUCATION

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Compliance and Auditing				
Annual Compliance and Fiscal Reviews of School Districts . . .	4	4	4	4
Annual Audits of Applications for State School Aid	43	40	50	50
Annual Monitoring of Private Schools for the Disabled	30	18	27	27
Annual Audits of Title I Funds	40	30	35	35
Annual Grant Audits	26	26	26	26
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	66	70	66	70
Male Minority %	7.0	7.4	6.9	7.4
Female Minority	192	195	192	195
Female Minority %	20.4	20.7	20.2	20.7
Total Minority	258	265	258	265
Total Minority %	27.4	28.1	27.1	28.1
Position Data				
Filled Positions by Funding Source				
State Supported	173	169	176	167
Federal	44	39	43	44
All Other	29	28	30	29
Total Positions	246	236	249	240
Filled Positions by Program Class				
School Finance	42	41	41	41
Compliance and Auditing	26	23	23	23
Administration and Support Services	178	172	185	176
Total Positions	246	236	249	240

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
3,152	3	221	3,376	3,375	School Finance	42	3,403	3,353
2,258	---	313	2,571	2,570	Compliance and Auditing	43	2,288	1,918
10,986	902	646	12,534	10,381	Administration and Support Services	99	11,705	9,726
16,396	905	1,180	18,481	16,326	Total Direct State Services		17,396^(a)	14,997
Distribution by Fund and Object								
Personal Services:								
12,492	---	641	13,133	13,133	Salaries and Wages		13,721	12,776
12,492	---	641	13,133	13,133	Total Personal Services		13,721	12,776
300	---	-40	260	259	Materials and Supplies		301	301
1,101	---	40	1,141	1,140	Services Other Than Personal		1,100	1,100
67	---	---	67	67	Maintenance and Fixed Charges		67	67
Special Purpose:								
---	---	222	222	222	Early Childhood Enrollment Audits	42	---	---
568 ^S	---	---	568	568	Internal Auditing	43	600 ^S	600

EDUCATION

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
---	---	317	317	317					
50	---	---	50	50					
1,500	900	---	2,400	250					
68	---	---	68	68					
250	---	---	250	250					
---	5	---	5	2					
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	388	---	388	118					
---	388	---	388	118					
Distribution by Fund and Object									
Division of Administration									
---	61	---	61	---					
---	---	---	---	---					
---	327	---	327	118					
16,396	1,293	1,180	18,869	16,444					
Grand Total State Appropriation						18,446	15,497	15,497	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
18,831	2,532	-67	21,296	17,506					
18,831	2,532	-67	21,296	17,506					
All Other Funds									
---	---	---	---	---					
---	9	---	---	---					
---	136 ^R	---	145	120					
---	---	---	---	---					
---	145	---	145	120					
35,227	3,970	1,113	40,310	34,070					
GRAND TOTAL ALL FUNDS						34,029	32,933	32,933	

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

Receipts derived from fees for school district personnel background checks and unexpended balances at the end of the preceding fiscal year of such receipts are appropriated for the cost of operation.

In addition to the amount appropriated, such sums as may be necessary for the Department of Education to conduct comprehensive compliance investigations are appropriated, subject to the recommendation of the Commissioner of Education and the approval of the Director of the Division of Budget and Accounting.

Additional sums as may be necessary for the Department of Education in preparation for implementation of P.L.1987, c.399 (C.18A:7A-34 et seq.) are appropriated, subject to the recommendation of the Commissioner of Education and the approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee or its successor.

The unexpended balance at the end of the preceding fiscal year in the Student Registration and Record System account are appropriated for the same purpose.

EDUCATION

Contract costs attributable to EdSmart and EasyIEP shall be paid from revenue received from the Special Education Medicaid Initiative (SEMI) and the Medicaid Administrative Claiming (MAC) programs and are appropriated for these purposes to the Student Registration and Record System account upon recommendation from the Commissioner of the Department of Education, subject to the approval of the Director of the Division of Budget and Accounting.

In the event that revenues received from the Special Education Medicaid Initiative (SEMI) and the Medicaid Administrative Claiming (MAC) programs are insufficient to satisfy contract costs attributable to EdSmart and EasyIEP, there are appropriated to the Student Registration and Record System account such sums as may be required as the Director of the Division of Budget and Accounting shall determine.

DEPARTMENT OF EDUCATION

Language Recommendations -- Direct State Services - General Fund

Of the amount appropriated hereinabove from the General Fund for the Department of Education, or otherwise available from federal sources, there are appropriated funds to establish a School Security Planning and Assurance Unit within the Department of Education, staffed to plan, coordinate, and conduct an on-going comprehensive security assessment and vulnerability reduction program for school sites Statewide, in collaboration with schools and law enforcement, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Direct State Services - General Fund

Language Recommendations -- Grants-In-Aid - General Fund

Language Recommendations -- State Aid - General Fund

Of the amount hereinabove appropriated for the Department of Education, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Governor's Budget Message first shall be charged to the State Lottery Fund.

Notwithstanding any other provision of law or this act to the contrary, monies directed to be paid to the Department of Education as a result of settlement of litigation by the Board of Public Utilities or to be paid to the Department of Education in connection with a stipulation of settlement in a merger approved by the Board of Public Utilities are appropriated for the purposes specified in the settlement agreement or stipulation, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- State Aid - General Fund

The unexpended balances at the end of the preceding fiscal year in the State Aid accounts, not to exceed \$650,000, are appropriated to the State Aid Supplemental Funding account.

Language Recommendations -- State Aid - General Fund

Language Recommendations -- State Aid - Property Tax Relief Fund

In the event that sufficient funds are not appropriated to fully fund any State Aid item, the Commissioner of Education shall apportion such appropriation among the districts in proportion to the State Aid each district would have been apportioned had the full amount of State Aid been appropriated.

Notwithstanding any law to the contrary, should appropriations in the Property Tax Relief Fund exceed available revenues, the Director of the Division of Budget and Accounting is authorized to transfer General Fund revenues into the Property Tax Relief Fund, providing unrestricted balances are available from the General Fund, as determined by the Director of the Division of Budget and Accounting.

Notwithstanding any other law or regulation to the contrary, each district shall receive no less of a total State aid amount payable for the 2006-2007 school year than the sum of the district's total State aid amount payable for the 2005-2006 school year for the following aid categories: Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, Early Childhood Program Aid, Instructional Supplement Aid, Demonstrably Effective Program Aid, Stabilization Aid, Stabilization Aid 2, Stabilization Aid 3, Large Efficient District Aid, Aid for Districts with High Senior Citizen Populations, Regionalization Incentive Aid, Adult and Postsecondary Education Grants, Bilingual Education Aid, Special Education Aid, County Vocational Program Aid, Transportation Aid, and Aid for Enrollment Adjustments, taking into consideration the June 2006 payment made in July 2006.

The Director of the Division of Budget and Accounting may transfer from one State Aid appropriations account for the Department of Education in the General Fund to another appropriations account in the same department in the Property Tax Relief Fund such funds as are necessary to effect the intent of the provisions of the appropriations act governing the allocation of State Aid to local school districts and to effect the intent of legislation enacted subsequent to the enactment of the appropriations act, provided that sufficient funds are available in the appropriations for that department.

Notwithstanding the provisions of section 8 of P.L.1996, c.138 (C.18A:7F-8), five percent of the total payments to local districts for Education Opportunity Aid, Core Curriculum Standards Aid, Supplemental Core Curriculum Standards Aid, Special Education, Transportation, Early Childhood programs, Demonstrably Effective programs, Instructional Supplement, Bilingual, County Vocational Educational program, other aid pursuant to P.L.1996, c.138, School Choice, Consolidated Aid and Additional Formula Aid, as provided by the Department of Education to the local school districts for the 2006-2007 school year in the 2006-07 General Fund and Special Revenue Fund State Aid Payments Schedule, shall be paid on the 8th and 22nd of each month from September through June, with the last school aid payment being subject to the approval of the State Treasurer.

From the amounts hereinabove, such sums as are required to satisfy delayed June 2006 school aid payments are appropriated and the State Treasurer is hereby authorized to make such payment in July 2006.

Notwithstanding any other law to the contrary, any school district receiving a final judgment or order against the State to assume the fiscal responsibility for the residential placement of a special education student shall have the amount of the judgment or order deducted from the State aid to be allocated to that district.

Notwithstanding any provision of law to the contrary, the Commissioner of Education may reduce the total State Aid amount payable for the 2006-2007 school year for a district in which an independent audit of the 2005-2006 school year conducted pursuant to N.J.S.18A:23-1 identifies any deviation from the Uniform Minimum Chart of Accounts after the recalculation of the district's actual "Total Administrative Costs" pursuant to N.J.A.C.6:23A-2.4.

Notwithstanding any other law to the contrary, the Commissioner of Education may reduce State aid payments to any district by any amounts found to be in violation of restrictions placed on travel expenditures in accordance with regulations adopted by the commissioner.

Notwithstanding any other law to the contrary, the Commissioner of Education may withhold State aid payments to a school district that has not submitted in final form the data elements requested for inclusion in a Statewide data warehouse within 60 days of the department's initial request or its request for additional information, whichever is later.

Language Recommendations -- State Aid - Property Tax Relief Fund

The Director of the Division of Budget and Accounting may transfer from one appropriations account for the Department of Education in the Property Tax Relief Fund to another account in the same department and fund such funds as are necessary to effect the intent of the provisions of the appropriations act governing the allocation of State Aid to local school districts, provided that sufficient funds are available in the appropriations for that department.

NOTES

DEPARTMENT OF ENVIRONMENTAL PROTECTION

OVERVIEW

The mission of the Department of Environmental Protection (DEP) is to protect and improve New Jersey's air, land, water and natural resources; to ensure public health; to sustain economic growth; and to preserve and enhance the quality of life for all New Jersey citizens and for future generations.

The Department strives toward its mission by: employing a decision-making process that is open, comprehensive, timely, predictable, and efficient; developing standards to protect human health, the environment, and natural resources; protecting public trust through sound management and restoration of natural resources and by ensuring public access to safe local parks, the waterfront, protected open space, and historic and natural resources; enhancing environmental awareness and private stewardship through education, communication and incentives; ensuring the environment and natural resources of all communities receive equal protection and benefits under the Department's regulations and programs; protecting biodiversity and the water supply through land acquisition, enforcement and conservation; promoting sustainable living, including conservation of water, conservation of energy, use of environmentally friendly building materials, promotion of renewable energy, and reduction of waste through recycling and reuse programs; and fostering a work environment that attracts and retains a dedicated, diverse and talented work force.

The DEP is organizationally divided into five environmental areas: Natural Resource Management, Science and Technical Programs, Site Remediation and Waste Management, Environmental Regulation, and Compliance and Enforcement. The Management and Administration program provides department-wide administrative support to the programs. The Department of Environmental Protection also includes several in-but-not-of agencies that receive State appropriations: the Palisades Interstate Park Commission, the Highlands Water Protection and Planning Council, and the Pinelands Commission.

Budget Highlights

The Fiscal 2007 Budget for the Department of Environmental Protection (DEP), excluding Debt Service, totals \$439.7 million, an increase of \$108.6 million or 32.8% over the fiscal 2006 adjusted appropriation of \$331.2 million. This growth is primarily attributable to an increase in the Corporation Business Tax constitutional dedication of \$53.8 million and a new Capital Construction appropriation of \$40 million for capital improvements in the State's parks, forests, wildlife management areas, and historic sites. Remaining growth is attributable to funding for Passaic River Cleanup Litigation and Water Resource Interconnection Projects.

Parks and Recreation

To address a long-standing lack of capital funds required for the State's park system, an appropriation of \$40 million is proposed for fiscal 2007. This appropriation will provide an important start for much needed renovations in the State's parks, forests, historic sites, and wildlife management areas. DEP will undertake critical health and safety improvements; including demolition of unsafe structures, asbestos removal, and lead abatement. Additional major projects will include restorations to State-owned historic sites, such as Batsto and Atsion Mansions, Rockingham, Waterloo Village, the historic train sheds at Liberty State Park, and DEP's most recent acquisition - the office and homestead of James Still in the Pinelands.

Corporation Business Tax Dedication

A constitutional dedication of 4% of Corporation Business Tax (CBT) revenues has supported critical DEP programs for the past 10 years. In fiscal 2007, this important funding source will increase by \$53.8 million, due to higher collections of CBT revenues. Along with providing additional funding for ongoing projects, such as cleanup of

privately owned underground tanks, remediation of contaminated sites, and watershed monitoring and planning, this increase will support two new initiatives: 1) Diesel Risk Mitigation Fund (\$21.8 million), which aims to reduce diesel exhaust emissions levels through the use of ultra-low-sulfur diesel fuel, prevention of idling, and retrofitting of 40,000 vehicles, including school and transit buses, garbage trucks, and publicly owned on-road and non-road vehicles; and 2) Watershed Restoration Projects (\$5 million), which address the ongoing sedimentation and pathogen loads in impaired ponds and streams and restore various watersheds, including Lake Hopatcong, Long Swamp Creek in the Barnegat Bay Estuary, Delaware & Raritan Canal Tributaries, Wreck Pond, and Pequannock River.

Water Supply

An amount of \$6 million will be appropriated to a new Water Resource Interconnection Projects program intended to enhance the State's water supply through drought mitigation and land acquisition projects. Some portion of this appropriation will be used to leverage approximately \$100 million in debt to finance infrastructure that is required to address the State's most critical water supply needs. Major projects that are planned include: 1) the Raritan Confluence Reservoir Project, which will connect Round Valley Reservoir and the confluence of the north and south branches of the Raritan River; 2) an interconnection between the Central and Coastal North Drought Regions to help avert or mitigate Coastal North drought events in Southeastern Middlesex, Monmouth and Ocean Counties; and 3) interconnections within the Southwest Drought Region, which will extend the New Jersey American Tri-County Pipeline into Southwestern New Jersey to serve growth areas where water supplies are impacted by saltwater intrusion or contamination.

Site Remediation

To pursue the cleanup of toxic dioxin contamination in the Newark Bay Complex, the Fiscal 2007 Budget will provide funds for legal and expert services, investigative expenses, and other associated costs. For more than 20 years, Occidental Chemical and its predecessors knowingly discharged a highly toxic form of dioxin, pesticides, and other chemicals into the Passaic River from their Newark facility. The environmental and economic damage this pollution has inflicted on the State includes increased cancer risks from consuming blue claw crabs and higher costs to dredge New York Harbor's navigational channels.

Reduced Salary Costs

This Fiscal 2007 Budget recommends a reduction of DEP's salary costs by \$2.5 million. The Department will manage this reduction through more efficient reallocation of resources and attrition.

Department Accomplishments

As the nation's most densely populated state, open spaces, whether urban parks or forest preserves, are essential to quality of life in the Garden State. Last year was a record-setting year for the acquisition of open space in New Jersey, with DEP's Green Acres program purchasing more than 38,000 acres of land for recreation and conservation. Green Acres continues to be one of DEP's most successful programs, enjoying wide public support. New Jerseyans have consistently supported open space initiatives at the ballot box, providing much needed funding to set aside lands for recreation and conservation purposes. Green Acres funding also helped municipalities, counties and nonprofits to acquire land and develop park and recreation facilities in all of New Jersey's 21 counties. Since its inception, the Green Acres Program, together with public and private partners, has acquired and protected more than 597,000 acres of open space. New Jersey has more than 1.3 million acres of protected open space, including restored and improved municipal, county and nonprofit parks.

ENVIRONMENTAL PROTECTION

Last year New Jersey achieved a major milestone with the creation and funding of a program to reduce diesel emissions. The program, established by legislation and funded by a voter-approved constitutional amendment, is designed to cut exposure to harmful diesel emissions from school buses, garbage trucks, public and privately owned transit buses and publicly owned diesel vehicles. Pollution from diesel engines is linked to hundreds of premature deaths and thousands of serious respiratory illnesses in New Jersey every year. By taking action to reduce dangerous diesel emissions, we are prolonging and improving the lives of all New Jerseyans, including those most vulnerable to the harmful effects of air pollution -- children, seniors and those who live or work in urban areas.

The diesel program mandates the installation of particulate traps and other emissions-control devices in the tailpipes of garbage trucks, transit buses and publicly owned diesel vehicles and equipment. Diesel-powered school buses, both publicly owned and privately contracted, will be fitted with closed crankcase technology in their engines to reduce harmful diesel exhaust from seeping into the cabin and threatening the health of our children. This innovative diesel retrofit program was signed into law in September 2005, and funded by a voter-approved constitutional amendment authorizing use of Corporation Business Tax revenues.

In 2005, New Jersey advanced its efforts to combat global warming and to promote energy efficiency by signing a historic seven-state agreement to reduce carbon dioxide (CO2) emissions from power plants. Through the Regional Greenhouse Gas Initiative (RGGI),

New Jersey negotiated for two years with other northeast states to actively address global warming, one of the most pressing environmental challenges of our time. Global warming is a serious threat to New Jersey, with projections forecasting average temperature increases between 2 and 10 degrees Fahrenheit by the year 2100. Such severe climate change would contribute to air quality problems by exacerbating smog and ozone. New Jersey is especially vulnerable to another effect of global warming, the rise in sea levels, which results from thermal expansion of the oceans and the melting of polar ice caps. Global warming also threatens coastal areas through the increased intensity of extreme weather events, which threaten our gently sloping, highly developed coastline.

The RGGI agreement, approved by seven states (New Jersey, New York, Delaware, Connecticut, New Hampshire, Vermont and Maine) calls for a mandatory cap on emissions, coupled with a market-based trading program to achieve the lowest possible compliance costs. Under the plan, regional CO2 emissions will be capped at 121.3 million tons per year beginning in 2009 through 2014 (a level approximately equal to 1990 emissions), and will be reduced to 10% below this level by 2018. The cap-and-trade program established in the agreement sets limits on regional emissions, but allows companies to trade emissions allowances. Companies that do not have enough allowances to cover CO2 emissions must either reduce their emissions or purchase allowances from sources able to reduce their emissions below their prescribed cap. The RGGI agreement also provides that at least 25% of the emissions allowances will be used to benefit energy consumers.

DEPARTMENT OF ENVIRONMENTAL PROTECTION SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					GENERAL FUND			
217,273	34,215	15,181	266,669	251,306	Direct State Services	226,918	238,217	238,217
16,250	8,207	-5,980	18,477	13,491	Grants-In-Aid	750	33,165	33,165
12,207	32	150	12,389	12,162	State Aid	10,222	11,066	11,066
116,453	100,273	-9,730	206,996	89,837	Capital Construction	84,263	147,767	147,767
37,660	---	3,577	41,237	39,715	Debt Service	24,675	64,664	64,664
399,843	142,727	3,198	545,768	406,511	Total General Fund	346,828	494,879	494,879
					PROPERTY TAX RELIEF FUND			
8,500	---	---	8,500	8,457	State Aid	9,000	9,500	9,500
8,500	---	---	8,500	8,457	Total Property Tax Relief Fund	9,000	9,500	9,500
408,343	142,727	3,198	554,268	414,968	Total Appropriation, Department of Environmental Protection	355,828	504,379	504,379

ENVIRONMENTAL PROTECTION

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES - GENERAL FUND								
Natural Resource Management								
6,691	---	878	7,569	7,569	Forest Resource Management	7,087	7,087	7,087
36,469	1,718	1,139	39,326	38,557	Parks Management	38,506	38,491	38,491
13,177	103	1,297	14,577	13,334	Hunters' and Anglers' License Fund	16,764	15,185	15,185
1,356	---	589	1,945	1,945	Shellfish and Marine Fisheries Management	1,504	1,504	1,504
348	---	-79	269	215	Wildlife Management	692	661	661
1,533	48	4,534	6,115	6,068	Natural Resources Engineering	1,682	1,682	1,682
2,214	---	200	2,414	2,414	Palisades Interstate Park Commission	2,614	2,464	2,464
<u>61,788</u>	<u>1,869</u>	<u>8,558</u>	<u>72,215</u>	<u>70,102</u>	<i>Subtotal</i>	<u>68,849</u>	<u>67,074</u>	<u>67,074</u>
Science and Technical Programs								
7,631	1,182	1,196	10,009	9,916	Water Supply	7,976	7,976	7,976
---	5	---	5	5	Water Monitoring and Standards	---	---	---
15,131	1,299	-66	16,364	13,799	Land Use Regulation	13,380	13,380	13,380
3,019	---	-28	2,991	2,932	Science, Research and Technology	3,145	3,145	3,145
---	1	70	71	70	New Jersey Geological Survey	---	---	---
11,440	5,179	1,660	18,279	15,646	Environmental Management - CBT Dedication	12,363	16,338	16,338
---	---	244	244	244	Watershed Management	---	---	---
<u>37,221</u>	<u>7,666</u>	<u>3,076</u>	<u>47,963</u>	<u>42,612</u>	<i>Subtotal</i>	<u>36,864</u>	<u>40,839</u>	<u>40,839</u>
Site Remediation and Waste Management								
8,790	1,144	-222	9,712	8,704	Solid and Hazardous Waste Management	8,180	6,836	6,836
30,453	13,072	1	43,526	43,276	Remediation Management and Response	29,992	41,979	41,979
6,960	6,644	---	13,604	8,342	Environmental Management - CBT Dedication	6,680	7,715	7,715
<u>46,203</u>	<u>20,860</u>	<u>-221</u>	<u>66,842</u>	<u>60,322</u>	<i>Subtotal</i>	<u>44,852</u>	<u>56,530</u>	<u>56,530</u>
Environmental Regulation								
7,511	175	-30	7,656	7,363	Radiation Protection	8,092	6,993	6,993
16,630	726	23	17,379	17,183	Air Pollution Control	17,499	17,034	17,034
7,609	13	173	7,795	7,786	Water Pollution Control	8,199	8,193	8,193
2,935	61	-59	2,937	2,936	Public Wastewater Facilities	3,140	3,140	3,140
<u>34,685</u>	<u>975</u>	<u>107</u>	<u>35,767</u>	<u>35,268</u>	<i>Subtotal</i>	<u>36,930</u>	<u>35,360</u>	<u>35,360</u>
Environmental Planning and Administration								
2,172	---	191	2,363	2,355	Regulatory and Governmental Affairs	2,338	2,338	2,338
17,348	46	1,188	18,582	18,534	Administration and Support Services	17,992	15,659	15,659
<u>19,520</u>	<u>46</u>	<u>1,379</u>	<u>20,945</u>	<u>20,889</u>	<i>Subtotal</i>	<u>20,330</u>	<u>17,997</u>	<u>17,997</u>
Compliance and Enforcement								
4,250	1,259	57	5,566	5,565	Air Pollution Control	4,557	4,557	4,557
2,251	7	33	2,291	2,291	Pesticide Control	2,419	2,419	2,419
5,570	---	336	5,906	5,906	Water Pollution Control	5,968	5,968	5,968
1,925	788	-112	2,601	2,601	Land Use Regulation	2,029	2,029	2,029
3,860	---	-32	3,828	3,828	Solid and Hazardous Waste Management	4,120	5,444	5,444
---	745	2,000	2,745	1,922	Environmental Management - CBT Dedication	---	---	---

ENVIRONMENTAL PROTECTION

Orig. & (S)Supple- mental	Year Ending June 30, 2005					Year Ending June 30, 2007		
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
17,856	2,799	2,282	22,937	22,113	<i>Subtotal</i>	19,093	20,417	20,417
217,273	34,215	15,181	266,669	251,306	Total Direct State Services - General Fund	226,918	238,217	238,217
217,273	34,215	15,181	266,669	251,306	TOTAL DIRECT STATE SERVICES	226,918	238,217	238,217
GRANTS-IN-AID - GENERAL FUND								
Natural Resource Management								
10,250	---	-1,516	8,734	8,733	Parks Management	250	---	---
---	5,054	-2,651	2,403	2,340	Natural Resources Engineering	---	---	---
10,250	5,054	-4,167	11,137	11,073	Subtotal	250	---	---
Science and Technical Programs								
---	---	---	---	---	Water Supply	---	6,000	6,000
---	---	387	387	387	Water Monitoring and Standards	500	400	400
6,000	3,153	-2,200	6,953	2,031	Environmental Management - CBT Dedication	---	5,000	5,000
6,000	3,153	-1,813	7,340	2,418	Subtotal	500	11,400	11,400
Environmental Regulation								
---	---	---	---	---	Environmental Management - CBT Dedication	---	21,765	21,765
---	---	---	---	---	Subtotal	---	21,765	21,765
16,250	8,207	-5,980	18,477	13,491	Total Grants-In-Aid - General Fund	750	33,165	33,165
16,250	8,207	-5,980	18,477	13,491	TOTAL GRANTS-IN-AID	750	33,165	33,165
STATE AID - GENERAL FUND								
Site Remediation and Waste Management								
2,300	---	---	2,300	2,218	Solid and Hazardous Waste Management	---	---	---
2,300	---	---	2,300	2,218	Subtotal	---	---	---
Environmental Planning and Administration								
6,454	27	150	6,631	6,491	Administration and Support Services	6,769	7,613	7,613
6,454	27	150	6,631	6,491	Subtotal	6,769	7,613	7,613
Compliance and Enforcement								
3,453	5	---	3,458	3,453	Water Pollution Control	3,453	3,453	3,453
3,453	5	---	3,458	3,453	Subtotal	3,453	3,453	3,453
12,207	32	150	12,389	12,162	Total State Aid - General Fund	10,222	11,066	11,066

ENVIRONMENTAL PROTECTION

Orig. & (S)Supple- mental	Year Ending June 30, 2005					2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended			Requested	Recom- mended
STATE AID - PROPERTY TAX RELIEF FUND								
Environmental Planning and Administration								
8,500	---	---	8,500	8,457	Administration and Support Services	9,000	9,500	9,500
8,500	---	---	8,500	8,457	<i>Subtotal</i>	9,000	9,500	9,500
8,500	---	---	8,500	8,457	<i>Total State Aid - Property Tax Relief Fund</i>	9,000	9,500	9,500
20,707	32	150	20,889	20,619	TOTAL STATE AID	19,222	20,566	20,566
CAPITAL CONSTRUCTION								
Natural Resource Management								
4,000	2,965	840	7,805	5,114	Parks Management	---	40,000	40,000
---	1,676	-940	736	673	Hunters' and Anglers' License Fund	---	---	---
---	11	---	11	9	Shellfish and Marine Fisheries Management	---	---	---
---	144	---	144	65	Wildlife Management	---	---	---
32,233	22,181	-4,370	50,044	19,445	Natural Resources Engineering	29,106	30,555	30,555
---	731	---	731	172	Palisades Interstate Park Commission	---	---	---
36,233	27,708	-4,470	59,471	25,478	<i>Subtotal</i>	29,106	70,555	70,555
Site Remediation and Waste Management								
80,220	72,549	-5,260	147,509	64,359	Environmental Management - CBT Dedication	55,157	77,212	77,212
80,220	72,549	-5,260	147,509	64,359	<i>Subtotal</i>	55,157	77,212	77,212
Environmental Regulation								
---	3	---	3	---	Air Pollution Control	---	---	---
---	3	---	3	---	<i>Subtotal</i>	---	---	---
Environmental Planning and Administration								
---	13	---	13	---	Administration and Support Services	---	---	---
---	13	---	13	---	<i>Subtotal</i>	---	---	---
116,453	100,273	-9,730	206,996	89,837	TOTAL CAPITAL CONSTRUCTION	84,263	147,767	147,767
DEBT SERVICE								
Environmental Planning and Administration								
37,660	---	3,577	41,237	39,715	Administration and Support Services	24,675	64,664	64,664
37,660	---	3,577	41,237	39,715	<i>Subtotal</i>	24,675	64,664	64,664
37,660	---	3,577	41,237	39,715	TOTAL DEBT SERVICE	24,675	64,664	64,664
408,343	142,727	3,198	554,268	414,968	<i>Total Appropriation, Department of Environmental Protection</i>	355,828	504,379	504,379

ENVIRONMENTAL PROTECTION

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

42. NATURAL RESOURCE MANAGEMENT

OBJECTIVES

1. To provide recreational, historic, natural and interpretive facilities.
2. To develop recreational lands and facilities, located in balance with population distribution.
3. To regulate the recreational use of public lands and minimize natural resource damage.
4. To provide safe marina facilities, navigational aids, and other services to the boating public.
5. To provide the financial assistance and engineering technology that minimizes potential loss of life and property damage due to flooding.
6. To manage and protect the State's forest resources. To minimize forest damage from wildfire, insects and disease, and to enhance the public's understanding of sustainable forest resource management.
7. To manage fish and wildlife resources of the state for long-term biological, economic and recreational viability.
8. To provide for the development of shore protection facilities and improvements, and to minimize personal and property damage resulting from tidal waters of the state.
9. To preserve open space and support development of parks.
10. To provide technical assistance and implement statutory provisions that prevent, minimize or mitigate damage to historic resources.
11. To provide a system of highways, parkway roads, and bridges for the Palisades Interstate Park to facilitate travel through and within the park and ensure safe and efficient movement of traffic.

PROGRAM CLASSIFICATIONS

11. **Forest Resource Management.** The State Forestry Service manages and protects the rural and urban forest resources of New Jersey. The Forest Fire Service is mandated to prevent, manage and suppress wildfire on or threatening 3.1 million acres of State and private forest and wildlands of New Jersey. The Forest Service promotes forestry by providing both State and federal programs in urban and community forestry; forest products conservation and recycling; private non-industrial forest lands management; forest insect and disease control; forest conservation and education; reforestation and tree improvement; and State lands management.
12. **Parks Management.** Operates, maintains and provides stewardship for 42 State parks, five marinas, 57 historic sites and districts, and other recreational, natural, and interpretive facilities in a clean, safe and non-discriminatory manner; staffs facilities with maintenance, administrative, ranger and seasonal personnel to provide assistance, information, education, and interpretive and protective services to the public; manages properties to ensure the preservation of natural and historic resources while maintaining high quality recreational opportunities; plans for the development and improvement of new facilities and reviews and approves all new construction; provides literature regarding recreational facilities, natural area and historic preservation. Operates and maintains State marinas in a clean, safe and non-discriminatory

ry manner for all boat owners and visitors. Safe moorings are provided for boaters during heavy storms.

13. **Hunters' and Anglers' License Fund.** Manages the wildlife resources of the State through programs of research, regulation, habitat development, land acquisition, law enforcement and public education. Trout and other species of fish, pheasants and quail are reared at State hatcheries and game farms and released throughout the State; public lands are acquired and maintained for use as wildlife management areas. Regulations regarding hunting and fishing seasons are developed; and licenses, stamps and permits are sold to provide a source of revenue to manage the State's wildlife resources.
14. **Shellfish and Marine Fisheries Management.** Manages the marine shellfish and finfish resources of the State through research, monitoring, habitat protection, licensing and regulatory programs. Clam and oyster grounds are leased to commercial shellfishermen for aquaculture activities. Programs (relay and depuration) also provide for the safe utilization of shellfish from marginally polluted areas. Marine fisheries programs support the effective management of the numerous migratory species on a coastwide basis. An artificial reef program constructs fisheries habitat in ocean areas to enhance productivity, thus providing additional fishing and diving opportunities.
20. **Wildlife Management.** Conducts wildlife research to protect and manage the State's non-game, endangered and problem species. Additional responsibilities include permit review for wildlife possession, bird banding, scientific collection and public information.
21. **Natural Resources Engineering.** (Office of Engineering and Construction). Provides financial and technical assistance to local governments for the construction of groins, jetties, bulkheads, sea walls, and beach replenishment under the shore protection program. Performs dam safety inspections and dam construction and reconstruction permit reviews. Manages the dam loan program to achieve compliance with safe dam regulations. Provides financial and technical assistance to local governments for flood control projects, including flood walls, levees, and property buy-outs. Operates and maintains the bayshore floodgate. Dredges and marks 200 miles of navigation channels in the State's tidal inland waterways and large State-controlled lakes for boating safety.
24. **Palisades Interstate Park Commission.** Operates and maintains existing parks and historic sites in a clean, safe, and non-discriminatory manner for all visitors; plans for the improvement and development of new facilities; maintains highways, bridges, landscaped areas, signs, and traffic lines to ensure the safety of the motoring public. Enforces traffic laws on the Palisades Parkway and all other roads within the Commission's boundaries; polices Commission lands to ensure that park facilities are utilized in accordance with laws, statutes, and Commission regulations; maintains a police court with the powers and jurisdiction of a municipal court with respect to crimes, disorderly conduct, and violations of the motor vehicle and traffic or other laws of the State or of any of the rules and regulations of the Commission.

ENVIRONMENTAL PROTECTION

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Forest Resource Management				
Fires (annual)	1,069	1,087	1,800	1,800
Acres lost (annual)	447	1,170	10,500	10,500
Acres of prescribed burning	14,654	9,500	20,000	20,000
Parks Management				
State parks and forests				
Total visitors	14,566,952	16,800,000	15,300,000	15,700,000
Total revenue (millions)	\$6.6	\$6.5	\$5.7	\$5.9
Historic sites				
Visitors	620,760	760,000	760,000	790,000
Revenue	16,000	44,000	65,000	67,500
Hunters' and Anglers' License Fund				
Trout propagated and distributed	770,000	770,000	770,000	770,000
Pheasants reared at game farms	62,000	59,000	60,000	60,000
Other fish propagated and distributed	1,500,000	1,700,000	2,000,000	2,000,000

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	778	785	770	824
Federal	4	4	6	6
All Other	232	225	215	223
Total Positions	1,014	1,014	991	1,053

Filled Positions by Program

Forest Resource Management	110	111	117	127
Parks Management	579	576	555	581
Hunters' and Anglers' License Fund	206	200	191	197
Shellfish and Marine Fisheries Management	39	45	39	47
Wildlife Management	19	15	16	18
Natural Resources Engineering	61	67	73	83
Total Positions	1,014	1,014	991	1,053

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December, and revised fiscal year 2006 as of March.
The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
6,691	---	878	7,569	7,569	11	7,087	7,087	7,087
36,469	1,718	1,139	39,326	38,557	12	38,506	38,491	38,491
13,177	103	1,297	14,577	13,334	13	16,764	15,185	15,185
1,356	---	589	1,945	1,945	14	1,504	1,504	1,504
348	---	-79	269	215	20	692	661	661
1,533	48	4,534	6,115	6,068	21	1,682	1,682	1,682
2,214	---	200	2,414	2,414	24	2,614	2,464	2,464
61,788	1,869	8,558	72,215	70,102	Total Direct State Services	68,849 ^(a)	67,074	67,074

ENVIRONMENTAL PROTECTION

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Object								
Personal Services:								
44,409	---	5,586	50,673	46,473		45,239		
678 ^S	---	---	---	2,975		283 ^S	45,511	45,511
---	---	---	---	---		3,276	3,285	3,285
Total Personal Services								
45,087	---	5,586	50,673	49,448		48,798	48,796	48,796
3,344	20	657	4,021	4,021		5,556	4,200	4,200
2,167	33	296	2,496	2,479		2,260	2,188	2,188
2,823	5	-627	2,201	2,200		3,556	3,254	3,254
Special Purpose:								
1,759	---	-95	1,664	1,663	11	1,759	1,759	1,759
---	345	-975	710	---	12	---	---	---
85	1,340 ^R	-85	---	---	12	---	---	---
4,683	---	---	4,683	4,630	12	4,683	4,683	4,683
11	---	-1	10	10	12	11	11	11
109	---	63	172	172	12	124	124	124
3	---	-2	1	1	12	3	3	3
79	---	-79	---	---	20	79	79	79
---	---	---	---	---	20	382 ^S	382	382
269	---	---	269	215	20	231	200	200
---	---	377	377	377	21	---	---	---
1,263	---	57	1,320	1,320	21	1,355	1,355	1,355
106	126	3,386	3,618	3,566		52	40	40
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
10,250	---	-1,516	8,734	8,733	12	250	---	---
---	5,054	-2,651	2,403	2,340	21	---	---	---
10,250	5,054	-4,167	11,137	11,073		250	---	---
Distribution by Fund and Object								
Grants:								
10,000	---	-1,516	8,484	8,484	12	---	---	---
250	---	---	250	249	12	250	---	---
---	1,883	-1,540	343	343	21	---	---	---
---	3,160	-2,060	1,111	1,055	21	---	---	---
---	11 ^R	949	949	942	21	---	---	---
<u>CAPITAL CONSTRUCTION</u>								
Distribution by Fund and Program								
4,000	2,965	840	7,805	5,114	12	---	40,000	40,000
---	1,676	-940	736	673	13	---	---	---
---	11	---	11	9	14	---	---	---
---	144	---	144	65	20	---	---	---
32,233	22,181	-4,370	50,044	19,445	21	29,106	30,555	30,555

ENVIRONMENTAL PROTECTION

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
---	731	---	731	172				
<u>36,233</u>	<u>27,708</u>	<u>-4,470</u>	<u>59,471</u>	<u>25,478</u>				
					CAPITAL CONSTRUCTION			
					Palisades Interstate Park Commission			
					24	---	---	---
					Total Capital Construction			
					<u>29,106</u>	<u>70,555</u>	<u>70,555</u>	<u>70,555</u>
					Distribution by Fund and Object			
					Bureau of Parks			
2,000	---	---	2,000	1,425	Parks Improvements			
2,000	---	---	2,000	2,000	12	---	---	---
---	674	---	674	167	Liberty Science Center			
---	---	---	---	---	Historic Preservation/Renovation - Buildings, Structures and Monuments			
---	---	---	---	---	12	---	---	---
---	98	---	98	50	Capital Improvements for State Parks, Forests, Historic Sites, Wildlife Areas			
---	49	---	49	8	12	---	40,000	40,000
---	3	---	3	---	Sanitary Facilities			
---	34	---	34	32	12	---	---	---
---	62	---	62	62	Major Maintenance and Improvement Program			
---	35	---	35	16	12	---	---	---
---	27	---	27	---	Picnic Area Rehabilitation - Various State Parks & Forests			
---	43	---	43	---	12	---	---	---
---	151	---	151	---	Barnegat Lighthouse Exterior Coating			
---	31	1,900	1,931	1,069	12	---	---	---
---	1	---	1	1	Liberty State Park - Liberty Walkway			
---	21	---	21	3	12	---	---	---
---	44	---	44	37	Delaware River Recreational Path, Frenchtown to Milford			
---	21	---	21	20	12	---	---	---
---	8	---	8	8	Shore Stabilization - Cape May Point			
---	9	---	9	9	12	---	---	---
---	1,282	-1,060	222	52	Belleplain State Park - Water Supply Improvement			
---	58	---	58	---	12	---	---	---
---	40	---	40	34	ADA Development - Statewide			
---	20	---	20	---	12	---	---	---
---	96	---	96	63	Buildings - Rehabilitation and Renovation			
---	71	---	71	---	12	---	---	---
---	6	---	6	3	Site Areas/Facilities - Development, Rehabilitation and Repair			
---	81	---	81	55	12	---	---	---
					Palisades Interstate Park Commission			

ENVIRONMENTAL PROTECTION

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
CAPITAL CONSTRUCTION									
---	73	---	73	73					
---	115	---	115	17	Sanitary Facilities - Various Locations	24	---	---	
---	63	---	63	63	Bridge and Pedestrian Overpass Repairs	24	---	---	
---	480	---	480	19	Building Life/Safety and Code Compliance - Repairs	24	---	---	
---	1,623	-940	683	673	Shore Protection Structures Repairs	24	---	---	
Division of Fish and Wildlife									
---	1	---	1	---	Dam Repair, Maintenance and Renovation	13	---	---	
---	8	---	8	---	Pequest Road Repair	13	---	---	
---	7	---	7	---	Law Enforcement Radio System	13	---	---	
---	13	---	13	---	Dioxin Disposal - Freshwater Fisheries Lab	13	---	---	
---	24	---	24	---	Pequest Hatchery Water Treatment	13	---	---	
---	12	---	12	9	Roof Replacement - Fish Hatchery	13	---	---	
---	98	---	98	42	Wildlife Management Roof Replacement	20	---	---	
---	34	---	34	14	Storage Buildings - Wildlife Management - Regional	20	---	---	
---	11	---	11	9	Demolition of Unused Structures	20	---	---	
Shellfish and Marine Fisheries Management									
---	11	---	11	9	Marine Fisheries Field Office Improvements	14	---	---	
Natural Resources Engineering									
25,000	18,716	-2,635	41,081	13,633	Shore Protection Fund Projects	21	25,000	25,000	
7,233	786	-399	7,620	5,526	HR-6 Flood Control	21	4,106	5,555	
---	114	-114	---	---	High Hazard Dams	21	---	---	
---	1,450	-1,222	228	228	Dam, Lake and Stream Project Fund	21	---	---	
---	1,115	---	1,115	58	Dam Repairs	21	---	---	
108,271	34,631	-79	142,823	106,653	Grand Total State Appropriation		98,205	137,629	

OTHER RELATED APPROPRIATIONS

Federal Funds

4,529								
131 ^S	1,422	---	6,082	1,566	Forest Resource Management	11	6,555	6,465
38,517								
84 ^S	1,561	5	40,167	4,537	Parks Management	12	38,827 ^S	35,352
12,452								
65 ^S	1,178	---	13,695	5,189	Hunters' and Anglers' License Fund	13	12,305 ^S	12,715
3,985	1,176	---	5,161	2,726	Shellfish and Marine Fisheries Management	14	3,505	3,505
1,330	57	---	1,387	850	Wildlife Management	20	1,630 ^S	1,630
290								
100 ^S	226	---	616	283	Natural Resources Engineering	21	390	390
61,483	5,620	5	67,108	15,151	Total Federal Funds		63,364	60,057

All Other Funds

---	7,885	---	8,220	5,822	Forest Resource Management	11	5,550	5,572
---	335 ^R	---						
---	6,477	24	9,993	6,118	Parks Management	12	5,041	5,407
---	3,492 ^R							
---	6,304	-1,190	5,768	1,843	Hunters' and Anglers' License Fund	13	229	241
---	654 ^R							
---	1,108	273	1,661	619	Shellfish and Marine Fisheries Management	14	330	295
---	280 ^R							

ENVIRONMENTAL PROTECTION

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
OTHER RELATED APPROPRIATIONS									
---	178 519 ^R	2	699	595	Wildlife Management	20	414	449	449
---	2,330 910 ^R	---	3,240	605	Natural Resources Engineering	21	6,250	5,000	5,000
---	2,681 4,479 ^R	---	7,160	4,566	Palisades Interstate Park Commission	24	4,055	4,010	4,010
---	<u>37,632</u>	<u>-891</u>	<u>36,741</u>	<u>20,168</u>	Total All Other Funds		<u>21,869</u>	<u>20,974</u>	<u>20,974</u>
<u>169,754</u>	<u>77,883</u>	<u>-965</u>	<u>246,672</u>	<u>141,972</u>	GRAND TOTAL ALL FUNDS		<u>183,438</u>	<u>218,660</u>	<u>218,660</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program, which includes \$364,000 in appropriated receipts, and for the reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

In addition to the amount hereinabove appropriated for Forest Resource Management, an amount not to exceed \$500,000 shall be made available from the Water Resources Monitoring and Planning-Constitutional Dedication special purpose account, to support nonpoint source pollution and watershed management programs in the Bureau of Forestry.

Notwithstanding any other law to the contrary, the amount hereinabove for the Green Acres/Open Space Administration account is transferred from the Garden State Preservation Trust to the General Fund, together with an amount not to exceed \$364,000, and is appropriated to the Department of Environmental Protection for Green Acres/Open Space Administration subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated from fees and permit receipts from the use of State park and marina facilities, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated for Parks Management, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from police court, stands, concessions and self-sustaining activities operated or supervised by the Palisades Interstate Park Commission, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated.

Of the amount hereinabove for the Hunters' and Anglers' License Fund the first \$11,000,000 is payable out of that fund and any amount remaining therein and the unexpended balance at the end of the preceding fiscal year of the receipts in the Hunters' and Anglers' License Fund, together with any receipts in excess of the amount anticipated, are appropriated. If receipts to that fund are less than anticipated, the appropriation from the fund shall be reduced proportionately.

Pursuant to section 2 of P.L.1993, c.303 (C.23:3-1f), there are appropriated such sums as may be necessary to offset revenue losses associated with the issuance of free hunting and fishing licenses to active members of the New Jersey State National Guard and disabled veterans. The amount to be appropriated shall be certified by the Division of Fish and Wildlife and is subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Endangered Species Tax Check-Off Donations account is payable out of receipts, and the unexpended balances in the Endangered Species Tax Check-Off Donations account at the end of the preceding fiscal year, together with receipts in excess of the amount anticipated, are appropriated. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

An amount not to exceed \$2,376,000 is allocated from the capital construction appropriation for Shore Protection Fund Projects for costs attributable to planning, operation, and administration of the shore protection program, subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$469,000 is allocated from the capital construction appropriation for HR-6 Flood Control for costs attributable to the operation and administration of the State Flood Control Program, subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$440,000 is allocated from the capital construction appropriation for Shore Protection Fund Projects for the operation and maintenance of the Bayshore Flood Control facility.

An amount not to exceed \$66,000 is allocated from the 2003 Dam, Lake, Stream and Flood Control Project Fund-Flood Control account in accordance with the Dam, Lake, Stream Flood Control, Water Resources and Wastewater Treatment Project Bond Act of 2003, P.L. 2003, c.162, for costs attributable to flood control, subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$200,000 is allocated from the 2003 Dam, Lake, and Stream Project Revolving Loan Fund-Dam Safety account in accordance with the Dam, Lake, Stream Flood Control, Water Resources and Wastewater Treatment Project Bond Act of 2003, P.L. 2003, c.162, for costs attributable to dam safety, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

Loan repayments received from dam rehabilitation projects pursuant to P.L.1999, c.347, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

ENVIRONMENTAL PROTECTION

Language Recommendations -- Capital Construction

Notwithstanding the provisions of P.L.1954, c.48 (C.52:34-6 et seq.), of the amounts appropriated for improvements in State parks, the Department of Environmental Protection may enter into a contract with the Waterloo Foundation for the Arts for improvements to existing State-owned structures or for the construction of new facilities at Waterloo Village.

The amount hereinabove appropriated for Shore Protection Fund Projects is payable from the receipts of the portion of the realty transfer tax directed to be credited to the Shore Protection Fund pursuant to section 1 of P.L.1992, c.148 (C.13:19-16.1).

An amount not to exceed \$500,000 is allocated from the capital construction appropriation for Shore Protection Fund Projects for repairs to the Bayshore Flood Control facility.

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT 43. SCIENCE AND TECHNICAL PROGRAMS

OBJECTIVES

1. To assure a safe and dependable supply of water.
2. To undertake technical activities, applied scientific research, policy analysis, and technology evaluation associated with human and ecological exposure to toxic substances, as well as other critical environmental issues identified by DEP. To serve as DEP's primary unit for environmental assessment, risk analysis, and evaluation of innovative technologies and cutting-edge environmental management strategies. These activities are designed to meet the Department's information and problem-solving needs, and to identify current scientific needs which warrant the Department's attention, as well as to proactively identify scientific issues and environmental problems before they become crises.
3. To map, research, and interpret scientific information on the state's geology and groundwater resources. This information supports the Department's and other government agencies' regulatory and planning activities and provides the business community and the public with the geologic and hydrologic information needed to address environmental concerns and make economic decisions.
4. To develop and coordinate implementation of watershed management programs, ground water protection programs, and water supply management, development, conservation and protection plans.
5. To develop and coordinate the implementation of the Coastal Zone Management and the National Estuary programs, including the Delaware, NY/NJ Harbor and Barnegat Bay Estuaries.
6. To develop and coordinate water quality management planning functions, including water quality standards, wastewater management, point and nonpoint source pollution control and the restoration of aquatic habitats.

PROGRAM CLASSIFICATIONS

05. **Water Supply.** Administers New Jersey Private Well Testing Act and the federal and State Safe Drinking Water programs, the Well Permit program, and the Water Allocation program to ensure a safe and reliable water supply. Also administers the Drought Management Program. As part of the Safe Drinking Water program, administers the Drinking Water State Revolving Fund (DWSRF) which includes a financing program for water supply projects, along with set asides for capacity development, training for licensed operators, and source water assessment and delineation activities.
07. **Water Monitoring and Standards.** Conducts ambient statewide freshwater quality monitoring (rivers and streams, lake and ground water), ambient marine surface water quality monitoring, biological monitoring, and targeted assessments in support of Total Maximum Daily Load (TMDL) and New

Jersey Pollutant Discharge Elimination System (NJPDES) permit issuance. Develops New Jersey's Integrated Water Quality Monitoring and Assessment Report, including the Integrated Waterbodies List. Develops surface water and ground water standards. Coordinates the development and integration of biological criteria into State water quality standards. Manages the Lakes Grant Assistance program. Classifies shellfish growing area waters for shellfish harvesting, and conducts bacteriological and chemical analysis of shellfish for public health protection. Develops, operates, and maintains water quality database systems for both government and public data dissemination.

15. **Land Use Regulation.** Protects and manages the State's land and water resources through the implementation of the Coastal Area Facility Review Act (CAFRA), the Waterfront Development Law, the Coastal Wetlands Act of 1970, the Flood Hazard Area Control Act, the Freshwater Wetlands Protection Act, the Highlands Water Protection and Planning Act, and the federal consistency provisions of the Federal Coastal Zone Management Act. In addition to the resource protection mandates of these statutes, provisions of these programs have been established to protect lives and property from storm and flood damages throughout the state.
18. **Science, Research and Technology.** Provides a fundamental scientific foundation for a wide range of departmental policies, actions and standard setting activities. Develops scientific information and innovative management strategies by performing environmental assessments and risk analyses, scientific investigations and technical assessments of toxic and carcinogenic contaminants, human health and ecological risk assessments, water quality assessments, applied research and technical evaluations, comprehensive review and assessment of the current state of scientific knowledge on specific issues, scientific connections for dealing with cross-media contaminants, new economically-based environmental management approaches, innovative technologies for remediation of hazardous waste sites, and effective risk communication techniques. Identifies emerging environmental strategies and issues and develops them for departmental implementation. Provides technical expertise toward the development of human health criteria for toxic contaminant standards in potable water, ground water, surface water and soil. Fosters the growth and acceptance of innovative environmental and energy technology products and services in New Jersey by implementing the New Jersey Energy and Environmental Technology and Reciprocity Cooperation initiative. Serves as DEP's lead program for the implementation of the New Jersey Greenhouse Gas/Climate Change Action Plan, as primary liaison with New Jersey Board of Public Utilities (BPU) regarding environmental implications of BPU's renewable energy and energy conservation programs in fulfillment of DEP's role as

ENVIRONMENTAL PROTECTION

environmental consultant to the BPU, as established in the Electric Discount and Energy Competition Act, and provides expertise to DEP in areas of environmental economics and sustainability.

22. **New Jersey Geological Survey.** Maps the geology and topography of the state, assesses offshore mineral resources and dredging, maintains a cooperative water monitoring program with the United States Geological Service (USGS) and reviews plans for underground storage of gas, oil and chemical disposal wells. The program also evaluates the supply potential and water quality of the state's aquifers, maintains a statewide geohydrologic database, maps aquifer recharge and wellhead protection areas, investigates groundwater pollution problems, and supports other State and municipal programs through geophysical studies, groundwater investigations, and the use of Geographic Information Systems (GIS) technology.
29. **Environmental Management - CBT Dedication.** Since 1996, 4% of the revenue annually derived from the tax imposed by the Corporation Business Tax Act (P.L.1945, c.162) has been dedicated to the Department. A portion of this dedication has been used for the following purposes: watershed-based water resource planning and management, financing the cost of water quality point and nonpoint source

pollution monitoring, nonpoint source pollution prevention projects, TMDL development and implementation, as well as lake restoration and grants. Conducts planning on watershed management, water quality, water supply, coastal zone management, nonpoint source control, stormwater management and other planning requirements associated with the federal Clean Water Act and New Jersey Water Quality Planning Act. Also administers the National Estuary Program and federal Section 604(b) water quality management planning and Section 319(h) nonpoint source grant programs.

80. **Drinking Water State Revolving Fund.** Set asides provided by the Drinking Water State Revolving Fund, including program administration, small system technical assistance, capacity development, operator certification, and source water protection activities. See related program classification 05 for further details.
90. **Watershed Management.** Conducts planning on watershed management, water quality, water supply, coastal zone management, stormwater management and planning requirements associated with the federal Clean Water Act. Conducts environmental impact statement reviews, acts as liaison with the State Planning Commission, and implements the State Development and Redevelopment Plan within the Department.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Water Monitoring and Standards				
Ambient Marine Water:				
Water Samples Analyzed	19,000	18,000	17,500	17,500
Percent of shellfish bed acres open	78%	78%	78%	78%
Percent of shellfish bed acres seasonal	4%	4%	4%	4%
Percent of shellfish bed acres condemned	10%	10%	11%	11%
Percent of shellfish bed acres specially restricted	8%	8%	8%	8%
Land Use Regulation				
Tidelands:				
Tidelands appraisals	260	245	285	300
Tidelands inspections (inquiries-search)	280	280	325	340
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	298	365	384	437
Federal	58	57	51	53
All Other	124	136	124	135
Total Positions	480	558	559	625
Filled Positions by Program				
Water Supply	138	163	157	164
Water Monitoring and Standards	48	46	46	49
Land Use Regulation	137	176	193	241
Science, Research and Technology	33	34	33	41
New Jersey Geological Survey	22	22	21	21
Environmental Management - CBT Dedication	60	69	66	70
Drinking Water State Revolving Fund	12	12	9	6
Watershed Management	30	36	34	33
Total Positions	480	558	559	625

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Notes:

Actual payroll counts are reported in fiscal years 2004 and 2005 as of December, and revised fiscal year 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

APPROPRIATIONS DATA
(thousands of dollars)

Orig. & (S)Supplemental	Year Ending June 30, 2005			Total Available	Expended	Prog. Class.	Year Ending June 30, 2007		
	Reapp. & (R)Recpts.	Transfers & (E)Emergencies					2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
7,631	1,182	1,196	10,009	9,916	Water Supply	05	7,976	7,976	7,976
---	5	---	5	5	Water Monitoring and Standards	07	---	---	---
15,131	1,299	-66	16,364	13,799	Land Use Regulation	15	13,380	13,380	13,380
3,019	---	-28	2,991	2,932	Science, Research and Technology	18	3,145	3,145	3,145
---	1	70	71	70	New Jersey Geological Survey	22	---	---	---
11,440	5,179	1,660	18,279	15,646	Environmental Management - CBT Dedication	29	12,363	16,338	16,338
---	---	244	244	244	Watershed Management	90	---	---	---
37,221	7,666	3,076	47,963	42,612	Total Direct State Services		36,864 ^(a)	40,839	40,839
Distribution by Fund and Object									
Personal Services:									
7,676	---	1,903	12,883	10,811	Salaries and Wages		9,165	9,980	9,980
3,304 ^S	---	---	---	---			698 ^S	---	---
10,980	---	1,903	12,883	10,811	Total Personal Services		9,863	9,980	9,980
42	---	-10	32	32	Materials and Supplies		47	30	30
1,582	---	-25	1,557	1,557	Services Other Than Personal		1,410	1,596	1,596
68	---	-2	66	66	Maintenance and Fixed Charges		302 ^S	132	132
Special Purpose:									
1,317	322 ^R	---	1,639	1,639	Administrative Costs Water Supply Bond Act of 1981 - Management	05	1,348	2,111	2,111
1,480	---	---	1,480	1,469	Administrative Costs Water Supply Bond Act of 1981 - Watershed and Aquifer	05	1,545	1,545	1,545
982	---	---	982	898	Administrative Costs Water Supply Bond Act of 1981 - Planning and Standards	05	1,018	255	255
43	---	-43	---	---	Water/Wastewater Operators Licenses	05	43	43	43
58	---	---	58	58	Office of the Rivermaster	05	58	58	58
2,339	860 ^R	---	3,199	3,199	Safe Drinking Water Fund	05	2,368	2,368	2,368
12	---	-10	2	2	Tidelands Resource Council	15	12	12	12
2,676	1,298 ^R	-31	3,943	3,943	Tidelands Peak Demands	15	2,701	2,701	2,701
604	---	-8	596	596	Office of Permit Information and Assistance	15	647	647	647
2,166 ^S	---	---	2,166	1,699	Highlands Permitting	15	2,169	2,169	2,169
604	---	-418	186	184	Environmental Indicators and Monitoring	18	604	604	604
577	---	---	577	540	Greenhouse Gas Action Plan ^(b)	18	---	---	---
250	---	---	250	230	Hazardous Waste Research	18	250	250	250
11,440	5,179	1,660	18,279	15,646	Water Resources Monitoring and Planning - Constitutional Dedication	29	12,363	16,338	16,338
1	7	60	68	43	Additions, Improvements and Equipment		66	---	---
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									

ENVIRONMENTAL PROTECTION

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom-mended	
GRANTS-IN-AID									
---	---	---	---	---	Water Supply	05	---	6,000	6,000
---	---	387	387	387	Water Monitoring and Standards	07	500	400	400
6,000	3,153	-2,200	6,953	2,031	Environmental Management - CBT Dedication	29	---	5,000	5,000
6,000	3,153	-1,813	7,340	2,418	Total Grants-in-Aid		500	11,400	11,400
Distribution by Fund and Object									
Grants:									
---	---	---	---	---	Water Resource Interconnection Projects	05	---	6,000	6,000
---	---	387	387	387	Lake Hopatcong Commission	07	500	400	400
6,000	3,153	-2,200	6,953	2,031	Stormwater Management Grants	29	---	---	---
---	---	---	---	---	Watershed Restoration Projects	29	---	5,000	5,000
43,221	10,819	1,263	55,303	45,030	Grand Total State Appropriation		37,364	52,239	52,239
OTHER RELATED APPROPRIATIONS									
Federal Funds									
23,700	88	---	23,788	2,143	Water Supply (c)	05	22,200	22,200	22,200
4,250	15 ^S	---	4,281	2,677	Water Monitoring and Standards	07	4,750	5,250	5,250
11,850	866	---	12,716	2,339	Land Use Regulation	15	9,372	10,575	10,575
1,250	50 ^S	---	1,364	1,025	Science, Research and Technology	18	1,850	1,465	1,465
350	20	---	370	187	New Jersey Geological Survey	22	350	350	350
<u>7,715</u>	<u>680</u>	<u>500</u>	<u>8,895</u>	<u>5,705</u>	Watershed Management	90	6,488	6,662	6,662
49,180	1,734	500	51,414	14,076	Total Federal Funds		45,010	46,502	46,502
All Other Funds									
---	322	---	1,000	371	Water Supply	05	5,503	4,338	4,338
---	678 ^R	---	59	4	Water Monitoring and Standards	07	---	---	---
---	879	---	943	---	Land Use Regulation	15	1,723	4,883	4,883
---	64 ^R	---	1,985	1,576	Science, Research and Technology	18	30	30	30
---	74	---	2,979	2,980	Drinking Water State Revolving Fund	80	4,400	4,400	4,400
---	2,905 ^R	---	439	180	Watershed Management	90	---	---	---
<u>---</u>	<u>7,405</u>	<u>---</u>	<u>7,405</u>	<u>5,111</u>	Total All Other Funds		11,656	13,651	13,651
92,401	19,958	1,763	114,122	64,217	GRAND TOTAL ALL FUNDS		94,030	112,392	112,392

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program, which includes \$271,000 in appropriated receipts, and for the reallocation of administrative efficiencies.
- (b) Funding for the Greenhouse Gas Action Plan program is provided in the base appropriation for the Science, Research and Technology program classification beginning in fiscal year 2006.
- (c) Water supply project expenditures for the Drinking Water State Revolving Fund are reflected off budget.

Language Recommendations -- Direct State Services - General Fund

The amounts hereinabove for the Administrative Costs Water Supply Bond Act of 1981 - Water Supply Management, Watershed and Aquifer, and Planning and Standards accounts are appropriated from the "Water Supply Bond Act of 1981," P.L.1981, c.261, together with an amount, not to exceed \$215,000, for costs attributable to administration of water supply programs, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated from the Safe Drinking Water Fund an amount not to exceed \$800,000 to administer the Private Well Testing Program.

ENVIRONMENTAL PROTECTION

The amount hereinabove for the Safe Drinking Water Fund account is appropriated from receipts received pursuant to the "Safe Drinking Water Act," P.L.1977, c.224 (C.58:12A-1 et seq.), for administration of the Safe Drinking Water program, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

The amount hereinabove for the Hazardous Waste Research account is appropriated from interest earned by the New Jersey Spill Compensation Fund for research on the prevention and the effects of discharge of hazardous substances on the environment and organisms, on methods of pollution prevention and recycling of hazardous substances, and on the development of improved cleanup, removal and disposal operations, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for the Environmental Management - CBT Dedication program classification shall be provided from revenue received from the Corporation Business Tax, pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as dedicated by Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance at the end of the preceding fiscal year in the Water Resources Monitoring and Planning-Constitutional Dedication special purpose account is appropriated to be used in a manner consistent with the requirements of the constitutional dedication.

Notwithstanding any law to the contrary, funds appropriated in the Water Resources Monitoring and Planning- Constitutional Dedication special purpose account shall be made available to support nonpoint source pollution and watershed management programs, consistent with the constitutional dedication, within the Department of Environmental Protection in the amounts of \$1,536,000 for Water Monitoring and Standards, \$1,392,000 for New Jersey Geological Survey, \$157,000 for Watershed Management, \$500,000 for Forestry Management, and \$790,000 transferred to the Department of Agriculture to support the Conservation Cost Share program, at a level of \$540,000, and the Conservation Assistance Program, at a level of \$250,000, on or before September 1, 2006.

Notwithstanding the provisions of the "Spill Compensation and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.) and the "Safe Drinking Water Act," P.L.1977, c.224 (C.58:12A-1 et seq.), the Commissioner of the Department of Environmental Protection may utilize from the funds appropriated from those sources hereinabove such sums as the Commissioner may determine as necessary to broaden the Department's research efforts to address emerging environmental issues.

In addition to the federal funds amount hereinabove for the Water Supply program classification, such additional sums that may be received from the federal government for the Drinking Water State Revolving Fund program are appropriated.

Receipts in excess of those anticipated for Water Allocation Fees are appropriated to the Department of Environmental Protection for expansion of the Water Supply program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the individual amounts anticipated for Coastal Area Facility Review Act, Freshwater Wetlands, Stream Encroachment, Waterfront Development, and Wetlands fees are appropriated for administrative costs associated with Land Use Regulation, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

The unexpended balance at the end of the preceding fiscal year in the Stormwater Management Grants account is appropriated.

Of the amount hereinabove appropriated for the Stormwater Management Grants program, such sums as are necessary or required may be transferred to the Water Resources Monitoring and Planning - Constitutional Dedication special purpose account, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for Watershed Restoration Projects shall be provided from revenue received from the Corporation Business Tax, pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as dedicated by Article VIII, Section II, paragraph 6 of the State Constitution.

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

44. SITE REMEDIATION AND WASTE MANAGEMENT

OBJECTIVES

1. To remediate sites contaminated by hazardous substances and pollutants to protect human health and the environment, and to restore contaminated areas of the state for beneficial use.
2. To identify the universe of potential remediation sites, including currently known and suspected discharge sites, regulated underground storage tank sites, industrial establishments as defined by Industrial Site Recovery Act (ISRA), non-operating landfills, and Resource Conservation and Recovery Act (RCRA) facilities, and rank such sites for cleanup and closure in accordance with applicable regulations.
3. To rank sites, in order of their imminent risk to human health and the environment, and in those cases when the responsible party is either unknown or unable to perform the cleanup, utilize public funds to remediate the worst sites first.
4. To coordinate responses and take immediate action when major discharges of hazardous substances and pollutants endanger human health and the environment, especially water supplies.
5. To respond to emergency discharges of hazardous substances and pollutants throughout the state and enable the public to report environmental emergencies to the Department's communication center via toll-free access.
6. To maximize the use of private-party funds and require responsible parties to either conduct remedial work with Department oversight or to pay the Department for performing remedial work using public funds.
7. To develop and implement clear, consistent and predictable regulations on site remediation for use by the regulated community and the Department, and ensure that technically, geologically and scientifically justified cleanup objectives are met.
8. To implement a statewide solid waste planning process that emphasizes source reduction, recycling, and market development activities. To conduct comprehensive reviews of permit

applications for solid waste, hazardous waste, recycling and composting facilities and landfill closures.

9. To compensate persons affected by hazardous substance discharges through the Spill Compensation Fund environmental claims program, the Sanitary Landfill Contingency Fund claims program, and loans and grants, administered in conjunction with the Economic Development Authority, from the Hazardous Discharge Site Remediation Fund and Underground Storage Tank Fund.

PROGRAM CLASSIFICATIONS

19. **Publicly-Funded Site Remediation.** Conducts a program to remediate sites contaminated by hazardous substances where a responsible party cannot be identified or is unable or unwilling to voluntarily participate. These activities are supported by federal (Superfund) funds.
23. **Solid and Hazardous Waste Management.** Provides leadership, planning, education, and financial and technical assistance to the state's citizens and businesses to help them manage their waste responsibly. Regulates the generation, storage, collection, transportation, processing, treatment, and disposal of solid and hazardous wastes. Regulations and standards are implemented and monitored through on-site construction inspections, design reviews, data collection, and permit issuance. Administers the federal Resource Conservation and Recovery Act of 1976 (RCRA). Develops and implements programs to attain statewide recycling goals, and to reduce the quantities of waste generated. Monitors the solid waste collection industry to promote effective competition and to prohibit anti-competitive practices. Regulates and oversees mergers, acquisitions, and long-term financing arrangements of the solid waste utility industry.

The Office of Dredging and Sediment Technology is responsible for evaluating and permitting all coastal dredging projects and is committed to the beneficial reuse of dredged material.

27. **Remediation Management and Response.** Conducts a statewide program to oversee the remediation of sites by private parties under the State's voluntary cleanup program and risk-based cleanup program and to remediate those sites for which a responsible party cannot be identified or is either unable or unwilling to voluntarily participate. Provides oversight to ensure that appropriate standards and technical requirements are met. The State Spill Compensation and Control Act, ISRA, Underground Storage of Hazardous Substances Act and the Water Pollution Control Act authorize the Department to oversee these projects. The program also provides management assistance and coordination of remedial activities at National Priority List Hazardous Site-Cleanups where the projects are led by the federal Environmental Protection Agency, Department of Defense, or Department of Energy.
29. **Environmental Management - CBT Dedication.** Since 1996, 4% of the revenue annually derived from the tax imposed by the Corporation Business Tax Act (P.L.1945, c.162) has been dedicated to the Department. A portion of this dedication has been used to provide loans or grants to upgrade, replace or close underground storage tanks, including the costs of remediation, and to finance the cost of remediating hazardous substance discharges. Beginning in fiscal 2005, the dedication is expanded to include the provision of loans and grants for site remediation redevelopment, pursuant to a November 2003 amendment to the State Constitution.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Solid and Hazardous Waste Management				
Annual tonnage of solid waste:				
Generated statewide	18,800,000	19,300,000	20,700,000	21,000,000
Generated per capita (lbs./person/day)	12.20	12.60	13.10	13.30
Recycled statewide	10,200,000	10,300,000	10,500,000	10,700,000
Recycled per capita (lbs./person/day)	6.60	6.71	6.80	6.90
% reduction in solid waste stream due to recycling	54.2%	53.5%	50.9%	50.9%
Annual tonnage of hazardous waste generated statewide				
Disposed	89,000	161,000	74,980	117,990
Incinerated	71,000	107,000	50,735	78,868
Incinerated	18,000	54,000	24,245	39,123
Remediation Management and Response				
ISRA:				
Negative declarations	500	500	500	500
Remedial action workplan approvals	15	11	11	10
Remediations monitored	1,600	1,600	1,600	1,600
Remediations completed	500	500	500	500
Discharge Response Element:				
Emergency responses	1,000	1,000	1,000	1,000
Remediations monitored	3,000	3,000	3,000	3,000
Remediations completed	2,000	2,000	2,000	2,000
Responsible Party Cleanup Element:				
Remedial action workplan approvals	75	75	72	72

ENVIRONMENTAL PROTECTION

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	187	231	237	245
Federal	41	34	25	22
All Other	402	368	377	353
Total Positions	630	633	639	620
Filled Positions by Program				
Solid and Hazardous Waste Management (a)	127	122	124	102
Remediation Management and Response	413	384	389	373
Environmental Management - CBT Dedication (b)	90	127	126	145
Total Positions	630	633	639	620

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December, and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

- (a) Fiscal year 2007 position data reflects a transfer of inspectors to Statewide Program 47, Solid and Hazardous Waste Management.
- (b) Fiscal year 2007 position data includes positions associated with the new Private Underground Storage Tanks Administrative Costs - Constitutional Dedication Program.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
8,790	1,144	-222	9,712	8,704				
30,453	13,072	1	43,526	43,276	23	8,180	6,836	6,836
6,960	6,644	---	13,604	8,342	27	29,992	41,979	41,979
					29	6,680	7,715	7,715
46,203	20,860	-221	66,842	60,322		44,852 (b)	56,530	56,530
Distribution by Fund and Object								
Personal Services:								
13,885	5,885 R	-2,053	17,717	17,717				
13,885	5,885	-2,053	17,717	17,717		15,741	14,725	14,725
302	---	-52	250	250		274	205	205
3,861	---	-379	3,482	3,482		3,613	3,597	3,597
516	---	-198	318	318		495	727	727
Special Purpose:								
---	1,008 R	---	1,008	---				
338	94 R	---	432	432	23	---	---	---
1,046	41 R	---	1,087	1,087	23	355	355	355
---	---	3,176	3,176	3,176	23	---	---	---
17,637	6,118 R	176	23,931	23,931	27	---	---	---
---	---	---	---	---	27	16,335	16,322	16,322
---	---	---	---	---	27	---	12,000	12,000
832	---	-176	656	656	27	884	884	884

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Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
6,960	6,644	---	13,604	8,342				
826	1,070	-715	1,181	931	29	6,680	7,715	7,715
						475	---	---
<u>STATE AID</u>								
Distribution by Fund and Program								
2,300	---	---	2,300	2,218	23	---	---	---
2,300	---	---	2,300	2,218		---	---	---
Distribution by Fund and Object								
State Aid:								
2,300	---	---	2,300	2,218	23	---	---	---
<u>CAPITAL CONSTRUCTION</u>								
Distribution by Fund and Program								
80,220	72,549	-5,260	147,509	64,359	29	55,157	77,212	77,212
80,220	72,549	-5,260	147,509	64,359		55,157	77,212	77,212
Distribution by Fund and Object								
Site Remediation								
45,350	64,779	---	110,129	27,919	29	30,431	34,535	34,535
17,435	3,885	---	21,320	21,320	29	12,363	17,071	17,071
17,435	3,885	-5,260	16,060	15,120	29	12,363	25,606	25,606
128,723	93,409	-5,481	216,651	126,899		100,009	133,742	133,742
OTHER RELATED APPROPRIATIONS								
Federal Funds								
30,500	333	---	30,833	533	19	30,450	30,450	30,450
2,395	30	---	2,425	2,137	23	2,395	2,395	2,395
10,055	3,430	85	13,570	3,821	27	7,185	4,755	4,755
42,950	3,793	85	46,828	6,491		40,030	37,600	37,600
All Other Funds								
---	39	---	39	---	19	---	---	---
---	9	---	9	---	23	1,547	1,551	1,551
---	1,455	---	1,455	1,454	27	18,217	17,642	17,642
---	1,503	---	1,503	1,454		19,764	19,193	19,193
171,673	98,705	-5,396	264,982	134,844		159,803	190,535	190,535

Notes -- Direct State Services - General Fund

(a) Fiscal year 2007 appropriation data reflects a transfer of inspectors to Statewide Program 47, Solid and Hazardous Waste Management.

ENVIRONMENTAL PROTECTION

- (b) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.
- (c) Funding for administrative costs associated with the State recycling programs is provided in the base appropriation for Solid and Hazardous Waste Management beginning in fiscal 2006.

Language Recommendations -- Direct State Services - General Fund

The amount hereinabove for the Office of Dredging and Sediment Technology is appropriated from the "1996 Dredging and Containment Facility Fund," created pursuant to section 18 of P.L.1996, c.70, the "Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Bond Act of 1996," together with an amount not to exceed \$251,000 for the administration of the Dredging and Sediment Technology program, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated from the Sanitary Landfill Facility Contingency Fund such sums as may be required to carry out the provisions of the "Sanitary Landfill Facility Closure and Contingency Fund Act," P.L.1981, c.306 (C.13:1E-100 et seq.).

Notwithstanding any other law to the contrary, there is appropriated \$5,000,000 from the Sanitary Landfill Facility Contingency Fund to the General Fund as State revenue.

In addition to site specific charges, the amounts hereinabove for the Remediation Management and Response program classification, excluding the Hazardous Discharge Site Cleanup Fund - Responsible Party and the Underground Storage Tanks accounts, are appropriated from the New Jersey Spill Compensation Fund, in accordance with the provisions of P.L.1976, c.141 (C.58:10-23.11 et seq.), together with an amount not to exceed \$6,854,000 for administrative costs associated with the cleanup of hazardous waste sites, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Hazardous Discharge Site Cleanup Fund - Responsible Party account is appropriated from responsible party cost recoveries deposited in the Hazardous Discharge Site Cleanup Fund, together with an amount not to exceed \$9,852,000 for administrative costs associated with the cleanup of hazardous waste sites, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the federal funds amount for the Publicly-Funded Site Remediation program classification and the Remediation Management and Response program classification, such additional sums that may be received from the federal government for the Superfund Grants program are hereby appropriated.

The amount hereinabove appropriated for the Environmental Management - CBT Dedication program classification shall be provided from revenue received from the Corporation Business Tax, pursuant to the "Corporation Business Tax Act (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as dedicated by Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance at the end of the preceding fiscal year in the Cleanup Projects Administrative Costs - Constitutional Dedication account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated from Solid Waste Utility Regulation, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated to the Solid and Hazardous Waste Management program classification for costs incurred to oversee the State's recycling efforts and other solid waste program activities.

There is appropriated from the Clean Communities Program Fund such sums as may be available to meet the following requirements: 1) 25% of the estimated annual balance up to \$4,000,000, as determined by the Director of the Division of Budget and Accounting, to the State Recycling Fund established pursuant to section 5 of P.L.1981, c.278 (C.13:1E-96); 2) \$300,000 of the estimated annual balance to the Department of Environmental Protection for an organization under contract with the Department which meets the requirements pursuant to subsection d. of section 6 of P.L. 2002, c.128 (C.13:1E-218); and 3) the balance, as determined by the Director of the Division of Budget and Accounting, of the Clean Communities Program Fund established pursuant to section 5 of P.L. 2002, c.128 (C.13:1E-217) for the purposes set forth in subsections a., b., c. and d. of that section.

Receipts derived from the sale of salvaged materials are appropriated to offset costs incurred in the cleanup and removal of hazardous substances.

Receipts deposited to the Resource Recovery Investment Tax Fund and the Solid Waste Services Tax Fund are appropriated.

There are appropriated from the New Jersey Spill Compensation Fund such sums as may be required for cleanup operations, adjusters and paying approved claims for damages in accordance with the provisions of P.L.1976, c.141 (C.58:10-23.11 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of P.L. 1954, c.48 (C.52:34-6 et seq.), monies appropriated to the Department of Environmental Protection from the Clean Communities Fund shall be provided by the Department to the Clean Communities Council pursuant to a contract between the Department and the Clean Communities Council to implement the requirements of the Clean Communities Program pursuant to subsection d of section 6 of P.L. 2002, c.128 (C.13:1E-218).

Of the amount hereinabove for the Private Underground Storage Tank Remediation - Constitutional Dedication account an amount not to exceed \$1,000,000 shall be allocated for costs associated with the Department's administration of the loan and grant program for the upgrade, replacement or closure of underground storage tanks that store or were used to store hazardous substances pursuant to the amendments effective December 8, 2005 to Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance at the end of the preceding fiscal year in the Underground Storage Tank Remediation account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Capital Construction

The amounts hereinabove appropriated for Hazardous Substance Discharge Remediation - Constitutional Dedication, Private Underground Storage Tank Remediation - Constitutional Dedication, and Hazardous Substance Discharge Remediation Loans and Grants - Constitutional Dedication shall be provided from revenue received from the Corporation Business Tax, pursuant to the "Corporation Business Tax Act (1945)," P.L. 1945, c.162 (C.54:10A-1 et seq.), as dedicated by Article VIII, Section II, paragraph 6 of the State Constitution.

Of the amount hereinabove appropriated for Hazardous Substance Discharge Remediation - Constitutional Dedication, such sums as necessary, as determined by the Director of the Division of Budget and Accounting, shall be made available for site remediation costs associated with State-owned properties and State-owned underground storage tanks.

All natural resource damages recovered by the State shall be deposited in the Hazardous Discharge Site Cleanup Fund established pursuant to section 1 of P.L.1985, c.247 (C.58:10-23.34), and are appropriated for the direct and indirect costs of restoration and associated consulting and legal services.

Funds made available for the remediation of the discharges of hazardous substances pursuant to the amendments effective December 4, 2003, to Article VIII, Section II, paragraph 6 of the State Constitution and appropriated hereinabove, shall be allocated to the Economic Development Authority's Hazardous Discharge Site Remediation Fund and the Department of Treasury's Brownfield Site Reimbursement Fund, subject to the approval of the Director of the Division of Budget and Accounting.

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

45. ENVIRONMENTAL REGULATION

OBJECTIVES

1. To monitor and report on the biological, chemical and physical quality of surface waters, ground waters and sediments in the state so as to evaluate the effectiveness of existing regulatory programs in protecting and improving New Jersey's water quality. To monitor New Jersey Pollutant Discharge Elimination System (NJPDES) permit compliance.
2. To carry out the purposes and requirements of enabling legislation and regulations.
3. To conduct reviews of permit applications and to promote meaningful public input.
4. To assist permittees in complying with applicable permit requirements and inform them of compliance issues.
5. To improve the efficiency of the permit review process while maintaining or improving protection of the environment, to eliminate procedures and requirements that do not lead to greater environmental protection, and to consolidate the reviews of multiple permits for individual facilities or projects.
6. To improve and protect water quality with available Environmental Infrastructure Financing Program funds.
7. To establish and maintain policies and procedures for the generation, compilation, review and use of data of documented quality, as required by the United States Environmental Protection Agency (USEPA).
8. To certify the analytical capabilities of laboratories performing analyses in response to the State's environmental programs.
9. To provide a comprehensive program to prevent releases of petroleum products and hazardous substances by providing information regarding these releases in the community and the workplace.

PROGRAM CLASSIFICATIONS

01. **Radiation Protection.** Licenses, registers and inspects owners of machine sources, naturally occurring or accelerator-produced radioactive materials, and non-ionizing sources of radiation. Inspects mammography facilities under contract with the Food and Drug Administration. Licenses x-ray technologists, nuclear medicine technologists, and radon testers and mitigators. Determines exposure pathways and

environmental or health impact of sources of radiation and provides direction on remediation. Provides emergency planning and response and monitoring around nuclear power plant sites. Tracks shipments of large quantities of radioactive materials through New Jersey. Establishes and maintains policies and procedures for the generation, compilation, review and the use of data of documented quality, as required by the USEPA. Reviews data submitted to the Department to verify its quality and determine its usability. Certifies the analytical capabilities of laboratories performing analyses in response to the State's environmental programs.

02. **Air Pollution Control.** Protects and enhances the air environment. Provides overall air quality management to attain the health based ambient air quality standards and visibility goals. Coordinates air quality planning to ensure compliance with State and federal requirements. Conducts ambient air monitoring, emission inventory development, and air pollution control rule development. Participates in the air pollution control aspects of the motor vehicle inspection and maintenance programs. Reviews construction plans for new and modified stationary sources of potential air pollution and issues permits for construction and operation; validates tax exemption claims for air pollution control equipment; oversees the conduct of periodic stack tests to determine air contaminant emission rates; oversees continuous emission monitoring of stacks; reviews and conducts air quality modeling studies of major new sources of air contamination; reviews and restricts the health risk of toxic air contaminant emissions from stationary sources; and reviews and issues facility-wide operating permits for major existing sources of air pollution. Provides program coordination in compliance with State and federal mandates to attain air quality standards. Conducts air monitoring, planning and analysis, as well as motor vehicle pollution control projects and the development of regulations.

Release Prevention. Implements and ensures compliance with New Jersey's Community Right To Know and Superfund Amendments and Reauthorization Act (SARA) Title III programs which gather information on the use, storage and release of toxic chemicals in the state and make information available to the public. Implements and ensures compliance with the Toxic Catastrophe Prevention Act to identify companies which handle extraordinarily hazardous substances

ENVIRONMENTAL PROTECTION

and ensure that procedures are in place to prevent devastating accidental chemical releases. The Discharge Prevention Containment and Countermeasures (Oil Spill Prevention) program reduces the possibility of hazardous spills through plan submittals and compliance/investigative procedures. The Pollution Prevention program analyzes pollution prevention plans submitted by operators of priority industrial facilities. These plans document how operators plan to reduce the release of hazardous substances into the environment.

- 08. **Water Pollution Control.** Administers the NJPDES program to protect New Jersey's surface and ground water by assuring proper treatment and disposal of wastewater (and its residuals) and stormwater from various types of facilities and activities, including the generation, monitoring, and beneficial management of sludge and sludge derived products. To accomplish this, the program issues permits which impose requirements to limit and/or prevent the discharge of pollutants into waters of the state. The regulated facilities vary widely in size from small uses such as campgrounds, schools, and shopping centers to larger industrial and municipal wastewater discharges. Implements Treatment Works Approval program to regulate the construction of wastewater collection, conveyance, and treatment facilities.
- 09. **Public Wastewater Facilities.** Administers the New Jersey Environmental Infrastructure Financing program along with the New Jersey Environmental Infrastructure Trust, an independent State financing authority. The program provides loans to local government units for the construction of environmental infrastructure facilities through the Clean

Water State Revolving Fund, with funds made available under the federal Clean Water Act and various State bond acts. The projects eligible for financial assistance include water and wastewater treatment plant upgrades or improvements, facilities for the beneficial reuse and treatment of sewage sludge, collection and conveyance facilities, on-site system rehabilitation, infiltration/inflow correction, combined sewer overflow and interconnection/cross-connection abatement, and nonpoint source projects (such as land acquisition, brownfield remediation, well sealing, and landfills).

- 16. **Water Monitoring and Planning.** Federal funds for regulating the discharge of contaminants/toxics from wastewater treatment facilities and the management of residuals, the management of sludge, and the issuance of stormwater permits.
- 29. **Environmental Management - CBT Dedication.** Since 1996, 4% of the revenue annually derived from the tax imposed by the Corporation Business Tax Act (P.L.1945, c.162) has been dedicated to the Department. Beginning in 2006, the dedication is expanded to provide grants for the costs of air pollution control equipment to reduce particulate matter emissions from diesel-powered engines and to provide funds for other measures to reduce human exposure to emissions.
- 70. **Clean Waters.** Administrative costs provided by the Clean Water State Revolving Fund, which provides loans to local government units for the construction of environmental infrastructure treatment facilities. See related program classification 09 for further details.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Radiation Protection				
X-ray machines inspected	5,429	6,334	7,000	8,000
X-ray machine violations (% of inspected)	30%	26%	25%	25%
Homes tested for radon	40,000	55,000	58,000	59,000
Homes mitigated for radon	3,000	3,500	3,450	3,500
Lung cancers avoided	137	140	140	140
Release Prevention				
Toxic Catastrophe Prevention				
Inspections	130	150	150	150
Accident investigations	2	2	4	4
Right To Know				
Information requests	1,500	2,000	2,000	2,000
Audits for facilities	1,000	1,000	1,000	1,000
Notice of violations	80	200	200	200
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	421	439	444	461
All Other	111	111	118	112
Total Positions	532	550	562	573

ENVIRONMENTAL PROTECTION

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Filled Positions by Program				
Radiation Protection	89	92	91	95
Air Pollution Control	168	176	174	175
Release Prevention	64	65	72	64
Water Pollution Control	133	142	145	147
Public Wastewater Facilities	55	52	54	57
Environmental Management - CBT Dedication	---	---	---	11
Clean Waters (a)	23	23	26	24
Total Positions	532	550	562	573

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December, and revised fiscal year 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
7,511	175	-30	7,656	7,363	01	8,092	6,993	6,993	
16,630	726	23	17,379	17,183	02	17,499	17,034	17,034	
7,609	13	173	7,795	7,786	08	8,199	8,193	8,193	
2,935	61	-59	2,937	2,936	09	3,140	3,140	3,140	
34,685	975	107	35,767	35,268	36,930^(a)		35,360	35,360	
Distribution by Fund and Object									
Personal Services:									
19,425	51 ^R	199	19,675	19,675	21,224		19,827	19,827	
Salaries and Wages									
						21,224	19,827	19,827	
						21,224	19,827	19,827	
19,425	51	199	19,675	19,675	218		301	301	
198	---	16	214	211	3,344		4,416	4,416	
3,460	---	78	3,538	3,538	250		529	529	
232	---	-47	185	185	Special Purpose:				
Nuclear Emergency Response									
2,217	175	---	3,320	3,029	01	2,306	2,306	2,306	
928 ^S					1,094 ^S				
						1,703	1,703	1,703	
1,571	---	-12	1,559	1,559	02	1,775	1,497	1,497	
						1,144	1,144	1,144	
1,803	---	---	1,803	1,628	02	1,071	1,071	1,071	
1,084	---	-333	751	750	02	2,566	2,566	2,566	
1,087	---	---	1,087	1,076	235		---	---	
						235	---	---	
2,607	556 ^R	---	3,163	3,163	GRANTS-IN-AID				
73	193	206	472	454	Distribution by Fund and Program				
Environmental Management - CBT Dedication									
						29	---	21,765	21,765
						---		21,765	21,765
						---		21,765	21,765

ENVIRONMENTAL PROTECTION

The amount hereinabove for the Oil Spill Prevention account is payable out of the New Jersey Spill Compensation Fund, and the receipts in excess of those anticipated, not to exceed \$1,490,000, from the New Jersey Spill Compensation Fund for the Oil Spill Prevention program are appropriated, in accordance with the provisions of P.L.1990, c.76 (C.58:10-23.11f2 et seq.), P.L.1990, c.78 (C.58:10-23.11d1 et seq.), and P.L.1990, c.80 (C.58:10-23.11f1), subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated from fees and permit receipts from the Title V Operating Permits are appropriated.

Any funds received by the New Jersey Environmental Infrastructure Trust from any State agency to offset the Trust's annual operating expenses are appropriated.

In addition to the federal funds amount for the Public Wastewater Facilities program classification, such additional sums that may be received from the federal government for the Clean Water State Revolving Fund program are appropriated.

Receipts in excess of those anticipated from Air Permitting Minor Source Fees are appropriated to the Department of Environmental Protection for expansion of the Air Pollution Control program, of which \$1,000,000 shall be made available for County Environmental Health Act agencies to inspect non-major source facilities, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provision of subsection b of section 1 of P.L. 2005, c.202 (C58:11B-10.2) or any other law to the contrary, in addition to the amount anticipated to the General Fund from the Environmental Infrastructure Financing Program Administrative Fee, there is appropriated \$1,200,000 to the Department of Environmental Protection for associated administrative and operating expenses, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove for the Diesel Risk Mitigation Fund - Constitutional Dedication, \$900,000 shall be appropriated for costs associated with the administration of the program pursuant to the amendments effective December 8, 2005, to Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance at the end of the preceding fiscal year in the Diesel Risk Mitigation Fund Administrative Costs - Constitutional Dedication account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

The amount hereinabove appropriated for the Diesel Risk Mitigation Fund - Constitutional Dedication shall be provided from revenue received from the Corporation Business Tax, pursuant to the "Corporation Business Tax Act (1945)," P.L. 1945, c.162 (C.54:10A-1 et seq.), as dedicated by Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance at the end of the preceding fiscal year in the Diesel Risk Mitigation Fund - Constitutional Dedication account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

46. ENVIRONMENTAL PLANNING AND ADMINISTRATION

OBJECTIVES

1. To develop administrative policy, evaluate performance, and coordinate program activities.
2. To support activities related to departmental planning, auditing, and legislative services.
3. To support a communication program which imparts the Department's mission to the public and to encourage public participation in decision-making.
4. To support the Department and its objectives in terms of the control of personnel, financial resources, general services, information systems, and equipment.

environmental education and communications strategies for the Department's programs. Serves as liaison to the Legislature as well as county and municipal governmental officials.

99. **Administration and Support Services.** Sets policies and develops short and long range plans and strategies; coordinates with governmental agencies; and provides legislative review and legal analysis. Provides general support services including personnel, payroll, purchasing, data processing, printing, information technology, e-government applications, training and organizational development, program evaluation, and property control. Also provides financial management, including budget and accounting services, as well as fiscal control and financial monitoring of all General Fund monies, federal funds, bond funds and tax accounts.

PROGRAM CLASSIFICATIONS

26. **Regulatory and Governmental Affairs.** Coordinates the proposal and adoption of environmental rules and regulations. Serves as central point of contact regarding State and federal legislation. Develops and executes public information,

ENVIRONMENTAL PROTECTION

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Administration and Support Services				
Male Minority	222	226	252	261
Male Minority %	6.7	6.8	7.3	7.5
Female Minority	271	279	300	309
Female Minority %	8.1	8.4	8.6	8.9
Total Minority	493	505	552	570
Total Minority %	14.8	15.2	15.9	16.4
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	310	311	327	305
All Other	5	6	5	5
Total Positions	315	317	332	310
Filled Positions by Program				
Regulatory and Governmental Affairs	42	40	36	38
Administration and Support Services	273	277	296	272
Total Positions	315	317	332	310

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December, and revised fiscal year 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
2,172	---	191	2,363	2,355					
					Regulatory and Governmental Affairs	26	2,338	2,338	2,338
17,348	46	1,188	18,582	18,534	Administration and Support Services	99	17,992	15,659	15,659
19,520	46	1,379	20,945	20,889	Total Direct State Services		20,330^(a)	17,997	17,997
Distribution by Fund and Object									
Personal Services:									
16,015	---	1,638	17,653	17,653	Salaries and Wages		17,322	15,045	15,045
16,015	---	1,638	17,653	17,653	Total Personal Services		17,322	15,045	15,045
117	---	-45	72	72	Materials and Supplies		100	116	116
1,000	---	27	1,027	1,027	Services Other Than Personal		1,003	1,079	1,079
267	---	-93	174	174	Maintenance and Fixed Charges		255	159	159
Special Purpose:									
1,500	---	---	1,500	1,500	New Jersey Environmental Management System	99	1,500	1,500	1,500
98	---	-98	---	---	Affirmative Action and Equal Employment Opportunity	99	98	98	98
523	46	-50	519	463	Additions, Improvements and Equipment		52	---	---
<u>STATE AID</u>									
Distribution by Fund and Program									
14,954	27	150	15,131	14,948	Administration and Support Services	99	15,769	17,113	17,113
6,454	27	150	6,631	6,491	(From General Fund)		6,769	7,613	7,613

ENVIRONMENTAL PROTECTION

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
8,500	---	---	8,500	8,457	STATE AID			
					<i>(From Property Tax Relief Fund)</i>			
						9,000	9,500	9,500
14,954	27	150	15,131	14,948	Total State Aid			
6,454	27	150	6,631	6,491	<i>(From General Fund)</i>			
8,500	---	---	8,500	8,457	<i>(From Property Tax Relief Fund)</i>			
						9,000	9,500	9,500
Distribution by Fund and Object								
State Aid:								
1,500	27	634	2,161	2,022	Mosquito Control, Research, Administration and Operations	99	1,515	1,515
8,000					Payment In Lieu of Taxes (PTRF)	99	9,000	9,500
500 ^S	---	---	8,500	8,457				
2,000	---	-634	1,366	1,365	Administration and Operations of the Highlands Council	99	2,000	3,000
2,954	---	150	3,104	3,104	Administration, Planning and Development Activities of the Pinelands Commission	99	3,254	3,098
CAPITAL CONSTRUCTION								
Distribution by Fund and Program								
---	13	---	13	---	Administration and Support Services	99	---	---
---	13	---	13	---	Total Capital Construction			
Distribution by Fund and Object								
Administrative Operations								
---	6	---	6	---	New Jersey Environmental Management System	99	---	---
---	7	---	7	---	Mosquito Control Equipment	99	---	---
34,474	86	1,529	36,089	35,837	Grand Total State Appropriation			
						36,099	35,110	35,110
OTHER RELATED APPROPRIATIONS								
37,660	---	3,577	41,237	39,715	Total Debt Service			
Federal Funds								
150	---	---	150	---	Regulatory and Governmental Affairs	26	150	150
3,250					Administration and Support Services	99	2,500	2,400
300 ^S	293	---	3,843	807				
3,700	293	---	3,993	807	Total Federal Funds			
						2,650	2,550	2,550
All Other Funds								
---	90	---	90	8	Regulatory and Governmental Affairs	26	---	---
---	2,934	---	4,200	2,792	Administration and Support Services	99	158	158
---	164 ^R	1,102	4,290	2,800	Total All Other Funds			
---	3,188	1,102	4,290	2,800		158	158	158
75,834	3,567	6,208	85,609	79,159	GRAND TOTAL ALL FUNDS			
						63,582	102,482	102,482

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- State Aid - General Fund

Receipts derived from permit fees issued by the Pinelands Commission on behalf of the Department of Environmental Protection, pursuant to a memorandum of agreement between the Pinelands Commission and the Department of Environmental Protection, are hereby appropriated to the Pinelands Commission.

ENVIRONMENTAL PROTECTION

The unexpended balance at the end of the preceding fiscal year in the Mosquito Control, Research, Administration and Operations account is appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- State Aid - Property Tax Relief Fund

If the amount appropriated herein for Payment in Lieu of Taxes is insufficient to compensate municipalities for land owned by the State for conservation and recreation purposes, as determined according to the formula for payments in lieu of taxes in the "Garden State Preservation Trust Act" P.L.1999, c.152 (C.13:8C-1 et seq.) such additional sums as are necessary are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of subsection d. of section 29 of P.L.1999, c.152 (C.13:8C-29) or subsection d. of section 30 of P.L.1999, c.152 (C.13:8C-30), or any other law to the contrary, all payments to municipalities in lieu of taxes for lands acquired by the State for recreation and conservation purposes shall be retained by the municipality and not apportioned in the same manner as the general tax rate of the municipality.

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

47. COMPLIANCE AND ENFORCEMENT

OBJECTIVES

1. To protect public health and improve the environment by ensuring compliance with the State's rules and regulations concerning coastal and land use, air pollution, water resources, solid and hazardous waste, and pesticides.
2. To assure consistency in enforcement policies, protocols and actions taken by the Department.
3. To provide compliance assistance to all businesses, with a special emphasis on small businesses and local governments.
4. To augment the Department's enforcement, inspection and monitoring activities under the County Environmental Health Act by strengthening agreements with local health agencies to enforce environmental regulations.
5. To improve the quality of the state's beaches through cooperation with the Departments of Correction and Health and the Army Corps of Engineers in programs which reduce floatable debris and monitor ocean water quality.
6. To inspect, monitor, and report on the quality of surface and groundwater discharges in the state.
7. To protect the public and the environment from any hazards resulting from the production, use, sale, storage or other activities related to pesticides.
8. To perform regular comprehensive underground storage tank inspections in order to protect ground water resources from gasoline and other contamination by reducing the number of leaking tanks.

PROGRAM CLASSIFICATIONS

02. **Air Pollution Control.** Conducts investigations to determine compliance with the Air Pollution Control Act at regulated facilities. Issues enforcement documents and tracks, records and reports on associated administrative activities to ensure compliance. Develops enforcement cases, processes violations, assesses penalties and negotiates compliance schedules for these programs.
04. **Pesticide Control.** Regulates the manufacture, distribution, storage, sale, possession, and use of pesticides. Conducts complaint investigations and routine inspections. Compliance assistance and pollution prevention activities are performed through training and outreach. Promotes reducing the use of pesticides through practical pest control techniques known as "Integrated Pest Management" (IPM). Enforces requirements for IPM in public, private, and charter schools in New Jersey. Enforces farm worker pesticide safety requirements at agricultural establishments. All pesticide products sold in the state are registered with this program. Pesticide applicators and dealers are certified and licensed, and permits are issued for mosquito/fly control and aquatic pesticide use. Monitoring and evaluation of pesticide hazards and laboratory analysis of pesticide samples are also conducted.

08. **Water Pollution Control.** Responsible for providing compliance assistance, conducting monitoring and investigations, and issuing enforcement actions in support of the water programs. A particular focus is placed on inspections of wastewater dischargers and community drinking water supply facilities; prevention and correction of non-compliance conditions through a multifaceted compliance assistance program including outreach, education, and a Discharge Monitoring Report guidance manual; issuance of administrative and judicial enforcement actions for chronic or significant violations; and investigation of complaints relating to water resources. Monitors compliance with all permits issued under the New Jersey Pollutant Discharge Elimination System (NJPDES) for surface water, ground water and indirect discharges to Publicly-Owned Treatment Works (POTW's). Formal enforcement actions are also issued for violations in the Water Allocation Program and against State certified laboratories which fail to comply with the laboratory certification program requirements.

15. **Land Use Regulation.** Conducts investigations and site inspections required for compliance with State regulations and permits issued pursuant to the Highlands Water Protection & Planning Act, Freshwater Wetlands Protection Act, the Flood Hazard Area Control Act, the Coastal Area Facility Review Act, the Wetlands Act of 1970, the Dam Safety Act, and the Waterfront Development and Riparian Lands statutes. Responding to reports of alleged violations of the above statutes, the program advises individuals how to achieve and/or maintain compliance.

23. **Solid and Hazardous Waste Management.** Manages and conducts compliance and enforcement activities to ensure that hazardous waste and used oil are collected, stored, transported, recycled, and disposed of in an environmentally acceptable manner. Assures compliance with federal Resource Conservation and Recovery Act (RCRA) regulations. Activities include such compliance assistance functions as environmental audits, grace periods, and supplemental environmental projects as well as conventional inspections and investigations, and when necessary, formal enforcement actions.

29. **Environmental Management - CBT Dedication.** Since 1996, 4% of the revenue annually derived from the tax imposed by the Corporation Business Tax Act (P.L.1945, c.162) has been dedicated to the Department. A portion of this dedication has been used to provide loans or grants to upgrade, replace or close underground storage tanks, including the costs of remediation, and to finance the cost of remediating hazardous substance discharges. Beginning in fiscal 2004, the dedication is expanded to include the implementation of the Underground Storage Tank (UST) Inspection Program.

ENVIRONMENTAL PROTECTION

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Air Pollution Control				
Investigations and inspections	6,500	6,500	6,500	6,500
Pesticide Control				
Investigations and inspections	800	800	800	800
Pesticide products regulated	11,800	11,800	11,800	11,800
Pesticide licenses and permits	17,000	17,000	17,000	17,000
Water Pollution Control				
Inspections	4,576	4,500	4,500	4,500
Clean Shores:				
Miles of beaches cleaned	145	125	135	135
Tons of debris removed	2,500	2,400	2,500	2,500
Land Use Regulation				
Investigations and inspections	1,800	2,000	2,150	2,200
Solid and Hazardous Waste Management				
Hazardous waste annual inspections	2,010	2,100	2,300	2,300

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	278	294	298	336
Federal	15	14	14	20
All Other	22	23	22	23
Total Positions	315	331	334	379

Filled Positions by Program

Air Pollution Control	75	77	78	79
Pesticide Control	38	39	39	40
Water Pollution Control	97	105	100	101
Land Use Regulation	33	34	32	35
Solid and Hazardous Waste Management (a)	72	74	75	104
Environmental Management - CBT Dedication	---	2	10	20
Total Positions	315	331	334	379

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December, and revised fiscal year 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

(a) Fiscal 2007 position data reflects a transfer of inspectors from Statewide Program 44, Solid and Hazardous Waste Management.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
4,250	1,259	57	5,566	5,565	02	4,557	4,557	4,557	4,557
2,251	7	33	2,291	2,291	04	2,419	2,419	2,419	2,419
5,570	---	336	5,906	5,906	08	5,968	5,968	5,968	5,968
1,925	788	-112	2,601	2,601	15	2,029	2,029	2,029	2,029
3,860	---	-32	3,828	3,828	23	4,120	5,444	5,444	5,444
---	745	2,000	2,745	1,922	29	---	---	---	---
17,856	2,799	2,282	22,937	22,113	Total Direct State Services	19,093 ^(b)	20,417	20,417	20,417

ENVIRONMENTAL PROTECTION

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES									
Distribution by Fund and Object									
Personal Services:									
15,091	---	223	15,314	15,314		16,157	17,258	17,258	
<u>15,091</u>	<u>---</u>	<u>223</u>	<u>15,314</u>	<u>15,314</u>		<u>16,157</u>	<u>17,258</u>	<u>17,258</u>	
126	---	63	189	188		131	149	149	
1,390	1,258	-801	1,847	1,847		1,417	1,627	1,627	
390	---	56	446	446		407	502	502	
Special Purpose:									
856	753 ^R	30	1,639	1,639	15	881	881	881	
---	745	2,000	2,745	1,922					
3	43	711	757	757	29	---	---	---	
STATE AID									
Distribution by Fund and Program									
3,453	5	---	3,458	3,453	08	3,453	3,453	3,453	
<u>3,453</u>	<u>5</u>	<u>---</u>	<u>3,458</u>	<u>3,453</u>		<u>3,453</u>	<u>3,453</u>	<u>3,453</u>	
Distribution by Fund and Object									
State Aid:									
3,453	---	---	3,453	3,453	08	3,453	3,453	3,453	
---	5	---	5	---	08	---	---	---	
<u>21,309</u>	<u>2,804</u>	<u>2,282</u>	<u>26,395</u>	<u>25,566</u>		<u>22,546</u>	<u>23,870</u>	<u>23,870</u>	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
1,802	-9	---	1,793	1,010	02	1,802	1,802	1,802	
850	105	---	955	573	04	740	740	740	
1,000	-4	---	996	---	08	1,000	1,000	1,000	
600	484	---	1,084	522	15	600	600	600	
1,886	24	---	1,910	1,566	23	1,886	2,500	2,500	
50 ^S	---	---	50	---	29	---	---	---	
<u>6,188</u>	<u>600</u>	<u>---</u>	<u>6,788</u>	<u>3,671</u>		<u>6,028</u>	<u>6,642</u>	<u>6,642</u>	
All Other Funds									
---	15	---	15	---	02	---	---	---	
---	1,911	---	---	---	08	1,000	1,000	1,000	
---	1,282 ^R	-23	3,170	950	15	772	929	929	
---	---	---	---	---		<u>1,772</u>	<u>1,929</u>	<u>1,929</u>	
<u>27,497</u>	<u>6,612</u>	<u>2,259</u>	<u>36,368</u>	<u>30,187</u>		<u>30,346</u>	<u>32,441</u>	<u>32,441</u>	

Notes -- Direct State Services - General Fund

- (a) Fiscal year 2007 appropriation data reflects a transfer of inspectors from Statewide Program 44, Solid and Hazardous Waste Management.
- (b) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

Receipts deposited into the Coastal Protection Trust Fund pursuant to P.L.1993, c.168 (C.39:3-27.47 et seq.) are appropriated in an amount not to exceed \$600,000 for the cleanup or maintenance of beaches or shores, an amount not to exceed \$200,000 for the cost of providing monitoring, surveillance and enforcement activities for the Cooperative Coastal Monitoring Program, an amount not to exceed \$50,000 for the implementation of the "New Jersey Adopt a Beach Act," P.L.1992, c.213 (C.13:19-22 et seq.), and an amount

ENVIRONMENTAL PROTECTION

not to exceed \$150,000 for a program of grants for the operation of a sewage pump-out boat and the construction of sewage pump-out devices for marine sanitation devices and portable toilet emptying receptacles at public and private marinas and boatyards in furtherance of the provisions of P.L.1988, c.117 (C.58:10A-56 et seq.). Receipts deposited to the Coastal Protection Trust Fund in excess of \$1,000,000 are appropriated to finance emergency shore protection projects and the cleanup of discharges into the ocean.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

The amounts hereinabove for the Tidelands Peak Demands account are appropriated from receipts derived from the sales, grants, leases, licensing, and rentals of State riparian lands, together with an amount not to exceed \$2,889,000, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

Notwithstanding any other law, with regard to the fee-related appropriations provided hereinabove, the Commissioner of the Department of Environmental Protection shall obtain concurrence from the Director of the Division of Budget and Accounting before altering fee schedules or any other revenue-generating mechanism under the Department's purview.

Notwithstanding the provisions of the "Environmental Fee Fund Accountability Act of 1991," P.L.1991, c.426 (C.52:27B-20.1 et seq.) and P.L.1991, c.427 (C.13:1D-9.1 et seq.), all revenues from fees and fines collected by the Department of Environmental Protection, unless otherwise dedicated herein, shall be deposited into the State General Fund without regard to their specific dedication.

Notwithstanding any other provisions in this act, of the Federal Fund amounts appropriated for the programs included in the Performance Partnership Grant Agreement with the United States Environmental Protection Agency, the Department of Environmental Protection is authorized to reallocate the appropriations, in accordance with the Grant Agreement and subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of P.L.1954, c.48 (C.52:34-6 et seq.) or any other law to the contrary, of the amounts appropriated for site remediation, the Department of Environmental Protection may enter into a contract with the United States Environmental Protection Agency (EPA) to provide the State's statutory matching share for EPA-led Superfund remedial actions pursuant to the State Superfund Contract (SSC).

Receipts in excess of \$7,210,000 anticipated for Air Pollution, Clean Water Enforcement, Land Use, Solid Waste, and Hazardous Waste fines, not to exceed \$1,500,000, are appropriated for the expansion of compliance, enforcement and permitting efforts in the Department, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of those anticipated from New Jersey Pollutant Discharge Elimination System/Stormwater Permits are appropriated to the Department of Environmental Protection for expansion of the Water Pollution Control Program, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of P.L. 1954, c.48 (C.52:34-6 et seq.) or any law to the contrary, of the amounts appropriated for water resource evaluation studies and monitoring, the Department of Environmental Protection may enter into contracts with the United States Geological Survey to provide the State's match to joint funding agreements for water resource evaluation studies and monitoring analyses.

Of the amount hereinabove appropriated for the Hazardous Substance Discharge Remediation Loans and Grants-Constitutional Dedication account, an amount not to exceed \$2,000,000 shall be allocated for costs associated with the State Underground Storage Tank Inspection Program, pursuant to the amendments effective December 4, 2003, to Article VIII, Section II, paragraph 6 of the State Constitution. The unexpended balance at the end of the preceding fiscal year in the Underground Storage Tank Inspection Program account is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

NOTES

DEPARTMENT OF HEALTH AND SENIOR SERVICES

OVERVIEW

The mission of the Department of Health and Senior Services (DHSS) is to foster accessible health and senior services of the highest quality for all people in New Jersey to ensure optimal health, dignity, and independence. The Department's initiatives prevent disease, promote and protect the well-being at all life stages, and encourage informed choices that enrich the quality of life for individuals and communities. This mission is accomplished through leadership, collaborative partnerships, accountability, advocacy, especially for those with the greatest need, and a strong commitment to informing and serving the diverse health needs of New Jersey citizens.

The Department's objectives are to:

Prepare New Jersey to rapidly detect, identify, and respond to health-related aspects of biological, chemical, radiological, nuclear, explosive, and incendiary acts of terrorism, as well as natural disasters and disease outbreaks.

Eliminate disparities in health care access, treatment, and clinical outcomes between racial, ethnic, and socioeconomic populations, in part through cultural competency, education, and partnering with minority-oriented health organizations.

Implement scientific evidence-based primary and secondary prevention programs designed to decrease mortality rates of health conditions such as heart disease, cancer, and stroke, and promote longer and healthier lives.

Strengthen New Jersey's public health infrastructure by adopting and implementing best practice standards, creating a comprehensive communications system that links health care providers and institutions statewide, forming a coordinated disease surveillance and response network, and providing comprehensive public health and environmental laboratory testing services.

Provide high quality services that promote independence, dignity, and choice for older adults in New Jersey.

Optimize access to the highest quality health care for the people of New Jersey.

Budget Highlights

The Fiscal 2007 Budget for the Department of Health and Senior Services totals \$1.942 billion, an increase of \$242.2 million or 14.2% over the fiscal 2006 adjusted appropriation of \$1.700 billion.

Health Services

The Fiscal 2007 Budget provides additional funding of \$2 million for the Family Planning Services program. A priority of the Governor, this increase is recommended to meet the rising cost of health care and to promote women's health. The \$2 million will allow the Family Planning Services program to continue serving the same number of patients as last year (about 124,000), support an additional 4,500 patients, expand hours of operation, and reduce waiting periods for patients scheduling appointments for clinic services.

Recognizing the fiscal constraints faced by the State, the Budget eliminates or reduces funding for Lead Testing Kits for Expectant Mothers, the Tourette Syndrome Association of New Jersey, St. Barnabas Medical Center, Stroke Centers, AIDS Grants, Rapid AIDS Testing, and Hospital Assistance Grants. In addition, 37 positions have been reduced for a savings of \$2.1 million.

Additionally, two programs will increase or implement cost sharing (co-pays) to assist in meeting the costs of each program.

In the Early Intervention Program (EI), the current family cost share of \$10 per month will be increased to \$30 for families at 350% of the Federal Poverty Level (currently \$70,000 for a family of four). The increase for families over 350% of poverty level will increase

proportionally based on a percentage of overall cost. This increase will generate \$3 million of additional cost share revenue offsetting rising costs to the program.

For the AIDS Drug Distribution Program (ADDP), a \$2 co-pay, with a \$10 per month cap, will be implemented on individuals over 100% of the Federal Poverty Level to offset \$200,000 of rising costs associated with this program.

Despite a reduction of \$23.3 million for funding largely related to operations and construction, the Fiscal 2007 Budget reflects a continued commitment to eradicating cancer by providing \$45 million for cancer research, prevention, and treatment. This is an increase of approximately 65% over last year's Governor's proposed budget.

The Budget recommends \$40 million, to increase the ability of existing Federally Qualified Health Centers (FQHC) to see more uninsured patients and to develop new access points throughout the state in areas designated as Medically Underserved Areas (MUA) by the U.S. Department of Health and Human Services/Health Resources and Services Administration. New Jersey currently has 21 community health centers that operate 69 facilities. The projected number of uninsured primary care visits to FQHC is expected to exceed 300,000 by the end of fiscal year 2006. In fiscal year 2007, \$5 million of the \$40 million appropriation is earmarked to expand capacity of existing Centers for Primary Health by increasing staff, hours or site locations, which will provide health care to thousands of additional New Jersey residents. This program has been transferred from Health Planning and Evaluation to Health Services within the Department.

Senior Services

The Fiscal 2007 Budget continues funding for the Department's major programs. Funding is provided to continue the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD), which provides needed pharmaceutical services to seniors and disabled clients with incomes below \$21,850 if single and \$26,791 if married. The current \$5 co-pay for each prescription has not been increased. The Budget also includes funding for the Senior Gold Program that provides pharmaceutical services to aged and disabled clients with incomes below \$31,850 if single and \$36,791 if married. Senior Gold clients pay a \$15 co-pay and 50% of the remaining cost of the drug, which is the same as the current policy.

Under the federal government's recently enacted Medicare Modernization Act of 2003, the PAAD program will continue to provide a seamless transition for current recipients who will be enrolling into Medicare so that no one will experience a loss of benefits.

The Budget includes changes to the PAAD and Senior Gold programs that are designed to reduce overall costs, including:

The State will institute a bulk purchasing initiative across several programs to maximize our market presence and secure the best possible price available for prescription drugs. This will save the State \$6.3 million in the PAAD and Senior Gold programs.

A total of \$3.3 million will be saved by switching the reimbursement methodology for prescription drugs. The State will pay Average Wholesale Price (AWP) less 15% for the first 6 months of the year. Beginning January 1, 2007, single-source brand name drugs will be reimbursed at the federally-calculated Retail Survey Price, and generic and multi-source drugs will be reimbursed at the Average Manufacturer's Price (AMP).

These initiatives offset \$46.2 million of the Fiscal 2007 Budget growth attributable to increased utilization and the rising cost of drugs in the PAAD and Senior Gold programs.

HEALTH AND SENIOR SERVICES

The Budget also includes a number of changes in Medicaid nursing home reimbursement as well as nursing home alternatives, including:

Eliminating the inflation adjustment for Nursing Homes and Medical Day Care providers will result in a State savings of \$26 million.

Federal legislation (“The Deficit Reduction Act of 2005”) has increased the look-back period from three to five years for determining whether individuals improperly transferred assets to gain Medicaid eligibility. This will save \$15 million in State funds.

A reduction in Nursing Home non-Medicare patient days in fiscal 2006 reduced State revenue from the provider assessment from these facilities by \$8.5 million. Payments will be reduced by this amount to cover the lost State revenue. A supplemental appropriation was provided to nursing facilities on a one time basis in fiscal 2006.

Other reductions include eliminating funding for the Arthritis Quality of Life Initiative.

These initiatives offset \$45.9 million of the Fiscal 2007 Budget entitlement growth for nursing home and alternatives programs.

Health Planning and Evaluation

The Fiscal 2007 Budget continues funding for Charity Care payments to hospitals without a diversion from the Unemployment Compensation Fund. A total General Fund contribution of \$267.5 million to the Health Care Subsidy Fund (HCSF) will be used for Charity Care payments in fiscal 2007. The remaining \$66.5 million of the General Fund appropriation to the HCSF will be used to fund Hospital Relief Subsidy Fund payments and the Department of Health’s State share of the FamilyCare health insurance program. A Governor’s priority, this appropriation includes \$5 million State funds and \$9.3 million in federal matching funds for outreach expansion in the FamilyCare health insurance program allowing the State to serve an additional 50,000 uninsured children by the end of fiscal 2007. Total recommended fiscal 2007 Charity Care funding from all sources will equal \$583.4 million, the same as fiscal 2006. The majority of the Health Care Subsidy Fund appropriation results from the replacement of the Unemployment Fund resources that totaled \$350 million in fiscal 2006, \$300 million of which was used for Charity Care.

Department Accomplishments

Health Disparities

The Department’s campaign to increase awareness among African American and Latino women through free Rapid AIDS testing has been successful. As a result of this 20 minute rapid test, the percentage of women tested who learn their HIV status after testing has increased from 34% to 99%. The New Jersey Cancer Education and Early Detection Program (NJCEED) has increased State funded breast, cervical, and prostate cancer screening to low income and minority populations throughout the state by 37.8%.

Medicare Part D

The Department has led the implementation of the Medicare Part D Program for the PAAD and Senior Gold clients. Additionally, the Department has been designated as a Model State Program in recognition of best practices developed by the Department to assure that low-income Medicare beneficiaries continue to have access to prescription drugs.

Global Budgeting for Seniors

The Department has enacted a global budget pilot program known as Global Options. This program moves to rebalance nursing home and community based budgets in favor of more home care options to provide clients the best care in the least restrictive environment.

Influenza Pandemic Plan

The New Jersey Influenza Pandemic Plan has been revised and released to include details on the stockpiling of anti-viral agents.

Post-Partum Depression Task Force

The Department has developed, released, and implemented the report of the Post-Partum Depression Task Force to identify and provide services to women suffering from post-partum mood disorders.

Elective Angioplasty Demonstration

Nine hospitals were approved by the Commissioner and invited to participate in a Johns Hopkins multi-state research study of the safety and efficacy of elective angioplasty at non-cardiac surgery hospitals. The selected hospitals will assist in data collection for the duration of the study (three years) on patients consenting to participate.

Patient Safety

The Patient Safety Act requires all health care facilities to confidentially report serious medical errors to DHSS. The Department then confers this information to patient safety committees to encourage a culture focused on enhancing safety rather than assigning blame. Implementation of the Act will improve the quality of health care in State facilities by providing for a systematic approach to reduce medical errors. Mandatory reporting and analytical process was introduced for general hospitals on March 1, 2005, and DHSS has been working with stakeholders to adopt rules to extend reporting to all health care facilities.

Report Cards

The second New Jersey Hospital Performance Report on the State’s 82 hospitals was published September 2005. The report measures adherence to best practices in the treatment of heart attack and pneumonia. New Jersey is one of a handful of states to publish such a comprehensive report on hospital quality. Future reports will include information on the treatment of congestive heart failure and surgical infection prevention. Additionally, the seventh Cardiac Surgery Report in New Jersey was published June 2005. Between the first report and this latest report, cardiac surgery mortality in New Jersey has declined 53% on a risk-adjusted basis.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

SUMMARY OF APPROPRIATIONS BY FUND

(thousands of dollars)

Orig. & (S) Supplemental	Year Ending June 30, 2005					Year Ending June 30, 2007		
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
75,076	11,593	11,078	97,747	94,084				
1,485,432	26,804	-702	1,511,534	1,444,773	GENERAL FUND			
9,508	---	---	9,508	9,269	Direct State Services	64,872	72,926	72,926
---	752	---	752	327	Grants-In-Aid	1,274,646	1,542,202	1,542,202
					State Aid	9,552	9,552	9,552
					Capital Construction	---	---	---
1,570,016	39,149	10,376	1,619,541	1,548,453	Total General Fund	1,349,070	1,624,680	1,624,680

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
871	31	128	1,030	979	CASINO REVENUE FUND			
352,409	143,565	-128	495,846	495,635	Direct State Services	871	871	871
					Grants-In-Aid	350,342	316,910	316,910
<u>353,280</u>	<u>143,596</u>	<u>---</u>	<u>496,876</u>	<u>496,614</u>	<i>Total Casino Revenue Fund</i>	<u>351,213</u>	<u>317,781</u>	<u>317,781</u>
<u>1,923,296</u>	<u>182,745</u>	<u>10,376</u>	<u>2,116,417</u>	<u>2,045,067</u>	<i>Total Appropriation, Department of Health and Senior Services</i>	<u>1,700,283</u>	<u>1,942,461</u>	<u>1,942,461</u>

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					DIRECT STATE SERVICES - GENERAL FUND			
					Health Services			
1,085	503	700	2,288	2,221	Vital Statistics	1,678	1,678	1,678
7,020	---	156	7,176	7,118	Family Health Services	2,079	2,179	2,179
32,226	1,441	775	34,442	34,141	Public Health Protection Services	30,706	30,706	30,706
---	1	-1	---	---	Addiction Services	---	---	---
7,697	617	-25	8,289	8,287	Laboratory Services	8,048	8,048	8,048
1,850	---	2,145	3,995	3,990	AIDS Services	1,993	1,993	1,993
<u>49,878</u>	<u>2,562</u>	<u>3,750</u>	<u>56,190</u>	<u>55,757</u>	<i>Subtotal</i>	<u>44,504</u>	<u>44,604</u>	<u>44,604</u>
					Health Planning and Evaluation			
2,949	2,582	-751	4,780	4,724	Long Term Care Systems	3,749	3,549	3,549
2,125	5,790	-4,890	3,025	2,826	Health Care Systems Analysis	125	4,895	4,895
<u>5,074</u>	<u>8,372</u>	<u>-5,641</u>	<u>7,805</u>	<u>7,550</u>	<i>Subtotal</i>	<u>3,874</u>	<u>8,444</u>	<u>8,444</u>
					Health Administration			
4,688	20	4,529	9,237	9,170	Administration and Support Services	5,238	3,767	3,767
<u>4,688</u>	<u>20</u>	<u>4,529</u>	<u>9,237</u>	<u>9,170</u>	<i>Subtotal</i>	<u>5,238</u>	<u>3,767</u>	<u>3,767</u>
					Senior Services			
5,733	71	3,407	9,211	9,107	Medical Services for the Aged	6,193	6,193	6,193
8,560	568	4,701	13,829	11,034	Pharmaceutical Assistance to the Aged and Disabled	3,751	8,606	8,606
---	---	---	---	1	Lifeline	---	---	---
462	---	332	794	786	Programs for the Aged	462	462	462
---	---	---	---	---	Office of the Ombudsman	---	---	---
681	---	---	681	679	Office of the Public Guardian	850	850	850
<u>15,436</u>	<u>639</u>	<u>8,440</u>	<u>24,515</u>	<u>21,607</u>	<i>Subtotal</i>	<u>11,256</u>	<u>16,111</u>	<u>16,111</u>
<u>75,076</u>	<u>11,593</u>	<u>11,078</u>	<u>97,747</u>	<u>94,084</u>	<i>Total Direct State Services - General Fund</i>	<u>64,872</u>	<u>72,926</u>	<u>72,926</u>

HEALTH AND SENIOR SERVICES

Orig. & (S)Supplemental	Year Ending June 30, 2005					2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended			Requested	Recommended
871	31	128	1,030	979				
871	31	128	1,030	979				
871	31	128	1,030	979				
75,947	11,624	11,206	98,777	95,063				
					DIRECT STATE SERVICES - CASINO REVENUE FUND			
					Senior Services			
					Programs for the Aged	871	871	871
					<i>Subtotal</i>	871	871	871
					<i>Total Direct State Services - Casino Revenue Fund</i>	871	871	871
					TOTAL DIRECT STATE SERVICES	65,743	73,797	73,797
					GRANTS-IN-AID - GENERAL FUND			
					Health Services			
87,186	9	11,012	98,207	92,081	Family Health Services	121,464	92,964	92,964
53,645	15	41	53,701	52,281	Public Health Protection Services	67,926	40,626	40,626
---	2,011	-2,011	---	---	Addiction Services	---	---	---
35,155	---	-1,759	33,396	32,950	AIDS Services	33,894	31,194	31,194
175,986	2,035	7,283	185,304	177,312	<i>Subtotal</i>	223,284	164,784	164,784
					Health Planning and Evaluation			
339,025	---	---	339,025	338,925	Health Care Systems Analysis	110,425	369,462	369,462
339,025	---	---	339,025	338,925	<i>Subtotal</i>	110,425	369,462	369,462
					Senior Services			
823,780	3,292	-3,954	823,118	817,787	Medical Services for the Aged	821,668	817,968	817,968
130,064	21,477	-3,850	147,691	94,750	Pharmaceutical Assistance to the Aged and Disabled	105,095	176,456	176,456
---	---	---	---	---	Lifeline	---	---	---
16,577	---	-181	16,396	15,999	Programs for the Aged	14,174	13,532	13,532
970,421	24,769	-7,985	987,205	928,536	<i>Subtotal</i>	940,937	1,007,956	1,007,956
1,485,432	26,804	-702	1,511,534	1,444,773	<i>Total Grants-In-Aid - General Fund</i>	1,274,646	1,542,202	1,542,202
					GRANTS-IN-AID - CASINO REVENUE FUND			
					Health Services			
500	---	---	500	497	Family Health Services	529	529	529
500	---	---	500	497	<i>Subtotal</i>	529	529	529
					Senior Services			
28,461	---	---	28,461	28,334	Medical Services for the Aged	30,531	30,629	30,629
309,086	143,565	---	452,651	452,570	Pharmaceutical Assistance to the Aged and Disabled	304,398	271,075	271,075
---	---	---	---	---	Lifeline	---	---	---
14,362	---	-128	14,234	14,234	Programs for the Aged	14,884	14,677	14,677
351,909	143,565	-128	495,346	495,138	<i>Subtotal</i>	349,813	316,381	316,381
352,409	143,565	-128	495,846	495,635	<i>Total Grants-In-Aid - Casino Revenue Fund</i>	350,342	316,910	316,910
1,837,841	170,369	-830	2,007,380	1,940,408	TOTAL GRANTS-IN-AID	1,624,988	1,859,112	1,859,112

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
---	---	---	---	---	STATE AID - GENERAL FUND			
					Health Services			
2,400	---	---	2,400	2,161	Family Health Services	---	---	---
					Public Health Protection Services	2,400	2,400	2,400
<u>2,400</u>	<u>---</u>	<u>---</u>	<u>2,400</u>	<u>2,161</u>	<i>Subtotal</i>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>
					Senior Services			
7,108	---	---	7,108	7,108	Programs for the Aged	7,152	7,152	7,152
<u>7,108</u>	<u>---</u>	<u>---</u>	<u>7,108</u>	<u>7,108</u>	<i>Subtotal</i>	<u>7,152</u>	<u>7,152</u>	<u>7,152</u>
<u>9,508</u>	<u>---</u>	<u>---</u>	<u>9,508</u>	<u>9,269</u>	Total State Aid - General Fund	<u>9,552</u>	<u>9,552</u>	<u>9,552</u>
<u>9,508</u>	<u>---</u>	<u>---</u>	<u>9,508</u>	<u>9,269</u>	TOTAL STATE AID	<u>9,552</u>	<u>9,552</u>	<u>9,552</u>
					CAPITAL CONSTRUCTION			
					Health Services			
---	741	---	741	327	Laboratory Services	---	---	---
<u>---</u>	<u>741</u>	<u>---</u>	<u>741</u>	<u>327</u>	<i>Subtotal</i>	<u>---</u>	<u>---</u>	<u>---</u>
					Health Administration			
---	11	---	11	---	Administration and Support Services	---	---	---
<u>---</u>	<u>11</u>	<u>---</u>	<u>11</u>	<u>---</u>	<i>Subtotal</i>	<u>---</u>	<u>---</u>	<u>---</u>
<u>---</u>	<u>752</u>	<u>---</u>	<u>752</u>	<u>327</u>	TOTAL CAPITAL CONSTRUCTION	<u>---</u>	<u>---</u>	<u>---</u>
<u>1,923,296</u>	<u>182,745</u>	<u>10,376</u>	<u>2,116,417</u>	<u>2,045,067</u>	Total Appropriation, Department of Health and Senior Services	<u>1,700,283</u>	<u>1,942,461</u>	<u>1,942,461</u>

20. PHYSICAL AND MENTAL HEALTH 21. HEALTH SERVICES

OBJECTIVES

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. To provide a system for the registration of births, deaths, marriages and other vital statistics and to furnish certified copies as requested. 2. To reduce infant mortality and improve the health of mothers and children; to provide medical and dental services to special high risk populations; to provide access to quality medical and developmental intervention services for handicapped children; to provide and promote family planning services and to identify, treat and minimize the exposure of children at high risk of lead poisoning. 3. To promote and improve local health department practice and performance through regulation, licensing, technical assistance, education and health service grants. 4. To promote and improve local health delivery services, particularly for low income and minority families, and assist local health agencies in meeting recognized minimum standards of performance. 5. To assure the wholesomeness and safety of foods and cosmetics; to prevent food related illnesses and the misbranding, adulteration and illicit tampering of foods and cosmetics; to prevent the spread of animal diseases to man, | <ol style="list-style-type: none"> especially rabies; to enhance the Department's capabilities to protect the citizenry from environmental hazards; to assure the health and safety of youth attending camps and the safety of those persons swimming in recreational waters; to assure a high level of sanitation in health care facilities and various State operated institutions; and to administer animal population control programs. 6. To detect, prevent, control and treat chronic diseases with emphasis on assistance for persons with low or limited socioeconomic status. 7. To reduce the incidence and spread of tuberculosis. 8. To detect, prevent and control occupationally related diseases, fatal injuries and hazards in high-risk public and private workplaces. 9. To reduce abuse of and dependence on tobacco. 10. To provide a comprehensive range of timely and accurate public health, environmental and chemical laboratory analytical and diagnostic services to State and federal agencies, physicians, clinics, hospitals, local health departments, and other health care interests in the identification and control of disease and environmental threats and biological and biochemical terrorism preparedness. |
|--|--|

HEALTH AND SENIOR SERVICES

11. To improve the quality of performance in New Jersey's clinical laboratories in the specialties of microbiology, blood banking, chemistry, hematology, serology and immunohematology and to serve as a reference resource for all laboratories, clinical and analytical, in New Jersey.
12. To reduce the spread of AIDS and HIV infection by providing an integrated continuum of AIDS health and social support services to promote cost-effective treatment, and to expand prevention and education efforts.
13. To reduce death and disability by improving response to medical emergencies, by assuring the availability of trained personnel for emergency medical services.
14. To ensure the timely identification and treatment of infants with biochemical or metabolic disorders, hearing impairments and/or birth defects.

PROGRAM CLASSIFICATIONS

01. **Vital Statistics.** Collects and records data such as births, deaths and marriages from the 566 local registrars; approves appointment of, instructs and supervises local registrars of vital statistics; receives and processes vital records, searches and makes certified copies of these records (R.S. 26:8-23 et seq.); processes legal changes of name, adoptions and corrections to vital records.
02. **Family Health Services.** Provides funding of specialized medical and rehabilitative services for handicapped children (R.S. 9:13-1 et seq.); provides and promotes family planning and genetic services (R.S. 26:5B), maternal and child health care (C.26:1A-37E) including supplemental nutrition services, prenatal care, child health supervision and screening of newborns for metabolic causes of mental retardation and deafness; administers poison control activities e.g., childhood lead poisoning (C.24:14A-1 et seq.); prenatal services for children; coordinates programs on fetal alcohol syndrome and child abuse; provides financial assistance to persons with hemophilia (C.26:2-87 et seq.); provides financial assistance to persons with chronic renal disease (C.26:2-87 et seq.) and general assistance to persons with other chronic diseases (C.26:1A-92 et seq.); provides assistance to local health departments for the provision of primary and preventive health services; develops community based chronic disease detection programs and supports the special health needs of the geriatric population.
03. **Public Health Protection Services.** Initiates programs to reduce incidence of sexually transmitted diseases (R.S. 26:4-27 et seq.); controls tuberculosis (R.S. 26:4-1 et seq.); monitors and initiates programs to reduce the incidence of

other communicable diseases such as hepatitis, measles, polio, pertussis and diphtheria; maintains a cancer registry which provides epidemiologic intelligence regarding cancer associated risk factors for control and prevention activities. Assists in training of emergency medical personnel and coordinating emergency medical services, including aeromedical response. Assures quality of food and milk, drugs, and general sanitation (C.26:1A-7); distributes vaccine for the prevention of rabies; and assures the appropriate utilization of funds from dog license fees (\$1.00 per dog) to support activities. Performs health investigations in private and public workplaces to evaluate occupational exposures; conducts medical screenings for individuals exposed to chemicals; implements the worker provisions of the Worker and Community Right to Know Act and the health provisions of the Public Employees Occupational Safety and Health Act; collects occupational illness and exposure data; conducts environmental monitoring, health assessments, health screening and epidemiologic investigations of community exposure to toxic substances, and implements the State asbestos policy; provides assistance to local health departments for the provision of primary and preventive health services. Directs the State's Comprehensive Tobacco Control Program to provide clients counseling and treatment services.

08. **Laboratory Services.** Performs comprehensive analytical and diagnostic laboratory services through five primary service categories on a 24 hour-7 day a week basis, which includes: Bacteriology (e.g. tuberculosis, dairy products, sexually transmitted diseases, gastrointestinal illnesses, drinking water, and ocean pollution); Virology (e.g. AIDS, influenza, Rubella, and rabies); Serology (e.g. Lyme, Legionella, and syphilis); Inborn Errors of Metabolism (e.g. sickle cell, hypothyroidism, PKU, and Galactosemia) and Environmental and Chemical (e.g. blood lead, asbestos, drugs, water, food, and other environmental and chemical contaminants). Clinical Laboratory Services performs tests and monitors the quality of laboratory testing performed in independent, hospital and public health laboratories in the state; inspects, proficiency tests and licenses all such laboratories (C.45:9-42.26 et seq.); improves techniques of laboratory personnel by conducting workshops and seminars as necessary; and certifies clinical laboratories for Medicare participation.
12. **AIDS Services.** Promotes the health of the people of New Jersey by reducing the spread of AIDS by establishing and maintaining a comprehensive system of HIV/AIDS-related prevention, surveillance, counseling and testing, health and supportive services.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Vital Statistics				
Searches	99,208	148,478	130,000	110,000
Certified Copies Issued	76,314	114,214	98,000	85,000
Family Health Services				
Agencies receiving health services grants	305	434	460	460
Handicapped Children				
Physically disabled children receiving services	40,000	42,000	42,500	43,000
Children newly registered with Special Child Health Services	7,919	7,756	8,100	8,500
Maternal and Child Health				
Infant mortality rate/1,000 live births	6.2	5.7	5.7	5.7

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Infant born to mothers with no prenatal care/1,000 live births	1.2	1.2	1.2	1.2
Newborns screened for metabolic and genetic disorders . . .	113,404	110,473	114,000	118,000
Number of infants to be followed	6,395	5,945	6,400	7,200
Number of infants in early intervention	15,829	16,000	18,000	19,750
HealthStart (prenatal)	35,000	36,500	37,000	37,000
Women assessed for alcohol use/abuse during pregnancy . .	29,892	34,000	35,000	40,000
Women, Infants and Children (WIC) receiving services . . .	248,149	265,944	270,000	270,000
Family Planning				
Women in reproductive years applying for and receiving services	118,579	124,133	126,000	130,500
Poison Control				
Children screened for lead poisoning	181,265	200,000	222,000	240,000
Number of lead poisoned children identified	4,877	5,200	5,200	5,200
Adult Health				
Adults served with Cystic Fibrosis	95	100	100	105
Health Promotion				
Persons screened and educated for breast and cervical cancer	12,322	21,363	20,950	20,950
Number of renal patients served	1,100	1,276	1,300	1,350
Public Health Protection Services				
Cancer and Epidemiological Services				
Number of new cancer cases reported	80,000	125,033	125,000	125,000
Number of cumulative cancer reports in master file	1,509,383	1,868,366	1,933,300	2,068,300
Tuberculosis Control				
TB cases on register as of June 30	493	512	500	500
Visits to chest clinics	67,000	67,230	67,000	67,000
Percent of TB patients completing chemotherapy	82.5%	88.1%	88.1%	88.1%
Emergency Medical Services				
Mobile intensive care paramedics certified/recertified	789	790	790	790
Emergency Medical Technicians certified/recertified	7,500	8,000	8,000	8,000
Helicopter response missions	1,600	1,600	1,600	1,600
Mobile intensive care unit's patient charts audited	650	1,000	1,000	1,000
Ambulance/invalid services licensed	500	350	350	350
Ambulance/invalid vehicles licensed	3,000	2,500	2,500	2,500
EMT training agencies certified	64	64	64	64
Sexually Transmitted Diseases (STD)				
Percent of STD clinic patients receiving education about HIV infection	75%	75%	75%	75%
Reported cases of early syphilis	453	468	500	500
Syphilis cases (early and late) brought to treatment by Department of Health	904	780	850	850
Reported cases of gonorrhea	7,621	6,095	6,600	6,600
Gonorrhea cases brought to treatment by Department of Health	2,263	1,946	2,100	2,100
Visits to STD clinics	18,542	17,962	18,750	18,750
Patients receiving diagnostic services	10,856	10,326	11,000	11,000
Consumer Health				
Pet spay/neuter surgeries performed	5,565	5,346	6,000	6,000
Registration of dogs (rabies control)	473,159	466,941	475,000	475,000
Environmental and sanitary inspections and investigations conducted	5,600	6,500	6,500	6,500
Number of food, drug and cosmetic embargoes, destructions and recalls	16	25	35	35
Other Communicable Disease Control				
Number of disease cases reported	7,500	9,903	9,600	9,600
Number of investigations of outbreaks	100	110	150	150

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Levels of protection for children entering school against:				
Rubella	98%	98%	98%	98%
Measles	98%	98%	98%	98%
Mumps	98%	98%	98%	98%
Polio	98%	98%	98%	98%
Diphtheria	98%	98%	98%	98%
Infectious disease consultations	20,000	27,600	30,000	30,000
Non-outbreak investigations	280	280	300	300
Lyme disease hotline calls	1,600	1,600	1,600	1,600
Public Employees Occupational Safety and Health				
Complaint inspections conducted	558	531	510	510
Telephone consultations	1,400	1,225	1,220	1,220
Educational seminars presented	130	193	160	160
Right to Know				
Factsheets written or revised	200	144	300	300
Public and private workplaces inspected	600	1,144	600	600
Telephone consultations	3,500	3,540	3,500	3,500
Occupational Health Surveillance				
Exposure and illness reports received	17,000	20,000	20,000	20,000
Educational materials mailed to public	3,000	4,000	4,000	4,000
In-depth industrial hygiene evaluations	45	50	50	50
Follow-up industrial hygiene evaluations	5	5	5	5
Work-related chronic disease and epidemiology studies ..	5	5	5	5
Worker interviews and mailings	500	600	600	600
Environmental Health Services				
Certification of private training agencies	35	35	35	35
Audits of asbestos and lead training agencies	100	100	100	100
Quality assurance inspections in schools	125	125	125	125
Major community health field study on-going	12	12	12	12
Telephone consultations	4,250	4,300	4,500	4,500
Responses to acute environmental emergencies	4	15	25	25
Consultations provided to other agencies and to the public	6	20	30	30
Local health consultations, evaluations, and training services	10,144	9,978	10,983	11,022
Laboratory Services				
Bacteriology				
Specimens analyzed	173,526	148,654	150,000	140,000
Inborn Errors of Metabolism				
Specimens performed	126,850	123,810	140,000	147,000
Chemistry				
Asbestos samples examined	344	38	---	---
Occupational health samples examined	5	---	5	5
Sewage, stream & trade waste samples examined	4,424	3,369	4,500	4,500
Narcotic samples examined	195,259	187,804	197,000	207,000
Potable water samples examined	2,563	2,607	2,500	2,500
Food and milk samples examined	5,101	5,982	6,000	6,000
Blood lead samples examined	7,399	7,091	7,000	7,000
Clinical Laboratory Services				
Clinical laboratories licensed	1,544	1,675	1,700	1,700
Proficiency test samples (percent acceptable)	95%	95%	95%	95%
Proficiency test samples reviewed	57,712	56,908	57,500	57,500
Blood banks inspected	49	58	75	80
Clinical laboratory inspections	298	389	400	400
Blood banks licensed	238	240	258	270
Serology				
Routine screen tests for syphilis	38,874	29,436	30,000	30,000
Virology				
Specimens analyzed	118,808	67,946	128,000	100,000

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
AIDS Services				
Number of clients tested and counseled	67,789	68,700	69,000	69,500
Contact tracing of individuals	300	400	400	400
Hotline network calls	8,000	11,909	10,000	10,000
Living AIDS clients	18,200	17,623	18,600	18,600
HIV positive clients	15,700	15,690	16,500	16,500
Clients receiving early intervention services	9,000	9,000	8,500	8,500
Individuals reached/HIV training	3,000	1,820	1,000	1,000
AIDS Drug Distribution Program clients served	7,200	6,899	7,200	7,500

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	335	357	349	365
Federal	519	573	570	590
All Other	56	94	105	115
Total Positions	910	1,024	1,024	1,070

Filled Positions by Program Class

Vital Statistics	54	56	58	56
Family Health Services	203	205	204	208
Public Health Protection Services	373	478	486	513
AIDS Services	149	147	132	150
Laboratory Services	131	138	144	143
Total Positions	910	1,024	1,024	1,070

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

The Evaluation Data and Personnel Data related to the Division of Addiction Services are now displayed in the Department of Human Services, Division of Addiction Services.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
1,085	503	700	2,288	2,221	Vital Statistics	01	1,678	1,678	1,678
7,020	---	156	7,176	7,118	Family Health Services	02	2,079	2,179	2,179
32,226	1,441	775	34,442	34,141	Public Health Protection Services	03	30,706	30,706	30,706
---	1	-1	---	---	Addiction Services	04	---	---	---
7,697	617	-25	8,289	8,287	Laboratory Services	08	8,048	8,048	8,048
1,850	---	2,145	3,995	3,990	AIDS Services	12	1,993	1,993	1,993
49,878	2,562	3,750	56,190	55,757	Total Direct State Services		44,504^(a)	44,604	44,604
Distribution by Fund and Object									
Personal Services:									
14,271	1,459 ^R	1,920	17,651	17,578	Salaries and Wages		15,935	16,035	16,035
14,271	1,460	1,920	17,651	17,578	Total Personal Services		15,935	16,035	16,035
2,229	---	46	2,275	2,241	Materials and Supplies		2,229	2,229	2,229
964	---	2,401	3,365	3,344	Services Other Than Personal		964	964	964
153	---	---	153	151	Maintenance and Fixed Charges		153	153	153
Special Purpose:									
87	---	---	87	87	WIC Farmers Market Program	02	87	87	87
5,000	---	---	5,000	4,980	Women's Health Awareness	02	---	---	---
90	---	---	90	90	Breast Cancer Public Awareness Campaign	02	90	90	90

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
300	---	---	300	300					
500	---	---	500	500					
2,000	---	---	2,000	2,000					
1,450	---	---	1,450	1,450					
4,000	---	---	4,000	4,000					
400	---	---	400	397					
500	---	---	500	492					
50	---	---	50	43					
7,000	---	---	7,000	6,999					
4,000	---	---	4,000	3,999					
250 ^S	---	---	250	250					
1,000	263	---	1,263	1,180					
720	222	---	942	856					
200	---	---	200	200					
2,074	---	---	2,074	1,984					
200	---	---	200	199					
---	617 ^R	-617	---	---					
1,800	---	---	1,800	1,797					
640	---	---	640	640					
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
87,686	9	11,012	98,707	92,578					
87,186	9	11,012	98,207	92,081					
500	---	---	500	497					
53,645	15	41	53,701	52,281					
---	2,011	-2,011	---	---					
35,155	---	-1,759	33,396	32,950					
176,486	2,035	7,283	185,804	177,809					
175,986	2,035	7,283	185,304	177,312					
500	---	---	500	497					
Total Grants-in-Aid						223,813	165,313	165,313	
<i>(From General Fund)</i>						223,284	164,784	164,784	
<i>(From Casino Revenue Fund)</i>						529	529	529	
Distribution by Fund and Object									
Grants:									
4,300	---	---	4,300	4,300					
1,033	---	---	1,033	1,033					
---	---	---	---	---					
2,059	---	---	2,059	2,038					
430	---	---	430	430					
308	---	---	308	308					
25	---	---	25	25					
500	---	---	500	497					

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
GRANTS-IN-AID									
6,072	---	1,012	7,084	7,084	02	---	---	---	
3,403	---	---	3,403	3,403	02	5,587	5,587	5,587	
---	9	---	9	---	02	---	---	---	
1,000	---	---	1,000	1,000	02	1,000	---	---	
795	---	---	795	794	02	905	905	905	
490	---	---	490	490	02	538	538	538	
52,946	---	---	52,946	52,946	02	61,487	58,487	58,487	
610	---	---	610	610	02	668	668	668	
1,250	---	---	1,250	1,250	02	1,250	---	---	
5,400	---	---	5,400	5,332	02	5,536	5,536	5,536	
185	---	---	185	185	02	202	202	202	
280	---	---	280	280	02	305	305	305	
250	---	---	250	250	02	250	---	---	
3,000	---	---	6,000	---	02	3,000	---	---	
3,000 ^S	---	---	---	---	02	2,500	2,500	2,500	
---	---	---	---	---	02	2,000	2,000	2,000	
300	---	---	300	300	02	300	---	---	
50	---	---	50	50	02	50	50	50	
---	---	10,000	10,000	9,973	02	26,000	5,000	5,000	
---	---	---	---	---	02	500	---	---	
1,304	---	---	1,304	1,304	03	1,583	1,583	1,583	
1,500	---	---	1,500	1,495	03	1,500	1,500	1,500	
---	---	---	---	---	03	1,500	---	---	
---	---	---	---	---	03	2,500	---	---	
246	---	41	287	198	03	---	---	---	
795	---	---	795	788	03	855	855	855	
424	---	---	424	424	03	457	457	457	
2,500 ^S	15	---	2,515	1,196	03	---	---	---	
1,000	---	---	1,000	1,000	03	---	---	---	
36,000	---	---	42,000	42,000	03	22,250	22,250	22,250	
6,000 ^S	---	---	---	---	03	37,000	13,700	13,700	
---	---	---	3,250	3,250	03	---	---	---	
3,250	---	---	3,250	3,250	03	---	---	---	
345	---	---	345	345	03	---	---	---	
281	---	---	281	281	03	281	281	281	

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Notes -- Grants-In-Aid - General Fund

- (b) Adjusted Appropriation for Cost of Living Adjustment, Family Health Services has been allocated to other accounts.
- (c) Program was previously budgeted in fiscal year 2005 as a State Aid Program.
- (d) Program was previously budgeted in fiscal year 2005 as a Direct State Services Program.
- (e) In addition to the amount recommended in fiscal year 2007, \$35,000,000 is funded from the Health Care Subsidy Fund.
- (f) Program was previously budgeted in fiscal year 2005 as a Direct State Services Program.
- (g) Adjusted Appropriation for Cost of Living Adjustment, AIDS Services has been allocated to other accounts.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal year in the New Jersey Emergency Medical Service Helicopter Response Program account is appropriated.

Notwithstanding the provisions of any other law to the contrary, there is \$150,000 appropriated from the Emergency Medical Technician Training Fund to fund the Emergency Medical Services for Children Program.

Notwithstanding the provisions of any other law to the contrary, there is appropriated from the Emergency Medical Technician Training Fund \$79,000 for Emergency Medical Services and \$125,000 for the First Response EMT Cardiac Training Program.

The amount hereinabove appropriated for the New Jersey State Commission on Cancer Research is charged to the Cancer Research Fund pursuant to section 5 of P.L.1982, c.40 (C.54:40A-37.1).

The unexpended balance at the end of the preceding fiscal year in the New Jersey State Commission on Cancer Research account is appropriated.

Amounts deposited in the New Jersey Breast Cancer Research Fund from the gross income tax check-offs pursuant to the provisions of P.L.1995, c.26 (C.54A:9-25.7 et al.) are appropriated to the New Jersey State Commission on Cancer Research for breast cancer research projects, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Medical Waste Management Program account, together with any receipts received by the Department of Health and Senior Services pursuant to the provisions of the "Comprehensive Regulated Medical Waste Management Act," P.L.1989, c.34 (C.13:1E-48.1 et al.), is appropriated.

Notwithstanding the provisions of the "Worker and Community Right to Know Act," P.L.1983, c.315 (C.34:5A-1 et seq.), the amount hereinabove appropriated for the Worker and Community Right to Know account is payable out of the Worker and Community Right to Know Fund, and the receipts in excess of the amount anticipated, not to exceed \$699,000, are appropriated. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.

Receipts derived from the agency surcharge on vehicle rentals pursuant to section 54 of P.L. 2002, c.34 (C.App.A:9-78), not to exceed \$4,722,000, are appropriated for the Medical Emergency Disaster Preparedness for Bioterrorism program and shall be deposited into a dedicated account, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law to the contrary, the amounts hereinabove appropriated for the two anti-smoking programs (School Based Programs and Youth Anti-Smoking, and Anti-Smoking Programs) shall be charged to the proceeds of the increase in the cigarette tax, established pursuant to P.L. 2002, c.33.

Notwithstanding the provisions of section 4 of P.L. 1997, c.264 (C.26:2H-18.58g), \$11,000,000 is appropriated for anti-smoking programs (School Based Programs and Youth Anti-Smoking, and Anti-Smoking Programs).

In order to permit flexibility in the handling of the various appropriations for anti-tobacco initiative accounts hereinabove, funds may be transferred to and from the following items of appropriations: School Based Programs and Youth Anti-Smoking, and Anti-Smoking Programs. Such transfers are subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

The Director of the Division of Budget and Accounting is empowered to transfer or credit appropriations to the Department of Health and Senior Services for diagnostic laboratory services provided to any other agency or department; provided further, however, that funds have been appropriated or allocated to such agency or department for the purpose of purchasing these services.

Receipts from fees established by the Commissioner of Health and Senior Services for licensing of clinical laboratories, pursuant to P.L.1975, c.166 (C.45:9-42.26 et seq.), and blood banks, pursuant to P.L.1963, c.33 (C.26:2A-2 et seq.), are appropriated.

Receipts from licenses, permits, fines, penalties and fees collected by the Department of Health and Senior Services in Health Services, in excess of those anticipated, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

Of the amounts hereinabove appropriated for Family Planning Services, \$2,000,000 shall be appropriated to the Office of Maternal and Child Health in the Department of Health and Senior Services for family planning.

In addition to the amount hereinabove, receipts from the federal Medicaid (Title XIX) program for handicapped infants are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$1,830,000 is appropriated to the Department of Health and Senior Services from the hospital and other health care initiatives account, established pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62), to fund the Infant Mortality Reduction Program.

Of the amount hereinabove appropriated for Cancer Screening - Early Detection and Education Program, an amount may be transferred to Direct State Services in the Department of Health and Senior Services to cover administrative costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

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There is appropriated \$570,000 from the Alcohol Education, Rehabilitation and Enforcement Fund to fund the Fetal Alcohol Syndrome Program.

Of the amount hereinabove appropriated for the Implementation of Comprehensive Cancer Control Program, an amount may be transferred to Direct State Services in the Department of Health and Senior Services to cover administrative costs of the program and to the corresponding program in Family Health Services in the Department of Health and Senior Services for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

From the amount hereinabove appropriated for the Cancer Institute of New Jersey, \$250,000 shall be provided to the Ovarian Cancer Research Fund.

There are appropriated from the New Jersey Emergency Medical Service Helicopter Response Program Fund, established pursuant to section 2 of P.L.1992, c.87 (C.26:2K-36.1), such sums as are necessary to pay the reasonable and necessary expenses of the operation of the New Jersey Emergency Medical Service Helicopter Response Program, established pursuant to P.L.1986, c.106 (C.26:2K-35 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other laws or regulations to the contrary, in order to maximize prescription drug coverage under Part D of Title XVIII of the Federal Social Security Act, the AIDS Drug Distribution Program (ADDP) shall be designated the authorized representative for the purposes of coordinating benefits with the Medicare Drug Program, including enrollment and appeals of coverage determinations. ADDP is authorized to represent program beneficiaries in the pursuit of such coverage. ADDP representation shall not result in any additional financial liability on behalf of such program beneficiaries and shall include, but need not be limited to, the following actions: application for the premium and cost-sharing subsidies on behalf of eligible program beneficiaries; pursuit of appeals, grievances, or coverage determinations; facilitated enrollment in a prescription drug plan or MA-PD plan. If the beneficiary declines enrollment in any Part D plan, the beneficiary shall be barred from all benefits of the ADDP Program.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations hereinabove to the AIDS Drug Distribution Program (ADDP) is conditioned upon the Department of Health and Senior Services coordinating the benefits of the ADDP program with the prescription drug benefits of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA) as the primary payer due to the current federal prohibition against State automatic enrollment of ADDP recipients in the new federal program. The ADDP benefit and reimbursement shall only be available to cover the beneficiary cost share to in-network pharmacies and for deductible and coverage gap costs (as determined by the Commissioner of the Department of Health and Senior Services) associated with enrollment in Medicare Part D for beneficiaries of the ADDP program, and for Medicare Part D premium costs for ADDP beneficiaries.

Notwithstanding the provisions of any other law or regulation to the contrary, effective January 1, 2006, no funds appropriated in the AIDS Drug Distribution Program (ADDP) account, shall be available as payment as an ADDP benefit to any pharmacy that is not enrolled as a participating pharmacy in a pharmacy network under federal Medicare Part D.

Commencing with the start of the fiscal year, and consistent with the requirements of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA) and the current federal prohibition against State automatic enrollment of AIDS Drug Distribution Program (ADDP) recipients, no funds hereinabove appropriated from the ADDP account shall be expended for any individual enrolled in the ADDP program unless the individual provides all data that may be necessary to enroll the individual in the federal Medicare Part D drug program, including data required for the subsidy assistance, as outlined by the Centers for Medicare and Medicaid Services.

Notwithstanding any other law to the contrary, the amount hereinabove appropriated for the AIDS Drug Distribution Program (ADDP) is subject to the following condition: the copayment in the ADDP program shall be \$2.00.

In order to permit flexibility in the handling of appropriations, amounts may be transferred to and from the various items of appropriation within the AIDS Services program classification in the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

From the amount appropriated hereinabove for Cancer Research, \$13,700,000 shall be allocated as follows: Cancer Institute of New Jersey, Newark, \$4,650,675; Cancer Institute of New Jersey, South Jersey, \$3,405,675; Robert Wood Johnson University Hospital, New Brunswick, \$3,051,675; St. Barnabas Medical Center, \$1,000,000; The Cancer Center at Hackensack University Medical Center, \$808,853; Garden State Cancer Center, \$783,122.

Language Recommendations -- State Aid - General Fund

The capitation for Public Health Priority Funding is set not to exceed \$.40 for the current fiscal year for the purposes prescribed in P.L.1966, c.36 (C.26:2F-1 et seq.).

Notwithstanding any provision of law to the contrary, the amount hereinabove appropriated for the Public Health Priority Funding shall not be allocated to county health departments.

20. PHYSICAL AND MENTAL HEALTH 22. HEALTH PLANNING AND EVALUATION

OBJECTIVES

1. To ensure high quality health care accessible to all New Jerseyans, in a safe environment, utilizing the appropriate level of health care facilities, at reasonable costs; to enhance

the Department's response to consumer complaints and to conduct on-site visits at all health care facilities against which a complaint has been filed; to ensure that all new applications for licensure are capable of providing high quality care to the

ill, the aging, and the vulnerable elderly and young; to continue development and implementation of improved licensure regulations for health care delivery; to monitor the quality of health care personnel training programs and to ensure an adequate number of certified personnel capable of providing quality care; and to increase consumer and professional awareness of the quality of care at New Jersey's licensed health care facilities.

2. To coordinate the development of public health and regulatory databases and the publication of health services research.
3. To administer a Certificate of Need program for certain types of health care facilities/services in order to assure access to needed health care services that are of high quality, and to administer a comprehensive licensure and inspection program to assure quality of services in licensed health care facilities.
4. Allocate health care subsidy funds for hospitals and other health care initiatives; review and analyze issues related to health care financing.
5. To develop Medicaid reimbursement policies and procedures to refine the system in response to changes in the health care environment.
6. To develop analytical data on key hospital quality and outcome measures for dissemination to the public.

PROGRAM CLASSIFICATIONS

06. **Long Term Care Systems.** Conducts on-site inspections and licenses nursing homes, residential health care facilities,

assisted living residences, comprehensive personal care homes, alternate family care and medical day care; maintains a survey and certification program for nursing homes; investigates complaints received from consumers and other State and federal agencies; develops new and revises existing licensing standards; licenses nursing home administrators, certifies nurse aides in long term care facilities, including criminal background checks and training programs; and provides consumers and professionals with information. The mission is to ensure that New Jersey citizens receive quality health care at appropriate levels of care in the regulated facilities under the Division's purview. Emphasis is placed on senior services.

07. **Health Care Systems Analysis.** Contributes to the development of the State Health Plan; administers the Certificate of Need program; evaluates and controls capital expenditures for health facilities; establishes and maintains uniform health facility reporting systems; establishment of a subsidized health benefits program for workers and the temporarily unemployed; allocation of health care subsidy funds for hospitals and other health care initiatives; review and analysis of other issues related to health care financing; relates to other agencies in the State and federal government that are affected by the planning and reimbursement system; and the administration and development of analytical data, which includes data on all vital health events to determine the health status of New Jerseyans.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Long Term Care Systems				
Licensed health care facilities	883	873	766	800
Licensed nursing home administrators	1,050	1,100	925	975
Total licenses issued	991	986	936	1,000
Number of beds licensed	84,783	84,819	82,186	84,000
Total inspections	3,627	3,800	3,000	3,400
Total federally certified licensed facilities	9	9	9	9
Total federally certified licensed beds	3,646	3,627	3,665	3,665
Administrative actions/penalties	95	105	125	135
Federal Enforcement Actions	1,352	1,500	1,500	1,500
Nurse Aide applications processed	22,800	25,000	28,000	29,000
Health Care Systems Analysis				
Inspections of Acute Care facilities	621	728	1,680	2,104
Complaints investigations	815	1,028	2,087	2,713
Hospital charity care audits	340	328	232	328
Certificate of Need applications processed	160	60	60	60
Collection and analysis of hospital cost, financial, and utilization data				
By patient	3,000,000	4,500,000	4,100,000	4,200,000
By hospital	79	83	83	82
Acute Health Care facilities licensed	975	1,000	1,000	1,060
Acute Health Care facilities license applications processed	1,220	1,350	1,400	1,500
Acute Health Care facilities enforcement actions/penalties	37	40	40	40
Hospital Performance Report - Distribution	12,000	24,000	20,000	20,000
Cardiac Surgery Report - Consumer	2,000	500	500	500

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	84	82	89	68
Federal	92	97	98	108
All Other	120	120	103	108
Total Positions	296	299	290	284
Filled Positions by Program Class				
Long Term Care Systems Development & Quality Assurance	144	143	146	151
Health Care Systems Analysis	152	156	144	133
Total Positions (a)	296	299	290	284

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

(a) Per Executive Reorganization Plan No. 005-2005, the total positions listed for fiscal year 2007 reflect the transfer of 21 Managed Care positions to the Department of Banking and Insurance.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
2,949	2,582	-751	4,780	4,724	06	3,749	3,549	3,549
2,125	5,790	-4,890	3,025	2,826	07	125	4,895	4,895
5,074	8,372	-5,641	7,805	7,550		3,874	8,444	8,444
Distribution by Fund and Object								
Personal Services:								
3,787	5,790 ^R	-3,059	6,518	6,313		1,787	6,026	6,026
Salaries and Wages								
3,787	5,790	-3,059	6,518	6,313		1,787	6,026	6,026
Total Personal Services								
60	---	-10	50	21		60	96	96
Materials and Supplies								
179	---	10	189	185		179	506	506
Services Other Than Personal								
69	---	---	69	53		69	200	200
Maintenance and Fixed Charges								
Special Purpose:								
---	2,582 ^R	-2,582	---	---	06	---	---	---
979	---	---	979	978				
Long Term Care Systems								
Nursing Home Background Checks/Nursing Aide Certification Program								
---	---	---	---	---	06	1,179	979	979
Implement Patient Safety Act								
---	---	---	---	---	06	600	600	600
Additions, Improvements and Equipment								
---	---	---	---	---		---	37	37

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Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom-mended	
GRANTS-IN-AID									
Distribution by Fund and Program									
339,025	---	---	339,025	338,925	Health Care Systems Analysis	07	110,425	369,462	369,462
<u>339,025</u>	<u>---</u>	<u>---</u>	<u>339,025</u>	<u>338,925</u>	Total Grants-in-Aid		<u>110,425</u>	<u>369,462</u>	<u>369,462</u>
Distribution by Fund and Object									
Grants:									
280,725					Health Care Subsidy Fund				
28,300 ^S	---	10,000	319,025	319,025	Payments	07	44,725	369,462	369,462
20,000	---	---	20,000	19,900	Hospital Assistance Grants	07	65,200	---	---
---	---	---	---	---	Atlantic Health Care - Patient ID System	07	500	---	---
<u>10,000</u>	<u>---</u>	<u>-10,000</u>	<u>---</u>	<u>---</u>	Federally Qualified Health Centers - Services to Family Care Clients ^(a)	07	---	---	---
<u>344,099</u>	<u>8,372</u>	<u>-5,641</u>	<u>346,830</u>	<u>346,475</u>	Grand Total State Appropriation		<u>114,299</u>	<u>377,906</u>	<u>377,906</u>
OTHER RELATED APPROPRIATIONS									
Federal Funds									
15,672	2,560	---	18,232	7,780	Long Term Care Systems	06	16,826	16,872	16,872
<u>72,439</u>	<u>260</u>	<u>605</u>	<u>73,304</u>	<u>69,682</u>	Health Care Systems Analysis	07	<u>71,062</u>	<u>72,262</u>	<u>72,262</u>
<u>88,111</u>	<u>2,820</u>	<u>605</u>	<u>91,536</u>	<u>77,462</u>	Total Federal Funds		<u>87,888</u>	<u>89,134</u>	<u>89,134</u>
All Other Funds									
---	1,517	---	1,887	---	Long Term Care Systems	06	117	117	117
---	370 ^R	---			Health Care Systems Analysis	07	40,336	47,537	47,537
---	13,704	-16,210	23,636	14,861	Total All Other Funds		<u>40,453</u>	<u>47,654</u>	<u>47,654</u>
<u>---</u>	<u>41,733</u>	<u>-16,210</u>	<u>25,523</u>	<u>14,861</u>	GRAND TOTAL ALL FUNDS		<u>242,640</u>	<u>514,694</u>	<u>514,694</u>
<u>432,210</u>	<u>52,925</u>	<u>-21,246</u>	<u>463,889</u>	<u>438,798</u>					

Notes -- Grants-In-Aid - General Fund

(a) In fiscal years 2005 and 2006, the Federally Qualified Health Centers - Services to Family Care Clients program appropriation has been moved to the Health Services section of the Department of Health and Senior Services.

Language Recommendations -- Direct State Services - General Fund

Receipts from licenses, permits, fines, penalties and fees collected by the Department of Health and Senior Services in Health Planning and Evaluation, in excess of those anticipated, are appropriated subject to a plan approved by the Director of the Division of Budget and Accounting.

Available funds are appropriated to the Health Care Facilities Improvement Fund to provide available resources in an emergency situation at a health care facility, as defined by the Commissioner of Health and Senior Services, or for closure of a health care facility, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from fees charged for processing Certificate of Need applications and the unexpended balances at the end of the preceding fiscal year of such receipts are appropriated for the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Implement Patient Safety Act account is appropriated.

Language Recommendations -- Grants-In-Aid - General Fund

There are appropriated such sums as are necessary to pay prior-year obligations of programs within the Health Care Subsidy Fund, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, \$6,000,000 of the amount hereinabove for the Health Care Subsidy Fund Payments account is appropriated from the Admission Charge Hospital Assessment revenue item.

Notwithstanding the provisions of any law to the contrary, the amounts hereinabove appropriated for Health Care Subsidy Fund Payments shall be charged to the revenues derived from the \$0.35 increase in the cigarette tax rate imposed pursuant to P.L.2004, c.67.

Notwithstanding any law to the contrary, all revenues collected from the tax on cosmetic medical procedures enacted by P.L. 2004, c.53 (C.54:32E-1) shall be deposited in the Health Care Subsidy Fund established pursuant to section 8 of P.L. 1992, c.160 (C.26:2H-18.58).

Notwithstanding any provision of law to the contrary, the appropriation for Health Care Subsidy Fund Payments shall be conditioned upon the following provision: in fiscal year 2007 Charity Care subsidy payments to hospitals shall be in the same amounts as indicated on

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the schedule attached to the Department of Health and Senior Services August 5, 2005 notice to hospitals of the fiscal year 2006 charity care subsidy allocation, except that: (a) these payments, whether alone or in combination with other federal Medicaid Disproportionate Share Hospital payments, shall not cause an individual hospital to exceed in fiscal year 2007 its federal Medicaid Disproportionate Share Hospital upper payment limit; and (b) any reductions of individual hospitals' subsidy payments in accordance with paragraph shall be aggregated and distributed on a pro-rated basis to the other hospitals, so long as such distribution does not cause an individual hospital to exceed in fiscal year 2007 its federal Medicaid Disproportionate Share Hospital upper payment limit; and (c) with respect to charity care subsidies allocated to hospitals that closed prior to June 1, 2006, those subsidies shall be reallocated in the same amounts and to the same hospitals as in SFY 2006, except that the Irvington General Hospital subsidy to be reallocated shall equal the total charity care subsidy allocated to Irvington General Hospital in SFY 06.

In addition to the amounts hereinabove appropriated, \$1,000,000 is appropriated to the Health Care Subsidy Fund Payments account, from the hospital and other health care initiatives account, established pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62).

Of the amounts hereinabove appropriated for Health Care Subsidy Fund Payments, \$5,000,000 shall be appropriated to the NJ FamilyCare program in the Department of Human Services to provide health care for uninsured children.

20. PHYSICAL AND MENTAL HEALTH 25. HEALTH ADMINISTRATION

OBJECTIVES

1. To execute legislative mandates and to assure the health and well-being of the citizens in New Jersey through the development of responsive public health policy and the provision of appropriate public health programs.
2. To plan, develop, and maintain financial, human resource, information processing and managerial support services which will ensure the delivery of effective and efficient public health programs.

PROGRAM CLASSIFICATIONS

99. **Administration and Support Services.** The Commissioner and staff (C.26:1A-13 et seq.) provide Department-wide support in policy and planning development, legal services, legislative services, public information, program evaluation; the Office of Minority Health; and a full range of centralized support services to the operating divisions including:

Financial and General Services-Prepares Department budgets; ensures the meeting of financial requirements for all federal, State and private grants; maintains Department financial records in accordance with legal requirements and generally accepted accounting principles; supervises Department auditing, procurement and grant processes and provides technical financial guidance to the Department and its grantees. Warehousing, printing, facilities, and mail handling are also provided.

Management and Information Services-Develops and maintains electronic data processing services for the Department; ensures the collection, storage and retrieval of data in a uniform, centralized system; provides systems analysis, design and implementation.

Human Resource Services-Provides personnel management and development, labor relations and affirmative action services for the Department.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	157	178	181	183
Male Minority %	7.3	8.1	8.1	8.2
Female Minority	564	597	608	612
Female Minority %	26.4	27.0	27.2	27.3
Total Minority	721	775	789	795
Total Minority %	33.7	35.1	35.2	35.5
Position Data				
Filled Positions by Funding Source				
State Supported	101	99	90	67
Federal	3	17	15	19
All Other	155	128	126	134
Total Positions	259	244	231	220
Filled Positions by Program Class				
Administration and Support Services	259	244	231	220
Total Positions	259	244	231	220

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

HEALTH AND SENIOR SERVICES

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
4,688	20	4,529	9,237	9,170	Administration and Support Services	99	5,238	3,767	3,767
4,688	20	4,529	9,237	9,170	Total Direct State Services		5,238 (a)	3,767	3,767
Distribution by Fund and Object									
Personal Services:									
2,468	20 ^R	3,911	6,399	6,337	Salaries and Wages		3,018	1,547	1,547
2,468	20	3,911	6,399	6,337	Total Personal Services		3,018	1,547	1,547
49	---	---	49	49	Materials and Supplies		49	49	49
587	---	618	1,205	1,205	Services Other Than Personal		587	587	587
Special Purpose:									
1,500	---	---	1,500	1,495	Office of Minority and Multicultural Health	99	1,500	1,500	1,500
84	---	---	84	84	Affirmative Action and Equal Employment Opportunity	99	84	84	84
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	11	---	11	---	Administration and Support Services	99	---	---	---
---	11	---	11	---	Total Capital Construction		---	---	---
Distribution by Fund and Object									
Division of Management and Administration									
---	1	---	1	---	Information Processing Network - Infrastructure Upgrade	99	---	---	---
---	3	---	3	---	Infrastructure Network	99	---	---	---
---	7	---	7	---	"E" Public Health	99	---	---	---
4,688	31	4,529	9,248	9,170	Grand Total State Appropriation		5,238	3,767	3,767
OTHER RELATED APPROPRIATIONS									
Federal Funds									
4,717	1,436	-366	5,787	2,866	Administration and Support Services	99	4,717	4,708	4,708
4,717	1,436	-366	5,787	2,866	Total Federal Funds		4,717	4,708	4,708
All Other Funds									
---	5,900 1,514 ^R	2,507	9,921	5,301	Administration and Support Services	99	1,300	1,300	1,300
---	7,414	2,507	9,921	5,301	Total All Other Funds		1,300	1,300	1,300
9,405	8,881	6,670	24,956	17,337	GRAND TOTAL ALL FUNDS		11,255	9,775	9,775

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

HEALTH AND SENIOR SERVICES

20. PHYSICAL AND MENTAL HEALTH

26. SENIOR SERVICES

OBJECTIVES

1. To provide a variety of medical and health services to individuals in their own homes to avoid unnecessary institutional placement.
2. To provide prescription drugs, insulin and insulin syringes for state residents qualifying for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Senior Gold programs (C.30:4D-21 et seq.).
3. To promote and encourage advocacy for the aging population at the federal, State, county and municipal levels in order to ensure that the elderly will not be deprived of their rights, privileges, entitlements or benefits.
4. To promote, advocate and insure, as a whole and in particular cases, the adequacy of the care received, and the quality of life experienced, by elderly patients, residents and clients of institutional facilities within this state.
5. To assure through the County Offices on Aging that congregate and in-home nutrition services are provided on a daily basis to residents aged 60 years and older with emphasis on those in greatest need.
6. To continue to serve as an effective and visible advocate for the elderly through programs for the aging.
7. To provide assistance to elderly citizens who have been found by the court to need a guardian or conservator and to administer those services in order to provide a better quality of life for each individual represented.
8. To set nursing facility Medicaid reimbursement through the rate setting process.

care services are also provided to persons previously ineligible because of income limits.

24. **Pharmaceutical Assistance to the Aged and Disabled (PAAD).** The Pharmaceutical Assistance to the Aged (PAA) Program provides prescription drug benefits to persons over 65 years of age with an income of up to \$9,000 if single or \$12,000 if married. Eligible individuals above these income limits and the disabled are funded from the Casino Revenue Fund through the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program, which provides prescription drug benefits to persons over 65 years of age, or disabled as defined by the Federal Social Security Act, with an income of up to \$21,850 if single or \$26,791 if married. The Senior Gold program provides prescription drug benefits to everyone over 65 years of age or receiving Social Security Disability benefits, whose annual income is \$10,000 above the applicable PAAD income eligibility limits for single and married persons, which amount is to be determined on the same basis as income is determined for the purpose for eligibility for PAAD.

55. **Programs for the Aged.** The Division of Senior Affairs (C.52:27D-28.1) supports programs which improve the quality of life for New Jersey's older citizens through technical assistance and grants to local entities. Funded programs include congregate and home delivered meals, informational assistance, outreach, personal care, legal services, transportation, telephone reassurance, housekeeping and chore services, and case management. These programs are financed with both State and federal funds. The 21 County Offices on Aging are also supported with State aid.

57. **Office of the Public Guardian.** The Public Guardian (C.52:27G-20 et seq.) provides guardianship services for elderly adults who have been deemed by the courts to be in need of a guardian or conservator. Services include legal assistance, individualized social service plans, investigations into family/social history, and financial management, dependent on the client's personal needs.

PROGRAM CLASSIFICATIONS

22. **Medical Services for the Aged.** Supports medically related services to eligible elderly and disabled individuals including community-based services to clients who would normally be eligible for Medicaid coverage only in an institution. Rebates for hearing aids purchased are provided to persons eligible for Pharmaceutical Assistance to the Aged and Disabled. Home

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Medical Services for the Aged				
Nursing Home Services:				
Per diem	\$131.67	\$155.06	\$157.23	\$162.18
Patient days	10,645,163	10,665,698	10,680,084	10,480,084
Gross annual cost (a)	\$1,401,648,612	\$1,653,825,228	\$1,679,200,000	\$1,699,700,000
Medical Day Care Services				
Per diem	\$73.01	\$78.60	\$83.06	\$89.16
Total days	1,513,416	1,681,341	1,942,044	2,015,562
Gross annual cost	\$110,499,536	\$132,146,633	\$161,297,502	\$179,702,000
Community Care Programs:				
Community Care Program for the Elderly and Disabled clients served	5,200	5,200	5,200	5,200
Community Care Program for the Elderly and Disabled amount expended	\$ 56,257,208 ^(b)	\$ 57,780,159 ^(b)	\$ 58,605,778 ^(b)	\$ 60,716,000
Assisted Living/ Alternative Family Care Clients served	2,450	3,200	3,575	3,575

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Pharmaceutical Assistance to the Aged and Disabled				
Pharmaceutical Assistance to the Aged (PAA) Only:				
Average monthly eligibles	16,657	15,023	14,105	13,843
Average monthly prescriptions per eligible	2.47	2.60	2.62	2.65
Annual prescriptions	493,713	469,130	443,461	440,210
Cost per prescription (excludes co-payment)	\$65.88	\$48.18	\$67.28	\$71.04
Gross Cost PAA Program	\$32,527,859	\$22,604,189	\$29,835,000	\$29,835,000
Recoveries (c)	---	---	---	---
Annual Cost	\$32,527,859	\$22,604,189	\$29,835,000	\$29,835,000
Pharmaceutical Assistance to the Aged & Disabled (PAAD) Only:				
Aged				
Average monthly eligibles	148,349	148,280	147,508	146,790
Average monthly prescriptions per eligible	3.08	3.30	3.37	2.45
Annual prescriptions	5,477,045	5,838,243	5,965,224	4,315,626
Cost per prescription (excludes co-payment)	\$71.07	\$66.45	\$66.47	\$71.04
Gross Cost PAAD Program (Aged only)	\$389,266,584	\$387,922,270	\$396,487,454	\$306,583,853
Recoveries (c)	(\$5,638,260)	(\$12,058,310)	(\$6,857,250)	(\$838,634)
PAAD manufacturers' rebates (c)	(\$95,940,109)	(\$107,673,783)	(\$146,250,000)	(\$11,181,968)
Net Annual Cost	\$287,648,215	\$268,190,176	\$243,380,204	\$294,563,250
Disabled				
Average monthly eligibles	27,902	28,274	28,921	29,583
Average monthly prescriptions per eligible	3.99	3.94	3.98	2.88
Annual prescriptions	1,334,832	1,396,133	1,381,267	1,022,382
Cost per prescription (excludes co-payment)	\$97.20	\$92.62	\$95.68	\$99.96
Gross Cost PAAD Program (Disabled only)	\$129,742,195	\$129,307,423	\$132,162,485	\$102,194,618
Recoveries (c)	(\$1,879,420)	(\$4,019,437)	(\$2,285,750)	(\$279,545)
PAAD manufacturers' rebates (c)	(\$31,980,036)	(\$35,891,261)	(\$48,750,000)	(\$3,727,323)
Net Annual Cost	\$95,882,738	\$89,396,725	\$81,126,735	\$98,187,750
Total General Fund	\$161,411,859	\$71,186,073	\$49,943,938	\$151,511,000
Total Casino Revenue Fund	\$254,646,953	\$309,005,018	\$304,398,000	\$271,075,000
Senior Gold				
Aged				
Average monthly eligibles	28,257	28,591	28,750	28,910
Average monthly prescriptions per eligible	2.08	2.09	2.11	2.16
Annual prescriptions	705,295	734,710	741,218	747,783
Cost per prescription (excludes cost sharing)	\$27.13	\$29.39	\$31.48	\$33.80
Gross Cost Senior Gold Program (Aged only)	\$19,135,019	\$21,596,430	\$23,331,189	\$25,274,550
Senior Gold manufacturers' rebates	(\$4,028,510)	(\$5,677,173)	(\$6,000,000)	(\$6,500,000)
Net Annual Cost	\$15,106,509	\$15,919,257	\$17,331,189	\$18,774,550
Disabled				
Average monthly eligibles	1,461	1,672	1,839	2,023
Average monthly prescriptions per eligible	2.34	2.30	2.25	2.18
Annual prescriptions	41,025	46,080	49,653	52,962
Cost per prescription (excludes cost sharing)	\$38.00	\$42.70	\$43.14	\$43.81
Gross Cost Senior Gold Program (Disabled only)	\$1,558,839	\$1,967,549	\$2,142,057	\$2,320,450
Net Annual Cost	\$1,558,839	\$1,967,549	\$2,142,057	\$2,320,450
Total General Fund (e)	\$16,665,348	\$17,886,805	\$19,473,246	\$21,095,000

HEALTH AND SENIOR SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Programs for the Aged				
Services and Service Units Provided:				
Congregate meals service	2,046,365	2,033,193	2,034,000	2,034,000
Home delivered meals service	3,728,549	3,721,850	3,722,000	3,722,000
Transportation service	990,346	890,825	891,000	891,000
Information and referral service	378,094	256,573	357,000	357,000
Telephone reassurance service	263,542	290,969	291,000	291,000
Outreach service	89,097	75,370	76,000	76,000
Personal care service	992,075	815,884	816,000	816,000
Legal service	26,161	23,114	24,000	24,000
Housekeeping and chore services	488,684	418,277	419,000	419,000
Education and training services	17,936	32,798	33,000	33,000
Case management service	210,890	192,030	193,000	193,000
Physical health services	65,637	89,103	90,000	90,000
Congregate Housing Services Program				
Persons served	2,916	2,747	3,000	4,200
Site locations	70	60	62	78
Adult Protective Services				
Persons served	4,621	4,787	4,800	4,800
Health Insurance Counseling				
Clients served	90,980	134,000	175,000	175,000
Security Housing and Transportation				
Clients served	7,083	6,527	6,600	6,600
Gerontology Services				
Geriatric Patients Served	3,004	3,514	3,500	3,500
Alzheimer's Day Care Units Provided	55,700	58,843	61,800	61,700
Persons Trained in Gerontology	4,402	4,803	4,800	4,800
Caregivers Receiving Respite Care	3,964	2,500	2,500	2,500
Office of the Public Guardian				
Office of the Public Guardian				
Number of inquiries	539	609	625	719
Number of cases handled	1,796	2,022	2,282	2,581
Number of court-appointed cases	182	259	260	299

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	282	297	286	293
Federal	114	121	168	172
All Other	25	28	28	27
Total Positions	421	446	482	492

Filled Positions by Program Class

Medical Services for the Aged	172	194	195	202
Pharmaceutical Assistance to the Aged & Disabled	146	147	183	184
Lifeline	22	21	20	20
Programs for the Aged	53	49	47	53
Office of the Public Guardian	28	35	37	33
Total Positions	421	446	482	492

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March.

The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

The actual fiscal year 2004 amount has been restated to reflect accurate accounts.

The appropriation and evaluation data for the Lifeline Credits and Tenants Assistance Rebates Programs have been adjusted for all fiscal years to reflect the transfer of these programs to the Board of Public Utilities (BPU), in accordance with a Memorandum of Understanding (MOU) between the BPU and the Department of Health and Senior Services (DHSS). The administrative portion of Lifeline will remain in the Department of Health and Senior Services.

- (a) Includes expenses for Medicaid High Occupancy, federal Peer Grouping, and SOBRA funded in the General Fund.
- (b) Includes resources from the Casino Revenue Fund, Grants-in-Aid, the Health Care Subsidy Fund, and matching federal funds.
- (c) Rebates and recoveries earned by all portions of the PAA/PAAD program; rebates are applied to the PAAD program only.

HEALTH AND SENIOR SERVICES

- (d) Definition was changed to standardize reporting by Adult Protective Services agencies.
 (e) Excludes \$3,850,000 appropriated for administration.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
5,733	71	3,407	9,211	9,107				
8,560	568	4,701	13,829	11,034	22	6,193	6,193	6,193
---	---	---	---	1	24	3,751	8,606	8,606
---	---	---	---	1	28	---	---	---
1,333	31	460	1,824	1,765	55	1,333	1,333	1,333
462	---	332	794	786		462	462	462
871	31	128	1,030	979		871	871	871
681	---	---	681	679	57	850	850	850
16,307	670	8,568	25,545	22,586		12,127	16,982	16,982
15,436	639	8,440	24,515	21,607		11,256	16,111	16,111
871	31	128	1,030	979		871	871	871
Distribution by Fund and Object								
Personal Services:								
8,649	---	-591	8,058	7,449		5,549		
---	---	---	---	198		95 ^S	9,505	9,505
796	---	---	796	598		658	658	658
---	---	---	---	198		138	138	138
9,445	---	-591	8,854	8,245		6,440	10,301	10,301
8,649	---	-591	8,058	7,449		5,644	9,505	9,505
796	---	---	796	796		796	796	796
163	70	-159	74	72		163	163	163
14	---	---	14	14		14	14	14
1,145	---	1,421	2,566	2,561		1,145	2,139	2,139
47	---	128	175	169		47	47	47
437	---	-113	324	321		437	437	437
2	---	---	2	---		2	2	2
Special Purpose:								
737	---	---	737	737		737	737	737
---	---	3,700	3,700	3,606	22	737	737	737
---	---	---	---	---	22	---	---	---
4,134	568	---	4,702	3,515	24	2,959	2,959	2,959
---	---	3,850	3,850	2,848	24	---	---	---
---	---	332	332	331	55	---	---	---
143	---	---	143	143	55	143	143	143
28	1	---	29	24		28	28	28
12	31	---	43	---		12	12	12
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
852,241	3,292	-3,954	851,579	846,121	22	852,199	848,597	848,597
823,780	3,292	-3,954	823,118	817,787		821,668	817,968	817,968
28,461	---	---	28,461	28,334		30,531	30,629	30,629
439,150	165,042	-3,850	600,342	547,320	24	409,493	447,531	447,531

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
130,064	21,477	-3,850	147,691	94,750		105,095	176,456	176,456	
309,086	143,565	---	452,651	452,570		304,398	271,075	271,075	
30,939	---	-309	30,630	30,233	Programs for the Aged	29,058	28,209	28,209	
16,577	---	-181	16,396	15,999	(From General Fund)	14,174	13,532	13,532	
14,362	---	-128	14,234	14,234	(From Casino Revenue Fund)	14,884	14,677	14,677	
1,322,330	168,334	-8,113	1,482,551	1,423,674	Total Grants-in-Aid	1,290,750	1,324,337	1,324,337	
970,421	24,769	-7,985	987,205	928,536	(From General Fund)	940,937	1,007,956	1,007,956	
351,909	143,565	-128	495,346	495,138	(From Casino Revenue Fund)	349,813	316,381	316,381	
Distribution by Fund and Object									
Grants:									
23,540	---	-2,740	20,800	20,767	Assisted Living Program	22	23,540	23,540	23,540
1,000 ^S	---	-133	867	867	Community Care Alternatives	22	---	---	---
28,026	---	---	28,026	28,025	Community Care Alternatives (CRF)	22	30,141	30,358	30,358
---	---	---	---	---	Global Budget Long Term Care Initiative	22	15,000	15,000	15,000
680,917					Payments for Medical Assistance Recipients - Nursing Homes ^(a)	22	648,000	660,700	660,700
22,000 ^S	3,292	4,115	710,324	705,038			28,500 ^S		
48,446	---	-246	67,200	67,200	Medical Day Care Services	22	73,751	89,851	89,851
19,000 ^S	---	---	---	---	Medicaid High Occupancy - Nursing Homes	22	4,000 ^S	9,000	9,000
9,000	---	---	9,000	9,000	ElderCare Initiatives	22	19,877	19,877	19,877
19,877	---	-4,950	14,927	14,915	Home Care Expansion (CRF)	22	190	71	71
235	---	---	235	190	Hearing Aid Assistance for the Aged and Disabled (CRF)	22	200	200	200
200	---	---	200	119	Pharmaceutical Assistance to the Aged - Claims	24	29,835	29,835	29,835
29,835	---	-4,500	25,335	22,604	Pharmaceutical Assistance to the Aged and Disabled - Claims ^(b)	24	51,238	121,676	121,676
100,238	15,800	4,500	95,582	48,582	Pharmaceutical Assistance to the Aged and Disabled - Claims (CRF) ^(c)	24	304,398	271,075	271,075
-24,956 ^S					Senior Gold Prescription Assistance Program	24	24,022	24,945	24,945
284,130					Arthritis Quality of Life Initiative Act	55	642	---	---
24,956 ^S	143,565 ^R	---	452,651	452,570	Purchase of Social Services	55	9,296	9,296	9,296
24,947	5,677 ^R	-3,850	26,774	23,564	ElderCare Advisory Commission Initiatives	55	2,500	2,500	2,500
620	---	---	620	619	Cost-of-Living Adjustment, Senior Services	55	---	---	---
8,673	---	---	8,673	8,673	Alzheimer's Disease Program	55	831	831	831
2,500	---	-332	2,168	2,168	Demonstration Adult Day Care Center Program - Alzheimer's Disease (CRF)	55	2,724	2,724	2,724
1,164	---	151	1,315	919	Adult Protective Services	55	905	905	905
775	---	---	775	775	Adult Protective Services (CRF)	55	1,842	1,842	1,842
2,632	---	-50	2,582	2,582	Senior Citizen Housing-Safe Housing and Transportation (CRF)	55	---	---	---
845	---	---	845	845	Senior Citizen Housing-Safe Housing and Transportation (CRF)	55	1,726	1,726	1,726
1,780	---	-78	1,702	1,702	Respite Care for the Elderly (CRF)	55	5,566	5,359	5,359
2,000	---	---	2,000	2,000			---	---	---
1,668	---	---	1,668	1,668			---	---	---
5,359	---	---	5,359	5,359			---	---	---

HEALTH AND SENIOR SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
1,938	---	---	1,938	1,938	Congregate Housing Support Services (CRF)	55	2,006	2,006	2,006
985	---	---	985	985	Home Delivered Meals Expansion (CRF)	55	1,020	1,020	1,020
STATE AID									
Distribution by Fund and Program									
7,108	---	---	7,108	7,108	Programs for the Aged	55	7,152	7,152	7,152
<u>7,108</u>	<u>---</u>	<u>---</u>	<u>7,108</u>	<u>7,108</u>	Total State Aid		<u>7,152</u>	<u>7,152</u>	<u>7,152</u>
Distribution by Fund and Object									
State Aid:									
2,832	---	---	2,832	2,832	County Offices on Aging	55	2,498	2,498	2,498
4,276	---	---	4,276	4,276	Older Americans Act-State Share	55	4,654	4,654	4,654
<u>1,345,745</u>	<u>169,004</u>	<u>455</u>	<u>1,515,204</u>	<u>1,453,368</u>	Grand Total State Appropriation		<u>1,310,029</u>	<u>1,348,471</u>	<u>1,348,471</u>
OTHER RELATED APPROPRIATIONS									
Federal Funds									
924,800					Medical Services for the Aged	22	1,119,516	1,136,333	1,136,333
158,000 ^S	-7,476	-605	1,074,719	979,096	Pharmaceutical Assistance to the Aged and Disabled	24	11,366	3,842	3,842
90,994					Programs for the Aged	55	45,432	47,170	47,170
2,842 ^S	---	---	93,836	3,740	Office of the Public Guardian	57	801	951	951
44,472					Total Federal Funds		<u>1,177,115</u>	<u>1,188,296</u>	<u>1,188,296</u>
609 ^S	2,646	15	47,742	40,832					
801	---	---	801	631					
<u>1,222,518</u>	<u>-4,830</u>	<u>-590</u>	<u>1,217,098</u>	<u>1,024,299</u>					
All Other Funds									
---	135,374 ^R	---	135,374	83,366	Medical Services for the Aged	22	135,374	135,374	135,374
---	184	---	321	89	Programs for the Aged	55	300	150	150
---	137 ^R	---	789	789	Office of the Public Guardian	57	600	800	800
---	8	---	<u>136,484</u>	<u>84,244</u>	Total All Other Funds		<u>136,274</u>	<u>136,324</u>	<u>136,324</u>
---	781 ^R	---	<u>2,568,263</u>	<u>2,561,911</u>	GRAND TOTAL ALL FUNDS		<u>2,623,418</u>	<u>2,673,091</u>	<u>2,673,091</u>
---	<u>136,484</u>	---					<u>2,623,418</u>	<u>2,673,091</u>	<u>2,673,091</u>
<u>2,568,263</u>	<u>300,658</u>	<u>-135</u>	<u>2,868,786</u>	<u>2,561,911</u>			<u>2,623,418</u>	<u>2,673,091</u>	<u>2,673,091</u>

Notes -- Grants-In-Aid - General Fund

- (a) The fiscal 2005 actual amount reflects an \$18,000,000 federal revenue maximization offset for the Enhanced Peer Grouping initiative. The fiscal 2006 adjusted appropriation amount and the fiscal 2007 recommended and requested amount reflects an \$18,000,000 offset for a new federal initiative.
- (b) Amounts represent partial costs of the Pharmaceutical Assistance to the Aged and Disabled program. The remainder is funded by the Casino Revenue Fund.

Notes -- Grants-In-Aid - Casino Revenue Fund

- (c) In fiscal 2005, \$75,282,000 has been shifted to the General Fund due to insufficient resources in the Casino Revenue Fund. In fiscal 2006, \$51,238,000 has been shifted to the General Fund.
- The Department of the Public Advocate was created in fiscal year 2006 pursuant to P.L. 2005, c.155. For comparison purposes, appropriations in fiscal years 2005 and 2006 for salary and other operating costs were transferred from the following departments: Corrections Ombudsperson in the Department of Corrections; Office of the Ombudsman in the Department of Health and Senior Services; Child Advocate Agency in-but-not-of the Department of Law and Public Safety; and the Ratepayer Advocacy, Dispute Settlement and Mental Health Screening Services in the Department of Treasury.

Language Recommendations -- Direct State Services - General Fund

When any action by a county welfare agency, whether alone or in combination with the Division of Medical Assistance and Health Services in the Department of Human Services or the Department of Health and Senior Services, results in a recovery of improperly granted medical assistance, the Division of Medical Assistance and Health Services or the Department of Health and Senior Services may reimburse the county welfare agency in the amount of 25% of the gross recovery.

Notwithstanding the provisions of any other State law to the contrary, any third party, as defined in subsection m. of section 3 of P.L.1968, c.413 (C.30:4D-3), writing health, casualty or malpractice insurance policies in the State or covering residents of this State, shall

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enter into an agreement with the Department of Health and Senior Services to permit and assist the matching of the Department of Health and Senior Services' program eligibility and/or adjudication claims filed against that third party's eligibility and/or adjudicated claims filed for the purpose of the coordination of benefits, utilizing, if necessary, social security numbers as common identifiers.

The unexpended balance at the end of the preceding fiscal year in the Payments to Fiscal Agent - PAA account are appropriated.

Such sums as may be necessary, not to exceed \$1,669,000, may be credited from the Energy Assistance program account in the Board of Public Utilities to the Lifeline program account and shall be applied in accordance with a Memorandum of Understanding between the President of the Board of Public Utilities and the Commissioner of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from the Office of the Public Guardian for Elderly Adults are appropriated.

Language Recommendations -- Grants-In-Aid - General Fund

The amounts hereinabove appropriated for Payments for Medical Assistance Recipients-Nursing Homes are available for the payment of obligations applicable to prior fiscal years.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from the various items of appropriation within the General Medical Services program classification in the Division of Medical Assistance and Health Services in the Department of Human Services and the Medical Services for the Aged program classification in Senior Services in the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

All funds recovered pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) and P.L.1975, c.194 (C.30:4D-20 et seq.) during the fiscal year ending June 30, 2006 are appropriated for payments to providers in the same program class from which the recovery originated.

The Division of Medical Assistance and Health Services in the Department of Human Services and the Department of Health and Senior Services, subject to federal approval, shall implement policies that would limit the ability of persons who have the financial ability to provide for their own long-term care needs to manipulate current Medicaid rules to avoid payment for that care. The Division of Medical Assistance and Health Services and the Department of Health and Senior Services shall require, in the case of a married individual requiring long-term care services, that the portion of the couple's resources which are not protected for the needs of the community spouse be used solely for the purchase of long-term care services.

Notwithstanding the provisions of any other law to the contrary, a sufficient portion of receipts generated or savings realized in the Medical Services for the Aged Grants-In-Aid accounts from initiatives included in the current fiscal year appropriations act may be transferred to administration accounts to fund costs incurred in realizing these additional receipts or savings, subject to the approval of the Director of the Division of Budget and Accounting.

Such sums as may be necessary are appropriated from enhanced audit recoveries obtained by the Department of Health and Senior Services to fund the costs of enhanced audit recovery efforts of the Department within the Medical Services for the Aged program classification, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, reimbursement for nursing facility services, which are funded hereinabove in the Payments for Medical Assistance Recipients-Nursing Homes account, shall be 50% of the per diem rate when a Medicaid beneficiary is hospitalized. These payments shall be limited to the first 10 days of the hospitalization. Medicaid reimbursement for nursing facility services shall be discontinued beyond the tenth day of the hospitalization.

The funds hereinabove appropriated for Payments for Medical Assistance Recipients-Medicaid High Occupancy-Nursing Homes shall be distributed for patient services among those nursing homes where the Medicaid patient day occupancy level is at or above 75%. Each such facility shall receive its distribution through a prospective per diem rate adjustment according to the following formula: $E = A \text{ Medicaid days} / T \text{ Medicaid days} \times F$; where E is the entitlement for a specific nursing home resulting from this allocation; A Medicaid days is an individual nursing home's reported Medicaid days on June 30, 2006; T Medicaid days is the total reported Medicaid days for all affected nursing homes; and F is the total amount of State and federal funds to be distributed. No nursing home shall receive a total allocation greater than the amount lost, due to adjustments in Medicaid reimbursement methodology, which became effective April 1, 1995. Any balances remaining undistributed, from the abovementioned amount, shall be deposited in a reserve account in the General Fund.

Notwithstanding the provisions of any other law or regulation to the contrary, each prescription order dispensed in the Pharmaceutical Assistance to the Aged and Disabled program and the Senior Gold Prescription Discount Program for Maximum Allowable Cost (MAC) drugs, which are appropriated hereinabove in the Pharmaceutical Assistance to the Aged and Disabled-Claims program and Senior Gold Prescription Discount Program, shall state "Brand Medically Necessary" in the prescriber's own handwriting if the prescriber determines that it is necessary to override generic substitution of drugs, and each prescription order shall follow the requirements of P.L.1977, c.240 (C.24:6E-1 et seq.).

The amounts hereinabove appropriated for payments for the Pharmaceutical Assistance to the Aged and Disabled program, P.L.1975, c.194 (C.30:4D-20 et seq.), and the Senior Gold Prescription Discount Program, P.L.2001, c.96 (C.30:4D-43 et seq.), are available for the payment of obligations applicable to prior fiscal years.

Benefits provided under the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, P.L.1975, c.194 (C.30:4D-20 et seq.), and the Senior Gold Prescription Discount Program, P.L.2001, c.96 (C.30:4D-43 et seq.), shall be the last resource benefits, notwithstanding any provisions contained in contracts, wills, agreements or other instruments. Any provision in a contract of insurance, will, trust agreement or other instrument which reduces or excludes coverage or payment to an individual because of that individual's eligibility for, or receipt of, PAAD or Senior Gold Prescription Discount Program benefits shall be void, and no PAAD and Senior Gold Prescription Discount Program payments shall be made as a result of any such provision.

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Of the amount hereinabove appropriated in the Pharmaceutical Assistance to the Aged and Disabled-Claims program, notwithstanding the provisions of section 3 of P.L.1975, c.194 (C.30:4D-22) to the contrary, the copayment in the Pharmaceutical Assistance to the Aged and Disabled program shall be \$5.00.

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2003, no State funds are appropriated for a Drug Utilization Review Council in the Department of Health and Senior Services and therefore the functions of the Council shall cease.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.), and the Senior Gold Prescription Discount Program, pursuant to P.L.2001, c.96 (C.30:4D-43 et seq.), shall be expended, when PAAD or Senior Gold is the primary payer, unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services, through the Department of Human Services, providing for the payment of rebates to the State. Furthermore, rebates from pharmaceutical manufacturing companies for prescriptions purchased by the PAAD program and the Senior Gold Prescription Discount Program shall continue during the current fiscal year, provided that the manufacturer's rebates for the Senior Gold Prescription Discount Program shall apply only to the amount paid by the State under the Senior Gold Prescription Discount program. All revenues from such rebates during this fiscal year are appropriated for the PAAD program and the Senior Gold Prescription Discount Program. Provided further that for fiscal year 2007, the Commissioner of the Department of Health and Senior Services, in consultation with the State Treasurer, shall negotiate and implement additional measures to maximize savings and cost recoveries in the PAAD and Senior Gold Prescription Discount Programs to ensure that the State of New Jersey is an aggressively cost-conscious purchaser of prescription drugs.

Notwithstanding the provisions of any other law or regulation to the contrary, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program classification and the Senior Gold Prescription Discount Program account shall be expended for prescription claims with no Medicare D coverage except under the following conditions: (a) reimbursement for prescription drugs shall be based on the Average Wholesale Price less a 15% discount from July 1, 2006 through December 31, 2006. In accordance with the federal Deficit Reduction Act, effective January 1, 2007, reimbursement for multiple source drugs shall not exceed 250% of the lowest Average Manufacturer's Price (AMP) or AWP less a 20% discount, whichever is lower, and reimbursement for single source innovator drugs will be calculated using the retail survey price or AWP less a 20% discount, whichever is lower; (b) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 shall remain in effect through the current fiscal year, including the current increments for patient consultation, impact allowances and allowances for 24-hour emergency services; and (c) multisource generic and single source brand name drugs shall be dispensed without prior authorization but multisource brand name drugs shall require prior authorization issued by the Department of Health and Senior Services or its authorizing agent, however, a 10-day supply of the multisource brand name drug shall be dispensed pending receipt of prior authorization. Certain multisource brand name drugs with a narrow therapeutic index, other drugs recommended by the Drug Utilization Review Board or brand name drugs with a lower cost per unit than the generic may be excluded from prior authorization by the Department of Health and Senior Services.

In addition to the amount hereinabove, there are appropriated from the General Fund and available federal matching funds such additional sums as may be required for the payment of claims, credits and rebates, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) programs and the Senior Gold Prescription Discount Program are available to pharmacies that have not submitted an application to enroll as an approved medical supplier in the Medicare program, unless they already are an approved Medicare medical supplier. Pharmacies will not be required to bill Medicare directly for Medicare Part B drugs and supplies, but must agree to allow PAAD to bill Medicare on their behalf by completing and submitting an electronic data interchange (EDI) form to PAAD. Beneficiaries are responsible for the applicable PAA/D or Senior Gold Prescription Discount Program copayment.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled program and the Senior Gold Prescription Discount Program shall be used to pay for quantities of erectile dysfunction therapy medication in excess of four treatments per month. Moreover, payment will only be provided if the diagnosis of erectile dysfunction is written on the prescription form and the treatment is provided to males over the age of 18 years. Furthermore, no payments for erectile dysfunction therapy will be made on behalf of sex offenders.

Notwithstanding the provisions of any other law to the contrary, the appropriation hereinabove for PAAD and Senior Gold is conditioned upon the Commissioner of Health and Senior Services establishing a retrospective Polypharmacy drug utilization review program to study the efficacy, necessity, and safety of prescriptions in excess of 10 per month per PAAD or Senior Gold Prescription Discount Program client and shall approve or disallow future payments for clients whose prescriptions exceed 10 per client per month if the prescriptions have been proven inefficient, unnecessary, or unsafe.

Notwithstanding the provisions of any law or regulation to the contrary, the Department of Health and Senior Services shall have the authority to establish a voluntary prescription drug mail-order program. The mail-order program may waive, discount or rebate the beneficiary copay and mail-order pharmacy providers may dispense up to a 90-day supply on prescription refills with the voluntary participation of the beneficiary, subject to the approval of the Commissioner of Health and Senior Services and the Director of the Division of Budget and Accounting.

At any point during the year, and notwithstanding the provisions of any other law or regulation to the contrary, subject to the approval of a plan by the Commissioner of Health and Senior Services, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L. 1975, c.194 (C.30:4D-20 et seq.), or the Senior Gold Prescription Discount program, pursuant to P.L. 2001, c.96 (C.30:4D-43 et seq.), shall be expended, when PAAD or Senior Gold is the primary payer, unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services, through the Department of Human Services, providing for the payment of rebates to the State on the same basis as provided for in section

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1927 (a) through (c) of the federal Social Security Act, 42 U.S.C.s.1396r-8(a)-(c). Provided further that for Fiscal Year 2007, the Commissioner of the Department of Health and Senior Services, in consultation with the State Treasurer, shall negotiate and implement additional measures to maximize savings and cost recoveries in the PAAD and Senior Gold Prescription Discount Programs to ensure that the State of New Jersey is an aggressively cost-conscious purchaser of prescription drugs.

Notwithstanding the provisions of any law or regulation to the contrary, from the amount hereinabove appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program and Senior Gold Prescription Discount Program, the Commissioner of Health and Senior Services shall establish a disease management program to improve the quality of care for beneficiaries and reduce costs in the PAAD program and Senior Gold Prescription Discount Program.

From the amount hereinabove appropriated for the Senior Gold Prescription Discount Program, an amount not to exceed \$3,850,000 may be transferred to various accounts as required, including Direct State Services accounts, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary and subject to the notice provisions of 42 CFR 447.205, for rates implemented on or after July 1, 2000, target occupancy as determined pursuant to N.J.A.C.10:63-3.16 shall not apply to those facilities receiving enhanced rates of reimbursement pursuant to N.J.A.C.10:63-2.21. The per diem amounts for all other expenses of the enhanced rates shall be based upon reasonable base period costs divided by actual base period patient days, but no less than 85% of licensed bed days shall be used.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred between the various items of appropriation within the Medical Services for the Aged and Programs for the Aged program classifications to ensure the continuity of long-term care support services for beneficiaries receiving services within the Medical Services for the Aged program classification in the Division of Senior Services in the Department of Health and Senior Services, subject to the approval of the Director of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

Notwithstanding the provisions of any law to the contrary, effective January 1, 2005, no payment for Medicaid Adult or Pediatric Medical Day Care services, as hereinabove appropriated in the Medical Day Care Services account, shall be provided unless the services are prior authorized by professional staff designated by the Department of Health and Senior Services.

From the amount hereinabove appropriated for Payments for Medical Assistance Recipients - Nursing Homes, the Commissioner of Health and Senior Services shall increase the reasonableness limit for total nursing care up to 120% of the median costs in the Medicaid nursing home rate-setting system during the current fiscal year.

Such sums as may be necessary, not to exceed \$70,840,000, for payments for the Lifeline Credit and Tenants' Lifeline Assistance programs, may be credited from the Energy Assistance program account in the Board of Public Utilities to the Lifeline program account and shall be applied in accordance with a Memorandum of Understanding between the President of the Board of Public Utilities and the Commissioner of Health and Senior Services, subject to the approval of the Director of the Division of Budgeting and Accounting.

Such sums as may be necessary are appropriated from the General Fund for the payment of increased nursing home rates to reflect the costs incurred due to the payment of a nursing home provider assessment, pursuant to the "Nursing Home Quality of Care Improvement Fund Act," P.L.2003, c.105 (C.26:2H-92 et seq) and P.L.2004, c.41, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law or regulation to the contrary, the appropriation hereinabove for Medical Day Care Services is conditioned upon rate increases for the nursing home provider assessment not being included in the calculation of the Adult/Pediatric Day Care payment rates.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations hereinabove to the Pharmaceutical Assistance to the Aged and Pharmaceutical Assistance to the Aged and Disabled (PAA/D) programs is conditioned upon the Department of Health and Senior Services coordinating the benefits of the PAA/D programs with the prescription drug benefits of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA) as the primary payer due to the current federal prohibition against State automatic enrollment of PAA/D recipients in the new federal program. The PAA/D benefit and reimbursement shall only be available to cover the beneficiary cost share to in-network pharmacies and for deductible and coverage gap costs (as determined by the Commissioner of the Department of Health and Senior Services) associated with enrollment in Medicare Part D for beneficiaries of the PAA/D and Senior Gold programs, and for Medicare Part D premium costs for PAA/D beneficiaries.

Notwithstanding the provisions of any other law or regulation to the contrary, effective January 1, 2006, no funds appropriated in the Pharmaceutical Assistance to the Aged or Pharmaceutical Assistance to the Aged and Disabled (PAA/D) and Senior Gold programs shall be available as payment as a PAA/D or Senior Gold benefit to any pharmacy that is not enrolled as a participating pharmacy in a pharmacy network under federal Medicare Part D.

Consistent with the requirements of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA) and the current federal prohibition against State automatic enrollment of Pharmaceutical Assistance to the Aged and Pharmaceutical Assistance to the Aged and Disabled (PAA/D) recipients, no funds hereinabove appropriated from the PAA/D accounts shall be expended unless any individual enrolled in the PAA/D program provides all data that may be necessary to enroll them in the federal Medicare Part D drug program, including data required for the low income subsidy assistance, as outlined by the Centers for Medicare and Medicaid Services.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations hereinabove for the Pharmaceutical Assistance to the Aged, Pharmaceutical Assistance to the Aged and Disabled, and Senior Gold programs shall be conditioned upon the following provision: no funds shall be appropriated for the refilling of a prescription drug until such time as the original prescription is 85% finished.

Notwithstanding the provisions of any other laws or regulations to the contrary, in order to maximize prescription drug coverage under Part D of Title XVIII of the Federal Social Security Act, the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program shall be designated the authorized representative for the purposes of coordinating benefits with the Medicare Drug Program, including enrollment and appeals of coverage determinations. PAAD is authorized to represent program beneficiaries in the pursuit of such coverage. PAAD representation shall not result in any additional financial liability on behalf of such program beneficiaries and shall include, but need not be limited to, the following actions: application for the premium and cost-sharing subsidies on behalf of eligible program beneficiaries; pursuit of appeals, grievances, or coverage determinations; facilitated enrollment in a prescription drug plan or MA-PD plan. If the beneficiary declines enrollment in any Part D plan, the beneficiary shall be barred from all benefits of the PAAD Program.

Notwithstanding the provisions of any law to the contrary, the appropriation hereinabove for the ElderCare Initiatives program shall be conditioned upon the following provision: State funded home and community care (Jersey Assistance for Community Caregiving (JACC)) benefits paid incorrectly on behalf of JACC beneficiaries may be recovered from individuals found ineligible.

The monies hereinabove appropriated for "global budget" shall only be expended if federal approvals are received for such a program and only if federal Medicaid reimbursement or other federal matching funds are available to support the State appropriation.

Notwithstanding the provisions of any law or regulation to the contrary, effective commencing with the start of this fiscal year, reimbursement for Nursing Facility Rates, as appropriated hereinabove in the Payments for Medical Assistance Recipients - Nursing Homes account, shall not include an inflation factor adjustment for the purpose of rate calculation.

The amounts hereinabove appropriated for Nursing Home, Assisted Living, Community Care Alternatives, Medical Day Care Services, Global Budget Long-Term Care Initiative, and Medicaid High Occupancy are conditioned upon the Commissioner of the Department of Health and Senior Services making changes to such programs to make them consistent with the Deficit Reduction Act of 2005.

Language Recommendations -- Grants-In-Aid - Casino Revenue Fund

In addition to the amount hereinabove, there are appropriated from the Casino Revenue Fund and available federal matching funds such additional sums as may be required for the payment of claims, credits and rebates, subject to the approval of the Director of the Division of Budget and Accounting.

All funds recovered under P.L.1968, c.413 (C.30:4D-1 et seq.) and P.L.1975, c.194 (C.30:4D-20 et seq.), during the current fiscal year, are appropriated for payments to providers in the same program class from which the recovery originated.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from the various items of appropriation within the Medical Services for the Aged program classification, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

For the purposes of account balance maintenance, all object accounts in the Medical Services for the Aged program classification shall be considered as one object. This will allow timely payment of claims to providers of medical services, but ensure that no overspending will occur in the program classification.

Notwithstanding the provisions of P.L.1988, c.92 (C.30:4E-5 et seq.) to the contrary, funds appropriated for the Home Care Expansion Program (HCEP) shall be paid only for individuals enrolled in the program as of June 30, 1996 who are not eligible for the Community Care Program for the Elderly and Disabled or alternative programs, and only for so long as those individuals require services covered by the HCEP. Individuals enrolled in the HCEP as of June 30, 1996 and eligible for the Community Care Program for the Elderly and Disabled, may apply to be enrolled in that program.

Notwithstanding the provisions of any other law to the contrary, a sufficient portion of receipts generated or savings realized in Casino Revenue Fund Medical Services for the Aged or Pharmaceutical Assistance to the Aged and Disabled Grants-In-Aid accounts from initiatives included in the current year's annual appropriations act may be transferred to administration accounts to fund costs incurred in realizing these additional receipts or savings, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts hereinabove appropriated for payments for the Pharmaceutical Assistance to the Aged and Disabled program, P.L.1975, c.194 (C.30:4D-20 et seq.), are available for the payment of obligations applicable to prior fiscal years.

Benefits provided under the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, P.L.1975, c.194 (C.30:4D-20 et seq.), shall be the last resource benefits, notwithstanding any provision contained in contracts, wills, agreements or other instruments. Any provision in a contract of insurance, will, trust agreement or other instrument which reduces or excludes coverage or payment to an individual because of that individual's eligibility for or receipt of PAAD benefits shall be void, and no PAAD payments shall be made as a result of any such provision.

Of the amount hereinabove appropriated in the Pharmaceutical Assistance to the Aged and Disabled-Claims program, notwithstanding the provisions of section 3 of P.L.1975, c.194 (C.30:4D-22) to the contrary, the copayment in the Pharmaceutical Assistance to the Aged and Disabled program shall be \$5.00.

Notwithstanding the provisions of any other law or regulation to the contrary, each prescription order dispensed in the Pharmaceutical Assistance to the Aged and Disabled program and the Senior Gold Prescription Discount Program for Maximum Allowable Cost (MAC) drugs, which are hereinabove appropriated in the Pharmaceutical Assistance to the Aged and Disabled-Claims program and Senior Gold Prescription Discount Program, shall state "Brand Medically Necessary" in the prescriber's own handwriting if the prescriber determines that it is necessary to override generic substitution of drugs, and each prescription order shall follow the requirements of P.L.1977, c.240 (C.24:6E-1 et seq.).

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2003, no State funds are appropriated for a Drug Utilization Review Council in the Department of Health and Senior Services and therefore the functions of the Council shall cease.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.), shall be expended, when PAAD is the primary payer,

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unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services, through the Department of Human Services, providing for the payment of rebates to the State. Furthermore, rebates from pharmaceutical manufacturing companies for prescriptions purchased by the PAAD program and the Senior Gold Prescription Discount Program shall continue during the current fiscal year, provided that the manufacturer's rebates for the Senior Gold Prescription Discount Program shall apply only to the amount paid by the State under the Senior Gold Prescription Discount Program. All revenues from such rebates during the current fiscal year are appropriated for the PAAD program and the Senior Gold Prescription Discount Program. Provided further that for Fiscal Year 2007, the Commissioner of the Department of Health and Senior Services, in consultation with the State Treasurer, shall negotiate and implement additional measures to maximize savings and cost recoveries in the PAAD and Senior Gold Prescription Discount Programs to ensure that the State of New Jersey is an aggressively cost-conscious purchaser of prescription drugs.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program are available to pharmacies that have not submitted an application to enroll as an approved medical supplier in the Medicare program, unless they already are an approved Medicare medical supplier. Pharmacies will not be required to bill Medicare directly for Medicare Part B drugs and supplies, but must agree to allow PAAD to bill Medicare on their behalf by completing and submitting an electronic data interchange (EDI) form to PAAD. Beneficiaries are responsible for the applicable PAAD copayment.

Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Pharmaceutical Assistance to the Aged and the Disabled program shall be used to pay for quantities of erectile dysfunction therapy medication in excess of four treatments per month. Moreover, payment will only be provided if the diagnosis of erectile dysfunction is written on the prescription form and the treatment is provided to males over the age of 18 years. Furthermore, no payments for erectile dysfunction therapy will be made on behalf of sex offenders.

Notwithstanding the provisions of any other law or regulation to the contrary, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled program classification and the Senior Gold Prescription Discount Program account shall be expended for prescription claims with no Medicare D coverage except under the following conditions: (a) reimbursement for prescription drugs shall be based on the Average Wholesale Price less a 15% discount from July 1, 2006 through December 31, 2006. In accordance with the federal Deficit Reduction Act, effective January 1, 2007, reimbursement for multiple source drugs shall not exceed 250% of the lowest Average Manufacturer's Price (AMP) or AWP less a 20% discount, whichever is lower, and reimbursement for single source innovator drugs will be calculated using the retail survey price or AWP less a 20% discount, whichever is lower; (b) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 shall remain in effect through the current fiscal year, including the current increments for patient consultation, impact allowances and allowances for 24-hour emergency services; and (c) multisource generic and single source brand name drugs shall be dispensed without prior authorization but multisource brand name drugs shall require prior authorization issued by the Department of Health and Senior Services or its authorizing agent, however, a 10-day supply of the multisource brand name drug shall be dispensed pending receipt of prior authorization. Certain multisource brand name drugs with a narrow therapeutic index, other drugs recommended by the Drug Utilization Review Board or brand name drugs with a lower cost per unit than the generic may be excluded from prior authorization by the Department of Health and Senior Services.

Notwithstanding the provisions of any law or regulation to the contrary, the Commissioner of Health and Senior Services shall establish a retrospective Polypharmacy drug utilization review program to study the efficacy, necessity and safety of prescriptions in excess of 10 per month per PAAD or Senior Gold Prescription Discount Program client and shall approve or disallow future payments for clients whose prescriptions exceed 10 per client per month if the prescriptions have been proven inefficient, unnecessary or unsafe.

Notwithstanding the provisions of any law or regulation to the contrary, the Department of Health and Senior Services shall have the authority to establish a voluntary prescription drug mail-order program. The mail-order program may waive, discount or rebate the beneficiary copay and mail-order pharmacy providers may dispense up to a 90-day supply on prescription refills with the voluntary participation of the beneficiary, subject to the approval of the Commissioner of Health and Senior Services and the Director of the Division of Budget and Accounting.

At any point during the year, and notwithstanding the provisions of any other law or regulation to the contrary, subject to the approval of a plan by the Commissioner of Health and Senior Services, no funds appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, pursuant to P.L.1975, c.194 (C.30:4D-20 et seq.), or the Senior Gold Prescription Discount Program, pursuant to P.L.2001, c.96 (C.30:4D-43 et seq.), shall be expended, when PAAD or Senior Gold is the primary payer, unless participating pharmaceutical manufacturing companies execute contracts with the Department of Health and Senior Services, through the Department of Human Services, providing for the payment of rebates to the State on the same basis as provided for in section 1927 (a) through (c) of the federal Social Security Act, 42 U.S.C. s.1396r-8(a)-(c). Provided further that for Fiscal Year 2007, the Commissioner of the Department of Health and Senior Services, in consultation with the State Treasurer, shall negotiate and implement additional measures to maximize savings and cost recoveries in the PAAD and Senior Gold Prescription Discount Programs to ensure that the State of New Jersey is an aggressively cost-conscious purchaser of prescription drugs.

Notwithstanding the provisions of any law or regulation to the contrary, from the amount hereinabove appropriated for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program, the Commissioner of Health and Senior Services shall establish a disease management program to improve the quality of care for beneficiaries and reduce costs in the PAAD program.

Notwithstanding the provisions of section 2 of P.L.1988, c.114 (C.26:2M-10) to the contrary, private for-profit agencies shall be eligible grantees for funding from the Demonstration Adult Day Care Center Program-Alzheimer's Disease account.

Notwithstanding the provisions of any other law to the contrary, of the amount hereinabove appropriated for the Respite Care for the Elderly (CRF) account, \$600,000 shall be charged to the Casino Simulcasting Fund.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations hereinabove to the Pharmaceutical Assistance to the Aged and Disabled (PAAD) programs is conditioned upon the Department of Health and Senior Services

coordinating the benefits of the PAAD program with the prescription drug benefits of the federal "Medicare Prescription Drug, Improvement, and Modernization Act of 2003" (MMA) as the primary payer due to the current federal prohibition against State automatic enrollment of PAAD recipients in the new federal program. The PAAD benefit and reimbursement shall only be available to cover the beneficiary cost share to in network pharmacies and for deductible and coverage gap costs (as determined by the Commissioner of the Department of Health and Senior Services) associated with enrollment in Medicare Part D for beneficiaries of the PAAD and Senior Gold programs, and for Medicare Part D premium costs for PAAD beneficiaries.

Notwithstanding the provisions of any other law or regulation to the contrary, effective January 1, 2006, no funds appropriated in the Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Senior Gold programs shall be available as payment as a PAAD or Senior Gold benefit to any pharmacy that is not enrolled as a participating pharmacy in a pharmacy network under federal Medicare Part D.

Consistent with the requirements of the federal "Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003" (MMA) and the current federal prohibition against State automatic enrollment of Pharmaceutical Assistance to the Aged and Disabled (PAAD) recipients, no funds hereinabove appropriated from the PAAD account shall be expended unless any individual enrolled in the PAAD program provides all data that may be necessary to enroll them in the federal Medicare Part D drug program, including data required for the low income subsidy assistance, as outlined by the Centers for Medicare and Medicaid Services.

Notwithstanding the provisions of any other laws or regulations to the contrary, in order to maximize prescription drug coverage under Part D of Title XVIII of the Federal Social Security Act, the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program shall be designated the authorized representative for the purposes of coordinating benefits with the Medicare Drug Program, including enrollment and appeals of coverage determinations. PAAD is authorized to represent program beneficiaries in the pursuit of such coverage. PAAD representation shall not result in any additional financial liability on behalf of such program beneficiaries and shall include, but need not be limited to, the following actions: application for the premium and cost-sharing subsidies on behalf of eligible program beneficiaries; pursuit of appeals, grievances, or coverage determinations; facilitated enrollment in a prescription drug plan or MA-PD plan. If the beneficiary declines enrollment in any Part D plan, the beneficiary shall be barred from all benefits of the PAAD Program.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations hereinabove for the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program and the Senior Gold Prescription Discount Program shall be conditioned upon the following provision: no funds shall be appropriated for the refilling of a prescription drug until such time as the original prescription is 85% finished.

The amounts hereinabove appropriated for the Community Care Alternatives program are conditioned upon the Commissioner of the Department of Health and Senior Services making changes to such program to make it consistent with the Deficit Reduction Act of 2005.

DEPARTMENT OF HEALTH AND SENIOR SERVICES

Language Recommendations -- Direct State Services - General Fund

Consistent with the provisions of P.L.2005, c.237, the first \$35,000,000 from this surcharge is appropriated to fund Federally Qualified Health Centers. The remaining balance is appropriated to fund the Infant Mortality Reduction Program and Physician Load Redemption Program. Any unexpended balance at the end of the preceding fiscal year in the Health Care Subsidy Fund received through the hospital and other health care initiatives account during fiscal year 2006 is appropriated.

Such sums as may be necessary are appropriated or transferred from existing appropriations within the Department of Health and Senior Services for the purpose of promoting awareness to increase participation in programs that are administered by the Department, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from licenses, permits, fines, penalties and fees collected by the Department of Health and Senior Services, in excess of those anticipated, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of section 7 of P.L.1992, c.160 (C.26:2H-18.57) or any other law to the contrary, the first \$1,200,000 in per adjusted admission charge assessment revenues, attributable to \$10.00 per adjusted admission charge assessments made by the Department of Health and Senior Services, shall be anticipated as revenue in the General Fund available for health-related purposes. Furthermore, it is recommended that the remaining revenue attributable to this fee shall be available to carry out the provisions of section 7 of P.L. 1992, c.160 (C.26:2H-18.57), as determined by the Commissioner of Health and Senior Services, and subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, the State Treasurer shall transfer to the Health Care Subsidy Fund, established pursuant to section 8 of P.L. 1992, c.160 (C.26:2H-18.58), only those additional revenues generated from third party liability recoveries, excluding Medicaid, by the State arising from a review by the Director of the Division of Budget and Accounting of hospital payments reimbursed from the Health Care Subsidy Fund with service dates that are after the date of enactment of P.L.1996, c.29.

Notwithstanding the provisions of any other law to the contrary, the Commissioner of Health and Senior Services shall devise, at the Commissioner's discretion, rules or guidelines that allocate reductions in health service grants to the extent possible toward administration, and not client services.

Any change in program eligibility criteria and increases in the types of services or rates paid for services to or on behalf of clients for all programs under the purview of the Department of Health and Senior Services, not mandated by federal law, shall first be approved by the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, fees, fines, penalties and assessments owed to the Department of Health and Senior Services shall be offset against payments due and owing from other appropriated funds.

HEALTH AND SENIOR SERVICES

In addition to the amount hereinabove, receipts from the federal Medicaid (Title XIX) program for health services-related programs throughout the Department of Health and Senior Services are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

In order to permit flexibility in implementing the ElderCare Initiatives within the Medical Services for the Aged program classification, amounts may be transferred between Direct State Services and Grants-In-Aid accounts, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

In order to permit flexibility in implementing the ElderCare Advisory Commission Initiatives within the Programs for the Aged program classification, amounts may be transferred between Direct State Services and Grants-In-Aid accounts, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

DEPARTMENT OF HUMAN SERVICES

OVERVIEW

The New Jersey Department of Human Services (DHS) is the State's health and social services agency that serves more than one million of New Jersey's most vulnerable citizens or about one of every eight New Jersey residents. The Department assists economically disadvantaged individuals and families by providing cash assistance, food stamps, housing, heating, and health care services. The Department cares for the developmentally disabled and mentally ill through home-based services, community programs, and 12 state institutions. Other populations helped by the Department include those suffering from substance abuse and the hearing- and visually-impaired. DHS also operates the State's Medicaid infrastructure, serving programs throughout DHS and many other agencies throughout State government. Through the work of DHS and its major divisions, individuals and families in need are able to keep their lives on track, their families together, a roof over their heads, and their health protected. DHS works to maximize resources in order to provide an extensive array of services to New Jersey residents in their communities. DHS is one of the largest agencies in state government, with approximately 16,000 employees or about one fifth of the State's total workforce.

FY2007 Budget Highlights

The Fiscal 2007 Budget for the Department of Human Services totals \$4.358 billion, a decrease of \$258.1 million or 5.6% under the fiscal 2006 adjusted appropriation of \$4.616 billion.

Division of Medical Assistance and Health Services

Through the Medicaid and FamilyCare programs, the Division of Medical Assistance and Health Services (DMAHS) fulfills its commitment to provide health care to New Jersey's most vulnerable citizens. The State cost of providing services through these programs is projected to decrease from \$2.3 billion in fiscal 2006 to \$2.2 billion in fiscal 2007. This decrease of 3.1% is largely attributable to a new provider assessment on hospitals. This assessment is on acute care hospitals for each licensed bed equal to 5.5% of their non-Medicare revenues and is anticipated to generate \$430 million in revenue. Of this \$430 million, half, or \$215 million, would go to the General Fund for budget relief. The remaining \$215 million will receive a federal match. Consequently, \$430 million will be paid back to the hospital industry, the same value as the tax, in the form of higher Medicaid payments. This savings offsets mandatory growth related to medical inflation, increased utilization of services, and an increase in the cost of prescription drugs.

The total number of residents eligible for services of the Division of Medical Assistance and Health Services is approximately 960,000, which includes Medicaid, NJ FamilyCare, and General Assistance. Of this amount, the number of children receiving health insurance through the NJ FamilyCare Program is expected to increase by 50,000 by the end of fiscal 2007 based on a Governor's priority that appropriates \$5 million of State funds and \$9.3 million of federal matching funds. The Fiscal 2007 Budget continues support for the NJ FamilyCare/KidCare program with \$206.6 million in State and federal funds. All New Jersey children with a family income up to 350% of the federal poverty level, or \$70,000 for a family of four, will continue to be eligible for coverage under the program.

In an effort to provide the highest possible level of benefits to the Medicaid population in this challenging fiscal year, the following assessments, operational efficiencies, and client cost-sharing measures saving \$305.6 million are recommended:

- Savings of \$50 million will be generated by enhancing oversight of spending patterns in Medicaid and General Assistance through increased auditing and investigative staff.

- Savings of \$14.9 million will be achieved by enrolling all Medicare-eligible institutional beneficiaries in Medicare Part D, the new federal prescription drug program. Through enrollment, the federal government will become the primary payer for nearly 3,000 individuals.

- Savings of \$14.1 million will be generated in the General Assistance program by retroactively claiming beneficiaries deemed Medicaid-eligible, allowing for greater federally matchable recoveries.

- Savings of \$7.5 million will be generated by changing the partial hospitalization rate. Medicaid will set a rate for the services, which will be paid to hospitals.

- Savings of \$2.4 million will be achieved by conducting an audit of the General Assistance program. This will be a comprehensive audit of the fiscal and programmatic policies associated with the program.

- Savings of \$1.1 million will be generated by charging a \$3 co-pay on hospital outpatient services for men and non-pregnant women aged 21 and over as well as a \$6 co-pay on unnecessary Emergency Room visits.

- Savings of \$630,000 will be achieved by outsourcing durable medical equipment in the Medicaid - Transportation Services program.

Medicaid plans to spend in excess of \$1 billion in State and federal funds on fee-for-service and long term care prescription drugs in fiscal 2007. This does not include those drugs provided through a Medicaid managed care plan or the FamilyCare program. To lessen the budget pressure created by the rapid increase in the cost and utilization of prescription drugs, the Department plans to implement the following cost saving measures worth \$67.8 million:

- The State will institute bulk purchasing to maximize our market presence and secure the best possible price available for prescription drugs. This will save the State \$30.7 million in Medicaid and the General Assistance programs.

- A total of \$13.8 million will be saved by switching the reimbursement methodology for prescription drugs. The State will pay Average Wholesale Price (AWP) less 15% for the first 6 months of the year. Based on new federal guidelines, beginning January 1, 2007, single-source brand name drugs will be reimbursed at the federally-calculated Retail Survey Price, and generic and multi-source drugs will be reimbursed at the Average Manufacturer's Price (AMP).

- In an effort to better control drug utilization and help offset cost increases, adult beneficiaries will begin to share the costs for their prescriptions in fiscal 2007 for a savings of \$13 million to the Medicaid program. This initiative imposes a newly established \$2 co-payment on each prescription drug with a maximum limit of \$10 per month on both fee-for-service and managed care beneficiaries.

- Recent studies have concluded that more expensive, newer psychotropics were not necessarily more effective than less expensive generic psychotropic drugs. Subjecting the newer, more expensive psychotropic drugs to prior authorization will save \$8.8 million.

- As part of the Hurricane Katrina Bill, federal legislation now prohibits the use of Medicaid matching funds on drugs that are used to treat erectile or sexual dysfunction. By not covering such drugs, the State will save \$1.5 million.

In addition to traditional fee-for-service medical coverage, 673,000 people, or 70% of all Medicaid clients, receive health care coverage through five Health Maintenance Organizations (HMOs). The managed care program seeks to provide quality access and care management to Medicaid clients, including NJ FamilyCare, and is

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funded at \$861.7 million State funds in the Fiscal 2007 Budget.

Community Services

The Division of Mental Health Services (DMHS) and the Division of Developmental Disabilities (DDD) both operate state institutions for adults in need of intensive services and provide community based services. This budget proposal intends to significantly advance efforts in recent years to expand community-based services in order to serve individuals in the least restrictive settings possible and to prevent institutionalization of mentally ill and developmentally disabled residents.

DMHS plans, coordinates, and contracts with community provider agencies to ensure that a wide array of community-based mental health treatment options and program supports are available to consumers and their families, including emergency screening, outpatient counseling, partial and day treatment services, case management, Programs of Assertive Community Treatment (PACT), community residential placements, and supported employment.

DDD provides essential services to New Jersey residents with developmental disabilities in order to meet each client's specific needs, serve families, and prevent institutionalization. The Fiscal 2007 Budget provides for professional treatment and services in the least restrictive environments possible and promotes the highest level of functioning for individuals with developmental disabilities.

The Fiscal 2007 Budget also provides funding to move residents of the seven State developmental centers and five State mental health hospitals into community residential settings and ensure appropriate support services are available in order to prevent their reinstitutionalization. Transitioning these individuals will move New Jersey closer to a community-based service model for these populations and further the State's commitment to community-based services as required in the United States Supreme Court's Olmstead decision.

A priority initiative is the \$3 million provided in the Fiscal 2007 Budget for capital improvements to community residences for developmentally disabled clients. These funds will ensure that various community residential settings are accessible for individuals with ambulatory difficulties and provide infrastructure to better care for clients with behavioral challenges and/or special medical needs.

DMHS has started to implement many recommendations of the Governor's Mental Health Task Force, including expansion of screening center capacity, expansion of self-help centers and services, increased outpatient psychiatric services, increased support services related to the new community residential placements supported by the Special Needs Housing Trust Fund, jail diversion services, establishment of the Governor's Council on Mental Health Stigma, funding for the Office of Disaster - Mental Health, expansion of bilingual and culturally competent services, expansion of short-term care facilities, expansion of the Community Health Law Project, and development of specialized case management for clients who are resistant to treatment.

The Real Life Choices program enhances the lives of New Jersey's developmentally disabled population and defers the need for community residential placements by providing home-based supports to clients and respite services for their caregivers. Funding of \$19.2 million is recommended to support 600 clients in this program.

The Division of Disability Services provides information and referral services to people with disabilities and their families, who are seeking help locating appropriate resources in their communities. The Division also is responsible for overseeing various Medicaid home- and community-based waiver programs that are designed to help people with disabilities live as independently as possible. The

Division's hallmark program is the provision of personal care assistance to serve New Jersey Medicaid beneficiaries who are experiencing some functional impairment and need an assistant to help them with some aspects of daily living such as dressing or bathing. Services are authorized prior to implementation to provide care to as many individuals as possible.

Supporting Economically Disadvantaged Individuals and Families

The Division of Family Development (DFD) administers the State's welfare program, Work First New Jersey, and offers public assistance to the poor and the homeless, as well as providing leadership and support to public agencies responsible for administering programs for New Jersey's needy individuals and families.

DFD continues to support the efforts of people who are leaving welfare for work or struggling economically by continuing to provide the following services: child care subsidies, child support enforcement, emergency housing assistance, payments to kinship caregivers, work readiness activities, mental health assessments, and transportation subsidies.

\$36 million in combined State (\$7 million) and federal (\$29 million) funding is provided in fiscal 2007 to meet new welfare provisions included in the federal Deficit Reduction Act of 2005, including \$19 million to increase New Jersey's work participation rate from 29% to 50%, \$13 million to provide child care services to parents in these new work activity slots, and \$4 million for a new work participation validation system.

A budget savings of \$30 million is expected by implementing co-pays on after-school and summer child care for families residing in Abbott school districts who earn more than \$60,000 per year. An additional \$5 million savings is expected in the General Assistance cash assistance program by reviewing case review practices in the county and municipal welfare agencies to ensure that only clients who are eligible for benefits receive cash grants and emergency assistance.

DFD's budget also provides more than \$350 million in combined State and federal funds to provide child care services for more than 75,000 economically disadvantaged children, including over \$90 million for providing after-school and summer child care to more than 25,000 children in Abbott school districts.

Institutional Care

DMHS maintains five inpatient psychiatric facilities to serve persons with mental illness. These facilities include four adult psychiatric hospitals - Greystone Park in Morris County, Trenton in Mercer County, Ancora in Camden County, and Hagedorn in Hunterdon County, as well as the Ann Klein Forensic Center which provides forensic psychiatric services and is located on the grounds of Trenton Psychiatric Hospital.

In addition to these state-operated psychiatric facilities, DMHS also provides State Aid funding to support indigent patients in six county-operated facilities in Bergen, Burlington, Camden, Essex, Hudson, and Union counties. State Aid funding covers 90% of the maintenance costs for indigent county patients and 100% of the maintenance costs for indigent patients who have lived in the county for less than five years. The amount of State Aid provided to these facilities in fiscal 2007 will grow by \$12 million, to a total of \$116.6 million.

Significant progress is being made on the construction of a new replacement psychiatric facility on the grounds of Greystone Park Psychiatric Hospital. Ground has been broken on the new facility and steel erection is about to begin. The new hospital is expected to be completed in the summer of 2007.

DHS also maintains seven developmental centers throughout the State, which provide residential, habilitation, and educational services for the developmentally disabled.

In fiscal 2007, \$111.6 million of state salary costs at the developmental centers are offset by one-time federal revenue available from the finalizing of prior year federal claiming rates (\$94 million) and a projected increase in ongoing federal revenue (\$17.6 million).

Addiction Services

The Division of Addiction Services (DAS) provides support to substance abuse clinics and treatment facilities which reduce drug abuse and treat and rehabilitate addicts. The Division also provides counseling and detoxification services in clinics, institutions and schools, assists in development of employee assistance programs, coordinates with the Division of Mental Health Services to provide addiction services to the mentally ill, and provides counseling programs for compulsive gamblers.

In fiscal 2007, \$2 million is provided to the Division for capital improvements throughout New Jersey's substance abuse treatment system. These funds will pay for additional outpatient services slots, residential beds, and needed capital repairs. This initiative will be administered as a grant program for agencies contracting with the Division.

Capital Recommendations

For a description of capital projects, see the Capital and Debt Service section of this chapter.

Department Accomplishments

In fiscal 2006, demonstrating its commitment to the State's most vulnerable citizens, the Department is expanding services for people with disabilities, maintaining medical services, increasing enrollment in FamilyCare, maintaining support for the economically disadvantaged, and increasing substance abuse treatment beds.

The DMAHS has achieved administrative efficiencies through the improved Medicaid Eligibility Verification System, the Avaya Call Center Project, and increased automation/simplification of presumptive eligibility.

DMAHS continues to implement activities that improve beneficiary awareness of the importance of lead screening services, increase provider commitment in delivering lead screening services, and improve the identification and care of lead-burdened children.

As part of the Division's effort to better communicate with the provider and beneficiary communities as well as the public in general, DMAHS upgraded www.njmmis.com, the web site created and maintained by Unisys Corp., our fiscal agent. Providers now can more easily submit health care claims and receive remittance advices electronically. Public information, such as newsletters and systems

companion guides are more easily accessible. A tutorial has been developed to explain to new users how to best take advantage of the web site.

Over 140,000 individuals who are dual eligible for Medicaid and Medicare began receiving prescription drugs through the Medicare Part D program on January 1, 2006. New Jersey will pay their co-payments, drugs excluded from Part D, and some drugs not covered by the Medicare prescription drug plans to assure a seamless continuation of drug coverage for these recipients.

In the Department's FamilyCare program, enrollment of children continues to increase and will exceed 500,000 by the end of the fiscal year. Express Enrollment has successfully been piloted in 36 schools and six hospitals across the State.

Under the DFD, the Automated Child Support Enforcement System (ACSES) and Consolidate Assistance Support System (CASS) are being upgraded at a cost exceeding \$100 million over several years. Design and development of ACSES is anticipated to be completed by the end of 2008, while CASS is projected to be operational by 2009.

The Temporary Assistance for Needy Families (TANF) Initiative for Parents (TIP) program is an integrated program that offers both in-home and community-based parenting and employment services to help new welfare mothers address both social and economic issues. The DFD will provide parenting services to 1,000 high risk parents of children under 12 months of age that are receiving welfare assistance through the TANF program. The TIP program will be statewide by January 2007.

The Food Stamp program is designed to safeguard the health and well-being of the economically disadvantaged by raising their level of nutrition. As part of the Division's strategy to increase food stamp participation, a statewide online food stamp application process began in September 2005. Since the program began, a total of 15,287 food stamp applications have been filed online.

In addition to providing 53,000 annual substance abuse treatment admissions, the DAS expanded the State's substance abuse treatment system by providing 347 new outpatient treatment slots for women referred by the Division of Youth and Family Services (DYFS) and 106 new outpatient treatment slots, and 30 new residential treatment beds for adolescents. The Division also expanded Strengthening Families, a science-based prevention program, to all 21 counties in New Jersey. DAS has started to train new DYFS workers, child protection specialists, Office of Education staff, and regional DYFS providers in basic addiction science and services.

Funding for twelve additional Braille instructors was provided to the Commission for the Blind and Visually Impaired.

The DDD is addressing the certification and Olmstead issues through increased community residential placements, developmental center improvements, and expanding the Real Life Choices Program. Funding is provided in fiscal 2007 for transition services to aging out youth.

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DEPARTMENT OF HUMAN SERVICES SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
565,540	16,089	57,355	638,984	623,960				
3,184,311	335,272	798	3,520,381	3,472,434				
370,567	9,014	833	380,414	379,793				
10,400	18,727	---	29,127	14,112				
4,130,818	379,102	58,986	4,568,906	4,490,299				
					GENERAL FUND			
					Direct State Services	598,515	453,381	453,381
					Grants-In-Aid	3,424,145	3,348,798	3,348,798
					State Aid	468,879	428,123	428,123
					Capital Construction	11,600	7,700	7,700
					Total General Fund	4,503,139	4,238,002	4,238,002
					CASINO REVENUE FUND			
118,737	---	---	118,737	118,627	Grants-In-Aid	112,844	112,844	112,844
118,737	---	---	118,737	118,627	Total Casino Revenue Fund	112,844	112,844	112,844
4,249,555	379,102	58,986	4,687,643	4,608,926	Total Appropriation, Department of Human Services	4,615,983	4,350,846	4,350,846

SUMMARY OF APPROPRIATIONS BY ORGANIZATION (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
10,555	---	---	10,555	10,548				
60,445	163	7,786	68,394	68,327				
55,484	213	5,891	61,588	61,576				
19,477	2	5,355	24,834	24,834				
67,889	345	9,124	77,358	76,997				
10,604	---	---	10,604	10,601				
32,459	274	2,622	35,355	34,812				
256,913	997	30,778	288,688	287,695				
					DIRECT STATE SERVICES - GENERAL FUND			
					Mental Health Services			
					Division of Mental Health Services	9,733	4,178	4,178
					Greystone Park Psychiatric Hospital	62,760	63,911	63,911
					Trenton Psychiatric Hospital	59,691	61,685	61,685
					Ann Klein Forensic Center	21,544	21,382	21,382
					Ancora Psychiatric Hospital	74,630	77,589	77,589
					Arthur Brisbane Child Treatment Center	5,542	---	---
					Senator Garrett W. Hagedorn Gero-Psychiatric Hospital	34,837	35,270	35,270
					Subtotal	268,737	264,015	264,015
					Special Health Services			
23,345	8,514	3,609	35,468	31,369	Division of Medical Assistance and Health Services	26,221	25,779	25,779
23,345	8,514	3,609	35,468	31,369	Subtotal	26,221	25,779	25,779
					Disability Services			
984	---	---	984	984	Division of Disability Services	1,096	1,096	1,096
984	---	---	984	984	Subtotal	1,096	1,096	1,096
					Operation and Support of Educational Institutions			
4,215	110	---	4,325	4,155	Division of Developmental Disabilities	3,336	3,336	3,336
8,536	33	---	8,569	4,990	Community Programs	6,243	3,743	3,743
1,575	13	---	1,588	1,585	Green Brook Regional Center	1,447	1,447	1,447
53,221	2	-4,001	49,222	49,219	Vineland Developmental Center	37,219	15,640	15,640
24,956	1	-3,387	21,570	21,565	North Jersey Developmental Center	24,234	10,891	10,891
35,930	1	-3,853	32,078	32,073	Woodbine Developmental Center	34,299	16,123	16,123
36,593	1	---	36,594	36,593	New Lisbon Developmental Center	42,311	16,729	16,729
31,332	21	-4,029	27,324	27,323	Woodbridge Developmental Center	34,810	14,041	14,041
38,308	102	-4,330	34,080	34,078	Hunterdon Developmental Center	33,455	12,491	12,491

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Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
234,666	284	-19,600	215,350	211,581	<i>Subtotal</i>	217,354	94,441	94,441
Supplemental Education and Training Programs								
8,335	733	-113	8,955	8,863	Commission for the Blind and Visually Impaired	9,152	9,152	9,152
8,335	733	-113	8,955	8,863	<i>Subtotal</i>	9,152	9,152	9,152
Economic Assistance and Security								
26,335	4,973	---	31,308	25,745	Division of Family Development	27,299	27,000	27,000
26,335	4,973	---	31,308	25,745	<i>Subtotal</i>	27,299	27,000	27,000
Social Services Programs								
462	---	22,713	23,175	22,823	Division of Addiction Services	455	455	455
---	---	---	---	---	Office of Children's Services	---	---	---
---	---	---	---	---	Child Behavioral Health Services	---	---	---
---	---	---	---	---	Prevention and Community Partnerships	---	---	---
---	---	---	---	---	Division of Youth and Family Services	---	---	---
714	---	-45	669	579	Division of the Deaf and Hard of Hearing	747	747	747
1,176	---	22,668	23,844	23,402	<i>Subtotal</i>	1,202	1,202	1,202
Management and Administration								
13,786	588	20,013	34,387	34,321	Division of Management and Budget	47,454	30,696	30,696
13,786	588	20,013	34,387	34,321	<i>Subtotal</i>	47,454	30,696	30,696
565,540	16,089	57,355	638,984	623,960	Total Direct State Services - General Fund	598,515	453,381	453,381
565,540	16,089	57,355	638,984	623,960	TOTAL DIRECT STATE SERVICES	598,515	453,381	453,381
GRANTS-IN-AID - GENERAL FUND								
Mental Health Services								
242,029	---	11,234	253,263	253,263	Division of Mental Health Services	289,872	276,133	276,133
242,029	---	11,234	253,263	253,263	<i>Subtotal</i>	289,872	276,133	276,133
Special Health Services								
2,022,995	319,146	21,191	2,363,332	2,360,695	Division of Medical Assistance and Health Services	2,254,839	2,184,242	2,184,242
2,022,995	319,146	21,191	2,363,332	2,360,695	<i>Subtotal</i>	2,254,839	2,184,242	2,184,242
Disability Services								
90,547	1,800	-4,140	88,207	88,149	Division of Disability Services	103,283	98,700	98,700
90,547	1,800	-4,140	88,207	88,149	<i>Subtotal</i>	103,283	98,700	98,700
Operation and Support of Educational Institutions								
474,422	---	22,152	496,574	476,690	Community Programs	471,484	492,526	492,526
---	---	---	---	---	Green Brook Regional Center	---	---	---
---	---	---	---	---	Vineland Developmental Center	---	---	---
---	---	---	---	---	North Jersey Developmental Center	---	---	---
---	---	---	---	---	Woodbine Developmental Center	---	---	---
---	---	---	---	---	New Lisbon Developmental Center	---	---	---
---	---	---	---	---	Woodbridge Developmental Center	---	---	---
---	---	---	---	---	Hunterdon Developmental Center	---	---	---

HUMAN SERVICES

Orig. & (S)Supplemental	Year Ending June 30, 2005					2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended			Requested	Recommended
474,422	---	22,152	496,574	476,690	<i>Subtotal</i>	471,484	492,526	492,526
4,178	---	48	4,226	4,223	Supplemental Education and Training Programs			
					Commission for the Blind and Visually Impaired	4,235	4,242	4,242
4,178	---	48	4,226	4,223	<i>Subtotal</i>	4,235	4,242	4,242
245,787	14,326	329	260,442	244,887	Economic Assistance and Security			
					Division of Family Development	248,574	257,991	257,991
245,787	14,326	329	260,442	244,887	<i>Subtotal</i>	248,574	257,991	257,991
28,978	---	5,537	34,515	34,318	Social Services Programs			
---	---	---	---	---	Division of Addiction Services	50,787	34,240	34,240
---	---	---	---	---	Child Behavioral Health Services	---	---	---
---	---	---	---	---	Prevention and Community Partnerships	---	---	---
28,978	---	5,537	34,515	34,318	Division of Youth and Family Services	---	---	---
					<i>Subtotal</i>	50,787	34,240	34,240
75,375	---	-55,553	19,822	10,209	Management and Administration			
					Division of Management and Budget	1,071	724	724
75,375	---	-55,553	19,822	10,209	<i>Subtotal</i>	1,071	724	724
3,184,311	335,272	798	3,520,381	3,472,434	Total Grants-In-Aid - General Fund	3,424,145	3,348,798	3,348,798
					GRANTS-IN-AID - CASINO REVENUE FUND			
80,328	---	---	80,328	80,328	Disability Services			
					Division of Disability Services	80,328	80,328	80,328
80,328	---	---	80,328	80,328	<i>Subtotal</i>	80,328	80,328	80,328
38,409	---	---	38,409	38,299	Operation and Support of Educational Institutions			
					Community Programs	32,516	32,516	32,516
38,409	---	---	38,409	38,299	<i>Subtotal</i>	32,516	32,516	32,516
118,737	---	---	118,737	118,627	Total Grants-In-Aid - Casino Revenue Fund	112,844	112,844	112,844
3,303,048	335,272	798	3,639,118	3,591,061	TOTAL GRANTS-IN-AID	3,536,989	3,461,642	3,461,642
					STATE AID - GENERAL FUND			
93,510	5,934	---	99,444	99,444	Mental Health Services			
					Division of Mental Health Services	104,575	116,575	116,575
93,510	5,934	---	99,444	99,444	<i>Subtotal</i>	104,575	116,575	116,575
265,057	3,080	833	268,970	268,349	Economic Assistance and Security			
					Division of Family Development	352,304	299,548	299,548
265,057	3,080	833	268,970	268,349	<i>Subtotal</i>	352,304	299,548	299,548

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
12,000	---	---	12,000	12,000	Social Services Programs			
					Division of Addiction Services	12,000	12,000	12,000
<i>12,000</i>	---	---	<i>12,000</i>	<i>12,000</i>	<i>Subtotal</i>	<i>12,000</i>	<i>12,000</i>	<i>12,000</i>
370,567	9,014	833	380,414	379,793	Total State Aid - General Fund	468,879	428,123	428,123
370,567	9,014	833	380,414	379,793	TOTAL STATE AID	468,879	428,123	428,123
					CAPITAL CONSTRUCTION			
					Mental Health Services			
---	2,613	---	2,613	223	Greystone Park Psychiatric Hospital	---	---	---
---	3,829	---	3,829	1,153	Trenton Psychiatric Hospital	---	---	---
---	364	---	364	---	Ann Klein Forensic Center	---	---	---
---	1,120	---	1,120	41	Ancora Psychiatric Hospital	---	---	---
---	30	---	30	2	Arthur Brisbane Child Treatment Center	---	---	---
---	116	---	116	---	Senator Garrett W. Hagedorn Gero-Psychiatric Hospital	---	---	---
---	8,072	---	8,072	1,419	<i>Subtotal</i>	---	---	---
					Operation and Support of Educational Institutions			
---	6	---	6	---	Green Brook Regional Center	---	---	---
---	764	---	764	110	Vineland Developmental Center	---	---	---
---	78	---	78	---	North Jersey Developmental Center	---	---	---
---	1,107	150	1,257	201	Woodbine Developmental Center	---	---	---
---	276	-150	126	91	New Lisbon Developmental Center	---	---	---
---	265	---	265	78	Woodbridge Developmental Center	---	---	---
---	241	---	241	176	Hunterdon Developmental Center	---	---	---
---	2,737	---	2,737	656	<i>Subtotal</i>	---	---	---
					Supplemental Education and Training Programs			
---	1,045	---	1,045	494	Commission for the Blind and Visually Impaired	---	---	---
---	1,045	---	1,045	494	<i>Subtotal</i>	---	---	---
					Management and Administration			
10,400	6,873	---	17,273	11,543	Division of Management and Budget	11,600	7,700	7,700
<i>10,400</i>	<i>6,873</i>	---	<i>17,273</i>	<i>11,543</i>	<i>Subtotal</i>	<i>11,600</i>	<i>7,700</i>	<i>7,700</i>
10,400	18,727	---	29,127	14,112	TOTAL CAPITAL CONSTRUCTION	11,600	7,700	7,700
4,249,555	379,102	58,986	4,687,643	4,608,926	Total Appropriation, Department of Human Services	4,615,983	4,350,846	4,350,846

20. PHYSICAL AND MENTAL HEALTH

23. MENTAL HEALTH SERVICES

OBJECTIVES

1. To provide prompt and effective care, treatment, and rehabilitation of individuals suffering from mental illness.
2. To evaluate medical, psychological, social, educational, and related factors affecting the functioning of the individual and to determine and meet his/her need for specialized care, training, and treatment.
3. To resolve problems of mental illness within the community environment to the fullest extent possible.
4. To enable mentally ill persons to return to and remain in community living.
5. To educate and counsel families to understand and accept the problems of persons with mental illness.

HUMAN SERVICES

PROGRAM CLASSIFICATIONS

10. **Patient Care and Health Services.** Treats patients with mental disorders through modern therapeutic programs and emphasizes return to outpatient community status; provides housing, food, clothing, supervision, and services within the framework of general psychiatry, geriatrics, occupational therapy, alcoholic, drug, and physical rehabilitation.

99. **Administration and Support Services.** Provides services required for effective operation of the institutions including general management, purchasing, accounting, budgeting, personnel, payroll, and clerical services. Other services include operation and maintenance of buildings, grounds and equipment, including utilities, housekeeping, and security services.

20. PHYSICAL AND MENTAL HEALTH

23. MENTAL HEALTH SERVICES

7700. DIVISION OF MENTAL HEALTH SERVICES

The Division of Mental Health Services (C.30:1-9) is charged with the coordination and management responsibilities for those separate facilities, institutions, and services involved in the comprehensive program of mental health in the State. These functions are essential for efficiency, sound planning, and for growth to meet present and future needs. Research and training assure the use of modern methods and the availability of staff with the necessary training and skills. Although these functions are integral parts of the various operational units, there is need for leadership and coordination.

The Department of Human Services (C.30:4-177.19b as amended), contracts with the University of Medicine and Dentistry of New Jersey to operate Community Mental Health Centers in Piscataway and Newark. Federal funds are used also for the development and expansion of community mental health services. Pursuant to N.J.S.A. 30:4-78, as amended by P.L. 1990, c.73, effective January 1, 1991, the State pays 90% of the maintenance of county patients and 100% of the maintenance of State patients in county psychiatric hospitals. These county hospitals are similar to the State psychiatric hospitals.

OBJECTIVES

1. To develop a comprehensive range of accessible, coordinated mental health services for all citizens of the State, with emphasis on the development of local mental health programs.
2. To provide leadership and management for the State psychiatric hospitals.
3. To provide support services for the operational program units through which the mental health programs are carried out.

programs designed to serve clients in a setting that is the least restrictive, appropriate to their clinical needs, and closest to their homes; to return hospitalized patients to the community as soon as appropriate; and reduce inappropriate admissions to State and County psychiatric hospitals. The Division is also responsible for overseeing the State Aid program in support of patients in county psychiatric hospitals and reimbursing allowable costs incurred by the counties under that program.

99. **Administration and Support Services.** Provides management and general support services necessary for overall control and supervision of the mental health program including planning, development, evaluation, and control of mental health programming to assure compliance with statutory requirements; assures that operating programs meet public policies and professional treatment standards and are conducted in as effective a manner as possible; provides administration of State Aid for State and federally funded community mental health service programs.

PROGRAM CLASSIFICATIONS

08. **Community Services.** Carries out the responsibility for the planning and support for the statewide network of community mental health services throughout all 21 counties, including two community mental health centers associated with the University of Medicine and Dentistry of New Jersey. The Division contracts with community agencies to provide screening services and a wide array of mental health service

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Community Services				
Community Care Services				
Provider Agencies	115	116	118	121
Contracts	145	149	170	180
Total Cost to State ^(a)	\$193,936,000	\$197,600,000	\$231,102,000	\$248,068,000
Total Episodes of Care	326,876	324,992	321,749	321,749
Emergency Services				
Episodes of Care	104,851	101,575	108,325	108,325
Cost to State ^(a)	\$ 30,035,000	\$ 30,602,000	\$ 41,809,000	\$ 44,878,000
Outpatient Services				
Episodes of Care	161,756	163,397	158,013	158,013
Cost to State ^(a)	\$ 35,689,000	\$ 36,363,000	\$ 41,303,000	\$ 44,335,000
Partial Care				
Episodes of Care	15,780	15,518	12,341	12,341
Cost to State ^(a)	\$ 17,743,000	\$ 18,078,000	\$ 18,773,000	\$ 20,151,000

HUMAN SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Residential				
Episodes of Care	4,828	5,616	5,602	5,602
Cost to State ^(a)	\$ 52,556,000	\$ 53,549,000	\$ 60,819,000	\$ 65,284,000
System Advocacy				
Episodes of Care	3,934	3,881	3,994	3,994
Cost to State ^(a)	\$ 5,439,000	\$ 5,542,000	\$ 6,354,000	\$ 6,821,000
Family Support, Supported Employment, et. al.				
Episodes of Care	19,235	18,551	20,118	20,118
Cost to State ^(a)	\$ 15,755,000	\$ 16,053,000	\$ 21,629,000	\$ 23,217,000
Integrated Case Management				
Episodes of Care	14,652	14,449	11,317	11,317
Cost to State ^(a)	\$ 22,399,000	\$ 22,822,000	\$ 25,227,000	\$ 27,079,000
Program for Assertive Community Treatment (PACT)				
Episodes of Care	1,840	2,005	2,039	2,039
Cost to State ^(a)	\$ 14,320,000	\$ 14,591,000	\$ 15,188,000	\$ 16,303,000
Redirection II Initiative ^(b)	\$ 22,159,000	\$ 30,125,000	\$ 32,725,000	---
Community Placements ^(b)	304	511	591	---
Total, State billable average daily population, county psychiatric hospitals				
Bergen	640	608	595	586
Burlington	169	177	177	161
Camden	24	26	26	27
Essex	148	150	150	147
Hudson	195	152	137	142
Hudson	71	72	72	75
Union	33	31	33	34

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	140	140	149	149
Federal	3	4	2	2
Total Positions	143	144	151	151

Filled Positions by Program Class

Community Services	3	4	2	2
Administration and Support Services	140	140	149	149
Total Positions	143	144	151	151

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

The evaluation data for "Community Care Services" has been adjusted for fiscal years 2006 and 2007 to reflect the transfer of several children's services program to the Division of Child Behavioral Health Services within the Department of Children and Families.

(a) "Cost to State" refers only to the State portion of the costs in each program incurred by the Community Care account. Additional funds for these programs are available from other divisions and funding sources.

(b) Funding for this initiative was consolidated into the Community Care account appropriation in fiscal 2007.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
10,555	---	---	10,555	10,548	Administration and Support Services	99	9,733	4,178	4,178
10,555	---	---	10,555	10,548	Total Direct State Services		9,733 ^(a)	4,178	4,178

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Object									
Personal Services:									
8,845	---	---	8,845	8,845		Salaries and Wages	8,205	2,173	2,173
8,845	---	---	8,845	8,845		<i>Total Personal Services</i>	8,205	2,173	2,173
21	---	49	70	70		Materials and Supplies	21	51	51
609	---	-49	560	556		Services Other Than Personal	602	572	572
155	---	---	155	155		Maintenance and Fixed Charges	155	155	155
Special Purpose:									
300	---	---	300	300	99	Fraud and Abuse Initiative	300	300	300
625	---	---	625	622	99	Nursing Incentive Program	200	200	200
---	---	---	---	---	99	Governor's Council on Mental Health Stigma	250	350	350
---	---	---	---	---		Additions, Improvements and Equipment	---	377	377
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
242,029	---	11,234	253,263	253,263	08	Community Services	289,872	276,133	276,133
242,029	---	11,234	253,263	253,263		<i>Total Grants-in-Aid</i>	289,872	276,133	276,133
Distribution by Fund and Object									
Grants:									
29,975	---	---	29,975	29,975	08	Greystone Park Psychiatric Hospital Bridge Fund (b)	32,725	---	---
1,537 ^S	---	---	1,537	1,537	08	Arthur Brisbane Child Treatment Center Bridge Fund (c)	7,980	---	---
---	---	---	---	---	08	Olmstead Support Services	---	10,000	10,000
192,452	---	11,234	203,686	203,686	08	Community Care (d)	231,102	248,068	248,068
6,205	---	---	6,205	6,205	08	Community Mental Health Center-University of Medicine and Dentistry-Newark	6,205	6,205	6,205
11,860	---	---	11,860	11,860	08	Community Mental Health Center-University of Medicine and Dentistry-Piscataway	11,860	11,860	11,860
<u>STATE AID</u>									
Distribution by Fund and Program									
93,510	5,934	---	99,444	99,444	08	Community Services	104,575	116,575	116,575
93,510	5,934	---	99,444	99,444		<i>Total State Aid</i>	104,575	116,575	116,575
Distribution by Fund and Object									
State Aid:									
93,510	5,934	---	99,444	99,444	08	Support of Patients in County Psychiatric Hospitals	104,575	116,575	116,575
346,094	5,934	11,234	363,262	363,255		<i>Grand Total State Appropriation</i>	404,180	396,886	396,886
OTHER RELATED APPROPRIATIONS									
Federal Funds									
15,262	7,242	3,631	26,135	12,608	08	Community Services	14,114	14,332	14,332
719	---	---	719	359	99	Administration and Support Services	2,444	11,767	11,767
15,981	7,242	3,631	26,854	12,967		<i>Total Federal Funds</i>	16,558	26,099	26,099
All Other Funds									

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
OTHER RELATED APPROPRIATIONS								
---	316 298 ^R	39	653	370	08	316	316	316
---	614	39	653	370	<i>Community Services</i>			
362,075	13,790	14,904	390,769	376,592	<i>Total All Other Funds</i>			
						421,054	423,301	423,301
GRAND TOTAL ALL FUNDS								

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Notes -- Grants-In-Aid - General Fund

- (b) In fiscal 2007, this amount is consolidated into the Community Care line item.
- (c) In fiscal 2007, this amount is reallocated to the Office of Children's Services within the Department of Children and Families.
- (d) In fiscal 2007, \$16,001,000 is reallocated to the Office of Children's Services within the Department of Children and Families, and \$6,635,000 is reallocated to the Division of Medical Assistance and Health Services for mental health services provided through these divisions.

Language Recommendations -- Direct State Services - General Fund

The amounts hereinabove appropriated for the Governor's Council on Mental Health Stigma shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health.

Of the amounts hereinabove appropriated for Salaries and Wages, \$330,000 shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health as follows: \$330,000 for the Office of Disaster Mental Health.

Language Recommendations -- Grants-In-Aid - General Fund

The amount appropriated hereinabove for the Community Mental Health Centers and the amount appropriated to the University of Medicine and Dentistry of New Jersey are first charged to the federal disproportionate share hospital reimbursements anticipated as Medicaid uncompensated care.

With the exception of disproportionate share hospital revenues that may be received, federal and other funds received for the operation of community mental health centers at the New Jersey Medical School and the Robert Wood Johnson Medical School shall be available to the University of Medicine and Dentistry of New Jersey for the operation of the centers.

Revenues that may be received from fees derived from the licensing of all community mental health agencies as specified in N.J.A.C. 10:37-10.1 et seq. are appropriated to the Division of Mental Health Services to offset the costs of performing the required reviews.

Of the amounts hereinabove appropriated for Community Care, \$30,905,000 shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health as follows: \$11,500,000 for Mental Health Screening Centers; \$2,637,000 for Self-Help Centers; \$3,625,000 for psychiatric services; \$5,125,000 for support services for permanent supportive housing; \$600,000 for jail diversion in Atlantic County; \$600,000 for jail diversion in Essex County; \$600,000 for jail diversion in Union County; \$2,868,000 for bilingual and culturally competent services; \$1,000,000 for Short-Term Care Facilities; \$850,000 for Community Health Law Project; and \$1,500,000 for Special Case Management services.

The Commissioner of Human Services shall provide the Governor's Task Force on Mental Health with quarterly reports, due within 60 days after the end of each quarter, containing written statistical and financial information on the amounts hereinabove appropriated in Community Care for the Governor's Task Force on Mental Health's final recommendations.

Language Recommendations -- State Aid - General Fund

The appropriation for the Support of Patients in County Psychiatric Hospitals account is available to pay liabilities applicable to prior fiscal years, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Support of Patients in County Psychiatric Hospitals account is appropriated.

With the exception of all past, present, and future revenues representing federal financial participation received by the State from the United States that is based on payments to hospitals that serve a disproportionate share of low-income patients, which shall be retained by the State, the sharing of revenues received to defray the costs of maintaining patients in State and county psychiatric hospitals and facilities for the developmentally disabled shall be based on the same percent as costs are shared.

State Aid reimbursement payments for maintenance of patients in county psychiatric facilities shall be limited to inpatient services only, except that such reimbursement shall be paid to a county for outpatient and partial hospitalization services as defined by the Department of Human Services, if outpatient and/or partial hospitalization services had been previously provided at the county psychiatric facility prior to January 1, 1998. These outpatient and partial hospitalization payments shall not exceed the amount of State Aid funds paid to reimburse outpatient and partial hospitalization services provided during calendar year 1997.

The amount appropriated for the Division of Mental Health Services for State facility operations and the amount appropriated as State Aid for the costs of county facility operations first are charged to the federal disproportionate share hospital reimbursements anticipated as Medicaid uncompensated care.

HUMAN SERVICES

20. PHYSICAL AND MENTAL HEALTH 23. MENTAL HEALTH SERVICES 7710. GREYSTONE PARK PSYCHIATRIC HOSPITAL

Greystone Park Psychiatric Hospital (C.30:4-160) provides services for voluntarily and legally committed mentally ill persons from Bergen, Essex, Hudson, Morris, Passaic, and Sussex

Counties. It is approved by the Joint Commission on Accreditation of Hospitals.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Patient Care and Health Services				
Average daily population	550	563	566	531 (a)
Total admissions	347	350	406	382
Readmissions	66	60	83	78
All other admissions, including transfers	281	290	323	304
Total terminations, including transfers	339	342	335	315
Ratio: Population/total positions	0.5 / 1	0.5 / 1	0.5 / 1	0.4 / 1
Annual per capita	\$ 119,727	\$ 121,719	\$ 111,223	\$ 120,725
Daily per capita	\$328.02	\$333.48	\$304.72	\$330.75

PERSONNEL DATA

Position Data

Filled positions by Funding Source

State Supported	1,182	1,184	1,194	1,192
All Other	3	3	3	3
Total Positions	1,185	1,187	1,197	1,195

Filled Positions by Program Class

Patient Care and Health Services	934	930	904	957
Administration and Support Services	251	257	293	238
Total Positions	1,185	1,187	1,197	1,195

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

(a) Census expected to decline in anticipation of a new, smaller Greystone Park Psychiatric Hospital opening in fiscal year 2008.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
47,185	106	5,930	53,221	53,154	Patient Care and Health Services	10	49,493	50,644	50,644
13,260	57	1,856	15,173	15,173	Administration and Support Services	99	13,267	13,267	13,267
60,445	163	7,786	68,394	68,327	Total Direct State Services		62,760 (a)	63,911	63,911
Distribution by Fund and Object									
Personal Services:									
53,484	---	7,788	61,272	61,272	Salaries and Wages		56,628	57,353	57,353
53,484	---	7,788	61,272	61,272	Total Personal Services		56,628	57,353	57,353
3,306	---	---	---	---	Materials and Supplies		3,306	3,306	3,306
829 ^S	---	-202	3,933	3,933	Services Other Than Personal		1,346	1,772	1,772
1,346	---	125	1,471	1,471	Maintenance and Fixed Charges		898	898	898
898	---	75	973	973					

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Special Purpose:									
50	11 61 ^R	---	122	117	Interim Assistance	10	50	50	50
532	91	---	623	561	Additions, Improvements and Equipment		532	532	532
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	2,613	---	2,613	223	Administration and Support Services	99	---	---	---
---	<u>2,613</u>	---	<u>2,613</u>	<u>223</u>	Total Capital Construction		---	---	---
Distribution by Fund and Object									
Greystone Park Psychiatric Hospital									
---	2,375	---	2,375	223	Infrastructure Improvements, Institutions and Community Facilities	99	---	---	---
---	8	---	8	---	Bathroom Renovations	99	---	---	---
---	210	---	210	---	Upgrade Security Systems	99	---	---	---
---	<u>20</u>	---	<u>20</u>	---	Renovate Residential Cottages	99	---	---	---
<u>60,445</u>	<u>2,776</u>	<u>7,786</u>	<u>71,007</u>	<u>68,550</u>	Grand Total State Appropriation		<u>62,760</u>	<u>63,911</u>	<u>63,911</u>
OTHER RELATED APPROPRIATIONS									
All Other Funds									
---	---	201	201	201	Patient Care and Health Services	10	192	194	194
---	---	<u>201</u>	<u>201</u>	<u>201</u>	Total All Other Funds		<u>192</u>	<u>194</u>	<u>194</u>
<u>60,445</u>	<u>2,776</u>	<u>7,987</u>	<u>71,208</u>	<u>68,751</u>	GRAND TOTAL ALL FUNDS		<u>62,952</u>	<u>64,105</u>	<u>64,105</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

**20. PHYSICAL AND MENTAL HEALTH
23. MENTAL HEALTH SERVICES
7720. TRENTON PSYCHIATRIC HOSPITAL**

Trenton Psychiatric Hospital (C.30:4-160) provides services for voluntarily and legally committed mentally ill persons from Mercer, Middlesex, Monmouth, and Union Counties. It is approved

by the Joint Commission on Accreditation of Hospitals. Its psychiatric residency training program is approved by the Council on Medical Education of the American Medical Association.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Patient Care and Health Services				
Average daily population	489	510	497	485
Total admissions	1,107	997	816	772
Readmissions	383	346	261	247
All other admissions, including transfers	724	651	555	525
Total terminations, including transfers	1,109	967	822	777
Ratio: Population/total positions	0.5 / 1	0.5 / 1	0.5 / 1	0.4 / 1
Annual per capita	\$124,299	\$120,878	\$120,185	\$127,346
Daily per capita	\$340.55	\$331.17	\$329.27	\$348.89

HUMAN SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled positions by Funding Source				
State Supported	1,064	1,014	1,042	1,076
All Other	1	1	2	2
Total Positions	1,065	1,015	1,044	1,078
Filled Positions by Program Class				
Patient Care and Health Services	871	839	849	899
Administration and Support Services	194	176	195	179
Total Positions	1,065	1,015	1,044	1,078

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
43,907	213	5,591	49,711	49,699	Patient Care and Health Services	10	48,355	50,349	50,349
11,577	---	300	11,877	11,877	Administration and Support Services	99	11,336	11,336	11,336
55,484	213	5,891	61,588	61,576	Total Direct State Services		59,691^(a)	61,685	61,685
Distribution by Fund and Object									
Personal Services:									
48,520	---	5,891	54,411	54,411	Salaries and Wages		53,490	55,305	55,305
48,520	---	5,891	54,411	54,411	Total Personal Services		53,490	55,305	55,305
2,954	---	-150	3,567	3,567	Materials and Supplies		2,954	2,954	2,954
763 ^S	---	97	1,915	1,915	Services Other Than Personal		1,818	1,997	1,997
1,818	---	53	852	852	Maintenance and Fixed Charges		799	799	799
799	---				Special Purpose:				
150	7 205 ^R	---	362	350	Interim Assistance	10	150	150	150
480	1	---	481	481	Additions, Improvements and Equipment		480	480	480
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	3,829	---	3,829	1,153	Administration and Support Services	99	---	---	---
---	3,829	---	3,829	1,153	Total Capital Construction		---	---	---
Distribution by Fund and Object									
Trenton Psychiatric Hospital									
---	2,783	---	2,783	609	Steam and Condensate Line Replacement	99	---	---	---
---	933	---	933	544	Fire Protection	99	---	---	---
---	113	---	113	---	Drake Building Ceiling	99	---	---	---
55,484	4,042	5,891	65,417	62,729	Grand Total State Appropriation		59,691	61,685	61,685

OTHER RELATED APPROPRIATIONS

All Other Funds

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
---	---	72	72	72	OTHER RELATED APPROPRIATIONS			
---	---	72	72	72	10	41	78	78
---	---	72	72	72	<i>Total All Other Funds</i>			
55,484	4,042	5,963	65,489	62,801	GRAND TOTAL ALL FUNDS			
						59,732	61,763	61,763

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

**20. PHYSICAL AND MENTAL HEALTH
23. MENTAL HEALTH SERVICES
7725. ANN KLEIN FORENSIC CENTER**

The Ann Klein Forensic Center (C.30:4-160) serves the entire State in providing forensic psychiatric services for mentally ill persons who are legally committed. It is approved by the Joint Commission on Accreditation of Hospitals.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Patient Care and Health Services				
Average daily population	194	196	199	200
Total admissions	623	579	510	513
Readmissions	151	117	124	125
All other admissions, including transfers	472	462	386	388
Total terminations, including transfers	625	580	504	506
Ratio: Population/total positions	0.4 / 1	0.4 / 1	0.4 / 1	0.4 / 1
Annual per capita	\$132,577	\$127,648	\$109,196	\$107,925
Daily per capita	\$363.22	\$349.72	\$299.17	\$295.68

PERSONNEL DATA

Position Data

Filled positions by Funding Source

State Supported	500	523	498	515
All Other	3	3	3	2
Total Positions	503	526	501	517

Filled Positions by Program Class

Patient Care and Health Services	437	460	425	462
Administration and Support Services	66	66	76	55
Total Positions	503	526	501	517

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
16,955	2	5,355	22,312	22,312	10	18,838	18,676	18,676

HUMAN SERVICES

EVALUATION DATA

OPERATING DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Patient Care and Health Services				
Average daily population	728	727	740	722
Total admissions	1,233	1,175	1,308	1,252
Readmissions	338	330	381	364
All other admissions, including transfers	895	845	927	888
Total terminations, including transfers	1,177	1,201	1,234	1,182
Ratio: Population/total positions	0.5 / 1	0.5 / 1	0.5 / 1	0.5 / 1
Annual per capita	\$103,323	\$106,155	\$101,149	\$107,789
Daily per capita	\$283.08	\$290.84	\$277.12	\$295.31

PERSONNEL DATA

Position Data

Filled positions by Funding Source

State Supported	1,373	1,315	1,367	1,405
All Other	8	8	8	7
Total Positions	1,381	1,323	1,375	1,412

Filled Positions by Program Class

Patient Care and Health Services	1,051	1,000	1,025	1,093
Administration and Support Services	330	323	350	319
Total Positions	1,381	1,323	1,375	1,412

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
54,145	338	4,396	58,879	58,531	10	60,729	63,688	63,688
13,744	7	4,728	18,479	18,466	99	13,901	13,901	13,901
67,889	345	9,124	77,358	76,997		74,630^(a)	77,589	77,589
Distribution by Fund and Object								
Personal Services:								
59,968	---	9,124	69,092	69,092		67,393	69,568	69,568
59,968	---	9,124	69,092	69,092		67,393	69,568	69,568
3,610	---	75	4,369	4,369		3,610	3,610	3,610
684 ^S	---	-133	1,841	1,841		1,974	2,758	2,758
1,974	---	58	975	974		917	917	917
917	---	---	---	---		---	---	---
120	41	---	453	385	10	120	120	120
616	292 ^R	---	628	336		616	616	616
<u>CAPITAL CONSTRUCTION</u>								
Distribution by Fund and Program								
---	1,120	---	1,120	41	99	---	---	---
---	1,120	---	1,120	41		---	---	---

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
CAPITAL CONSTRUCTION								
Distribution by Fund and Object								
Ancora Psychiatric Hospital								
---	222	---	222	41	99	---	---	---
---	898	---	898	---	99	---	---	---
67,889	1,465	9,124	78,478	77,038		74,630	77,589	77,589
OTHER RELATED APPROPRIATIONS								
All Other Funds								
---	---	178	178	178				
					Patient Care and Health Services			
---	---	178	178	178	10	220	235	235
67,889	1,465	9,302	78,656	77,216		220	235	235
						74,850	77,824	77,824

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

20. PHYSICAL AND MENTAL HEALTH

23. MENTAL HEALTH SERVICES

7750. ARTHUR BRISBANE CHILD TREATMENT CENTER

The Arthur Brisbane Child Treatment Center (C.30:4-177.1 et seq.) provided psychiatric inpatient treatment, education, and rehabilitation for mentally ill pre-adolescent school age children and adolescents who were legally committed from the 21 counties.

close on December 31, 2005. Community programs have been developed to provide an appropriate level of care for the population groups who otherwise would have been treated at the Center.

The settlement with Childrens Rights, Inc. and the Child Welfare Reform Plan which is part of the settlement, required the Center to

The Center's grounds continue to be used by the Juvenile Justice Commission as a residential program, Fresh Start, which provides support for younger offenders that are developmentally delayed.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Patient Care and Health Services				
Average daily population	46	26	12 (a)	---
Total admissions	96	62	35 (a)	---
Readmissions	15	4	5 (a)	---
All other admissions, including transfers	81	58	30 (a)	---
Total terminations, including transfers	110	78	65 (a)	---
Ratio: Population/total positions	0.2 / 1	0.1 / 1	0.1 / 1 (a)	---
Annual per capita	\$276,717	\$443,846	\$991,352 (a)	---
Daily per capita	\$758.13	\$1,216.02	\$2,776.38 (a)	---
PERSONNEL DATA				
Position Data				
Filled positions by Funding Source				
State Supported	193	186	70 (a)	---
All Other	17	17	4 (a)	---
Total Positions	210	203	74 (a)	---

HUMAN SERVICES

Filled Positions by Program Class	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Patient Care and Health Services	166	158	62 (a)	---
Administration and Support Services	44	45	12 (a)	---
Total Positions	210	203	74 (a)	---

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the closing of the institution.

(a) The operating data reflects the period July - December, 2005 when the facility was ultimately closed. Annual and daily per capita figures and filled position data are an anomaly due to the transition of staff to other facilities.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
8,343	---	---	8,343	8,343	10	4,374	---	---	
2,261	---	---	2,261	2,258	99	1,168	---	---	
10,604	---	---	10,604	10,601	Total Direct State Services		5,542	---	---
Distribution by Fund and Object									
Personal Services:									
9,550	---	---	9,550	9,550	Salaries and Wages		5,015	---	---
9,550	---	---	9,550	9,550	Total Personal Services		5,015	---	---
456	---	---	456	456	Materials and Supplies		228	---	---
326	---	---	326	324	Services Other Than Personal		163	---	---
132	---	---	132	132	Maintenance and Fixed Charges		66	---	---
140	---	---	140	139	Additions, Improvements and Equipment		70	---	---
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	30	---	30	2	99	---	---	---	
---	30	---	30	2	Total Capital Construction		---	---	---
Distribution by Fund and Object									
Arthur Brisbane Child Treatment Center									
---	25	---	25	2	99	---	---	---	
---	5	---	5	---	99	---	---	---	
10,604	30	---	10,634	10,603	Grand Total State Appropriation		5,542	---	---

OTHER RELATED APPROPRIATIONS

---	---	939	939	939					
					All Other Funds				
					Patient Care and Health Services				
---	---	939	939	939	10	455	---	---	
					Total All Other Funds				
10,604	30	939	11,573	11,542	GRAND TOTAL ALL FUNDS		5,997	---	---

HUMAN SERVICES

20. PHYSICAL AND MENTAL HEALTH

23. MENTAL HEALTH SERVICES

7760. SENATOR GARRETT W. HAGEDORN GERO-PSYCHIATRIC HOSPITAL

Senator Garrett W. Hagedorn Gero-Psychiatric Hospital provides long-term rehabilitative care for patients previously discharged from State psychiatric hospitals who may require psychiatric intervention but whose major need is for skilled or intermediate

nursing and medical care. The hospital provides services for mentally ill persons from Hunterdon, Somerset, and Warren Counties.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Patient Care and Health Services				
Average daily population	281	289	282	280
Total admissions	493	507	491	488
Readmissions	72	90	86	86
All other admissions, including transfers	421	417	405	402
Total terminations, including transfers	477	510	464	461
Ratio: Population/total positions	0.5 / 1	0.5 / 1	0.5 / 1	0.5 / 1
Annual per capita	\$117,964	\$120,481	\$123,755	\$126,136
Daily per capita	\$323.19	\$330.08	\$339.05	\$345.58

PERSONNEL DATA

Position Data

Filled positions by Funding Source

State Supported	560	528	544	549
All Other	1	---	1	1
Total Positions	561	528	545	550

Filled Positions by Program Class

Patient Care and Health Services	439	419	439	432
Administration and Support Services	122	109	106	118
Total Positions	561	528	545	550

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
24,205	48	2,622	26,875	26,847	Patient Care and Health Services	10	26,354	27,164	27,164
8,254	226	---	8,480	7,965	Administration and Support Services	99	8,483	8,106	8,106
32,459	274	2,622	35,355	34,812	Total Direct State Services		34,837^(a)	35,270	35,270
Distribution by Fund and Object									
Personal Services:									
28,102	---	2,622	30,724	30,724	Salaries and Wages		30,742	31,404	31,404
28,102	---	2,622	30,724	30,724	Total Personal Services		30,742	31,404	31,404
1,941	---	---	---	---	Materials and Supplies		1,941	1,941	1,941
262 ^S	---	-1	2,202	2,202	Services Other Than Personal		1,052	1,200	1,200
1,052	---	---	1,052	1,052	Maintenance and Fixed Charges		426	426	426
426	---	1	427	426	Special Purpose:				

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
14	39 9 ^R	---	62	34	Interim Assistance	10	14	14	14
662	226	---	888	374	Additions, Improvements and Equipment		662	285	285
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	116	---	116	---	Administration and Support Services	99	---	---	---
---	116	---	116	---	Total Capital Construction		---	---	---
Distribution by Fund and Object									
Senator Garrett W. Hagedorn Gero-Psychiatric Hospital									
---	116	---	116	---	Sewage Treatment Plant	99	---	---	---
32,459	390	2,622	35,471	34,812	Grand Total State Appropriation		34,837	35,270	35,270
<u>OTHER RELATED APPROPRIATIONS</u>									
All Other Funds									
---	---	7	7	7	Patient Care and Health Services	10	62	48	48
---	---	7	7	7	Total All Other Funds		62	48	48
32,459	390	2,629	35,478	34,819	GRAND TOTAL ALL FUNDS		34,899	35,318	35,318

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

Receipts recovered from advances made under the Interim Assistance program in the mental health institutions are appropriated for the same purpose.

The unexpended balances at the end of the preceding fiscal year in the Interim Assistance program accounts in the mental health institutions are appropriated for the same purpose.

The amount appropriated for the Division of Mental Health Services for State facility operations and the amount appropriated as State Aid for the costs of county facility operations first are charged to the federal Disproportionate Share Hospital reimbursements anticipated as Medicaid Uncompensated Care.

20. PHYSICAL AND MENTAL HEALTH

24. SPECIAL HEALTH SERVICES

7540. DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

OBJECTIVES

1. To provide immediate and quality diagnosis and treatment of acute illness or disability, as well as health maintenance services. Beneficiaries include New Jersey residents determined eligible for financial assistance, pregnant women and certain dependent children, low-income disabled or blind persons, Supplemental Security Income recipients, children in foster home programs, persons qualifying for the State's Medically Needy programs or Medical Assistance Only, and certain classes of refugees and immigrants.
2. To provide subsidized health care coverage for children with gross family incomes which do not exceed 350% of the Federal Poverty Level (FPL) through the Medicaid Title XIX or the State Children's Health Insurance Program (SCHIP) Title XXI. To provide subsidized health care coverage for a

parent or caretaker relative of a child with gross family income up to 200% of the poverty level who was covered prior to June 2002. New legislation under the Family Health Care Coverage Act opened health care coverage to a parent or caretaker relative with gross family incomes not to exceed 100% of the poverty level effective September 1, 2005 with further expansion not exceeding 115% of the poverty level effective September 1, 2006 and gross family income not exceeding 133% of the poverty level effective September 1, 2007. To provide health coverage for those single adults eligible for General Assistance with incomes not exceeding 23% of the poverty level while continuing the health care coverage of childless adults with incomes between 24% and 100% of the poverty level who were covered prior to September 2001.

HUMAN SERVICES

PROGRAM CLASSIFICATIONS

21. **Health Services Administration and Management.** Evaluates the medical needs of persons eligible for the Medicaid and Medically Needy, KidCare and FamilyCare, and General Assistance programs and assures that these needs are met through immediate and quality diagnosis, treatment, rehabilitation, and health maintenance. Provides payments to fiscal agent for claims processing and managed care capitation, and county welfare agencies for eligibility determination and to a health benefits coordinator vendor to assist with eligibility determination and client HMO selection. Administers the Division's network of fee-for-service providers as well as the HMOs contracted with the Division and provides overall program policy direction and management. Principal units are the director's office, fiscal services, administrative support services, including information systems, program integrity, medical care support services, Medicaid district offices, managed care oversight and quality assurance.

22. **General Medical Services.** Distributes payments to providers of medical care for services rendered on behalf of recipients covered by the various programs. These services include inpatient and outpatient general hospital, psychiatric hospital, dental, home health, clinical services, rehabilitation, x-ray, laboratory services, prosthetic devices, medical supplies, medical transportation, prescribed drugs, Medicare premiums, personal care services, certain other community-based services under federal waiver, and managed care. Subsidized health insurance coverage is also provided to certain non-Medicaid lower-income children up to 350% FPL, parents up to 133% FPL, and a limited number of childless adults meeting income eligibility requirements before July 1, 2003, as a result of authority and funding from P.L.1997, c.272 and P.L.1997, c.263, which established the NJ KidCare program pursuant to Title XXI of the federal Social Security Act and P.L.2000, c.71, which established the NJ FamilyCare program.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Health Services Administration and Management				
General Medical Services:				
Population Data				
Average monthly eligibles	711,846	731,595	746,227	761,151
Personal Care Services (a)	\$273,748	\$35,922,524	\$37,936,601	\$46,337,000
Managed Care Initiative				
Gross annual capitation payments (b)	\$1,010,143,105	\$1,089,546,995	\$1,185,798,288	\$1,315,125,000
Hospital Relief Offset Payments	\$141,690,000	\$141,690,000	\$141,690,000	\$141,690,000
Hospital Health Care Subsidy Payments	\$61,310,000	\$61,310,000	\$61,310,000	\$61,310,000
Hospital Inpatient Services				
Patient admissions	67,643	66,335	65,987	65,523
Average cost per admission	\$7,572	\$8,026	\$8,083	\$8,191
Gross annual cost (c)	\$512,160,175	\$532,393,237	\$533,353,300	\$536,694,000
Prescription Drugs				
Prescriptions	14,042,225	15,325,337	16,352,981	16,921,760
Average cost per prescription	\$70.59	\$76.36	\$79.32	\$82.59
Gross annual cost	\$991,240,657	\$1,170,199,850	\$1,297,147,480	\$1,397,491,092
Less: Pharmaceutical manufacturer rebates	(\$197,037,727)	(\$294,420,439)	(\$284,000,000)	(\$308,610,000)
Total program cost	\$794,202,930	\$875,779,411	\$1,013,147,480	\$1,088,881,092
Hospital Outpatient Services				
Visits	1,877,692	2,021,211	2,032,669	2,072,831
Average cost per visit	\$152.15	\$156.72	\$157.29	\$159.61
Gross annual cost	\$285,695,707	\$316,758,375	\$319,715,018	\$330,842,000
Physician Services				
Visits	3,286,474	3,363,371	3,510,613	3,590,613
Average cost per visit	\$16.70	\$17.25	\$17.37	\$17.92
Gross annual cost	\$54,872,136	\$58,009,193	\$60,987,799	\$64,327,000

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	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Home Health Care				
Visits	2,022,000	1,698,480	1,478,440	1,184,217
Average cost per visit	\$17.75	\$17.11	\$17.32	\$17.51
Gross annual cost	\$35,887,273	\$29,059,875	\$25,602,088	\$20,739,000
Medicare Premiums ^(d)	\$152,736,267	\$181,270,599	\$231,970,111	\$249,495,000
Dental Services	\$22,003,661	\$24,013,614	\$25,151,715	\$27,600,000
Clinic Services	\$112,014,365	\$130,482,184	\$148,989,326	\$155,748,000
Transportation Services ^(e)	\$65,959,242	\$73,372,944	\$80,348,591	\$85,663,000
All Other Services (Gross) ^(f)	\$237,395,938	\$171,285,948	\$169,309,819	\$197,961,000
Less: Recoveries and Adjustments	(\$41,062,561)	(\$54,290,001)	(\$50,000,000)	(\$52,000,000)
Unit Dose Contract Services	\$5,441,951	\$4,886,678	\$5,345,430	\$5,125,000
Consulting Pharmacy Services	\$3,619,676	\$3,419,760	\$3,750,666	\$3,704,000
Grand Total	\$3,454,343,613	\$3,674,911,336	\$3,994,406,232	\$4,279,241,092
State share (General Fund)	\$1,696,763,993	\$1,824,825,495	\$2,040,991,819	\$2,378,354,000
State share (Hospital Health Care Subsidy Fund)	\$30,655,000	\$30,655,000	\$30,655,000	\$30,655,000
State share (Hospital Health Care Subsidy Fund) ^(b)	\$19,776,550	\$22,294,648	---	---
Federal share	\$1,707,148,070	\$1,797,136,193	\$1,922,759,413	\$1,870,232,092
NJ FamilyCare - Children's Health Insurance Program ^(g):				
Enrollment	286,313	291,832	307,206	357,206
Total costs	\$133,008,337	\$143,334,384	\$173,625,044	\$216,799,881
State share	\$45,160,607	\$48,588,731	\$56,020,157	\$70,492,650
Federal share	\$77,607,264	\$83,023,218	\$104,037,034	\$130,914,922
Individuals share	\$10,240,466	\$11,722,435	\$13,567,853	\$15,392,309
NJ FamilyCare - Adult Health Coverage Benefits ^(h):				
Estimated year-end enrollment	94,152	72,204	87,694	98,694
Total costs	\$279,523,325	\$229,443,762	\$236,146,224	\$293,640,399
State share	\$135,869,497	\$119,364,308	\$117,511,739	\$134,251,443
Federal share	\$140,104,732	\$108,525,805	\$117,511,130	\$158,410,899
Employers/Individuals share	\$3,549,096	\$1,553,649	\$1,123,355	\$978,057
General Assistance Medical Services:				
Estimated year-end enrollment	36,045	36,419	36,725	39,352
Total costs	\$105,421,123	\$129,134,839	\$143,779,340	\$130,724,000

PERSONNEL DATA

Position Data

Filled positions by Funding Source				
State Supported	173	185	186	128
Federal	354	377	380	413
Total Positions	527	562	566	541
Filled Positions by Program Class				
Health Services Administration and Management	527	562	566	541
Total Positions	527	562	566	541

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

- (a) Beginning in fiscal year 2005, appropriations associated with Adult Mental Health Residential services are included in Payments for Medical Assistance Recipients - Personal Care.
- (b) Includes payments for services to Pregnant Women and Infants between 133% and 185% of the federal poverty level, which are funded from the Health Care Subsidy Fund. Beginning in fiscal year 2006, payments on behalf of Medicaid recipients enrolled in Managed Care will not be paid out of the Health Care Subsidy Fund per P.L. 2005, c. 237.
- (c) Includes \$48,385,000 in funding from the Health Care Subsidy Fund in fiscal year 2004, and \$50,000,000 in fiscal years 2005 and 2006. In fiscal year 2007, the gross annual cost does not include increased reimbursements due to the New Jersey Acute Care Hospital Licensed Bed Assessment.
- (d) Includes enhanced federal funding for Specified Low-Income Medicare Beneficiary eligibility expansions and premium shifts, pursuant to the Federal Balanced Budget Act of 1997.
- (e) In fiscal year 2006 and fiscal year 2007, \$18.5 million and \$20 million are respectively paid by the State out of the Payments to Medicaid Recipients - Transportation Services account to the county welfare agencies to administer transportation services.
- (f) All Other Services includes all Grants-in-Aid programs not displayed as a separate line item above.

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(g) The NJ FamilyCare - Children's Health Insurance Program was formerly referred to as NJ KidCare. Enrollment includes children funded under Medicaid - Title XIX. The enrollment figure for fiscal year 2006 is as of January 2006, and the enrollment figure for fiscal year 2007 is the June 2007 projection. Costs do not include children that are funded under Medicaid - Title XIX.

(h) NJ FamilyCare expenditures exclude costs of Childless Adult expansion that is pending a federal waiver.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
23,345	7,756	4,367	35,468	31,369				
---	758	-758	---	---	21	26,221	25,779	25,779
					22	---	---	---
23,345	8,514	3,609	35,468	31,369		26,221 ^(a)	25,779	25,779
Distribution by Fund and Object								
Personal Services:								
13,455	---	272	13,727	13,727		14,510	14,068	14,068
13,455	---	272	13,727	13,727		14,510	14,068	14,068
180	---	67	247	246		180	180	180
5,000	---	-33	4,967	4,967		3,466	3,466	3,466
308	---	-170	138	138		308	308	308
Special Purpose:								
3,043	6,892	---	9,935	6,209	21	6,588	6,588	6,588
1,179	---	-45	1,134	1,041				
					21	1,079	1,079	1,079
90	---	-48	42	31				
90 ^S	---	-47	43	20	21	90	90	90
---	---	4,368	4,368	4,348	21	---	---	---
---	758 ^R	-758	---	---	21	---	---	---
---	864	3	867	642	22	---	---	---
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
2,022,995	319,146	21,191	2,363,332	2,360,695	22	2,254,839	2,184,242	2,184,242
2,022,995	319,146	21,191	2,363,332	2,360,695		2,254,839	2,184,242	2,184,242
Distribution by Fund and Object								
Grants:								
14,060	---	1,157	15,217	15,217				
					22	16,230	23,771	23,771
525,217	22,296 ^R	835	548,348	548,348	22	583,522	674,659	674,659
						22,000 ^S		
70,845	---	20,655	91,500	91,500	22	70,845	70,845	70,845
5,900	---	-1,227	4,673	4,673				
					22	6,372	6,691	6,691
200,695	---	7,292	222,867	220,231				
14,880 ^S	---				22	231,990	58,376	58,376
						6,000 ^S		

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Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
					GRANTS-IN-AID			
468,449	294,420 ^R	-6,634	756,235	756,235	22	532,378 4,000 ^S	540,291	540,291
176,517	---	-12,703	163,814	163,814	22	172,681	167,774	167,774
34,204	---	-4,071	30,133	30,133	22	36,244	33,000	33,000
17,728	---	-3,137	14,591	14,590	22	17,733	10,639	10,639
85,437	---	4,252	89,689	89,689	22	93,964 20,000 ^S	127,991	127,991
11,520	---	773	12,293	12,293	22	13,483	14,159	14,159
13,956	---	-4,140	9,816	9,816	22	13,634	11,054	11,054
15,996	---	4,220	20,216	20,216	22	21,236	20,489	20,489
41,445	---	16,770	58,215	58,215	22	57,294	74,152	74,152
45,616	---	-457	45,159	45,159	22	45,397	53,685	53,685
2,369	---	5,134	7,503	7,503	22	6,786	20,868	20,868
6,000	---	-1,113	4,887	4,887	22	5,125	5,125	5,125
3,600	---	-180	3,420	3,420	22	3,704	3,704	3,704
4,800	---	-822	3,978	3,978	22	4,800	5,136	5,136
4,420	---	2,643	7,063	7,063	22	4,420	4,729	4,729
122,515	---	6,620	129,135	129,135	22	145,790	130,724	130,724
130,776	1,841 589 ^R	-13,841	119,365	119,365	22	113,161	120,469	120,469
<u>6,050</u>	<u>---</u>	<u>-835</u>	<u>5,215</u>	<u>5,215</u>	22	<u>6,050</u>	<u>5,911</u>	<u>5,911</u>
2,046,340	327,660	24,800	2,398,800	2,392,064	Grand Total State Appropriation		2,210,021	2,210,021

OTHER RELATED APPROPRIATIONS

					Federal Funds			
59,844	24,142	6,000	89,986	65,080	21	66,739	70,539	70,539
<u>2,025,489</u>	<u>100,619</u>	<u>-4,700</u>	<u>2,121,408</u>	<u>2,034,779</u>	22	<u>2,145,723</u>	<u>2,083,287</u>	<u>2,083,287</u>
<u>2,085,333</u>	<u>124,761</u>	<u>1,300</u>	<u>2,211,394</u>	<u>2,099,859</u>	Total Federal Funds		<u>2,212,462</u>	<u>2,153,826</u>
					All Other Funds			
---	4,379	---	4,379	4,231	21	3,350	6,567	6,567
---	48,485 600,070 ^R	-20,655	627,900	623,791	22	649,522	1,042,200	1,042,200
<u>---</u>	<u>652,934</u>	<u>-20,655</u>	<u>632,279</u>	<u>628,022</u>	Total All Other Funds		<u>652,872</u>	<u>1,048,767</u>

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Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
4,131,673	1,105,355	5,445	5,242,473	5,119,945	OTHER RELATED APPROPRIATIONS			
					<i>GRAND TOTAL ALL FUNDS</i>			
						5,146,394	5,412,614	5,412,614

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and has been reduced to reflect the transfer of funds to the Interdepartmental Salary and Other Benefits accounts.

Notes -- Grants-In-Aid - General Fund

- (b) In fiscal 2007, \$6,635,000 is reallocated from the Community Care line item in the Division of Mental Health Services.
- (c) State share expenditures on behalf of pregnant women and infants between 133% and 185% of the federal poverty standard are funded from the Health Care Subsidy Fund.
- (d) The Hospital Relief Offset Payments account includes appropriations from the Department of Health and Senior Services through the Health Care Subsidy Fund.
- (e) In addition to the amounts for Medical Assistance Recipients-Inpatient Hospital, \$48.4 million is available in fiscal year 2004, and \$50 million in fiscal years 2005 and 2006, from the Health Care Subsidy Fund. In fiscal year 2007, the amount has been offset by \$215 million from revenue generated from the New Jersey Acute Care Hospital Licensed Bed Assessment.

The appropriation for Children’s Behavioral Health Services has been moved to the Department of Children and Families.

Language Recommendations -- Direct State Services - General Fund

The unexpended balances at the end of the preceding fiscal year, in the Payments to Fiscal Agent account are appropriated. Sufficient funds from the Health Care Subsidy Fund are appropriated to the Division of Medical Assistance and Health Services for payment to disproportionate share hospitals for uncompensated care costs as defined in P.L.1991, c.187 (C.26:2H-18.24 et seq.), and for subsidized children’s health insurance in the NJ KidCare program (Children’s Health Care Coverage Program) established in P.L.1997, c.272 (C.30:4I-1 et seq.) to maximize federal Title XXI funding. Additional federal Title XIX revenue generated from the claiming of uncompensated care payments made to disproportionate share hospitals shall be deposited in the General Fund as anticipated revenue. Notwithstanding any State law to the contrary, any third party as defined in subsection m. of section 3 of P.L.1968, c.413 (C.30:4D-3), writing health, casualty, workers’ compensation or malpractice insurance policies in the State or covering residents of this State, shall enter into an agreement with the Division of Medical Assistance and Health Services to permit and assist the matching no less frequently than on a monthly basis of the Medicaid, NJ FamilyCare, Charity Care, and Work First New Jersey General Assistance eligibility files and/or adjudicated claims files against that third party’s eligibility file, including indication of coverage derived from the Medicare Modernization Act, and/or adjudicated claims file for the purpose of coordination of benefits, utilizing, if necessary, social security numbers as common identifiers. Notwithstanding the provisions of any law to the contrary, all past, present and future revenues representing federal financial participation received by the State from the United States and that are based on payments made by the State to hospitals that serve a disproportionate share of low-income patients shall be deposited in the General Fund and may be expended only upon appropriation by law. Notwithstanding the provisions of any law to the contrary, all revenues received from health maintenance organizations shall be deposited in the General Fund. Additional federal Title XIX revenue generated from the claiming of medical service payments on behalf of individuals enrolled in the second year of Medicaid Extension is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

The amounts hereinabove appropriated for Payments for Medical Assistance Recipients are available for the payment of obligations applicable to prior fiscal years. In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from Payments for Medical Assistance Recipients-Personal Care and Payments for Medical Assistance Recipients-Other Services accounts within the General Medical Services program classification in the Division of Medical Assistance and Health Services and the Payments for Medical Assistance Recipients-Personal Care and the Payments for Medical Assistance Recipients-Other Services accounts in the Division of Disability Services in the Department of Human Services. Amounts may also be transferred to and from various item of appropriations within the General Medical Services program classification of the Division of Medical Assistance and Health Services in the Department of Human Services and the Medical Services for the Aged program classification in the Division of Aging and Community Services in the Department of Health and Senior Services. All such transfers are subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer. For the purposes of account balance maintenance, all object accounts appropriated in the General Medical Services program classification shall be considered as one object. This will allow timely payment of claims to providers of medical services but ensure that no overspending will occur in the program classification.

Notwithstanding any law to the contrary, all object accounts appropriated in the General Medical Services program classification shall be conditioned upon the following provision: the Commissioner of Human Services shall have the authority to convert individuals enrolled in a State-funded program who are also eligible for a federally matchable program, to the federally matchable program without the need for regulations.

In addition to the amounts hereinabove appropriated for payments to providers on behalf of medical assistance recipients, such additional sums as may be required are appropriated from the General Fund to cover costs consequent to the establishment of presumptive eligibility for children and pregnant women in the Medicaid (Title XIX) program and the NJ KidCare program (Children's Health Care Coverage Program) as defined in P.L.1997, c.272 (C.30:41-1 et seq.).

Notwithstanding the provisions of P.L.1962, c.222 (C.44:7-76 et seq.), the Medical Assistance for the Aged program is eliminated.

Notwithstanding the provisions of any other law to the contrary, all object accounts appropriated in the General Medical Services program classification shall be conditioned upon the following provision: when any action by a county welfare agency, whether alone or in combination with the Division of Medical Assistance and Health Services, results in a recovery of improperly granted medical assistance, the Division of Medical Assistance and Health Services may reimburse the county welfare agency in the amount of 25% of the gross recovery.

All funds recovered pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) and P.L.1975, c.194 (C.30:4D-20 et seq.) during the current fiscal year are appropriated for payments to providers in the same program class from which the recovery originated.

The amount appropriated hereinabove for the Division of Medical Assistance and Health Services first is to be charged to the federal disproportionate share hospital reimbursements anticipated as Medicaid uncompensated care.

Notwithstanding any other law to the contrary, a sufficient portion of receipts generated or savings realized in Medical Assistance Grants-in-Aid accounts from initiatives may be transferred to the Health Services Administration and Management accounts to fund costs incurred in realizing these additional receipts or savings, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary and subject to federal approval, the Commissioner of Human Services is authorized to develop and introduce Optional Service Plan Innovations to enhance client choice for users of Medicaid optional services, while containing expenditures.

Notwithstanding any law to the contrary and subject to the notice provisions of 42 CFR 447.205, of the amount hereinabove appropriated for Payments for Medical Assistance Recipients-Personal Care, personal care assistant services shall be limited to no more than 25 hours per week.

The Division of Medical Assistance and Health Services, subject to federal approval, shall implement policies that would limit the ability of persons who have the financial ability to provide for their own long-term care needs to manipulate current Medicaid rules to avoid payment for that care. The Division shall require, in the case of a married individual requiring long-term care services, that the portion of the couple's resources that is not protected for the needs of the community spouse be used solely for the purchase of long-term care services.

Such sums as may be necessary are appropriated from the General Fund for the payment of any provider assessments to Intermediate Care Facilities/Mental Retardation facilities, subject to the approval of the Director of the Division of Budget and Accounting of a plan as shall be submitted by the Commissioner of Human Services.

The Division of Medical Assistance and Health Services is empowered to competitively bid and contract for performance of federally mandated inpatient hospital utilization reviews, and the funds necessary for the contracted utilization review of these hospital services are made available from the Payments for Medical Assistance Recipients-Inpatient Hospital account, subject to the approval of the Director of the Division of Budget and Accounting.

Such sums as may be necessary are available from the Health Care Subsidy Fund to supplement Payments for Medical Assistance Recipients-Inpatient Hospital, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other laws to the contrary, State funding for the New Jersey Health ACCESS program shall cease, and all enrollment shall be terminated as of July 1, 2001, or at such later date as shall be established by the Commissioner of Human Services.

Notwithstanding the provisions of any law or regulation to the contrary, the NJ FamilyCare program benefit service packages, premium contributions, co-payment levels, enrollment levels, and any other program features or operations may be modified as the Commissioner of Human Services deems necessary based upon a plan approved by the Director of the Division of Budget and Accounting to ensure that monies expended for the NJ FamilyCare program do not exceed the amount appropriated hereunder.

Notwithstanding any provision of the "Administrative Procedure Act," P.L.1968, c.410 (C. 52:14B-1 et seq.), to the contrary, the Commissioner of Human Services shall adopt immediately upon filing with the Office of Administrative Law such regulations as the Commissioner deems necessary to ensure that monies expended for the NJ FamilyCare program do not exceed the amount appropriated hereunder. Such regulation may change or adjust the financial and non-financial eligibility requirements for some or all of the applicants or beneficiaries in the program, the benefits provided, cost-sharing amounts, or may suspend in whole or in part the processing of applications for any or all categories of individuals covered by the program.

Notwithstanding any other law to the contrary, those hospitals that are eligible to receive a Hospital Relief Subsidy Fund (HRSF) payment as appropriated hereinabove in the Payments for Medical Assistance Recipients-Inpatient Hospital program shall receive enhanced payments from the Medicaid program for providing services to Medicaid and NJ FamilyCare beneficiaries. The total payments shall not exceed the amount appropriated and shall be allocated among hospitals proportionately based on the amount of HRSF payments (excluding any adjustments to the HRSF for other Medicaid payment increases). Interim payments shall be made from the Hospital Relief Offset Payment account, based on an estimate of the total enhanced amount payable to a qualifying hospital, and subject to cost settlement. The enhanced payment, determined at cost settlement, will be an amount approved by the Director of the Division of Budget and Accounting per Medicaid patient day, adjusted by a volume variance factor (the ratio of expected Medicaid inpatient days to actual Medicaid inpatient days for the rate year) and an HRSF factor (the ratio of the hospital's HRSF payments to total HRSF

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payments) and subject to a pro rata adjustment so that the total enhanced per diem amounts are equivalent to the total State and federal funds appropriated not to exceed an amount to be approved by the Director of the Division of Budget and Accounting. The total of these payments shall be reduced by an amount equal to any increase in Medicaid and NJ FamilyCare fee-for-service payments to New Jersey hospitals enacted herein or subsequent to this legislation.

Notwithstanding any other law to the contrary for those hospitals that qualify for a Hospital Relief Subsidy Fund payment, the State Medicaid program shall reimburse those hospitals Graduate Medical Education outpatient payments up to the amount the hospital would have received under Medicare principles of reimbursement for Medicaid and NJ FamilyCare fee-for-service beneficiaries. Payments shall be made from and are appropriated hereinabove in the Hospital Relief Offset Payment account, and shall be based on the qualifying hospitals' first finalized 1996 cost reports. The amount that the qualifying hospital would otherwise be eligible to receive from the Hospital Relief Subsidy Fund shall be reduced by the amount of this Graduate Medical Education outpatient payment. The total amount of these payments shall not exceed an amount approved by the Director of the Division of Budget and Accounting in combined State and federal funds. In no case shall these payments and all other enhanced payments related to those services primarily used by Medicaid and NJ FamilyCare beneficiaries that the hospital receives exceed the amount the hospital would otherwise have been eligible to receive from the Hospital Relief Subsidy Fund in the State fiscal year.

Of the amounts appropriated in State and federal funds in the Hospital Relief Offset Payment accounts in the Department of Human Services, Division of Medical Assistance and Health Services, such sums as may be necessary shall be transferred to the Hospital Relief Subsidy Fund within the Health Care Subsidy Fund established pursuant to P.L.1992, c.160 (C26:2H-18.51 et seq.) to maximize federal revenues related to these accounts and maintain an appropriate level of hospital payments, subject to the approval of the Director of the Division of Budget and Accounting.

Rebates from pharmaceutical manufacturing companies during the current fiscal year for prescription expenditures made to providers on behalf of Medicaid clients are appropriated for the Payments for Medical Assistance Recipients-Prescription Drugs account. Provided further that for fiscal 2007, the Commissioner of the Department of Human Services, in consultation with the State Treasurer, shall negotiate and implement additional measures to maximize savings and cost recoveries in the Payments for Medical Assistance Recipients - Prescription Drugs, NJ FamilyCare, and General Assistance Medical Services prescription drugs programs to ensure that the State of New Jersey is an aggressively cost-conscious purchaser of prescription drugs.

Notwithstanding the provisions of any other law or regulation to the contrary, and subject to the notice provisions of 42 CFR 447.205 where applicable, no funds appropriated for prescription drugs in the Payments for Medical Assistance Recipients-Prescription Drugs or General Assistance Medical Services account shall be expended except under the following conditions: (a) reimbursement for the cost of legend, and non-legend drugs, and nutritional supplements, shall not exceed the Average Wholesale Price (AWP) less a 15% discount from July 1, 2006 through December 31, 2006. In accordance with the federal Deficit Reduction Act, effective January 1, 2007, reimbursement for multiple source drugs shall not exceed 250% of the lowest Average Manufacturer's Price (AMP) or AWP less a 20% discount, whichever is lower, and reimbursement for single source innovator drugs will be calculated using the retail survey price or AWP less a 20% discount, whichever is lower; (b) the current prescription drug dispensing fee structure set as a variable rate of \$3.73 to \$4.07 shall remain in effect through the current fiscal year, including the current increments for patient consultation, impact allowances, and allowances for 24-hour emergency services; and (c) with the exception of psychotropic medications, multisource generic and single source brand name drugs shall be dispensed without prior authorization but multisource brand name drugs shall require prior authorization issued by the Division of Medical Assistance and Health Services or its authorizing agent; however, a 10-day supply of the multisource brand name drug shall be dispensed pending receipt of prior authorization. In the case of psychotropic medications, prescriptions without a generic equivalent must be prior authorized. Certain multisource brand name drugs with a narrow therapeutic index, other drugs recommended by the Drug Utilization Board or brand name drugs with lower cost per unit than the generic, may be excluded from prior authorization by the Division of Medical Assistance and Health Services.

Notwithstanding any law to the contrary and subject to the notice provisions of 42 CFR 447.205, approved nutritional supplements which are funded hereinabove in the Payments for Medical Assistance Recipients-Prescription Drug program will be reimbursed in accordance with a fee schedule set by the Director of the Division of Medical Assistance and Health Services.

No funding shall be provided from the General Assistance Medical Services or NJ FamilyCare programs for anti-retroviral drugs for the treatment of HIV/AIDS, as specified in the Department of Health and Senior Services' formulary for the AIDS Drugs Distribution Program (ADDP).

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriation in the General Assistance Medical Services account hereinabove shall be conditioned upon the following provisions which shall apply to the dispensing of prescription drugs through that account: (a) all Maximum Allowable Cost (MAC) drugs dispensed shall state "Brand Medically Necessary" in the prescriber's own handwriting if the prescriber determines that it is necessary to override generic substitution of drugs; and (b) each prescription order shall follow the requirements of P.L.1977, c.240 (C.24:6E-1 et seq.). The list of drugs substituted shall conform to all requirements pertaining to drug substitution and federal upper limits for MAC drugs as administered by the State Medicaid Program.

Such sums as may be necessary are appropriated from enhanced audit recoveries obtained by the Division of Medical Assistance and Health Services to fund the costs of enhanced audit recovery efforts of the division within the General Medical Services program classification, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriations in the Payments for Medical Assistance Recipients - Prescription Drugs, General Assistance Medical Services, NJ FamilyCare, and NJ KidCare accounts shall be conditioned upon the following provision: each prescription order for protein nutritional supplements and specialized infant formulas dispensed shall be filled with the generic equivalent unless the prescription order states "Brand Medically Necessary" in the prescriber's own handwriting.

- Of the amount hereinabove appropriated for Payments for Medical Assistance Recipients-Outpatient Hospital, an amount not to exceed \$1,900,000 is allocated for limited prenatal medical care for New Jersey pregnant women who, except for financial requirements, are not eligible for any other State or federal health insurance program.
- Of the revenues received as a result of sanctions to health maintenance organizations participating in Medicaid Managed Care, an amount not to exceed \$500,000 is appropriated to the NJ KidCare A - Administration account to improve access to medical services and quality care through such activities as outreach, education, and awareness, subject to the approval of the Director of the Division of Budget and Accounting.
- Non-contracted hospitals providing emergency services to Medicaid or NJ FamilyCare members enrolled in the managed care program shall accept, as payment in full, the amounts that the non-contracted hospital would receive from Medicaid for the emergency services and/or any related hospitalization if the beneficiary were enrolled in Medicaid fee-for-service.
- Notwithstanding the provisions of subsection (b) of N.J.A.C.10:60-5.3 and subsection (a) of N.J.A.C.10:60-5.4 to the contrary, a person receiving the maximum number of Early and Periodic Screening, Diagnosis and Treatment/Private Duty Nursing (EPSDT/PDN) services, that is, 16 hours in any 24-hour period, may be authorized to receive additional PDN hours if private health insurance is available to cover the cost of the additional hours and appropriate medical documentation is provided that indicates that additional PDN hours are required and that the primary caregiver is not qualified to provide the additional PDN hours.
- Of the amount hereinabove appropriated for Payments for Medical Assistance Recipients-Clinic Services, an amount not to exceed \$1,900,000 is allocated for limited prenatal medical care provided by clinics, or in the case of radiology and clinical laboratory services ordered by a clinic, for New Jersey pregnant women who, except for financial requirements, are not eligible for any other State or federal health insurance program.
- Additional federal Title XIX revenue generated from the claiming of family planning services payments on behalf of individuals enrolled in the Medicaid managed care program is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.
- The Division of Medical Assistance and Health Services (DMAHS), in coordination with the county welfare agencies, shall continue a program to outstation eligibility workers in disproportionate share hospitals and federally qualified health centers.
- The amount appropriated hereinabove for Payments for Medical Assistance Recipients - Other Services, NJ FamilyCare, and NJ KidCare may be used to pay financial rewards to individuals or entities who report instances of health care-related fraud and/or abuse involving the programs administered by DMAHS (including, but not limited to, the New Jersey Medicaid, NJ FamilyCare and NJ KidCare programs), or the Pharmaceutical Assistance to the Aged and Disabled (PAAD) or Work First New Jersey General Public Assistance programs. Rewards may be paid only when the reports result in a recovery by DMAHS, and only if other conditions established by DMAHS are met, and shall be limited to 10% of the recovery or \$1,000, whichever is less. Notwithstanding any State law to the contrary, but subject to any necessary federal approval and/or change in federal law, receipt of such rewards shall not affect an applicant's individual financial eligibility for the programs administered by DMAHS, or for PAAD or Work First New Jersey General Public Assistance programs.
- Of the amount hereinabove appropriated for Eligibility Determination, an amount not to exceed \$630,000 is allocated for increased eligibility determination costs related to immigrant services.
- Premiums received from families enrolled in the NJ KidCare program (Children's Health Care Coverage Program) established pursuant to P.L.1997, c.272 (C.30:4I-1 et seq.) are appropriated for NJ KidCare payments.
- Premiums received from families enrolled in the NJ FamilyCare program (FamilyCare Health Coverage Program) established pursuant to P.L.2000, c.71 (C.30:4J-1 et seq.) are appropriated for NJ FamilyCare payments.
- Of the amount hereinabove appropriated for the NJ FamilyCare program, there shall be transferred to various accounts, including Direct State Services and State Aid accounts, such amounts, not to exceed \$6,000,000, as are necessary to pay for the administrative costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.
- The Commissioners of the Departments of Human Services and Health and Senior Services shall establish a system to utilize unopened prescription drugs at nursing facilities issued to patients at such facilities and which have not exceeded their expiration date.
- Notwithstanding the provisions of any law or regulation to the contrary, from the amount appropriated hereinabove for the Payments for Medical Assistance Recipients-Inpatient Hospital program, the Commissioner of Human Services shall establish a disease management program to improve the quality of care for beneficiaries of the Division of Medical Assistance and Health Services and reduce costs in the General Medical Services program.
- Notwithstanding the provisions of any other law to the contrary, no funds appropriated for the Medicaid program as hereinabove appropriated in the Payments for Medical Assistance Recipients-Prescription Drugs account are available to any pharmacy that does not agree to allow Medicaid to bill on its behalf any third party, as defined in subsection m. of section 3 of P.L. 1968, c.413 (C.30:4D-3), by participating in a billing agreement executed between the State and the pharmacy.
- Notwithstanding the provisions of any other law to the contrary, effective January 1, 2005, inpatient hospital reimbursements for Medical Assistance services for dually eligible individuals shall exclude Medicare Part A crossover payments according to a plan designed by the Commissioner of Human Services and approved by the Director of the Division of Budget and Accounting.
- Notwithstanding the provisions of N.J.A.C.10:49-7.3 et seq. to the contrary and subject to approval by the federal government, the Division of Medical Assistance and Health Services shall increase reimbursement for ambulance services, including BLS emergency and nonemergency ambulance services and specialty care transport services, provided to Medicaid recipients who are also Medicare eligible to the applicable Medicare rate.
- Notwithstanding the provisions of any other law or regulation to the contrary, and subject to the notice provisions of 42 CFR 447.205 where applicable, the appropriation in the Payments for Medical Assistance Recipients - Physician Services account shall be conditioned upon the following provisions: (a) reimbursement for the cost of physician-administered drugs shall be consistent with reimbursement for legend and non-legend drugs; and (b) reimbursement for selected high cost physician-administered drugs shall be

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limited to those drugs supplied by manufacturers who have entered into the federal Medicaid Drug Rebate Agreement and are subject to drug rebate rules and regulations consistent with this agreement. The Division of Medical Assistance and Health Services shall collect and submit utilization and coding information to the Secretary of the United States Department of Health and Human Services for all single source drugs administered by physicians.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriation in the Payments for Medical Assistance Recipients - Clinic Services shall be conditioned upon the following provision: No funds shall be expended for partial care services to any provider who was not a Medicaid approved partial care provider prior to July 1, 2005, with the exception of new providers whose services are deemed necessary to meet special needs by the Division of Medical Assistance and Health Services.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriation hereinabove for Payments for Medical Assistance Recipients - Prescription Drugs shall be conditioned upon the following provision: No funds shall be appropriated for the refilling of a prescription drug until such time as the original prescription is 85% finished.

Notwithstanding the provisions of any other law or regulation to the contrary, the appropriation hereinabove for Payments for Medical Assistance Recipients-Outpatient Hospital shall be conditioned upon the following provision: Certifications shall not be granted for new or re-locating off-site hospital-based entities in accordance with N.J.A.C.10:52-1.3 with the exception of providers whose services are deemed necessary to meet special needs by the Division of Medical Assistance and Health Services.

Of the amount hereinabove appropriated for Payments for Medical Assistance Recipients-Prescription Drugs, such sums as are necessary are available for payment of Medicare Part D co-payments and for certain pharmaceuticals not included in the Part D provider formularies for those individuals who are dually eligible for Medicaid and Medicare. These funds shall only be available to cover co-payments and non-formulary drugs to pharmacies participating in the federal Medicare Part D program. Payments for pharmaceuticals not included in the Part D formularies may be subject to prior authorization. The Department of Human Services may require proof of appeal or may appeal the Medicare Part D formulary decision on behalf of a dual-eligible client.

Notwithstanding the provision of any other law to the contrary, no funds appropriated in the Payments for Medical Assistance Recipients-Prescription Drugs line item shall be expended for the payment of claims for pharmaceuticals not included in the Part D provider formularies of Medicare Part D eligibles unless participating pharmaceutical manufacturing companies execute contracts with the Department of Human Services providing for the payment of rebates to the State on the same basis as provided for in section 1927 (a) through (c) of the federal Social Security Act, 42 U.S.C. s.1396r-8(a)-(c). All rebates received are appropriated for the Medical Assistance Recipients-Prescription Drugs account. Provided further that for fiscal 2007, the Commissioner of the Department of Human Services, in consultation with the State Treasurer, shall negotiate and implement additional measures to maximize savings and cost recoveries in the Payments for Medical Assistance Recipients - Prescription Drugs program to ensure that the State of New Jersey is an aggressively cost-conscious purchaser of prescription drugs.

Notwithstanding the provisions of any other law or regulation to the contrary, effective July 1, 2006, from the revenues generated by the New Jersey Acute Care Hospital Licensed Bed Assessment, such sums as may be necessary are appropriated to the Division of Medical Assistance and Health Services to increase Medicaid and NJ FamilyCare hospital reimbursement rates according to a plan developed by the Commissioner of Human Services, and approved by the Director of the Division of Budget and Accounting.

Notwithstanding the provision of any other law or regulation to the contrary, effective July 1, 2006, distribution of the Graduate Medical Education (GME) payment to eligible acute care teaching hospitals shall not be in excess of, or cause an individual hospital to exceed its federal Disproportionate Share Hospital upper payment limits.

Notwithstanding the provisions of any other law or regulation to the contrary, and subject to the notice provisions of 42 CFR 447.205 where applicable, effective state fiscal 2007, all qualifying beneficiaries, in accordance with 42 CFR 447.53, of the Division of Medical Assistance and Health Services will be responsible for a \$6 co-payment for each emergency room visit that is determined to be for a non-emergent visit. Qualifying beneficiaries will be charged a \$3 co-payment for each outpatient hospital visit. Beneficiary cost-sharing responsibility for certain outpatient hospital services will not exceed \$12 per month.

Notwithstanding the provisions of any other law or regulation to the contrary, and subject to the notice provisions of 42 CFR 447.205 where applicable, effective state fiscal 2007, all qualifying beneficiaries, in accordance with 42 CFR 447.53, of the Division of Medical Assistance and Health Services will be responsible for a \$2 co-payment per prescription drug. The maximum amount a beneficiary will be charged each month is \$10.

Notwithstanding the provision of any other law or regulation to the contrary, effective October 1, 2006, payments from the Payments for Medical Assistance Recipients - Outpatient Hospital account for outpatient hospital reimbursement for partial hospitalization services provided as an outpatient hospital service shall be paid at the lower of charges or a prospective hourly rate for individual therapy and the lower of charges or a prospective hourly rate for group therapy as established by the Commissioner of Human Services. Costs related to such services shall be excluded from outpatient hospital costs settlements.

The amounts hereinabove appropriated for Personal Care, Managed Care, Hospital Relief Offset Payments, Other Treatment Facilities, Inpatient Hospital, Prescription Drugs, Outpatient Hospital, Physician Services, Home Health Care, Medicare Premiums, Dental Services, Psychiatric Hospital, Medical Supplies, Clinic Services, Transportation Services, Other Services, Eligibility Determination Services, and Health Benefit Coordination Services are conditioned upon the Commissioner of the Department of Human Services making changes to such programs to make them consistent with the Deficit Reduction Act of 2005.

**20. PHYSICAL AND MENTAL HEALTH
27. DISABILITY SERVICES
7545. DIVISION OF DISABILITY SERVICES**

OBJECTIVES

1. To facilitate the maximum independence and participation of people with disabilities in community life through information and access to services and supports, as well as to foster coordination and cooperation among government agencies providing services to this population.
2. To function as a single point of entry for all seeking disability related information in New Jersey.
3. To administer an array of direct services and innovative programs to improve the quality of life for individuals with disabilities.

PROGRAM CLASSIFICATIONS

27. **Disability Services.** Responsible for the administration of several Medicaid Waiver Programs including: Traumatic Brain Injury (TBI), which provides full Medicaid benefits plus case management, structured day programs, personal care assistants, transportation, respite care and night supervision to TBI survivors between 18 and 64; AIDS Community Care Alternatives Program (ACCAP), which provides full Medicaid benefits plus case management, private-duty nursing, medical day care, personal care assistant services, certain narcotic and drug abuse treatments at home and hospice care to people of any age with AIDS and children up to age 13 who are HIV positive; Community Resources for People with Disabilities (formerly known as Model Waivers 1, 2 and 3), which provides specialized services in addition to full Medicaid benefits to people who otherwise would be unable to live in the community and would probably have to move into a nursing home or other institution for disabled fragile children under the care and supervision of the Division of Youth and Family Services (DYFS) within the Department

of Children and Families. Personal Care Assistance (PCA) services are an optional benefit offered to New Jersey Medicaid beneficiaries who are experiencing functional impairment. It provides assistance with aspects of daily living for people who have either a short-term or long-term disability. Personal Preference: New Jersey's Cash and Counseling Demonstration Project, a national research and demonstration project sponsored by the Robert Wood Johnson Foundation, studies the effects of allowing disabled Medicaid recipients who are eligible for PCA services to direct their own care. Through a monthly cash allowance, participants work with a consultant to develop a cash management plan by which they decide the services they need and the individuals and/or agencies they wish to hire to provide the identified services. The program requires greater consumer responsibility but offers participants greater control, flexibility and choice. NJ Workability offers people with disabilities who are working, and whose income would otherwise make them ineligible for Medicaid, the opportunity to pay a small premium and receive full NJ Medicaid coverage. People with disabilities, between the ages of 16 and 64, can qualify for the program with annual gross incomes as high as \$45,084. Personal Assistant Services Program (PASP) provides routine, non-medical assistance to people with disabilities who are employed, involved in community volunteer work or attending school. Personal assistants help with tasks such as light housekeeping, bathing, dressing, preparing meals, shopping, driving or using public transportation. The number of hours a person receives depends on individual need but can be as great as 40 hours per week. The Division provides comprehensive information and referral services and also publishes the New Jersey RESOURCES Directory, which lists state and national resources for people with disabilities.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Disability Services				
Personal Care Services	\$268,457,000	\$276,227,000	\$306,020,000	\$299,372,000
Waiver Initiatives	\$34,102,000	\$39,030,000	\$47,577,000	\$45,809,000
Personal Assistance Services Program				
Number of Clients	475	510	510	510
Total Program Cost	\$6,985,000	\$6,985,000	\$7,300,000	\$7,335,000
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	15	17	18	19
Federal	12	11	13	10
Total Positions	27	28	31	29
Filled Positions by Program Class				
Disability Services	27	28	31	29
Total Positions	27	28	31	29

Notes:

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Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March.
The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
984	---	---	984	984	27	1,096	1,096	1,096
984	---	---	984	984		1,096 ^(a)	1,096	1,096
Distribution by Fund and Object								
Personal Services:								
942	---	---	942	942		1,061	1,061	1,061
942	---	---	942	942		1,061	1,061	1,061
4	---	---	4	4		4	4	4
29	---	---	29	29		22	22	22
9	---	---	9	9		9	9	9
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
170,875	1,800	-4,140	168,535	168,477	27	183,611	179,028	179,028
90,547	1,800	-4,140	88,207	88,149		103,283	98,700	98,700
80,328	---	---	80,328	80,328		80,328	80,328	80,328
170,875	1,800	-4,140	168,535	168,477		183,611	179,028	179,028
90,547	1,800	-4,140	88,207	88,149		103,283	98,700	98,700
80,328	---	---	80,328	80,328		80,328	80,328	80,328
Distribution by Fund and Object								
Grants:								
3,251	---	---	3,251	3,251	27	3,566	3,601	3,601
3,734	---	---	3,734	3,734	27	3,734	3,734	3,734
2,000	---	---	2,000	2,000	27	2,000	2,000	2,000
81,030	---	-4,190	76,840	76,791	27	89,837	86,513	86,513
60,092	---	---	60,092	60,092	27	60,092	60,092	60,092
2,332	1,800	50	4,182	4,182	27	5,818	4,934	4,934
16,502	---	---	16,502	16,502	27	16,502	16,502	16,502
1,934	---	---	1,934	1,925	27	2,062	1,652	1,652
171,859	1,800	-4,140	169,519	169,461		184,707	180,124	180,124

OTHER RELATED APPROPRIATIONS

Federal Funds								
158,751	468	8,000	167,219	160,707	27	189,189	184,541	184,541
158,751	468	8,000	167,219	160,707		189,189	184,541	184,541

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Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
OTHER RELATED APPROPRIATIONS								
All Other Funds								
Division of Disabilities Services								
---	6,148 3,507 ^R	160	9,815	1,346	27	---	---	---
---	9,655	160	9,815	1,346				
330,610	11,923	4,020	346,553	331,514				
						373,896	364,665	364,665

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Grants-In-Aid - General Fund

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from the various items of appropriation within the Disability Services program classification. Amounts may also be transferred to and from Payments for Medical Assistance Recipients-Personal Care and Payments for Medical Assistance Recipients-Other Services within the General Medical Services program classification in the Division of Medical Assistance and Health Services and the Payments for Medical Assistance Recipients-Personal Care and the Payments for Medical Assistance Recipients-Other Services accounts in the Division of Disability Services within the Department of Human Services. All such transfers are subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

Notwithstanding any law to the contrary and subject to the notice provisions of 42 CFR 447.205, of the amount appropriated hereinabove for Payments for Medical Assistance Recipients - Personal Care, personal care assistant services shall be authorized prior to the beginning of services by the Director of the Division of Disability Services. The hourly weekend rate shall not exceed \$16.00.

**30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS**

OBJECTIVES

1. To provide prompt and effective evaluation, care, treatment, training, and rehabilitation of individuals with developmental disabilities.
2. To ensure that such individuals are developed, educated, and trained to the maximum extent possible to function in the community or in an institutional environment.

Habilitation Services comprises evaluation of individual needs and the development and implementation of programs leading to physical, emotional, and social development of the developmentally disabled individual, under the direct supervision of the professional staff of the institution. Specific services include psychological evaluation, recreation, and family contact. In addition, sound medical techniques under the direct supervision of the professional medical and paramedical staff of the institution, as well as the physical, social, and vocational development are included.

PROGRAM CLASSIFICATIONS

05. **Residential Care and Habilitation Services.** Includes provision of housing; food and clothing; care and supervision; development of self-help skills and personal hygiene (e.g. feeding, personal toilet habits, dressing, bathing, and grooming) and social skills (e.g. following directions, getting along with others).

99. **Administration and Support Services.** Provides services required for effective operation of the institutions including general management, purchasing, accounting, budgeting, personnel, payroll, and clerical services. Other services include operation and maintenance of buildings, grounds and equipment, including utilities, housekeeping, and security services.

**30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS**

OBJECTIVES

1. To provide executive management to the entire Developmental Disabilities program.
2. To provide support service for the operational program units through which programs for the developmentally disabled are

carried out.

PROGRAM CLASSIFICATIONS

99. **Administration and Support Services.** Provides the leadership, administration, and general support services necessary for the overall control and supervision of the Developmental Disabilities program.

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EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	58	63	65	51
Federal	146	147	135	143
Total Positions	204	210	200	194
Filled Positions by Program Class				
Administration and Support Services	204	210	200	194
Total Positions	204	210	200	194

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
10,716	791	---	11,507	10,958				
					99	10,210	10,772	10,772
4,215	110	---	4,325	4,155		3,336	3,336	3,336
6,501	681	---	7,182	6,803		6,874	7,436	7,436
<u>10,716</u>	<u>791</u>	<u>---</u>	<u>11,507</u>	<u>10,958</u>		<u>10,210</u> (a)	<u>10,772</u>	<u>10,772</u>
(6,501)	(681)	---	(7,182)	(6,803)		(6,874)	(7,436)	(7,436)
<u>4,215</u>	<u>110</u>	<u>---</u>	<u>4,325</u>	<u>4,155</u>		<u>3,336</u>	<u>3,336</u>	<u>3,336</u>
Distribution by Fund and Object								
Personal Services:								
8,676	443	---	9,119	8,964		9,264	9,826	9,826
<u>8,676</u>	<u>443</u>	<u>---</u>	<u>9,119</u>	<u>8,964</u>		<u>9,264</u>	<u>9,826</u>	<u>9,826</u>
64	---	20	84	72		64	64	64
252	---	15	267	267		252	252	252
99	---	-35	64	60		99	99	99
Special Purpose:								
669	109 ^R	---	778	607	99	---	---	---
306	---	---	306	306		306	306	306
625	---	---	625	625	99	200	200	200
25	239	---	264	57		25	25	25
(6,501)	(681)	---	(7,182)	(6,803)		(6,874)	(7,436)	(7,436)
<u>4,215</u>	<u>110</u>	<u>---</u>	<u>4,325</u>	<u>4,155</u>		<u>3,336</u>	<u>3,336</u>	<u>3,336</u>
OTHER RELATED APPROPRIATIONS								
<u>6,501</u>	<u>681</u>	<u>---</u>	<u>7,182</u>	<u>6,803</u>		<u>6,874</u>	<u>7,436</u>	<u>7,436</u>
<u>10,716</u>	<u>791</u>	<u>---</u>	<u>11,507</u>	<u>10,958</u>		<u>10,210</u>	<u>10,772</u>	<u>10,772</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

An amount not to exceed \$223,000 from receipts from individuals for whom the Division of Developmental Disabilities in the Department of Human Services is the representative payee is appropriated for participation in the Foster Grandparents and Senior Companions programs.

**30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS
7601. COMMUNITY PROGRAMS**

OBJECTIVES

1. To provide prompt and effective care, treatment, training, and habilitation of individuals with developmental disabilities.
2. To ensure that such individuals are developed, educated, and trained to the maximum extent possible to function in the community or in an institutional environment.
3. To enable persons with developmental disabilities to return to and/or remain in the community.
4. To educate and counsel families to understand and accept the problems of their family member with developmental disabilities.
5. To provide guardianship services to incapacitated adults for whom no legal guardian has been appointed.
6. To evaluate medical, psychological, social, educational, and related factors affecting the functioning of the individual and to determine the need for specialized care, training, or treatment as a person with developmental disabilities.
7. To ensure maximum utilization of private and public facilities for the eligible population with developmental disabilities, and to recommend and to secure alternate services for those awaiting residential functional services.
8. To provide non-residential training programs designed to develop self-sufficiency and social competence in persons with developmental disabilities living in the community.

PROGRAM CLASSIFICATIONS

01. **Purchased Residential Care.** Contracts with approved private institutions and group homes for residential functional services to clients with developmental disabilities declared eligible for and in need of residential placement for whom a current vacancy does not exist or for such clients who can better be served in non-public facilities. Services may be provided to eligible persons with developmental disabilities through placement in substitute family situations in cases where individuals must be separated from their natural families, but do not require services in a congregate facility. Such service is also known as Community Care Residences.
02. **Social Supervision and Consultation.** Provides services designed to assist persons with developmental disabilities to continue to live and function in their home communities or to return to communities after receiving residential functional service. It includes family support funding and contracts to provide services to individuals living with families or independently in the community. It also funds services to determine eligibility and to provide case management and guardianship services.
03. **Adult Activities.** Provides community-based day services to adults with developmental disabilities that will allow for experience, training, and opportunities in an adult atmosphere conducive to the development of the person's personal, social, and work skills. Provides the opportunity to achieve the greatest independence possible in employment and vocational areas.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Purchased Residential Care				
Private Institutions				
Average daily population	597	639	659	659
Average cost/client/year	\$59,062	\$79,787	\$81,757	\$81,757
Family care				
Average daily population	145	145	145	145
Average cost/client/year (a)	\$12,159	\$12,159	\$12,159	\$12,159
Skill Development Homes				
Average daily population	1,503	1,414	1,422	1,422
Average cost/client/year (b)	\$17,830	\$16,210	\$18,918	\$18,918
Community Residential				
Average daily population	7,284	---	---	---
Average cost/client/year (b),(c)	\$58,166	---	---	---
Community Residential - Group Homes				
Average daily population	---	4,674	4,794	4,794
Average cost/client/year (b),(c)	---	\$68,259	\$71,851	\$71,581
Community Residential - Supervised Apartments				
Average daily population	---	1,147	1,227	1,227
Average cost/client/year (b),(c)	---	\$54,561	\$57,335	\$57,335

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	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Community Residential - Supported Living				
Average daily population	---	639	659	659
Average cost/client/year (b),(c)	---	\$22,196	\$24,561	\$24,561
Social Supervision and Consultation				
Average number in community supervision (d)	29,584	32,781	33,710	33,710
Average number in guardianship services (d)	4,016	4,741	4,941	4,941
Average number receiving home assistance (d)	10,774	9,408	10,908	10,908
Real Life Choices				
Individuals Served	75	300	600	600
Average cost of yearly plan	\$29,000	\$35,447	\$35,788	\$35,788
Adult Activities				
Average daily population - private facilities	8,282	8,392	8,888	8,888
Average cost/client/year (b)	\$14,732	\$16,674	\$17,220	\$17,220

PERSONNEL DATA

Position Data

Filled positions by Funding Source

State Supported	244	248	247	216
Federal	337	345	329	338
Total Positions	581	593	576	554

Filled Positions by Program Class

Purchased Residential Care	47	48	51	56
Social Supervision and Consultation	508	518	499	471
Adult Activities	26	27	26	27
Total Positions	581	593	576	554

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

The evaluation data for the Education and Day Training Program classification has been adjusted for all fiscal years to reflect the transfer of this program to the Department of Children and Families.

(a) Does not include cost of the Integrated Therapeutic Network initiative.

(b) Revised to reflect finalized data. These averages have been changed to include the cost of completed placements from the FY 2002 Community Services Waiting List Reduction Initiative and the FY 2002 Community Transition Initiative.

(c) Community Residential data for fiscal year 2005 and later has been broken out by residential setting.

(d) Individuals may be in more than one category.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
10,453	25	---	10,478	6,968	01	7,760	3,638	3,638	
6,364	25	---	6,389	2,879		3,637	1,137	1,137	
4,089	---	---	4,089	4,089		4,123	2,501	2,501	
22,978	8	185	23,171	17,407					
1,117	8	185	1,310	1,241	02	24,119	25,283	25,283	
21,861	---	---	21,861	16,166		1,486	1,486	1,486	
1,911	---	---	1,911	1,643		22,633	23,797	23,797	
1,055	---	-185	1,726	1,643	03	2,015	2,058	2,058	
856	---	-185	870	870		1,120	1,120	1,120	
	---	---	856	773		895	938	938	
35,342	33	---	35,375	26,018		33,894 ^(a)	30,979	30,979	
(26,806)	---	---	(26,806)	(21,028)		(27,651)	(27,236)	(27,236)	

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
8,536	33	---	8,569	4,990	Total State Appropriation			
						6,243	3,743	3,743
Distribution by Fund and Object								
Personal Services:								
25,491	22	---	25,513	22,080		28,478	29,861	29,861
Salaries and Wages								
25,491	22	---	25,513	22,080		28,478	29,861	29,861
76	---	65	141	141		76	76	76
434	---	200	634	613		319	319	319
491	---	-265	226	226		491	491	491
Maintenance and Fixed Charges								
Special Purpose:								
5,166								
3,000 ^S	---	---	8,166	2,333				
Developmental Center Enhancement (b)					01	4,298	---	---
285	---	---	285	285	02	---	---	---
Guardianship Program								
167	---	---	167	167	02	---	---	---
Homemaker Services (State Share)								
232	11	---	243	173				
Additions, Improvements and Equipment						232	232	232
Less:								
(26,806)	---	---	(26,806)	(21,028)		(27,651)	(27,236)	(27,236)
Federal Funds								
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
543,087	63,794	15,798	622,679	574,203	01	583,129	605,345	605,345
Purchased Residential Care								
351,682	---	15,798	367,480	347,596		336,211	357,515	357,515
(From General Fund)								
28,827	---	---	28,827	28,717		22,934	22,934	22,934
(From Casino Revenue Fund)								
162,578	13,017	---	175,595	147,429		185,354	186,266	186,266
(From Federal Funds)								
---	50,777	---	50,777	50,461		38,630	38,630	38,630
(From All Other Funds)								
48,021	97	1,734	49,852	49,135				
Social Supervision and Consultation					02			
40,243	---	1,734	41,977	41,977		66,398	71,861	71,861
(From General Fund)								
2,208	---	---	2,208	2,208		46,836	46,958	46,958
(From Casino Revenue Fund)								
5,570	97	---	5,667	4,950		2,208	2,208	2,208
(From Federal Funds)								
127,013	---	4,620	131,633	123,655	03	137,503	137,361	137,361
Adult Activities								
82,497	---	4,620	87,117	87,117		88,437	88,053	88,053
(From General Fund)								
7,374	---	---	7,374	7,374		7,374	7,374	7,374
(From Casino Revenue Fund)								
37,142	---	---	37,142	29,164		41,692	41,934	41,934
(From Federal Funds)								
718,121	63,891	22,152	804,164	746,993	Total Grants-in-Aid			
						787,030	814,567	814,567
Less:								
(205,290)	(13,114)	---	(218,404)	(181,543)		(244,400)	(250,895)	(250,895)
Federal Funds								
---	(50,777)	---	(50,777)	(50,461)		(38,630)	(38,630)	(38,630)
All Other Funds								
512,831	---	22,152	534,983	514,989	Total State Appropriation			
						504,000	525,042	525,042
Distribution by Fund and Object								
Grants:								
475 ^S	---	---	475	---				
Quality Assurance in Home and Community Services					01	---	---	---
814	---	---	814	814				
Dental Program for Non-Institutionalized Children					01	814	814	814
37,393	---	---	37,393	37,393	01	41,878	43,428	43,428
Private Institutional Care								
1,311	---	---	1,311	1,311	01	1,311	1,311	1,311
Private Institutional Care (CRF)								
13,157	1,610	---	23,507	23,507	01	27,646	27,646	27,646
Skill Development Homes								
1,141	8,740 ^R	---	1,141	1,141	01	1,141	1,141	1,141
Skill Development Homes (CRF)								
351,962	23,680	---	438,577	408,638	01	421,013	431,315	431,315
Group Homes (c)(d)								
17,373 ^S	29,764 ^R	15,798	438,577	408,638				

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
26,247	---	---	26,247	26,247	01	20,354	20,354	20,354	
---	---	---	---	---	01	---	3,000	3,000	
5,135	---	---	5,135	5,135	01	5,135	5,135	5,135	
128	---	---	128	18	01	128	128	128	
1,604	---	---	1,604	1,169	01	1,604	1,604	1,604	
31,916 ^S	---	---	31,916	31,916	01	---	---	---	
28,359	---	---	28,359	20,998	01	28,579	28,579	28,579	
7,243	---	---	7,243	5,051	01	20,713	20,713	20,713	
3,910	---	---	8,910	3,628	01	2,894	10,258	10,258	
5,000 ^S	---	---	9,919	7,237	01	9,919	9,919	9,919	
9,919	---	---	75	75	02	75	75	75	
1,000	---	---	1,000	1,000	02	1,000	1,000	1,000	
1,183	97	---	1,280	563	02	1,183	1,183	1,183	
---	---	---	---	---	02	125	---	---	
37,697	---	1,734	39,431	39,431	02	42,059	42,306	42,306	
1,657	---	---	1,657	1,657	02	1,657	1,657	1,657	
1,339	---	---	1,339	1,339	02	1,339	1,339	1,339	
551	---	---	551	551	02	551	551	551	
---	---	---	---	---	02	13,890	19,231	19,231	
4,048	---	---	4,048	4,048	02	4,048	4,048	4,048	
471	---	---	471	471	02	471	471	471	
119,639	---	4,620	124,259	116,281	03	130,129	129,987	129,987	
7,374	---	---	7,374	7,374	03	7,374	7,374	7,374	
<i>Less:</i>									
(205,290)	(13,114)	---	(218,404)	(181,543)		(244,400)	(250,895)	(250,895)	
---	(50,777)	---	(50,777)	(50,461)		(38,630)	(38,630)	(38,630)	
521,367	33	22,152	543,552	519,979		510,243	528,785	528,785	
OTHER RELATED APPROPRIATIONS									
232,096	13,114	---	245,210	202,571		272,051	278,131	278,131	
---	50,777	---	50,777	50,461		38,630	38,630	38,630	
753,463	63,924	22,152	839,539	773,011		820,924	845,546	845,546	

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.
- (b) In fiscal 2007, this amount is reallocated to the Woodbridge Developmental Center.

Notes -- Grants-In-Aid - General Fund

- (c) The FY 2001 Community Service Waiting List Reduction Initiative and the FY 2003 Planning Initiative have been distributed to various maintenance accounts.
- (d) Additional funding is available for this program from prior year carryforward funds.

The appropriation data for the Education and Day Training Program classification has been adjusted for all fiscal years to reflect the transfer of this program to the Office of Children's Services within the Department of Children and Families.

Language Recommendations -- Direct State Services - General Fund

Of the amounts hereinabove appropriated for Developmental Center Enhancement, such sums as are necessary may be transferred to Grants-in-Aid for the Developmental Center Enhancement or to the Woodbridge Developmental Center, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

The Division of Developmental Disabilities is authorized to transfer funds from the Dental Program for Non-Institutionalized Children account to the Division of Medical Assistance and Health Services, in proportion to the number of program participants who are Medicaid eligible.

Excess State funds realized by federal involvement through Medicaid in the Dental Program for Non-Institutionalized Children are committed for the program's support during the subsequent fiscal year, rather than for expansion.

Amounts required to return persons with mental retardation or developmental disabilities presently residing in out-of-State institutions to group homes within the State may be transferred from the Private Institutional Care account to the Group Homes account, subject to the approval of the Director of the Division of Budget and Accounting.

Amounts that become available as a result of the return of persons from private institutional care placements, including in-State and out-of-State placements, shall be available for transfer to community and community support programs, subject to the approval of the Director of the Division of Budget and Accounting.

Cost recoveries from skill development homes during the fiscal year ending June 30, 2007, not to exceed \$12,500,000, are appropriated for the continued operation of the Skill Development Homes program, subject to the approval of the Director of the Division of Budget and Accounting.

The total amount appropriated in the Community Services Waiting List Reduction Initiative - FY2002, the Community Transition Initiative - FY2002, and the Community Nursing Care Initiative - FY2002 accounts are available for transfer to community support programs, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of Title 30 of the Revised Statutes or any other law or regulation to the contrary, the Director of the Division of Developmental Disabilities is authorized to waive statutory, regulatory, or licensing requirements in the use of funds appropriated hereinabove for the implementation of a self-determination pilot program including participants from the Community Services Waiting List Reduction Initiatives - FY1997 through FY2002, subject to the approval of a plan by the Director of the Division of Developmental Disabilities, which will allow an individual to be removed from the waiting list. This waiver also applies to those persons identified as part of the Community Transition Initiative - FY2001 and FY2002, and the Community Nursing Care Initiative - FY2002, who choose self-determination.

Cost recoveries from developmentally disabled patients and residents collected during the fiscal year ending June 30, 2007, not to exceed \$5,500,000, are appropriated for the continued operation of the Group Homes program, and an additional amount, not to exceed \$20,630,000, is appropriated for Community Services Waiting List Reduction Initiatives, subject to the approval of the Director of the Division of Budget and Accounting.

Such sums as may be necessary are appropriated from the General Fund for the payment of any provider assessments to State Intermediate Care Facilities/Mental Retardation facilities, subject to the approval of the Director of the Division of Budget and Accounting of a plan to be submitted by the Commissioner of Human Services. Notwithstanding any other law to the contrary, only the federal share of funds anticipated from these assessments shall be available to the Department of Human Services for the purposes set forth in P.L.1998, c.40 (C.30:6D-43 et seq.).

From the amounts hereinabove appropriated for the Community Services Waiting List Reduction Initiative - FY2002 and the Community Transition Initiative - FY2002 accounts, such funds as are necessary may be transferred to various administrative accounts as required, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, expenditures of federal Community Care Waiver funds received for community-based programs in the Division of Developmental Disabilities are limited to \$268,712,000. Federal funding received above this level must be approved by the Director of the Division of Budget and Accounting in accordance with a plan submitted by the Department of Human Services.

In order to permit flexibility in the handling of appropriations and assure timely payment of provider services, funds may be transferred within the Grants-in-Aid accounts within the Division of Developmental Disabilities, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Developmental Center Enhancement account is appropriated.

Language Recommendations -- Grants-In-Aid - Casino Revenue Fund

Amounts required to return persons with mental retardation or developmental disabilities presently residing in out-of-State institutions to group homes within the State may be transferred from the Private Institutional Care account to the Group Homes account, subject to the approval of the Director of the Division of Budget and Accounting.

Cost recoveries from skill development homes during the fiscal year ending June 30, 2007, not to exceed \$12,500,000, are appropriated for the continued operation of the Skill Development Homes program, subject to the approval of the Director of the Division of Budget and Accounting.

Cost recoveries from developmentally disabled patients and residents, collected during the fiscal year ending June 30, 2007, not to exceed \$5,500,000, are appropriated for the continued operation of the Group Homes program, and an additional amount, not to exceed \$20,630,000, is appropriated for Community Services Waiting List Reduction Initiatives, subject to the approval of the Director of the Division of Budget and Accounting.

HUMAN SERVICES

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT 32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS 7610. GREEN BROOK REGIONAL CENTER

Green Brook Regional Center (C.30:4-165.1 et seq.), an Intermediate Care Facility (ICF) of the Division of Developmental Disabilities, provides habilitative and residential functional services for residents over age 55. Residents of the center range from moderately to profoundly retarded. Green Brook is funded

from a combination of State appropriations and Federal receipts. Program classifications are described at the beginning of this Statewide Program.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Residential Care and Habilitation Services				
Average daily population	100	97	95	95
Ratio: Population/total positions	0.4 / 1	0.4 / 1	0.4 / 1	0.4 / 1
Gross Per Capitas				
Annual	\$112,730	\$121,876	\$128,000	\$136,189
Daily	\$308.85	\$333.91	\$350.68	\$373.12

PERSONNEL DATA

Position Data

Filled positions by Funding Source

Federal	232	234	240	235
Total Positions	232	234	240	235

Filled Positions by Program Class

Residential Care and Habilitation	168	171	173	166
Administration and Support Services	64	63	67	69
Total Positions	232	234	240	235

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
8,342	4	---	8,346	8,345	Residential Care and Habilitation Services	05	8,693	9,284	9,284
549	13	---	562	561	(From General Fund)		549	549	549
7,793	-9	---	7,784	7,784	(From Federal Funds)		8,144	8,735	8,735
3,479	---	---	3,479	3,477	Administration and Support Services	99	3,467	3,654	3,654
1,026	---	---	1,026	1,024	(From General Fund)		898	898	898
2,453	---	---	2,453	2,453	(From Federal Funds)		2,569	2,756	2,756
11,821	4	---	11,825	11,822	Total Direct State Services		12,160	12,938	12,938
Less:									
(10,246)	9	---	(10,237)	(10,237)	Federal Funds		(10,713)	(11,491)	(11,491)
1,575	13	---	1,588	1,585	Total State Appropriation		1,447	1,447	1,447
Distribution by Fund and Object									
Personal Services:									
9,458	-9	---	9,449	9,448	Salaries and Wages		10,713	11,491	11,491

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
9,458	-9	---	9,449	9,448		10,713	11,491	11,491
1,200								
128 ^S	---	---	1,328	1,328		875	875	875
567	---	---	567	566		262	262	262
368	---	---	368	368		210	210	210
100	13	---	113	112		100	100	100
(10,246)	9	---	(10,237)	(10,237)		(10,713)	(11,491)	(11,491)
<u>CAPITAL CONSTRUCTION</u>								
Distribution by Fund and Program								
---	6	---	6	---				
					99	---	---	---
---	6	---	6	---		---	---	---
Distribution by Fund and Object								
Green Brook Regional Center								
---	6	---	6	---				
					99	---	---	---
1,575	19	---	1,594	1,585		1,447	1,447	1,447
OTHER RELATED APPROPRIATIONS								
10,246	-9	---	10,237	10,237		10,713	11,491	11,491
11,821	10	---	11,831	11,822		12,160	12,938	12,938

**30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS
7620. VINELAND DEVELOPMENTAL CENTER**

Vineland Developmental Center (C.30:4-165.1 et seq.), founded in 1888, provides services for all levels of mentally retarded females. The institution has a unique feature in that 60% of the population is located at the East Campus at Main and Landis Avenues, Vineland, and the remaining 40% is located at the West Campus on Orchard Road, Vineland. Both facilities function under a single

administrative organization. Federal funds provide educational programs and adult contact for deprived children.

Program classifications are described at the beginning of this Statewide program.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Residential Care and Habilitation Services				
Average daily population	492	482	466	454
Ratio: Population/total positions	0.3 / 1	0.3 / 1	0.3 / 1	0.3 / 1
Gross Per Capitas				
Annual	\$172,772	\$170,263	\$171,873	\$177,874 (a)
Daily	\$473.35	\$466.48	\$470.89	\$487.33 (a)
PERSONNEL DATA				
Position Data				
Filled positions by Funding Source				
State Supported	1,105	1,106	1,071	1,057
Federal	496	490	509	537
Total Positions	1,601	1,596	1,580	1,594

HUMAN SERVICES

Filled Positions by Program Class	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Residential Care and Habilitation	1,350	1,327	1,321	1,326
Administration and Support Services	251	269	259	268
Total Positions	1,601	1,596	1,580	1,594

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March.
 The Budget Estimate for fiscal year 2007 reflects the number of positions funded.
 (a) Includes prior year carryforward funds.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
70,551	206	-4,798	65,959	65,785	05	65,265	48,358	48,358	
39,757	2	-4,798	34,961	34,958		24,504	3,554	3,554	
30,794	204	---	30,998	30,827		40,761	44,804	44,804	
15,485	---	797	16,282	16,282	99	14,828	14,357	14,357	
13,464	---	797	14,261	14,261		12,715	12,086	12,086	
2,021	---	---	2,021	2,021		2,113	2,271	2,271	
86,036	206	-4,001	82,241	82,067		80,093 ^(a)	62,715	62,715	
(32,815)	(204)	---	(33,019)	(32,848)		(42,874)	(47,075)	(47,075)	
53,221	2	-4,001	49,222	49,219		37,219	15,640	15,640	
Distribution by Fund and Object									
Personal Services:									
71,883									
5,434 ^S	5	-4,001	73,321	73,321		72,641	55,263	55,263	
77,317	5	-4,001	73,321	73,321		72,641	55,263	55,263	
5,050						5,050	5,050	5,050	
1,267 ^S	28	-697	5,648	5,648		1,467	1,467	1,467	
1,467	---	-102	1,365	1,365		673	673	673	
673	---	797	1,470	1,470					
Special Purpose:									
---	171	---	171	---	05	---	---	---	
6	---	---	6	6	05	6	6	6	
---	---	2	2	2	99	---	---	---	
256	2	---	258	255		256	256	256	
(32,815)	(204)	---	(33,019)	(32,848)		(42,874)	(47,075)	(47,075)	
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	764	---	764	110	99	---	---	---	
---	764	---	764	110		---	---	---	
Distribution by Fund and Object									
Vineland Developmental Center									

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom-mended	
CAPITAL CONSTRUCTION									
---	3	---	3	---	99	---	---	---	
---	44	---	44	10	99	---	---	---	
---	717	---	717	100	99	---	---	---	
<u>53,221</u>	<u>766</u>	<u>-4,001</u>	<u>49,986</u>	<u>49,329</u>	<i>Grand Total State Appropriation</i>	<u>37,219</u>	<u>15,640</u>	<u>15,640</u>	
OTHER RELATED APPROPRIATIONS									
<u>32,815</u>	<u>204</u>	<u>---</u>	<u>33,019</u>	<u>32,848</u>	<i>Total Federal Funds</i>	<u>42,874</u>	<u>47,075</u>	<u>47,075</u>	
<u>86,036</u>	<u>970</u>	<u>-4,001</u>	<u>83,005</u>	<u>82,177</u>	<i>GRAND TOTAL ALL FUNDS</i>	<u>80,093</u>	<u>62,715</u>	<u>62,715</u>	

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.
- (b) \$18,040,000 is available in fiscal year 2007 from prior year carryforward funds.

**30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS
7630. NORTH JERSEY DEVELOPMENTAL CENTER**

The North Jersey Developmental Center (C.30:4-165.1 et seq.) provides residential services for mentally retarded men and women at all levels of capability on its main campus, as well as servicing the needs of multiply handicapped adolescents and young children in its nursery. Federal funds provide education and training

programs.

Program classifications are described at the beginning of this Statewide program.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Residential Care and Habilitation Services				
Average daily population	389	388	396	394
Ratio: Population/total positions	0.4 / 1	0.4 / 1	0.4 / 1	0.4 / 1
Gross Per Capitas				
Annual	\$132,686	\$127,021	\$130,008	\$133,650 (a)
Daily	\$363.52	\$348.00	\$356.19	\$366.16 (a)
PERSONNEL DATA				
Position Data				
Filled positions by Funding Source				
State Supported	586	592	591	612
Federal	379	376	372	389
Total Positions	965	968	963	1,001
Filled Positions by Program Class				
Residential Care and Habilitation	807	803	853	890
Administration and Support Services	158	165	110	111
Total Positions	965	968	963	1,001

Notes:

- Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March.
- The Budget Estimate for fiscal year 2007 reflects the number of positions funded.
- (a) Includes prior year carryforward funds.

HUMAN SERVICES

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recepts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
42,173	-1	-3,387	38,785	38,785	Residential Care and Habilitation Services	05	41,487	29,529	29,529
16,250	---	-3,387	12,863	12,863	(From General Fund)		16,161	2,997	2,997
25,923	-1	---	25,922	25,922	(From Federal Funds)		25,326	26,532	26,532
10,553	51	---	10,604	10,499	Administration and Support Services	99	9,996	9,929	9,929
8,706	1	---	8,707	8,702	(From General Fund)		8,073	7,894	7,894
1,847	50	---	1,897	1,797	(From Federal Funds)		1,923	2,035	2,035
52,726	50	-3,387	49,389	49,284	Total Direct State Services		51,483^(a)	39,458	39,458
(27,770)	(49)	---	(27,819)	(27,719)	Less: Federal Funds		(27,249)	(28,567)	(28,567)
24,956	1	-3,387	21,570	21,565	Total State Appropriation		24,234	10,891	10,891
Distribution by Fund and Object									
Personal Services:									
38,497					Salaries and Wages		45,514	33,489	33,489
4,637 ^S	-1	-3,387	39,746	39,696					
43,134	-1	-3,387	39,746	39,696	Total Personal Services		45,514	33,489	33,489
3,559					Materials and Supplies		3,069	3,069	3,069
1,365 ^S	---	---	4,924	4,924	Services Other Than Personal		2,054	2,054	2,054
3,057	---	-3	3,054	3,050	Maintenance and Fixed Charges		587	587	587
1,089	---	3	1,092	1,091	Special Purpose:				
---	50	---	50	---	Foster Grandparents Program	99	---	---	---
522	1	---	523	523	Additions, Improvements and Equipment		259	259	259
(27,770)	(49)	---	(27,819)	(27,719)	Less: Federal Funds		(27,249)	(28,567)	(28,567)
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	78	---	78	---	Administration and Support Services	99	---	---	---
---	78	---	78	---	Total Capital Construction		---	---	---
Distribution by Fund and Object									
North Jersey Developmental Center									
---	3	---	3	---	Renovations and Improvements	99	---	---	---
---	75	---	75	---	HVAC Improvements	99	---	---	---
24,956	79	-3,387	21,648	21,565	Grand Total State Appropriation		24,234	10,891	10,891
OTHER RELATED APPROPRIATIONS									
27,770	49	---	27,819	27,719	Total Federal Funds		27,249	28,567	28,567
52,726	128	-3,387	49,467	49,284	GRAND TOTAL ALL FUNDS		51,483	39,458	39,458

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

HUMAN SERVICES

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT 32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS 7640. WOODBINE DEVELOPMENTAL CENTER

Woodbine Developmental Center (C.30:4-165.1 et seq.) provides care and training for people with severe or profound mental retardation. The Center program is designed to encourage residents to become as self-sufficient as possible. Federal funds provide

training and education programs.

Program classifications are described at the beginning of this Statewide program.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Residential Care and Habilitation Services				
Average daily population	518	508	489	474
Ratio: Population/total positions	0.4 / 1	0.4 / 1	0.4 / 1	0.4 / 1
Gross Per Capitas				
Annual	\$128,658	\$123,514	\$133,530	\$141,295 (a)
Daily	\$352.49	\$338.39	\$365.83	\$387.11 (a)

PERSONNEL DATA

Position Data

Filled positions by Funding Source

State Supported	763	762	787	776
Federal	472	470	487	470
Total Positions	1,235	1,232	1,274	1,246

Filled Positions by Program Class

Residential Care and Habilitation Services	1,007	997	1,041	1,018
Administration and Support Services	228	235	233	228
Total Positions	1,235	1,232	1,274	1,246

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

(a) Includes prior year carryforward funds

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
52,797	40	-3,853	48,984	48,941	Residential Care and Habilitation Services	05	51,637	39,929	39,929
25,771	---	-3,853	21,918	21,917	<i>(From General Fund)</i>				
27,026	40	---	27,066	27,024	<i>(From Federal Funds)</i>				
13,807	1	---	13,808	13,804	Administration and Support Services	99	13,659	13,740	13,740
10,159	1	---	10,160	10,156	<i>(From General Fund)</i>				
3,648	---	---	3,648	3,648	<i>(From Federal Funds)</i>				
66,604	41	-3,853	62,792	62,745	Total Direct State Services		65,296 (a)	53,669	53,669
Less:									
(30,674)	(40)	---	(30,714)	(30,672)	Federal Funds		(30,997)	(37,546)	(37,546)
35,930	1	-3,853	32,078	32,073	Total State Appropriation		34,299	16,123	16,123

Distribution by Fund and Object
Personal Services:

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
52,185								
4,428 ^S	-2	-3,853	52,758	52,758		58,657	47,030	47,030
56,613	-2	-3,853	52,758	52,758		58,657	47,030	47,030
4,411								
1,105 ^S	---	-160	5,356	5,356		4,391	4,391	4,391
3,422	---	7	3,429	3,428		1,415	1,415	1,415
576	---	153	729	726		576	576	576
---	42	---	42	---	05	---	---	---
477	1	---	478	477		257	257	257
(30,674)	(40)	---	(30,714)	(30,672)		(30,997)	(37,546)	(37,546)
<u>CAPITAL CONSTRUCTION</u>								
Distribution by Fund and Program								
---	1,107	150	1,257	201				
					99	---	---	---
---	1,107	150	1,257	201		---	---	---
Distribution by Fund and Object								
Woodbine Developmental Center								
---	1	---	1	---	99	---	---	---
---	1,106	150	1,256	201				
					99	---	---	---
35,930	1,108	-3,703	33,335	32,274		34,299	16,123	16,123
OTHER RELATED APPROPRIATIONS								
30,674	40	---	30,714	30,672		30,997	37,546	37,546
66,604	1,148	-3,703	64,049	62,946		65,296	53,669	53,669

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.
- (b) \$13,305,000 is available in fiscal year 2007 from prior year carryforward funds.

**30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS
7650. NEW LISBON DEVELOPMENTAL CENTER**

New Lisbon Developmental Center (C.30:4-165.1 et seq.) provides resident care, training, education, and habilitation to mentally retarded residents. A program providing for limited enrollment in community centers is administered. During FY 1983, New Lisbon began operating a long term care facility for 60 geriatric residents. This facility is located adjacent to the school

hospital. Federal funds provide education and habilitation of residents, community living, and training programs.

Program classifications are described at the beginning of this Statewide program.

HUMAN SERVICES

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Residential Care and Habilitation Services				
Average daily population	536	526	505	455
Ratio: Population/total positions	0.4 / 1	0.4 / 1	0.3 / 1	0.3 / 1
Gross Per Capitas				
Annual	\$125,797	\$155,184	\$164,715	\$191,046 (a)
Daily	\$344.65	\$425.16	\$451.27	\$523.41 (a)

PERSONNEL DATA

Position Data

Filled positions by Funding Source

State Supported	701	680	680	664
Federal	773	772	767	767
Total Positions	1,474	1,452	1,447	1,431

Filled Positions by Program Class

Residential Care and Habilitation	1,295	1,272	1,263	1,249
Administration and Support Services	179	180	184	182
Total Positions	1,474	1,452	1,447	1,431

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March.
The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

(a) Includes prior year carryforward funds.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
68,236	2,481	-3	70,714	70,642	Residential Care and Habilitation Services	05	72,570	51,107	51,107
29,669	1	-3	29,667	29,666	(From General Fund)		35,918	10,274	10,274
38,567	2,480	---	41,047	40,976	(From Federal Funds)		36,652	40,833	40,833
10,982	---	3	10,985	10,985	Administration and Support Services	99	10,611	12,944	12,944
6,924	---	3	6,927	6,927	(From General Fund)		6,393	6,455	6,455
4,058	---	---	4,058	4,058	(From Federal Funds)		4,218	6,489	6,489
79,218	2,481	---	81,699	81,627	Total Direct State Services		83,181 (a)	64,051	64,051
Less:									
(42,625)	(2,480)	---	(45,105)	(45,034)	Federal Funds		(40,870)	(47,322)	(47,322)
36,593	1	---	36,594	36,593	Total State Appropriation		42,311	16,729	16,729
Distribution by Fund and Object									
Personal Services:									
62,019					Salaries and Wages		70,491	51,030	51,030
6,726 ^S	2,480	---	71,225	71,154	Total Personal Services (b)		70,491	51,030	51,030
68,745	2,480	---	71,225	71,154	Materials and Supplies		3,806	3,806	3,806
3,681			4,743	4,743	Services Other Than Personal		7,400	7,450	7,450
1,062 ^S			2,535	2,535	Maintenance and Fixed Charges		533	814	814
2,535			2,914	2,914	Additions, Improvements and Equipment		951	951	951
2,914			282	281					
281	1	---							

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
(42,625)	(2,480)	---	(45,105)	(45,034)				
DIRECT STATE SERVICES								
<i>Less:</i>								
						Federal Funds (40,870)	(47,322)	(47,322)
CAPITAL CONSTRUCTION								
Distribution by Fund and Program								
---	276	-150	126	91	99	Administration and Support Services	---	---
---	276	-150	126	91		Total Capital Construction	---	---
Distribution by Fund and Object								
New Lisbon Developmental Center								
---	173	-150	23	---	99	Replace Boiler & Condensate Recovery Tank	---	---
---	103	---	103	91	99	Food Service Building Renovations	---	---
36,593	277	-150	36,720	36,684		Grand Total State Appropriation	42,311	16,729
OTHER RELATED APPROPRIATIONS								
42,625	2,480	---	45,105	45,034		Total Federal Funds	40,870	47,322
79,218	2,757	-150	81,825	81,718		GRAND TOTAL ALL FUNDS	83,181	64,051

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.
- (b) \$22,875,000 is available in fiscal year 2007 from prior year carryforward funds.

**30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS
7660. WOODBRIDGE DEVELOPMENTAL CENTER**

Woodbridge Developmental Center (C.30:4-165.1 et seq.) admits mentally retarded individuals five years of age and over. Federal funds supplement ongoing training, rehabilitation, education, and health programs. In addition, the federal foster grandparents program provides socialization skills for developmentally disabled

persons through contact with senior citizens.

Program classifications are described at the beginning of this Statewide program.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Residential Care and Habilitation Services				
Average daily population	501	485	451	412
Ratio: Population/total positions	0.4 / 1	0.4 / 1	0.3 / 1	0.3 / 1
Gross Per Capitas				
Annual	\$132,232	\$126,435	\$156,692	\$193,687 (a)
Daily	\$362.28	\$346.40	\$429.29	\$530.65 (a)
PERSONNEL DATA				
Position Data				
Filled positions by Funding Source				
State Supported	743	748	745	819
Federal	500	502	570	648
All Other	1	1	1	1
Total Positions	1,244	1,251	1,316	1,468

HUMAN SERVICES

Filled Positions by Program Class	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Residential Care and Habilitation Services	1,130	1,138	1,189	1,335
Administration and Support Services	114	113	127	133
Total Positions	1,244	1,251	1,316	1,468

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March.
 The Budget Estimate for fiscal year 2007 reflects the number of positions funded.
 (a) Includes prior year carryforward funds.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
56,826	133	-4,380	52,579	52,340	Residential Care and Habilitation Services	05	61,838	48,820	48,820
24,178	21	-4,380	19,819	19,818	(From General Fund)		27,586	6,232	6,232
32,648	112	---	32,760	32,522	(From Federal Funds)		34,196	42,532	42,532
---	---	---	---	---	(From All Other Funds)		56	56	56
8,630	---	351	8,981	8,981	Administration and Support Services	99	8,830	9,864	9,864
7,154	---	351	7,505	7,505	(From General Fund)		7,224	7,809	7,809
1,476	---	---	1,476	1,476	(From Federal Funds)		1,606	2,055	2,055
65,456	133	-4,029	61,560	61,321	Total Direct State Services		70,668 ^(a)	58,684	58,684
Less:									
(34,124)	(112)	---	(34,236)	(33,998)	Federal Funds		(35,802)	(44,587)	(44,587)
---	---	---	---	---	All Other Funds		(56)	(56)	(56)
31,332	21	-4,029	27,324	27,323	Total State Appropriation		34,810	14,041	14,041
Distribution by Fund and Object									
Personal Services:									
52,022	---	-4,029	54,476	54,350	Salaries and Wages		65,136	49,032	49,032
6,483 ^S	---	---	---	---	Total Personal Services ^(b)		65,136	49,032	49,032
58,505	---	-4,029	54,476	54,350	Materials and Supplies		3,746	4,246	4,246
4,197	---	10	4,747	4,747	Services Other Than Personal		1,049	4,113	4,113
540 ^S	---	-308	1,036	1,036	Maintenance and Fixed Charges		468	468	468
1,344	---	298	766	766	Special Purpose:				
468	---	---	---	---	Foster Grandparents Program	05	---	---	---
---	112	---	112	---	Additions, Improvements and Equipment		269	825	825
402	21	---	423	422	Less:				
(34,124)	(112)	---	(34,236)	(33,998)	Federal Funds		(35,802)	(44,587)	(44,587)
---	---	---	---	---	All Other Funds		(56)	(56)	(56)
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	265	---	265	78	Administration and Support Services	99	---	---	---
---	265	---	265	78	Total Capital Construction		---	---	---
Distribution by Fund and Object									
Woodbridge Developmental Center									

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
---	20	---	20	13				
---	245	---	245	65				
31,332	286	-4,029	27,589	27,401				
CAPITAL CONSTRUCTION								
					99	---	---	---
					99	---	---	---
						34,810	14,041	14,041
OTHER RELATED APPROPRIATIONS								
34,124	112	---	34,236	33,998		35,802	44,587	44,587
---	---	---	---	---		56	56	56
65,456	398	-4,029	61,825	61,399		70,668	58,684	58,684

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.
- (b) \$21,115,000 is available in fiscal year 2007 from prior year carryforward funds.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
32. OPERATION AND SUPPORT OF EDUCATIONAL INSTITUTIONS
7670. HUNTERDON DEVELOPMENTAL CENTER

Hunterdon Developmental Center (C.30:4-165.1 et seq.) is located adjacent to the Edna Mahan Correctional Facility for Women. This Center serves as a treatment and training facility for profoundly to mildly retarded residents. The physical plant consists of 18 cottages. Federal funds provide for educational programs.

Additionally, the federal foster grandparents program provides socialization skills through contact with senior citizens.

Program classifications are described at the beginning of this Statewide program.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Residential Care and Habilitation Services				
Average daily population	585	586	587	583
Ratio: Population/total positions	0.5 / 1	0.5 / 1	0.4 / 1	0.4 / 1
Gross Per Capitas				
Annual	\$117,350	\$119,058	\$116,520	\$119,691 (a)
Daily	\$321.51	\$326.19	\$319.23	\$327.92 (a)
PERSONNEL DATA				
Position Data				
Filled positions by Funding Source				
State Supported	810	816	855	884
Federal	442	449	480	420
Total Positions	1,252	1,265	1,335	1,304
Filled Positions by Program Class				
Residential Care and Habilitation Services	1,068	1,078	1,139	1,121
Administration and Support Services	184	187	196	183
Total Positions	1,252	1,265	1,335	1,304

Notes:

- Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March.
- The Budget Estimate for fiscal year 2007 reflects the number of positions funded.
- (a) Includes prior year carryforward funds.

HUMAN SERVICES

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
57,703	205	-4,330	53,578	51,988	Residential Care and Habilitation Services	05	55,445	37,919	37,919
24,101	85	-4,330	19,856	19,855	(From General Fund)		24,245	3,348	3,348
33,602	120	---	33,722	32,133	(From Federal Funds)		31,200	34,571	34,571
17,764	17	---	17,781	17,780	Administration and Support Services	99	12,952	13,196	13,196
14,207	17	---	14,224	14,223	(From General Fund)		9,210	9,143	9,143
3,557	---	---	3,557	3,557	(From Federal Funds)		3,742	4,053	4,053
75,467	222	-4,330	71,359	69,768	Total Direct State Services		68,397^(a)	51,115	51,115
Less:									
(37,159)	(120)	---	(37,279)	(35,690)	Federal Funds		(34,942)	(38,624)	(38,624)
38,308	102	-4,330	34,080	34,078	Total State Appropriation		33,455	12,491	12,491
Distribution by Fund and Object									
Personal Services:									
54,651					Salaries and Wages		60,847	43,565	43,565
7,445 ^S	19	-4,330	57,785	56,297					
62,096	19	-4,330	57,785	56,297	Total Personal Services^(b)		60,847	43,565	43,565
5,618					Materials and Supplies		5,618	5,618	5,618
5,691 ^S	---	---	11,309	11,309	Services Other Than Personal		1,088	1,088	1,088
1,089	---	---	1,089	1,089	Maintenance and Fixed Charges		567	567	567
648	---	---	648	648	Special Purpose:				
---	101	---	101	---	Foster Grandparents Program	05	---	---	---
325	102	---	427	425	Additions, Improvements and Equipment		277	277	277
Less:									
(37,159)	(120)	---	(37,279)	(35,690)	Federal Funds		(34,942)	(38,624)	(38,624)
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	241	---	241	176	Administration and Support Services	99	---	---	---
---	241	---	241	176	Total Capital Construction		---	---	---
Distribution by Fund and Object									
Hunterdon Developmental Center									
---	241	---	241	176	Replace Electrical Main Feeder	99	---	---	---
38,308	343	-4,330	34,321	34,254	Grand Total State Appropriation		33,455	12,491	12,491
<u>OTHER RELATED APPROPRIATIONS</u>									
<u>37,159</u>	<u>120</u>	<u>---</u>	<u>37,279</u>	<u>35,690</u>	Total Federal Funds		<u>34,942</u>	<u>38,624</u>	<u>38,624</u>
<u>75,467</u>	<u>463</u>	<u>-4,330</u>	<u>71,600</u>	<u>69,944</u>	GRAND TOTAL ALL FUNDS		<u>68,397</u>	<u>51,115</u>	<u>51,115</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

(b) \$18,665,000 is available in fiscal year 2007 from prior year carryforward funds.

HUMAN SERVICES

Language Recommendations -- Direct State Services - General Fund

The State appropriation is based on ICF/MR revenues of \$314,562,000 provided that if the ICF/MR revenues exceed \$314,562,000 there will be placed in reserve a portion of the State appropriation equal to the excess amount of ICF/MR revenues, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove appropriated for Operation and Support of Educational Institutions of the Division of Developmental Disabilities, such other sums provided in Inter-Departmental accounts for Employee Benefits, as the Director of the Division of Budget and Accounting shall determine, are considered as appropriated on behalf of the Developmental Centers and are available for matching federal funds.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT

33. SUPPLEMENTAL EDUCATION AND TRAINING PROGRAMS

7560. COMMISSION FOR THE BLIND AND VISUALLY IMPAIRED

OBJECTIVES

1. To assist blind and severely visually impaired persons to adjust to their disability, to take advantage of individual skills and experiences, and to help achieve an appropriate vocational goal through provision of diagnostic, evaluative, restorative, counseling, training, and placement services.
2. To provide special instruction and support services to blind and visually impaired children to maximize their ability to compete with their sighted peers in the least restrictive setting.
3. To provide social services and referrals to help blind and visually impaired persons to access needed services, and to provide specific training services to assist persons to function in their usual environment.
4. To supervise and carry out screening activities involving persons from groups identified as being vulnerable to eye problems, and to coordinate screenings carried out by other groups.
5. To provide, or cause to be provided, appropriate medical treatment to prevent, reduce, or retard loss of vision for individuals identified to the Commission as having a potential vision problem and to assist in securing appropriate vision aids.
6. To disseminate to the public, especially high-risk persons and the health care community throughout New Jersey, information on (1) the causality and prevention of vision loss, emphasizing early detection, and (2) the wide array of services available to blind and visually impaired persons.

PROGRAM CLASSIFICATIONS

11. **Services for the Blind and Visually Impaired.** Habilitation and Rehabilitation provides or ensures access to services that will enable individuals who are blind or visually impaired to obtain their fullest measure of adjustment, self-reliance, productivity, and integration into their community. Vocational Rehabilitation Services assist in the development, acquisition, or updating of skills that will enable clients to secure and maintain employment. Those services include: evaluation, counseling, guidance, practical and psychological adjustment

to vision loss, training, job placement, post-employment consultation, low and high technical aids and appliances, and certain medical assistance. Services for eligible clients, including persons with severe multi-handicaps, are individualized to their vocational goals, including working in the labor force, operating their own business, supportive employment or rehabilitation, and managing their own home.

Educational services are available from birth through high school for eligible children and their families. These services are designed to assure that students who are blind or visually impaired may participate equally with other students in regular classroom activities or the appropriate, least-restrictive educational placement. Consultative services and interpretation of individual functional vision assessments are provided to local school personnel, with recommendations for placement, instructional materials, and program modifications. Services also include institutional and day training center programs, services to deaf-blind children, counseling and training for families of infants and preschool children, tutoring in special areas, instruction in independent travel and daily living skills, reader services, summer camp for children and teenagers, assistance with adaptive equipment, special books, materials and technical aids, and vision restoration and/or enhancement or the use of remaining vision. Community services provide social casework, rehabilitation teaching, orientation and mobility instruction, in-home nursing services training, and community outreach/education. Prevention includes eye health screening and follow-up services for several high-risk groups, including preschoolers, the elderly, minorities, diabetics, and institutionalized persons. Also included are medical treatment and low vision aids for persons without the means to pay.

99. **Administration and Support Services.** Determines policies and procedures, develops and maintains fiscal plans and records, and provides statistical information and reports to the agency as well as to the State and federal government. Administers the service delivery systems of the Commission including program review and evaluation, program change, program implementation, and policy formation.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Services for the Blind and Visually Impaired				
Vocational Rehabilitation				
Total clients served	2,489	2,568	2,650	2,700
Clients rehabilitated	274	271	280	290
Wage Earners	230	258	270	280
Homemakers	44	13	10	10
Average annual income after rehabilitation	\$20,800	\$21,700	\$22,500	\$23,000
Average cost per client served	\$5,360	\$5,790	\$6,000	\$6,200
Average cost per client rehabilitated	\$11,600	\$11,000	\$12,000	\$12,500
Rehabilitations per counselor	17	16	17	18
Community Service (State Habilitation)				
Total clients receiving independent living services	4,709	3,945	4,100	4,100
Clients receiving orientation and mobility instruction	1,545	1,583	1,600	1,600
Clients receiving basic life skills instruction	1,711	1,827	1,900	1,900
Social casework services	727	761	800	850
Clients over 65 (non-VR)	2,367	2,468	2,600	2,650
Prevention				
Total persons screened	45,356	49,753	52,000	53,000
Adult vision screenings	5,354	6,138	7,000	7,000
Pre-school vision screenings	26,007	28,440	29,000	30,000
Mobile screenings	12,423	13,664	14,000	14,000
Diabetic screenings	1,572	1,511	2,000	2,000
Referred for further evaluations	6,067	4,428	5,500	5,500
Referred to CBVI	1,046	1,453	1,500	1,500
Eye Health case services	2,030	2,429	2,500	2,600
Low vision services	2,269	2,164	2,300	2,300
Instruction				
Total clients receiving educational services	2,716	2,836	2,950	2,950
Pre-school children receiving itinerant services	344	350	375	375
Total number of school-aged children receiving itinerant services	2,372	2,486	2,575	2,570
Percent multi-handicapped	95	95	95	95
Average direct service caseload size	45	46	44	43
PERSONNEL DATA				
Position Data				
Filled positions by Funding Source				
State Supported	164	173	199	199
Federal	83	88	107	107
Total Positions	247	261	306	306
Filled Positions by Program Class				
Services for the Blind and Visually Impaired	204	213	252	260
Administration and Support Services	43	48	54	46
Total Positions	247	261	306	306

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

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APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
6,985	28	-113	6,900	6,828				
1,350	705	---	2,055	2,035	11	7,660	7,660	7,660
					99	1,492	1,492	1,492
8,335	733	-113	8,955	8,863		9,152 ^(a)	9,152	9,152
Distribution by Fund and Object								
Personal Services:								
6,788	---	-113	6,675	6,675		7,725	7,725	7,725
Salaries and Wages								
6,788	---	-113	6,675	6,675		7,725	7,725	7,725
Total Personal Services								
123	---	---	123	122		123	123	123
Materials and Supplies								
476	---	---	476	476		439	439	439
Services Other Than Personal								
80	---	---	80	80		80	80	80
Maintenance and Fixed Charges								
Special Purpose:								
848	28	---	876	805	11	765	765	765
Technology for the Visually Impaired								
---	138	---	705	685	99	---	---	---
Management and Administrative Services								
20	---	---	20	20		20	20	20
Additions, Improvements and Equipment								
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
4,178	---	48	4,226	4,223	11	4,235	4,242	4,242
Services for the Blind and Visually Impaired								
4,178	---	48	4,226	4,223		4,235	4,242	4,242
Total Grants-in-Aid								
Distribution by Fund and Object								
Grants:								
52	---	---	52	52	11	52	52	52
Camp Marcella								
154	---	---	154	154	11	156	156	156
Psychological Counseling								
52	---	---	52	52	11	53	53	53
Recording for the Blind, Inc.								
2,167	---	---	2,167	2,165	11	2,170	2,170	2,170
Educational Services for Children								
1,753	---	48	1,801	1,800	11	1,804	1,811	1,811
Services to Rehabilitation Clients								
<u>CAPITAL CONSTRUCTION</u>								
Distribution by Fund and Program								
---	1,045	---	1,045	494	11	---	---	---
Services for the Blind and Visually Impaired								
---	1,045	---	1,045	494		---	---	---
Total Capital Construction								
Distribution by Fund and Object								
Commission for the Blind and Visually Impaired								
---	1,045	---	1,045	494	11	---	---	---
Emergency Equipment Upgrades - J. Kohn Rehabilitation Center								
12,513	1,778	-65	14,226	13,580		13,387	13,394	13,394
Grand Total State Appropriation								
OTHER RELATED APPROPRIATIONS								
Federal Funds								
9,508								
38 ^S	1,825	2	11,373	9,600	11	9,875	9,909	9,909
Services for the Blind and Visually Impaired								

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Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
OTHER RELATED APPROPRIATIONS									
2,208	1,013	---	3,221	2,795					
					Administration and Support Services	99	2,208	2,208	2,208
<u>11,754</u>	<u>2,838</u>	<u>2</u>	<u>14,594</u>	<u>12,395</u>	Total Federal Funds				
					All Other Funds				
					Services for the Blind and Visually Impaired	11	300	300	300
---	434	---	1,268	919					
---	834 ^R	---	---	---					
					Administration and Support Services	99	475	475	475
<u>---</u>	<u>1,268</u>	<u>---</u>	<u>1,268</u>	<u>919</u>	Total All Other Funds				
<u>24,267</u>	<u>5,884</u>	<u>-63</u>	<u>30,088</u>	<u>26,894</u>	GRAND TOTAL ALL FUNDS				
						<u>26,245</u>	<u>26,286</u>	<u>26,286</u>	

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

There is appropriated from funds recovered from audits or other collection activities, an amount sufficient to pay vendors' fees to compensate the recoveries and the administration of the State's vending machine program, subject to the approval of the Director of the Division of Budget and Accounting. Receipts in excess of \$130,000 are appropriated for the purpose of expanding vision screening services and other prevention services, subject to the approval of the Director of the Division of Budget and Accounting. The unexpended balance at the end of the preceding fiscal year of such receipts is appropriated.

Notwithstanding the provisions of N.J.S.18A:61-1 and N.J.S.18A:46-13, or any other law to the contrary, local boards of education shall reimburse the Commission for the Blind and Visually Impaired for the documented costs of providing services to children who are classified as "educationally handicapped," provided however, each local board of education shall pay that portion of cost which the number of children classified "educationally handicapped" bears to the total number of such children served, provided further, however, that payments shall be made by each local board in accordance with a schedule adopted by the Commissioners of Education and Human Services, and further, the Director of the Division of Budget and Accounting is authorized to deduct such reimbursements from the State Aid payments to the local boards of education.

The unexpended balances at the end of the preceding fiscal year in the Technology for the Visually Impaired account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove appropriated, the amount of \$900,000 is transferred from the Governor's Literacy Initiative to the Commission for the Blind and Visually Impaired for increased Braille lessons for blind children, subject to the approval of the Director of the Division of Budget and Accounting.

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

53. ECONOMIC ASSISTANCE AND SECURITY

7550. DIVISION OF FAMILY DEVELOPMENT

OBJECTIVES

1. To establish, maintain and supervise an effective public assistance system, ensuring the uniform administration of income maintenance programs in compliance with federal and State statutes and regulations.
2. To ensure that appropriate income maintenance payments are provided in an equitable, uniform and efficient manner to individuals who qualify for such assistance.
3. To ensure that all eligible individuals receive health care coverage provided through the Division of Medical Assistance and Health Services.
4. To assist eligible individuals and families in their efforts to gain financial self-sufficiency and decrease dependency on time-limited (60 months) welfare through meaningful employment and training programs.
5. To establish, maintain and supervise the collection of child support through the location of absent parents, establishment

of paternity for children born out-of-wedlock and the enforcement of such court orders.

6. To establish, maintain, and supervise an effective child care system that provides child care services to families in Work First New Jersey program activities and subsidizes such services to other low income families.

PROGRAM CLASSIFICATIONS

15. **Income Maintenance Management.** Supervises the operations of local welfare agencies and evaluates their achievements in terms of current policy and procedure, and acts as liaison between the local agencies and the State Division of Family Development; exercises statutory responsibilities relative to the General Assistance Program. Supervises, through county or municipal welfare agencies, the administration of the Temporary Assistance to Needy Families, the Food Stamp, Cuban Haitian Entrant, Refugee Resettlement and General Assistance programs.

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Prepares all income maintenance policies and regulations as promulgated through manuals, program instructions and procedural bulletins. Studies, measures and maintains ongoing reviews in order to assess and test adherence to policies and procedures and identifies significant sources of agency errors and recommends remedial measures. Maintains the integrity of the assistance program by conducting various file matches which assist in reducing erroneous eligibility and payment errors to ensure that clients truly in need of assistance receive the maximum benefits permitted by law.

Determines and implements overall program policy, including the establishment and enforcement of standards, regulations, policies and fiscal and statistical activities for the public welfare programs administered by State, county, or municipal agencies; promotes and facilitates the effective operation of

all staff development and training programs in all governmental agencies engaged in public welfare; plans, implements, and monitors data processing programs; processes requests for fair hearings from applicants and recipients of public assistance. Develops and maintains fiscal and statistical programs.

Supervises and directs the activities for all agencies involved in the collection of child support and the provision of employment and training services to public assistance recipients.

Through the administration of contracts with local agencies, supervises and directs the provision of child care, as well as other related services, to eligible families and funds initiatives to enhance the child care providers' ability to provide such services.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Income Maintenance Management				
General Assistance				
Employable				
Average monthly recipients	18,463	22,160	21,924	21,906
Average monthly cash assistance	\$149.34	\$147.13	\$146.24	\$145.23
Burials	\$181,870	\$258,632	\$261,701	\$263,882
State expenditures	\$33,269,043	\$39,383,442	\$38,735,690	\$38,440,783
Unemployable				
Average monthly recipients	14,014	15,297	15,554	15,726
Average monthly cash assistance	\$224.62	\$229.33	\$234.07	\$233.17
Burials	\$284,739	\$360,393	\$344,524	\$363,791
Total assistance expenditures	\$38,058,635	\$42,457,125	\$44,033,221	\$44,365,768
Refunds to assistance	(\$13,657,258)	(\$17,331,465)	(\$16,299,559)	(\$16,673,835)
State expenditures	\$24,401,377	\$25,125,660	\$27,733,662	\$27,691,933
Prescription drug & other medical assistance	\$30,473	\$7,421	---	---
Emergency Assistance Program				
Average monthly recipients	5,703	7,408	7,400	7,431
Average monthly grant	\$758.97	\$786.65	\$788.20	\$785.11
State expenditures	\$51,940,871	\$69,930,038	\$69,992,160	\$70,009,829
Work First New Jersey				
Average monthly recipients	112,280	116,188	114,034	111,317
Average monthly grant	\$129.06	\$130.43	\$130.78	\$131.45
Total assistance expenditures	\$173,890,282	\$181,852,810	\$178,960,398	\$175,591,436
Less: Credits	(\$3,642,004)	(\$4,076,516)	(\$3,964,505)	(\$3,995,505)
Less: Recoveries	(\$5,040,000)	(\$5,179,881)	(\$7,259,812)	(\$7,359,812)
Less: 50% Gross Child Support Collections	(\$28,664,585)	(\$28,716,938)	(\$26,936,984)	(\$26,936,984)
Add: Child Support Disregards	\$4,321,455	\$4,329,348	\$4,397,799	\$4,397,799
Add: Burials	\$418,882	\$418,882	\$542,001	\$542,001
Total Work First New Jersey Costs (a)	\$141,284,030	\$148,627,705	\$145,738,897	\$142,238,935
Less: Work First New Jersey County Expenditures	(\$5,630,733)	(\$5,630,733)	(\$5,940,002)	(\$5,975,159)
State Work First New Jersey Expenditures	\$135,653,297	\$142,996,972	\$139,798,895	\$136,263,776
Emergency Assistance				
Average monthly recipients	12,641	17,757	17,435	17,082
Average monthly grant	\$416.47	\$375.09	\$390.14	\$387.51
Total assistance expenditures	\$63,175,167	\$79,925,678	\$81,625,091	\$79,433,350
Less: Credits	(\$464,557)	(\$587,975)	(\$381,515)	(\$485,472)
Net emergency assistance costs	\$62,710,610	\$79,337,703	\$81,243,576	\$78,947,878
Less: County Expenditures	(\$3,135,498)	(\$3,972,932)	(\$4,062,179)	(\$4,149,020)
State Work First New Jersey Expenditures	\$59,575,112	\$75,364,771	\$77,181,397	\$74,798,858

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	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Supplemental Security Income (SSI)				
Average monthly recipients	143,447	148,516	147,497	149,610
Average monthly grant	\$29.54	\$29.53	\$30.41	\$30.34
Total assistance expenditures	\$50,849,093	\$52,628,130	\$53,824,605	\$54,470,009
Emergency Assistance Recipients	957	1,225	1,435	1,446
Emergency Assistance	\$9,642,529	\$12,334,398	\$14,189,228	\$15,291,658
Less: Recoveries	(\$149,236)	(\$212,739)	(\$207,913)	(\$243,824)
Burials	\$10,772,487	\$10,768,319	\$10,371,542	\$10,538,547
Net SSI expenditures	\$71,114,873	\$75,518,108	\$78,177,462	\$80,056,390
 SSI Administrative Expenses	 \$15,526,513	 \$16,324,804	 \$16,960,883	 \$17,149,427
Food Stamp Program				
Average monthly households participating	171,897	187,196	196,624	206,557
Percent of total authorized households participating	100%	100%	100%	100%
Average monthly recipients participating	368,440	394,882	414,642	435,660
Total value of bonus coupons	\$376,136,250	\$432,593,835	\$487,978,943	\$550,071,679
Average monthly value of bonus coupons per person participating	\$85.07	\$91.29	\$98.07	\$105.22
Home Energy Assistance				
Number of cases	154,645	154,645	154,645	165,000
Number of persons	372,696	372,696	372,696	375,000
Total assistance expenditures	\$76,143,000	\$68,387,000	\$68,387,000	\$68,387,120
Average assistance payment				
Per case	\$492.37	\$442.22	\$442.22	\$414.47
Per person	\$204.30	\$183.49	\$183.49	\$182.37
Work First New Jersey Work Activities				
Average monthly recipients entering employment	857	896	937	958
Average monthly recipients in supported work	3,687	3,360	3,360	3,360
Average monthly recipients in on-the-job training	497	357	357	357
Average monthly recipients in alternative work experience (AWEP)	10,909	7,495	7,495	7,495
Average monthly recipients in community work experience (CWEP)	1,365	978	978	978
Average monthly recipients in vocational training/education for teen parents	5,232	3,885	3,885	3,885
Employment/Work Activity Initiatives	3,713	2,735	2,735	2,735
Average monthly recipients in other activities	1,692	1,544	1,544	1,544
Average monthly recipients receiving training related expenses	8,644	6,874	6,170	5,854
Child Care Payments for Eligible Families				
Low income families in contracted centers				
Average monthly children	10,919	10,900	10,500	10,500
Total expenditures	\$34,066,374	\$35,293,500	\$36,439,269	\$36,439,269
Low income families provided child care vouchers				
Average monthly children	13,375	17,690	18,003	19,118
Total expenditures	\$43,324,813	\$59,582,862	\$63,530,547	\$67,464,445
Children placed through protective services				
Average monthly children	2,435	2,825	2,646	2,646
Total expenditures	\$15,381,528	\$18,466,000	\$17,441,813	\$17,441,813
Active TANF recipients in work activity				
Average monthly children	8,472	8,600	7,850	7,850
Total expenditures	\$38,223,593	\$42,831,612	\$40,854,928	\$41,448,000
Transitional child care services				
Average monthly children	8,439	8,910	8,936	9,043
Total expenditures	\$36,463,065	\$42,494,793	\$43,767,928	\$44,927,436

HUMAN SERVICES

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Post Transitional Child Care				
Average monthly children	767	850	1,333	1,420
Total expenditures	\$3,045,035	\$3,487,330	\$5,545,230	\$5,906,937
Total Child Care Payments for Eligible Families				
Average monthly children	44,407	49,775	49,268	50,577
Total expenditures	\$170,504,408	\$202,156,097	\$207,579,715	\$213,627,900

PERSONNEL DATA

Position Data

Filled positions by Funding Source

State Supported	218	221	231	223
Federal	192	202	223	255
Total Positions	410	423	454	478

Filled Positions by Program Class

Income Maintenance Management	410	423	454	478
Total Positions	410	423	454	478

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

(a) Includes funding to offset reduced CSP collections as a result of federal changes in distribution hierarchy.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
97,993	18,523	-10,600	105,916	81,362				
26,335	4,973	---	31,308	25,745				
71,658	1,834	-10,600	62,892	51,103				
---	11,716	---	11,716	4,514				
97,993	18,523	-10,600	105,916	81,362		129,236 ^(a)	122,786	122,786
(71,658)	(1,834)	10,600	(62,892)	(51,103)		(89,435)	(83,284)	(83,284)
---	(11,716)	---	(11,716)	(4,514)		(12,502)	(12,502)	(12,502)
26,335	4,973	---	31,308	25,745		27,299	27,000	27,000
Distribution by Fund and Object								
Personal Services:								
28,087	---	---	28,087	25,949		29,065	29,537	29,537
28,087	---	---	28,087	25,949		29,065	29,537	29,537
749	---	-4	745	671		749	749	749
20,201	3,826	---	24,027	24,027		20,187	20,187	20,187
1,490	---	---	1,490	1,490		1,490	1,490	1,490
Special Purpose:								
3,173	---	446	3,619	3,535				
2,135	---	-244	1,891	482	15	3,683	2,933	2,933
1,453	---	-25	1,428	1,346	15	2,135	1,664	1,664
10,032	2	1,352	11,386	8,857	15	1,453	1,453	1,453
27,829	4,122	-11,775	20,176	9,051	15	10,032	10,578	10,578
---	10,497	---	10,497	3,651	15	57,598	51,351	51,351
					15	---	---	---

HUMAN SERVICES

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
GRANTS-IN-AID								
---	62	---	62	---	Targeted Assistance Disability Grant	15	---	---
10,947	---	713	11,660	11,633	Social Services for the Homeless	15	11,467	---
35,174	---	-10,747	24,427	18,409	Substance Abuse Initiatives	15	19,747	18,652
(299,226)	(23,714)	21,076	(301,864)	(188,971)	<i>Less:</i>			
---	---	---	---	---	Federal Funds		(306,044)	(276,302)
					All Other Funds		(10,000)	---
STATE AID								
Distribution by Fund and Program								
747,773	121,394	9,790	878,957	799,026	Income Maintenance Management	15	810,822	821,157
265,057	3,080	833	268,970	268,349	(From General Fund)		352,304	299,548
482,716	118,314	8,957	609,987	530,677	(From Federal Funds)		458,518	521,609
747,773	121,394	9,790	878,957	799,026	Total State Aid		810,822	821,157
(482,716)	(118,314)	(8,957)	(609,987)	(530,677)	<i>Less:</i>			
					Federal Funds		(458,518)	(521,609)
265,057	3,080	833	268,970	268,349	Total State Appropriation		352,304	299,548
Distribution by Fund and Object								
<i>State Aid:</i>								
219,677	3,236	876	223,789	221,998	County Administration Funding	15	251,112	258,079
135,558	89,958	8,064	233,580	218,746	Work First New Jersey - Client Benefits	15	139,797	136,624
18,393	---	---	18,393	18,393	Earned Income Tax Credit Program (d)	15	18,393	18,393
35,711	---	---	35,711	35,711	Federal Energy Assistance Program	15	35,711	65,260
10,038 ^S	3,412	-3,063	46,098	33,930	Cost Of Living Adjustment	15	---	---
---	---	833	833	833	General Assistance Emergency Assistance Program	15	79,508	70,010
57,892	---	4,863	67,151	67,151	Payments for Cost of General Assistance	15	80,526	66,133
4,396 ^S	---	---	4,396	4,396	Work First New Jersey - Emergency Assistance	15	77,181	74,798
61,684	3,080	-5,121	68,165	67,544	Payments for Supplemental Security Income	15	76,933 (e)	80,056
8,522 ^S	21,675	2,489	97,474	46,957	State Supplemental Security Income Administrative Fee to SSA	15	17,006	17,149
73,310	---	---	73,310	73,310	General Assistance County Administration	15	26,005	26,005
72,607	---	652	74,711	74,711	Food Stamp Administration - State	15	8,600	8,600
1,452 ^S	---	322	16,325	16,325	Fair Labor Standards Act-Minimum Wage Requirements (TANF)	15	50	50
16,003	---	---	16,003	16,003	<i>Less:</i>			
23,805	---	---	23,805	23,805	Federal Funds		(458,518)	(521,609)
8,600	---	---	8,600	8,600	Grand Total State Appropriation		628,177	584,539
125	33	-125	33	33				
(482,716)	(118,314)	(8,957)	(609,987)	(530,677)				
537,179	22,379	1,162	560,720	538,981				
OTHER RELATED APPROPRIATIONS								
853,600	143,862	-22,719	974,743	770,751	Total Federal Funds		853,997	881,195
---	11,716	---	11,716	4,514	Total All Other Funds		22,502	12,502
1,390,779	177,957	-21,557	1,547,179	1,314,246	GRAND TOTAL ALL FUNDS		1,504,676	1,478,236

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and the reallocation of administrative efficiencies.

Notes -- Grants-In-Aid - General Fund

- (b) In fiscal year 2007, \$10,751,000 is reallocated to the School Based Youth Program line item in the Office of Children's Services within the Department of Children and Families.
- (c) Due to the consolidation of work training activities into the Department of Labor and Workforce Development, the Work First New Jersey - Training Activities line is renamed Work First New Jersey Support Services for fiscal 2007.

Notes -- State Aid - General Fund

- (d) Additional funding to maintain benefit levels is available from Gross Income Tax revenues.
- (e) Additional funds are available for this program from other State resources within the Department of Human Services.

Language Recommendations -- Direct State Services - General Fund

Receipts derived from counties and local governments for data processing services and the unexpended balance at the end of the preceding fiscal year of such receipts are appropriated.

In order to permit flexibility, amounts may be transferred between various items of appropriation within the Income Maintenance Management program classification, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

The unexpended balances at the end of the preceding fiscal year in accounts where expenditures are required to comply with Maintenance of Effort requirements as specified in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," P.L. 104-193 are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

In order to permit flexibility, amounts may be transferred between various items of appropriation within the Income Maintenance Management program classification, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

The unexpended balances at the end of the preceding fiscal year in accounts where expenditures are required to comply with Maintenance of Effort requirements as specified in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," P.L. 104-193 are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amounts appropriated for Work First New Jersey, amounts may be transferred to the various departments in accordance with the Division of Family Development's agreements, subject to the approval of the Director of the Division of Budget and Accounting. Any unobligated balances remaining from funds transferred to the Departments shall be transferred back to the Division of Family Development subject to the approval of the Director of the Division of Budget and Accounting.

The appropriation hereinabove for the Income Maintenance Management program classification is subject to the following condition: The Commissioner of Human Services shall provide the Director of the Division of Budget and Accounting, the Senate Budget and Appropriations Committee and the Assembly Appropriations Committee, or the successor committees thereto, with quarterly reports, due within 60 days after the end of each quarter, containing written statistical and financial information on the Work First New Jersey program and any subsequent welfare reform program the State may undertake.

Of the amounts appropriated for the School Based Youth Services Program, there shall be available \$400,000 for the After School Reading Initiative, \$200,000 for the After School Start-Up Fund, \$400,000 for School Health Clinics, and \$530,000 for Positive Youth Development.

Notwithstanding any law or regulation to the contrary, payments of TANF Abbott Expansion funds to a community provider or school district providing wrap around programs for three and four year olds will be contingent on the assessment of a co-payment consistent with a schedule to be published by the Department of Human Services in the New Jersey Register.

Language Recommendations -- State Aid - General Fund

The net State share of reimbursements and the net balances remaining after full payment of sums due the federal government of all funds recovered under R.S. 44:7-14, P.L. 1959, c.86 (C.44:10-4 et seq.), P.L. 1950, c.166 (C.30:4B-1 et seq.) and P.L. 1971, c. 209 (C.44:13-1 et seq.), during the fiscal year ending June 30, 2006 are appropriated.

Receipts from State administered municipalities during the preceding fiscal year are appropriated.

The sum hereinabove appropriated is available for payment of obligations applicable to prior fiscal years.

Any change by the Department of Human Services in the standards upon which or from which grants of categorical public assistance are determined, first shall be approved by the Director of the Division of Budget and Accounting.

In order to permit flexibility and ensure the timely payment of benefits to welfare recipients, amounts may be transferred between the various items of appropriation within the Income Maintenance Management program classification, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

Notwithstanding the provisions of any law to the contrary, the Director of the Division of Budget and Accounting is authorized to withhold State Aid payments to municipalities to satisfy any obligations due and owing from audits of that municipality's General Assistance program.

The unexpended balances at the end of the preceding fiscal year in accounts where expenditures are required to comply with Maintenance of Effort requirements as specified in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," P.L.

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104-193 and in the Payments for the Cost of General Assistance and General Assistance - Emergency Assistance Program accounts are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from counties for persons receiving Old Age Assistance, Disability Assistance, and Assistance for the Blind under the Supplemental Security Income (SSI) program are appropriated for the purpose of providing State Aid to the counties, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the provisions of section 3 of P.L.1973, c.256 (C.44:7-87), the Department of Human Services shall assess welfare boards at the beginning of each fiscal year in the same proportion that the counties currently participate in the federal categorical assistance programs, in order to obtain the amount of each county's share of the supplementary payments for eligible persons in this state, based upon the number of eligible persons in the county. Welfare boards shall pay the amount assessed.

There is appropriated an amount equal to the difference between actual revenue loss reflected in the Earned Income Tax Credit program and the amount anticipated as the revenue loss from the Earned Income Tax Credit to meet federal Maintenance of Effort requirements to allow the Department of Human Services to comply with the Maintenance of Effort requirements as specified in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," P.L. 104-193, and as legislatively required by the Work First New Jersey program, section 4 of P. L. 1997, c. 38 (C.44:10-58), subject to the approval of the Director of the Division of Budget and Accounting.

Additional funds as may be allocated by the federal government for New Jersey's Low Income Energy Assistance Block Grant Program (LIHEAP) are appropriated subject to the approval of the Director of the Division of Budget and Accounting. A pro-rata share of Low Income Energy Assistance Block Grant funds received by the Department of Human Services is to be allocated immediately upon receipt to the Departments of Community Affairs and Health and Senior Services to enable these departments to implement programs funded by this block grant.

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY
 55. SOCIAL SERVICES PROGRAMS
 7555. DIVISION OF ADDICTION SERVICES

OBJECTIVES

1. To reduce the abuse of and dependence on narcotics, alcohol, tobacco and other drugs.
2. To reduce the incidence of compulsive gambling.

PROGRAM CLASSIFICATIONS

09. **Addiction Services.** Provides, by grants, support to

multi-modality drug clinics and treatment facilities which reduce drug abuse and treat and rehabilitate addicts (C.26:2G). Provides, by grants, counseling and detoxification services in clinics, institutions and schools; assists in development of employee assistance programs; coordinates with Mental Health Programs (C.26:2B-1); and provides counseling programs for compulsive gamblers.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Addiction Services				
Drug treatment admissions - primary alcohol	18,000	18,653	19,209	19,782
Drug treatment admissions - primary other drugs	43,000	44,523	45,009	45,501
Adult hospital detoxification admissions	10,000	10,000	9,575	9,168
Adult residential detoxification admissions	5,000	5,000	4,352	3,788
Adult residential admissions	9,000	9,307	8,671	8,079
Adult out-patient admissions	30,000	31,738	32,824	33,947
Juvenile treatment admissions	4,000	4,131	4,213	4,296
Juvenile hospital detoxification admissions	200	200	148	109
Juvenile residential detoxification admissions	100	100	71	51
Juvenile residential admissions	1,500	1,519	1,567	1,617
Juvenile out-patient admissions	2,500	2,611	2,619	2,628
Intoxicated driver cases processed	24,000	24,000	25,263	26,593
Individuals given information and referral	49,000	45,000	47,368	49,861
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	16	17	22	18
Federal	83	93	90	97
All Other	22	23	23	21
Total Positions	121	133	135	136
Filled Positions by Program Class				
Addiction Services	121	133	135	136

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA
 (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	2006 Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
462	---	22,713	23,175	22,823	09	455	455	455
462	---	22,713	23,175	22,823	455 (a)		455	455
DIRECT STATE SERVICES					Distribution by Fund and Program			
					Addiction Services			
					Total Direct State Services			
Distribution by Fund and Object					Personal Services:			
					Salaries and Wages			
					Total Personal Services			

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Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
24	---	---	24	24		20	20	20
65	---	---	65	65		52	52	52
16	---	---	16	16		16	16	16
---	---	5,512	5,512	5,512				
---	---	17,200	17,200	16,848	09	---	---	---
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
28,978	---	5,537	34,515	34,318	09	50,787	34,240	34,240
28,978	---	5,537	34,515	34,318		50,787	34,240	34,240
Distribution by Fund and Object								
Grants:								
---	---	---	---	---	09	20,971	---	---
---	---	---	---	---	09	400	---	---
---	---	---	---	---	09	200	---	---
---	---	---	---	---	09	---	2,000	2,000
1,400	---	---	1,400	1,400	09	1,465	1,472	1,472
24,156	---	5,037	29,193	28,996	09	24,173	27,174	27,174
---	---	500	500	500	09	---	---	---
700	---	---	700	700	09	732	735	735
695	---	---	695	695	09	727	730	730
2,027	---	---	2,027	2,027	09	2,119	2,129	2,129
<u>STATE AID</u>								
Distribution by Fund and Program								
12,000	---	---	12,000	12,000	09	12,000	12,000	12,000
12,000	---	---	12,000	12,000		12,000	12,000	12,000
Distribution by Fund and Object								
State Aid:								
12,000	---	---	12,000	12,000	09	12,000	12,000	12,000
41,440	---	28,250	69,690	69,141		63,242	46,695	46,695
OTHER RELATED APPROPRIATIONS								
Federal Funds								
62,510	7,545	21	70,076	46,002	09	57,460	56,141	56,141
62,510	7,545	21	70,076	46,002		57,460	56,141	56,141
All Other Funds								
---	1,765	12,538	20,510	19,016	09	9,300	11,394	11,394
---	6,207 ^R	12,538	20,510	19,016		9,300	11,394	11,394
103,950	15,517	40,809	160,276	134,159		130,002	114,230	114,230

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Notes -- Grants-In-Aid - General Fund

(b) This account provides the necessary State Maintenance of Effort requirement to match the federal Substance Abuse Block Grant.

Language Recommendations -- Direct State Services - General Fund

The Division of Addiction Services is authorized to bill a patient, a patient’s insurance carrier, a patient’s estate, the person chargeable for a patient’s support or the county of residence for institutional, residential and outpatient support of patients treated for alcoholism or drug abuse, or both. Receipts derived from billings or fees and unexpended balances at the end of the preceding fiscal year, from these billings or fees are appropriated to the Department of Human Services for the support of the alcohol and drug abuse programs, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated from the Alcohol Education, Rehabilitation and Enforcement Fund such sums as may be necessary to carry out the provisions of P.L.1983, c.531 (C.26:2B-32 et al.).

There is transferred from the “Drug Enforcement and Demand Reduction Fund” \$350,000 to carry out the provisions of P.L.1995, c.318 (C.26:2B-36 et seq.) to establish an “Alcohol and Drug Abuse Program for the Deaf, Hard of Hearing and Disabled” in the Department of Human Services, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

The unexpended balance at the end of the preceding fiscal year of appropriations made to the Department of Human Services by section 20 of P.L.1989, c.51 for State-licensed or approved drug abuse prevention and treatment programs is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, there is transferred \$1,000,000 to the Department of Human Services from the “Drug Enforcement and Demand Reduction Fund” for drug abuse services.

Notwithstanding the provisions of any law to the contrary, there is transferred \$500,000 to the Department of Human Services from the “Drug Enforcement and Demand Reduction Fund” for the Sub-Acute Residential Detoxification Program.

An amount, not to exceed \$600,000, collected by the Casino Control Commission is payable to the General Fund pursuant to section 145 of P.L.1977, c.110 (C.5:12-145).

In addition to the amount hereinabove for Compulsive Gambling, an amount not to exceed \$200,000 is appropriated from the annual assessment against permit holders to the Department of Human Services for prevention, education and treatment programs for compulsive gambling pursuant to the provisions of section 34 of P.L.2001, c.199 (C.5:5-159), subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated \$420,000 from the Alcohol Education, Rehabilitation and Enforcement Fund to fund the Local Alcoholism Authorities - Expansion account.

Notwithstanding the provisions of P.L.1983, c.531 (C.26:2B-32 et al.) or any other law to the contrary, the unexpended balance at the end of the preceding fiscal year in the Alcohol Education, Rehabilitation and Enforcement Fund, is appropriated and shall be distributed to counties for the treatment of alcohol and drug abusers and for education purposes.

There is appropriated \$1,000,000 from the “Drug Enforcement and Demand Reduction Fund,” established pursuant to N.J.S. 2C:35-15, to the Department of Human Services for a grant to Partnership for a Drug-Free New Jersey.

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

55. SOCIAL SERVICES PROGRAMS

7580. DIVISION OF THE DEAF AND HARD OF HEARING

OBJECTIVES

1. To act as an advocate for New Jersey’s deaf and hearing-impaired population.
2. To promote increased accessibility to programs, services, and information routinely available to the state’s general population by involvement in social, legal, medical,

educational, and recreational service areas.

PROGRAM CLASSIFICATIONS

23. **Services for the Deaf.** Advocates for the rights of deaf and hearing-impaired persons. Provides information and referral services, acts as the state’s primary sign language interpreter referral agency, and publishes a monthly newsletter.

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EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Services for the Deaf				
Total hearing impaired population	719,600	719,600	719,600	719,600
Deaf population	11,400	11,400	11,400	11,400
Persons served by Interpreter Referral Program	3,300	3,300	3,500	3,500
Interpreter requests	1,100	1,200	1,300	1,300
Newsletter subscribers	8,400	8,500	8,900	8,900
Telecommunication Devices Distributed	230	230	230	230

PERSONNEL DATA

Position Data

Filled positions by Funding Source

State Supported	6	9	9	9
Total Positions	6	9	9	9

Filled Positions by Program Class

Services for the Deaf	6	9	9	9
Total Positions	6	9	9	9

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Prog. Class.	Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
714	---	-45	669	579	23	747	747	747
714	---	-45	669	579		747^(a)	747	747
Distribution by Fund and Object								
Personal Services:								
288	---	---	288	288		327	327	327
288	---	---	288	288		327	327	327
41	---	---	41	41		35	35	35
39	---	---	39	39		39	39	39
1	---	---	1	1		1	1	1
Special Purpose:								
290	---	---	290	200	23	290	290	290
55	---	-45	10	10		55	55	55
714	---	-45	669	579	23	747	747	747

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

76. MANAGEMENT AND ADMINISTRATION

7500. DIVISION OF MANAGEMENT AND BUDGET

OBJECTIVES

1. To develop and update annually an operating plan for the Department and to effect, implement, and administer program allocation decisions which carry out this plan.

2. To supervise provision of security, dietary, and household services of institutions and to centralize activities related to

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these services, whenever it is economically feasible, without a detrimental impact on program effectiveness.

3. To evaluate and determine priorities for the construction of new institutional facilities and the maintenance and improvement of existing facilities.
4. To supervise and audit expenditure and collection of funds.
5. To provide transportation, clerical, and other general support services required.
6. To offer institutional residents academic, vocational, avocational, and counseling programs, regardless of classification and tenure.

PROGRAM CLASSIFICATIONS

96. **Institutional Security Services.** Police officers are responsi-

ble for security operations throughout the Department.

99. **Administration and Support Services.** The Commissioner and Central Office staff manage and develop Department policies and priorities. Research, policy, and planning staff develop, plan, and demonstrate new initiatives as well as formulate new strategies and implement federal and State policies, acting as a liaison between the Department and special groups on state and federal policies. Personnel, capital and operations support, management information systems, budget and finance, curriculum consultants, contract administrators, and field auditors provide technical advice and assistance, financial management, statistical analysis, employee hiring, and systems development and maintenance.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	3,259	3,465	3,564	3,549
Male Minority %	16.0	15.9	15.9	16.0
Female Minority	8,501	9,126	9,408	9,413
Female Minority %	41.7	41.8	42.0	42.7
Total Minority	11,760	12,591	12,972	12,962
Total Minority %	57.7	57.7	58.0	58.7
Position Data				
Filled positions by Funding Source				
State Supported	307	302	364	310
Federal	131	130	114	132
All Other	11	12	12	13
Total Positions	449	444	490	455
Filled Positions by Program Class				
Institutional Security Services	75	80	135	134
Administration and Support Services	374	364	355	321
Total Positions	449	444	490	455

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
---	---	---	---	---	94	10,387	---	---
5,211	---	267	5,478	5,478	96	9,793	7,218	7,218
8,575	588	19,746	28,909	28,843	99	27,274	23,478	23,478
13,786	588	20,013	34,387	34,321	47,454^(a)		30,696	30,696
Distribution by Fund and Object								
Personal Services:								
5,075	---	13,592	18,667	18,667	28,100		15,678	15,678

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Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
5,075	---	13,592	18,667	18,667		28,100	15,678	15,678
221	---	---	221	221		238	210	210
385								
1,185 ^S	---	6,097	7,667	7,652		8,401		
						1,200 ^S	8,194	8,194
448	---	324	772	771		1,247	872	872
---	---	---	---	---				
150	---	---	150	150	94	2,703	---	---
---	---	---	---	---	99	150	150	150
---	---	---	---	---	99	293 ^S	470	470
---	400 ^R	---	400	350	99	---	---	---
255	---	---	255	255	99	255	255	255
2,360	---	---	3,560	3,560				
1,200 ^S	---	---						
407	---	---	407	407	99	2,360	2,360	2,360
2,100	188	---	2,288	2,288	99	407	407	407
						2,100	2,100	2,100
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
75,375	---	-55,553	19,822	10,209				
					99	1,071	724	724
75,375	---	-55,553	19,822	10,209		1,071	724	724
Distribution by Fund and Object								
Grants:								
10,000	---	-855	9,145	9,145				
					99	---	---	---
350	---	---	350	350	99	350	---	---
690	---	24	714	714	99	721	724	724
54,722	---	-54,722	9,613	---	99	---	---	---
9,613 ^S	---							
<u>CAPITAL CONSTRUCTION</u>								
Distribution by Fund and Program								
10,400	6,873	---	17,273	11,543				
					99	11,600	7,700	7,700
10,400	6,873	---	17,273	11,543		11,600	7,700	7,700
Distribution by Fund and Object								
Division of Management and Budget								
---	---	---	---	---				
					99	---	4,500	4,500
---	---	---	---	---	99	---	3,200	3,200
---	1	---	1	---	99	---	---	---
---	48	---	48	7	99	---	---	---
---	684	---	684	139	99	---	---	---

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Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
CAPITAL CONSTRUCTION									
---	140	---	140	10	99	---	---	---	---
---	891	---	891	469	99	---	---	---	---
---	67	---	67	19	99	---	---	---	---
---	17	---	17	3	99	---	---	---	---
10,400	4,688	---	15,088	10,685	99	3,500	---	---	---
---	---	---	---	---	99	3,000	---	---	---
---	---	---	---	---	99	5,100	---	---	---
---	28	---	28	---	99	---	---	---	---
---	8	---	8	---	99	---	---	---	---
---	253	---	253	211	99	---	---	---	---
---	48	---	48	---	99	---	---	---	---
99,561	7,461	-35,540	71,482	56,073	Grand Total State Appropriation		60,125	39,120	39,120
OTHER RELATED APPROPRIATIONS									
Federal Funds									
---	---	---	---	---	94	1,775	1,766	1,766	---
---	24	5	29	24	96	---	---	---	---
62,387	---	---	---	---	99	84,748	85,200	85,200	---
120 ^S	2,042	-16	64,533	57,333			<u>86,966</u>	<u>86,966</u>	<u>86,966</u>
<u>62,507</u>	<u>2,066</u>	<u>-11</u>	<u>64,562</u>	<u>57,357</u>	Total Federal Funds		<u>86,523</u>	<u>86,966</u>	<u>86,966</u>
All Other Funds									
---	13,172	---	---	---	99	7,032	7,250	7,250	---
---	52,713 ^R	-24,283	41,602	27,098			<u>7,032</u>	<u>7,250</u>	<u>7,250</u>
---	<u>65,885</u>	<u>-24,283</u>	<u>41,602</u>	<u>27,098</u>	Total All Other Funds		<u>7,032</u>	<u>7,250</u>	<u>7,250</u>
162,068	75,412	-59,834	177,646	140,528	GRAND TOTAL ALL FUNDS		153,680	133,336	133,336

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies. In fiscal year 2007, the Children's Services Support program classification moves to the Department of Children and Families.

(b) In fiscal year 2007, \$1,404,000 is reallocated to the Department of Children and Families.

Notes -- Grants-In-Aid - General Fund

(c) Appropriation of \$21,706,000 distributed to applicable grant accounts.

Notes -- Capital Construction

(d) In fiscal year 2007, \$10,000,000 is reallocated to the Department of Children and Families.

Language Recommendations -- Direct State Services - General Fund

Notwithstanding the provision of any other law to the contrary, the Department of Human Services is authorized to identify opportunities for increased recoveries to the General Fund and to the Department. Such funds collected are appropriated, subject to the approval of the Director of the Division of Budget and Accounting in accordance with a plan approved by the Director of the Division of Budget and Accounting.

Revenues representing receipts to the General Fund from charges to residents' trust accounts for maintenance costs are appropriated for use as personal needs allowances for patients/residents who have no other source of funds for these purposes; except that the total amount herein for these allowances shall not exceed \$1,375,000 and any increase in the maximum monthly allowance shall be approved by the Director of the Division of Budget and Accounting.

HUMAN SERVICES

Upon promulgation of federal regulations modifying the Medicare inpatient hospital reimbursement system, there are appropriated such additional sums as are required to fund the purchase of a Health Care Billing System, subject to the approval of the Director of the Division of Budget and Accounting.

DEPARTMENT OF HUMAN SERVICES

Language Recommendations -- Direct State Services - General Fund

Of the amount hereinabove appropriated for the Department of Human Services, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Governor's Budget Message first shall be charged to the State Lottery Fund.

Balances on hand at the end of the preceding fiscal year of funds held for the benefit of patients in the several institutions, and such funds as may be received, are appropriated for the use of the patients.

Funds received from the sale of articles made in occupational therapy departments of the several institutions are appropriated for the purchase of additional material and other expenses incidental to such sale or manufacture.

Any change in program eligibility criteria and increases in the types of services or rates paid for services to or on behalf of clients for all programs under the purview of the Department of Human Services, not mandated by federal law, shall first be approved by the Director of the Division of Budget and Accounting.

Notwithstanding any other provision of law to the contrary, receipts from payments collected from clients receiving services from the Department, and collected from their chargeable relatives, are appropriated to offset administrative and contract expenses related to the charging, collecting, and accounting of payments from clients receiving services from the Department and from their chargeable relatives pursuant to R.S.30:1-12, subject to the approval of the Director of the Division of Budget and Accounting.

Payment to vendors for their efforts in maximizing federal revenues is appropriated and shall be paid from the federal revenues received, subject to the approval of the Director of the Division of Budget and Accounting. The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

Unexpended State balances may be transferred among Department of Human Services accounts in order to comply with the State Maintenance of Effort requirements as specified in the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996", P.L. 104-193, and as legislatively required by the Work First New Jersey program established pursuant to section 4 of P.L. 1997, c.38 (C.44:10-58), subject to the approval of the Director of the Division of Budget and Accounting. Notice of such transfers that would result in appropriations or expenditures exceeding the State's Maintenance of Effort requirement obligation shall be subject to the approval of the Joint Budget Oversight Committee. In addition, unobligated balances remaining from funds allocated to the Department of Labor and Workforce Development for Work First New Jersey as of June 1 of each year are to be reverted to the Work First New Jersey--Client Benefits account in order to comply with the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996" and as legislatively required by the Work First New Jersey program.

Language Recommendations -- Grants-In-Aid - General Fund

To ensure the proper reallocation of funds in connection with the creation of the new Department of Children and Families, of the amounts hereinabove appropriated, the Department of Human Services may transfer appropriations to the Department of Children and Families, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year due to opportunities for increased recoveries in the Department of Human Services are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. These recoveries may be transferred to the Division of Developmental Disabilities as follows: \$50,000,000 for placements of patients from the developmental centers to the community in accordance with a plan approved by the Director of the Division of Budget and Accounting and an amount for operating costs in the developmental centers, subject to the approval of the Director of the Division of Budget and Accounting.

LABOR AND WORKFORCE DEVELOPMENT

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

OVERVIEW

The mission of the Department of Labor and Workforce Development is to ensure the opportunity for employment at fair wages in a safe environment; enhance the quality of the State's labor force and labor market activities; stimulate economic growth; promote labor management harmony; and administer income support services to unemployed or disabled workers.

The Department provides funding for job training to employed, unemployed, and underemployed workers, enabling them to align their skills with the needs of businesses. The Department also ensures safe and equitable working conditions and provides or oversees wage replacement benefits to workers idled due to layoff or disability.

The Public Employment Relations Commission (PERC), which is concerned with the scope of public sector negotiations, unfair practices, mediation, fact-finding, and arbitration, is in-but-not-of the Department. The Board of Mediation and the State Employment and Training Commission also retain in-but-not-of status in the Department of Labor and Workforce Development. The Board of Mediation monitors labor negotiations, resolves disputes by providing arbitrators, and conducts consent elections to determine matters of union representation in the private sector. The State Employment and Training Commission is an administrative body created to assist in the implementation of a coordinated State employment, training, and education policy.

Budget Highlights

The Fiscal 2007 Budget for the Department of Labor and Workforce Development (NJLWD), including PERC, for Direct State Services totals \$61.9 million, a decrease of \$0.2 million or 0.4%, from the fiscal 2006 adjusted appropriation of \$62.1 million. The Grants-In-Aid budget, including Casino Revenue funds, for fiscal 2007 is \$54.3 million, an increase of \$7 million or 14.8% over the fiscal 2006 adjusted appropriation of \$47.3 million. The additional funding consists of two items: an \$11 million increase needed to meet case management work activity requirements partially offset by the Heldrich Center grant of \$4 million. The Heldrich Center project will be completed in fiscal 2006. The State Aid budget for fiscal 2007 of \$1.5 million remains unchanged from fiscal 2006.

Supplemental Workforce Fund for Basic Skills (SWFBS)

The New Jersey Supplemental Workforce Fund for Basic Skills (P.L. 2001, c. 152) provides for the utilization of an amount of employer and employee tax contributions for the Basic Skills program. The primary goal of the Basic Skills program is to promote adult literacy in the workplace by providing basic skills training for unemployed and employed workers. The funds are to be used as follows: 24% for One-Stop Career Centers; 28% for Workforce Investment Boards; 38% for individual employers, employer organizations, labor organizations, community-based organizations, or educational institutions; and 10% to provide for administrative costs for the program.

In addition, \$8 million will be used in fiscal 2007 to offset the cost of basic skills education at New Jersey's county colleges. This amount is \$6 million lower than the amount provided in fiscal 2006.

Workforce Development

In fiscal 2007, the Workforce Development Partnership Fund will continue to provide funding to strengthen job training efforts. The Workforce Development Partnership (WDP) program, funded through a dedicated assessment on workers and their employers, is a key component in the State's effort to train workers and job seekers, to satisfy the needs of employers, and to move people from welfare

to work. The customized training aspect of the WDP program provides matching grants to employers to upgrade the skills of their workforce, and is an important component of the State's economic

development package. In fiscal 2005, \$22.5 million was provided in State funding to train 38,146 workers employed by 404 firms. These employers invested approximately \$39.3 million in matching dollars. Projections in fiscal 2006 are for \$23 million in State funding with \$29.6 million of employer matching dollars to provide training for 50,000 workers from 420 firms. The fiscal 2007 projection also provides \$23 million in customized training grants for 50,000 workers from 430 firms.

Workplace Standards

The Workplace Standards program is responsible, in part, for the Prevailing Wage Act, which addresses most publicly funded construction projects, including school construction. The Divisions of Wage and Hour Compliance, and Public Safety and Occupational Safety and Health are responsible for administering and enforcing a wide variety of labor laws. These programs provide employees with safe and equitable working conditions; protect our good faith employers from unfair competition by employers who willfully violate our labor laws; and protect the public from various hazardous business operations.

This program will receive \$5.5 million in fiscal 2007, a decrease of \$140,000 from the fiscal 2006 adjusted appropriation of \$5.7 million. Administrative penalties for prevailing wage violations are anticipated to produce sufficient revenue to continue to fully support the operations of the Workplace Standards program.

Unemployment Insurance

The New Jersey Department of Labor and Workforce Development administers the federally funded Unemployment Insurance (UI) program, the primary function of which is to provide wage replacement benefits to workers who have become involuntarily unemployed. The program provides a safety net for New Jersey workers and their families during periods of economic downturn. New Jersey's unemployment rate averaged 4.4% for all of calendar year 2005. With the exception of two months (May, at 4.2%, and December at 4.6%), the unemployment rate stayed within the narrow range of 4.3% to 4.5% throughout 2005. The jobless rate in January 2006 was 4.5%. In the past, funds have been diverted from this program to offset costs in Medicaid and Health, specifically the Charity Care program. No diversion is proposed in fiscal 2007.

Vocational Rehabilitation Services

The Vocational Rehabilitation Services program, which enables individuals with disabilities to achieve employment outcomes consistent with their strengths, priorities, needs, abilities and capabilities, is recommended to receive \$34.5 million in State funds in fiscal 2007. A broad range of medical and training services are provided to assist in preparing for and acquiring employment, including Sheltered Workshop Support, which offers adult training services for individuals who need help with basic vocational skills, and supported employment services that include on-site job coaches.

Workers' Compensation

The Division of Workers' Compensation continues to fulfill the mandate of the Workers' Compensation Law (NJSA 34:15-1 et seq.) by providing services to the injured workers of New Jersey and their employers. Most importantly, the Division provides a forum in which a fair and impartial hearing can determine whether compensation is warranted. The Division's fiscal 2007 recommendation is \$12.3 million, which is comparable to the fiscal 2006 adjusted appropriation.

LABOR AND WORKFORCE DEVELOPMENT

Board of Mediation Commission

The Board of Mediation Commission is an independent agency within the Department that monitors labor negotiations, facilitates the resolution of disputes, and conducts consent elections involving matters of union representation. The Commission's fiscal 2007 budget of \$474,000 remains unchanged from its fiscal 2006 appropriation.

Department Accomplishments

Unemployment Insurance (UI) benefits are the gateway to the One-Stop Career System for many dislocated workers. The Department has initiated a project to redesign all unemployment insurance business processes and technical systems. This federally funded project will improve the way claims are evaluated and benefits are paid, to provide a positive first contact for workers claiming UI benefits and to enhance service to employers. New technology will replace the many antiquated and incompatible systems that currently support the UI program with a single, comprehensive UI benefits system, NJ SUCCESS (New Jersey State Unemployment Compensation Claimant and Employer Service System). In November 2004, NJLWD issued a request for proposals for the design, development and implementation of NJ SUCCESS, and the successful bidder began work in August 2005. Pilot implementation of NJ SUCCESS is targeted for 2008, to be followed by a one-year roll-out period.

Full automation of New Jersey's Workers' Compensation Program continues with the completion of Phases I and II of the Case Organization Utilization Reporting Tracking System (COURTS). Phase I created the web-based application and Phase II provided for Internet (on-line) read-only access by attorneys and insurance carriers representing injured workers and employers. Phase III, E-Filing, is well underway with four main documents, the Employee Claim Petition, the Respondent's Answer to Claim Petition, the Dependency Claim Petition and the Answer to Dependency Claim Petition, currently in use, enabling attorneys to electronically file legal pleadings through the Internet. These documents represent the majority of document filings in the Division.

The remaining documents will be added to the E-Filing component shortly, enabling workers' compensation attorneys, insurance carriers, governmental agencies and self-insurers to have the ability to file the vast majority of legal pleadings with the Division in an entirely electronic format. This electronic filing initiative will continue to reduce the volume of data entry for Division staff, as well as improve the quality of the data. Since the program was launched, over 340 law firms and insurance carriers have signed on to participate in electronic filing, and more than 42,000 legal pleadings have been electronically filed. Upon completion of this phase, the Department anticipates the current 25% electronic filing rate to increase substantially.

As part of P.L. 2004, c. 39, which consolidated all workforce development services within the Department of Labor and Workforce Development, a new program was designed to enable welfare eligible individuals to pursue two- and four-year college degree programs. Funding for Smart STEPS is provided by the State's Workforce Development Partnership program, as opposed to the federal Temporary Assistance for Needy Families (TANF) program, thereby effectively stopping the clock on TANF's five-year limitation and eliminating the TANF requirement, which mandates individuals must work part-time while attending school. While participating in the program, welfare recipients can devote all of their time to pursuing their education, which will aid in their success. The program was initiated in March, 2005. To date, 496 participants have been

enrolled. The program truly provides an opportunity for low income residents to attain the higher education needed to obtain good wage jobs and self-sufficiency for their families.

The NJ State Parole Board (NJSPB) and NJLWD are working together to integrate NJSPB's employment efforts into the local One-Stop Career Center System, in order to ensure that employment and training services to adult and juvenile parolees and other ex-offenders under the supervision of the NJSPB are maximized. The identification of an Offender Specialist in each One-Stop Center facilitates the delivery of specialized employment services. Through the established referral system, registration records are entered into America's One-Stop Operating System (AOSOS) to ascertain each parolee's registration status, employability development plan, services provided, and progress in following through on planned steps toward remediation. Through this partnership, 2,661 ex-offenders have received a total of 21,911 reportable services, including approximately 1,600 job referrals leading to 200 secured employments; about 1,200 job search and resume-writing services; and 650 counseling services for the year ending June 30, 2005.

NJLWD's Customized Training Program promotes the creation and retention of high-skill, high-wage private sector jobs through comprehensive workforce training. Financial assistance in the form of matching grants is available to qualified businesses that demonstrate a significant job growth or are facing critical retention issues. Employers are now able to apply for a customized training grant through the on-line application system, Customized Training and Tracking System (CTTS). More than 300 applications have been processed since the application process was automated. Application turnaround has been significantly shortened through this streamlined process.

The Division of Vocational Rehabilitation Services has increased its technical consultations, made 2,862 presentations, and attended 2,204 individual employment plan meetings.

In the Division of Wage and Hour Compliance, a Customer Relationship Management Unit has been established which processes all phone and mail correspondence, resulting in improved inquiry service and an expedited claim resolution timeline. An improved brochure with clear instructions on how to file a wage claim has been created for distribution to claimants, and also has been uploaded to the Department website. A new procedure for processing wage payments has been installed which expedites payment of disputed wages to claimants. A new web-based inspection scheduling system was successfully tested and will now be fully implemented.

In the Division of Public Safety and Occupational Health and Safety, the installation of a New Boiler Inspection System has been completed, and changes to processes to accommodate the new system are being added into the workflow. This has improved the inspection process for boilers inspected by the State and insurance companies and has allowed for a better accounting of all boiler systems. A Customer Relationship Management Unit is being established with existing staff who will handle all mail and telephone correspondence. As was done in Wage and Hour, new telephone scripts and an improved Interactive Voice Response system are being developed. This will improve service and expedite inquiries from the public, training requests, and the licensing process. A new web based scheduling system for inspectors, trainers, and consultants has been successfully piloted and is fully implemented. Requirements for a new phone imaging system for increased security for Mine Safety, Crane and Boiler operators' licenses have been developed. Vendor evaluations are underway.

LABOR AND WORKFORCE DEVELOPMENT

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

SUMMARY OF APPROPRIATIONS BY FUND

(thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					GENERAL FUND			
60,242	53,199	888	114,329	107,749	Direct State Services	62,072	61,849	61,849
43,163	---	341	43,504	39,504	Grants-In-Aid	44,842	51,842	51,842
1,624	---	---	1,624	1,624	State Aid	1,522	1,522	1,522
105,029	53,199	1,229	159,457	148,877	Total General Fund	108,436	115,213	115,213
					CASINO REVENUE FUND			
2,440	---	---	2,440	2,440	Grants-In-Aid	2,440	2,440	2,440
2,440	---	---	2,440	2,440	Total Casino Revenue Fund	2,440	2,440	2,440
107,469	53,199	1,229	161,897	151,317	Total Appropriation, Department of Labor and Workforce Development	110,876	117,653	117,653

SUMMARY OF APPROPRIATIONS BY PROGRAM

(thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					DIRECT STATE SERVICES - GENERAL FUND			
					Economic Planning and Development			
950	30	-224	756	708	Administration and Support Services	683	683	683
950	30	-224	756	708	Subtotal	683	683	683
					Economic Assistance and Security			
21,291	7,041	-200	28,132	26,700	State Disability Insurance Plan	21,833	21,833	21,833
4,114	1,248	200	5,562	5,270	Private Disability Insurance Plan	4,334	4,334	4,334
12,014	8,598	---	20,612	20,504	Workers' Compensation	12,285	12,285	12,285
1,670	1,443	---	3,113	2,307	Special Compensation	1,708	1,708	1,708
39,089	18,330	---	57,419	54,781	Subtotal	40,160	40,160	40,160
					Manpower and Employment Services			
2,367	---	---	2,367	2,367	Vocational Rehabilitation Services	2,446	2,446	2,446
9,042	27,864	-25,500	11,406	10,313	Employment Services	9,226	9,226	9,226
92	---	25,500	25,592	22,817	Employment and Training Services	83	---	---
5,087	6,972	1,004	13,063	13,049	Workplace Standards	5,680	5,540	5,540
3,139	3	108	3,250	3,238	Public Sector Labor Relations	3,320	3,320	3,320
476	---	---	476	476	Private Sector Labor Relations	474	474	474
20,203	34,839	1,112	56,154	52,260	Subtotal	21,229	21,006	21,006
60,242	53,199	888	114,329	107,749	Total Direct State Services - General Fund	62,072	61,849	61,849
60,242	53,199	888	114,329	107,749	TOTAL DIRECT STATE SERVICES	62,072	61,849	61,849

LABOR AND WORKFORCE DEVELOPMENT

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
					GRANTS-IN-AID - GENERAL FUND			
					Manpower and Employment Services			
27,925	---	91	28,016	28,016	Vocational Rehabilitation Services	29,604	29,604	29,604
4,000	---	---	4,000	---	Employment Services	4,000	---	---
11,238	---	250	11,488	11,488	Employment and Training Services	11,238	22,238	22,238
<u>43,163</u>	<u>---</u>	<u>341</u>	<u>43,504</u>	<u>39,504</u>	<i>Subtotal</i>	<u>44,842</u>	<u>51,842</u>	<u>51,842</u>
<u>43,163</u>	<u>---</u>	<u>341</u>	<u>43,504</u>	<u>39,504</u>	<i>Total Grants-In-Aid - General Fund</i>	<u>44,842</u>	<u>51,842</u>	<u>51,842</u>
					GRANTS-IN-AID - CASINO REVENUE FUND			
					Manpower and Employment Services			
2,440	---	---	2,440	2,440	Vocational Rehabilitation Services	2,440	2,440	2,440
<u>2,440</u>	<u>---</u>	<u>---</u>	<u>2,440</u>	<u>2,440</u>	<i>Subtotal</i>	<u>2,440</u>	<u>2,440</u>	<u>2,440</u>
<u>2,440</u>	<u>---</u>	<u>---</u>	<u>2,440</u>	<u>2,440</u>	<i>Total Grants-In-Aid - Casino Revenue Fund</i>	<u>2,440</u>	<u>2,440</u>	<u>2,440</u>
<u>45,603</u>	<u>---</u>	<u>341</u>	<u>45,944</u>	<u>41,944</u>	TOTAL GRANTS-IN-AID	<u>47,282</u>	<u>54,282</u>	<u>54,282</u>
					STATE AID - GENERAL FUND			
					Manpower and Employment Services			
1,624	---	---	1,624	1,624	Employment and Training Services	1,522	1,522	1,522
<u>1,624</u>	<u>---</u>	<u>---</u>	<u>1,624</u>	<u>1,624</u>	<i>Subtotal</i>	<u>1,522</u>	<u>1,522</u>	<u>1,522</u>
<u>1,624</u>	<u>---</u>	<u>---</u>	<u>1,624</u>	<u>1,624</u>	<i>Total State Aid - General Fund</i>	<u>1,522</u>	<u>1,522</u>	<u>1,522</u>
<u>1,624</u>	<u>---</u>	<u>---</u>	<u>1,624</u>	<u>1,624</u>	TOTAL STATE AID	<u>1,522</u>	<u>1,522</u>	<u>1,522</u>
<u>107,469</u>	<u>53,199</u>	<u>1,229</u>	<u>161,897</u>	<u>151,317</u>	<i>Total Appropriation, Department of Labor and Workforce Development</i>	<u>110,876</u>	<u>117,653</u>	<u>117,653</u>

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

51. ECONOMIC PLANNING AND DEVELOPMENT

OBJECTIVES

1. To compile, analyze and disseminate labor market and economic data for distribution: to facilitate decision-making in the private and public sectors; and to provide statistical services to aid departmental managers in planning, operating and evaluating programs under their jurisdiction.
2. To provide centralized support services for the Department.
3. To develop policy, evaluate performance and implement and coordinate programs of the Department.

PROGRAM CLASSIFICATIONS

18. **Planning and Analysis.** Charged with coordinating departmental planning, evaluating programs, assisting in the formulation of policy and compiling, analyzing and disseminating operational, labor market and demographic data.

99. **Administration and Support Services.** The Office of the Commissioner formulates the policies and priorities of the Department, including strategic planning.

The Office of Internal Audit is charged with safeguarding assets, preventing and/or detecting fraud and abuse and assuring that the Department conforms to established laws, rules, regulations and procedures.

The Division of Administrative Services provides the following services: personnel; affirmative action and equal employment opportunity; training; program analysis and development; and central support, such as word processing, printing, supplies and mail distribution, equipment and building management.

The Division of Accounting provides for all accounting, budgeting and purchasing functions for the Department, including evaluation of operating programs from a financial management viewpoint.

LABOR AND WORKFORCE DEVELOPMENT

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	336	354	364	369
Male Minority %	9.4	9.7	9.4	9.4
Female Minority	1068	1152	1198	1215
Female Minority %	29.8	31.4	31.0	31.1
Total Minority	1404	1506	1562	1584
Total Minority %	39.2	41.1	40.4	40.5
Position Data				
Filled Positions by Funding Source				
State Supported	39	30	35	38
Federal	421	429	419	433
Total Positions	460	459	454	471
Filled Positions by Program Class				
Management and Administrative Services	460	459	454	471
Total Positions	460	459	454	471

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
950	30	-224	756	708	Administration and Support Services	99	683	683	683
<u>950</u>	<u>30</u>	<u>-224</u>	<u>756</u>	<u>708</u>	Total Direct State Services		683^(a)	683	683
Distribution by Fund and Object									
Personal Services:									
580	---	-225	355	355	Salaries and Wages		350	350	350
<u>580</u>	<u>---</u>	<u>-225</u>	<u>355</u>	<u>355</u>	Total Personal Services		350	350	350
12	---	-4	8	8	Materials and Supplies		11	11	11
265	---	23	288	244	Services Other Than Personal		232	235	235
28	---	-18	10	10	Maintenance and Fixed Charges		25	25	25
Special Purpose:									
---	30 ^R	---	30	29	Urban Enterprise Zone - Administrative Costs	99	---	---	---
62	---	---	62	62	Affirmative Action and Equal Employment Opportunity	99	62	62	62
<u>3</u>	<u>---</u>	<u>---</u>	<u>3</u>	<u>---</u>	Additions, Improvements and Equipment		<u>3</u>	<u>---</u>	<u>---</u>
<u>950</u>	<u>30</u>	<u>-224</u>	<u>756</u>	<u>708</u>	Grand Total State Appropriation		683	683	683

OTHER RELATED APPROPRIATIONS

Federal Funds									
9,307					Planning and Analysis	18	9,813	9,829	9,829
8 ^S	1,580	99	10,994	7,644	Administration and Support Services	99	---	---	---
<u>---</u>	<u>7,386</u>	<u>---</u>	<u>7,386</u>	<u>5,111</u>	Total Federal Funds		9,813	9,829	9,829

LABOR AND WORKFORCE DEVELOPMENT

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
OTHER RELATED APPROPRIATIONS								
All Other Funds								
	1,629							
---	5,366 ^R	125	7,120	5,487				
---	6,995	125	7,120	5,487	99	5,700	---	---
10,265	15,991	---	26,256	18,950		5,700	---	---
						16,196	10,512	10,512

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

In addition to the amounts appropriated hereinabove for Administration and Support Services, there are appropriated from the New Jersey Redevelopment Investment Fund and the Economic Development Fund an amount of \$142,000 to provide for administrative costs incurred by the Department of Labor for activities related to the New Jersey Redevelopment Authority and the New Jersey Economic Development Authority programs, as determined by the Director of the Division of Budget and Accounting.

Of the amount hereinabove for the Administration and Support Services program classification, \$288,000 is appropriated from the Unemployment Compensation Auxiliary Fund.

In addition to the amount hereinabove for Administration and Support Services, an amount not to exceed \$550,000 is appropriated from the Unemployment Compensation Auxiliary Fund, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amounts hereinabove for Administration and Support Services, \$31,000 are payable out of the State Disability Benefits Fund, and in addition to the amounts hereinabove there are appropriated out of the State Disability Benefits Fund such additional sums as may be required to administer Administration and Support Services, subject to the approval of the Director of the Division of Budget and Accounting.

The amount necessary to provide administrative costs incurred by the Department of Labor and Workforce Development to meet the statutory requirements of the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.) is appropriated from the Enterprise Zone Assistance Fund, subject to the approval of the Director of the Division of Budget and Accounting.

The amount necessary to provide employer rebate awards as a result of the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H - 60 et seq.), are appropriated from the Enterprise Zone Assistance Fund, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of the "New Jersey Urban Enterprise Zones Act," P.L. 1983, c.303 (C.52:27H - 60 et seq.), the Department of Labor and Workforce Development, based upon the authorization of the Chief Executive Officer and Secretary of the New Jersey Commerce, Economic Growth and Tourism Commission, shall make employer rebate awards.

Such sums as may be necessary to collect the contributions to the Health Care Subsidy Fund, pursuant to section 29 of the "Health Care Reform Act of 1992," P.L. 1992, c.160(C.43:21-7b), are appropriated from the Health Care Subsidy Fund, subject to the approval of the Director of the Division of Budget and Accounting.

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

53. ECONOMIC ASSISTANCE AND SECURITY

OBJECTIVES

1. To accumulate adequate reserves for the payment of benefits to temporarily and involuntarily unemployed and disabled individuals.
2. To provide prompt, efficient payment of benefits to eligible individuals.
3. To ensure the integrity of trust funds by utilizing modern fraud control techniques in cooperation with other state and federal agencies.
4. To act as an agent for the federal government in payment of unemployment insurance to federal employees and recently discharged veterans.
5. To provide prompt and efficient economic assistance to workers disabled by non-occupational sickness or accident.

6. To assure prompt, equitable adjudication of claims by employees for job-related illnesses and injuries and to expedite the return of employees to useful employment.
7. To make prompt and efficient determinations of disability claims under Title II and Title XVI of the Social Security Act.

PROGRAM CLASSIFICATIONS

01. **Unemployment Insurance.** C.43:21 et seq. establishes the State-administered, federally-funded programs of unemployment insurance covering virtually all non-agricultural units employing one or more persons. Claims are filed, monetary and eligibility determinations made and benefits paid through communication terminals in 35 offices located throughout the State.

All unemployment benefit claims are based upon wage information collected by the Department of Labor. In addition, automated cross matches are performed to identify fraudulent collection of unemployment and public assistance benefits.

LABOR AND WORKFORCE DEVELOPMENT

02. **Disability Determination.** The Federal Government fully funds the Division of Disability Determinations from the Social Security Act for the purpose of adjudicating long term disability claims. Activities include medical, legal and qualitative review of claims.
03. **State Disability Insurance Plan.** The State's Temporary Disability program was established in 1948, at a time when private insurance of this type was not widely available. It provides direct, temporary cash benefits to nearly all workers covered under the Unemployment Compensation Law to insure against loss of earnings due to non-occupational sickness or accident.
04. **Private Disability Insurance Plan.** Employers may, with the approval of the Director of Temporary Disability Insurance, select coverage under a private plan; otherwise coverage must be under the State Plan. Activities are comparable to those under the State Plan program, including oversight of the initiation and modification of plans. Benefit costs of this activity are charged to the State Disability Benefits Fund. Administrative costs are charged partly to the State Plan administrative fund and assessed proportionately against the private plans.
05. **Workers' Compensation.** Workers' Compensation benefits are provided through three procedures: voluntary direct settlements, informal hearings, and formal hearings. Voluntary payments made by insurance carriers and self-insurers are reviewed as to adequacy of payments. If potentially inadequate, an informal hearing is scheduled. If an equitable settlement cannot be made at the informal hearing, a formal claim may be filed. Judges hear formal claims at 17 different statewide locations. As the result of legislation enacted during 1990, funding for the Workers' Compensation program is derived from the Second Injury Fund created by the Workers' Compensation Law (C.34:15-1 et seq.) through an assessment against carriers of workers' compensation insurance and self-insurers.
06. **Special Compensation.** This fund, paid for entirely by self-insurers and insurance companies, provides benefits to totally and permanently disabled workers with prior disabilities to encourage employment of individuals with disabilities. Special Compensation also determines special adjustment benefits payable to qualified persons under C.34:15-95.4. The purpose of this legislation is to increase benefits to pre-1980 victims of occupational injuries.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Unemployment Insurance				
Covered workers	3,813,549	3,838,800	3,881,200	3,920,200
Net benefits paid (millions)	\$2,115	\$1,911	\$1,951	\$1,917
Average insured unemployed rate	3.40%	3.10%	3.00%	2.80%
Initial claims	582,105	546,216	531,400	498,700
Average weekly benefit payment	\$321	\$323	\$336	\$351
Disability Determination				
Total claims adjudicated	63,240	67,181	76,700	85,000
Social Security Disability payments (millions)	\$2,330	\$2,447	\$2,569	\$2,700
Average cost per case	\$694	\$721	\$709	\$712
State Disability Insurance Plan				
Covered workers	2,790,000	2,804,700	2,837,800	2,864,200
Claims received	174,232	172,919	172,919	173,000
Benefits paid (millions)	\$422	\$429	\$448	\$467
Cost per claim processed	\$100	\$104	\$104	\$104
Average weekly benefit payment	\$346	\$354	\$356	\$360
Private Disability Insurance Plan				
Covered workers	725,400	729,200	737,800	744,700
Plans in force	5,068	5,123	5,150	5,200
Claims received	12,661	11,315	11,500	11,500
Benefits paid (millions)	\$25	\$24	\$24	\$24
Cost per claim processed	\$173	\$196	\$196	\$196
Workers' Compensation				
First reports of accident received	185,000	200,000	225,000	230,000
Cases pending July 1	100,262	100,751	100,251	100,251
Cases filed, reopened, reassigned	47,078	46,000	47,000	47,500
Cases closed	46,589	46,500	47,000	47,500
Cases pending June 30	100,751	100,251	100,251	100,251
Special Compensation				
Balance July 1	1,811	2,127	2,238	2,335
Verified petitions assigned	1,646	1,560	1,618	1,774
Advisory reports recovered	1,330	1,449	1,521	1,686
Balance June 30	2,127	2,238	2,335	2,423
Beneficiaries	6,499	6,738	6,901	7,066

LABOR AND WORKFORCE DEVELOPMENT

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	---	---	---	---
Federal	1,550	1,588	1,597	1,576
All Other	391	412	409	411
Total Positions	1,941	2,000	2,006	1,987
Filled Positions by Program Class				
Unemployment Insurance	1,245	1,290	1,278	1,278
Disability Determinations	305	298	319	298
State Disability Insurance Plan	160	174	169	167
Private Disability Insurance Plan	68	68	69	72
Workers' Compensation	144	150	151	152
Special Compensation Fund	19	20	20	20
Total Positions	1,941	2,000	2,006	1,987

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
21,291	7,041	-200	28,132	26,700	03	21,833	21,833	21,833	
4,114	1,248	200	5,562	5,270	04	4,334	4,334	4,334	
12,014	8,598	---	20,612	20,504	05	12,285	12,285	12,285	
1,670	1,443	---	3,113	2,307	06	1,708	1,708	1,708	
39,089	18,330	---	57,419	54,781		40,160^(a)	40,160	40,160	
Distribution by Fund and Object									
Personal Services:									
24,232	16,469 ^R	-6,000	34,701	25,062		25,303	25,303	25,303	
---	---	---	---	9,457		---	---	---	
24,232	16,469	-6,000	34,701	34,519		25,303	25,303	25,303	
257	---	-50	207	195		257	257	257	
5,290	---	505	5,795	5,647		5,340	5,340	5,340	
3,007	---	890	3,897	3,873		3,007	3,007	3,007	
Special Purpose:									
---	---	345	345	344	03	300	300	300	
5,500	---	3,700	9,200	8,803					
---	---	220	220	219	03	5,500	5,500	5,500	
---	---	390	390	390	04	50	50	50	
40	---	---	40	40	05	363	363	363	
763	1,861	---	2,624	751	06	40	40	40	
39,089	18,330	---	57,419	54,781		40,160	40,160	40,160	

LABOR AND WORKFORCE DEVELOPMENT

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
138,500	22,873	---	161,373	108,450	Unemployment Insurance	01	133,100	117,516	117,516
<u>47,020</u>	<u>11,358</u>	---	<u>58,378</u>	<u>44,699</u>	Disability Determination	02	<u>49,000</u>	<u>50,176</u>	<u>50,176</u>
<u>185,520</u>	<u>34,231</u>	---	<u>219,751</u>	<u>153,149</u>	Total Federal Funds		<u>182,100</u>	<u>167,692</u>	<u>167,692</u>
All Other Funds									
---	---	---	---	---	State Disability Insurance Plan	03	6,550	8,550	8,550
---	---	---	---	---	Private Disability Insurance Plan	04	1,000	1,000	1,000
---	---	---	---	---	Workers' Compensation	05	6,700	6,700	6,700
---	73,452	---	---	---	Special Compensation	06	126,530	126,530	126,530
<u>---</u>	<u>142,290^R</u>	<u>1,371</u>	<u>217,113</u>	<u>142,134</u>	Total All Other Funds		<u>140,780</u>	<u>142,780</u>	<u>142,780</u>
<u>---</u>	<u>215,742</u>	<u>1,371</u>	<u>217,113</u>	<u>142,134</u>	GRAND TOTAL ALL FUNDS		<u>363,040</u>	<u>350,632</u>	<u>350,632</u>
<u>224,609</u>	<u>268,303</u>	<u>1,371</u>	<u>494,283</u>	<u>350,064</u>					

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

The amounts hereinabove for the State Disability Insurance Plan and Private Disability Insurance Plan are payable out of the State Disability Benefits Fund and, in addition to the amounts hereinabove, there are appropriated out of the State Disability Benefits Fund such additional sums as may be required to pay disability benefits, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove appropriated for administrative costs associated with the State Disability Insurance Plan there is appropriated from the State Disability Benefits Fund an amount not to exceed \$8,850,000, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amounts appropriated hereinabove, there are appropriated out of the State Disability Benefits Fund such additional sums as may be required to administer the Private Disability Insurance Plan.

Receipts in excess of the amount anticipated for the Workers' Compensation program are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated for the Second Injury Fund are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Special Compensation Fund shall be payable out of the Special Compensation Fund and, notwithstanding the \$12,500 limitation set forth in R.S.34:15-95, in addition to the amounts hereinabove, there are appropriated out of the Special Compensation Fund such additional sums as may be required for costs of administration and beneficiary payments.

There is appropriated out of the balance in the Second Injury Fund an amount not to exceed \$1,000,000 to be deposited to the credit of the Uninsured Employers Fund for the payment of benefits as determined in accordance with section 11 of P.L. 1966, c.126 (C.34:15-120.2). Any amount so transferred shall be included in the next Uninsured Employers Fund surcharge imposed in accordance with section 10 of P.L. 1966 c.126 (C.34:15-120.1) and any amount so transferred shall be returned to the Second Injury Fund without interest and shall be included in net assets of the Second Injury Fund pursuant to paragraph (4) of subsection c. of R.S.34:15-94.

The funds appropriated for Second Injury Fund benefits are available for the payment of obligations applicable to prior fiscal years.

Amounts to administer the Uninsured Employers Fund are appropriated from the Uninsured Employers Fund, subject to the approval of the Director of the Division of Budget and Accounting.

From the funds made available to the State under section 903(d)(4) of the Social Security Act (42 U.S.C. s.1103 et seq.), as amended, the sum of \$10,000,000, or so much thereof as may be necessary, is appropriated for the improvement of services to unemployment insurance claimants through the improvement and modernization of the benefit payment system and other technology improvements and to employment service clients through the continued development and maintenance of one-stop offices throughout the State and other investments in technology and processes that will enhance job opportunities for clients.

LABOR AND WORKFORCE DEVELOPMENT

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

54. MANPOWER AND EMPLOYMENT SERVICES

OBJECTIVES

1. To develop and maintain employment opportunities.
2. To develop and revitalize manpower for employment opportunities.
3. To minimize public employer-employee disputes, to resolve such disputes when they arise and to enforce statutory rights of public employees.
4. To promote permanent harmony and stability in labor relations.
5. To prevent employment practices which are injurious to workers or which abrogate workers' rights and to assure equitable wages and working hours.
6. To prevent injuries to persons and damage to property from explosives, hazardous materials and mining operations; and to prevent injuries and fatalities to the public from high voltage lines.
7. To prevent injuries and illnesses to public employees.
8. To provide on-site consultation service to employers on matters of safety and health of employees.

PROGRAM CLASSIFICATIONS

07. **Vocational Rehabilitation Services.** The Vocational Rehabilitation Program (P.L. 93-112 as amended; P.L. 97-35) provides services to individuals with disabilities who are unable to work. A broad range of medical and training services are provided to assist in preparing for and acquiring employment. Funding is provided primarily on an approximate 77%/23%, Federal/State matching basis. The Sheltered Workshop Support program P.L. 1971, C.272 through 100% State funds, is designed to provide long-term employment and rehabilitation services to severely disabled individuals who cannot be placed in open competitive employment.

09. **Employment Services.** Under the New Jersey Workforce Development Partnership Act, job training services are provided through training grants for displaced and disadvantaged individuals. In addition, customized training grants are awarded to employers to sustain employment in the State and to make the workforce more competitive.

Labor exchange services match unemployed workers with job openings. Placement is facilitated through interviewing, classification and counseling.

Other federally-funded programs include Alien Labor Certification, Disabled Veterans Outreach Program and the Trade Act Program. These programs are authorized by Wagner-Peyser as amended by the Jobs Training Partnership Act (P.L.97-300).

10. **Employment and Training Services.** Under the auspices of the Federal Workforce Investment Act (WIA), and related federal and state legislation, contracts with federal, state and local governments and other institutions provide services to train the workforce which include: counseling, recruitment for Job Corps, intake and certification for WIA, job search assistance, referral and placement for General Assistance recipients, and job search to enhance economic development activities.

The State Employment and Training Commission is an administrative body created by P.L. 1989, c.293, to design and assist in the implementation of a State-based, locally-delivered employment, training and education system. The Commission is responsible for the implementation and evaluation of an employment and training policy for the State.

12. **Workplace Standards.** Enforces statutes and rules by inspecting work premises and conditions. Covered are places of public employment (C.39: 6A-25 et seq); certain provisions of the Worker and Community Right to Know Act (C.39: 5A-18 et seq); boilers (including nuclear components), pressure vessels and refrigeration plants (C.34:7-14 et seq.); mines, pits, and quarries (C.34: 6-98.1 et seq); explosives (C.21: 1A-128 et seq); proximity to high voltage lines (C.34: 6-47.1 et seq); fireworks (C.21: 2-1 et seq. and C.21: 3-1 et seq); and service stations (C.34A-1 et seq).

Develops and interprets rules, issues formal variances, and hears appeals. Issues licenses to long boom crane operators, power plant engineers and boiler operators and issues approvals for operation of boilers, pressure vessels and nuclear components.

Also covered are minimum wage and overtime (C.34: 11-56A et seq); wage payment (C.34: 11-4.1 et seq); child labor (C.34: 2-21.1 et seq); industrial homework (C.34: 6-120 et seq); lie detectors (C.2A: 170.90.1); wage collection (C.34: 11-57 et seq); prevailing wage (C.34: 11-56.25 et seq); crew leaders (C.34: 8A-7 et seq); drinking water and toilet facilities (C.34: 9A-37 et seq); and contract labor camps subject to the Wagner Peyser Act.

Provides on-site occupational health and safety consultation services to employers by agreement with the Federal Occupational Safety and Health Administration.

16. **Public Sector Labor Relations.** Provides services through the Public Employment Relations Commission (C.34:13A-1 et seq), which establishes policy, rules, and regulations concerning employer-employee relations in the public sector, and resolves disputes involving unit determinations, representation, unfair practices and scope of negotiations, and upon request, provides mediators and fact-finders to assist in the resolution of collective negotiation disputes and designates arbitrators to resolve disputes over rights pursuant to collective bargaining agreements.

The Public Employment Relations Commission Appeal Board is an administrative body created by P.L. 1979, c.477, and is authorized to review and decide appeals filed by non-member employees as to the appropriateness of representation fees set by their majority representatives.

17. **Private Sector Labor Relations.** Provides services through the State Board of Mediation (C.34:13A-4 and C.34:1A-23), which monitors labor negotiations throughout the State and conducts separate and joint conferences with labor and management during negotiations of labor contracts; resolves disputes by providing arbitrators at the request of the parties; and conducts consent elections to determine matters of union representation.

LABOR AND WORKFORCE DEVELOPMENT

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Vocational Rehabilitation Services				
Total persons served	26,959	28,774	28,900	29,000
Total persons rehabilitated	3,901	4,177	4,200	4,250
Total continuing to be served	16,764	18,024	18,100	18,200
Average cost per rehabilitation	\$13,760	\$14,000	\$14,200	\$14,400
Earnings (Weekly)				
Before rehabilitation	\$71	\$79	\$84	\$89
After rehabilitation	\$360	\$393	\$385	\$390
Sheltered Workshops				
Persons served	2,721	2,721	2,698	2,698
Appropriation per client	\$6,589	\$6,723	\$6,981	\$6,981
Independent Living Rehabilitation				
Persons served	7,300	7,500	7,240	7,300
Cost per person	\$110	\$125	\$150	\$150
Employment Services				
Job openings received	97,610	112,257	114,500	117,900
Individuals placed	9,201	8,111	8,200	8,200
Individuals counseled	35,077	41,108	41,900	43,200
Disabled Veterans Outreach Program				
Veterans placed	948	1,025	1,100	1,150
Veterans counseled	1,701	1,832	1,900	1,900
Employment and Training Services				
Workforce Development Partnership Project				
Customized training grants	\$22,900,000	\$22,500,000	\$23,000,000	\$23,000,000
Individuals trained	47,137	38,146	50,000	50,000
Cost per individual	\$485	\$590	\$460	\$460
Companies served	220	404	420	430
Individual training grants-displaced workers	\$14,500,000	\$12,700,000	\$14,000,000	\$10,900,000
Individuals trained	5,039	4,233	4,375	3,303
Cost per individual	\$2,877	\$3,000	\$3,200	\$3,300
Workforce Investment Act				
Total enrollments	25,202	23,009	22,879	22,150
Total job placements	6,666	6,636	6,600	6,500
Workplace Standards				
Mine, pit and quarry inspections	2,000	1,910	2,000	2,000
Mechanical Inspection				
Boilers inspected by State	6,175	9,639	14,000	16,000
Boilers inspected by insurance inspectors	38,000	38,868	53,163	53,163
Asbestos Control and Licensing				
Employer licenses issued	150	62	150	150
Employee permits issued	3,000	2,050	2,500	2,500
Crane Operator Inspections	---	829	2,000	2,000
OSHA On-site Consultant Services				
Consultations	518	616	595	600
Hazards identified	1,952	1,937	2,000	2,000
Mine Safety Training				
Persons trained	350	1,430	2,000	2,000
Wage and Hour, Child Labor and Public Contracts				
Complaints received	12,720	7,983	8,500	9,000
Formal complaints filed	3,061	2,240	2,300	2,300
Employees receiving back wages	10,080	6,916	8,000	8,000
Net back wages paid to employees	\$8,676,766	\$6,047,583	\$8,000,000	\$8,000,000
Public Employees Safety				
Inspections	960	723	1,000	960
Hazards identified	5,500	4,139	5,000	6,720
Apparel Registration				
Registrations issued	750	652	630	600
Firms with violations	125	122	100	75

LABOR AND WORKFORCE DEVELOPMENT

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Public Works Contractor Registration Act				
Registrations issued	6,746	4,734	6,000	5,000
Public Sector Labor Relations				
Dispute Disposition				
Balance July 1	1,835	1,932	1,886	1,956
Filed	2,216	1,974	2,190	2,290
Disposed	2,119	2,020	2,120	2,185
Unfair practices and representation	570	611	630	605
Mediation, fact-finding and arbitration	1,246	1,132	1,195	1,280
Scope of negotiation and issue definition	81	93	100	100
Other formal decisions	222	184	195	200
Balance June 30	1,932	1,886	1,956	2,061
Appeal Board				
Balance July 1	74	69	78	93
Petitions filed	---	19	50	70
Petitions disposed	5	10	35	55
Balance June 30	69	78	93	108

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	227	239	230	232
Federal	992	1,038	1,052	1,116
All Other	42	42	45	46
Total Positions	1,261	1,319	1,327	1,394

Filled Positions by Program Class

Vocational Rehabilitation Services	326	329	334	339
Workplace Standards	213	222	216	218
Employment Services	678	722	735	794
Public Sector Labor Relations	38	40	38	36
Private Sector Labor Relations	6	6	4	7
Total Positions	1,261	1,319	1,327	1,394

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	2006 Prog. Class.	Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
2,367	---	---	2,367	2,367				
9,042	27,864	-25,500	11,406	10,313	07	2,446	2,446	2,446
92	---	25,500	25,592	22,817	09	9,226	9,226	9,226
5,087	6,972	1,004	13,063	13,049	10	83	---	---
3,139	3	108	3,250	3,238	12	5,680	5,540	5,540
476	---	---	476	476	16	3,320	3,320	3,320
					17	474	474	474
20,203	34,839	1,112	56,154	52,260		21,229 ^(a)	21,006	21,006
					Total Direct State Services			

LABOR AND WORKFORCE DEVELOPMENT

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Object								
Personal Services:								
14,492	33,122 ^R	-27,439	20,175	18,078		15,614	15,474	15,474
---	---	---	---	1,439		---	---	---
<u>14,492</u>	<u>33,122</u>	<u>-27,439</u>	<u>20,175</u>	<u>19,517</u>		<u>15,614</u>	<u>15,474</u>	<u>15,474</u>
64	---	63	127	126		57	60	60
317	---	1,585	1,902	1,900		335	335	335
88	---	54	142	142		82	94	94
Special Purpose:								
1,909	---	100	2,009	2,009				
					09	1,909	1,909	1,909
81	---	918	999	920				
					09	81	81	81
2,000	---	---	2,000	1,644				
					09	2,000	2,000	2,000
92	---	---	92	92		83	---	---
---	---	25,500	25,500	22,725		---	---	---
42	---	---	42	28				
					12	38	38	38
420	---	---	420	420				
					12	378	378	378
500	1,714 ^R	---	2,214	2,214				
					12	450	450	450
160	---	---	160	160				
					12	144	144	144
3	---	---	3	3		3	3	3
35	3	331	369	360		55	40	40
GRANTS-IN-AID								
Distribution by Fund and Program								
30,365	---	91	30,456	30,456				
					07	32,044	32,044	32,044
27,925	---	91	28,016	28,016		29,604	29,604	29,604
2,440	---	---	2,440	2,440		2,440	2,440	2,440
4,000	---	---	4,000	---		4,000	---	---
11,238	---	250	11,488	11,488				
					10	11,238	22,238	22,238
<u>45,603</u>	<u>---</u>	<u>341</u>	<u>45,944</u>	<u>41,944</u>		<u>47,282</u>	<u>54,282</u>	<u>54,282</u>
43,163	---	341	43,504	39,504		44,842	51,842	51,842
2,440	---	---	2,440	2,440		2,440	2,440	2,440
Distribution by Fund and Object								
Grants:								
4,286	---	---	4,286	4,286				
					07	4,286	4,286	4,286
1,060	---	---	1,060	1,060				
					07	1,460	1,460	1,460
2,440	---	---	2,440	2,440				
					07	2,440	2,440	2,440
2,550	---	---	2,550	2,550				
					07	3,550	3,550	3,550
18,234	---	367	18,601	18,601		19,059	19,059	19,059
450	---	-367	83	83				
					07	450	450	450
546	---	91	637	637				
					07	---	---	---
170	---	---	170	170		170	170	170

LABOR AND WORKFORCE DEVELOPMENT

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
625	---	---	625	625	Independent Living Centers	07	625	625	625
4	---	---	4	4	Training (State Share)	07	4	4	4
4,000	---	---	4,000	---	Heldrich Center for Workforce Development	09	4,000	---	---
3,048	---	250	3,298	3,298	New Jersey Youth Corps	10	3,048	3,048	3,048
8,190	---	---	8,190	8,190	Work First New Jersey Work Activities	10	8,190	19,190	19,190
STATE AID									
Distribution by Fund and Program									
1,624	---	---	1,624	1,624	Employment and Training Services	10	1,522	1,522	1,522
<u>1,624</u>	<u>---</u>	<u>---</u>	<u>1,624</u>	<u>1,624</u>	Total State Aid		<u>1,522</u>	<u>1,522</u>	<u>1,522</u>
Distribution by Fund and Object									
State Aid:									
1,024	---	---	1,024	1,024	Adult Literacy	10	922	922	922
600	---	---	600	600	Vocational Education - Apprenticeship	10	600	600	600
<u>67,430</u>	<u>34,839</u>	<u>1,453</u>	<u>103,722</u>	<u>95,828</u>	Grand Total State Appropriation		<u>70,033</u>	<u>76,810</u>	<u>76,810</u>
OTHER RELATED APPROPRIATIONS									
Federal Funds									
52,030	17,857	-1,081	68,806	44,840	Vocational Rehabilitation Services	07	50,442	51,673	51,673
38,614	4,376	-100	42,890	26,429	Employment Services	09	34,585	37,988	37,988
128,129					Employment and Training Services	10	130,422	142,537	142,537
10,045 ^S	8,681	-223	146,632	126,384	Workplace Standards	12	3,967	4,116	4,116
<u>3,977</u>	<u>552</u>	<u>-833</u>	<u>3,696</u>	<u>2,518</u>	Total Federal Funds		<u>219,416</u>	<u>236,314</u>	<u>236,314</u>
All Other Funds									
---	72	---	2,099	2,027	Employment Services	09	2,430	2,430	2,430
---	2,027 ^R	---	57	---	Employment and Training Services	10	25,500	25,500	25,500
---	57	---	---	---	Workplace Standards	12	6,990	6,990	6,990
---	---	---	---	---	Public Sector Labor Relations	16	---	---	---
---	40	-50	20	---	Total All Other Funds		<u>34,920</u>	<u>34,920</u>	<u>34,920</u>
---	30 ^R	-50	2,176	2,027	GRAND TOTAL ALL FUNDS		<u>324,369</u>	<u>348,044</u>	<u>348,044</u>
<u>300,225</u>	<u>68,531</u>	<u>-834</u>	<u>367,922</u>	<u>298,026</u>					

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.
- (b) Appropriation of \$188,000 for cost-of-living allowance adjustments distributed to the applicable grant account.

Language Recommendations -- Direct State Services - General Fund

Notwithstanding the provisions of the "New Jersey Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.), the cost of fact-finding shall be borne equally by the public employer and the exclusive employee representative.

The amount hereinabove appropriated for the Vocational Rehabilitation Services program classification is available for the payment of obligations applicable to prior fiscal years.

The amount hereinabove for the Vocational Rehabilitation Services program classification is appropriated from the Unemployment Compensation Auxiliary Fund.

The amounts hereinabove for the Workforce Development Partnership Program shall be appropriated from receipts received pursuant to P.L.1992, c.44 (C.34:15D-12 et seq.), together with such additional sums as may be required to administer the Workforce Development Partnership Program, subject to the approval of the Director of the Division of Budget and Accounting.

LABOR AND WORKFORCE DEVELOPMENT

The amounts hereinabove for the Workforce Literacy and Basic Skills Program shall be appropriated from receipts received pursuant to P.L.2001, c.152 (C.34:15D-21 et seq.), together with such additional sums as may be required to administer the Workforce Literacy Program, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of the "Supplemental Workforce Fund for Basic Skills" P.L.2001, c.152 (C.34:15D-21 et seq.), or any other law to the contrary, the unexpended balance at the end of the preceding fiscal year in the Supplemental Workforce Fund for Basic Skills is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated for the Workplace Standards Program are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated for the Public Works Contractor Registration Program are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Public Works Contractor Registration Program is appropriated for the Public Contractor Registration Program.

Notwithstanding the provisions of the "Worker and Community Right To Know Act," P.L.1983, c.315 (C.34:5A-1 et seq.), the amount hereinabove appropriated for the Worker and Community Right To Know Act account is payable out of the Worker and Community Right To Know Fund. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately. In addition to the amounts hereinabove, there are appropriated out of the Worker and Community Right To Know Fund such additional sums, not to exceed \$8,400, to administer the Right To Know Program, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated out of the Wage and Hour Trust Fund and the Prevailing Wage Act Trust Fund such sums as may be necessary for payments.

The amount hereinabove for the Private Sector Labor Relations program classification is appropriated from the Unemployment Compensation Auxiliary Fund.

From the appropriation provided hereinabove in support of office leases, and notwithstanding the provisions of N.J.S.A.52:18A-191.1 et seq., the State Treasurer in consultation with the Commissioner of Labor and Workforce Development, is hereby authorized to enter into cost-sharing agreements with any authorized non-State partner that offers programs and activities supported primarily by federal funds from the United States Departments of Labor and Education in the State's one-stop centers for the purpose of co-locating such partner in an office with the Department of Labor and Workforce Development providing rent costs shall be equitably shared in accordance with a cost allocation plan approved by the Commissioner of Labor and Workforce Development.

Language Recommendations -- Grants-In-Aid - General Fund

The sum hereinabove for the Vocational Rehabilitation Services program classification is available for the payment of obligations applicable to prior fiscal years.

Of the amount hereinabove for the Vocational Rehabilitation Services program classification, an amount not to exceed \$18,614,000 is appropriated from the Unemployment Compensation Auxiliary Fund.

Of the amounts hereinabove appropriated for Supported Employment Services, \$1,000,000 shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health.

Amounts appropriated hereinabove for the Sheltered Workshop Employment Placement Incentive Program shall be available to support expenditures under the Sheltered Workshop Support Program, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, in addition to the amounts hereinabove for the Work First New Jersey-Work Activities and Work First New Jersey-Training Related Expenses accounts, an amount not to exceed \$25,500,000 is appropriated from the New Jersey Workforce Development Partnership Fund, section 9 of P.L.1992, c.43 (C.34:15D-9), subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, of the amounts hereinabove for Work First New Jersey-Work Activities and Work First New Jersey-Training Related Expenses, \$8,190,000 is appropriated from the New Jersey Workforce Development Partnership Fund, section 9 of P.L.1992, c.43 (C.34:15D-9), subject to the approval of the Director of the Division of Budget and Accounting.

Of the amounts hereinabove appropriated for Work First New Jersey-Work Activities, an amount not to exceed 3% shall be made available for administrative costs incurred by the Department of Labor and Workforce Development.

Notwithstanding any law to the contrary, of the amount hereinabove for New Jersey Youth Corps, \$1,850,000 is appropriated from the New Jersey Workforce Development Partnership Fund, section 9 of P.L.1992, c.43 (C.34:15D-9) and an amount not to exceed 10% from all funds available to the program shall be made available for administrative costs incurred by the Department of Labor and Workforce Development.

Of the amount hereinabove for the New Jersey Youth Corps program, \$475,000 is appropriated from the Unemployment Compensation Auxiliary Fund.

Notwithstanding any law to the contrary, up to 15% of the amount available from the Workforce Development Partnership Fund for the Supplemental Workforce Development Benefits Program shall be appropriated as necessary to fund additional administrative costs relating to the processing and payment of benefits, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- State Aid - General Fund

Of the amount hereinabove appropriated in the Adult Literacy account, such sums as are necessary may be transferred to the applicant State department.

NOTES

DEPARTMENT OF LAW AND PUBLIC SAFETY

OVERVIEW

Under the direction of the Attorney General, the Department of Law and Public Safety handles very diverse and complex responsibilities, primarily focused on the safety and protection of the lives and property of New Jersey citizens. Statewide law enforcement and emergency response services have become a critical area of concern in light of the threat of terrorism. Other equally important functions of this department are protecting civil rights, enforcing consumer protection laws, providing oversight of the alcoholic beverage, gaming, racing and boxing industries and acting as the legal representative of State interests in all legal matters. The Department exercises oversight regarding numerous professions that are licensed through the Division of Consumer Affairs. Also, the Department encompasses "in-but-not-of" boards and agencies which receive funding through the State Budget, including: Office of Homeland Security and Preparedness, Election Law Enforcement Commission, State Ethics Commission, Juvenile Justice Commission, Victims of Crime Compensation Board, Commission to Review Criminal Sentencing and the Criminal Disposition Commission.

The Department's goals and objectives include providing and maintaining general statewide police, investigative, intelligence, counter-terrorism and emergency services; support and coordination of State and local law enforcement agencies; maintaining and operating criminal records and identification systems; providing a single, centralized agency to help coordinate the State's counter-terrorism and preparedness efforts, protecting the State against the threat of future terrorist attacks through increased information gathering and analysis in partnership with federal, local and state agencies. The Department also provides day and residential programs for juvenile offenders throughout the State, enhancing public safety by the commitment of juvenile offenders to juvenile secure care programs; planning, development, operation and contracting of sanctions and services for juveniles charged as delinquent; preventing and eliminating practices of discrimination against persons because of race, creed, color, national origin, ancestry, sex, age, marital status, mental or physical handicap, or nationality; protecting the rights of consumers and enforcing public protection laws and the Consumer Fraud Act, working towards the goals of preventing fraud, unfair dealings in advertising or sales techniques.

Other Department activities include the regulation of buying and selling of securities, fund raising organizations, employment agencies, bingo games and raffles, and uniform standards of weights and measures; issuing licenses to manufacturers, transporters, warehouses, and wholesalers of alcoholic beverages and supervising State and municipal retail liquor licensing to foster responsibility and moderation in the sale and consumption of alcoholic beverages; maintaining the integrity of gaming, horse racing, and boxing industries through regulations, investigations, and prosecutions; and developing innovative State and local programs to reduce and prevent injuries and fatalities through a statewide highway traffic safety program.

Budget Highlights

The Fiscal 2007 Budget for the Department of Law and Public Safety totals \$617.9 million, a decrease of \$4.2 million, or 0.7% from the fiscal 2006 adjusted appropriation of \$622.1 million. Due to administrative consolidations throughout the Department, a reduction of \$1.9 million is reflected in the Governor's Budget Message.

Anti-Gang Violence Initiative

Governor Corzine and the Attorney General's Office are committed to addressing New Jersey's growing gang problem through prevention, enforcement and education initiatives. In fiscal 2007,

Governor Corzine will invest \$750,000 to expand Operation CeaseFire, a community-based response program that partners with criminal justice, government, social service, faith-based and community organizations, to reduce gun violence. Operation CeaseFire, which currently operates in Newark and Irvington, would extend its reach to Trenton, Camden, and Jersey City. Since the beginning of the program, shootings in the Newark and Irvington target areas have declined by 30%.

Additionally, the Attorney General will create a new Gang Violence/Organized Crime unit within the Division of Criminal Justice to focus exclusively on criminal prosecution against gangs, organized crime units, and those affiliated with such violent organizations. This can be done through efficient reorganization and without additional costs in the Fiscal 2007 Budget.

These efforts are in cooperation with additional investments in the Parole Board's Halfway Back program and Project Phoenix, a joint project of the Juvenile Justice Commission and the Department of Education. Addressing gang-related violence requires a broad effort across agencies, in partnership with federal and local government, and the larger community. This budget includes a down payment on those important efforts.

Office of the Attorney General

The fiscal 2007 recommendation for the Office of the Attorney General is \$19.2 million, an increase of \$3.3 million from the fiscal 2006 adjusted appropriation of \$15.9 million. An increase of \$3.4 million is included in the Governor's Budget Message for the Emergency Operations Center to support operating costs for the facility. As head of the Department of Law and Public Safety, the Attorney General serves as the State's chief law enforcement officer and legal advisor, and is responsible for the management and administration of the Department.

State Police

The fiscal 2007 recommendation for the Division of State Police is \$306.8 million, a decrease of \$10.0 million from the fiscal 2006 adjusted appropriation of \$316.8 million. The State Police provide law enforcement services throughout the State and patrol all major State highways. Other functions include investigation of organized crime, racketeering, narcotics, white-collar crime, and the provision of statewide security services at nuclear power stations and other critical facilities.

In fiscal 2007, a total of 175 troopers will graduate from the training academy that will permit reassignment of more experienced troopers to other areas in the State Police. Due to normal/routine attrition, a net increase of approximately 80 troopers will occur in fiscal 2007 bringing the total number of State troopers to 3,035 by the end of the fiscal year. The fiscal 2007 Budget includes funding of \$2.7 million to support a new training class.

Division of Law

The Division of Law, which provides legal services to all offices, departments, and entities of State government, as well as county Boards of Election and Taxation, is recommended for State funding of \$17.1 million in fiscal 2007. The Division will receive over \$57.8 million in reimbursements for legal services rendered from State agencies and third parties, for a total budget of \$74.9 million. Additional funding will be provided from the Division of Youth and Family Services (DYFS) for new staff and related operational costs associated with child welfare reform. The Division renders written legal opinions to governmental agencies, makes appearances at hearings, and represents the State in litigation and appeals in State and federal courts, and in administrative hearings and proceedings to protect the rights of DYFS children.

LAW AND PUBLIC SAFETY

Department Accomplishments

While continuing to demonstrate excellence through its highway and marine patrols, criminal investigation, emergency management capabilities and a host of other efforts, the State Police achieved a milestone in 2005 by attaining “full compliance” – in two successive Independent Monitors Reports – with every task required by a federal Consent Decree. Since monitoring of State Police began under the five-year-old Consent Decree, State Police was commended for achieving 100 percent compliance with all requirements of the agreement. A contingent of New Jersey State Troopers also worked as special officers in New Orleans to assist with police activities in the aftermath of Hurricane Katrina.

The Department continued to work with other agencies of government and the private sector in developing, and putting in place, innovative strategies for protecting New Jerseyans in their homes, at school, when traveling and elsewhere. The State put its preparedness capabilities to an unprecedented test by participating in TOPOFF 3 (Top Officials 3), a rigorous, week long preparedness exercise involving New Jersey, Connecticut, Washington D.C., the United Kingdom and Canada.

The Attorney General’s Office announced that Merrill Lynch Pierce Fenner & Smith Inc., would pay New Jersey \$10 million in fiscal 2005 and implement significant reforms throughout the firm to resolve allegations that it failed to reasonably supervise certain financial advisers in New Jersey. Also, a \$5 million settlement with American Express Financial Advisors (AEFA) was reached over allegations it failed to reasonably supervise its financial advisers and in October 2005 the department obtained a court order freezing \$1.4 million linked to an internet securities scam involving a fictitious company, Heritage Financial Inc., through which investors around the world have been defrauded of millions of dollars. The Office of Insurance Fraud Prosecutor (OIFP) cases sent 125 defendants to jail or prison, and court ordered restitution topped \$87 million. Throughout 2005, the Attorney General’s Office, through its Division of Criminal Justice, State Police and Office of Government Integrity, continued to prosecute government officials, members of law enforcement and others whose actions betrayed the public trust – and cost taxpayers money. The Attorney General’s Office filed four lawsuits in September 2005 against three oil companies, Amerada Hess, Motiva Shell and Sunoco, and a number of independent gas station operators in connection with gas price increases after Hurricane Katrina. In the week after Katrina, gas prices in New Jersey soared to an average of \$3.16 a gallon by Labor Day, a dollar higher than the average just one month earlier.

One of the landmark achievements in 2005 was Operation Guardian, an extensive cyber child-pornography investigation spearheaded by the Divisions of State Police and Criminal Justice. As a result of Operation Guardian, 39 people were arrested on charges relating to the possession and distribution of child pornography.

Office of Homeland Security and Preparedness

The fiscal 2007 recommendation for the Office of Homeland Security and Preparedness totals \$22 million. Of the amount

budgeted in fiscal 2007, \$20 million is for grants for homeland security needs.

Executive Order 5 created the Office of Homeland Security and Preparedness (HSP) in-but-not-of the Department of Law and Public Safety. This Office will coordinate homeland security related issues across all levels of government and the private sector. The Domestic Security Preparedness Task Force, as part of HSP, will ensure the development of a comprehensive, statewide emergency plan. The Office of Counter Terrorism will transfer to the HSP and will continue to act as the liaison agency to federal law enforcement and other states on counter terrorism issues.

Election Law Enforcement Commission

The fiscal 2007 recommendation for the Election Law Enforcement Commission totals \$5 million. The Commission assures the reporting of contributions received and expenditures made in furtherance of the nomination, election, or defeat of candidates for State, county, and local public office. Additionally, the Commission assures the quarterly reporting of financial activity of political committees and lobbyists, and provides partial public funding of gubernatorial elections.

Juvenile Justice Commission

The fiscal 2007 recommendation for the Juvenile Justice Commission totals \$117.6 million, a decrease of \$2.1 million, largely due to managerial efficiencies. Of the amount budgeted in fiscal 2007, \$1.5 million is dedicated to capital improvements for the Commission.

The New Jersey Juvenile Justice Commission is the single State agency mandated by legislation to lead and implement the reform of the juvenile justice system. The Commission promotes public safety and serves youth through a continuum of services, including prevention, intervention, incarceration, education, and aftercare. This is accomplished in collaboration with families, communities, and governmental agencies. The Commission affords opportunities for adjudicated youth to become independent, productive, and law-abiding citizens.

State Ethics Commission

The fiscal 2007 recommendation for the State Ethics Commission totals \$1.3 million, an increase of \$150,000 above the Fiscal 2006 adjusted appropriation of \$1.1 million. The State Ethics Commission, formerly named the Executive Commission on Ethical Standards, addresses and monitors compliance with the conflicts-of-interest law and code of ethics. Growth in fiscal 2007 will allow the Commission to carry out additional responsibilities mandated by statutory amendments and Executive Orders.

Victims of Crime Compensation Board

The fiscal 2007 recommendation for the Victims of Crime Compensation Board totals \$5.7 million. The Victims of Crime Compensation Board compensates victims of violent crimes and the dependents of deceased victims for unreimbursed medical expenses, loss of earnings, and certain other expenses resulting from those crimes.

In fiscal 2006, the Board will pay an estimated \$15.6 million in compensation to approximately 2,600 claimants.

LAW AND PUBLIC SAFETY

DEPARTMENT OF LAW AND PUBLIC SAFETY SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					GENERAL FUND			
495,587	167,753	17,052	680,392	579,984	Direct State Services	542,880	524,262	524,262
19,308	---	81	19,389	19,089	Grants-In-Aid	21,177	21,379	21,379
14,820	10,984	1,629	27,433	12,453	State Aid	8,030	28,030	28,030
---	18,246	3,000	21,246	10,790	Capital Construction	4,805	1,500	1,500
529,715	196,983	21,762	748,460	622,316	Total General Fund	576,892	575,171	575,171
					CASINO CONTROL FUND			
40,599	178	---	40,777	40,676	Direct State Services	42,599	42,599	42,599
40,599	178	---	40,777	40,676	Total Casino Control Fund	42,599	42,599	42,599
					CASINO REVENUE FUND			
92	---	---	92	92	Direct State Services	92	92	92
92	---	---	92	92	Total Casino Revenue Fund	92	92	92
					GOVERNATORIAL ELECTIONS FUND			
8,870	---	---	8,870	6,310	Grants-In-Aid	2,525	---	---
8,870	---	---	8,870	6,310	Total gubernatorial Elections Fund	2,525	---	---
579,276	197,161	21,762	798,199	669,394	Total Appropriation, Department of Law and Public Safety	622,108	617,862	617,862

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					DIRECT STATE SERVICES - GENERAL FUND			
					Law Enforcement			
246,656	19,864	4,484	271,004	266,033	State Police Operations	254,722	254,915	254,915
27,054	2,515	2,976	32,545	30,323	Criminal Justice	31,551	31,126	31,126
600	---	---	600	600	State Medical Examiner	600	600	600
41,893	2,669	2,121	46,683	41,414	Administration and Support Services	57,742	51,609	51,609
316,203	25,048	9,581	350,832	338,370	Subtotal	344,615	338,250	338,250
					Special Law Enforcement Activities			
338	81	---	419	324	Office of Highway Traffic Safety	600	600	600
6,422	335	---	6,757	3,811	Election Law Enforcement	6,646	5,027	5,027
661	---	---	661	586	Review and Enforcement of Ethical Standards	1,148	1,298	1,298
1,189	5,550	-1	6,738	6,728	Regulation of Alcoholic Beverages	1,141	776	776
2,177	1,205	1,217	4,599	1,460	Election Management and Coordination	1,021	966	966
10,787	7,171	1,216	19,174	12,909	Subtotal	10,556	8,667	8,667

LAW AND PUBLIC SAFETY

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
22,981	6	463	23,450	23,450	Juvenile Services			
38,904	---	26	38,930	38,930	Juvenile Community Programs	24,160	24,410	24,410
8,810	---	-233	8,577	8,575	Institutional Control and Supervision	40,178	38,572	38,572
6,500	25	-176	6,349	6,348	Institutional Care and Treatment	10,893	10,893	10,893
14,167	10	2,453	16,630	16,628	Juvenile Parole and Transitional Services	7,083	7,083	7,083
					Administration and Support Services	16,067	16,067	16,067
<u>91,362</u>	<u>41</u>	<u>2,533</u>	<u>93,936</u>	<u>93,931</u>	<i>Subtotal</i>	<u>98,381</u>	<u>97,025</u>	<u>97,025</u>
					Central Planning, Direction and Management			
2,000	---	1,500	3,500	2,000	Homeland Security and Preparedness	2,000	2,000	2,000
596	---	64	660	582	Central Library Services	653	653	653
12,848	---	1,779	14,627	14,037	Administration and Support Services	15,272	18,523	18,523
<u>15,444</u>	<u>---</u>	<u>3,343</u>	<u>18,787</u>	<u>16,619</u>	<i>Subtotal</i>	<u>17,925</u>	<u>21,176</u>	<u>21,176</u>
					General Government Services			
19,376	---	1,357	20,733	20,733	Legal Services	28,647	17,052	17,052
---	---	---	---	---	Child Advocate Agency	---	---	---
<u>19,376</u>	<u>---</u>	<u>1,357</u>	<u>20,733</u>	<u>20,733</u>	<i>Subtotal</i>	<u>28,647</u>	<u>17,052</u>	<u>17,052</u>
					Protection of Citizens' Rights			
14,161	47,697	-1,181	60,677	37,456	Consumer Affairs	13,544	13,239	13,239
17,541	77,732	2	95,275	42,925	Operation of State Professional Boards	17,541	17,541	17,541
5,215	330	201	5,746	5,726	Protection of Civil Rights	5,976	5,617	5,617
5,498	9,734	---	15,232	11,315	Victims of Crime Compensation Board	5,695	5,695	5,695
<u>42,415</u>	<u>135,493</u>	<u>-978</u>	<u>176,930</u>	<u>97,422</u>	<i>Subtotal</i>	<u>42,756</u>	<u>42,092</u>	<u>42,092</u>
<u>495,587</u>	<u>167,753</u>	<u>17,052</u>	<u>680,392</u>	<u>579,984</u>	<i>Total Direct State Services - General Fund</i>	<u>542,880</u>	<u>524,262</u>	<u>524,262</u>
					DIRECT STATE SERVICES - CASINO CONTROL FUND			
					Law Enforcement			
40,599	178	---	40,777	40,676	Gaming Enforcement	42,599	42,599	42,599
<u>40,599</u>	<u>178</u>	<u>---</u>	<u>40,777</u>	<u>40,676</u>	<i>Subtotal</i>	<u>42,599</u>	<u>42,599</u>	<u>42,599</u>
<u>40,599</u>	<u>178</u>	<u>---</u>	<u>40,777</u>	<u>40,676</u>	<i>Total Direct State Services - Casino Control Fund</i>	<u>42,599</u>	<u>42,599</u>	<u>42,599</u>
					DIRECT STATE SERVICES - CASINO REVENUE FUND			
					Protection of Citizens' Rights			
92	---	---	92	92	Operation of State Professional Boards	92	92	92
<u>92</u>	<u>---</u>	<u>---</u>	<u>92</u>	<u>92</u>	<i>Subtotal</i>	<u>92</u>	<u>92</u>	<u>92</u>
<u>92</u>	<u>---</u>	<u>---</u>	<u>92</u>	<u>92</u>	<i>Total Direct State Services - Casino Revenue Fund</i>	<u>92</u>	<u>92</u>	<u>92</u>
<u>536,278</u>	<u>167,931</u>	<u>17,052</u>	<u>721,261</u>	<u>620,752</u>	<i>TOTAL DIRECT STATE SERVICES</i>	<u>585,571</u>	<u>566,953</u>	<u>566,953</u>
					GRANTS-IN-AID - GENERAL FUND			
					Law Enforcement			
265	---	---	265	265	State Police Operations	265	265	265
300	---	---	300	---	Criminal Justice	300	2,050	2,050
<u>565</u>	<u>---</u>	<u>---</u>	<u>565</u>	<u>265</u>	<i>Subtotal</i>	<u>565</u>	<u>2,315</u>	<u>2,315</u>

LAW AND PUBLIC SAFETY

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
18,743	---	81	18,824	18,824	Juvenile Services			
---	---	---	---	---	Juvenile Community Programs	19,012	18,664	18,664
18,743	---	81	18,824	18,824	Juvenile Parole and Transitional Services	1,600	400	400
19,308	---	81	19,389	19,089	<i>Subtotal</i>	20,612	19,064	19,064
					Total Grants-In-Aid - General Fund	21,177	21,379	21,379
					GRANTS-IN-AID - GUBERNATORIAL ELECTIONS FUND			
					Special Law Enforcement Activities			
8,870	---	---	8,870	6,310	Election Law Enforcement	2,525	---	---
8,870	---	---	8,870	6,310	<i>Subtotal</i>	2,525	---	---
8,870	---	---	8,870	6,310	Total Grants-In-Aid - Gubernatorial Elections Fund	2,525	---	---
28,178	---	81	28,259	25,399	TOTAL GRANTS-IN-AID	23,702	21,379	21,379
					STATE AID - GENERAL FUND			
					Law Enforcement			
11,090	10,748	-1,671	20,167	5,429	Criminal Justice	1,000	1,000	1,000
11,090	10,748	-1,671	20,167	5,429	<i>Subtotal</i>	1,000	1,000	1,000
					Special Law Enforcement Activities			
3,730	236	3,300	7,266	7,024	Election Management and Coordination	7,030	7,030	7,030
3,730	236	3,300	7,266	7,024	<i>Subtotal</i>	7,030	7,030	7,030
					Central Planning, Direction and Management			
---	---	---	---	---	Homeland Security and Preparedness	---	20,000	20,000
---	---	---	---	---	<i>Subtotal</i>	---	20,000	20,000
14,820	10,984	1,629	27,433	12,453	Total State Aid - General Fund	8,030	28,030	28,030
14,820	10,984	1,629	27,433	12,453	TOTAL STATE AID	8,030	28,030	28,030
					CAPITAL CONSTRUCTION			
					Law Enforcement			
---	9,348	---	9,348	5,494	State Police Operations	4,055	---	---
---	167	---	167	133	State Medical Examiner	---	---	---
---	355	---	355	64	Administration and Support Services	---	---	---
---	9,870	---	9,870	5,691	<i>Subtotal</i>	4,055	---	---
					Juvenile Services			
---	8,376	3,000	11,376	5,099	Administration and Support Services	750	1,500	1,500
---	8,376	3,000	11,376	5,099	<i>Subtotal</i>	750	1,500	1,500
---	18,246	3,000	21,246	10,790	TOTAL CAPITAL CONSTRUCTION	4,805	1,500	1,500
579,276	197,161	21,762	798,199	669,394	Total Appropriation, Department of Law and Public Safety	622,108	617,862	617,862

LAW AND PUBLIC SAFETY

10. PUBLIC SAFETY AND CRIMINAL JUSTICE 12. LAW ENFORCEMENT

OBJECTIVES

1. To provide statewide law enforcement services, including traffic control, by assisting other law enforcement agencies, and supplying total protection in areas without police departments.
2. To deter criminal activities that are interjurisdictional in scope.
3. To provide accurate statewide criminal information and efficient statewide law enforcement.
4. To provide an efficient statewide law enforcement communications system.
5. To develop and administer a coordinated statewide system for defense against potential natural and man made disasters.
6. To administer the criminal justice system and promote uniform enforcement of the criminal laws.
7. To maximize the criminal justice process by an efficient, expedient and economical use of resources for the detection, arrest, indictment and conviction of criminal offenders.

OBJECTIVES

To ensure public confidence in the gaming industry by investigating and evaluating all prospective licenses, providing audits of casino operations and prosecuting violators of the Casino Control Act.

PROGRAM CLASSIFICATIONS

06. **State Police Operations.** Patrols are conducted in rural, urban, and highway areas primarily as a deterrent to violations of criminal and traffic laws. Patrol personnel respond to complaints and requests for police services and conduct investigations. Assistance is provided to other law enforcement agencies in matters relating to protection of persons and property and maintenance of public order. Tactical patrol units are utilized in areas of high accident or criminal frequency. Support is given by the Aviation Bureau for aerial coverage of established patrol routes. Patrol teams enforce commercial vehicle self-inspection regulations and commercial weight laws. The patrol personnel serve as initial responders to terrorist and other catastrophic events.

The Homeland Security Branch provides a comprehensive statewide land, air, and sea capability for the detection of and response to possible terrorism events. Specialized entities focus on homeland security initiatives such as infrastructure security, the transportation of terrorists and terrorist materials, and the integrated response to terrorist or other emergency events within the state.

The Emergency Management Section develops and maintains action plans and the operational capability to coordinate statewide emergency response of personnel and resources for potential natural and man-made disasters. Coordination of the state's emergency response activities in compliance with the Federal Emergency Management Act is also a

8. To prosecute all criminal appeals emanating from the Division of Criminal Justice and all of the 21 counties.
9. To enforce the criminal and civil provisions of the New Jersey Antitrust Act, preserve the State's rights under the federal antitrust laws, and promote antitrust enforcement through liaison with other law enforcement agencies.
10. To professionalize the police in the State by maintaining high training standards, better educated police personnel and improved operational techniques.
11. To determine the cause and manner of all violent, suspicious and unusual deaths and those which constitute a threat to public health.
12. To provide complete security services in and around all buildings and grounds which are located within the State Capitol Complex.
13. To reduce the risk of death, injury and property damage on inland and coastal waters of the State; to enforce State marine laws and to promote boating safety.

responsibility of the Division. The State's Emergency Operating Center is maintained in a position of readiness and works as a warning system in the event of an emergency.

Around the clock emergency ambulance service to trauma victims is provided by the Medical Evacuation-Air Ambulance/Helicopter Program.

Marine police operations provide for the enforcement of criminal, marine, port safety, and boating safety laws on coastal and certain inland waters of the state. Personnel and equipment are provided for quick response to marine accidents, crimes, and other emergencies. The Marine Services Bureau also promotes boating safety through public education.

The State Governmental Security Bureau is responsible for the security of all buildings and grounds which fall within the purview of the State Capital Complex. The Bureau provides for the direction of traffic, investigation of crime, and patrolling of grounds within and adjacent to the Complex. Furthermore, the security of the Governor and his or her family is provided by the Bureau.

Investigations are conducted in areas of organized crime, gambling, narcotics, official corruption, racing integrity, arson/bomb, cargo theft/robbery, fugitives from justice, and auto theft. The Major Crime Unit assists all law enforcement agencies within the state with the investigation of homicides, kidnapping for ransom, and any incident resulting in the death of, or by, an enlisted member of the division. The Child Protection and Cyber-Crime Bureau investigates and provides expertise in the area of high technology computer crimes, child exploitation crimes, and missing persons and unidentified bodies, as well as offering violent criminal assessment services to all law enforcement agencies within the state.

Technical and scientific services are available in the field of chemical and physical analysis, photography, composite drawings, ballistics, latent fingerprints, and DNA analysis and database maintenance.

The Private Detective Unit conducts background character and complaint investigations of persons applying for or holding licenses. The Firearms Investigation Unit of the State Regulatory Investigation Bureau administers and enforces the New Jersey weapons and explosives laws. The Solid/Hazardous Waste Background Investigations Unit conducts investigations of corporations and individuals applying for licenses.

Intelligence is developed, collected, collated, and stored in the Statewide Intelligence Management System. Information is disseminated to law enforcement agencies concerning the involvement of organized criminal or possible terrorist activities, including street gang and counter-terrorism developments. The Electronic Surveillance Unit researches, develops, and implements court authorized surveillances and investigates all reported illegal wiretaps. The Casino Gaming Bureau and Casino Intelligence Unit investigate criminal activities in and around the Atlantic City casinos. Intelligence related to the gaming industry is maintained and shared with other law enforcement agencies.

The Division provides and maintains a statewide radio communications system for the use of 21 other state agencies and for the Division. Additionally, the Division is responsible for ensuring an efficient and expedient means of interstate and intrastate law enforcement communications, including instantaneous responses to inquiries concerning wanted persons and stolen cars or property. This information is provided on a 24-hour basis by the New Jersey Criminal Justice Information System and the National Crime Information Center.

Collection, classification, and analysis of data pertaining to criminal activity are accomplished through the use of several identification and reporting systems. The Identification and Information Technology Section ensures that the state's criminal justice system and other governmental agencies are furnished with statewide criminal history and statistical information. The State Bureau of Identification serves as the clearinghouse and repository for all fingerprints submitted by the State's law enforcement agencies and is responsible for the subsequent retrieval of criminal history data. The Criminal Justice Records Bureau maintains the Uniform Crime Reporting System, which collects and classifies statistical data on crime trends in order to identify specific problems and recommend possible solutions.

The Training Bureau provides training for state police recruits, and continuous in-service programs and seminars related to the police, traffic, criminal, and social sciences, homeland security, and leadership development. Many of the course offerings are fully accredited.

The Division maintains and repairs its own fleet of motor vehicles and provides this service to other State agencies.

09. Criminal Justice. Exercises functions pertaining to enforcement and prosecution of criminal activities in the State; responsible for the effective administration of criminal justice throughout the State; initiates investigations, actions or proceedings involving certain criminal or quasi-criminal matters; prepares cases for presentation before the State Grand Jury and prosecutes cases resulting from indictments, handles civil antitrust proceedings and criminal and civil antitrust matters at the appellate level. Assistance is provided and general supervision maintained over the 21 county prosecutors and periodic evaluations and audits are conducted of each office. County prosecutors may be superseded in the prosecution of all or part of the criminal activities in a particular county by intervention in any investigation, criminal action or proceeding instituted in that county. Studies and surveys are conducted of law enforcement agencies within the State concerning their organization, procedures and methods.

The Police Training Commission is responsible for improving the value of the police officer's contribution to the community by supervising the administration of all basic police training programs and conducting management surveys of local police agencies.

11. State Medical Examiner. Oversees the investigation of all violent or suspicious deaths and those which constitute a threat to public health within the State. Investigations involve conducting postmortem examinations and providing forensic laboratory analyses of body fluids and organs. This Office also provides general supervision over county medical examiners, and by court order, may supersede the medical examiner of any county.

30. Gaming Enforcement. Prepares the investigative and evaluative data for the Casino Control Commission prior to the consideration of licensees, registrations and approvals. Performs audits and on-site compliance examinations of those who have been licensed and litigates all contested civil and criminal matters relating to the enforcement of the Casino Control Act, both before the Commission and in all courts. The subjects of jurisdiction include the entities applying for casino licenses and ancillary service licenses and employees of the casino and hotel. In order to meet these obligations and deliver the services required of this Division, a specialized, highly skilled and diversified staff is provided.

99. Administration and Support Services. Provides for State Police executive leadership and general management which includes staff inspections, internal investigations, the public information, Affirmative Action/Equal Employment Opportunity and the Professional Standards Unit.

The Administrative Section provides management support services which include operational research and planning; fiscal control, involving budget preparation and accounting services; personnel administration; building maintenance and capital improvement; printing; supplies and food services.

LAW AND PUBLIC SAFETY

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
State Police Operations				
Investigations				
Criminal	13,079	16,287	16,750	16,900
Accident	41,263	45,001	45,500	46,000
General	565,156	802,280 ^(a)	805,000	806,000
Driving While Intoxicated Arrests	4,628	5,176	5,575	5,900
Aid To Motorists	204,178	206,099	208,377	209,650
Commercial Vehicles Inspected	57,188	29,928	31,425	32,368
Commercial vehicle inspection summonses	44,752	23,791	24,267	24,467
Commercial Vehicles Weighed	564,210	400,100	450,000	480,000
Commercial vehicle weight summonses	5,521	1,969	2,050	2,100
Commercial vehicles taken out of service	10,800	7,645	7,856	8,092
Criminal Enterprise and Racketeering Investigations	175	188	230	270
Number of arrests	420	422	265	390
Special Investigations	138	177	185	185
Racetrack Unit Investigations	53	53	50	50
Racetrack unit arrests	18	19	20	20
Polygraph Examinations	225	239	245	250
Arson Investigations	325	432	450	425
Arson arrests	60	63	61	65
Property damage (in millions)	\$23.00	\$24.00	\$24.00	\$24.00
Auto Unit Investigations	229	250	220	235
Auto unit arrests	125	150	200	200
Recovered vehicles	100	120	150	125
Recovered property value (in millions)	\$1.85	\$2.10	\$2.50	\$1.50
Major Crime Investigations	49	48	50	50
Fugitive Investigations	363	256	350	350
Cleared by arrest	631	256	300	300
ABC Inspection/Investigations (b)	690	700	---	---
ABC arrests (b)	550	575	---	---
Missing Persons Complaints	560	580	600	600
Missing persons located	50	84	50	50
Child Exploitation Investigations	132	295	300	300
Unidentified Persons Investigations	248	225	240	220
Solid/Hazardous Waste Investigations	450	360	375	365
Approvals	107	110	115	117
Rejections	6	6	7	6
Firearms Applications Received	60,353	77,000	82,000	87,000
Laboratory Cases Received	33,299	36,357	38,200	40,110
Laboratory Cases Completed	36,937	37,964	39,200	40,110
Crime Scene Investigations	2,230	2,340	2,500	2,800
Laboratory Cases Received/DNA Analysis	1,070	1,897	1,950	2,150
Laboratory Cases Completed/DNA Analysis	1,299	1,700	2,150	2,150
Private Detective Licenses Issued	968	1,155	1,050	2,000
Private Detective Employee Registrations	27,100	28,951	32,000	50,000
Criminal History Records Information Unit				
Inquiries	5,509,542	5,106,058	6,300,000	7,000,000
Responses	2,896,186	2,863,825	3,100,000	3,200,000
Updates/modifications	5,860,679	4,852,455	4,800,000	4,500,000
Composite Drawing Cases	390	425	425	430
Marine Police Investigations				
Criminal-Marine	241	265	305	325
Accident-Marine	254	277	309	318
General-Marine	8,946	9,456	10,540	11,900
Boardings	10,920	11,898	13,200	14,000
Assists	834	904	1,050	1,150
Pollution Investigations	147	161	180	187
D.W.I. Arrests	66	76	85	95

LAW AND PUBLIC SAFETY

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Criminal Justice				
Complaints, Inquiries, Other Matters (Opened)	11,385	11,663	12,500	13,000
Complaints, Inquiries, Other Matters (Closed)	9,555	9,804	10,500	11,000
Investigations Opened	1,783	1,972	1,900	1,900
Investigations Closed	1,556	1,669	1,700	1,700
Convictions (Plea and Trial)	669	672	675	675
Briefs Received	1,175	1,291	1,200	1,200
Briefs Filed	884	792	800	800
Forfeitures-State Share (in millions)	\$0.89	\$4.20	\$6.50	\$2.00
Amount of Penalties and Awards Levied (in millions)	\$1.72	\$7.96	\$1.00	\$1.00
State Grand Jury Indictments/Accusations	427	460	420	420
County Indictments/Accusations	175	225	200	200
Defendants Disposed	894	890	890	890
Fines Ordered (in millions)	\$2.18	\$1.49	\$0.50	\$0.50
Restitution Ordered (in millions)	\$10.30	\$44.87	\$5.00	\$5.00
Criminal Justice Training Programs	281	280	230	230
Number trained	13,799	16,141	12,000	12,000
Police Training Commission Training Programs	174	189	180	180
Number of trainees certified	3,920	3,606	3,700	3,700
State Medical Examiner				
Toxicological Cases Received	2,949	3,754	4,500	4,550
Statewide Autopsies Performed	2,895	4,100	4,150	4,200
Number of Deaths Investigated	4,883	6,500	6,500	6,600
Gaming Enforcement				
New Applications to be Processed				
Individual applications	5,056	4,050	4,680	4,875
Hotels/Casino	2	1	2	3
Casino service industries/vendors	3,647	3,283	3,299	3,324
Renewal Applications Processed				
Individual applications (c)	6,908 ^(d)	6,074	3,476	4,250
Hotels/Casino	7	2	3	3
Casino service industries	214	214	145	131
Arrest notifications	3,784	4,003	3,981	4,060
Casino licensing investigations	3,040	3,061	2,746	2,876
Casino enforcement investigations	2,215	1,900	2,000	2,000
Casino enforcement arrests	1,602	1,600	1,650	1,650
Slot modifications/inspections	178,345	178,746	145,745	165,888
Administration and Support Services				
State Police Training Academy:				
State Police recruits enrolled	260	338	123	100
State Police recruits graduated	50	279	214	175
Special schools training	21,163	23,300	23,000	23,300
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	3,712	3,965	3,991	3,911 ^(e)
Federal	125	129	174	174
All Other	1,512	1,549	1,620	1,718
Total Positions	5,349	5,643	5,785	5,803
Filled Positions by Program Class				
State Police Operations	3,751	3,762	4,008	4,115
Criminal Justice	899	956	919	935 ^(e)
State Medical Examiner	74	77	82	114
Gaming Enforcement	277	286	281	278
Administration and Support Services	348	562	495	361
Total Positions	5,349	5,643	5,785	5,803

LAW AND PUBLIC SAFETY

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

- (a) The total number for general police activity increased significantly due to the Computer Aided Dispatch (CAD) method of data collection.
- (b) The Division of Alcoholic Beverage Control has assumed the responsibilities of this function.
- (c) Four year renewal of casino employee licenses were approved in 1995, they peaked in fiscal 2000 and in fiscal 2004, but are expected to substantially decrease in fiscal 2005 and 2006 due to the renewal cycle.
- (d) The substantial increase in new and renewal individual applications in fiscal 2003 was primarily due to the opening of the Borgata Casino Hotel in July 2003. There was also some carry over effect into fiscal 2004.
- (e) State supported positions decreased by 85 due to the transfer of positions from the Division of Criminal Justice to the Office of the Attorney General related to the Office of Counter Terrorism and the Domestic Preparedness Task Force.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
246,656	19,864	4,484	271,004	266,033	06	254,722	254,915	254,915	
27,054	2,515	2,976	32,545	30,323	09	31,551	31,126	31,126	
600	---	---	600	600	11	600	600	600	
40,599	178	---	40,777	40,676	30	42,599	42,599	42,599	
40,599	178	---	40,777	40,676		42,599	42,599	42,599	
41,893	2,669	2,121	46,683	41,414	99	57,742	51,609	51,609	
356,802	25,226	9,581	391,609	379,046		387,214	380,849	380,849	
316,203	25,048	9,581	350,832	338,370		344,615 ^(a)	338,250	338,250	
40,599	178	---	40,777	40,676		42,599	42,599	42,599	
Distribution by Fund and Object									
Personal Services:									
226,063									
12,094 ^S	268 ^R	11,432	249,857	226,732		235,434	234,025	234,025	
31,390									
2,900 ^S	101	44	34,435	25,602		25,908	27,908	27,908	
---	---	---	---	22,488		2,000 ^S	24,439	24,439	
---	---	---	---	781		24,293	888	888	
---	---	---	---	8,052		888	7,494	7,494	
---	---	---	---			7,494			
272,447	369	11,476	284,292	283,655		296,017	294,754	294,754	
238,157	268	11,432	249,857	249,220		259,727	258,464	258,464	
34,290	101	44	34,435	34,435		36,290	36,290	36,290	
5,563	---	3,083	8,646	8,646		5,613	5,613	5,613	
389	---	30	419	396		389	389	389	
11,713	4,000	2,881	18,594	18,432		11,763	11,763	11,763	
1,864	---	-1	1,863	1,851		1,864	1,864	1,864	
4,430	---	167	4,597	4,597		4,430	4,425	4,425	
2,440	---	-73	2,367	2,363		2,440	2,440	2,440	
Special Purpose:									
---	115	---	330	184	06	---	---	---	
---	215 ^R	---	---	---					
1,591	1,766	---	3,357	2,689	06	2,271	3,768	3,768	
962	93	---	1,055	1,047	06	1,591	1,591	1,591	
					06	962	962	962	

LAW AND PUBLIC SAFETY

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
1,014	1,606 11,088 ^R	---	13,708	10,974	06	1,014	1,014	1,014	
1,500	---	---	1,500	1,500	06	1,500	1,500	1,500	
100	---	---	100	100	06	---	---	---	
1,000	---	---	1,000	1,000					
					06	1,100	1,100	1,100	
450	---	---	450	450	06	450	450	450	
200	---	---	200	200	06	200	200	200	
1,800	---	---	1,800	1,800	06	1,800	1,800	1,800	
1,000	---	---	1,000	1,000	06	1,000	1,000	1,000	
1,600	---	---	1,600	1,600	06	1,600	1,600	1,600	
600	---	---	600	600	06	600	600	600	
4,375	---	-924	3,451	3,451	06	4,375	3,804	3,804	
1,400	---	---	1,400	1,400	06	1,400	1,400	1,400	
2,500	---	---	2,500	2,500	06	---	---	---	
500	---	---	500	500	06	500	500	500	
1,700	---	---	1,700	1,700	09	1,700	1,700	1,700	
1,482	---	18	1,500	391	09	982	1,000	1,000	
250	---	---	250	250	09	250	250	250	
---	239 ^R	---	239	239	09	---	---	---	
356	---	---	356	356	09	356	356	356	
500	---	---	500	500	09	500	500	500	
---	1,024 1,252 ^R	---	2,276	1,180	09	---	---	---	
1,185	---	---	1,185	1,185	30	1,185	1,185	1,185	
1,201	2,515 65 ^R	---	3,781	1,088	99	---	---	---	
5,800	---	-2,930	2,870	2,870	99	10,300	8,216	8,216	
1,950	---	---	1,950	1,950	99	1,950	1,950	1,950	
417	---	---	417	417	99	2,083	---	---	
2,173	---	---	2,173	2,173	99	3,278	3,278	3,278	
---	---	---	---	---	99	417	---	---	
---	---	---	---	---	99	654	654	654	
---	---	---	---	---	99	2,500	2,700	2,700	
---	---	---	---	---	99	70 ^S	---	---	
2,000 ^S	---	---	2,000	---	99	2,000	2,000	2,000	
3,000 ^S	---	---	3,000	2,852	99	---	---	---	
193	---	---	193	193	99	193	193	193	
2,000	---	---	2,000	2,000	99	2,000	2,000	2,000	
174	---	---	174	132	99	174	---	---	
---	---	---	---	---	99	4,000	4,000	4,000	

LAW AND PUBLIC SAFETY

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
600	---	---	600	600					
3,450	---	---	3,450	3,249	99	650	650	650	
8,502	802	-4,146	5,158	4,340	99	3,450	2,800	2,800	
431	77	---	508	446		5,212	4,449	4,449	
						431	431	431	
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
265	---	---	265	265	06	265	265	265	
265	---	---	265	265		265	265	265	
300	---	---	300	---	09	300	2,050	2,050	
565	---	---	565	265		565	2,315	2,315	
Distribution by Fund and Object									
Grants:									
265	---	---	265	265	06	265	265	265	
300	---	---	300	---	09	300	300	300	
---	---	---	---	---	09	---	750	750	
---	---	---	---	---	09	---	1,000	1,000	
<u>STATE AID</u>									
Distribution by Fund and Program									
11,090	10,748	-1,671	20,167	5,429	09	1,000	1,000	1,000	
11,090	10,748	-1,671	20,167	5,429		1,000	1,000	1,000	
Distribution by Fund and Object									
State Aid:									
10,000	10,748	-1,671	19,077	4,429	09	---	---	---	
90	---	---	90	---	09	---	---	---	
1,000	---	---	1,000	1,000	09	1,000	1,000	1,000	
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	9,348	---	9,348	5,494	06	4,055	---	---	
---	167	---	167	133	11	---	---	---	
---	355	---	355	64	99	---	---	---	
---	9,870	---	9,870	5,691		4,055	---	---	
Distribution by Fund and Object									
Office of State Medical Examiner									
---	143	---	143	109	11	---	---	---	
---	3	---	3	3	11	---	---	---	
---	21	---	21	21	11	---	---	---	

LAW AND PUBLIC SAFETY

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
CAPITAL CONSTRUCTION									
Division of State Police									
---	213	---	213	33					
---	25	---	25	---	06	---	---	---	
---	196	---	196	59	06	---	---	---	
---	6,121	---	6,121	3,770	06	---	---	---	
---	6	---	6	---	06	---	---	---	
---	1	---	1	1	06	---	---	---	
---	2,432	---	2,432	1,562	06	---	---	---	
---	176	---	176	69	06	---	---	---	
---	---	---	---	---	06	3,555	---	---	
---	---	---	---	---	06	500	---	---	
---	178	---	178	---	06	---	---	---	
---	38	---	38	22	99	---	---	---	
---	272	---	272	12	99	---	---	---	
---	45	---	45	30	99	---	---	---	
368,457	45,844	7,910	422,211	390,431		392,834	384,164	384,164	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
88,006	112,145								
16,371 ^S	2,216 ^R	13	218,751	122,068	06	84,152	48,631	48,631	
55,778					09	35,765	33,115	33,115	
421 ^S	26,441	-780	81,860	28,855	99	---	---	---	
---	403	---	403	403		---	---	---	
160,576	141,205	-767	301,014	151,326		119,917	81,746	81,746	
All Other Funds									
---	871								
---	62,022 ^R	21,795	84,688	82,853	06	115,079	131,983	131,983	
---	5,612				09	38,807	39,034	39,034	
---	36,712 ^R	436	42,760	39,874	11	8,624	9,055	9,055	
---	790	150	8,609	7,734	99	1,937	2,187	2,187	
---	7,669 ^R					---	---	---	
---	578					---	---	---	
---	2,087 ^R	306	2,971	1,417		---	---	---	
---	116,341	22,687	139,028	131,878		164,447	182,259	182,259	
529,033	303,390	29,830	862,253	673,635		677,198	648,169	648,169	

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

Notwithstanding the provisions of any law or regulation to the contrary, receipts derived from the recovery of costs associated with the implementation of the "Criminal Justice Act of 1970," P.L. 1970, c. 74 (C.52:17B-97 et seq.), are appropriated for the purpose of offsetting the costs of the Division of Criminal Justice, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year, in the Victim Witness Advocacy Fund account, together with receipts derived pursuant to section 2 of P.L. 1979, c. 396 (C.2C:43-3.1) is appropriated.

LAW AND PUBLIC SAFETY

- Notwithstanding the provisions of any law or regulation to the contrary, funds in excess of \$250,000 obtained through seizure, forfeiture, or abandonment pursuant to any federal or State statutory or common law and proceeds of the sale of any such confiscated property or goods, except for such funds as are dedicated pursuant to N.J.S.2C:64-6, are appropriated for law enforcement purposes designated by the Attorney General.
- The unexpended balance at the end of the preceding fiscal year, in the revolving fund established under the "New Jersey Antitrust Act," P.L. 1970, c. 73 (C. 56:9-1 et seq.) is appropriated for the administration of the act and any expenditures therefrom shall be subject to the approval of the Director of the Division of Budget and Accounting.
- Such additional amounts as may be required to carry out the provisions of the "New Jersey Antitrust Act" P.L. 1970, c.73 (C.56:9-1 et seq.) are appropriated from the General Fund; provided however, that any expenditures therefrom shall be subject to the approval of the Director of the Division of Budget and Accounting.
- Receipts in excess of the amount anticipated from license fees and/or audits conducted to insure compliance with the "Private Detective Act of 1939," P.L. 1939, c. 369 (C. 45:19-8 et seq.), are appropriated to defray the cost of this activity.
- In addition to the amount hereinabove for State Police Operations, such amounts as may be required for the purpose of offsetting costs of the provision of State Police services are appropriated from indirect cost recoveries received from the New Jersey Highway Authorities and other agencies, subject to the approval of the director of the Division of Budget and Accounting.
- All fees and receipts collected, pursuant to paragraph (7) of subsection 1 of N.J.S.2C:39-6, "The Retired Officer Handgun Permit Program," and the unexpended balance at the end of the preceding fiscal year, are appropriated to offset the costs of administering the application process, subject to the approval of the Director of the Division of Budget and Accounting.
- Receipts derived pursuant to the New Jersey Medical Service Helicopter Response Act under section 1 of P.L. 2005, c. 311 (C.39:3-8.2) are appropriated to the Division of State Police and the Department of Health and Senior Services to defray the operating costs of the program as authorized under P.L. 1986, c. 106 (C. 26:2K-35 et seq.). The unexpended balance at the end of the preceding fiscal year, is appropriated to the special capital maintenance reserve account for capital replacement and major maintenance of helicopter equipment and any expenditures therefrom shall be subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any other law to the contrary, \$21,000,000 of the amounts credited to the New Jersey Emergency Medical Service Helicopter Response Program Fund on or after July 1, 2006, is available to the General Fund as State revenue.
- The amount hereinabove appropriated for the Nuclear Emergency Response Program account is payable from receipts received pursuant to the assessment of electrical utility companies under P.L. 1981, c. 302 (C. 26:2D-37 et seq.). The unexpended balance at the end of the preceding fiscal year, in the Nuclear Emergency Response Program account is appropriated.
- The unexpended balance at the end of the preceding fiscal year, in the Drunk Driver Fund program account, together with any receipts in excess of the amount anticipated, is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount hereinabove for the Drunk Driver Fund program is payable out of the Drunk Driver Enforcement Fund established pursuant to section 1 of P.L. 1984, c. 4 (C. 39:4-50.8) designated for this purpose and any amount remaining therein. If receipts to the fund are less than anticipated, the appropriation shall be reduced proportionately.
- The amount hereinabove for the Noncriminal Record Checks is payable out of the dedicated fund designated for this purpose. If receipts to the fund are less than anticipated, the appropriation shall be reduced proportionately.
- Notwithstanding the provisions of section 3 of P.L. 1985, c. 69 (C.53.1-20.7), the unexpended balance at the end of the preceding fiscal year, in the Noncriminal Record Checks account, together with any receipts in excess of the amount anticipated are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.
- Receipts in the "Commercial Vehicle Enforcement Fund" established pursuant to section 17 of P.L. 1995, c.157 (C.39:8-75) are appropriated to offset all reasonable and necessary expenses of the Division of State Police and Division of Motor Vehicles in the performance of commercial truck safety and emission inspections, subject to the approval of the Director of the Division of Budget and Accounting.
- All registration fees, tuition fees, training fees, and all other fees received for reimbursement for attendance at courses conducted by Division of State Police and Division of Criminal Justice personnel are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.
- In addition to the amounts hereinabove to the Divisions of State Police and Criminal Justice and the Office of the State Medical Examiner, there are appropriated to the respective State departments and agencies such sums as may be received or receivable from any instrumentality, municipality, or public authority for direct and indirect costs of all services furnished thereto, except as to such costs for which funds have been included in appropriations otherwise made to the respective State departments and agencies as the Director of the Division of Budget and Accounting shall determine; provided however, that payments from such instrumentalities, municipalities, or authorities for employer contributions to the State Police and Public Employees' Retirement Systems shall not be appropriated and shall be paid into the General Fund.
- Notwithstanding the provisions of section 11 of P.L. 1993, c.220 (C.2C:43-3.2), an amount not to exceed \$1,100,000 is appropriated from the Safe Neighborhoods Services Fund to provide Criminal Justice Statewide Law Enforcement Federal grant match, subject to the approval of the Director of the Division of Budget and Accounting.
- In addition to the amounts hereinabove for the State Police-Enhanced DNA Testing account, there is appropriated an amount not to exceed \$450,000 to be offset by actual receipts pursuant to P.L. 2000, c. 118. Additional funding shall be based upon the review of monthly workload data, collection data, and spending plans, subject to the approval of the Director of the Division of Budget and Accounting.
- Receipts and available balances derived from the agency surcharge on vehicle rentals pursuant to section 54 of P.L. 2002, c.34 (C.App.A:9-78), not to exceed \$13,855,000 for State Police salaries related to Statewide security services, are appropriated for those purposes and shall be deposited into a dedicated account, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated, an amount up to \$25,000, from the General Fund, to pay for each award or each tip for information that prevents, frustrates, or favorably resolves acts of international or domestic terrorism against New Jersey persons or property, as well as tips related to the identification of illegal guns, drugs and gangs. Rewards may also be paid for information leading to the arrest or conviction of terrorists and/or gang members attempting, committing, conspiring to commit or aiding and abetting in the commission of such acts or to the identification or location of an individual who holds a key leadership position in a terrorist and/or gang organization, subject to the approval of the Attorney General and the Director of the Division of Budget and Accounting.

Receipts derived pursuant to the requirements to act as Joint Negotiation Representatives under P.L. 2001, c. 371 (N.J.S.A.52:17B-196 et seq.) are appropriated to the Division of Criminal Justice to offset operating costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year for the Uniform Crime Report Update are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, none of the monies appropriated to the Division of State Police or the Department of Law and Public Safety shall be used for providing police protection to the inhabitants of rural sections pursuant to N.J.S.A. 53:2-1 in any municipality that received such police protection in FY2005-06 where a) the municipality's ratio of taxes to equalized property value is below the county's average ratio of taxes to equalized property values for the same year for the county where the municipality is located, as calculated by the Department of Community Affairs based on CY 2004 data provided from the Division of Taxation; or, b) the municipality is one where the average state equalized residential property value for the municipality for the preceding year is greater than the average state equalized residential property value for the same year for the county where the municipality is located, as calculated by the Department of Community Affairs based on CY 2004 data provided from the Division of Taxation; provided, however, that such monies may be expended for providing such police protection in any municipality described in a) or b) above that received rural policing services pursuant to N.J.S.A. 53:2-1 in FY2005-06 if the municipality enters into a cost sharing agreement with the State Treasurer in which the municipality agrees to provide a local share of \$280 per household for full time police protection and such lesser amount per household for part time police protection, as determined by the State Treasurer.

Notwithstanding any law to the contrary, none of the monies appropriated to the Division of State Police or the Department of Law and Public Safety shall be used for providing police protection to the inhabitants of rural sections pursuant to N.J.S.A. 53:2-1 in a municipality in which such services were not provided in FY2005-06 unless that municipality enters into a cost sharing agreement with the State Treasurer to provide the full cost of the Division of State Police for providing such services. Any amount received in accordance with the conditions hereto shall be deposited in the general fund as State revenue.

Notwithstanding the provisions of any law to the contrary, a municipality that enters into a cost sharing agreement with the State Treasurer may use monies from any grant-in-aid or State Aid appropriated pursuant to this Act to meet the local share of providing such services; provided, that this paragraph shall not be construed to authorize use of constitutionally dedicated monies, bond monies, or federal funds in a manner or for a purpose inconsistent with the Constitution or federal law.

Notwithstanding the provisions of any law to the contrary, municipal appropriations made pursuant to a cost sharing agreement with the State Treasurer shall be included in the municipality's final appropriations upon which its permissible expenditures are calculated pursuant to N.J.S.A. 40A:4-45.2.

Notwithstanding the foregoing provisions regarding cost sharing agreements or any law to the contrary, if the Superintendent of the Division of State Police, in consultation with the Attorney General, determines that public safety requires that police protection be provided to the inhabitants of rural sections pursuant to N.J.S.A. 53:2-1 despite the fact that a municipality as described above has not entered into a cost sharing agreement with the State Treasurer, monies appropriated to the Division of State Police and the Department of Law and Public Safety may be used for providing such police protection and the Director of the Division of Budget and Accounting is authorized to withhold State Aid payments to such municipalities.

Notwithstanding any law to the contrary, municipalities shall not be allowed to apply for Extraordinary Aid for any expenses related to a cost-sharing agreement for rural policing.

Language Recommendations -- Direct State Services - Casino Control Fund

In addition to the amount hereinabove for Gaming Enforcement, there are appropriated from the Casino Control Fund such additional sums as may be required for gaming enforcement, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

The unexpended balance at the end of the preceding fiscal year, in the Division of Criminal Justice's Community Justice Program is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

**10. PUBLIC SAFETY AND CRIMINAL JUSTICE
13. SPECIAL LAW ENFORCEMENT ACTIVITIES**

OBJECTIVES

1. To develop programs which will reduce and prevent the incidence of traffic accidents and the resultant deaths, injuries, and property damage.
2. To assure proper reporting of election campaign contributions and expenditures; to assure proper quarterly reporting by continuing political committees; to provide partial public

funding and to enforce expenditure and contribution limits for gubernatorial election campaigns; to assure proper annual reporting of lobbyists' financial activity; to assure proper reporting of personal financial disclosure information by gubernatorial and legislative candidates; and to promote public dissemination of information concerning financing of elections and financial activity of lobbyists.

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3. To insure propriety and preserve public confidence in the Executive Branch.
4. To regulate and control the alcoholic beverage industry in order to foster moderation and responsibility in the use and consumption of alcoholic beverages, protect the citizens of the State by assuring lawful, proper and fair trade practices, and maintain the stability of the industry.
5. To supervise the conduct of thoroughbred and harness racing in New Jersey and to assure maximum revenue to the State.
6. To regulate and control boxing, extreme wrestling, and martial arts events in order to protect the safety and well-being of participants, and to ensure public confidence in the regulatory process and conduct of such events.
7. To provide for the effective provision of services and collections of information about the election process of the State.

PROGRAM CLASSIFICATIONS

03. **Office of Highway Traffic Safety.** The Office of Highway Traffic Safety, for which the Director is the Governor's representative, develops innovative State and local programs, in accordance with the planned objectives of the National Highway Safety Program, and channels the federal funds needed for their implementation.
17. **Election Law Enforcement.** Assures the reporting of contributions received and expenditures made in furtherance of the nomination, election, or defeat of candidates for State, county, and local public office or to aid or promote the passage or defeat of a public question in an election; assures the quarterly reporting of receipts and expenditures by continuing political committees; provides partial public funding of gubernatorial elections; assures annual reporting of lobbyists' financial activity; assures proper reporting of personal financial disclosure information by gubernatorial and legislative candidates; and promotes public dissemination of information concerning financing of elections. The Election Law Enforcement Commission is an agency "in-but-not-of" the Department of Law and Public Safety.
20. **Review and Enforcement of Ethical Standards.** Initiates, receives and reviews complaints concerning the conflicts-of-interest law and code of ethics violations against any State officer or employee in the Executive Branch. Conducts investigations, subpoenas witnesses and documents, and after thorough deliberation, issues findings that have the force of law. Coordinates a network of departmental ethics liaison officers for review and education functions within the departments of the Executive Branch. Administers and reviews financial disclosure statements to be filed pursuant to Executive Order No. 10 and the Casino Control Act. The State Ethics Commission is an agency "in-but-not-of" the Department of Law and Public Safety.
21. **Regulation of Alcoholic Beverages.** Regulates and controls the manufacture, possession, storage, sale, transportation, use,

and disposition of alcoholic beverages to prevent injury to the public and to deter conditions or activities which are violative of the public interest; issues licenses to manufacturers, transporters, warehousemen, and wholesalers of alcoholic beverages; issues various types of special permits and supervises State and municipal retail liquor licensing. Applicants, licensees, and permit holders are investigated to determine their fitness to obtain and hold a license or permit. Jurisdiction in disciplinary proceedings is vested concurrently in the Division and in the local issuing authority with respect to retail licensees and exclusively in the Division with respect to State licensees or permittees, and in forfeiture proceedings. The Division adjudicates all appeals from the actions of local issuing authorities in all alcoholic beverage control matters.

22. **Regulation of Racing Activities.** Collects pari-mutuel taxes for the State, supervises mutual operations at all the tracks, and grants permits for the conduct of running the thoroughbred and harness race meetings in the State where pari-mutuel wagering is allowed. The Commission allots annual race dates to existing permit holders. It licenses, fingerprints, photographs, and screens all personnel working for or connected with track operations, including management, horsemen, owners, and prospective stockholders, to insure that no one connected with racing has ever been convicted of a crime involving moral turpitude. It oversees the actual conduct of races, supervises the extraction of fluid and blood specimens from horses for chemical analysis, and conducts initial hearings on appeals resulting from disciplinary actions, that may lead to judicial proceedings at the appellate level.
25. **Election Management and Coordination.** Coordinates voter registration and elections and is responsible for the canvassing of votes cast for federal offices, constitutional amendments, and other public questions. The implementation of the National Voter Registration Act of 1993, P.L. 103-31, which broadened the State's Motor Voter law to allow for registration when applying for unemployment or welfare benefits at State and federal offices, in addition to motor vehicle offices, has increased the number of registered voters in the State to 4.8 million.
27. **State Athletic Control.** Regulates all persons, practices, and associations related to the operation of boxing, extreme wrestling, and martial arts events. Licenses and regulates promoters, officials and participants in boxing and martial arts events, and supervises the conduct of these activities. Regulates the physical and mental examination of all participants. Provides a "State Athletic Control Board Medical Advisory Council" to assist the Board in approving regulations, rules, and standards for the physical examination of participants and a "New Jersey Commission to Study Benefits to be provided to Professional Boxers." Reviews the professional boxing history of each participant. Evaluates qualifications and issues permits for all boxing and martial arts events. Assures the timely collection of fees and taxes.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Office of Highway Traffic Safety				
Highway Safety Grants Received	500	700	730	730
Highway Safety Grants Funded (a)	473	660	700	700

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	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Election Law Enforcement				
Disclosure Reports Total	27,079	26,500	27,060	27,850
Campaign and quarterly	22,398	22,222	22,250	22,500
Lobbyists	4,667	4,047	4,800	5,000
Personal finance	14	231	10	350
Investigations	28	50	50	60
Civil Prosecutions	94	67	100	120
Public Assistance Requests	9,293	10,162	9,775	10,000
Photocopies	33,198	24,563	23,000	20,000
Review and Enforcement of Ethical Standards				
Hearings	3	4	3	5
Investigations	1,250	1,300	1,300	1,400
Financial Disclosure Reports	2,100	2,100	2,200	2,400
Regulation of Alcoholic Beverages				
Alcoholic Beverage Control Items Processed	125,336	136,451	136,655	136,975
Licenses (State Issued Only)	694	756	765	800
Permits	61,129	61,227	61,300	61,375
Penalties	528	582	590	600
Fees	62,985	73,886	74,000	74,200
Total Inspections (b)	---	---	1,550	1,600
Total Civil Investigations (b)	---	---	76	90
Total Criminal Investigations (b)	---	---	877	900
Total Arrests (b)	---	---	353	350
Regulation of Racing Activities				
Racing Days Allotted	488	471	500	500
Licenses Issued	14,954	12,873	13,023	13,050
Fingerprints Taken	4,723	3,765	3,650	3,700
Samples Taken	30,683	31,797	32,000	32,500
Number of Tests Performed on Samples	748,457	775,641	780,000	780,000
Breathalyzer Tests	489	819	825	850
Simulcasting Programs Allotted	26,469	30,429	32,000	32,000
Rulings Issued	762	805	825	825
Election Management and Coordination				
Registered Voters	4,787,144 ^(c)	4,888,144 ^(c)	5,000,000	5,000,000
State Athletic Control				
Total Number of Professional Shows	25	30	30	30
Professional Boxing Shows	25	30	20	20
Professional Mixed Martial Arts Shows (d)	---	---	10	10
Total Number of Licenses	1,075	1,100	1,050	1,050
Professional Boxers Licensed	200	200	175	175
Licenses (Other)	875	900	875	875
USA Boxing Shows (e)	40	40	40	40
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	115	129	150	177
Federal	26	27	34	43
All Other	87	89	90	102
Total Positions	228	245	274	322
Filled Positions by Program Class				
Office of Highway Traffic Safety	27	27	26	31
Election Law Enforcement	45	53	73	88
State Ethics Commission	9	9	13	18
Regulation of Alcoholic Beverages	53	58	54	60
Regulation of Racing Activities	80	83	84	95
Election Management and Coordination	8	10	18	24
State Athletic Control	6	5	6	6
Total Positions	228	245	274	322

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Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded.

(a) Grant information is based on federal fiscal year data. Adjustments made for additional mobilization grants.

(b) The Division of Alcoholic Beverage Control has assumed the responsibilities of these functions from the Division of State Police.

(c) Represents actual data reported to federal government annually.

(d) Newly regulated program in fiscal 2006.

(e) The Amateur Boxing Federation has been renamed as USA Boxing.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
338	81	---	419	324	Office of Highway Traffic Safety	03	600	600	600
6,422	335	---	6,757	3,811	Election Law Enforcement	17	6,646	5,027	5,027
661	---	---	661	586	Review and Enforcement of Ethical Standards	20	1,148	1,298	1,298
1,189	5,550	-1	6,738	6,728	Regulation of Alcoholic Beverages	21	1,141	776	776
2,177	1,205	1,217	4,599	1,460	Election Management and Coordination	25	1,021	966	966
10,787	7,171	1,216	19,174	12,909	Total Direct State Services		10,556^(a)	8,667	8,667
Distribution by Fund and Object									
Personal Services:									
4,332					Salaries and Wages		6,470	6,231	6,231
2,000 ^S	5,866 ^R	-3,134	9,064	8,256					
6,332	5,866	-3,134	9,064	8,256	Total Personal Services		6,470	6,231	6,231
209	---	72	281	279	Materials and Supplies		320	320	320
713	5	1,788	2,506	2,492	Services Other Than Personal		1,059	979	979
40	---	201	241	241	Maintenance and Fixed Charges		212	142	142
Special Purpose:									
338	81	---	419	324	Federal Highway Safety Program-State Match	03	600	600	600
1,500	---	---	1,500	---	Fair and Clean Elections	17	1,500	---	---
15	---	---	15	13	Per Diem Payment to Members of Election Law Enforcement Commission	17	15	15	15
1,200	1,200	1,182	3,582	479	Help America Vote Act	25	---	---	---
440	---	7	447	446	County Monitoring and Oversight	25	380	380	380
---	19	1,100	1,119	379	Additions, Improvements and Equipment		---	---	---
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
8,870	---	---	8,870	6,310	Election Law Enforcement	17	2,525	---	---
8,870	---	---	8,870	6,310	(From Gubernatorial Elections Fund)		2,525	---	---
8,870	---	---	8,870	6,310	Total Grants-in-Aid		2,525	---	---
8,870	---	---	8,870	6,310	(From Gubernatorial Elections Fund)		2,525	---	---
Distribution by Fund and Object									
Special Purpose:									
8,870	---	---	8,870	6,310	Election Law Enforcement (GEF)	17	1,025	---	---
							1,500 ^S	---	---

LAW AND PUBLIC SAFETY

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
STATE AID									
Distribution by Fund and Program									
3,730	236	3,300	7,266	7,024	Election Management and Coordination	25	7,030	7,030	7,030
<u>3,730</u>	<u>236</u>	<u>3,300</u>	<u>7,266</u>	<u>7,024</u>	Total State Aid		<u>7,030</u>	<u>7,030</u>	<u>7,030</u>
Distribution by Fund and Object									
Special Purpose:									
3,730	236	3,300	7,266	7,024	Extended Polling Place Hours	25	7,030	7,030	7,030
<u>23,387</u>	<u>7,407</u>	<u>4,516</u>	<u>35,310</u>	<u>26,243</u>	Grand Total State Appropriation		<u>20,111</u>	<u>15,697</u>	<u>15,697</u>
OTHER RELATED APPROPRIATIONS									
Federal Funds									
19,283	575	-2,407	17,451	6,007	Office of Highway Traffic Safety	03	27,840	27,965	27,965
360	364	57	781	365	Regulation of Alcoholic Beverages	21	360	360	360
<u>43,000</u>	<u>29,800</u>	<u>770</u>	<u>73,570</u>	<u>29,800</u>	Election Management and Coordination	25	<u>2,210</u>	<u>2,210</u>	<u>2,210</u>
<u>62,643</u>	<u>30,739</u>	<u>-1,580</u>	<u>91,802</u>	<u>36,172</u>	Total Federal Funds		<u>30,410</u>	<u>30,535</u>	<u>30,535</u>
All Other Funds									
---	598	-275	423	397	Office of Highway Traffic Safety	03	---	---	---
---	100 ^R	---	488	466	Election Law Enforcement	17	365	365	365
---	488 ^R	---	---	---	Regulation of Alcoholic Beverages	21	5,615	5,615	5,615
---	652	1	12,185	11,203	Regulation of Racing Activities	22	13,084	13,901	13,901
---	11,532 ^R	---	985	774	State Athletic Control	27	700	700	700
---	61	---	14,081	12,840	Total All Other Funds		<u>19,764</u>	<u>20,581</u>	<u>20,581</u>
---	924 ^R	-274	141,193	75,255	GRAND TOTAL ALL FUNDS		<u>70,285</u>	<u>66,813</u>	<u>66,813</u>
<u>86,030</u>	<u>52,501</u>	<u>2,662</u>	<u>141,193</u>	<u>75,255</u>					

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal year, in the Federal Highway Safety Program--State Match account, including the accounts of the several departments is appropriated for such highway safety projects.

Notwithstanding the provisions of section 14 of P.L. 1992, c. 188 (C. 33:1-4.1), in addition to the amounts hereinabove, all fees and penalties collected by the Director of Alcoholic Beverage Control in excess of \$3,960,000 are appropriated for the purpose of offsetting additional operational costs of the Alcoholic Beverage Control Investigative Bureau and the Division of Alcoholic Beverage Control, subject to the approval of the Director of the Division of Budget and Accounting.

Registration fees, tuition fees, training fees, and other fees received for reimbursement for attendance at courses administered or conducted by the Division of Alcoholic Beverage Control are appropriated for program costs.

From the receipts derived from uncashed pari-mutuel winning tickets and the regulation, supervision, licensing, and enforcement of all New Jersey Racing Commission activities and functions, such sums as may be required are appropriated for the purpose of offsetting the costs of the administration and operation of the New Jersey Racing Commission, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from breakage monies and uncashed pari-mutuel winning tickets resulting from off-track and account wagering and any reimbursement assessment against permit holders or successors in interest to permit holders shall be distributed to the New Jersey Racing Commission in accordance with the provisions of the "Off Track and Account Wagering Act" P.L. 2001, c. 199 (C.5:5-127 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

All fees, fines, and penalties collected pursuant to P.L. 1973, c. 83 (C. 19:44A-1 et al.) and section 11 of P.L. 1991, c. 244 (C. 52:13C-23.1) are appropriated for the purpose of offsetting additional operational costs of the Election Law Enforcement Commission, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provision hereinabove, amounts received pursuant to P.L. 1971, c.183 (C. 52:13C-18 et seq.) are appropriated for the purpose of offsetting additional operational costs of the Election Law Enforcement Commission, subject to the approval of the Director of the Division of Budget and Accounting.

LAW AND PUBLIC SAFETY

Of the receipts derived from the regulation, supervision, and licensing of all State Athletic Control Board activities and functions, an amount is appropriated for the purpose of offsetting the costs of the administration and operation of the State Athletic Control Board, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from the examination of voting machines by Election Management and Coordination and the unexpended balance at the end of the preceding fiscal year of those receipts are appropriated for the costs of making such examinations.

The unexpended balances at the end of the preceding fiscal year, in the Help America Vote Act - State Match account are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

10. PUBLIC SAFETY AND CRIMINAL JUSTICE 18. JUVENILE SERVICES

The Juvenile Justice Commission was created in the Department of Law and Public Safety pursuant to P.L.1995, c.284 to unify programs for juvenile offenders formerly in the Department of Corrections and the Department of Human Services. The Commission is mandated to provide custody, care and treatment to juvenile offenders under the age of 18 years in State institutions and community programs. The Commission is further authorized to coordinate and distribute State/Community Partnership funding established pursuant to P.L.1995, c. 283 as a result of the plans developed by the County Youth Services Commissions.

OBJECTIVES

1. To provide the courts with a program alternative to institutionalization designed for the reorientation of the offenders' attitudes and styles of life in order that they may be either maintained safely within their community or returned to the community as responsible citizens.
2. To develop and conduct a program of rehabilitative services; to provide work and contacts with the family and the community; and to provide the residents with acceptable behaviors and attitudes for community living.
3. To receive, diagnose and classify offenders legally committed to juvenile institutions with emphasis on satisfying the individual rehabilitation program needs of the offender.
4. To effect a reorientation of attitudes and habits, upgrade educational attainment and develop work skills through vocational programs which will assist offenders to conform to acceptable community living standards upon release from institutions.
5. To develop and enhance public interest and encourage community participation in the correctional process.

PROGRAM CLASSIFICATIONS

34. **Juvenile Community Programs.** Provides regional coordination and on-site supervision for all community based operations for juvenile offenders. A total of 30 community residential and day programs provide services for male and female juveniles between the ages of 13 and 18 who have been committed, are on probation, or who are at risk of incarceration throughout the State.
35. **Institutional Control and Supervision.** Designed to provide the level of control necessary to protect the juvenile offender and the community from harm by providing custodial control and supervision in all institutional areas and during offender transportation outside of the institution.
36. **Institutional Care and Treatment.** Includes the activities of housekeeping, safety and medical care which provide a safe, sanitary and healthful environment for offenders and employees; and food service, which meets the nutritional needs of offenders and staff. Provides suitable and adequate clothing to inmates to meet their needs during the period of incarceration. Provides medical, dental, surgical and nursing

The Commission fulfills its statutory obligations and mandates regarding juvenile offenders by protecting the public from juvenile criminal offenders; by developing a community network of services to reduce commitments to State institutions and programs; and by providing services which encourage rehabilitation and reintegration into the community. The Juvenile Justice Commission is an agency that is "in-but-not-of" the Department of Law and Public Safety.

services to maintain and promote the physical health of offenders.

Treatment and classification services are designed to assist the offender with emotional and/or maturational problems; makes program assignments, reassignments, and release decisions for offenders and maintains accurate, up-to-date cumulative records of relevant information concerning all inmates from admission to final discharge from parole. Recreational programs are provided to enhance social development and promote the constructive use of leisure time. Professional staff activities in the disciplines of psychology, psychiatry and social work provide guidance counseling and other diagnostics and treatments designed to enable offenders to adopt norms of acceptable behavior, improve their adaptive behavior and increase their positive interaction with the staff, other offenders and the community upon release.

Educational programs are also provided and include basic and secondary education, library activities, high school equivalency and vocational training. State aid and federal funds support this program.

40. **Juvenile Parole and Transitional Services.** Designed to ensure public safety through intensive community supervision. Provides effective transitional services in the community to juveniles who have completed their stays at residential programs, day programs, or State facilities with the objective of reducing recidivism.
99. **Administration and Support Services.** Provides administrative services required for the effective operation of the Commission and all of its activities including general management of the juvenile services facilities. The Director and staff are responsible for conducting all Commission programs in such a way as to enhance the efficiency and effectiveness of programming through the provision of leadership and overall supervision of the programs and operations of institutional services and community programs.

Support Services is comprised of the planning, management and operation of the physical assets of the institution including utilities, buildings and structures, grounds and equipment of all kinds. Activities include operation, maintenance, repair, rehabilitation and improvement and custodial and housekeeping services.

**10. PUBLIC SAFETY AND CRIMINAL JUSTICE
18. JUVENILE SERVICES
1500. DIVISION OF JUVENILE SERVICES**

The Juvenile Community Programs, formerly the Division of Juvenile Services in the Department of Human Services, has been transferred to the Juvenile Justice Commission pursuant to P. L. 1995, c. 284.

Juvenile Community Programs provide both day and residential programs to over 550 juveniles throughout the State. It fulfills its statutory obligations and mandates regarding juvenile offenders by protecting the public from juvenile criminal offenders; by developing a community network of services to reduce commitments to State institutions and programs; and by providing services which encourage rehabilitation and reintegration into the community.

Juvenile Parole and Transitional Services are designed to ensure public safety through intensive community supervision. This program also provides effective transitional services in the

community to juveniles who have completed their stays at residential programs, day programs, or State facilities with the objective of reducing recidivism.

Administration and Support Services is comprised of policy development and central support services formerly provided to juvenile facilities within the Departments of Corrections, Law and Public Safety and Human Services. It includes management of all Commission programs including the central support services, human resources for the two juvenile institutions and community programs, policy formulation, as well as grants management for the expanded grant programs. The Juvenile Monitoring Unit is housed within this program and has statewide monitoring and reporting responsibility for all State, county and local juvenile correctional facilities. In addition, the central data processing support and budget and fiscal administration is managed through this program for the entire Commission.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Juvenile Community Programs				
Design Capacity	562	562	562	562
Residential Centers	449	449	449	449
Day Programs	113	113	113	113
Average daily population	486	458	471	473
Residential Centers	391	372	405	405
Day Programs	95	86	66	68
Ratio: Population/positions7/1	.7/1	.7/1	.7/1
Annual per capita cost	\$69,502	\$82,024	\$82,414	\$82,594
Daily per capita cost	\$190.42	\$224.72	\$225.79	\$226.29
Juvenile Parole and Transitional Services (a)				
Juvenile Parole & Transitional Services program population ..	923	724	726	726
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	558	587	602	604
Federal	48	53	49	47
All Other	248	262	256	263
Total Positions	854	902	907	914
Filled Positions by Program Class				
Juvenile Community Programs	686	701	692	711
Juvenile Parole and Transitional Services	77	90	91	90
Administration and Support Services	91	111	124	113
Total Positions	854	902	907	914

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

(a) The Aftercare Program Classification has been changed to Juvenile Parole and Transitional Services.

LAW AND PUBLIC SAFETY

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
22,981	6	463	23,450	23,450	34	24,160	24,410	24,410	
6,500	25	-176	6,349	6,348					
					40	7,083	7,083	7,083	
6,686	3	1,080	7,769	7,769	99	7,574	7,574	7,574	
36,167	34	1,367	37,568	37,567		38,817^(a)	39,067	39,067	
Distribution by Fund and Object									
Personal Services:									
26,361									
2,847 ^S	---	1,271	30,479	30,479		31,858	31,858	31,858	
29,208	---	1,271	30,479	30,479		31,858	31,858	31,858	
1,626	---	13	1,639	1,639		1,626	1,626	1,626	
2,571	---	-98	2,473	2,473		2,571	2,571	2,571	
954	---	-208	746	746		954	954	954	
Special Purpose:									
---	---	---	---	---	34	---	250	250	
770	---	148	918	917	34	770	770	770	
42	---	---	42	42	34	42	42	42	
302	---	45	347	347	34	302	302	302	
406	---	---	406	406	99	406	406	406	
185	---	196	381	381	99	185	185	185	
103	34	---	137	137		103	103	103	
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
18,743	---	81	18,824	18,824	34	19,012	18,664	18,664	
---	---	---	---	---	40	1,600	400	400	
18,743	---	81	18,824	18,824		20,612	19,064	19,064	
Distribution by Fund and Object									
Grants:									
2,573	---	---	2,573	2,573	34	2,640	2,640	2,640	
4,084	---	---	4,084	4,084	34	4,207	4,207	4,207	
7,939	---	---	7,939	7,939	34	8,314	8,314	8,314	
3,401	---	---	3,401	3,401	34	3,552	3,204	3,204	
260	---	---	260	260	34	299	299	299	
72	---	12	84	84	34	---	---	---	
312	---	52	364	364	34	---	---	---	
102	---	17	119	119	34	---	---	---	

LAW AND PUBLIC SAFETY

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
OTHER RELATED APPROPRIATIONS									
All Other Funds									
---	748								
---	1,990 ^R	20,551	23,289	22,886	Juvenile Community Programs	34	25,671	27,889	27,889
---	29,283 ^R	-29,283	---	---	Administration and Support Services	99	---	---	---
---	<u>32,021</u>	<u>-8,732</u>	<u>23,289</u>	<u>22,886</u>	Total All Other Funds		<u>25,671</u>	<u>27,889</u>	<u>27,889</u>
<u>67,062</u>	<u>49,170</u>	<u>-3,988</u>	<u>112,244</u>	<u>93,899</u>	GRAND TOTAL ALL FUNDS		<u>93,392</u>	<u>95,076</u>	<u>95,076</u>

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Notes -- Grants-In-Aid - General Fund

(b) Appropriation of \$188,000 has been distributed to applicable grant accounts.

Language Recommendations -- Grants-In-Aid - General Fund

The amounts appropriated hereinabove for Re-Entry Case Management Services shall be expended consistent with the recommendations in the final report of the Governor's Task Force on Mental Health.

10. PUBLIC SAFETY AND CRIMINAL JUSTICE

18. JUVENILE SERVICES

1505. NEW JERSEY TRAINING SCHOOL FOR BOYS

The Training School, located at Jamesburg in Middlesex County, provides programs for youths, 19 years of age and under, committed by the juvenile courts stressing a decentralized approach to the treatment of the residents. Most of the youths are classified as emotionally disturbed and socially maladjusted thus

necessitating special education programs, group and individual treatment modalities and security. Group living, community work training, preliminary vocational training, individual and group counseling and formal schooling constitute the program core. Community and family liaison is promoted.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Education Programs				
Participants				
Basic Education	1,592	1,608	1,624	1,640
General Education Development	35	36	37	37
Vocational Education	466	471	475	475
OPERATING DATA				
Institutional Control and Supervision				
Design Capacity	300	300	300	300
Average daily population	297	300	313	313
Ratio: Population/positions	.7/1	.8/1	.8/1	.8/1
Annual per capita cost	\$77,481	\$83,937	\$84,824	\$81,853
Daily per capita cost	\$212.28	\$229.96	\$232.40	\$224.25
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	313	311	319	312
Federal	---	---	---	---
All Other	84	77	82	77
Total Positions	397	388	401	389

LAW AND PUBLIC SAFETY

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Filled Positions by Program Class				
Institutional Control and Supervision	227	224	219	206
Institutional Care and Treatment	117	109	128	131
Administration and Support Services	53	55	54	52
Total Positions	397	388	401	389

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
15,919	---	-63	15,856	15,856				
4,485	---	-159	4,326	4,324	35	16,156	15,226	15,226
4,085	7	911	5,003	5,001	36	5,704	5,704	5,704
					99	4,690	4,690	4,690
24,489	7	689	25,185	25,181	Total Direct State Services		26,550^(a)	25,620
								25,620
Distribution by Fund and Object								
Personal Services:								
18,588								
1,202 ^S	---	612	20,402	20,313		21,914	20,984	20,984
---	---	---	---	89		89	89	89
19,790	---	612	20,402	20,402	Total Personal Services		22,003	21,073
1,885	---	521	2,406	2,406		1,885	1,885	1,885
2,203	---	-394	1,809	1,809		1,548	1,548	1,548
591	---	-50	541	540		591	591	591
Special Purpose:								
---	---	---	---	---				
---	---	---	---	---	36	503	503	503
2	---	---	2	2				
---	---	---	---	---	99	2	2	2
18	7	---	25	22	Grand Total State Appropriation		18	18
24,489	7	689	25,185	25,181		26,550	25,620	25,620
OTHER RELATED APPROPRIATIONS								
All Other Funds								
---	15							
---	114 ^R	4,132	4,261	4,222	36	6,700	7,207	7,207
---	4	---	4	---				
---	133	4,132	4,265	4,222	Total All Other Funds		6,700	7,207
24,489	140	4,821	29,450	29,403	GRAND TOTAL ALL FUNDS		33,250	32,827
						32,827	32,827	32,827

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

Receipts derived from the Eyeglass Program at the New Jersey Training School for Boys and any unexpended balance at the end of the preceding fiscal year are appropriated for the operation of the program.

LAW AND PUBLIC SAFETY

10. PUBLIC SAFETY AND CRIMINAL JUSTICE

18. JUVENILE SERVICES

1510. JUVENILE MEDIUM SECURITY CENTER

The Juvenile Medium Security Center, located at Bordentown in Burlington County, opened in October, 1983 at the Division of Developmental Disabilities' Yepsin Unit, and provides training, control and rehabilitation for those committed youths who are unable to participate in a less secure setting. These individuals possess serious emotional and behavioral disorders which can most effectively be dealt with in a structured and secure environment.

The Center provides the only secure setting for juvenile offenders who have failed to adjust and respond to various programs throughout Juvenile Services and must be received as disciplinary transfers. Additionally, offenders are assigned for committed crimes such as homicide, atrocious assault and battery, sexual

offenses and extensive escape histories. The focus of the Center is total remediation. Each juvenile receives daily academic and vocational training, health and physical education, structured activities, and either individual or group counseling. The Female Secure Care Program, the Hayes Unit, provides a secure setting for teenage girls committed to Juvenile Services. This program is located at the Johnstone facility. A Juvenile Boot Camp became operational in February 1996 at Wharton Tract. In fiscal year 2004, the Boot Camp was converted into a Life Skills and Leadership Academy.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Education Programs				
Participants				
Basic Education	1,253	1,284	1,310	1,336
General Education Development	43	44	46	46
Vocational Education	356	365	372	380
OPERATING DATA				
Physical Plant and Support Services				
Design Capacity	380	410	410	410
Life Skills and Leadership Academy (a)	60	90	90	90
Juvenile Reception and Assessment Center (b)	144	144	144	144
Johnstone Secure Facilities (c)	176	176	176	176
Ratio: Population/positions8/1	.8/1	.8/1	.8/1
Annual per capita cost	\$79,163	\$85,433	\$87,570	\$85,777
Daily per capita cost	\$216.88	\$234.06	\$239.92	\$235.01
Average Daily Population	356	365	377	377
Life Skills and Leadership Academy (a)	61	71	62	62
Juvenile Reception and Assessment Center (b)	155	144	175	175
Johnstone Secure Facilities (c)	140	150	140	140
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	372	371	373	380
Federal	---	---	---	---
All Other	86	82	82	82
Total Positions	458	453	455	462
Filled Positions by Program Class				
Institutional Control and Supervision	289	283	268	269
Institutional Care and Treatment	119	122	137	143
Administration and Support Services	50	48	50	50
Total Positions	458	453	455	462

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded. All Other includes positions supported by fee or other dedicated resources previously reported and State Supported.

- (a) The Juvenile Boot Camp program was converted into the Life Skills and Leadership Academy in fiscal 2004.
- (b) The 144 Bed Secure Facility has been renamed the Juvenile Reception and Assessment Center.
- (c) Johnstone Secure Facilities reflects the consolidation of capacity and population data previously displayed as the Juvenile Medium Secure Facility and the Hayes Unit Female Secure Facility.

LAW AND PUBLIC SAFETY

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
22,985	---	89	23,074	23,074					
4,325	---	-74	4,251	4,251	35	24,022	23,346	23,346	
3,396	---	462	3,858	3,858	36	5,189	5,189	5,189	
					99	3,803	3,803	3,803	
30,706	---	477	31,183	31,183	33,014 ^(a)		32,338	32,338	
Distribution by Fund and Object									
Personal Services:									
14,090									
2,167 ^S	---	1,347	17,604	17,533		19,466	19,128	19,128	
---	---	---	---	71		59	59	59	
16,257	---	1,347	17,604	17,604	19,525		19,187	19,187	
782	---	247	1,029	1,029		782	782	782	
2,118	---	-425	1,693	1,693		1,173	1,173	1,173	
199	---	-27	172	172		199	199	199	
Special Purpose:									
4,046	---	-5	4,041	4,041	35	4,046	3,708	3,708	
6,513	---	-660	5,853	5,853	35	6,513	6,513	6,513	
66	---	---	66	66	35	66	66	66	
702	---	---	702	702	99	687	687	687	
23	---	---	23	23	23		23	23	
30,706	---	477	31,183	31,183	33,014		32,338	32,338	
OTHER RELATED APPROPRIATIONS									
All Other Funds									
---	48	4,600	4,648	4,589					
---	48	4,600	4,648	4,589	36	5,674	5,631	5,631	
30,706	48	5,077	35,831	35,772	38,688		37,969	37,969	

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

10. PUBLIC SAFETY AND CRIMINAL JUSTICE

19. CENTRAL PLANNING, DIRECTION AND MANAGEMENT

OBJECTIVES

1. To develop and maintain library resources and to provide information resource/retrieval services to selected agencies within the Department of Law and Public Safety.
2. To maximize management and legal services necessary to marshal efficiently, effectively and economically State and federal resources.
3. To coordinate all Homeland Security issues across all levels of government, law enforcement, emergency management and the private sector.

PROGRAM CLASSIFICATIONS

13. **Homeland Security and Preparedness.** Coordinates all homeland security issues statewide and acts as liaison to federal law enforcement and other states on counter-terrorism issues. Ensures development of a comprehensive, statewide emergency plan. Gathers and disseminates intelligence and counter-terrorism information for local, county, state and federal law enforcement, in coordination with the State Police. Oversees and distributes state and federal funding for homeland security and preparedness.

LAW AND PUBLIC SAFETY

88. **Central Library Services.** Provides for the purchase, preparation and organization of books, periodicals and other library materials into an integrated collection for selected agencies of the Department of Law and Public Safety. Provides reference, research and document retrieval services including on-line searches of commercial computerized data bases as well as organization and retrieval of in-house memoranda of law. Coordinates requests for research materials within the Department and coordinates the development of Department library collections and research

services with those of the State Library and those maintained by other State agencies.

99. **Administration and Support Services.** Formulates and implements Departmental policies; promulgates rules and regulations; directs the centralized financial, employee, special personnel, and other management services necessary to marshal State and federal resources in order to implement policies and maximize the delivery of services.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	1,218	1,284	1,344	1,398
Male Minority %	13.4	13.4	13.6	13.7
Female Minority	1,185	1,272	1,357	1,411
Female Minority %	13.0	13.3	13.7	13.8
Total Minority	2,403	2,556	2,701	2,809
Total Minority %	26.4	26.7	27.3	27.5
Position Data				
Filled Positions by Funding Source				
State Supported	145	156	158	244 (a)
Federal	---	1	10	8
Total Positions	145	157	168	252
Filled Positions by Program Class				
Homeland Security and Preparedness	---	---	---	85 (a)
Central Library Services	6	9	9	9
Administration and Support Services	139	148	159	158
Total Positions	145	157	168	252

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

(a) State supported positions increased by 85 due to the transfer of positions from the Division of Criminal Justice to the Office of the Attorney General related to the Office of Counter Terrorism and the Domestic Preparedness Task Force.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
2,000	---	1,500	3,500	2,000				
					13	2,000	2,000	2,000
596	---	64	660	582	88	653	653	653
12,848	---	1,779	14,627	14,037	99	15,272	18,523	18,523
15,444	---	3,343	18,787	16,619		17,925 (a)	21,176	21,176
Distribution by Fund and Object								
Personal Services:								
8,284	---	888	9,172	9,087		9,837	9,717	9,717
8,284	---	888	9,172	9,087		9,837	9,717	9,717

LAW AND PUBLIC SAFETY

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
162	---	111	273	269		162		
						95 ^S	162	162
166	---	418	584	530		166	166	166
88	---	106	194	194		88	88	88
Special Purpose:								
2,000	---	1,500	3,500	2,000	13	2,000	1,400	1,400
---	---	---	---	---				
---	---	---	---	---	13	---	600	600
---	---	---	---	---	99	---	3,466	3,466
4,100	---	---	4,100	3,922	99	4,000	4,000	4,000
250	---	---	250	250	99	250	250	250
198	---	---	198	197	99	198	198	198
---	---	---	---	---	99	300	300	300
175	---	300	475	129	99	100	100	100
---	---	---	---	---	99	708	708	708
21	---	20	41	41		21	21	21
<u>STATE AID</u>								
Distribution by Fund and Program								
---	---	---	---	---	13	---	20,000	20,000
---	---	---	---	---		---	20,000	20,000
Distribution by Fund and Object								
State Aid:								
---	---	---	---	---	13	---	20,000	20,000
15,444	---	3,343	18,787	16,619		17,925	41,176	41,176
OTHER RELATED APPROPRIATIONS								
Federal Funds								
7,244	3,032	-200	10,076	3,338				
7,244	3,032	-200	10,076	3,338	99	7,000	7,000	7,000
All Other Funds								
---	1,976	7,350	9,326	7,284	13	7,200	7,200	7,200
---	1,954	---	---	---				
---	5,272 ^R	-3,177	4,049	2,117	99	3,055	3,055	3,055
---	9,202	4,173	13,375	9,401		10,255	10,255	10,255
22,688	12,234	7,316	42,238	29,358		35,180	58,431	58,431

Notes -- Direct State Services - General Fund

- (a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.
- (b) This appropriation was formerly budgeted in Administration and Support Services.
- (c) In fiscal 2007, an amount of \$600,000 has been reallocated from the Office of Counter Terrorism to the Domestic Security Preparedness Task Force.

Language Recommendations -- Direct State Services - General Fund

Notwithstanding the provisions of any law or regulation to the contrary, funds obtained through seizure, forfeiture, or abandonment pursuant to any federal or State statutory or common law and the proceeds of the sale of any such confiscated property or goods, except for such funds as are dedicated pursuant to N.J.S.2C:64-6, are appropriated for law enforcement purposes designated by the Attorney General; provided, however, that receipts in excess of \$2,255,000 may only be used for non-recurring expenditures.

LAW AND PUBLIC SAFETY

The Attorney General shall provide the Director of the Division of Budget and Accounting, the Senate Budget and Appropriations Committee and the Assembly Appropriations Committee, or the successor committees thereto, with written reports on August 1, 2006 and February 1, 2007, of the use and disposition by State law enforcement agencies, including the offices of the county prosecutors, of any interest in property or money seized, or proceeds resulting from seized or forfeited property, and any interest or income earned thereon, arising from any State law enforcement agency involvement in a surveillance, investigation, arrest or prosecution involving offenses under N.J.S. 2C:35-1 et seq. and N.J.S. 2C:36-1 et seq. leading to such seizure or forfeiture. The reports shall specify for the preceding period of the fiscal year the type, approximate value, and disposition of the property seized and the amount of any proceeds received or expended, whether obtained directly or as contributive share, including but not limited to the use thereof for asset maintenance, forfeiture prosecution costs, costs of extinguishing any perfected security interest in seized property and the contributive share of property and proceeds of other participating local law enforcement agencies. The reports shall provide an itemized accounting of all proceeds expended and shall specify with particularity the nature and purpose of each such expenditure.

Penalties, fines, and other fees collected pursuant to N.J.S. 2C:35-20 and deposited in the State Forensic Laboratory Fund, together with the unexpended balance at the end of the preceding fiscal year, are appropriated to defray additional laboratory related administration and operational expenses of the "Comprehensive Drug Reform Act of 1987," P.L. 1987, c.106 (C.2C:35-1 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Of the amounts hereinabove appropriated for the Unit of Fiscal Integrity in School Construction/Office of Government Integrity, there shall be credited against such amounts such monies as are received by the Unit of Fiscal Integrity/Office of Government Integrity pursuant to a Memorandum of Understanding between the Unit of Fiscal Integrity and the New Jersey Economic Development Authority for oversight services including employee benefit costs in connection with the school construction program.

Receipts derived from the agency surcharge on vehicle rentals pursuant to section 54 of P.L. 2002, c. 34 (C.App.A:9-78), not to exceed \$7,200,000, are appropriated for the Office of Counter-Terrorism and shall be deposited into a dedicated account, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year in the Criminal Sentencing Commission account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year in the Office of Counter Terrorism are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- State Aid - General Fund

Of the amounts appropriated above for Capital for Homeland Security Critical Infrastructure, amounts may be transferred to other departments and state agencies for homeland security purposes, subject the approval of the Director of Budget and Accounting.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

74. GENERAL GOVERNMENT SERVICES

OBJECTIVES

To provide legal services and counsel to all officers, departments, agencies and instrumentalities of State government, as well as County Boards of Election and Taxation.

PROGRAM CLASSIFICATIONS

12. **Legal Services.** Provides day-to-day counseling and advice, renders written legal opinions on questions concerning

constitutional and statutory authority and operations, makes appearances at State hearings, and represents the State in litigation and appeals in both State and Federal courts. Services include representing the State in all claims brought against the State and its employees for personal injury, property damage and contract claims, as well as prosecuting all claims for property damage on behalf of the State.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Legal Services				
Appeals pending	1,652	1,635	1,768	1,856
Appeals disposed	1,831	1,955	2,053	2,155
Formal administrative agency advice pending	72	59	45	52
Administrative agency advice completed	172	121	103	118
Litigation pending	12,685	13,810	15,191	16,710
Litigation concluded	6,423	10,283	12,340	14,808
Other matters pending	5,602	5,975	5,443	5,987
Other matters concluded	2,730	3,492	3,492	3,492
Administrative hearings pending	4,026	4,475	4,280	4,408
Administrative hearings concluded	1,761	2,275	2,275	2,389
Workers Compensation pending	6,568	6,579	6,716	6,985
Workers Compensation completed	1,594	1,682	1,716	1,750
Second Injury pending	6,831	7,531	7,909	8,225
Second Injury completed	1,026	1,101	1,156	1,214

LAW AND PUBLIC SAFETY

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	606	672	729	694
All Other	360	356	367	364
Total Positions	966	1,028	1,096	1,058
Filled Positions by Program Class				
Legal Services	966	1,028	1,096	1,058 ^(a)
Total Positions	966	1,028	1,096	1,058

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

(a) The funded position counts for fiscal 2007 are based on estimated legal service reimbursements from client agencies. These counts are subject to negotiated client agency agreements and the actual funded position counts could change.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
19,376	59,616	1,357	80,349	80,022	12	86,487	74,892	74,892
19,376	59,616	1,357	80,349	80,022		86,487 ^(a)	74,892	74,892
---	(59,616)	---	(59,616)	(59,289)		(57,840)	(57,840)	(57,840)
---	(59,616)	---	(59,616)	(59,289)		(57,840)	(57,840)	(57,840)
19,376	---	1,357	20,733	20,733		28,647	17,052	17,052
Distribution by Fund and Object								
Personal Services:								
16,994	---	1,357	18,351	18,351		18,003	14,658	14,658
16,994	---	1,357	18,351	18,351		18,003	14,658	14,658
89	---	---	89	89		89	89	89
601	---	---	601	601		601	601	601
262	---	---	262	262		262	262	262
Special Purpose:								
---	59,616 ^R	---	59,616	59,289	12	57,840	57,840	57,840
1,430	---	---	1,430	1,430	12	1,442	1,442	1,442
---	---	---	---	---	12	8,250	---	---
Less:								
---	(59,616) ^R	---	(59,616)	(59,289)		(57,840)	(57,840)	(57,840)
19,376	---	1,357	20,733	20,733		28,647	17,052	17,052

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

The Department of the Public Advocate was created in fiscal 2006 pursuant to P.L. 2005, c.155. For comparison purposes, appropriations in fiscal years 2005 and 2006 for salary and other operating costs were transferred from the following departments: Corrections Ombudsperson in the Department of Corrections; Office of the Ombudsman in the Department of Health and Senior Services; Child Advocate Agency in-but-not-of the Department of Law and Public Safety; and the Ratepayer Advocacy, Dispute Settlement and Mental Health Screening Services in the Department of Treasury.

LAW AND PUBLIC SAFETY

Language Recommendations -- Direct State Services - General Fund

In addition to the \$57,839,745 attributable to Reimbursements from Other Sources and the corresponding additional amount associated with employee fringe benefit costs, there are appropriated such sums as may be received or receivable from any State agency, instrumentality or public authority for direct or indirect costs of legal services furnished thereto and attributable to a change in or the addition of a client agency agreement, subject to the approval of the Director of the Division of Budget and Accounting.

The Director of the Division of Budget and Accounting is empowered to credit or transfer to the General Fund from any other department, branch, or non-State fund source, out of funds appropriated thereto, such funds as may be required to cover the costs of legal services attributable to that other department, branch, or non-State fund source as the Director of the Division of Budget and Accounting shall determine. Receipts in any non-State fund are appropriated for the purpose of such transfer.

Notwithstanding the provisions of any law or regulation to the contrary, revenues derived from penalties, cost recoveries, restitution or other recoveries to the State are appropriated to offset unbudgeted, extraordinary costs of legal, investigative, administrative, expert witnesses and other services incurred by the Division of Law related to litigation and acting on behalf of the State and State agencies. Such sums shall first be charged to any revenues derived from recoveries collected by the State but may also be provided from the General Fund, subject to the approval of the Director of the Division of Budget and Accounting.

80. SPECIAL GOVERNMENT SERVICES 82. PROTECTION OF CITIZENS' RIGHTS

OBJECTIVES

1. To assure fair, equitable, and competent treatment of the consumer in practices relating to the acquisition of goods and services, and the use of professional and occupational services.
2. To assure equal opportunity in employment, housing, public accommodations, and the extension of credit or making of loans.
3. To compensate innocent victims of violent crimes.

PROGRAM CLASSIFICATIONS

14. **Consumer Affairs.** Protects the rights of the consumer and provides uniform enforcement of public protection laws. Provides executive leadership and centralized administrative and support services for all the bureaus, offices, commissions, sections and professional boards, and advisory committees. Directs efforts toward the prevention of fraud and unfair dealings in advertising and/or sales techniques; regulates the buying and selling of securities and analyzes corporate takeover proposals; establishes uniform standards and checks for compliance with those standards; regulates fund raising organizations; licenses and regulates employment agencies and counselors; regulates the conduct of bingo games and raffles; and performs field inspections and investigations for the professional and occupational boards. Institutes hearings to determine if violations have occurred and/or to assess penalties for violations of the public protection laws.
15. **Operation of State Professional Boards.** Completely financed from receipts, the boards regulate the practices of the respective professions, occupations, and trades for the

protection of the consumer; prescribe standards of conduct and performance; pass on qualifications of applicants for licensure by examination, evaluation of experience, and/or endorsement of credentials; certify the training programs of certain schools and agencies; and hear complaints on violations of statutory provisions and determine penalties for violators. The New Jersey Cemetery Board ensures that those companies certified in this State continue to comply with all applicable laws and regulations; and that all persons directly or indirectly associated with this industry are properly licensed; and investigates and resolves all written complaints in a timely manner.

16. **Protection of Civil Rights.** Protects all persons in their civil rights; prevents and eliminates practices of discrimination against persons because of race, creed, color, national origin, ancestry, age, sex, marital status, mental or physical handicap, nationality or their liability for service in the armed forces of the United States; investigates complaints originated by individuals and initiates complaints of its own to eliminate discriminatory patterns and practices. Conciliation conferences and public hearings are used to remedy acts of discrimination. Enforces the Multiple Dwelling Reporting Rule and conducts "A95" civil rights reviews.
19. **Victims of Crime Compensation Board.** Conducts hearings on applications for compensation for personal injury or death resulting from violent crimes. Awards not to exceed \$25,000 are granted to the innocent victim, the dependents of the deceased innocent victim, or to any person responsible for the maintenance of the innocent victim. The Victims of Crime Compensation Board is an agency "in-but-not-of" the Department of Law and Public Safety.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Consumer Affairs				
Weights and Measures				
Licenses and permits issued	1,875	1,959	1,900	1,900
Devices tested	99,031	111,063	100,000	100,000
Penalties collected	\$2,123,444	\$2,784,133	\$2,500,000	\$2,500,000
Commodity checks	492,459	515,294	500,000	500,000

LAW AND PUBLIC SAFETY

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Securities Bureau				
Special investigations	58	32	50	50
Inquiries	19,654	24,467	24,000	24,000
Hearings and conferences	215	206	210	210
Applications	208,274	231,542	230,000	230,000
Administrative orders	50	63	70	70
Registrations	177,136	191,496	190,000	190,000
Consumer Protection Programs				
Mail received	101,255	114,707	115,000	115,000
Consumer complaints opened	8,580	9,049	9,000	9,000
Consumer complaints closed	3,035	2,689	3,000	3,000
Value of restitutions made	\$3,993,209	\$20,366,251 ^(a)	\$4,100,000	\$4,100,000
Penalties collected	\$6,780,508	\$3,403,337	\$3,750,000	\$3,750,000
Number of controlled dangerous substance manufacturers registered	39,175	40,023	40,025	40,025
Licenses issued - Public Movers and Warehouseman ..	338	370	370	370
Operation of State Professional Boards				
Licenses in Force (end of year)				
Certified Public Accountants	24,509	23,970	24,000	24,000
Architects	8,038	8,393	8,400	8,400
Dentists and Dental Hygienists	19,769	20,826	21,000	21,000
Mortuary Science	2,706	2,684	2,700	2,700
Professional Engineers and Land Surveyors	19,319	20,464	21,000	21,000
Medical Examiners	37,536	38,139	38,500	38,500
Nursing	168,632	171,317	172,000	172,000
Optometrists	2,136	1,933	2,000	2,000
Pharmacy	14,959	14,805	15,000	15,000
Veterinary Medical Examiners	2,074	2,157	2,175	2,175
Court Reporting (b)	1,176	1,132	1,150	1,150
Ophthalmic Dispensers and Ophthalmic Technician	1,646	1,747	1,800	1,800
Cosmetology and Hairstyling	78,541	76,942	78,000	78,000
Professional Planners	2,941	3,105	3,100	3,100
Electrical Contractors	15,246	18,387	18,500	18,500
Psychological Examiners	2,845	2,900	2,900	2,900
Master Plumbers	6,375	6,356	6,500	6,500
Marriage Counselor Examiners	3,360	4,339	4,400	4,400
Chiropractic Examiners	3,383	3,488	3,500	3,500
Physical Therapists	8,274	8,879	9,000	9,000
Audiology and Speech Pathology	3,762	4,073	4,100	4,100
Real Estate Appraisal	2,536	2,791	2,800	2,800
Respiratory Care	3,122	3,253	3,300	3,300
Social Work Examiners	16,622	15,919	16,500	16,500
Orthotics and Prosthetics	236	221	230	230
Occupational Therapists	3,808	4,119	4,150	4,150
Cemetery Companies	400	399	399	399
Protection of Civil Rights				
Caseload				
Cases received (docketed)	1,157	1,253	1,260	1,275
Cases closed (resolved)	1,251	1,291	1,370	1,375
Ending balance (cumulative)	1,360	1,322	1,212	1,112
Complaints received (not docketed)	8,723	9,233	9,200	9,250
Monetary awards	2,634,772	2,655,214	2,700,000	2,700,000
Victims of Crime Compensation Board				
Claims pending, July 1	2,616	1,761	1,962	2,122
Cases re-opened	208	255	260	260
Claims received	3,301	3,707	3,900	4,000
Claims concluded	4,019	3,761	4,000	4,100
Approved for payment	2,923	2,357	2,600	2,700
Denied	1,441 ^(c)	1,404	1,400	1,400
Ending balance, June 30	1,761	1,962	2,122	2,282
Average award	\$5,859 ^(c)	\$5,913	\$6,000	\$6,000

LAW AND PUBLIC SAFETY

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	251	262	239	234
All Other	555	597	647	713
Total Positions	806	859	886	947
Filled Positions by Program Class				
Consumer Affairs	455	493	483	493
Operation of State Professional Boards	215	227	266	315
Protection of Civil Rights	88	90	90	91
Victims of Crime Compensation Board	48	49	47	48
Total Positions	806	859	886	947

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflect the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

- (a) The fiscal 2005 value of restitutions includes \$15.3 million from several large lawsuits.
- (b) The State Board of Shorthand Reporting has been renamed as the State Board of Court Reporting.
- (c) Calculation method revised for fiscal 2004.

APPROPRIATIONS DATA
(thousands of dollars)

Orig. & (S)Supple- mental	Year Ending June 30, 2005			Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies						Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
14,161	47,697	-1,181	60,677	37,456	Consumer Affairs	14	13,544	13,239	13,239
17,633	77,732	2	95,367	43,017	Operation of State Professional Boards	15	17,633	17,633	17,633
17,541	77,732	2	95,275	42,925	(From General Fund)		17,541	17,541	17,541
92	---	---	92	92	(From Casino Revenue Fund)		92	92	92
5,215	330	201	5,746	5,726	Protection of Civil Rights	16	5,976	5,617	5,617
5,498	9,734	---	15,232	11,315	Victims of Crime Compensation Board	19	5,695	5,695	5,695
42,507	135,493	-978	177,022	97,514	Total Direct State Services		42,848	42,184	42,184
42,415	135,493	-978	176,930	97,422	(From General Fund)		42,756 (a)	42,092	42,092
92	---	---	92	92	(From Casino Revenue Fund)		92	92	92
Distribution by Fund and Object									
Personal Services:									
9,647	42,833 35,725 R	-10,726	77,479	24,393	Salaries and Wages		12,804	11,119	11,119
86	---	---	86	67	Salaries and Wages (CRF)		66	66	66
---	---	---	---	4,354	Employee Benefits		---	---	---
---	---	---	---	19	Employee Benefits (CRF)		20	20	20
9,733	78,558	-10,726	77,565	28,833	Total Personal Services		12,890	11,205	11,205
9,647	78,558	-10,726	77,479	28,747	(From General Fund)		12,804	11,119	11,119
86	---	---	86	86	(From Casino Revenue Fund)		86	86	86
461	506	248	1,215	688	Materials and Supplies		490	465	465
14,254	5,890	10,545	30,689	28,265	Services Other Than Personal		13,028	14,258	14,258
6	---	---	6	6	Services Other Than Person- al (CRF)		6	6	6
1,742	145	254	2,141	1,981	Maintenance and Fixed Charges		1,896	1,744	1,744
Special Purpose:									
1,390	5 58 R	---	1,453	1,453	Consumer Affairs Legalized Games of Chance	14	1,390	1,390	1,390

LAW AND PUBLIC SAFETY

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
6,994	7,306 29,245 ^R	-1,182	42,363	19,970	Securities Enforcement Fund	14	5,493	5,493	5,493
2,612	65 1,626 ^R	---	4,303	4,298	Consumer Affairs Weights and Measures Program	14	2,612	2,612	2,612
695	639 792 ^R	---	2,126	1,498	Consumer Affairs Charitable Registrations Program	14	556	556	556
4	201 138 ^R	---	343	209	Operation of State Professional Boards	15	---	---	---
500	101	731	1,332	1,316	Personal Care Attendants -- Background Checks	15	500	500	500
100	250	-67	283	283	Civil Rights Case Tracking System	16	100	100	100
3,630	3,521 4,495 ^R	-1,220	10,426	7,978	Claims - Victims of Crime	19	3,630	3,630	3,630
---	1,225 490 ^R	-175	1,540	85	Criminal Disposition and Revenue Collection Fund	19	---	---	---
150	---	-26	124	124	Victims of Crime Outreach Program	19	150	150	150
<u>236</u>	<u>237</u>	<u>640</u>	<u>1,113</u>	<u>527</u>	Additions, Improvements and Equipment		<u>107</u>	<u>75</u>	<u>75</u>
42,507	135,493	-978	177,022	97,514	Grand Total State Appropriation		42,848	42,184	42,184
<u>OTHER RELATED APPROPRIATIONS</u>									
Federal Funds									
600					Protection of Civil Rights	16	715	715	715
115 ^S	479	---	1,194	742	Victims of Crime Compensation Board	19	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
<u>7,000</u>	<u>294</u>	<u>---</u>	<u>7,294</u>	<u>6,615</u>	Total Federal Funds		<u>7,715</u>	<u>7,715</u>	<u>7,715</u>
7,715	773	---	8,488	7,357					
All Other Funds									
---	153 210 ^R	---	363	339	Consumer Affairs	14	17,848	17,715	17,715
---	4 235 ^R	---	239	126	Protection of Civil Rights	16	170	80	80
---	---	---	---	---	Victims of Crime Compensation Board	19	<u>4,245</u>	<u>4,245</u>	<u>4,245</u>
<u>---</u>	<u>602</u>	<u>---</u>	<u>602</u>	<u>465</u>	Total All Other Funds		<u>22,263</u>	<u>22,040</u>	<u>22,040</u>
50,222	136,868	-978	186,112	105,336	GRAND TOTAL ALL FUNDS		72,826	71,939	71,939

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

Receipts derived from the assessment and recovery of costs, fines, and penalties as well as other receipts received pursuant to the Consumer Fraud Act, P.L. 1960, c. 39 (C. 56:8-1 et seq.), are appropriated for additional operational costs of the Division of Consumer Affairs, subject to the approval of the Director of the Division of Budget and Accounting.

All fees, penalties, and costs collected pursuant to P.L. 1988, c. 123 (C. 56:12-29 et seq.) are appropriated for the purpose of offsetting costs associated with the handling and resolution of consumer automotive complaints.

In addition to the amount appropriated hereinabove for Consumer Affairs, receipts in excess of the amount anticipated, attributable to changes in fee structure or fee increases, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Fees and cost recoveries collected pursuant to P.L. 1989, c. 331 (C. 34:8-43 et al.) are appropriated in an amount not to exceed additional expenses associated with mandated duties, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from penalties and the unexpended balance at the end of the preceding fiscal year in the Consumer Fraud Education Fund program account pursuant to P.L. 1999, c.129 (C.56:8-14.2 et seq.) are appropriated for the purpose of offsetting the cost of operating the program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated are appropriated to the Controlled Dangerous Substance Registration program for the purpose of offsetting the costs of the administration and operation of the program, subject to the approval of the Director of the Division of Budget and Accounting. If receipts are less than anticipated, the appropriation shall be reduced proportionately.

LAW AND PUBLIC SAFETY

Receipts in excess of the amount anticipated derived pursuant to P.L. 1954, c. 7 (C.5:8-1 et seq.) from the operations of the Division of Consumer Affairs Legalized Games of Chance program and the unexpended balances at the end of the preceding fiscal year, are appropriated for the purpose of offsetting the operational costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Securities Enforcement Fund account is payable from receipts from fees and penalties deposited in the Securities Enforcement Fund pursuant to section 15 of P.L. 1985, c. 405 (C. 49:3-66.1). If receipts are less than anticipated, the appropriation shall be reduced proportionately.

Notwithstanding the provisions of section 15 of P.L. 1985, c.405 (C.49:3-66.1) to the contrary, receipts in excess of the amount anticipated and the unexpended balances at the end of the preceding fiscal year, are appropriated to the Securities Enforcement Fund program account to offset the cost of operating this program and for use by the Department of Law and Public Safety and of that amount, \$22 million shall be transferred to the Interdepartmental accounts to offset the cost of Social Security Tax - State, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated derived pursuant to R.S. 51:1-1 et seq. from the operations of the Division of Consumer Affairs Office of Weights and Measures program and the unexpended balances at the end of the preceding fiscal year, are appropriated for the purposes of offsetting the operational costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated derived pursuant to P.L. 1994, c. 16 (C.45:17A-18 et seq.) from the operations of the Division of Consumer Affairs Charitable Registration and Investigation program and the unexpended balances at the end of the preceding fiscal year, are appropriated for the purpose of offsetting the operational costs of the program, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for each of the several State professional boards, advisory boards, and committees shall be provided from receipts of those entities, and any receipts in excess of the amounts specifically provided to each of the entities are appropriated. The unexpended balances at the end of the preceding fiscal year are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from the sale of films, pamphlets, and other educational materials developed or produced by the Division on Civil Rights are appropriated to defray production costs.

Receipts derived from the provision of copies of transcripts and other materials related to officially docketed cases are appropriated.

Notwithstanding the provisions of section 2 of P.L. 1983, c. 412 (C. 10:5-14.1a) any receipts derived from the assessment of fines, fees, and penalties pursuant to P.L. 1945, c. 169 (C. 10:5-1 et seq.) are appropriated to the Division on Civil Rights for additional operational costs, subject to the approval of the Director of the Division of Budget and Accounting.

The sum hereinabove for Claims - Victims of Crime is available for payment of awards applicable to claims filed in prior fiscal years.

Receipts derived from assessments pursuant to section 2 of P.L. 1979, c. 396 (C. 2C:43-3.1) and the unexpended balance at the end of the preceding fiscal year in the Criminal Disposition and Revenue Collection Fund program account, are appropriated for the purpose of offsetting the costs of the design, development, implementation and operation of the Criminal Disposition and Revenue Collection program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from assessments under section 2 of P.L. 1979, c. 396 (C. 2C:43-3.1) in excess of the amount anticipated and the unexpended balance at the end of the preceding fiscal year are appropriated for payment of claims of victims of crime pursuant to P.L. 1971, c. 317 (C. 52:4B-1 et seq.) and additional Victims of Crime Compensation Board operational costs up to \$1,175,000, and \$356,000 for the Boards Strategic IT Automation Initiative, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year in the Office of Victim-Witness Assistance and in the Victim and Witness Advocacy Fund pursuant to section 2 of P.L. 1979, c. 396 (C. 2C: 43-3.1) are appropriated.

Receipts derived from licensing fees pursuant to subsection f. of N.J.S.2C:58-5 and registration fees pursuant to section 11 of P.L. 1990, c. 32 (C. 2C:58-12) and the unexpended balance at the end of the preceding fiscal year are appropriated for payment of claims for victims of crime pursuant to P.L. 1971, c. 317 (C. 52:4B-1 et seq.) and additional board operational costs, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Direct State Services - Casino Revenue Fund

The amount hereinabove is appropriated from the Casino Revenue Fund.

Department of Law and Public Safety

Receipts derived from the provision of copies, the processing of credit cards and other materials related to compliance with P.L. 2001, c.404. (C.47:1A-5), are appropriated for the purpose of offsetting costs related to the public access of government records.

DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

OVERVIEW

The Department of Military and Veterans' Affairs' (DMAVA) mission is to provide trained and ready forces prepared for rapid response to a wide range of civil and military operations while providing exemplary services to the citizens and veterans of New Jersey. Some of the Department's major responsibilities include: supporting New Jersey Homeland Security by providing specialized teams, training emergency first responders, and providing assistance in securing and protecting critical New Jersey facilities and infrastructure; providing modernized combat - ready military units to mobilize and deploy in support of the state and national strategy; providing quality units that are properly organized, equipped, and trained to preserve peace, order and public safety in support of civil authorities and providing assistance to New Jersey's veterans, National Guard, and their families.

FY 2007 Budget Highlights

The Fiscal 2007 Budget for the Department of Military and Veterans' Affairs (DMAVA) totals \$90.5 million, an increase of \$546,000 or 0.6% over the fiscal 2006 adjusted appropriation of \$90.0 million.

The Fiscal 2007 Budget for DMAVA provides the resources to operate three veterans memorial homes, the Brigadier General Doyle Veterans Cemetery, the Veterans Haven Transitional Housing Program, the Korean and Vietnam War Memorials, and various other veterans entitlement and Grant-In-Aid programs, including tuition assistance, Post Traumatic Stress Syndrome treatment and veterans' transportation.

As to Federal Fiscal Year 2007, DMAVA is working with others to ensure that the federal budget does not reduce funding for 500 National Guard personnel in New Jersey. The Bush Administration has indicated that its budget will cut the National Guard from 350,000 to 333,000 personnel nationwide in FFY 2007. Governor Corzine co-signed with every other Governor a letter dated February 3, 2006 opposing these cuts.

Support to Our Veterans

Construction of the new \$50.5 million Vineland Veterans' Memorial Home is complete. In September 2005, the Department received the Certificate of Occupancy, and by December 2005 all residents were moved into the new facility. The new 300 bed state-of-the-art facility will provide residents increased living space, an increased capacity of 68 beds and facility access for residents and staff under one roof. Unlike the old facility, the new home will be eligible for Medicare Part A receipts that will be used to offset operational costs. Finally, the new Vineland Veterans' Memorial Home will be the first state veterans' home in the nation designed to provide independent living care for veterans.

The commitment of \$1.7 million for the operation of the Doyle Cemetery, combined with the U.S. Department of Veterans Affairs' Plot Interment Allowance, will allow the Department to maintain the cemetery grounds and keep pace with the number of interments which makes it the busiest state veterans cemetery in the nation and the 10th busiest overall.

The Doyle Cemetery Honor Guard is funded at \$462,000. This funding will enable DMAVA to render honor to all veterans interred at the cemetery as well as two off-site burials a day.

The Veterans Haven appropriation is \$590,000. This funding, along with the continuing commitment of the U.S. Department of Veterans Affairs and U.S. Department of Housing and Urban Development, will adequately support this vital transition program for our homeless veterans.

Homeland Security

In accordance with the New Jersey Domestic Security Preparedness Act, DMAVA is responsible for training and equipping domestic emergency response teams in support of New Jersey's Homeland Security program. These teams serve as first responders for disaster recovery related to acts of terrorism, weapons of mass destruction incidents, and other public safety emergencies. In addition, funding of \$2.9 million is continued in fiscal 2007 to enhance the physical security of key power generating stations through the assignment of the New Jersey National Guard to supplement the existing security at each facility. This budget also includes \$371,000 to support operations of the Weapons of Mass Destruction (WMD) program. This program provides direct assistance to civil authorities and enables the Department to maintain a WMD response capability.

Capital Recommendations

This budget recommends \$2.6 million comprised of \$2.0 million to fund renovations at the Ancora Psychiatric Hospital to provide an additional 30 beds for homeless veterans and \$590,000 for the installation of fire suppression systems at Bordentown, Flemington, Hammonton, and Tuckerton Armories.

Department Accomplishments

Recent departmental initiatives and accomplishments include the deployment of over 6,000 New Jersey Army and Air National Guard members since September 11, 2001 for the Global War on Terror, primarily for Operations Iraqi Freedom and Enduring Freedom in Afghanistan and a further deployment of almost 400 New Jersey Army and Air National Guard soldiers and airmen to New Orleans, Louisiana for 35 days to provide assistance and stabilization to the authorities and local residents following Hurricanes Katrina and Rita. A total of five deployments, two New Jersey Air National Guard and three New Jersey Army National Guard, have occurred for hurricane support.

The Department participated in TOPOFF 3, a full-scale national terrorism exercise on April 4-8, 2005. The Brigadier General Doyle Cemetery remains the busiest state veterans' cemetery in the nation and the 10th busiest overall. The third phase of a \$35 million federal Veterans' Administration funded Expansion and Improvement Program began in the fall of 2004 and includes the construction of a new Administration/Maintenance Complex. When complete in the summer of 2006, this federally funded \$6.4 million complex will provide a facility with sufficient office space, maintenance bays, and storage buildings throughout the projected life cycle of the cemetery. The design of the World War II Memorial to be located in Veterans Park, across from the State House, has been completed and artists have been selected for sculptures. The Department also awards to our deserving veterans over 10,000 of the following medals: Distinguished Service Medal, Meritorious Service Medal, NJ Vietnam Service Medal, and NJ Korean War Service Medal.

MILITARY AND VETERANS' AFFAIRS

DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending —June 30, 2007—			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended	
81,881	4,294	1,744	87,919	84,217	GENERAL FUND			
1,044	62	1	1,107	1,073	Direct State Services	88,280	86,411	86,411
2,627	812	505	3,944	1,143	Grants-In-Aid	1,544	1,544	1,544
					Capital Construction	175	2,590	2,590
85,552	5,168	2,250	92,970	86,433	Total General Fund	89,999	90,545	90,545
85,552	5,168	2,250	92,970	86,433	Total Appropriation, Department of Military and Veterans' Affairs	89,999	90,545	90,545

SUMMARY OF APPROPRIATIONS BY ORGANIZATION (thousands of dollars)

Year Ending June 30, 2005					Year Ending —June 30, 2007—			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended	
					DIRECT STATE SERVICES - GENERAL FUND			
					Military Services			
5,163	1	286	5,450	5,382	Central Operations	5,173	4,971	4,971
12,728	2,305	174	15,207	13,682	National Guard Programs Support	12,909	11,476	11,476
17,891	2,306	460	20,657	19,064	Subtotal	18,082	16,447	16,447
					Services to Veterans			
5,877	1,036	266	7,179	6,773	Veterans' Program Support	6,322	6,228	6,228
19,972	941	-660	20,253	20,118	Menlo Park Veterans' Memorial Home	21,844	21,704	21,704
18,478	5	1,218	19,701	19,694	Paramus Veterans' Memorial Home	19,925	19,925	19,925
19,663	6	460	20,129	18,568	Vineland Veterans' Memorial Home	22,107	22,107	22,107
63,990	1,988	1,284	67,262	65,153	Subtotal	70,198	69,964	69,964
81,881	4,294	1,744	87,919	84,217	Total Direct State Services - General Fund	88,280	86,411	86,411
81,881	4,294	1,744	87,919	84,217	TOTAL DIRECT STATE SERVICES	88,280	86,411	86,411
					GRANTS-IN-AID - GENERAL FUND			
					Military Services			
35	---	---	35	35	National Guard Programs Support	35	35	35
35	---	---	35	35	Subtotal	35	35	35
					Services to Veterans			
1,009	62	1	1,072	1,038	Veterans' Program Support	1,509	1,509	1,509
1,009	62	1	1,072	1,038	Subtotal	1,509	1,509	1,509
1,044	62	1	1,107	1,073	Total Grants-In-Aid - General Fund	1,544	1,544	1,544
1,044	62	1	1,107	1,073	TOTAL GRANTS-IN-AID	1,544	1,544	1,544

MILITARY AND VETERANS' AFFAIRS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					CAPITAL CONSTRUCTION			
					Military Services			
2,627	467	505	3,599	914	Central Operations	175	590	590
---	145	---	145	48	National Guard Programs Support	---	---	---
2,627	612	505	3,744	962	<i>Subtotal</i>	175	590	590
					Services to Veterans			
---	114	---	114	99	Veterans' Program Support	---	2,000	2,000
---	86	---	86	82	Vineland Veterans' Memorial Home	---	---	---
---	200	---	200	181	<i>Subtotal</i>	---	2,000	2,000
2,627	812	505	3,944	1,143	TOTAL CAPITAL CONSTRUCTION	175	2,590	2,590
85,552	5,168	2,250	92,970	86,433	Total Appropriation, Department of Military and Veterans' Affairs	89,999	90,545	90,545

10. PUBLIC SAFETY AND CRIMINAL JUSTICE

14. MILITARY SERVICES

OBJECTIVES

1. To provide command and operational control to all units of the New Jersey National Guard.
2. To plan for and establish the force structure required to accomplish both federal and State missions while supporting the future goals established by the Governor for the development of the State.
3. To recruit, train and support the personnel required by the force structure to be able to respond to calls to duty by federal and State authorities in the event of an emergency.
4. To operate, maintain, preserve and extend the useful life of all physical facilities in support of New Jersey National Guard and Veterans' programs.
5. To evaluate and determine priorities for the location and construction of new facilities and the expansion and improvement of existing facilities in order to support the force structure of the National Guard.
6. To operate and maintain a High Technology Training Center at Fort Dix, New Jersey in order to provide the enhanced state of the art individual and unit training required by the members of the New Jersey National Guard and other reserve and active component military personnel, in order to ensure their ability to survive on the modern battlefield.
7. To provide centralized and integrated managerial and support services to all departmental programs.

PROGRAM CLASSIFICATIONS

40. **New Jersey National Guard Support Services.** Provides operational command and control as well as support to the State National Guard, whose mission is to protect life and property, and preserve peace, order and public safety during times of emergency or disaster. In addition, provides for a trained and organized military force and individuals available at the call of the President in the event of a war or other national emergency to augment the active military forces. It also comprises the planning, management, and operation of the physical assets of the department and its subordinate activities, including three veterans' memorial homes, 38 armories (33 housing National Guard units), buildings, and equipment of all kinds, as well as alteration, expansion, construction, rehabilitation and improvement, and custodial services.
60. **Joint Training Center Management and Operations.** Provides accommodations, support and operations for the year round training of National Guard personnel at the Training Center in Sea Girt.
99. **Administration and Support Services.** Provides administrative services required for the effective operation of the department and all of its subordinate activities and operations including general management, management information systems, purchasing, accounting, budgeting, personnel, payroll, training and clerical services.

MILITARY AND VETERANS' AFFAIRS

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
New Jersey National Guard Support Services				
Armory use data (days)	26,408	26,049	25,900	25,900
Military	12,915	13,612	13,500	13,500
Other State agencies	1,169	1,934	1,900	1,900
Private/Public	12,324	10,503	10,500	10,500
Land management (acres)	10,975	11,369	11,369	11,369
Authorized strength of Army National Guard	7,600	7,679	8,660	6,021
Strength of Army National Guard, June 30	84%	77%	80%	100%
Authorized strength of Air National Guard	2,440	2,384	2,338	2,092
Strength of Air National Guard, June 30	100%	96%	103%	100%
Joint Training Center Management and Operations				
Individuals Trained (Person Days)				
New Jersey National Guard Troops	26,244	27,254	40,000	38,000
State Police officers in-service training	4,860	4,732	3,845	4,880
State Police recruit training	11,443	38,581	28,465	33,300
Criminal Justice	8,324	7,450	9,081	9,100
Juvenile Justice Commission	7,018 ^(a)	4,764	8,496	8,168
Department of Corrections	19,830	36,533	29,420	29,420
Division of Highway Safety	2,045	2,309	2,600	2,600
Challenge Youth Program	26,127	32,700	35,000	35,000
All others	32,685	43,000	34,000	36,000
PERSONNEL DATA				
Affirmative Action Data				
Male minority	200	191	191	226
Male minority %	14.3	13.2	11.6	13.9
Female minority	649	643	643	695
Female minority %	46.4	44.3	39.2	42.7
Total	849	834	834	921
Total %	60.7	57.5	50.8	56.5
Position Data				
Filled Positions by Funding Source				
State Supported	131	130	130	143
Federal	146	145	150	184
Total Positions	277	275	280	327
Filled Positions by Program Class				
New Jersey National Guard Support Services	212	210	214	253
Joint Training Center Management and Operations	9	8	7	15
Administration and Support Services	56	57	59	59
Total Positions	277	275	280	327

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December, and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

(a) As of fiscal year 2004 the Juvenile Justice Commission is reported as a separate entity. Prior to fiscal year 2004, individuals trained were included in the Criminal Justice amounts.

MILITARY AND VETERANS' AFFAIRS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
12,728	2,305	174	15,207	13,682					
					40	12,909	11,476	11,476	
494	1	-120	375	318					
					60	494	494	494	
4,669	---	406	5,075	5,064					
					99	4,679	4,477	4,477	
17,891	2,306	460	20,657	19,064		18,082 ^(a)	16,447	16,447	
Distribution by Fund and Object									
Personal Services:									
7,383	---	-545	6,838	6,752					
						7,683	7,248	7,248	
7,383	---	-545	6,838	6,752		7,683	7,248	7,248	
1,257	---	27	1,284	1,273		1,257	1,257	1,257	
602	---	514	1,116	1,111		602	602	602	
1,053	---	-156	897	875		1,053	1,053	1,053	
Special Purpose:									
---	423	-1,387	66	---	40	---	---	---	
---	1,030 ^R	61	61	60					
3,180	---	131	3,311	3,309	40	---	---	---	
280	---	50	330	330	40	2,930	2,930	2,930	
1,000	---	250	1,250	1,250	40	371	371	371	
---	---	10	10	9	40	1,200	---	---	
500	5	-131	374	248	40	---	---	---	
920	---	---	920	920	40	500	500	500	
1,302	835	-60	2,077	937	40	920	920	920	
5	---	-2	3	3	40	1,302	1,302	1,302	
250	---	---	250	249	99	5	5	5	
150	---	200	350	350	99	250	250	250	
9	13	1,498	1,520	1,388	99	---	---	---	
						9	9	9	
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
35	---	---	35	35					
					40	35	35	35	
35	---	---	35	35		35	35	35	
Distribution by Fund and Object									
Grants:									
35	---	---	35	35	40	35	35	35	
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	145	---	145	48					
					40	---	---	---	

MILITARY AND VETERANS' AFFAIRS

80. SPECIAL GOVERNMENT SERVICES

83. SERVICES TO VETERANS

3610. VETERANS' PROGRAM SUPPORT

OBJECTIVES

1. To identify and provide the services necessary to meet the needs of the veteran population in New Jersey.
2. To provide outreach programs to advise the New Jersey veteran population of the total spectrum of services available to them.
3. To provide medical and nursing care consistent with the acceptable professional standards for residents as established by the United States Veterans Administration and the New Jersey Department of Health and Senior Services.
4. To administer grant payments to orphans of veterans (RS 38:20-1), blind veterans and certain disabled veterans (RS 38:18-2, RS 38:18A-2).

PROGRAM CLASSIFICATIONS

20. **Treatment Services.** Provides nursing and medical care to veterans and their eligible spouses at the memorial homes.
50. **Veterans' Outreach and Assistance.** Assists veterans and their dependents in securing State and federal benefits, including pensions, insurance, Civil Service veterans preference, tax exemptions and financial aid. Provides for the

operation of 16 field offices as well as the identification and operation of programs to meet the specialized needs of the State veteran population.

51. **Veterans Haven.** Provides temporary housing, counseling, and occupational training for homeless veterans to assist them in their transition back to society.
70. **Burial Services.** Provides for the burial of eligible New Jersey veterans, their spouses and dependents at the Brigadier General Doyle Memorial Cemetery. Also maintains the grounds of the Fairmont Veterans Cemetery in Newark, the Arlington Cemetery in Kearny, and the memorial cemetery on the grounds of the Vineland Veterans' Memorial Home.
99. **Administration and Support Services.** Provides administrative services required for effective operation of the State's veterans' memorial homes, including general management, purchasing, accounting, budgeting, personnel, payroll and clerical services. It also comprises the planning, management, and operation of the physical assets of the department and its subordinate activities including veterans' memorial homes, armories, buildings and equipment of all kinds as well as alteration, expansion, construction, rehabilitation and improvement, and custodial services.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Veterans' Outreach and Assistance				
Number of veterans served	38,000	37,000	41,500	45,000
Number of claims processed	4,000	4,000	4,500	5,000
VA special monetary benefits provided (in millions)	\$49	\$71	\$52	\$75
Veterans' Tuition Credit program participants	40	27	40	35
POW/MIA Tuition participants	2	2	2	3
Blind veterans receiving allowances	63	53	53	55
Paraplegic and hemiplegic veterans receiving allowances ..	379	282	349	360
Veterans' orphans receiving educational grants	7	2	1	4
Veterans transportation (trips)	24,000	23,310	25,000	30,000
Post traumatic stress disorder counseling sessions	5,400	6,446	7,500	9,000
Veterans Haven residents	54	54	54	54
State approving agency				
Approved program sites	880	785	785	800
Program approving actions	4,462	3,701	4,192	4,250
Approving agency visits to program sites	351	346	382	385
Other activities	177	153	183	190
Burial Services				
Brigadier General Doyle Memorial Cemetery				
Rated capacity	156,000	157,684	157,684	215,000 ^(a)
Number of new interments	2,669	2,436	2,540	2,640
Total interments	31,120	33,556	36,096	38,736

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	105	105	115	118
Federal	6	6	4	6
Total Positions	111	111	119	124

MILITARY AND VETERANS' AFFAIRS

Filled Positions by Program Class	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Veterans' Outreach and Assistance	61	59	61	62
Veterans Haven	16	16	16	19
Burial Services	34	36	42	43
Total Positions	111	111	119	124

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The budget Estimate for fiscal year 2007 reflects the number of positions funded.

(a) Assumes full federal funding of the expansion and improvements outlined in the Cemetery Master Plan.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
3,383	502	-496	3,389	3,319	Veterans' Outreach and Assistance	50	3,572	3,478	3,478
494	---	518	1,012	1,012	Veterans Haven	51	590	590	590
2,000	534	244	2,778	2,442	Burial Services	70	2,160	2,160	2,160
5,877	1,036	266	7,179	6,773	Total Direct State Services		6,322 (a)	6,228	6,228
Distribution by Fund and Object									
Personal Services:									
3,953	3	421	4,377	4,147	Salaries and Wages		4,463	4,369	4,369
3,953	3	421	4,377	4,147	Total Personal Services		4,463	4,369	4,369
416	527 ^R	-316	627	600	Materials and Supplies		416	416	416
193	1	457	651	642	Services Other Than Personal		193	193	193
93					Maintenance and Fixed Charges		93	93	93
90 ^S	1	139	323	231	Special Purpose:				
	125				Veterans' Outreach and Assistance	50	---	---	---
---	343 ^R	-466	2	---	Vietnam Memorial and Education Center	50	350	350	350
350	---	-28	322	316	Veterans' State Benefits Bureau	50	156	156	156
131	---	6	137	137	Korean War Memorial Maintenance Program	50	90	90	90
90	---	---	90	90	Korean Veterans Memorial Fund	50	---	---	---
---	34	-2	32	32	Governor's Veterans' Services Council	50	5	5	5
5	---	-4	1	1	Veterans Haven	51	94	94	94
94	---	-94	---	---	Honor Guard Support Services	70	462	462	462
462	---	-23	439	436	Additions, Improvements and Equipment		---	---	---
---	2	176	178	141					
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
1,009	62	1	1,072	1,038	Veterans' Outreach and Assistance	50	1,509	1,509	1,509
1,009	62	1	1,072	1,038	Total Grants-in-Aid		1,509	1,509	1,509
Distribution by Fund and Object									
Grants:									
38	45	-73	10	8	Veterans' Tuition Credit Program	50	38	38	38

MILITARY AND VETERANS' AFFAIRS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
GRANTS-IN-AID									
11	1	28	40	27	POW/MIA Tuition Assistance	50	11	11	11
7	---	-7	---	---	Vietnam Veterans' Tuition Aid	50	7	7	7
35	---	---	35	35	Veterans Homeless Shelter, Burlington County	50	35	35	35
---	16	---	16	---	Family Service, Mount Holly - Veterans' Homeless Housing	50	---	---	---
300	---	---	300	299	Veterans' Transportation	50	300	300	300
5	---	-5	---	---	Veterans' Orphan Fund - Education Grants	50	5	5	5
46	---	-8	38	38	Blind Veterans' Allowances	50	46	46	46
267	---	-70	197	197	Paraplegic and Hemiplegic Veterans' Allowance	50	267	267	267
300	---	136	436	434	Post Traumatic Stress Disorder	50	800	800	800
CAPITAL CONSTRUCTION									
Distribution by Fund and Program									
---	---	---	---	---	Veterans' Outreach and Assistance	50	---	2,000	2,000
---	114	---	114	99	Burial Services	70	---	---	---
---	114	---	114	99	Total Capital Construction	---	2,000	2,000	2,000
Distribution by Fund and Object									
Veterans' Program Support									
---	---	---	---	---	Capital Improvements for Sheltering Homeless Veterans	50	---	2,000	2,000
---	114	---	114	99	General Doyle Veterans' Memorial Cemetery Improvements	70	---	---	---
6,886	1,212	267	8,365	7,910	Grand Total State Appropriation	7,831	9,737	9,737	9,737
OTHER RELATED APPROPRIATIONS									
Federal Funds									
902	210	---	1,112	771	Veterans' Outreach and Assistance	50	925	943	943
---	330	---	330	330	Veterans Haven	51	---	---	---
<u>6,900</u>	<u>-21</u>	<u>---</u>	<u>6,879</u>	<u>5,302</u>	Burial Services	70	<u>8,500</u>	<u>12,000</u>	<u>12,000</u>
7,802	519	---	8,321	6,403	Total Federal Funds	9,425	12,943	12,943	12,943
All Other Funds									
---	259	---	---	---	Veterans' Outreach and Assistance	50	550	550	550
---	40 ^R	2	301	270	Burial Services	70	595	500	500
<u>---</u>	<u>299</u>	<u>2</u>	<u>301</u>	<u>270</u>	Total All Other Funds	1,145	1,050	1,050	1,050
14,688	2,030	269	16,987	14,583	GRAND TOTAL ALL FUNDS	18,401	23,730	23,730	23,730

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

Funds collected by and on behalf of the Korean Veterans Memorial Fund are hereby appropriated for the purposes of the fund.

Funds received for Veterans' Transitional Housing from the U.S. Department of Veterans Affairs and the individual residents, and the unexpended balance at the end of the preceding fiscal year, in the receipt account are appropriated for the same purpose.

Funds received for plot interment allowances from the federal Department of Veterans Affairs, burial fees collected, and the unexpended program balances at the end of the preceding fiscal year are appropriated for perpetual care and maintenance of burial plots and grounds at the Brigadier General William C. Doyle Veterans Memorial Cemetery in North Hanover Township, Burlington County, New Jersey.

MILITARY AND VETERANS' AFFAIRS

Notwithstanding the provisions of any other law or regulation to the contrary, no State funds are appropriated to the Department of Military and Veterans Affairs for the purpose of reforestation or "in lieu of" payments under the P.L.1993, c.106 (C.13:1L-14.1 et seq.) in conjunction with the current or future operation, maintenance and construction of the Brigadier General William C. Doyle Veterans Memorial Cemetery in North Hanover Township, Burlington County, New Jersey.

Language Recommendations -- Grants-In-Aid - General Fund

The sums provided hereinabove and the unexpended balances at the end of the preceding fiscal year in the Veterans' Tuition Credit, POW/MIA Tuition Assistance, and the Vietnam Veterans' Tuition Aid accounts are appropriated and available for payment of liabilities applicable to prior fiscal years.

80. SPECIAL GOVERNMENT SERVICES

83. SERVICES TO VETERANS

3630. MENLO PARK VETERANS' MEMORIAL HOME

This Home provides nursing home care for New Jersey veterans with chronic disabilities and for those for whom rehabilitation is prescribed in order to prepare them to return to the community (C30:6AA-1 et seq.). Eligibility requirements are honorable

discharge from last enlistment, and residence in the State for at least two years preceding date of application. There are 312 available hospital-infirmiry beds for nursing care patients, which includes 40 beds for the Old Glory Dementia/Alzheimers Wing.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Domiciliary and Treatment Services				
Rated capacity	312	312	312	312
Average daily population	304	291	304	304
Ratio: Daily population/Total positions	0.9 / 1	0.8 / 1	0.8 / 1	0.8 / 1
Annual per capita	\$68,079	\$73,924	\$77,069	\$77,645
Daily per capita	\$186.51	\$202.53	\$211.15	\$212.73

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	317	371	374	404
Total Positions	317	371	374	404

Filled Positions by Program Class

Domiciliary and Treatment Services	246	299	297	326
Administration and Support Services	71	72	77	78
Total Positions	317	371	374	404

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December, and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Orig. & (S)Supple- mental	Year Ending June 30, 2005			Total Available Expended	Prog. Class.	2006 Adjusted Approp.	Year Ending June 30, 2007		
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies					Requested	Recom- mended	
14,763	446	-424	14,785	14,705					
5,209	495	-236	5,468	5,413					
19,972	941	-660	20,253	20,118					
DIRECT STATE SERVICES									
Distribution by Fund and Program									
					Domiciliary and Treatment Services	20	16,432	16,432	16,432
					Administration and Support Services	99	5,412	5,272	5,272
					Total Direct State Services		21,844^(a)	21,704	21,704

MILITARY AND VETERANS' AFFAIRS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available Expended		Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Object								
Personal Services:								
15,824	179	-78	15,925	15,821		17,483	17,483	17,483
Salaries and Wages								
<u>15,824</u>	<u>179</u>	<u>-78</u>	<u>15,925</u>	<u>15,821</u>	<i>Total Personal Services</i>	<u>17,483</u>	<u>17,483</u>	<u>17,483</u>
2,209	163	-358	2,014	2,013	Materials and Supplies			
1,582	502	-234	1,850	1,850	Services Other Than Personal			
253	96	-1	348	347	Maintenance and Fixed Charges			
<u>104</u>	<u>1</u>	<u>11</u>	<u>116</u>	<u>87</u>	Additions, Improvements and Equipment			
						114		
						<u>140^S</u>	<u>114</u>	<u>114</u>
<u>19,972</u>	<u>941</u>	<u>-660</u>	<u>20,253</u>	<u>20,118</u>	Grand Total State Appropriation	<u>21,844</u>	<u>21,704</u>	<u>21,704</u>
OTHER RELATED APPROPRIATIONS								
Federal Funds								
<u>1,725</u>	<u>---</u>	<u>---</u>	<u>1,725</u>	<u>1,394</u>	Domiciliary and Treatment Services			
					20	<u>1,725</u>	<u>1,900</u>	<u>1,900</u>
<u>1,725</u>	<u>---</u>	<u>---</u>	<u>1,725</u>	<u>1,394</u>	Total Federal Funds			
<u>21,697</u>	<u>941</u>	<u>-660</u>	<u>21,978</u>	<u>21,512</u>	GRAND TOTAL ALL FUNDS			
						<u>23,569</u>	<u>23,604</u>	<u>23,604</u>

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

In addition to the amount hereinabove, such sums received from the U.S. Department of Veterans Affairs, New Jersey Department of Health and Senior Services, and New Jersey Assistance for Community Care Giving are appropriated for the Menlo Park Adult Day Care program, subject to the approval of the Director of the Division of Budget and Accounting.

80. SPECIAL GOVERNMENT SERVICES

83. SERVICES TO VETERANS

3640. PARAMUS VETERANS' MEMORIAL HOME

This facility opened in 1986 and provides nursing care for New Jersey Veterans (C30:6AA-1 et seq.). There are 336 available hospital-infirmiry beds for nursing care patients. The institution cares for those with chronic disabilities and for those for whom

rehabilitation is prescribed in order to prepare them to return to the community. Eligibility requirements are honorable discharge from last enlistment and residence in the State for at least two years preceding date of application.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Domiciliary and Treatment Services				
Rated capacity	336	336	336	336
Average daily population	310	297	307	312
Ratio: Daily population/Total positions	0.9 / 1	0.9 / 1	0.9 / 1	0.9 / 1
Annual per capita	\$65,500	\$74,202	\$72,450	\$72,381
Daily per capita	\$179.45	\$203.29	\$198.49	\$198.31
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	344	349	359	371
Total Positions	344	349	359	371

MILITARY AND VETERANS' AFFAIRS

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Filled Positions by Program Class				
Domiciliary and Treatment Services	284	288	292	304
Administration and Support Services	60	61	67	67
Total Positions	344	349	359	371

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December, and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
14,385	---	1,230	15,615	15,611					
					Domiciliary and Treatment Services	20	15,698	15,698	15,698
4,093	5	-12	4,086	4,083	Administration and Support Services	99	4,227	4,227	4,227
<u>18,478</u>	<u>5</u>	<u>1,218</u>	<u>19,701</u>	<u>19,694</u>	Total Direct State Services		19,925 (a)	19,925	19,925
Distribution by Fund and Object									
Personal Services:									
15,253	---	621	15,874	15,873	Salaries and Wages		16,700	16,700	16,700
<u>15,253</u>	<u>---</u>	<u>621</u>	<u>15,874</u>	<u>15,873</u>	Total Personal Services		16,700	16,700	16,700
1,625	---	13	1,638	1,638	Materials and Supplies		1,625	1,625	1,625
1,375	---	591	1,966	1,966	Services Other Than Personal		1,375	1,375	1,375
184	---	---	184	184	Maintenance and Fixed Charges		184	184	184
<u>41</u>	<u>5</u>	<u>-7</u>	<u>39</u>	<u>33</u>	Additions, Improvements and Equipment		<u>41</u>	<u>41</u>	<u>41</u>
<u>18,478</u>	<u>5</u>	<u>1,218</u>	<u>19,701</u>	<u>19,694</u>	Grand Total State Appropriation		19,925	19,925	19,925
OTHER RELATED APPROPRIATIONS									
Federal Funds									
<u>2,017</u>	<u>---</u>	<u>300</u>	<u>2,317</u>	<u>2,317</u>	Domiciliary and Treatment Services	20	<u>2,317</u>	<u>2,658</u>	<u>2,658</u>
<u>2,017</u>	<u>---</u>	<u>300</u>	<u>2,317</u>	<u>2,317</u>	Total Federal Funds		2,317	2,658	2,658
All Other Funds									
---	116 ^R	---	116	26	Administration and Support Services	99	---	---	---
<u>---</u>	<u>116</u>	<u>---</u>	<u>116</u>	<u>26</u>	Total All Other Funds		---	---	---
<u>20,495</u>	<u>121</u>	<u>1,518</u>	<u>22,134</u>	<u>22,037</u>	GRAND TOTAL ALL FUNDS		22,242	22,583	22,583

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

80. SPECIAL GOVERNMENT SERVICES

83. SERVICES TO VETERANS

3650. VINELAND VETERANS' MEMORIAL HOME

Since 1900, this institution has provided nursing and domiciliary care for New Jersey veterans of every war and armed conflict, including the War of 1812 (C30:6AA-1 et seq.). In fiscal 1982, all domiciliary care beds were converted to nursing care beds. With the opening of the new Vineland home in fiscal 2006 a total of 300 hospital - infirmary beds will be available for nursing care patients.

The institution cares for those with chronic disabilities and for whom rehabilitation is prescribed in order to prepare them to return to the community. Eligibility requirements are honorable discharge from last enlistment and residence in the State for at least two years preceding date of application.

MILITARY AND VETERANS' AFFAIRS

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Domiciliary and Treatment Services				
Rated capacity	232	232	300	300
Average daily population	228	222	229	285
Ratio: Daily population/Total positions	0.7 / 1	0.6 / 1	0.6 / 1	0.7 / 1
Annual per capita	\$78,579	\$99,635	\$100,904	\$83,007
Daily per capita	\$215.28	\$272.97	\$276.45	\$227.42

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	350	351	378	401
Total Positions	350	351	378	401

Filled Positions by Program Class

Domiciliary and Treatment Services	271	270	285	307
Administration and Support Services	79	81	93	94
Total Positions	350	351	378	401

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December, and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
14,635	---	9	14,644	13,594				
5,028	6	451	5,485	4,974				
19,663	6	460	20,129	18,568		22,107^(A)	22,107	22,107
Distribution by Fund and Object								
Personal Services:								
15,554	---	182	15,736	15,192		17,323	17,323	17,323
15,554	---	182	15,736	15,192		17,323	17,323	17,323
1,800	---	543	2,343	1,855		1,846	1,846	1,846
1,945	---	-223	1,722	1,196		2,500	2,500	2,500
275	---	-42	233	232		314	314	314
89	6	---	95	93		124	124	124
<u>CAPITAL CONSTRUCTION</u>								
Distribution by Fund and Program								
---	86	---	86	82		---	---	---
---	86	---	86	82		---	---	---

MILITARY AND VETERANS' AFFAIRS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
CAPITAL CONSTRUCTION								
Distribution by Fund and Object								
Vineland Veterans' Memorial Home								
---	86	---	86	82				
					99	---	---	---
19,663	92	460	20,215	18,650		22,107	22,107	22,107
OTHER RELATED APPROPRIATIONS								
Federal Funds								
776	---	-300	476	135				
					20	1,000	1,550	1,550
---	3,416	---	3,416	3,416				
					99	---	---	---
776	3,416	-300	3,892	3,551		1,000	1,550	1,550
20,439	3,508	160	24,107	22,201		23,107	23,657	23,657

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

Balances on hand at the end of the preceding fiscal year for the benefit of residents in the several veterans' homes, and such funds as may be received, are appropriated for the use of such residents.

Revenues representing receipts to the General Fund from charges to residents' trust accounts for maintenance costs are appropriated for use as personal needs allowances for patients/residents who have no other source of funds for such purposes; provided however, that the allowance shall not exceed \$50 per month for any eligible resident of an institution and provided further, that the total amount herein for such allowances shall not exceed \$100,000, and that any increase in the maximum monthly allowance shall be approved by the Director of the Division of Budget and Accounting.

Funds received from the sale of articles made in occupational therapy departments of the several veterans' homes are appropriated for the purchase of additional material and other expenses incidental to such sale or manufacture.

Forty percent of the receipts in excess of the amount anticipated derived from resident contributions and federal reimbursements at the end of the preceding fiscal year are appropriated for veterans' program initiatives, subject to the approval of the Director of the Division of Budget and Accounting of an itemized plan for the expenditure of these amounts, as shall be submitted by the Adjutant General.

Fees charged to residents for personal laundry services provided by the veterans' homes are appropriated to supplement the operational and maintenance costs of these laundry services.

Language Recommendations -- Direct State Services - General Fund

DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Of the amount hereinabove appropriated for the Department of Military and Veterans Affairs, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Governor's Budget Message first shall be charged to the State Lottery Fund.

DEPARTMENT OF PERSONNEL

OVERVIEW

The mission of the Department of Personnel is to attract, develop, and retain a high quality workforce for State, county and municipal governments. The Department maintains a partnership with management and labor to deliver a fair, efficient human resource system rewarding quality, merit, and productivity.

Established initially as the Civil Service Commission, the Department's role within the State has shifted from being a purely regulatory agency to an agency that serves as an advisory and customer service hub on personnel issues for State and local agencies. This Department serves as an essential component in the State for developing and implementing sound human resource policies and providing the technical support necessary to avoid costly litigation.

The Department of Personnel also has a statutory role as the agency responsible for job classification, leave management, salary administration, and most workforce related matters. The Department has a constitutional role in the administration of a Merit System ensuring that "appointments and promotions shall be made according to merit and fitness to be ascertained...by examination which...shall be competitive...". In meeting this mandate the Department centrally administers the Civil Service process.

FY 2007 Budget Highlights

The Fiscal 2007 Budget for the Department of Personnel totals \$24.0 million, a decrease of \$1.5 million, or 5.8% below the fiscal 2006 adjusted appropriation of \$25.5 million. This recommendation includes budget reductions of \$1.3 million in salary savings as a result of unfunding vacancies and attrition of positions. In addition, a \$0.2 million reduction will be realized in the Human Resource Development Institute from management efficiencies.

Department Accomplishments

In fiscal 2006, the Department of Personnel focused on enhancing its core services. From developing testing products and capabilities, to strengthening technology for human resource professionals across the State, to improving programs that focus on employee productivity and performance, the Department of Personnel has increased its value in fiscal 2006 to the various constituencies it serves.

One of the most important functions of the Department is its statutory and constitutional responsibility to administer a competitive testing process for State, municipal, and county jobs. In fiscal 2006, the Department has administered almost 11,000 examinations for the following positions: Family Service Specialists, Security Guards, Professional-Level Trainees, Parole Officers, Probation Officers, Engineers, Social Workers, and Clerical titles. In the first six months of fiscal 2006, the Department administered more than 3,000 police promotional examinations. During the same period, the Department conducted Fire Lieutenant/Captain oral examinations for more than 1,500 candidates, one of the largest groups of candidates for this title in recent history.

In the second half of fiscal 2006, the Department will announce the entry-level law enforcement examination (LEE), for which it anticipates more than 30,000 candidates. The Department also anticipates issuing the next entry-level firefighter test this fiscal year, which should result in over 12,000 candidates. The Department also

is planning to issue promotional announcements for State Corrections and Sheriff's Officer Titles, benefiting close to 4,000 candidates.

With heightened focus on public safety and correction/custody functions in recent years, the Department has addressed an ever growing law enforcement employee population with increasingly complex job responsibilities. Despite budget limitations, the Department has been vigilant in ensuring a relevant, comprehensive, and secure selection process for these and many other critical positions.

In fiscal 2006, the Department focused on giving State and local government customers improved business technology tools, thereby enabling the Department to increase customer satisfaction and delivery of service. In fiscal 2006, the Department successfully installed the County and Municipal Personnel System (CAMPS) in over 200 county and municipal jurisdictions. With CAMPS, county and municipal governments have an automated vehicle to expeditiously process their personnel transactions. County and local governments also can use CAMPS as their primary human resource information system at no cost to them. The training, installation, and follow-up process will continue in fiscal 2007, with a projected 300 additional employers gaining access to CAMPS.

To reduce valuable time spent on a traditionally manual process, the Department successfully completed the automation of the Classification Support System (CSS) in fiscal 2006. This automation provides immediate response to personnel classification requests and other position related issues. In the past, these requests were processed in a cumbersome, paper-driven process that took months. By automating this process, the Department is able to redirect its limited staff into areas of greater need.

To continue to improve services to New Jersey's diverse population, the Department implemented a new automated calling system in fiscal 2006 that provides information in Spanish to address the needs of a growing Hispanic population. This automated calling system can direct customer calls to staff with knowledge of particular questions, reducing unnecessary transfer of calls.

To strengthen New Jersey's public workforce, the Department of Personnel has refocused on programs that enhance and support employee productivity. In fiscal 2006, the Department of Personnel's Employee Advisory Service went live with a 24-hours-a-day, 7-days-a-week hotline, providing expanded counseling and return-to-work services to meet the needs of government employees and agencies.

The State of New Jersey depends on its public workforce to be productive and healthy. In creating Working Well New Jersey, the Department of Personnel launched a program that is designed to prevent wellness related barriers that inhibit employee productivity. The Department's Commissioner initiated this program in partnership with the Department of Health and Senior Services, by utilizing internal resources and creating partnerships with all State agencies to provide information and opportunities for employees to improve their overall wellness, along with that of their families.

PERSONNEL

DEPARTMENT OF PERSONNEL

SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
GENERAL FUND							
25,448	6,939	---	32,387	30,535	25,463	23,990	23,990
---	2	---	2	---	---	---	---
<u>25,448</u>	<u>6,941</u>	<u>---</u>	<u>32,389</u>	<u>30,535</u>	<u>25,463</u>	<u>23,990</u>	<u>23,990</u>
<u>25,448</u>	<u>6,941</u>	<u>---</u>	<u>32,389</u>	<u>30,535</u>	<u>25,463</u>	<u>23,990</u>	<u>23,990</u>
<i>Total Appropriation, Department of Personnel</i>					<i>25,463</i>	<i>23,990</i>	<i>23,990</i>

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES - GENERAL FUND							
General Government Services							
3,954	---	---	3,954	3,859			
14,447	1,628	---	16,075	15,646	3,440	3,440	3,440
2,383	---	---	2,383	2,382	14,963	14,368	14,368
725	---	---	725	725	2,468	2,371	2,371
3,939	5,311	---	9,250	7,923			
					725	528	528
					3,867	3,283	3,283
<u>25,448</u>	<u>6,939</u>	<u>---</u>	<u>32,387</u>	<u>30,535</u>	<u>25,463</u>	<u>23,990</u>	<u>23,990</u>
<u>25,448</u>	<u>6,939</u>	<u>---</u>	<u>32,387</u>	<u>30,535</u>	<u>25,463</u>	<u>23,990</u>	<u>23,990</u>
<u>25,448</u>	<u>6,939</u>	<u>---</u>	<u>32,387</u>	<u>30,535</u>	<u>25,463</u>	<u>23,990</u>	<u>23,990</u>
<i>Total Direct State Services - General Fund</i>					<i>25,463</i>	<i>23,990</i>	<i>23,990</i>
TOTAL DIRECT STATE SERVICES					25,463	23,990	23,990
CAPITAL CONSTRUCTION							
General Government Services							
---	2	---	2	---	---	---	---
---	2	---	2	---	---	---	---
---	2	---	2	---	---	---	---
<u>25,448</u>	<u>6,941</u>	<u>---</u>	<u>32,389</u>	<u>30,535</u>	<u>25,463</u>	<u>23,990</u>	<u>23,990</u>
<i>Total Appropriation, Department of Personnel</i>					<i>25,463</i>	<i>23,990</i>	<i>23,990</i>

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

74. GENERAL GOVERNMENT SERVICES

OBJECTIVES

1. To continue to support the Merit System and human resource needs of its primary stakeholders including the 190,000+ State and local Merit System employees, all State, county, and local employers in the Merit System and those NJ residents seeking public sector employment.
2. To administer a fair, equitable, and secure recruitment and selection process, providing qualified eligibles to address the staffing needs of State, county, and local employers.
3. To maintain and coordinate the Classification Plan (titles, job descriptions, job requirements, layoff rights, and related compensation factors) for approximately 190,000 State, county, and local employees.

4. To establish, interpret, and enforce workforce policies and provide technical assistance to agencies in their administration of these policies.
5. To administer multiple State employee compensation plans for approximately 80,000 career, senior executive, and unclassified employees.
6. To provide a fair and impartial administrative forum for appellate and dispute resolution activities.
7. To ensure that employee rights are protected during any workforce reduction effecting State or local jurisdiction while minimizing the impact of budget reductions by identifying potential alternate employment opportunities and providing outplacement counseling.
8. To ensure equal opportunity for all applicants or employees seeking employment or promotion by developing and monitoring statewide equal employment opportunity and affirmative action (EEO/AA) statutes and policies, providing training and technical assistance to promote and build a diverse and representative government workforce.
9. To provide workforce information systems to government jurisdictions, thereby improving their management of personnel operations through availability of quality workforce information and timely transactions.
10. To ensure availability of quality, cost effective training, and development opportunities to meet current and emerging government business objectives and workplace changes.

PROGRAM CLASSIFICATIONS

01. **Personnel Policy Development and General Administration.** Exercises overall direction and control of the Department's operations; develops proposals for revised legislation governing the public career system; issues official rules and regulations which implement the Merit System statutes; develops, evaluates, and adjusts personnel programs; and provides general administrative support.
02. **State and Local Government Operations.** Provides government agencies with guidance and support in organizational design, classification of job titles, and equitable compensation of staff. Responsible for recruitment of applicants; the planning, scheduling, and conducting of examinations; and the preparation of lists of eligible candidates for State and local government positions. The program administers all

reductions in force in State and local government as well as the Senior Executive Service and performance appraisal systems. Responsible for monitoring and processing all new hires and promotions to ensure compliance with Merit System rules. Develops and publishes job specifications for all classified titles in all levels of government while maintaining employment records and monitoring all personnel transactions to ensure compliance with Merit System law and Department rules. Provides information processing support to the Department and its appointing authorities.

04. **Merit Services.** Provides professional, technical, and clerical support services for the Merit System Board and the Commissioner of Personnel; investigates and responds to appeals; maintains agendas and schedules Board meetings; resolves disputes by providing alternate avenues of resolution; prepares and reviews Merit System rules for inclusion in the New Jersey Administrative Code; and ensures compliance with laws and rules governing appointments and determinations.
05. **Equal Employment Opportunity and Affirmative Action.** Monitors affirmative action programs in State agencies for compliance with Executive Order No. 61, P.L. 1981, c.124 (N.J.S.A. 11A:7), and the Americans with Disabilities Act (ADA); develops and implements programs which ensure appropriate representation of protected classes at all levels of responsibility in State government; identifies barriers to equal employment opportunity in the existing structure of the Merit System, and proposes means of eliminating them; distributes information on equal employment opportunity and affirmative action programs.
07. **Human Resource Development Institute.** Under the provisions of Executive Order No. 12, dated August 21, 1990, compiles information on the human resources development and training needs of State government and shares this information with key executives and planners; advises the Governor on human resources development and training plans, policies, and programs; works with State government agencies to prepare human resources development and training plans and programs; presents formal training courses in both common tasks and agency-specific subjects to employees of State government agencies; determines the necessity for the use of training providers from outside State government, and obtains these services as required.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
State and Local Government Operations				
Open Competitive Examinations Announced	2,202	1,760	1,760	1,760
Applications received	65,871	55,700	70,000	63,000
Candidates scheduled	24,000	43,748	32,000	57,000
Eligibles produced	55,000	70,617	48,000	56,000

PERSONNEL

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Appointments from Certifications				
State	7,002	7,273	6,500	6,500
Local	5,581	6,619	5,800	5,800
State Service Provisional Appointees Pending Open Competitive Examination				
	1,277	1,071	1,400	1,400
Promotional Examinations Announced				
Applications received	16,935	25,520	25,000	25,000
Candidates scheduled	12,000	15,520	12,000	12,000
Eligibles produced	12,800	14,803	11,200	11,200
Promotions made (State)	4,800	5,210	3,400	3,400
Titles Abolished	478	37	150	150
Calendar Days from Request to Test Announcement				
Open competitive	15	15	21	21
Promotional	15	15	21	21
Calendar Days to Date of List Issuance - Public Safety				
Law enforcement open competitive	90	---	300	---
Law enforcement promotional	160	210	260	260
Fire service open competitive	330	---	---	400
Fire service promotional	210	300	345	345
Examinations Developed and Processed				
Assembled Open Competitive	194	196	160	160
Assembled Promotional	1,193	1,430	1,000	1,000
Unassembled Open Competitive	1,132	1,310	1,000	1,000
Unassembled Promotional	1,816	2,461	1,600	1,600
Lists Issued				
Open Competitive Examinations	1,767	1,669	1,600	1,600
Promotional Examinations	3,722	3,796	3,040	3,040
Announcements Processed Under NJAC 4A:2.7				
Promotional Examination Waivers				
State Symbols	349	83	80	80
Local Symbols	264	87	80	80
Separate Test Dates	115	110	88	88
Applicants Administered Make-up Examinations	409	434	350	350
Applicants Administered Exam Review	729	1,101	800	800
Merit Services				
Written Record Appeals				
Total received	3,676	3,976	4,100	4,100
Total disposed	4,523	4,600	4,750	4,750
Pending	3,020	2,396	1,746	1,096
Hearings and Major Disciplinary Matters	1,479	1,275	1,150	1,150
EEO/AA Appeals				
On hand July 1	61	49	58	67
Received	75	80	90	95
Processed	87	71	81	100
Backlog	49	58	67	62
Human Resource Development Institute				
Employee Advisory Service				
Number of clients	1,904	2,026	2,550	2,700
Number of counseling sessions	3,812	3,843	4,400	4,900
Training				
Trainees, Direct Delivery	22,191	19,703	18,000	18,000
Trainees, Alternative Technologies	451	281	100	100
Contact Hours, Direct Delivery	203,926	189,682	180,000	180,000
Contact Hours, Alternative Technologies	964	572	200	200

PERSONNEL

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	30	36	39	42
Male Minority %	7.6	9.4	10.0	10.7
Female Minority	106	123	110	120
Female Minority %	26.7	32.3	28.1	30.7
Total Minority	136	159	149	162
Total Minority %	34.3	41.7	38.1	41.4
Position Data				
Filled Positions by Funding Source				
State Supported	359	379	374	368
All Other	37	55	---	---
Total Positions	396	434	374	368
Filled Positions by Program Class				
Personnel Policy Development and General				
Administration	48	50	44	45
State and Local Government Operations	250	278	228	227
Merit Services	36	37	36	36
Equal Employment Opportunity and Affirmative				
Action	4	6	4	5
Human Resource Development Institute	58	63	62	55
Total Positions	396	434	374	368

Notes:

Actual payroll counts reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
3,954	---	---	3,954	3,859				
14,447	1,628	---	16,075	15,646	01	3,440	3,440	3,440
2,383	---	---	2,383	2,382	02	14,963	14,368	14,368
725	---	---	725	725	04	2,468	2,371	2,371
3,939	5,311	---	9,250	7,923	05	725	528	528
					07	3,867	3,283	3,283
25,448	6,939	---	32,387	30,535		25,463 (a)	23,990	23,990
Distribution by Fund and Object								
Personal Services:								
---	---	---	---	---				
	2,236					56	56	56
19,653	3,125 R	-1,335	23,679	22,352		20,215	18,742	18,742
19,653	5,361	-1,335	23,679	22,352		20,271	18,798	18,798
523	---	-184	339	339		497	497	497
4,313	---	1,438	5,751	5,656		3,842	3,842	3,842
237	---	-4	233	233		237	237	237
Special Purpose:								
93	---	---	93	93	01	93	93	93

PERSONNEL

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
29	---	---	29	29	Microfilm Service Charges	02	29	29	29
---	480	---	---	---	Firefighter Examination Receipts	02	---	---	---
---	67 ^R	---	547	118	Test Validation/Police Testing	02	434	434	434
434	---	---	434	434	Americans with Disabilities Act	05	60	60	60
60	---	---	60	60	HRDI Computer Training	07	---	---	---
---	338	-1	1,017	1,017	Services	07	---	---	---
---	680 ^R	---	---	---	Additions, Improvements and Equipment		---	---	---
106	13	86	205	204					
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	2	---	2	---	Personnel Policy Development and General Administration	01	---	---	---
Total Capital Construction									
---	2	---	2	---			---	---	---
Distribution by Fund and Object									
Personnel Policy Development and General Administration									
---	2	---	2	---	Network Infrastructure	01	---	---	---
25,448	6,941	---	32,389	30,535	Grand Total State Appropriation		25,463	23,990	23,990
<u>OTHER RELATED APPROPRIATIONS</u>									
Federal Funds									
---	---	323	323	322	Human Resource Development Institute	07	---	---	---
---	---	323	323	322	Total Federal Funds		---	---	---
All Other Funds									
---	4	---	4	4	State and Local Government Operations	02	1,300	1,300	1,300
---	---	---	---	---	Human Resource Development Institute	07	2,000	1,900	1,900
---	4	---	4	4	Total All Other Funds		3,300	3,200	3,200
25,448	6,945	323	32,716	30,861	GRAND TOTAL ALL FUNDS		28,763	27,190	27,190

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

Receipts derived from fees charged to applicants for open competitive or promotional examinations, and the unexpended fee balance at the end of the preceding fiscal year, not to exceed \$1,200,000 collected from firefighter and law enforcement examination receipts, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from training services and any unexpended balance at the end of the preceding fiscal year are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from Employee Advisory Services are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of N.J.S.A.11A:6-32, cash awards for suggestions shall be paid from the operating budget of the agency from savings generated by the suggestion, subject to the approval of the Director of the Division of Budget and Accounting.

**DEPARTMENT OF THE PUBLIC ADVOCATE
OVERVIEW**

The Department of the Public Advocate was restored as a principal department in the Executive Branch of State government pursuant to P.L. 2005, c.155, in January 2006. The Department is mandated to provide consumer protection and advocacy on behalf of the indigent, the elderly, children and other persons unable to protect themselves as individuals of a class. Under one consolidated Department, functions of ombudspersons, ratepayer advocate, and other functions will produce cost savings and more effective protection of the public interest. Also, the Department will be able to coordinate an efficient and timely process for evaluation and resolution of problems and disputes that affect consumers and other interested parties.

FY 2007 Budget Highlights

The Fiscal 2007 Budget for the Department of the Public Advocate totals \$19.4 million, an increase of \$3.2 million, or nearly 20% over the fiscal 2006 adjusted appropriation of \$16.2 million. In addition to funding the full year costs of the newly created Department, this recommendation provides for the continued implementation of its mandated expanded functions and responsibilities.

Department Accomplishments

The Department of the Public Advocate was restored in January 2006, and has since been working to reestablish the divisions and functions that existed prior to the abolishment of the Department in 1994. This includes reestablishing the Division of Citizen Relations, which will help ensure that government is more responsive to the needs of New Jersey citizens, and the Division of Public Interest Advocacy, which will advocate for the interests of New Jersey consumers and other groups that are not adequately represented.

Some functions that now will be housed under the new Department of Public Advocate have existed independently or as parts of other State agencies. The Ratepayer Advocate, which will become the Division of Rate Counsel, has over the past year successfully intervened in many utility rate cases to keep rates as affordable as possible and also has served as a resource to consumers by providing energy conservation tips and assistance. The Division of Mental Health and Guardianship Advocacy in the Office of the Public Defender, whose functions will be moved to the Division of Mental Health Advocacy, has provided legal representation for people facing voluntarily or involuntarily commitment to State psychiatric facilities. The Office of Corrections Ombudsman, which will become part of the Division of Citizen Relations, has been representing the interests of inmates in correctional facilities. The Ombudsman for the Institutionalized Elderly, whose functions will be moved to the Division of Elder Advocacy, typically responds to over 5,000 complaints annually about inadequate care and services for the institutionalized elderly.

Office of the Child Advocate

The Office of the Child Advocate, in-but-not-of the Department of the Public Advocate, is the only independent State child protective services agency. The Office of the Child Advocate deliberatively intervenes, proactively and reactively, in systemic issues related to child safety and protection. The fiscal 2007 recommendation of \$2.5 million represents the same level of funding as in fiscal 2006.

**DEPARTMENT OF THE PUBLIC ADVOCATE
SUMMARY OF APPROPRIATIONS BY FUND
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
13,790	2,437	-325	15,902	13,164	GENERAL FUND			
					Direct State Services	16,220	19,420	19,420
13,790	2,437	-325	15,902	13,164	Total General Fund	16,220	19,420	19,420
13,790	2,437	-325	15,902	13,164	Total Appropriation, Department of the Public Advocate	16,220	19,420	19,420

PUBLIC ADVOCATE

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES - GENERAL FUND								
Protection of Citizens' Rights								
1,371	4	15	1,390	1,390	Citizen Relations	1,407	1,872	1,872
3,222	104	-220	3,106	3,062	Mental Health Advocacy	3,463	3,608	3,608
826	---	---	826	819	Elder Advocacy	826	971	971
---	---	---	---	---	Public Interest Advocacy	571	1,446	1,446
---	---	---	---	---	Advocacy for the Developmentally Disabled	145	294	294
5,871	1,530	55	7,456	5,470	Rate Counsel	6,024	6,024	6,024
2,500	799	-175	3,124	2,423	Child Advocate	2,500	2,500	2,500
---	---	---	---	---	Management and Administrative Services	1,284	2,705	2,705
<u>13,790</u>	<u>2,437</u>	<u>-325</u>	<u>15,902</u>	<u>13,164</u>	<i>Subtotal</i>	<u>16,220</u>	<u>19,420</u>	<u>19,420</u>
<u>13,790</u>	<u>2,437</u>	<u>-325</u>	<u>15,902</u>	<u>13,164</u>	<i>Total Direct State Services - General Fund</i>	<u>16,220</u>	<u>19,420</u>	<u>19,420</u>
<u>13,790</u>	<u>2,437</u>	<u>-325</u>	<u>15,902</u>	<u>13,164</u>	TOTAL DIRECT STATE SERVICES	<u>16,220</u>	<u>19,420</u>	<u>19,420</u>
<u>13,790</u>	<u>2,437</u>	<u>-325</u>	<u>15,902</u>	<u>13,164</u>	<i>Total Appropriation, Department of the Public Advocate</i>	<u>16,220</u>	<u>19,420</u>	<u>19,420</u>

80. SPECIAL GOVERNMENT SERVICES 82. PROTECTION OF CITIZENS' RIGHTS

OBJECTIVES

- To provide clear policy guidance and execution for the programs of the Public Advocate.
- To provide advocacy functions for the citizens of New Jersey in their dealings with departments and agencies of State government, other governmental agencies and regulated industries.
- To promote, advocate and ensure the welfare of elderly citizens and to administer services in order to provide a better quality of life.
- To promote, advocate and ensure the welfare of New Jersey children.
- To continue to serve as an effective and visible advocate for institutionalized persons with mental illness.
- To represent and ensure New Jersey ratepayers fair rate increases and services for regulated utilities, auto and health insurance.
- To provide legal representation to protect the rights of any public group or interest.
- To provide assistance and resolve complaints about correctional institutions from inmates and their families.

PROGRAM CLASSIFICATIONS

- Division of Citizen Relations.** The Division of Citizen Relations receives and forwards for investigation to appropriate agencies of the State and the Public Advocate, any complaints from any person or group relating to the administrative action or inaction of agencies. The division investigates citizen complaints to determine if any governmental activities are unreasonable, unfair, oppressive, potentially discriminatory or inefficient. The division also

maintains records indicating the final disposition of any complaint forwarded by the division to an agency.

The Division of Citizen Relations includes the Office of Dispute Settlement. This Office may provide, in the discretion of the Public Advocate, mediation and other third party neutral services in the resolution of disputes which involve the public interest. The Office may also assist public or private parties in resolving disputes. The Public Advocate may establish fees to be charged to public or private parties for educational, consultation, dispute resolution or other services, and may apply for federal, local, or private grants, bequests, gifts or contributions to aid in financing programs or activities of the office.

The Corrections Ombudsperson establishes and implements procedures for handling complaints from inmates, their families, other interested citizens, public officials, and government agencies concerning conditions in correctional facilities.

- Division of Mental Health Advocacy.** The Division of Mental Health Advocacy shall promote, advocate, and ensure the adequacy of the care received, and the quality of life experienced, by persons with mental illness, including patients, residents, and clients within the mental health facilities and programs operated, funded, or licensed by the State.
- Division of Elder Advocacy.** The primary purpose of the Division of Elder Advocacy is to protect the interests of the elderly. The Division accomplishes this goal by intervening in or instituting proceedings involving the interests of the elderly before any department, commission, agency, or board of the State leading to an administrative adjudication or administrative rule as defined in section 2 of P.L. 1968, c.410 (C.52:14B-2) and instituting litigation on behalf of the

elderly. The division may commence negotiation, mediation, or alternative dispute resolution in the interest of the elderly. The Division of Elder Advocacy contributes to the shaping of policy regarding the welfare of New Jersey’s elderly by reporting on recommendations to the Governor and the Legislature.

Also established in the Division of Elder Advocacy in the Department of the Public Advocate is the Ombudsperson for the Institutionalized Elderly. The Ombudsperson for the Institutionalized Elderly (c.52:27G-1 et seq.) receives, investigates, and resolves complaints concerning health care facilities serving the elderly, and initiates actions to secure, preserve and promote the health, safety, welfare, and the civil and human rights of the institutionalized elderly.

- 05. **Division of Public Interest Advocacy.** The Division of Public Interest Advocacy reviews complaints forwarded to the Public Advocate and provides legal representation and other advocacy services when the Public Advocate deems it in the public interest to protect and advocate the rights of any group or interest. The Division can commence negotiation, mediation, or alternative dispute resolution prior to, or in lieu of, the initiation of any litigation.
- 07. **Division of Advocacy for the Developmentally Disabled.** The Division of Advocacy for the Developmentally Disabled will promote, advocate, and ensure the adequacy of the care received, and the quality of life experienced, by persons with developmental disabilities, including patients, residents, and clients with the developmental disabilities facilities and programs operated, funded, or licensed by the State. Procedures will be established to handle complaints from patients, their families, other interested citizens, public officials, and government agencies concerning conditions in the State’s developmental disabilities facilities.
- 08. **Division of Rate Counsel.** The Division of Rate Counsel is responsible for the representation of New Jersey ratepayers before regulatory and legal tribunals and decision making bodies, and to establish rates and State policies for the delivery of essential regulated services including natural gas, electric, telecommunications, water, wastewater and cable

television. The Division is also responsible for the oversight and accounting of revenues received as statutory assessments from regulated utilities and the oversight of its expenditures.

The Rate Counsel may also represent the public interest with regard to utilities in proceedings before and appeals from any State department, commission, authority, council, agency, or board charged with the regulation or control of any business, industry, or utility regarding a requirement that the business, industry, or utility provide a service or regarding the fixing of a rate, toll, fare, or charge for a product or service. The division may initiate any proceeding when it is determined that a discontinuance or change in a required service or a rate, toll, fare, or charge for a product or service is in the public interest.

The Rate Counsel may also represent the public interest in significant proceedings that pertain solely to prior approval rate increases greater than seven percent for personal lines property casualty coverage or Medicare supplemental coverages.

- 09. **Office of the Child Advocate.** The Office of the Child Advocate, allocated within the Department of the Public Advocate, is independent of any supervision or control by the department, its officers and divisions. The Office investigates, reviews, monitors or evaluates all State agencies and service providers, ensuring the safety of children, as well as responding to allegations of child abuse and neglect.
- 99. **Division of Administration.** The Division of Administration, which includes the Office of the Public Advocate provides the Public Advocate, the staff and resources needed to supervise and execute the mission of the Public Advocate and its component offices and Divisions in representation of the public interest on behalf of the indigent, the elderly, children and other persons unable to protect themselves as individuals or a class. The primary responsibilities of the Division of Administration are to prepare budgets, fulfill personnel requirements, provide public information concerning departmental activities, conduct necessary research as the Public Advocate determines to be relevant and necessary to the department’s functions.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Division of Citizens Relations				
Office of Dispute Settlement				
Cases July 1	89	89	89	89
Added	711	661	661	661
Closed	711	661	661	661
Cases June 30	89	89	89	89
Dispositions per representative	130	132	132	132
Division of Mental Health Advocacy				
Mental Health Screening Services				
Regional Representation (Civil Commitment)				
Cases Added	16,408	16,098	16,098	16,098
Cases Closed	15,117	15,401	15,401	15,401
Dispositions per staff attorney	945	1,100	1,100	1,100
Sexual Offender Representation (Civil Commitment)				
Cases Added	524	349	349	349
Cases Closed	322	253	253	253

PUBLIC ADVOCATE

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Division of Elder Advocacy				
Office of the Ombudsman				
Institutionalized elderly	125,000	125,000	125,000	125,000
On-site investigations:				
Involving patient funds	770	468	500	500
Involving care/abuse/neglect	8,580	6,598	7,000	7,000
Nursing homes visited	4,290	2,948	3,000	3,000
Boarding homes visited	220	446	450	450
Residential health care/psychiatric and development centers visits	220	50	100	100
Cases referred to enforcement agencies	440	539	550	550

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	99	113	105	172
All Other	38	44	43	47
Total Positions	137	157	148	219

Filled Positions by Program Class

Division of Citizen Relations	22	22	22	24
Division of Mental Health Advocacy	51	52	46	60
Division of Elder Advocacy	21	21	22	21
Division of Public Interest Advocacy	---	---	---	15
Division of Advocacy for the Developmentally Disabled	---	---	---	4
Division of Rate Counsel	36	42	41	45
Office of the Child Advocate	7	20	15	25
Division of Administration	---	---	2	25
Total Positions	137	157	148	219

Notes:

Actual payroll counts reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
1,371	4	15	1,390	1,390	Citizen Relations	01	1,407	1,872	1,872
3,222	104	-220	3,106	3,062	Mental Health Advocacy	03	3,463	3,608	3,608
826	---	---	826	819	Elder Advocacy	04	826	971	971
---	---	---	---	---	Public Interest Advocacy	05	571	1,446	1,446
---	---	---	---	---	Advocacy for the Developmental- ly Disabled	07	145	294	294
5,871	1,530	55	7,456	5,470	Rate Counsel	08	6,024	6,024	6,024
2,500	799	-175	3,124	2,423	Child Advocate	09	2,500	2,500	2,500
---	---	---	---	---	Management and Administrative Services	99	1,284	2,705	2,705
13,790	2,437	-325	15,902	13,164	Total Direct State Services		16,220^(a)	19,420	19,420
Distribution by Fund and Object									
Personal Services:									
7,461	792	-1,000	7,253	7,016	Salaries and Wages		9,602	11,380	11,380
7,461	792	-1,000	7,253	7,016	Total Personal Services		9,602	11,380	11,380
144	65	29	238	181	Materials and Supplies		181	219	219

PUBLIC ADVOCATE

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
2,481	560	988	4,029	2,317		2,583	3,810	3,810
538	140	-187	491	472		554	571	571
Special Purpose:								
602	45	---	647	643				
---	---	51	51	51	03	697	697	697
2,500	799	-175	3,124	2,423	08	---	---	---
64	36	-31	69	61	09	2,500	2,500	2,500
<u>13,790</u>	<u>2,437</u>	<u>-325</u>	<u>15,902</u>	<u>13,164</u>		<u>103</u>	<u>243</u>	<u>243</u>
						<u>16,220</u>	<u>19,420</u>	<u>19,420</u>
OTHER RELATED APPROPRIATIONS								
Federal Funds								
223	---	---	223	223	03	223	223	223
<u>800</u>	<u>415</u>	<u>---</u>	<u>1,215</u>	<u>505</u>	04	<u>800</u>	<u>800</u>	<u>800</u>
<u>1,023</u>	<u>415</u>	<u>---</u>	<u>1,438</u>	<u>728</u>		<u>1,023</u>	<u>1,023</u>	<u>1,023</u>
All Other Funds								
---	361 ⁷	---	368	358	01	409	409	409
---	<u>368</u>	---	<u>368</u>	<u>358</u>		<u>409</u>	<u>409</u>	<u>409</u>
<u>14,813</u>	<u>3,220</u>	<u>-325</u>	<u>17,708</u>	<u>14,250</u>		<u>17,652</u>	<u>20,852</u>	<u>20,852</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

The Department of the Public Advocate was created in fiscal year 2006 pursuant to P.L. 2005, c.155. For comparison purposes, appropriations in fiscal years 2005 and 2006 for salary and other operating costs were transferred from the following departments: Corrections Ombudsperson in the Department of Corrections; Office of the Ombudsman in the Department of Health and Senior Services; Child Advocate Agency in-but-not-of the Department of Law and Public Safety; and the Ratepayer Advocacy, Dispute Settlement and Mental Health Screening Services in the Department of Treasury.

Language Recommendations -- Direct State Services - General Fund

The unexpended balances at the end of the preceding fiscal year in the Office of the Child Advocate are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Sums provided for legal and investigative services are available for payment of obligations applicable to prior fiscal years.

Receipts of the Division of Rate Counsel in excess of those anticipated are appropriated for the Division of Rate Counsel to defray the costs of this activity under section 16 of P.L. 1994, c.58 (C.52:27E-63).

The unexpended balances at the end of the preceding fiscal year in the Rate Counsel accounts are appropriated.

To permit flexibility in the handling of appropriations to effectuate the provisions of P.L. 2005, c. 155, the amounts hereinabove may be transferred to and from the various items of appropriation subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

NOTES

DEPARTMENT OF STATE

OVERVIEW

The mission of the Department of State is to advance and support the arts, heritage, and historic record of New Jersey through public participation in cultural programs, quality of life initiatives and community service activities. As such, the Department is committed to educating and empowering the State's citizens in the areas of faith and community based service, history, the arts, and the collection of fine and decorative art objects, ethnological and archeological material, and scientific specimens.

The Department also provides records administration and records management services to the State's citizens. The Public Broadcasting Authority, the Commission on Higher Education, and the Higher Education Student Assistance Authority are also housed within the Department.

FY 2007 Budget Highlights

The Fiscal year 2007 Budget for the Department of State, excluding Higher Education, the State Library and New Jersey Network, totals \$40.5 million, a decrease of \$13.2 million, or 24.6%, under the fiscal 2006 adjusted appropriation of \$53.7 million.

Culture and the Arts

The mission of the New Jersey State Council on the Arts (N.J.SCA) is to improve the quality of life of this State, its people, and communities by helping the arts to flourish. The N.J.SCA has established a competitive program for the granting of funds appropriated by State and federal governments to art organizations and artists in New Jersey. Programs such as touring exhibitions, summer festivals, and artists-in-the-schools are designed to involve more segments of New Jersey society directly with the arts. The Council monitors the operation of past grantees and promotes performing and creative arts throughout New Jersey. The total fiscal 2007 appropriation of \$23.3 million includes \$500,000 for Direct State Services and \$22.8 million in Grants-In-Aid. The Grants-In-Aid appropriation includes \$20.4 million for Cultural Projects, which is a 10% reduction from the fiscal 2006 adjusted appropriation of \$22.7 million. This appropriation is funded directly from revenue derived from the State hotel and motel occupancy fee. In addition, the Newark Museum will receive a \$2.4 appropriation in fiscal 2007, which represents a decrease of \$2.5 million due to the elimination of one-time funding.

The goal of the New Jersey Cultural Trust is the establishment of a stable source of funding for the arts, history, and humanities by leveraging private contributions with State funding. The Trust was created to match private dollars to State dollars on a 1:1 basis. Since its establishment in fiscal 2000, the Cultural Trust has certified \$38.5 million in private donations to the endowments of various cultural organizations throughout the State. To date, the State has provided \$25 million to the Trust. The fiscal 2007 recommendation of \$720,000 in Grants-In-Aid funding is the same level of funding as in fiscal 2006. Funding for the Cultural Trust comes from revenue derived from the State hotel and motel occupancy fee.

Historic Preservation

The mission of the New Jersey Historical Commission is to enrich the lives of the public by preserving the historical records and advancing interest in and awareness of New Jersey's past. The Historical Commission, which consists of 17 members, supports research by historical organizations, museums, libraries, and other similar organizations with collections or programming related to the history of New Jersey. The total fiscal 2007 appropriation of \$4.2 million includes \$510,000 for Direct State Services and \$3.7 million in Grants-In-Aid. Of the \$3.7 million in Grants-In-Aid, \$3.5 million will fund the New Jersey Historical Commission's agency grants with revenue derived from the State hotel and motel occupancy fee.

The fiscal 2007 appropriation for the Grants in New Jersey History and Grants in Afro-American History programs is \$202,000.

Museum Services

The fiscal 2007 Direct State Services appropriation for Museum Services totals \$2.5 million. A Grants-In-Aid appropriation of \$2 million in fiscal 2007 is composed of \$500,000 to maintain the War Memorial, as well as \$1.5 million to support the Battleship New Jersey Museum. As a presenting theater, the War Memorial will continue its efforts to increase revenues and attendance levels at this historic site.

Office of the Secretary of State

Of the \$6.3 million fiscal 2007 Direct State Services appropriation for the Office of the Secretary of State, \$3 million is recommended for the Division of Archives and Records Management. The \$3.3 million for the Office of the Secretary of State includes several special purpose programs, such as the Personal Responsibility Program that promotes youth-centered activities and the Amistad Commission that promotes a wider educational awareness of slavery in America. The Office of Cultural Affairs coordinates State-funded programs supporting arts, history, and other cultural organizations. The Grants-In-Aid funding in fiscal 2007 is \$2.2 million, which represents a reduction of \$1.5 million, or 41%, from fiscal 2006.

The Grants-In-Aid funding for the Office of Faith-Based Initiatives is \$1.5 million in fiscal 2007, which is a reduction of \$1.5 million, or 50%, from fiscal 2006. This funding is appropriated for grants that enable faith-based organizations to undertake a variety of social service activities.

The federal AmeriCorps program was transferred from the Department of Education to the Department of State in fiscal 2004. AmeriCorps works to strengthen New Jersey communities and the civic character of New Jersey citizens through service. The priority areas are education, human need, public safety, homeland security, and environmental need.

Archives and Records Management

The fiscal 2007 Budget for the Division of Archives and Records Management (DARM) is recommended at \$3 million, a decrease of \$1.2 million in one-time startup costs from the fiscal 2006 adjusted appropriation of \$4.2 million. In addition, DARM will distribute Public Archives and Records Infrastructure Support (PARIS) grants, from revenue derived from the New Jersey Public Records Preservation account, a dedicated source of funds established in the Department of Treasury via P.L. 2003, c. 117.

Department Accomplishments

The Department of State has made significant accomplishments, which contribute to the economy, improve New Jersey's schools, and revitalize cities, towns and neighborhoods.

The passage of P. L. 2003, c. 149 transformed the Patriots Theater at the War Memorial into a presenting theater. Prior to the legislation, the Theater was only able to rent the facility. The new legislation enables the Patriots Theater to generate greater revenue to sustain its operations, which, in time, should reduce its reliance on taxpayer dollars.

Recognizing the value and importance of the arts and history to the quality of life in New Jersey, a dedicated source of funding was established with the passage of P.L. 2003, c. 114, which imposes a State hotel and motel occupancy fee to support the State's arts and history programs. Each year, such programs touch millions of people and have an estimated economic impact of \$1.5 billion.

The corpus in the Cultural Trust account surpassed the \$20 million mark required by statute to allocate interest earnings, which will fund capital projects, build endowments, and contribute to the financial and institutional stability of nonprofit cultural groups in New Jersey.

To ensure that all contracts are bid fairly and that identifiable groups, by virtue of their race, gender, ethnicity or geographic location, are not precluded from participating in State contracting and procurement, the Department has completed a disparity study. The final reports will form the basis for future Affirmative Action programs.

The Division of Archives and Records Management will facilitate systematic improvements in the State's records management infrastructure, policies and practices; increase the speed of State records retrieval for the public as required under P. L. 2001 c. 404, the "Open Public Records Act" (OPRA); and dramatically cut the State's costs for storing records through a partnership with the Department of the Treasury.

New Jersey Network

The Fiscal 2007 Budget recommendation for the Public Broadcasting Authority (New Jersey Network-NJN) is \$5.6 million, which represents a decrease of \$1.1 million or 16.7% under the fiscal 2006 adjusted appropriation of \$6.7 million. This decrease in funding represents the shift of salary funding from State sources to dedicated sources, and the elimination of one-time funding. The fiscal 2007 appropriation will allow the Authority to continue its operations and programming.

Higher Education

The Department of State budget also contains appropriations supporting certain higher educational services, including the Commission on Higher Education, the Educational Opportunity Fund, the Higher Education Student Assistance Authority, and the senior public colleges and universities. Appropriations for other higher educational services are included in the Department of the Treasury budget.

The New Jersey system of higher education is committed to enabling all people to achieve their maximum potential, fostering democratic principles, improving the quality of life, and supporting the State's success in a global economy. By placing teaching and learning at the core of its mission, the higher education system in New Jersey prepares individuals for rewarding careers, fulfilling lives, and lifelong learning. Through research, colleges and universities enhance teaching and learning, increase knowledge, improve the human condition, and enhance the economy. Many institutions also provide community service, such as work with local schools and organizations, recreational and cultural events, and support and technical assistance for small businesses.

New Jersey's 31 public and 26 private institutions of higher education have clearly differentiated missions and offer diverse opportunities to meet the needs of students, the State, and society, including undergraduate, graduate, and professional degree programs; research; academic support; and noncredit offerings such as job training and continuing education.

The Higher Education Restructuring Act of 1994 established a tripartite governance structure consisting of college and university governing boards, the Commission on Higher Education, and the New Jersey Presidents' Council. The governing boards of the public higher education institutions are accountable to the public for the fulfillment of each institution's unique mission, furthering statewide goals, and the effective management of the institutions. The Commission on Higher Education has statewide responsibility for planning, policy development, advocacy, licensure, and the administration of several grant programs, including the Educational Opportunity Fund, which provides financial support and services to educationally and economically disadvantaged students. The New Jersey Presidents' Council advises the Commission in these areas and also reviews new academic programs and makes recommendations on regional alliances, the higher education budget, and student aid

levels. The Commission and the Council were created to work together to coordinate higher education and advance State goals.

The Restructuring Act also established the Higher Education Student Assistance Authority as a separate entity to administer most of the state and federal student financial aid programs in New Jersey. Progress in meeting long-range plan goals in the area of state student financial aid has also been made, with steady increases in both Tuition Aid Grants and the Educational Opportunity Fund.

The following describes recommended changes to the higher education appropriation, as well as continued funding for major programs.

The fiscal 2007 total recommended funding for the Commission on Higher Education is \$1.4 million, which is a continuation of the fiscal 2006 funding level.

The State's 12 senior public colleges and universities operate autonomously to a large extent. Each institution has its own board of trustees to develop and carry out its mission. The total fiscal 2007 recommended direct operating aid for the 12 four-year public colleges and universities is \$807.6 million. This represents a decrease of \$143.5 million under the fiscal 2006 level. This decrease consists of the elimination of \$48.2 million in one-time funding and reductions in base funding totaling \$95.3 million.

The Educational Opportunity Fund (EOF) is New Jersey's oldest and one of the nation's most comprehensive state-supported efforts to provide access to higher education for students who are economically and educationally disadvantaged. To ensure that those students most in need have an opportunity to attend college, the Fund provides supplemental financial aid to help cover college costs (e.g., books, fees, room and board) that are not covered by the Tuition Aid Grant program. The Fund also supports a wide array of campus-based outreach and support services at 28 of the public and 13 of the independent institutions to ensure viable opportunities for students to succeed and graduate. During fiscal 2006, almost 14,000 educationally and economically disadvantaged students received EOF grant assistance. The State will continue the fiscal 2006 level of funding for EOF grants in fiscal 2007 with a recommendation of \$40.6 million.

The Higher Education Student Assistance Authority (HESAA) was established to be the primary source for financial aid information and services in the Garden State for students interested in pursuing their education beyond high school. Funding to HESAA of \$2 million is recommended for fiscal 2007.

New Jersey's Tuition Aid Grant (TAG) Program is one of the nation's largest financial aid programs, and New Jersey ranks among the top states in providing need-based aid. Depending on need, a TAG award can cover a significant portion of the tuition cost. Awards may be used at New Jersey postsecondary institutions, including community colleges, State colleges and universities, independent colleges and universities, and degree-granting proprietary institutions. Total recommended funding for the TAG program in fiscal 2007 is \$214.7 million, providing a projected 50,866 grants. This is a \$5.8 million increase over the fiscal 2006 level.

A pilot Part-Time TAG program for county college students was established in fiscal 2004 for eligible, qualified part-time students enrolled at county colleges. Funding for this initiative was increased by \$490,000 in fiscal 2007 to \$4.9 million and will provide financial assistance to over 9,900 part-time students.

The Outstanding Scholars Recruitment Program provides State-matching funds to participating public and private institutions for campus-based scholarships based on a combination of class rank and SAT scores. Due to fiscal constraints, funds will not be available to support an incoming freshman cohort, but will provide support for those already in the program. This will result in savings of \$4.3 million in fiscal 2007.

State scholarship awards under the Coordinated Garden State Scholarship Initiative, which includes the Edward J. Bloustein Distinguished Scholars and Urban Scholars programs, provide \$1,000 renewable scholarships for 7,562 students for four years, including 2,136 students from the lowest socio-economic school districts.

The New Jersey Better Educational Savings Trust (NJBEST) program continues to offer an attractive option for parents to save for their children's college education. Changes to the IRS tax code permitted states to develop college savings programs in which earnings are tax-free if used for qualified higher education expenses. NJBEST also provides three other State-based incentives, including interest earnings free from New Jersey's Gross Income Tax, \$25,000 in savings excluded from consideration of eligibility for State need-based aid, and up to a \$1,500 scholarship to individuals who save through the program for at least four years and then enroll in a New Jersey college or university. As of December 31, 2005, the number of participants now exceeds 130,000, with over \$1.03 billion invested through this program.

The New Jersey Student Tuition Assistance Reward Scholarship (N.J.STARS I), which was established in fiscal 2005, provides tuition and fees for two years for every New Jersey high school student who graduates in the top 20% of his or her high school class and attends a New Jersey community college. This ensures that New Jersey's most academically talented students are not denied the opportunity to attend college. Nearly 800 students received almost \$1.7 million in N.J.STARS I funds during fiscal 2005. Building on the success of

N.J.STARS I is a new fiscal 2007 initiative, N.J.STARS II, which provides N.J.STARS I students, who have earned an associate degree while maintaining at least a 3.0 grade point average, with a scholarship not to exceed \$4,000 annually; this scholarship may be applied to the cost of both tuition and fees at any four-year New Jersey public college or university. County college credits will be fully transferable toward a bachelor's degree, so students will enroll automatically as juniors. Total fiscal 2007 funding for both N.J.STARS I and N.J.STARS II is \$8 million for a projected total of 3,000 participants.

The Social Services Student Loan Redemption Program is funded at \$3.5 million. This program provides student loan forgiveness for eligible program participants who are hired as full-time direct care professionals at public or non-profit social service agencies. Redemption of loans under this program may not exceed \$5,000 annually (or \$20,000 in total), of the principal and interest of eligible student loans in return for satisfactory completion of a full year of approved employment.

The State Library of New Jersey

The State Library, associated with Thomas A. Edison State College, collects and maintains library resources, providing information to State government and the general public. Additionally, the Library provides consulting and technical assistance to institutional, public, school, and special libraries. This Budget includes a Direct State Service recommendation of \$4.6 million and a State Aid recommendation of \$18.5 million.

DEPARTMENT OF STATE

SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
GENERAL FUND							
32,729	1,116	845	34,690	32,925	28,116	31,514	23,387
1,158,257	21,695	28,891	1,208,843	1,179,280	1,288,348	1,401,649	1,133,287
16,827	---	---	16,827	16,598	18,537	38,160	18,520
1,000	122	300	1,422	971	---	---	---
1,208,813	22,933	30,036	1,261,782	1,229,774	1,335,001	1,471,323	1,175,194
1,208,813	22,933	30,036	1,261,782	1,229,774	1,335,001	1,471,323	1,175,194
Total Appropriation, Department of State					1,335,001	1,471,323	1,175,194

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES - GENERAL FUND							
Higher Educational Services							
1,362	303	112	1,777	1,643	1,437	1,587	1,437
2,297	1	---	2,298	2,298			
					3,324	1,975	1,975
3,659	304	112	4,075	3,941	4,761	3,562	3,412
Subtotal					4,761	3,562	3,412
Cultural and Intellectual Development Services							
500	---	297	797	797	500	500	500
2,530	---	-16	2,514	2,509	2,530	2,455	2,455
500	---	19	519	519	510	510	510

STATE

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
6,146	---	300	6,446	6,446	Public Broadcasting Services	6,727	5,604	5,604
10,245	---	---	10,245	10,245	Library Services	4,570	12,547	4,570
19,921	---	600	20,521	20,516	<i>Subtotal</i>	14,837	21,616	13,639
					General Government Services			
4,440	612	41	5,093	4,387	Office of the Secretary of State	4,360	3,373	3,373
4,709	200	92	5,001	4,081	Records Management	4,158	2,963	2,963
9,149	812	133	10,094	8,468	<i>Subtotal</i>	8,518	6,336	6,336
32,729	1,116	845	34,690	32,925	<i>Total Direct State Services - General Fund</i>	28,116	31,514	23,387
32,729	1,116	845	34,690	32,925	TOTAL DIRECT STATE SERVICES	28,116	31,514	23,387
					GRANTS-IN-AID - GENERAL FUND			
					Higher Educational Services			
43,637	11	-112	43,536	43,530	Commission on Higher Education	46,777	54,527	45,497
231,989	12,344	---	244,333	214,875	Higher Education Student Assistance Authority	248,836	249,484	249,484
289,196	4,000	7,013	300,209	300,209	Rutgers, The State University	330,575	322,725	274,654
26,158	---	594	26,752	26,752	Agricultural Experiment Station	25,675	26,675	25,675
199,842	5,334	9,974	215,150	215,150	University of Medicine and Dentistry of New Jersey	242,939	273,131	194,165
48,840	---	1,472	50,312	50,312	New Jersey Institute of Technology	51,512	60,532	45,752
5,950	---	227	6,177	6,177	Thomas A. Edison State College	6,651	7,801	5,433
36,861	---	1,202	38,063	38,063	Rowan University	39,505	50,944	35,429
31,062	---	1,077	32,139	32,139	New Jersey City University	33,517	36,551	30,085
40,278	---	1,275	41,553	41,553	Kean University	43,180	43,396	37,756
39,599	---	1,199	40,798	40,798	William Paterson University	42,085	63,969	37,840
45,283	---	2,162	47,445	47,445	Montclair State University	50,355	67,195	44,779
35,785	---	1,201	36,986	36,986	The College of New Jersey	37,977	46,327	33,998
19,640	---	916	20,556	20,556	Ramapo College of New Jersey	21,417	27,831	19,005
23,795	---	685	24,480	24,480	The Richard Stockton College of New Jersey	25,665	39,841	23,015
1,117,915	21,689	28,885	1,168,489	1,139,025	<i>Subtotal</i>	1,246,666	1,370,929	1,102,567
					Cultural and Intellectual Development Services			
28,180	---	---	28,180	28,177	Support of the Arts	29,310	22,842	22,842
3,800	---	---	3,800	3,800	Museum Services	4,000	2,000	2,000
4,642	6	---	4,648	4,643	Development of Historical Resources	4,642	3,658	3,658
36,622	6	---	36,628	36,620	<i>Subtotal</i>	37,952	28,500	28,500
					General Government Services			
3,720	---	6	3,726	3,635	Office of the Secretary of State	3,730	2,220	2,220
3,720	---	6	3,726	3,635	<i>Subtotal</i>	3,730	2,220	2,220
1,158,257	21,695	28,891	1,208,843	1,179,280	<i>Total Grants-In-Aid - General Fund</i>	1,288,348	1,401,649	1,133,287
1,158,257	21,695	28,891	1,208,843	1,179,280	TOTAL GRANTS-IN-AID	1,288,348	1,401,649	1,133,287

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recommended
16,827	---	---	16,827	16,598	STATE AID - GENERAL FUND			
					Cultural and Intellectual Development Services			
					Library Services	18,537	38,160	18,520
16,827	---	---	16,827	16,598	<i>Subtotal</i>	18,537	38,160	18,520
16,827	---	---	16,827	16,598	<i>Total State Aid - General Fund</i>	18,537	38,160	18,520
16,827	---	---	16,827	16,598	TOTAL STATE AID	18,537	38,160	18,520
					CAPITAL CONSTRUCTION			
					Higher Educational Services			
					The Richard Stockton College of New Jersey	---	---	---
---	9	---	9	---	<i>Subtotal</i>	---	---	---
---	9	---	9	---				
					Cultural and Intellectual Development Services			
					Support of the Arts	---	---	---
					Museum Services	---	---	---
1,000	9	300	1,309	956	Public Broadcasting Services	---	---	---
---	23	---	23	---	Library Services	---	---	---
1,000	48	300	1,348	964	<i>Subtotal</i>	---	---	---
					General Government Services			
					Office of the Secretary of State	---	---	---
					Records Management	---	---	---
---	65	---	65	7	<i>Subtotal</i>	---	---	---
1,000	122	300	1,422	971	TOTAL CAPITAL CONSTRUCTION	---	---	---
1,208,813	22,933	30,036	1,261,782	1,229,774	Total Appropriation, Department of State	1,335,001	1,471,323	1,175,194

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT

36. HIGHER EDUCATIONAL SERVICES

OBJECTIVES

1. To coordinate the implementation of New Jersey's long-range plan for higher education, *A Blueprint for Excellence*, which focuses on improving access and outcomes for students from preschool to graduate school, and on enhancing the economy through research and workforce development.
2. To serve as a catalyst for higher education discussions and policy development.
3. To build coalitions and promote collaboration to achieve state goals.
4. To raise the visibility of New Jersey higher education and its value to the State and its people.

PROGRAM CLASSIFICATIONS

80. **Statewide Planning and Coordination for Higher Education.** The Higher Education Restructuring Act of 1994 established the New Jersey Commission on Higher Education

to provide coordination, planning, policy development, and advocacy for the State's higher education system with advice from the New Jersey Presidents' Council. The Commission consists of 6 public members appointed by the Governor, 1 member appointed by the Governor upon recommendation of the Senate President, 1 member appointed by the Governor upon recommendation of the Speaker of the Assembly, 2 student members appointed by the Governor, 1 faculty member from an institution of higher education appointed by the Governor, the Chair of the Presidents' Council, the Chair of the Higher Education Student Assistance Authority, and its executive director (non-voting). It is established in, but not of, the Department of State and authorizes degree-granting institutions of higher education to operate in New Jersey. The Commission conducts research and coordinates statewide accountability efforts to provide data and information on higher education performance. It implements programs and initiatives to enhance the capacity and competitiveness of New Jersey institutions, increases access to higher education for historically underserved groups, fosters diversity among

college and university faculty, and improves linkages between elementary, secondary, and higher education as well as among two-year and four-year colleges and universities. The Commission also administers the federal GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) grant that augments the State’s College Bound Program.

Summer program grants assist primarily incoming students who are making the transition to college. Through “Supplementary Education Program Grants,” EOF enables colleges and universities to provide a wide array of campus outreach and support services beyond those customarily offered. These critical support services, which promote a smooth transition to college-level work and help ensure that students persist and complete their degrees, include tutoring, counseling, supplemental instruction, and leadership development. The Martin Luther King Physician/Dentist Scholarship Program (N.J.S.18A:72J-1 et seq.) provides grants up to the cost of tuition to New Jersey resident medical and dental students from disadvantaged or minority backgrounds. Grants are limited to students attending the University of Medicine and Dentistry of New Jersey. The C. Clyde Ferguson Law Scholarship Program (N.J.S.18A:71-40.1 et seq.) provides grants up to the cost of tuition to New Jersey resident law students from disadvantaged or minority backgrounds. Grants are limited to students attending Rutgers School of Law-Camden, Rutgers School of Law-Newark, and Seton Hall University School of Law.

81. New Jersey Educational Opportunity Fund. Created by law in 1968 (N.J.S.18A:71-28 et seq.), the Educational Opportunity Fund (EOF) supports educationally and economically disadvantaged students for undergraduate, graduate, and professional study at public and independent institutions of higher education in New Jersey. The Fund is governed by a Board of Directors consisting of 8 public members appointed by the Governor, the Chair of the Commission on Higher Education, the Chair of the Higher Education Student Assistance Authority, and its executive director (non-voting). “Opportunity Grants” are awarded to students during the academic year to assist students in meeting college expenses such as fees, books, room, board, and transportation that are not covered by the State’s Tuition Aid Grant program.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Statewide Planning and Coordination for Higher Education				
Rutgers, The State University				
Undergraduate enrollment (FTE)	31,865	31,475	31,045	31,137
Graduate enrollment (FTE)	8,381	8,354	8,168	8,192
Total enrollment (FTE)	40,246	39,829	39,213	39,329
New Jersey Institute of Technology				
Undergraduate enrollment (FTE)	4,369	4,181	4,183	4,256
Graduate enrollment (FTE)	1,676	1,551	1,442	1,668
Total enrollment (FTE)	6,045	5,732	5,625	5,924
State Colleges and Universities (a)				
Undergraduate enrollment (FTE)	50,497	51,699	51,416	51,928
Graduate enrollment (FTE)	6,527	6,623	6,457	6,497
Total enrollment (FTE)	57,024	58,322	57,873	58,425
Average Tuition and Fees (b)	\$6,987	\$7,630	\$8,349	---
Average Total Cost of Attendance (b)	\$17,589	\$18,801	\$20,061	---
Average Third-Semester Retention Rate (c)	83.4%	83.4%	---	---
Average Six-Year Graduation Rate (c)	56.0%	57.4%	---	---
Aid to County Colleges				
County colleges aided	19	19	19	19
Student enrollment (FTE) (d)	109,767	113,194	114,326	115,469
Average Tuition and Fees (b)	\$2,402	\$2,633	\$2,787	---
Average Total Cost of Attendance (b)	\$9,583	\$10,332	\$10,605	---
Average Third-Semester Retention Rate (c)	61.2%	60.3%	---	---
Average Three-Year Combined Graduation & Transfer Rates (c)	25.0%	24.8%	---	---
Support to Independent Institutions				
Independent colleges and universities aided	14	14	14	14
Student enrollment (FTE) (d)	24,013	23,989	24,622	25,272
Educational Opportunity Fund Programs				
Colleges and universities participating	41	41	42	42
Public	28	28	29	29
Private	13	13	13	13
Total opportunity grants	18,235	17,828	19,206	19,650
Academic year - undergraduate	12,391	12,215	13,126	13,570
Graduate program	204	186	190	190
Summer program	5,640	5,427	5,890	5,890
Martin Luther King Physician /Dentist Scholarship	58	44	46	46
C. Clyde Ferguson Law Scholarship	49	39	39	39

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	4	3	2	2
Male Minority %	21%	17%	11%	9%
Female Minority	6	5	5	5
Female Minority %	32%	28%	28%	23%
Total Minority	10	8	7	7
Total Minority %	53%	44%	39%	32%
Position Data				
Filled Positions by Funding Source				
State Supported	17	16	15	18
Federal	2	2	2	4
Total Positions	19	18	17	22
Filled Positions by Program Class				
Statewide Planning and Coordination for Higher Education ..	15	14	13	18
Educational Opportunity Fund Programs	4	4	4	4
Total Positions	19	18	17	22

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

- (a) Excludes Thomas A. Edison State College and the University of Medicine and Dentistry of New Jersey, since data for these institutions are not calculated on the basis of comparable FTEs.
- (b) As reported to the Higher Education Student Assistance Authority.
- (c) As calculated by the Student Unit Record Enrollment (SURE) system.
- (d) Fiscal 2004 data revised to reflect audited enrollment totals.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & Supplemental ^(S)	Reapp. & Recpts. ^(R)	Transfers & Emergencies ^(E)	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
957	301	112	1,370	1,263				
405	2	---	407	380	80	1,032	1,182	1,032
					81	405	405	405
1,362	303	112	1,777	1,643		1,437^(a)	1,587	1,437
Distribution by Fund and Object								
Personal Services:								
1,208	---	15	1,223	1,127		1,283	1,283	1,283
1,208	---	15	1,223	1,127		1,283	1,283	1,283
16	---	10	26	26		16	43	16
118	300	54	472	471		118	206	118
20	---	-9	11	11		20	39	20
---	3	42	45	8		---	16	---

STATE

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
GRANTS-IN-AID								
Distribution by Fund and Program								
6,540	11	-112	6,439	6,433				
					80	6,180	11,180	4,900
37,097	---	---	37,097	37,097	81	40,597	43,347	40,597
<u>43,637</u>	<u>11</u>	<u>-112</u>	<u>43,536</u>	<u>43,530</u>		<u>46,777</u>	<u>54,527</u>	<u>45,497</u>
Distribution by Fund and Object								
Grants:								
2,900	---	-52	2,848	2,848	80	2,900	4,900	2,900
780	---	---	780	780	80	780	780	---
350	---	---	350	350	80	350	350	---
---	---	23	23	23				
1,100	---	-53	1,047	1,047	80	1,100	1,100	1,100
600	---	-30	570	570	80	600	600	450
450	11	---	461	455	80	450	450	450
360	---	---	360	360	80	---	---	---
---	---	---	---	---	80	---	3,000	---
23,410	---	---	23,410	23,410	81	26,910	27,660	26,910
12,885	---	---	12,885	12,885	81	12,885	14,885	12,885
602	---	---	602	602	81	602	602	602
200	---	---	200	200	81	200	200	200
<u>44,999</u>	<u>314</u>	<u>---</u>	<u>45,313</u>	<u>45,173</u>		<u>48,214</u>	<u>56,114</u>	<u>46,934</u>
OTHER RELATED APPROPRIATIONS								
Federal Funds								
2,730	206	---	2,936	2,867	80	3,500	3,500	3,500
<u>2,730</u>	<u>206</u>	<u>---</u>	<u>2,936</u>	<u>2,867</u>		<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
<u>47,729</u>	<u>520</u>	<u>---</u>	<u>48,249</u>	<u>48,040</u>		<u>51,714</u>	<u>59,614</u>	<u>50,434</u>

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

An amount not to exceed \$60,000 of the College Bound account is available for transfer to Direct State Services for the administrative expenses of this program, as determined by the Director of the Division of Budget and Accounting.

An amount not to exceed 5% of the total of Higher Education for Special Needs Students and the Program for the Education of Language Minority Students accounts is available for transfer to Direct State Services for the administrative expenses of these programs, as determined by the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year for the Minority Faculty Advancement Program are appropriated.

Refunds from prior years to the Educational Opportunity Fund Programs accounts are appropriated to those accounts.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT

36. HIGHER EDUCATIONAL SERVICES

2405. HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

OBJECTIVES

1. Assist in ensuring that access to an affordable college education is maintained for all eligible New Jersey students.
2. Provide efficient delivery of Tuition Aid Grants, scholarships, and other student financial aid to qualifying New Jersey students.
3. Guarantee federal student loans for New Jersey students attending both in-state and out-of-state institutions, as well as for non-resident students attending school in New Jersey.
4. Provide supplementary student loan assistance to New Jersey resident students and their families, as well as to non-resident students attending New Jersey institutions, through the New Jersey College Loans to Assist State Students (NJCLASS) program.
5. Provide policy leadership in the area of student financial aid.
6. Act as an information clearinghouse for State and federal program and regulatory issues.
7. Maintain federal and State program fiscal records.

PROGRAM CLASSIFICATIONS

45. **Student Assistance Programs.** The Higher Education Student Assistance Authority (HESAA) was created in, but not of, the Department of State by P.L. 1999, c.46, effective April 26, 1999. HESAA is charged with the development of student assistance policy as well as administering the delivery of the State's Tuition Aid Grants (TAG) and scholarship programs, the award and payment systems for the Educational Opportunity Fund (EOF) academic year student grants (the largest component of the EOF program), issuance and servicing of New Jersey College Loans to Assist State Students (NJCLASS), administration of the State's college savings plan (NJBEST), and guaranteeing federal student loans under the Federal Family Education Loan Program (FFELP).

Student Assistance Programs include all student financial assistance programs for eligible residents of the State that are administered under the Executive Director, Higher Education Student Assistance Authority, and associated administrative costs. Administrative funds cover all program operations, including computing, printing, mailing, research, and personnel costs.

In fiscal 1998, New Jersey developed a college savings program, the New Jersey Better Educational Savings Trust (NJBEST), to help families finance the cost of higher education. Interest earned on NJBEST college savings is New Jersey and federally tax exempt. In addition, a student who saves the minimum required amounts through NJBEST and attends college in New Jersey is awarded up to a \$1,500 scholarship.

Tuition Aid Grants (TAG) are awarded under the New Jersey Higher Education Tuition Aid Act, N.J.S.18A:71-41 et seq., to all eligible New Jersey residents attending New Jersey postsecondary institutions, including community colleges, State colleges and universities, independent colleges and universities, and degree-granting proprietary institutions. Award amounts vary depending on the institution attended, and award sizes decrease as a family's ability to pay increases. Ability to pay is determined by a national need analysis system adjusted to meet New Jersey needs, and is maintained

and administered based on responses to the Free Application for Federal Student Aid (FAFSA). The TAG program is the broad-based State student assistance program, which coordinates with federal need-based student aid programs. As such, a TAG grant may be awarded in conjunction with a federal award, an EOF grant, and/or a State scholarship award.

Part-Time TAG awards are available to students with special needs through the Part-Time TAG for EOF Students program. In fiscal 1999, this program was expanded to include all county colleges that currently participate in the EOF program and one additional four-year institution.

A pilot Part-Time TAG program for County College students was established in fiscal 2004 for eligible, qualified part-time students enrolled at county colleges. Part-time grant awards are pro-rated against the full-time grant awards as follows: an eligible student enrolled with six to eight credits receives one-half of the value of a full-time award and an eligible student with nine to eleven credits receives three-quarters of a full-time award, subject to available appropriations.

The Leveraging Educational Assistance Partnership (LEAP) program (formerly the State Student Incentives Grants, or SSIG program) provides federal matching funds to supplement the Tuition Aid Grant program. This program is funded nationally at \$65 million in the fiscal 2006 federal appropriations statute, which should result in an allocation to New Jersey of \$2.097 million for State fiscal year 2007.

State scholarships are awarded under the Garden State Scholarship Act of 1977, N.J.S.18A:71-26.1 et seq., to academically meritorious students at participating New Jersey institutions of higher education. Awards under the Coordinated Garden State Scholarship Programs, which include the Edward J. Bloustein Distinguished Scholars and Urban Scholars programs, range up to \$1,000 per year. No awards are available for use outside of New Jersey. Awards are renewable annually up to four years based on continued good academic standing.

The New Jersey Student Tuition Assistance Reward Scholarship (N.J.STARS) I program was a new initiative in fiscal 2005 to ensure that New Jersey's most academically talented students are not denied the opportunity to attend college. N.J.STARS I guarantees that every New Jersey high school student who graduates in the top 20% of his or her high school class and wants to attend a New Jersey community college will have tuition and fees covered for two years. Building on the success of the N.J.STARS I program, N.J.STARS II (P.L. 2005, c.359) is a new fiscal 2007 initiative that provides N.J.STARS I students, who have earned an associate degree while maintaining at least a 3.0 grade point average, with an annual scholarship that covers the cost of both tuition and fees at any four-year New Jersey public college or university. County college credits will be fully transferable toward a bachelor's degree, so students will enroll automatically as juniors.

The Outstanding Scholars Recruitment Program (OSRP) provides State matching funds to participating public and private institutions for campus-based scholarships to recruit high achieving New Jersey students. This merit-based award provides an annual scholarship between \$2,500 and \$7,500 based on a combination of class rank and SAT scores.

The Survivor Tuition Benefits Program, N.J.S.18A:71-77 et seq., pays college tuition for the surviving spouse or child of a fire fighter, police officer, first aid rescue squad member, or other law enforcement, civil defense, or disaster control worker killed in the line of duty. Benefits received under this program are equal to the cost of tuition at public institutions, or equal to the highest level of tuition charged at public institutions for recipients attending eligible independent institutions.

The Fallen Law Enforcement Officer Memorial Scholarship program, which was signed into law on March 27, 2001, awards scholarships to the children of New Jersey law officers who were killed in the line of duty. These scholarships are for undergraduate study leading to a baccalaureate degree or associate degree at any public or private institution of higher education in New Jersey and supplement Survivor Tuition Benefits for funding awards up to the cost of education. Funding of the program is from the sale of special law enforcement officer memorial license plates for motor vehicles owned or leased in the State of New Jersey. The Division of Motor Vehicles is responsible for the sale of the license plates. HESAA is responsible for the administrative duties of the Program.

The New Jersey World Trade Center Scholarship Program was signed into law on January 11, 2002. Scholarships for the costs of undergraduate education may be awarded to dependent children or spouses of New Jersey residents who were killed or are presumed dead as a result of the September 11 terrorist attacks. Scholarship assistance is available for full-time study in degree-granting programs in or out of state.

The Dana Christmas Scholarship for Heroism program awards up to 5 scholarships a year to New Jersey residents who have performed acts of heroism prior to age 22. Awardees must be nominated by a member of the public. Nominations are reviewed by a selection committee and forwarded to the HESAA Board each fall for approval.

Established in fiscal 2004, the Teaching Fellows Program provides direct loans to finance the undergraduate study of academically talented students who have leadership potential and who are interested in teaching in public schools in the State. The program also provides for the redemption of a portion of each eligible student's loan expenses for each year of full-time employment as a teacher in a subject area of critical need or in a high-needs district.

Established during fiscal 2006 with initial funding of \$3.5 million, the Social Services Student Loan Redemption Program is level funded for fiscal 2007. This program provides forgiveness of up to \$20,000 in student loans, over four years, to graduates who take qualifying jobs with New Jersey mental health agencies.

Under the Federal Family Education Loan Program, HESAA is also responsible for an array of loan-related services on behalf of the federal government, including providing public information regarding the loan programs, loan default prevention, primary insurance on student loan defaults for the lending community, location and pursuit of defaulters, and

collection and remission of defaulted loan repayment amounts from borrowers to the federal government. HESAA administers State loan programs and federally regulated programs providing for the guarantee or insuring of loans made by banks, savings and loan associations, credit unions, or other qualified lenders to qualified persons to assist them in meeting the cost of postsecondary education. Loan amounts available for eligible students vary depending upon financial need, grade level, program length, and aggregate borrowing limits. Federal interest subsidies are available to certain eligible students. Parent borrowers, with no adverse credit history, may borrow up to the cost of education minus aid, with no limit to the aggregate amount borrowed. In addition, HESAA also offers consolidated loans, which combine the outstanding loan payments from certain previously disbursed federal guaranteed loans. A legislatively-mandated reserve requirement, N.J.S.18A:72-17, necessitates that the reserve fund shall not be less than either the amount required to acquire defaulted loans during the current fiscal year or the encumbered reserves required on all outstanding loans that were approved prior to the effective date of the act, whichever is greater. Federal mandates also require that guarantee agencies maintain minimum reserve levels as part of the agency's guaranty agreement. Additionally, federal regulations restrict the use of any reserve funds to purposes directly associated with the administration of the federal student loan programs as defined within those regulations.

The New Jersey College Loans to Assist State Students (NJCLASS) loan program, N.J.S.18A:72-34 et seq., supplements aid available for New Jersey undergraduate and graduate students and out-of-state students attending a New Jersey institution. Under the NJCLASS loan program, HESAA makes student loans to eligible borrowers from the proceeds of tax-exempt bonds issued by HESAA. HESAA reviews all applications to determine the applicants' ability to repay the loan and services loans after disbursement. The interest rate paid by borrowers is set with each bond issue in relation to bond market conditions. There is no restriction on family income. The amount borrowed may not exceed a student's estimated cost of attendance minus all other financial assistance received by the student for the academic period for which the loan is intended.

The National Health Primary Care Physician/Dentist Loan Redemption Program provides federal funding to match State funding for redemption of student loans of physicians and dentists providing supervised care in underserved areas of the State. It is anticipated that the State will continue to qualify for grant funding under this program and the federal award amount in fiscal 2006 will be \$240,000. Receipt of federal funding will also be contingent upon the continued availability of State matching funds.

The OB/GYN Loan Redemption Program is funded from a special revenue source within the Department of Health to redeem student loans of OB/GYN providers for medical service in medically underserved areas. This program is funded through a surcharge to all third party payers in the State.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Student Assistance Programs				
Veterinary Medical Education Program				
Veterinary Medical Education Program (Value) (a) (b)	\$1,339,881	\$1,399,266	\$1,443,000	---
Student enrollment	94	95	96	---
Schools with contracts	7	7	7	---
Teaching Fellows Program - Cumulative Loans in Redemption	---	15	20	28
Teaching Fellows Program (Value)	---	\$310,000	\$155,000	\$132,000
Coordinated Garden State Scholarship Programs (c)	7,092	7,203	7,562	7,562
Coordinated Garden State Scholarship Programs (Value)	\$6,732,207	\$7,201,874	\$7,562,000	\$7,562,000
Edward J. Bloustein Distinguished Scholars (c)	4,899	5,091	5,442	5,426
Edward J. Bloustein Distinguished Scholars (Value)	\$4,650,791	\$5,089,957	\$5,442,000	\$5,426,000
Urban Scholars (c)	2,193	2,112	2,120	2,136
Urban Scholars (Value)	\$2,081,416	\$2,111,917	\$2,120,000	\$2,136,000
Miss New Jersey Educational Scholarship Program (d)	1	---	---	---
Miss New Jersey Educational Scholarship Program (Value)	\$5,396	---	---	---
World Trade Center Scholarship Program (e)	60	58	68	68
World Trade Center Scholarship Program (Value)	\$329,177	\$305,871	\$375,442	\$250,000
Dana Christmas Scholarship for Heroism	4	5	5	5
Dana Christmas Scholarship for Heroism (Value)	\$40,000	\$50,000	\$50,000	\$50,000
Outstanding Scholars Recruitment Program	4,932	5,197	5,390	3,906
Outstanding Scholars Recruitment Program (Value)	\$13,160,093	\$13,177,908	\$13,953,000	\$9,650,000
Freshman Awards	1,552	1,642	1,691	---
Renewal Awards	3,380	3,555	3,699	3,906
Survivor Tuition Benefits (c)	8	8	10	10
Survivor Tuition Benefits (Value)	\$39,525	\$41,140	\$50,000	\$50,000
Part-Time Tuition Aid Grants for Educational Opportunity Fund Students (c)	545	604	750	750
Part-Time Tuition Aid Grants for Educational Opportunity Fund Students (Value)	\$383,543	\$410,853	\$620,000	\$620,000
Part-Time Tuition Aid Grants for County Colleges (c)	7,169	7,961	8,955	9,941
Part-Time Tuition Aid Grants for County Colleges (Value)	\$2,957,701	\$3,957,639	\$4,451,000	\$4,941,000
Tuition Aid Grants (c) (f)	51,826	51,733	50,866	50,866
Tuition Aid Grants (Value)	\$173,593,096	\$190,310,560	\$198,338,000	\$217,446,000
County Colleges	16,383	16,625	16,000	16,000
County Colleges (Value)	\$26,184,845	\$27,406,904	\$27,356,000	\$29,402,000
State Colleges	13,030	13,048	12,981	12,981
State Colleges (Value)	\$39,246,486	\$44,898,819	\$48,250,000	\$53,553,000
Rutgers/NJIT/UMDNJ	11,109	10,825	10,942	10,942
Rutgers/NJIT/UMDNJ (Value)	\$45,306,755	\$49,274,747	\$53,583,000	\$59,432,000
Independent colleges	11,304	11,235	10,943	10,943
Independent colleges (Value)	\$62,855,010	\$68,730,090	\$69,149,000	\$75,059,000
New Jersey Student Tuition Assistance Reward Scholarship (N.J.STARS I & II)	---	789	3,000	3,000
New Jersey Student Tuition Assistance Reward Scholarship (N.J.STARS I & II) (Value)	---	\$1,675,057	\$8,000,000	\$8,000,000
Social Services Student Loan Redemption Program (g)	---	---	---	700
Social Services Student Loan Redemption Program (Value)	---	---	---	\$3,500,000
Total awards - All programs (h)	71,092	72,954	76,556	76,058
Total awards - All programs (Value)	\$196,857,195	\$216,720,049	\$236,279,442	\$251,449,000
Law Enforcement Officer Memorial Scholarship	---	5	8	8
Law Enforcement Officer Memorial Scholarship (Value)	---	\$40,294	\$122,250	\$130,000
NJBEST Program - Participants	59,742	111,181	160,094	206,245
NJBEST Program - Funds Invested as of June 30	\$470,700,506	\$827,767,428	\$1,173,734,114	\$1,648,508,130
Guaranteed Student Loan Program				
Loans outstanding--June 30	739,910	740,079	747,198	762,858
Loans outstanding--June 30 (Value)	\$2,142,088,255	\$2,206,854,646	\$2,272,642,864	\$2,366,679,148
Parent Loans for Undergraduate Students				
Loans Outstanding--June 30	64,615	65,116	64,939	65,228
Loans Outstanding--June 30 (Value)	\$320,232,148	\$332,395,859	\$334,807,014	\$343,021,011

STATE

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Consolidated Loans				
Loans Outstanding--June 30	92,467	102,750	120,379	133,387
Loans Outstanding--June 30 (Value)	\$1,096,689,437	\$1,352,706,805	\$1,759,126,505	\$2,163,619,168
New Jersey College Loans to Assist State Students (NJCLASS)				
Loans Outstanding--June 30	52,196	59,023	65,774	72,073
Loans Outstanding--June 30 (Value)	\$419,128,554	\$492,135,210	\$565,141,865	\$638,148,521
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	20	22	21	26
Male Minority %	31.7	32.4	31.3	31.7
Female Minority	46	44	47	58
Female Minority %	31.7	31.9	32.9	33.1
Total Minority	66	66	68	84
Total Minority %	31.7	32.0	32.4	32.7
Position Data				
Filled Positions by Funding Source				
State Supported	27	27	27	24
Federal	166	160	158	180
All Other	12	11	12	18
Total Positions	205	198	197	222
Filled Positions by Program Class				
Student Assistance Programs	205	198	197	222
Total Positions	205	198	197	222

Notes:

- Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.
- (a) Prior-period carryforward used to pay expenditures exceeding State appropriation during fiscal years 2004, 2005, and 2006.
 - (b) Program was discontinued in fiscal 2006.
 - (c) Student Assistance Programs expenditure and award recipients data for fiscal years 2004 and 2005 represent actual counts as of September 2005. Further payments and adjustments are anticipated as institutional payments and reconciliation reports are received.
 - (d) Program was discontinued in fiscal 2005.
 - (e) Private donations as well as State appropriations contribute to the scholarship fund.
 - (f) Includes funds received under the Federal Leveraging Educational Assistance Partnership (LEAP) program, formerly known as State Student Incentives Grants (SSIG).
 - (g) Formerly known as College Loan Forgiveness Program for Mental Health Workers.
 - (h) Totals include all programs; students may be counted more than once if they are receiving aid from more than one program. Part-Time Tuition Aid Grants for Educational Opportunity Fund Students program data is included in Full-Time Tuition Aid Grants program data.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Prog. Class.	Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
2,297	1	---	2,298	2,298	45	3,324	1,975	1,975
2,297	1	---	2,298	2,298		3,324^(a)	1,975	1,975
Distribution by Fund and Object								
Personal Services:								
1,478	---	19	1,497	1,497		1,755	1,406	1,406
Salaries and Wages								

STATE

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
1,478	---	19	1,497	1,497		1,755	1,406	1,406
43	---	9	52	52		43	43	43
754	---	-25	729	729		504		
						1,000 ^S	504	504
22	---	-3	19	19		22	22	22
---	1	---	1	1		---	---	---
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
231,989	12,344	---	244,333	214,875	45	248,836	249,484	249,484
<u>231,989</u>	<u>12,344</u>	<u>---</u>	<u>244,333</u>	<u>214,875</u>		<u>248,836</u>	<u>249,484</u>	<u>249,484</u>
Distribution by Fund and Object								
Grants:								
1,337	78	103	1,518	1,399	45	1,337	---	---
202,574	10,446	---	213,020	186,556	45	208,908	214,729	214,729
4,200	539	---	4,739	3,969	45	4,451	4,941	4,941
50	12	---	62	41	45	50	50	50
7,562	356	-103	7,815	7,236	45	7,562	7,562	7,562
620	318	---	938	411	45	620	620	620
11	---	---	11	---	45	---	---	---
155	155	---	310	---	45	155	132	132
13,169	9	---	13,178	13,172	45	13,953	9,650	9,650
11	---	---	11	10	45	---	---	---
250	421	---	671	347	45	250	250	250
50	10	---	60	50	45	50	50	50
10,000	---	---	2,000	1,684	45	8,000	8,000	8,000
-8,000 ^S	---	---	---	---	45	3,500	3,500	3,500
---	---	---	---	---	45	<u>252,160</u>	<u>251,459</u>	<u>251,459</u>
<u>234,286</u>	<u>12,345</u>	<u>---</u>	<u>246,631</u>	<u>217,173</u>				
OTHER RELATED APPROPRIATIONS								
Federal Funds								
23,960	-126	---	23,834	19,097	45	24,393	25,512	25,512
<u>23,960</u>	<u>-126</u>	<u>---</u>	<u>23,834</u>	<u>19,097</u>		<u>24,393</u>	<u>25,512</u>	<u>25,512</u>
All Other Funds								
---	1,121	---	---	---	45	8,240	8,830	8,830
---	7,152 ^R	14	8,287	6,566	45	8,240	8,830	8,830
---	<u>8,273</u>	<u>14</u>	<u>8,287</u>	<u>6,566</u>		<u>8,240</u>	<u>8,830</u>	<u>8,830</u>
<u>258,246</u>	<u>20,492</u>	<u>14</u>	<u>278,752</u>	<u>242,836</u>		<u>284,793</u>	<u>285,801</u>	<u>285,801</u>

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Notes -- Grants-In-Aid - General Fund

- (b) Includes Garden State Scholarship, Edward J. Bloustein Distinguished Scholars, and Urban Scholars programs.
- (c) Formerly entitled College Loan Forgiveness Program for Mental Health Workers.

Language Recommendations -- Direct State Services - General Fund

At any time prior to the issuance and sale of bonds or other obligations by the Higher Education Student Assistance Authority, the State Treasurer is authorized to transfer from any available moneys in any fund of the Treasury of the State to the credit of any fund of the authority such sums as the State Treasurer deems necessary. Any sums so transferred shall be returned to the same fund of the Treasury of the State by the State Treasurer from the proceeds of the sale of the first issue of authority bonds or other authority obligations.

Language Recommendations -- Grants-In-Aid - General Fund

The sums provided hereinabove and the unexpended balances at the end of the preceding fiscal year in Student Assistance Programs shall be appropriated and available for payment of liabilities applicable to prior fiscal years.

Amounts from the unexpended balance at the end of the preceding fiscal year, including refunds recognized after July 31, 2006, in the Tuition Aid Grants account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law to the contrary, the Higher Education Student Assistance Authority shall provide to students enrolled in public institutions of higher education who are eligible for maximum awards under the Tuition Aid Grant program hereinabove appropriated an increase above the fiscal year 2006 award amount equal to the difference between the in-state undergraduate 2005-2006 tuition rate for the institution and the institution's in-state undergraduate 2004-2005 tuition rate with comparable increases provided to students eligible for maximum awards enrolled at independent institutions. Of the sums hereinabove appropriated for the Tuition Aid Grant program, \$5,000,000 shall provide an additional percentage award increase to partially offset any 2006-2007 tuition increases for those students who are eligible for maximum awards under the Tuition Aid Grant program. All other award amounts provided under the Tuition Aid Grant program shall be based on the same parameters as used by the Higher Education Student Assistance Authority in fiscal year 2006. Reappropriated balances in the Tuition Aid Grants account shall be held as a contingency for unanticipated increases in the number of applicants qualifying for full-time Tuition Aid Grant awards, to fund shifts in the distribution of awards that result in an increase in total program costs, or to offset any shortfalls in the federal Leveraging Educational Assistance Partnership (LEAP) program.

In addition to the amount hereinabove appropriated for Tuition Aid Grants, there are appropriated such sums as are required to cover the costs of increases in the number of applicants qualifying for full-time Tuition Aid Grants awards or fund shifts in the distribution of awards that result in an increase in total program costs, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for Part-Time Tuition Aid Grants for County Colleges shall be used to provide funds for a pilot program of tuition aid grants for eligible, qualified part-time students enrolled at the county colleges established pursuant to N.J.S.18A:64A-1 et seq. The tuition aid grants shall be used to pay the tuition at a county college established pursuant to N.J.S.18A:64A-1 et seq. Within the limits of available appropriations as determined by the Higher Education Student Assistance Authority, part-time grant awards shall be pro-rated against the full-time grant award for the applicable institutional sector established pursuant to N.J.S.18A:71B-21 as follows: an eligible student enrolled with six to eight credits shall receive one-half of the value of a full-time award and an eligible student enrolled with nine to eleven credits shall receive three-quarters of a full-time award. Students shall apply first for all other forms of federal student assistance grants and scholarships; student eligibility for the tuition aid grant awards program for part-time enrollment at a community college shall in other respects be determined by the authority in accordance with the criteria established pursuant to N.J.S.18A:71B-20, other than the criterion for full-time enrollment.

Amounts from the unexpended balance at the end of the preceding fiscal year, including refunds recognized after July 31, 2006, in the Part-Time Tuition Aid Grants for County Colleges account are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. Reappropriated balances shall be held as a contingency for unanticipated increases in the number of applicants qualifying for Part-Time Tuition Aid Grants for County Colleges awards or to fund shifts in the distribution of awards that result in an increase in total program costs.

From the amount hereinabove appropriated for the Teaching Fellows Program the Authority shall establish a Teaching Fellows Program that shall provide direct loans to finance the undergraduate study of academically talented students who have leadership potential and who are interested in teaching in a public school in the State. The program shall also provide for the redemption of a portion of each eligible student's loan expenses for each year of full-time employment as a teacher in a subject area of critical need or in a high-needs district.

Notwithstanding any law or regulation to the contrary, any institution of higher education which participates in the Student Unit Record Enrollment data system may participate in the Outstanding Scholars Recruitment Program.

Receipts derived from voluntary contributions by taxpayers on New Jersey State gross income tax returns for the New Jersey World Trade Center Scholarship Fund are appropriated for the purpose of providing scholarships for eligible dependent children and surviving spouses of New Jersey residents who were killed in the terrorist attacks against the United States on September 11, 2001, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for the Dana Christmas Scholarship for Heroism shall be awarded in accordance with policies and procedures established by the Higher Education Student Assistance Authority. In general, recipients must have performed the act of heroism for which they are being recognized prior to reaching their twenty-second birthday, awards are for a one-time only scholarship of up to \$10,000, and awards must be used for educational expenses related to attendance at a post-secondary institution that participates in the federal student assistance programs authorized under Title IV of the "Higher Education Act of 1965," as amended (20 U.S.C. s.1070 et seq.).

In addition to the amount hereinabove appropriated for the Social Services Student Loan Redemption Program, there are appropriated such sums as are required to cover the costs of increases in the number of applicants qualifying for this program, subject to the approval of the Director of the Division of Budget and Accounting.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT

36. HIGHER EDUCATIONAL SERVICES

2409. STATE COLLEGES AND UNIVERSITIES

The State provides higher education through 12 senior public institutions of higher education: three research universities; seven comprehensive colleges and universities; and two baccalaureate colleges. Each of these institutions maintains its own operational autonomy under a separate governing board, but under the statutory oversight and policy framework established by the State. The senior public institutions retain all tuition, fees, grants, and any other revenues earned by the institution.

OBJECTIVES

1. To provide quality, affordable baccalaureate programs in the humanities, arts, sciences, and career fields to full-time and part-time undergraduates, enabling graduates to enter productive careers and advanced study in graduate and professional schools.
2. To provide quality post-baccalaureate education in the humanities, arts, sciences, and professions.
3. To stimulate the continuous development of knowledge in the humanities, arts, sciences, and professional fields by professional teacher-scholars as a complement to rigorous classroom inquiry by students and faculty.
4. To make available to the community the professional competence and expertise of faculty and students, and other institutional resources such as concerts, performances, lectures, and facilities.
5. To meet the needs of faculty and students for current, accessible information.
6. To ensure the personal, social, and intellectual growth of each individual student.
7. To ensure that each campus and its facilities are safe, secure, and well-maintained.

PROGRAM CLASSIFICATIONS

82. **General Institutional Operations.** Encompasses all operations of the senior public colleges and universities, including instruction, research, extension and public service, auxiliary services, academic support, student services, institutional support, and operations and maintenance of physical plant.

Instruction includes all support for academic departments and the operation of related facilities, such as laboratories, so that knowledge can be developed and disseminated through independent research and classroom interaction.

Faculty and students engage in basic and applied research at the behest of various sponsors, including the federal, State, and local governments, foundations, corporations, and trade associations. Much of this research is aimed, directly or indirectly, at increasing the sponsor's effectiveness or stimulating economic growth.

Extension and public service includes not-for-credit programs offered both on- and off-campus for working professionals and non-matriculating students to develop, maintain, and improve professional competence in a wide variety of fields. Other outreach programs make the

The operational totals reflect the institutions' overall budgets, including auxiliary operations as well as tuition, fees, federal funds, and other revenues, while the Total Appropriation reflects the net State support provided to the institutions, excluding State-funded fringe benefits, auxiliary operations, and all revenues.

institutions' resources available to their communities, the region, and the State.

Students, faculty, and staff are provided with auxiliary services such as housing, dining facilities, book stores, and recreational centers for fees that are directly related to, although not necessarily equal to, the cost of the service. Any surplus revenues are held in reserve for major renovations and replacements, or to balance funds in an emergency.

Academic support provides the books, periodicals, documents, audio-visual materials, and other information that may be required by students and faculty in connection with their learning, teaching, and research. Staff provide bibliographic and other technical assistance to students and faculty to meet their needs in planning and developing academic programs and in carrying out independent research.

Student services include financial assistance, health services, placement, and counseling. This category also encompasses admissions, registration, and student records.

Institutional support comprises all administrative activities of the institution. Under the direction of an institution's governing board and president, executive leadership and management are provided to meet the institution's educational, research, public service, and administrative objectives. General support services include computer services, personnel management, and financial management for all educational, service, and administrative units within the institution.

Physical plant and support services staff are responsible for the overall security of the institution and for the planning, management, and operation of its physical assets, including utilities, buildings, grounds, and equipment.

General Services Income is derived from tuition and fees collected from both undergraduate and graduate students.

Auxiliary Funds Income is derived from fees charged for services such as housing, dining, and recreational facilities.

Special Funds Income is composed of ancillary activities of an institution. These may include, but are not limited to, continuing education, research grants, fellowships, and scholarships.

Employee Fringe Benefits are provided to the institutions by the State for all employees. The institutions are then responsible for reimbursing the State for those employees beyond the number of State-funded employees as shown in the Evaluation Data. The amount displayed in the Appropriations Data represents the total fringe benefits allocation for the institutions' State-funded employees.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
36. HIGHER EDUCATIONAL SERVICES
2410. RUTGERS, THE STATE UNIVERSITY

Founded in 1766 as one of the colonial colleges, Rutgers became The State University in 1956 (N.J.S. 18A:65-1 et seq. as amended) with a reorganized Board of Trustees and a newly created Board of Governors. The membership of the Board of Governors consists of the President of the Corporation, serving as an ex-officio non-voting member, and 11 voting members, six of whom are appointed by the Governor of the State with the advice and consent of the Senate and five of whom are appointed by the Board of Trustees from among its members. All voting members serve for terms of six years. The Board of Governors has general supervision over the University's operations. The Board of Trustees acts in an overall advisory capacity and controls certain properties, funds and trusts. The State is responsible for the establishment of general policy and for the coordination and general oversight of Rutgers as a part of the State's system of higher education.

study to approximately 110,000 full- and part-time students enrolled annually in instructional programs in its graduate and undergraduate colleges, schools, summer session, and continuing education programs, which offer courses on- and off-campus, short courses, conferences, and institutes dealing with a wide range of subjects.

Research, the second major area of University responsibility, has earned the support of commerce, industry, the State and federal governments, and philanthropic organizations, as well as financing from the University's funds.

Extension work, designed to take the University's teaching function directly to the people of the State, is the institution's third major responsibility. Such services range from the work of the county agricultural, home economics and 4-H Club agents to non-credit courses, including post-graduate work in technical and professional fields.

The University provides instruction in over 100 major fields of

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Enrollment total (a)	50,253	49,417	48,954	49,098
Enrollment total (Weighted) (b)	40,246	39,584	39,213	39,329
Undergraduate total	37,288	36,588	36,258	36,507
Undergraduate total (Weighted) (b)	31,865	31,339	31,045	31,137
Full-time	31,920	31,499	31,226	31,440
Full-time (Weighted) (b)	29,855	29,419	29,143	29,229
Part-time	5,368	5,089	5,032	5,067
Part-time (Weighted) (b)	2,010	1,920	1,902	1,908
Graduate total	12,965	12,829	12,696	12,591
Graduate total (Weighted) (b)	8,381	8,245	8,168	8,192
Full-time	5,997	5,936	5,874	5,825
Full-time (Weighted) (b)	5,855	5,713	5,659	5,676
Part-time	6,968	6,893	6,822	6,766
Part-time (Weighted) (b)	2,526	2,532	2,509	2,516
Summer session total (c)	22,197	21,832	20,300	20,500
Degree programs offered	427	429	432	440
Courses offered	6,873	6,900	6,900	6,900
Degrees Granted				
Bachelors	7,615	7,951	7,951	8,000
Masters	3,100	3,043	3,043	3,050
Doctors	654	584	584	580
Ratio: Student/faculty (d)	15.98/1	15.25/1	15.18/1	15.23/1
Full-Time, First-Time, Degree-Seeking Freshmen who are Regular Admission Students	5,131	4,987	5,256	---
Average SAT Score - Math	611	615	619	---
Average SAT Score - Verbal	584	588	588	---
Average SAT Score - Total	1195	1203	1207	---
Outcomes Data (e)				
Third-Semester Retention Rates	87.2%	87.5%	---	---
Six-Year Graduation Rates	68.2%	68.1%	---	---
Student Tuition and Fees				
Total Cost of Attendance (f)	\$19,300	\$20,000	\$21,100	---
Full-Time Undergraduate Tuition - State Residents	\$6,290	\$6,793	\$7,336	---
Full-Time Undergraduate Tuition - Non-State Residents ...	\$12,804	\$13,828	\$14,934	---
Full-Time Undergraduate Fees	\$1,579	\$1,684	\$1,775	---

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Institutional Support				
Institutional Expenditures				
Instruction	\$297,008,000	\$306,848,000	\$330,347,000	---
Separately Budgeted Research	\$27,907,000	\$30,638,000	\$31,661,000	---
Extension and Public Service	\$4,604,000	\$4,611,000	\$4,802,000	---
Academic Support	\$29,015,000	\$29,067,000	\$30,553,000	---
Student Services	\$88,117,000	\$93,187,000	\$97,020,000	---
Institutional Support	\$136,541,000	\$147,765,000	\$149,897,000	---
Physical Plant and Support Services	\$106,310,000	\$115,746,000	\$142,485,000	---
Special Purpose Appropriations				
Tomato Technology Transfer Program	\$105,000	\$105,000	\$105,000	\$105,000
Haskin Shellfish Research Laboratory	\$95,000	\$95,000	\$95,000	\$95,000
Camden Law School Clinical Legal Programs for the Poor	\$200,000	\$200,000	\$200,000	\$200,000
Newark Law School Clinical Legal Programs for the Poor	\$200,000	\$200,000	\$200,000	\$200,000
In Lieu of Tax Payments to New Brunswick	\$700,000	\$700,000	\$700,000	\$700,000
Civic Square Project - Debt Service	\$740,000	\$740,000	\$740,000	\$740,000
Masters in Government Accounting	\$180,000	\$180,000	\$180,000	\$180,000
New Jersey EcoComplex	\$300,000	\$515,000	\$515,000	\$300,000
E3CO	---	\$135,000	\$135,000	---
Fisheries Information and Development Center	\$85,000	---	---	---
Walter Rand Institute for Public Affairs	\$75,000	\$75,000	\$75,000	\$75,000
Teacher Preparation	\$174,000	\$174,000	\$174,000	\$174,000
Hale Center	\$250,000	---	---	---
Gubernatorial Papers Project	---	---	\$500,000	---
Rutgers-Newark School of Business	---	---	\$18,000,000	---
Athletic Facilities	---	\$500,000	\$500,000	\$500,000

PERSONNEL DATA

Position Data

	6,678	6,678	6,678	6,678
State-funded Positions	6,678	6,678	6,678	6,678

Notes:

- (a) Enrollments do not include Division of Continuing Education, Institute of Management and Labor Relations and Agriculture short courses.
- (b) Equated on the basis of 32 credit hours per undergraduate student and 24 credit hours per graduate student.
- (c) Summer session enrollments not included in total enrollments.
- (d) Calculated on the basis of authorized teaching positions (including adjunct faculty) and equated full-time (weighted) students.
- (e) As calculated by the Student Unit Record Enrollment (SURE) system.
- (f) As reported to the Higher Education Student Assistance Authority. Includes tuition, fees, room and board, transportation, and supplies.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
1,456,573	25,597	7,013	1,489,183	1,489,183					
1,456,573	25,597	7,013	1,489,183	1,489,183	GRANTS-IN-AID				
Distribution by Fund and Program									
					Institutional Support	82	1,575,154	1,592,513	1,544,442
					Total Grants-in-Aid		1,575,154 (a)	1,592,513	1,544,442
					Less:				
					Receipts from Tuition Increase		(28,395)	(860)	(860)
					General Services Income		(424,702)	(455,798)	(455,798)
					Auxiliary Funds Income		(199,681)	(211,630)	(211,630)
					Special Funds Income		(427,382)	(437,081)	(437,081)
					Employee Fringe Benefits		(164,419)	(164,419)	(164,419)
					Total Income Deductions		(1,244,579)	(1,269,788)	(1,269,788)
					Total State Appropriation		330,575(a)	322,725	274,654

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
GRANTS-IN-AID								
Distribution by Fund and Object								
Special Purpose:								
1,455,656	4,000 21,597 ^R	7,013	1,488,266	1,488,266	82	1,574,237	1,580,596	1,543,525
---	---	---	---	---				
---	---	---	---	---	82	---	5,000	---
---	---	---	---	---	82	---	3,000	---
743	---	---	743	743	82	743	743	743
174	---	---	174	174	82	174	174	174
---	---	---	---	---	82	---	1,500	---
---	---	---	---	---	82	---	1,500	---
<i>Less:</i>								
<u>(1,167,377)</u>	<u>(21,597)^R</u>	<u>---</u>	<u>(1,188,974)</u>	<u>(1,188,974)</u>	<u>Income Deductions</u>		<u>(1,244,579)</u>	<u>(1,269,788)</u>
<u>289,196</u>	<u>4,000</u>	<u>7,013</u>	<u>300,209</u>	<u>300,209</u>	<u>Grand Total State Appropriation</u>		<u>330,575</u>	<u>274,654</u>

Notes -- Grants-In-Aid - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

Of the sums hereinabove appropriated for Rutgers, The State University, \$180,000 is appropriated for the Masters in Government Accounting Program, \$105,000 is appropriated for the Tomato Technology Transfer Program, \$95,000 is appropriated for the Haskin Shellfish Research Laboratory, \$200,000 is appropriated for the Camden Law School Clinical Legal Programs for the Poor, \$200,000 is appropriated for the Newark Law School Clinical Legal Programs for the Poor, \$740,000 is appropriated for the Civic Square Project-Debt Service, \$75,000 is appropriated for the Walter Rand Institute for Public Affairs, \$700,000 is appropriated for In Lieu of Taxes to New Brunswick, \$500,000 is appropriated for capital projects or maintenance for Division of Intercollegiate Athletic facilities at Rutgers, New Brunswick, and \$300,000 is appropriated for the New Jersey EcoComplex, Burlington County. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

Receipts in excess of the amount hereinabove for the Clinical Legal Programs for the Poor are appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Rutgers, The State University shall be 6,678.

From the amount appropriated hereinabove for Rutgers, The State University, \$90,000 is transferred to the Department of Agriculture for a grant to the New Jersey Museum of Agriculture.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
36. HIGHER EDUCATIONAL SERVICES
2415. AGRICULTURAL EXPERIMENT STATION

The New Jersey State Agricultural Experiment Station (RS 4:16-1) located at Rutgers, The State University, is the research and extension arm of the State of New Jersey for the study of the food, agricultural, marine and environmental sciences and their application to the improvement of the human condition. The research mission is the discovery, application and dissemination of knowledge to promote the orderly development and management of human and natural resources. The mission of Rutgers Cooperative Extension is to plan, implement and evaluate learning experiences consistent with locally identified needs and within the expertise and goals of the organization, that will help individuals and families acquire the understanding, capabilities, attitudes and

skills for solving problems. The research program is supported by federal formula funds, by State appropriations, and by grants and gifts from private and public sponsors. Rutgers Cooperative Extension program support is derived from federal formula and grant funds, and State and county appropriations.

The Agricultural Experiment Station utilizes facilities at the New Brunswick campus, at outlying centers at Adelphia, Bivalve, Branchville, Bridgeton, Chatsworth, Cream Ridge, Florence Township, Pittstown, and Upper Deerfield, and at extension offices in all of New Jersey's counties.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Institutional Support				
Institutional Expenditures				
Separately Budgeted Research	\$15,861,000	\$18,041,000	\$16,711,000	---
Extension and Public Service	\$8,497,000	\$8,711,000	\$8,964,000	---
Special Purpose Appropriations				
Strategic Initiatives	\$900,000	\$900,000	\$900,000	\$900,000
Snyder Farm Planning and Operation	\$691,000	\$691,000	\$691,000	\$691,000
Fruit Research and Extension	\$500,000	\$500,000	\$500,000	\$500,000
Blueberry and Cranberry Research	\$250,000	\$250,000	\$250,000	\$250,000
Food Innovation & Research & Extension Center	---	\$1,800,000	---	---

PERSONNEL DATA

Position Data

State-funded Positions	424	424	424	424
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APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recepts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
GRANTS-IN-AID									
Distribution by Fund and Program									
81,271	-2,508	594	79,357	79,357	82	79,050	80,884	79,884	
81,271	-2,508	594	79,357	79,357		79,050 (a)	80,884	79,884	
Less:									
(39,977)	2,410	---	(37,567)	(37,567)		(37,653)	(38,487)	(38,487)	
(6,855)	98	---	(6,757)	(6,757)					
(8,281)	---	---	(8,281)	(8,281)		(9,202)	(9,202)	(9,202)	
(55,113)	2,508	---	(52,605)	(52,605)		(53,375)	(54,209)	(54,209)	
26,158	---	594	26,752	26,752		25,675(a)	26,675	25,675	
Distribution by Fund and Object									
Special Purpose:									
79,471	-2,508 ^R	594	77,557	77,557	82	79,050	79,884	79,884	
---	---	---	---	---	82	---	1,000	---	
1,800	---	---	1,800	1,800	82	---	---	---	
Less:									
(55,113)	2,508^R	---	(52,605)	(52,605)		(53,375)	(54,209)	(54,209)	
26,158	---	594	26,752	26,752		25,675	26,675	25,675	

Notes -- Grants-In-Aid - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

Of the sums hereinabove appropriated for the New Jersey Agricultural Experiment Station, \$900,000 is appropriated for Strategic Initiatives Programs, \$250,000 is appropriated for Blueberry and Cranberry Research, \$691,000 is appropriated for the Snyder Farm Planning and Operation, and \$500,000 is appropriated for Fruit Research. These accounts shall be considered special purpose appropriations for accounting and reporting purposes. Of the remaining sums appropriated hereinabove, an amount not to exceed \$2,568,000 may be reallocated to Rutgers, The State University provided that this reallocation does not result in the loss of any federal receipts anticipated by the Agricultural Experiment Station, subject to the approval of the Director of the Division of Budget and Accounting.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at the Agricultural Experiment Station shall be 424.

For the purpose of implementing the appropriations act for the current fiscal year, the fringe benefits for 126 positions, funded by the federal Hatch and Smith/Lever programs, are funded by the State.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
36. HIGHER EDUCATIONAL SERVICES
2420. UNIVERSITY OF MEDICINE AND DENTISTRY OF NEW JERSEY

The University of Medicine and Dentistry of New Jersey (N.J.S. 18A:64C-1 et seq.) is governed by a Board of Trustees appointed by the Governor with Senate confirmation and administered by a President as Chief Executive Officer.

The University of Medicine and Dentistry of New Jersey is the State's university of the health sciences, with programs at five academic health center campuses and more than 200 educational and health care affiliates throughout the State. The University operates the State's three medical schools (two allopathic and one osteopathic), a dental school, and schools of biomedical sciences, health-related professions, nursing and public health. Its programs are centered in campuses in Camden, New Brunswick/Piscataway, Newark, Scotch Plains and Stratford, and in communities

throughout the State. The University also operates University Hospital in Newark and two community mental health (behavioral) health care centers in Newark and Piscataway, which serve as both health care and teaching facilities.

The University is dedicated to the pursuit of excellence in: the undergraduate, graduate, postgraduate and continuing education of health professionals and scientists; the conduct of biomedical, psychosocial, clinical and public health research; health promotion, disease prevention and the delivery of health care; and service to its communities and the entire State. Through its programs and affiliations, the University seeks to meet the needs of its diverse communities and improve the health and quality of life of the citizens of New Jersey and society at large.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Student enrollment, Total (a)	4,164	4,311	4,777	4,878
New Jersey Medical School	693	675	696	697
Robert Wood Johnson Medical School, Camden	105	92	104	103
Robert Wood Johnson Medical School, Piscataway	428	500	505	512
School of Osteopathic Medicine	352	358	382	391
Graduate School of Biomedical Science (a)	454	522	643	643
New Jersey Dental School	374	365	379	383
School of Health Related Professions (b)	881	817	788	793
School of Public Health (c)	370	363	376	367
School of Nursing	507	619	904	989
Degree programs offered	54	65	70	73
Courses offered	2,399	2,325	2,339	2,352
Ratio: Student/Teaching Faculty	1.91/1	1.89/1	1.96/1	1.96/1
Students graduated (a)				
Physicians	388	389	389	389
Dentists	69	74	74	74
Health-related students	540	603	603	603
Other graduate degrees	174	170	170	170
Full-Time Tuition - Medical and Dental Students (Resident)	\$19,776	\$20,567	\$21,390	---
Full-Time Tuition - Medical and Dental Students (Non-resident)	\$30,947	\$32,185	\$33,472	---
University Hospital				
Rated capacity (beds)	488	488	488	488
Hospital admissions, total	20,759	21,845	22,231	22,620
Hospital admissions, daily average	57	60	61	62
Average daily population	375	378	377	381
Patient days of service, total	137,347	137,854	137,502	139,113
Percent of occupancy	77.0%	77.4%	80.8%	81.8%
Average length of stay (days)	6.6	6.3	6.2	6.2
Outpatient and emergency visits, total	284,209	311,550	327,930	336,128
Outpatient and emergency visits, daily average	777	854	898	921

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
University Behavioral HealthCare at Piscataway				
Bed capacity	48	48	48	48
Hospital admissions, total	1,534	1,382	1,388	1,395
Hospital admissions, daily average	4.2	3.8	3.8	3.8
Average daily population	37.6	37.2	41.0	40.9
Patient days of service, total	13,733	13,584	14,965	14,946
Percent of occupancy	78%	78%	85%	85%
Average length of stay (days)	9.0	9.8	10.8	10.7
Outpatient and emergency visits, total	184,325	179,791	177,402	177,433
Outpatient and emergency visits, daily average (d)	709.0	692.0	682.0	682.0
University Behavioral HealthCare at Newark				
Outpatient and emergency visits, total	73,052	80,301	80,214	79,826
Outpatient and emergency visits, daily average (d)	281.0	309.0	309.0	307.0

OPERATING DATA**Institutional Support**

Institutional Expenditures

Instruction	\$157,318,354	\$173,767,306	\$169,956,976	---
Extension and Public Service	\$591,240,598	\$576,468,809	\$581,500,922	---
Academic Support	\$9,130,849	\$8,447,489	\$9,048,052	---
Student Services	\$11,735,120	\$13,790,148	\$15,067,635	---
Institutional Support	\$81,933,659	\$125,555,391	\$124,919,455	---
Physical Plant and Support Services	\$60,263,470	\$54,611,487	\$51,557,892	---
Special Purpose Appropriations				
Regional Health Education Center - Physical Plant	\$975,000	\$975,000	\$975,000	\$975,000
Dental Residency Program	\$750,000	\$750,000	\$750,000	\$750,000
Core Affiliate: Robert Wood Johnson Medical School, Piscataway	\$3,681,000	\$3,681,000	\$3,681,000	\$3,681,000
Core Affiliate: New Jersey School of Osteopathic Medicine	\$2,002,000	\$2,002,000	\$2,002,000	\$2,002,000
Area Health Education Center	\$290,000	\$290,000	\$290,000	\$290,000
Debt Service - High Technology Initiative	\$2,089,000	\$2,089,000	\$2,089,000	\$2,089,000
Emergency Medical Service - Camden	\$800,000	\$800,000	\$800,000	\$800,000
Inflammatory Bowel Disease Center	\$100,000	\$100,000	\$100,000	\$100,000
Sexual Abuse Diagnostic Center	\$300,000	\$300,000	\$300,000	\$300,000
Graduate Medical Education	\$126,000	\$126,000	\$126,000	\$126,000
Violence Institute of New Jersey at UMDNJ	\$750,000	\$750,000	\$750,000	\$750,000
The Autism Center of New Jersey Medical School	---	\$160,000	\$160,000	\$160,000
Debt Service - School of Osteopathic Medicine Academic Center, Stratford	\$2,700,000	\$2,700,000	\$2,700,000	\$2,700,000
Debt Service - Robert Wood Johnson Medical School, Camden	---	\$4,000,000	\$4,000,000	\$7,800,000
Regional Health Education Center - Educational Units	\$525,000	\$525,000	\$525,000	\$525,000
University Hospital Debt Service - Equipment and Renovations	\$2,495,000	\$2,495,000	\$2,495,000	\$2,495,000
University Student Aid	\$4,919,000	\$4,919,000	\$4,919,000	\$4,919,000
Governor's Council for Medical Research and Treatment of Infantile Autism	\$500,000	\$500,000	\$500,000	\$500,000
Cancer Institute of New Jersey and Ancillary Facilities	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Child Health Institute	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
Neuroscience Institute, Newark	---	---	\$5,000,000	\$5,000,000

PERSONNEL DATA**Position Data**

State-funded Positions	5,545	5,545	5,545	5,545
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Notes:

- Excludes graduate students of the Graduate School of Biomedical Sciences' joint program with Rutgers University.
- School of Health Related Professions is based on FTE calculation and is net of joint programs.
- School of Public Health does not include summer session.
- University Behavioral HealthCare at Piscataway and Newark are open five days per week; therefore, daily average outpatient and emergency visits are based on 260 days per year.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Program									
1,340,712	-18,405	9,974	1,332,281	1,332,281	Institutional Support	82	1,409,923	1,472,541	1,393,575
1,340,712	-18,405	9,974	1,332,281	1,332,281	Total Grants-in-Aid		1,409,923 (a)	1,472,541	1,393,575
<i>Less:</i>									
---	(2,161)	---	(2,161)	(2,161)	Receipts from Tuition Increase		(2,531)	---	---
(543,721)	85,394	---	(458,327)	(458,327)	Hospital Services Income		(474,679)	(493,666)	(493,666)
(9,175)	1,608	---	(7,567)	(7,567)	Core Affiliates Income		(7,325)	(7,325)	(7,325)
(117,088)	(40,003)	---	(157,091)	(157,091)	General Services Income		(161,907)	(167,302)	(167,302)
(6,182)	(2,438)	---	(8,620)	(8,620)	Auxiliary Funds Income		(8,702)	(8,702)	(8,702)
(309,929)	(18,661)	---	(328,590)	(328,590)	Special Funds Income		(339,750)	(350,325)	(350,325)
(154,775)	---	---	(154,775)	(154,775)	Employee Fringe Benefits		(172,090)	(172,090)	(172,090)
(1,140,870)	23,739	---	(1,117,131)	(1,117,131)	Total Income Deductions		(1,166,984)	(1,199,410)	(1,199,410)
199,842	5,334	9,974	215,150	215,150	Total State Appropriation		242,939(a)	273,131	194,165
Distribution by Fund and Object									
<i>Special Purpose:</i>									
1,333,512	-23,739 R	9,974	1,319,747	1,319,747	General Institutional Operations	82	1,402,723	1,407,149	1,386,375
---	---	---	---	---	Funding for Increased Utilities Costs	82	---	10,000	---
---	---	---	---	---	Capital Renewal and Replacement	82	---	15,192	---
---	---	---	---	---	Research Faculty Development	82	---	5,000	---
---	---	---	---	---	Appropriation Funding Difference	82	---	28,000	---
500	1,387 3,947 R	---	5,834	5,834	Governor's Council for Medical Research and Treatment of Infantile Autism	82	500	500	500
5,000	---	---	5,000	5,000	Cancer Institute of New Jersey and Ancillary Facilities	82	5,000	5,000	5,000
1,700	---	---	1,700	1,700	Child Health Institute	82	1,700	1,700	1,700
(1,140,870)	23,739 R	---	(1,117,131)	(1,117,131)	Total Income Deductions		(1,166,984)	(1,199,410)	(1,199,410)
199,842	5,334	9,974	215,150	215,150	Grand Total State Appropriation		242,939	273,131	194,165

Notes -- Grants-In-Aid - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

In addition to the sums hereinabove appropriated to the University of Medicine and Dentistry of New Jersey, all revenues from lease agreements between the university and contracted organizations are appropriated.

From the amount hereinabove appropriated for the University of Medicine and Dentistry of New Jersey, the Director of the Division of Budget and Accounting may transfer such amounts as deemed necessary to the Division of Medical Assistance and Health Services to maximize federal Medicaid funds.

The University of Medicine and Dentistry of New Jersey is authorized to operate its continuing medical-dental education program as a revolving fund and the revenue collected therefrom, and any unexpended balance therein, is retained for such fund.

Of the sums hereinabove appropriated for the University of Medicine and Dentistry of New Jersey, \$100,000 is appropriated for the Inflammatory Bowel Disease Center, \$800,000 is appropriated for Emergency Medical Service-Camden, \$975,000 is appropriated for the Regional Health Education Center-Physical Plant, \$750,000 is appropriated for the Violence Institute of NJ at UMDNJ, \$525,000 is appropriated for the Regional Health Education Center-Educational Units, \$160,000 is appropriated for The Autism Center of New Jersey Medical School, \$290,000 is appropriated for the New Jersey Area Health Education Program, \$7,800,000 is appropriated for Debt Service-Robert Wood Johnson Medical School, Camden, \$5,000,000 is appropriated for Debt Service-Neuroscience Institute, Newark, and \$2,700,000 is appropriated for Debt Service-School of Osteopathic Medicine Academic Center, Stratford. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at the University of Medicine and Dentistry of New Jersey shall be 5,545.

The unexpended balances at the end of the preceding fiscal year in the accounts hereinabove are appropriated for the purposes of the University of Medicine and Dentistry of New Jersey.

Receipts deposited in the Autism Medical Research and Treatment Fund are appropriated for the Governor’s Council for Medical Research and Treatment of Infantile Autism, subject to the approval of the Director of the Division of Budget and Accounting.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
36. HIGHER EDUCATIONAL SERVICES
2430. NEW JERSEY INSTITUTE OF TECHNOLOGY

Founded in 1881, New Jersey Institute of Technology (NJIT) has had a long history of offering professional education. Its engineering school was founded in 1919, and until 1975 the institution was known as the Newark College of Engineering. The “New Jersey Institute of Technology Act of 1995” (N.J.S.A. 18A:64E) provides the statutory basis for NJIT as a public research university deemed essential and necessary to the welfare of the State and people of New Jersey.

a number of programs in liberal arts. Bachelors, masters and doctoral degrees, continuing professional education, and a substantial research effort all relate to fields of critical importance to the State’s economy. Programs are offered at the main campus in Newark, at other sites throughout the State, and through distance education. Several degrees are offered jointly with Rutgers University and/or the University of Medicine and Dentistry of New Jersey.

NJIT is the State’s Science and Technology University as demonstrated by the breadth of its programs and degrees. Fields of specialization include engineering, engineering technology, the sciences, architecture, mathematics, policy studies, management, statistics, actuarial science, computer and information science, and

The main campus comprises 45 acres containing 29 buildings with some 2.7 million square feet. The campus includes classroom and laboratory buildings, a library, five residence halls, a gymnasium, a synthetic turf soccer field, specialized research facilities, a 1,700-space parking deck, and administrative buildings.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Enrollment total	11,820	11,105	10,945	11,400
Enrollment total (Weighted) (a)	6,576	6,221	6,108	6,411
Undergraduate total	5,712	5,366	5,316	5,525
Undergraduate total (Weighted) (a)	4,369	4,181	4,183	4,256
Full-time	4,248	4,071	4,133	4,125
Full-time (Weighted) (a)	3,847	3,713	3,765	3,757
Part-time	1,464	1,295	1,183	1,400
Part-time (Weighted) (a)	522	468	418	499
Graduate total	3,058	2,883	2,795	3,000
Graduate total (Weighted) (a)	1,676	1,551	1,442	1,668
Full-time	1,261	1,145	1,431	1,300
Full-time (Weighted) (a)	977	894	984	1,007
Part-time	1,797	1,738	1,364	1,700
Part-time (Weighted) (a)	699	657	458	661
Extension and Public Service				
Enrollment	3,050	2,856	2,834	2,875
Enrollment (Weighted) (a)	531	489	483	487
Undergraduate	2,253	2,196	2,133	2,175
Undergraduate (Weighted) (a)	391	370	355	359
Graduate	797	660	701	700
Graduate (Weighted) (a)	140	119	128	128
Degree programs offered	102	102	104	105
Courses offered	3,548	3,235	3,200	3,200
Student credit hours produced	195,599	185,439	181,882	183,172
Degrees and Certificates Granted - Total	1,942	1,863	1,800	1,800
Ratio: Student/faculty (b)	14.1/1	13.0/1	13.4/1	13.5/1
Full-Time, First-Time, Degree-Seeking Freshmen who are				
Regular Admission Students	579	553	647	---
Average SAT Score - Math	619	620	603	---
Average SAT Score - Verbal	552	554	539	---
Average SAT Score - Total	1171	1174	1142	---

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Outcomes Data (c)				
Third-Semester Retention Rates	79.1%	81.1%	---	---
Seven-Year Graduation Rates	51.9%	55.2%	---	---
Student Tuition and Fees				
Total Cost of Attendance (d)	\$20,100	\$21,280	\$22,622	---
Full-Time Undergraduate Tuition - State Residents	\$7,332	\$7,918	\$8,472	---
Full-Time Undergraduate Tuition - Non-State Residents ...	\$12,700	\$13,716	\$14,676	---
Full-Time Undergraduate Fees	\$1,168	\$1,262	\$1,350	---

OPERATING DATA

Institutional Support

Institutional Expenditures

Instruction	\$49,677,000	\$51,962,000	\$55,000,000	---
Sponsored Programs and Research	\$3,492,000	\$3,507,000	\$3,600,000	---
Extension and Public Service	\$2,268,000	\$2,597,000	\$2,100,000	---
Academic Support	\$18,823,000	\$20,787,000	\$21,700,000	---
Student Services	\$12,503,000	\$13,895,000	\$14,800,000	---
Institutional Support	\$16,812,000	\$18,208,000	\$19,100,000	---
Physical Plant and Support Services	\$20,085,000	\$17,116,000	\$18,089,000	---

Special Purpose Appropriations

NJIT/Burlington County	\$100,000	---	---	---
Smart Shunt Technology	---	\$150,000	\$150,000	---

PERSONNEL DATA

Position Data

State-funded Positions	805	805	805	805
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Notes:

- (a) Equated on the basis of 32 credit hours per undergraduate student and 24 credit hours per graduate student.
- (b) Calculated on the basis of authorized teaching positions (including adjunct faculty) and equated full-time (weighted) students.
- (c) As calculated by the Student Unit Record Enrollment (SURE) system.
- (d) As reported to the Higher Education Student Assistance Authority. Includes tuition, fees, room and board, transportation, and supplies.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Program									
226,660	-8,898	1,472	219,234	219,234	Institutional Support	82	230,658	239,678	224,898
226,660	-8,898	1,472	219,234	219,234	Total Grants-in-Aid		230,658 (a)	239,678	224,898
Less:									
---	(4,986)	---	(4,986)	(4,986)	Receipts from Tuition Increase		(5,314)	---	---
(76,132)	3,358	---	(72,774)	(72,774)	General Services Income		(77,563)	(82,877)	(82,877)
(10,166)	(685)	---	(10,851)	(10,851)	Auxiliary Funds Income		(11,012)	(11,012)	(11,012)
(68,620)	11,211	---	(57,409)	(57,409)	Special Funds Income		(58,850)	(58,850)	(58,850)
(22,902)	---	---	(22,902)	(22,902)	Employee Fringe Benefits		(26,407)	(26,407)	(26,407)
(177,820)	8,898	---	(168,922)	(168,922)	Total Income Deductions		(179,146)	(179,146)	(179,146)
48,840	---	1,472	50,312	50,312	Total State Appropriation		51,512(a)	60,532	45,752
Distribution by Fund and Object									
Special Purpose:									
226,510	-8,898	1,472	219,084	219,084	General Institutional Operations	82	230,658	230,658	224,898
150	---	---	150	150	Smart Shunt Research	82	---	---	---

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Degree students (a)	11,000	11,224	11,336	11,450
Non-degree students (a)	978	2,031	2,133	2,186
Degree Programs Offered	14	15	16	16
Associate degree specialization options	67	68	68	68
Baccalaureate degree specialization options	92	96	96	96
Masters degree specialization options	2	3	3	4
Degrees Granted	1,788	2,134	2,348	2,582
Associate	205	261	282	310
Baccalaureate	1,534	1,799	1,972	2,169
Masters	49	74	94	103
Examinations and assessments of experiential learning	3,118	5,166	5,269	5,375
Individuals receiving educational and career counseling (a)	70,602	69,732	70,429	71,134
PERSONNEL DATA				
Position Data				
State Supported	171	239	239	239

Notes:

(a) Revised from "headcount" to "transactions" to provide a more accurate reflection of enrollment data commencing in fiscal 2004.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Program									
26,314	8,082	227	34,623	34,623	82	35,783	37,460	35,092	Institutional Support
26,314	8,082	227	34,623	34,623		35,783 (a)	37,460	35,092	Total Grants-in-Aid
<i>Less:</i>									
---	(1,393)	---	(1,393)	(1,393)		(752)	(527)	(527)	Fee Increase
(5,265)	(4,067)	---	(9,332)	(9,332)		(11,203)	(11,203)	(11,203)	Self Sustaining Income
(11,019)	(2,622)	---	(13,641)	(13,641)		(12,412)	(13,164)	(13,164)	General Services Income
(4,080)	---	---	(4,080)	(4,080)		(4,765)	(4,765)	(4,765)	Employee Fringe Benefits
(20,364)	(8,082)	---	(28,446)	(28,446)		(29,132)	(29,659)	(29,659)	Total Income Deductions
5,950	---	227	6,177	6,177		6,651(a)	7,801	5,433	Total State Appropriation
Distribution by Fund and Object									
<i>Special Purpose:</i>									
26,000	8,082 R	227	34,309	34,309	82	35,469	35,996	35,092	General Institutional Operations
---	---	---	---	---	82	---	250	---	Health Information Networks and Technology
---	---	---	---	---	82	---	150	---	Military/DoD Program Development
314	---	---	314	314	82	314	314	---	The John S. Watson Institute for Public Policy
---	---	---	---	---	82	---	750	---	Professional & Continuing Education Program
<i>Less:</i>									
(20,364)	(8,082) R	---	(28,446)	(28,446)		(29,132)	(29,659)	(29,659)	Income Deductions
5,950	---	227	6,177	6,177		6,651	7,801	5,433	Grand Total State Appropriation

Notes -- Grants-In-Aid - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Thomas A. Edison State College shall be 239.

**30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
36. HIGHER EDUCATIONAL SERVICES
2445. ROWAN UNIVERSITY**

Rowan University was founded in 1923, and on September 1, 1992, was renamed from Glassboro State College to Rowan College of New Jersey. The renaming was an expression of appreciation to Henry and Betty Rowan for an exceptional gift of \$100 million dollars. In 1997, the institution gained university status. The University offers 67 degree programs in six colleges: Business, Communication, Education, Engineering, Fine and Performing Arts, and Liberal Arts and Science. A doctoral program in Educational Leadership was approved in the spring of 1997 and admitted students later that year. The operation and management of the University is vested in the Board of Trustees (N.J.S. 18A:64-1 et seq.).

The University's main campus is located in Glassboro on 200 acres. A branch campus is located in Camden. In 2002, Rowan

University was selected by the State of New Jersey as the location of the South Jersey Technology Park; a facility for the Park is currently in the design stages. In 2001, the University embarked on a 10-year campus improvement and expansion plan that included the acquisition of more than 500 acres of land, the construction of new buildings for the sciences and education, and the renovation of many of the existing buildings.

The University's history includes the use of its then-president's home, Hollybush, as the site of the Johnson-Kosygin summit conference in 1967, an event that is often cited as essential to the easing of the tensions between the U.S. and the U.S.S.R. that had brought the two nuclear powers to the brink of war just a few years earlier.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Enrollment total	9,501	9,550	9,356	9,356
Enrollment total (Weighted) (a)	7,406	7,616	7,511	7,511
Undergraduate total	8,170	8,223	8,111	8,111
Undergraduate total (Weighted) (a)	6,792	6,994	6,931	6,931
Full-time	6,630	6,892	6,859	6,859
Full-time (Weighted) (a)	6,215	6,461	6,430	6,430
Part-time	1,540	1,331	1,252	1,252
Part-time (Weighted) (a)	577	533	501	501
Graduate Total	1,287	1,271	1,207	1,207
Graduate total (Weighted) (a)	581	577	551	551
Full-Time	211	217	210	210
Full-time (Weighted) (a)	211	217	210	210
Part-time	1,076	1,054	997	997
Part-time (Weighted) (a)	370	360	341	341
Doctoral Total	44	56	38	38
Doctoral (Weighted) (a)	33	45	29	29
Degree programs offered	66	67	67	67
Courses offered	1,473	1,513	1,513	1,513
Degrees granted				
Bachelors	1,635	1,703	1,703	1,703
Masters	322	342	342	342
Doctoral	3	5	5	5
Ratio: Student/faculty (b)	15.7/1	15.9/1	15.9/1	15.9/1

STATE

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Extension and Public Service				
Enrollment	3,629	3,479	3,479	3,479
Enrollment (Weighted) (a)	609	603	603	603
Summer undergraduate	2,170	2,239	2,239	2,239
Summer undergraduate (Weighted) (a)	348	375	375	375
Summer graduate	905	840	840	840
Summer graduate (Weighted) (a)	192	180	180	180
Part-time and extension (off-campus)	554	400	400	400
Part-time and extension (off-campus) (Weighted) (a)	69	48	48	48
Program Revenue	\$3,935,179	\$4,506,075	\$5,040,228	\$5,040,228
Full-Time, First-Time, Degree-Seeking Freshmen who are				
Regular Admission Students	1,128	1,119	1,102	---
Average SAT Score - Math	572	571	588	---
Average SAT Score - Verbal	556	556	570	---
Average SAT Score - Total	1128	1127	1158	---
Outcomes Data (c)				
Third-Semester Retention Rates	86.2%	87.1%	---	---
Six-Year Graduation Rates	62.1%	62.2%	---	---
Student Tuition and Fees				
Total Cost of Attendance (d)	\$16,894	\$18,220	\$19,449	---
Full-Time Undergraduate Tuition - State Residents	\$5,396	\$5,828	\$6,294	---
Full-Time Undergraduate Tuition - Non-State Residents	\$10,792	\$11,656	\$12,588	---
Full-Time Undergraduate Fees	\$1,862	\$2,142	\$2,313	---

OPERATING DATA

Institutional Support

Institutional Expenditures

Instruction	\$50,060,006	\$54,450,636	\$57,410,010	\$60,394,010
Sponsored Programs	\$291,380	\$418,462	\$510,000	\$510,000
Academic Support	\$10,971,363	\$14,916,633	\$14,579,510	\$14,947,510
Student Services	\$14,271,264	\$15,535,249	\$17,605,118	\$17,948,118
Institutional Support	\$19,798,631	\$21,959,002	\$24,054,605	\$25,233,605
Physical Plant and Support Services	\$12,687,599	\$14,224,029	\$17,202,998	\$17,583,948

Special Purpose Appropriations

Camden Urban Center	\$215,000	\$215,000	\$215,000	\$215,000
Debt Service	\$10,151,046	\$9,524,246	\$13,908,000	\$13,908,000
School of Engineering	\$500,000	\$500,000	\$500,000	\$500,000

PERSONNEL DATA

Position Data

State-funded Positions	877	877	877	877
----------------------------------	-----	-----	-----	-----

Notes:

- (a) Equated on the basis of 32 credit hours per undergraduate student, 24 credit hours per graduate student, and 16 credit hours per doctoral student.
- (b) Calculated on the basis of budgeted teaching positions (including adjunct faculty) and equated full-time (weighted) students.
- (c) As calculated by the Student Unit Record Enrollment (SURE) system.
- (d) As reported to the Higher Education Student Assistance Authority. Includes tuition, fees, room and board, transportation, and supplies.

APPROPRIATIONS DATA

(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Prog. Class.	Adjusted Approp.	Requested	Recom- mended	
GRANTS-IN-AID									
Distribution by Fund and Program									
149,609	36,778	1,202	187,589	187,589	Institutional Support	82	199,434	210,873	195,358
149,609	36,778	1,202	187,589	187,589	Total Grants-in-Aid		199,434 ^(a)	210,873	195,358

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
GRANTS-IN-AID								
<i>Less:</i>								
---	(4,101)	---	(4,101)	(4,101)		(4,074)	---	---
(64,326)	(8,125)	---	(72,451)	(72,451)		(77,627)	(81,701)	(81,701)
(22,567)	(2,994)	---	(25,561)	(25,561)		(28,090)	(28,090)	(28,090)
(4,000)	(21,558)	---	(25,558)	(25,558)		(26,000)	(26,000)	(26,000)
(21,855)	---	---	(21,855)	(21,855)		(24,138)	(24,138)	(24,138)
<u>(112,748)</u>	<u>(36,778)</u>	<u>---</u>	<u>(149,526)</u>	<u>(149,526)</u>		<u>(159,929)</u>	<u>(159,929)</u>	<u>(159,929)</u>
36,861	---	1,202	38,063	38,063		39,505(a)	50,944	35,429
Distribution by Fund and Object								
<i>Special Purpose:</i>								
148,751	36,778	1,202	186,731	186,731	General Institutional Operations	82	198,576	198,576
327	---	---	327	327	High Enrollment Growth Adjustment	82	327	327
531	---	---	531	531	Teacher Preparation	82	531	531
---	---	---	---	---	Funding for Increased Utilities Costs	82	---	2,300
---	---	---	---	---	New Full-Time Professional Staff	82	---	600
---	---	---	---	---	Restoration of Base Funding	82	---	3,289
---	---	---	---	---	Physical Plant	82	---	1,800
---	---	---	---	---	New Faculty	82	---	2,200
---	---	---	---	---	Operating Costs of the Library	82	---	1,250
<i>Less:</i>								
<u>(112,748)</u>	<u>(36,778)</u>	<u>---</u>	<u>(149,526)</u>	<u>(149,526)</u>	<i>Income Deductions</i>		<u>(159,929)</u>	<u>(159,929)</u>
36,861	---	1,202	38,063	38,063	Grand Total State Appropriation		39,505	50,944

Notes -- Grants-In-Aid - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

Of the sums hereinabove appropriated for Rowan University, \$500,000 is appropriated for the School of Engineering and \$215,000 is appropriated for the Camden Urban Center. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Rowan University shall be 877.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT**36. HIGHER EDUCATIONAL SERVICES****2450. NEW JERSEY CITY UNIVERSITY**

New Jersey City University, formerly Jersey City State College, is located in Hudson County and is dedicated to urban programs designed to meet the complex economic, social and educational problems of the urban metropolitan area. New Jersey City University's urban mission is unique among the State's higher educational institutions. In order to strengthen this mission, the University has embarked on a ten-year plan designed to make it the premier urban university in the State. The University serves thousands of residents in the northeast corner of the State. Ten percent of the student population is composed of men and women from other areas of New Jersey, adjacent states and foreign countries.

Special features of the campus include the A. Harry Moore Laboratory School for Special Education, the Peter W. Rodino, Jr. Institute of Criminal Justice, the Center for the Advancement of

Teaching and Learning (CATALYST), the Center for Occupational Education, the Adult Education Center, the Media Arts Center, and the Margaret Williams Theater for the Performing Arts. In 1994, the University opened a new academic building as well as a new athletic, recreation, and fitness center. The University has 15 acres of athletic fields, three gymnasiums, a swimming pool, modern dance studios, and three auditoriums, in addition to its 116 classrooms and laboratories.

In the fall of 2003, the University opened a new 59,085 square foot Visual Arts building designed to meet the growing needs of the undergraduate and graduate programs of the Art Department. The University also purchased and renovated a 61,000 square foot two-story facility. This building includes the program requirements for the University Charter High School, and future NJCU Black Box Theater and business incubator.

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The University will be opening a new 77,000 square foot Arts and Science Tower in the fall of 2006. This building will meet the growing needs of the School of Arts and Science. This new facility will consist of a six-story structure featuring 14 general use classrooms and 10 computer labs, as well as housing. This facility

will house ten academic departments and the Office of the Dean of Arts and Science. Currently, the University also is renovating the Gilligan Student Union Building, which is expected to be completed by the fall of 2006.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Enrollment total	9,099	8,438	8,583	8,583
Enrollment total (Weighted) (a)	5,558	5,448	5,420	5,420
Undergraduate total	6,021	5,855	6,000	6,000
Undergraduate total (Weighted) (a)	4,387	4,325	4,300	4,300
Full-time	4,086	4,020	4,080	4,080
Full-time (Weighted) (a)	3,607	3,552	3,526	3,526
Part-time	1,935	1,835	1,920	1,920
Part-time (Weighted) (a)	780	773	774	774
Graduate Total	3,078	2,583	2,583	2,583
Graduate total (Weighted) (a)	1,171	1,123	1,120	1,120
Full-time	85	102	102	102
Full-time (Weighted) (a)	91	109	109	109
Part-time	2,993	2,481	2,481	2,481
Part-time (Weighted) (a)	1,080	1,014	1,011	1,011
Degree programs offered	50	50	50	50
Courses offered	1,620	1,620	1,620	1,620
Degrees granted				
Bachelors	837	879	879	879
Masters	552	636	636	636
Ratio: Student/faculty (b)	16/1	14/1	14/1	14/1
A. Harry Moore Laboratory School				
Students enrolled	187	196	190	190
Orthopedic (includes cerebral palsied)	21	2	2	2
Multiple Disabilities	123	138	135	135
Cognitive - Moderate	13	20	23	23
Preschool Disabilities	30	36	30	30
Extension and Public Service				
Enrollment	6,014	6,385	5,448	5,448
Enrollment (Weighted) (a)	822	916	747	747
Summer undergraduate	3,907	3,843	3,750	3,750
Summer undergraduate (Weighted) (a)	513	508	501	501
Summer graduate	2,107	2,542	1,698	1,698
Summer graduate (Weighted) (a)	309	408	246	246
Program Revenue	\$6,321,102	\$6,488,177	\$5,929,252	\$5,929,252
Full-Time, First-Time, Degree-Seeking Freshmen who are Regular Admission Students				
Average SAT Score - Math	387	350	463	---
Average SAT Score - Math	464	479	473	---
Average SAT Score - Verbal	482	475	471	---
Average SAT Score - Total	946	954	944	---
Outcomes Data (c)				
Third-Semester Retention Rates	76.4%	74.4%	---	---
Six-Year Graduation Rates	37.2%	38.6%	---	---
Student Tuition and Fees				
Total Cost of Attendance (d)	\$18,134	\$18,578	\$20,426	---
Full-Time Undergraduate Tuition - State Residents	\$4,812	\$4,860	\$5,190	---
Full-Time Undergraduate Tuition - Non-State Residents	\$8,868	\$9,540	\$10,230	---
Full-Time Undergraduate Fees	\$1,576	\$1,690	\$1,856	---

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Institutional Support				
Institutional Expenditures				
Instruction	\$39,887,068	\$42,181,282	\$47,332,337	---
Academic Support	\$9,392,862	\$10,198,595	\$11,707,879	---
Student Services	\$10,259,170	\$11,989,874	\$12,053,730	---
Institutional Support	\$17,007,495	\$16,700,657	\$22,242,898	---
Public Service	\$255,945	\$72,069	---	---
Student Aid	\$14,492,685	\$14,815,437	\$14,242,857	---
Physical Plant and Support Services	\$11,401,574	\$11,514,170	\$12,475,934	---
Special Purpose Appropriations				
Separately Budgeted Research	\$70,000	\$77,500	\$85,000	\$85,000
College Work Study Program (State Share)	\$120,000	\$120,000	\$120,000	\$120,000
A. Harry Moore Laboratory School	\$1,078,000	\$1,078,000	\$1,078,000	\$1,078,000
Tidelands Athletic Fields	\$145,000	\$145,000	\$145,000	\$145,000
National Direct Student Loan (State Share)	\$20,000	\$20,000	\$20,000	\$20,000
Affirmative Action and Equal Employment Opportunity	\$110,000	\$110,000	\$110,000	\$110,000

PERSONNEL DATA

Position Data

State-funded Positions	784	784	784	784
------------------------	-----	-----	-----	-----

Notes:

- (a) Equated on the basis of 32 credit hours per undergraduate student and 24 credit hours per graduate student.
- (b) Calculated on the basis of budgeted teaching positions (including adjunct faculty) and equated full-time (weighted) students.
- (c) As calculated by the Student Unit Record Enrollment (SURE) system.
- (d) As reported to the Higher Education Student Assistance Authority. Includes tuition, fees, room and board, transportation, and supplies.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
GRANTS-IN-AID								
Distribution by Fund and Program								
105,825	7,593	1,077	114,495	114,495	82	122,607	125,641	119,175
105,825	7,593	1,077	114,495	114,495		122,607 (a)	125,641	119,175
Less:								
---	(2,035)	---	(2,035)	(2,035)		(3,458)	---	---
(30,340)	562	---	(29,778)	(29,778)		(32,699)	(36,157)	(36,157)
(4,390)	(558)	---	(4,948)	(4,948)		(5,305)	(5,305)	(5,305)
(4,574)	(673)	---	(5,247)	(5,247)		(5,684)	(5,684)	(5,684)
(17,483)	(4,889)	---	(22,372)	(22,372)		(21,978)	(21,978)	(21,978)
(17,976)	---	---	(17,976)	(17,976)		(19,966)	(19,966)	(19,966)
(74,763)	(7,593)	---	(82,356)	(82,356)		(89,090)	(89,090)	(89,090)
31,062	---	1,077	32,139	32,139		33,517(a)	36,551	30,085
Distribution by Fund and Object								
Special Purpose:								
104,874	7,593 ^R	1,077	113,544	113,544	82	121,656	121,656	118,224
620	---	---	620	620	82	620	620	620
331	---	---	331	331	82	331	331	331

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
---	---	---	---	---	GRANTS-IN-AID				
---	---	---	---	---	Funding for Increased Utilities Costs	82	---	1,000	---
---	---	---	---	---	New Faculty	82	---	600	---
---	---	---	---	---	Henry J. Raimondo Institute for Urban Research and Public Policy	82	---	416	---
---	---	---	---	---	Creating and Connecting Communities - Retention Initiative	82	---	450	---
---	---	---	---	---	Technology Information Systems	82	---	568	---
<u>(74,763)</u>	<u>(7,593)^R</u>	<u>---</u>	<u>(82,356)</u>	<u>(82,356)</u>	<i>Less:</i>				
<u>31,062</u>	<u>---</u>	<u>1,077</u>	<u>32,139</u>	<u>32,139</u>	Income Deductions	<u>(89,090)</u>	<u>(89,090)</u>	<u>(89,090)</u>	
					Grand Total State Appropriation	<u>33,517</u>	<u>36,551</u>	<u>30,085</u>	

Notes -- Grants-In-Aid - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

Of the sums hereinabove appropriated for New Jersey City University, \$1,078,000 is appropriated for the A. Harry Moore Laboratory School and \$145,000 is appropriated for Tidelands Athletic Fields. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at New Jersey City University shall be 784.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT

36. HIGHER EDUCATIONAL SERVICES

2455. KEAN UNIVERSITY

Kean University is a public, State-supported, four-year coeducational institution of higher education, located in Union Township, in the north central part of the State, minutes from the Garden State Parkway and close to public transportation. The University is situated on a 120-acre campus and includes a six-acre woodlands preserve. In 1855, the University was founded by and built in the city of Newark. For more than a century, its accomplishments and reputation were primarily associated with contributions made in the area of teacher education. In 1913, it became a State institution. In 1958, the institution relocated to property that was part of the Kean estate, its current location. In 1997, the institution gained

university status and changed its name from Kean College of New Jersey to Kean University.

The campus currently contains 36 structures, including modern classroom buildings, a science complex, a theater for the performing arts seating 1,000, a library, a child study institute, athletic and recreational facilities, student apartments, and a student center. The 28-acre east campus, which is a short distance from the main campus, includes athletic fields, recreation facilities, and certain student and academic support programs.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Enrollment total	12,675	12,632	11,475	11,475
Enrollment total (Weighted) (a)	8,891	8,917	8,100	8,100
Undergraduate total	9,945	9,714	8,824	8,824
Undergraduate total (Weighted) (a)	7,619	7,564	6,871	6,871
Full-time	7,124	7,076	6,428	6,428
Full-time (Weighted) (a)	6,518	6,520	5,922	5,922
Part-time	2,821	2,638	2,396	2,396
Part-time (Weighted) (a)	1,101	1,044	949	949
Graduate total	2,730	2,918	2,651	2,651
Graduate total (Weighted) (a)	1,272	1,353	1,229	1,229
Full-time	547	556	505	505
Full-time (Weighted) (a)	520	534	485	485
Part-time	2,183	2,362	2,146	2,146
Part-time (Weighted) (a)	752	819	744	744
Degree programs offered	81	81	81	81
Courses offered	2,485	2,746	2,746	2,746
Degrees Granted				
Bachelors	1,688	1,802	1,802	1,802
Masters	594	637	637	637
Ratio: Student/faculty (b)	16/1	15/1	15/1	15/1
Extension and Public Service				
Enrollment	3,362	3,410	3,410	3,410
Enrollment (Weighted) (a)	1,012	1,008	1,008	1,008
Summer undergraduate	2,588	2,581	2,581	2,581
Summer undergraduate (Weighted) (a)	774	761	761	761
Summer graduate	774	829	829	829
Summer graduate (Weighted) (a)	238	247	247	247
Program Revenue	\$5,341,296	\$5,467,475	\$5,902,270	\$5,902,270
Full-Time, First-Time, Degree-Seeking Freshmen who are Regular Admission Students	863	791	882	---
Average SAT Score - Math	511	508	507	---
Average SAT Score - Verbal	500	491	493	---
Average SAT Score - Total	1011	999	1000	---
Outcomes Data (c)				
Third-Semester Retention Rates	74.8%	76.3%	---	---
Six-Year Graduation Rates	42.8%	43.8%	---	---
Student Tuition and Fees				
Total Cost of Attendance (d)	\$17,520	\$18,419	\$19,163	---
Full-Time Undergraduate Tuition - State Residents	\$4,448	\$4,665	\$4,898	---
Full-Time Undergraduate Tuition - Non-State Residents	\$6,810	\$7,170	\$7,530	---
Full-Time Undergraduate Fees	\$2,275	\$2,486	\$2,609	---
OPERATING DATA				
Institutional Support				
Institutional Expenditures				
Instruction	\$65,038,000	\$69,713,000	\$70,409,000	---
Sponsored Programs and Research	\$290,000	\$752,000	\$760,000	---
Extention and Public Service	\$1,758,000	\$2,116,000	\$2,137,000	---
Academic Support	\$3,744,000	\$4,622,000	\$4,668,000	---
Student Services	\$11,282,000	\$14,047,000	\$14,187,000	---
Institutional Support	\$23,727,000	\$26,781,000	\$27,048,000	---
Physical Plant and Support Services	\$16,052,000	\$19,397,000	\$19,591,000	---
Special Purpose Appropriations	\$2,997,000	\$3,032,000	\$3,062,000	---
Emerging Needs/Academic Initiatives	\$180,000	\$180,000	\$180,000	\$180,000

STATE

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
State Supported	888	888	888	888

Notes:

- (a) Equated on the basis of 32 credit hours per undergraduate student and 24 credit hours per graduate student.
- (b) Calculated on the basis of budgeted teaching positions (including adjunct faculty) and equated full-time (weighted) students.
- (c) As calculated by the Student Unit Record Enrollment (SURE) system.
- (d) As reported to the Higher Education Student Assistance Authority. Includes tuition, fees, room and board, transportation, and supplies.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Program									
161,909	2,670	1,275	165,854	165,854	Institutional Support	82	163,427	163,643	158,003
161,909	2,670	1,275	165,854	165,854	Total Grants-in-Aid		163,427 (a)	163,643	158,003
Less:									
---	(8,731)	---	(8,731)	(8,731)	Receipts from Tuition Increase		(2,661)	---	---
(66,772)	8,463	---	(58,309)	(58,309)	General Services Income		(56,408)	(59,069)	(59,069)
(12,630)	218	---	(12,412)	(12,412)	Auxiliary Funds Income		(12,974)	(12,974)	(12,974)
(22,975)	(2,620)	---	(25,595)	(25,595)	Special Funds Income		(26,700)	(26,700)	(26,700)
(19,254)	---	---	(19,254)	(19,254)	Employee Fringe Benefits		(21,504)	(21,504)	(21,504)
(121,631)	(2,670)	---	(124,301)	(124,301)	Total Income Deductions		(120,247)	(120,247)	(120,247)
40,278	---	1,275	41,553	41,553	Total State Appropriation		43,180(a)	43,396	37,756
Distribution by Fund and Object									
Special Purpose:									
160,251	2,670 ^R	1,275	164,196	164,196	General Institutional Operations	82	161,769	161,769	156,345
1,078	---	---	1,078	1,078	High Enrollment Growth Adjustment	82	1,078	1,078	1,078
580	---	---	580	580	Teacher Preparation	82	580	580	580
---	---	---	---	---	Redesign and Modernize Classroom and Equipment with Audio and Video Systems	82	---	160	---
---	---	---	---	---	Restoring the Mentoring Program	82	---	56	---
Less:									
(121,631)	(2,670)^R	---	(124,301)	(124,301)	Income Deductions		(120,247)	(120,247)	(120,247)
40,278	---	1,275	41,553	41,553	Grand Total State Appropriation		43,180	43,396	37,756

Notes -- Grants-In-Aid - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

Of the sums hereinabove appropriated for Kean University, \$180,000 is appropriated for Emerging Needs/Academic Initiatives. This account shall be considered a special purpose appropriation for accounting and reporting purposes.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Kean University shall be 888.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
36. HIGHER EDUCATIONAL SERVICES
2460. WILLIAM PATERSON UNIVERSITY

The William Paterson University of New Jersey, founded in Paterson in 1855, was relocated in 1951 to the Boroughs of Wayne, Haledon, and North Haledon, Passaic County. The management of the University is vested in its Board of Trustees appointed by the Governor, subject to the approval of the Senate. The college offers 32 baccalaureate and 19 master's degree programs through five colleges: Arts and Communication, Christos M. Cotsakos College of Business, Education, Humanities and Social Sciences, and Science and Health.

Located on three sites totalling 370 acres, the University has 43

major buildings that house television studios; modern science facilities and laboratories; computer graphics laboratories and art galleries; fine arts studios; a 900-seat theater; classrooms; an academic/administrative computer center; a gymnasium and athletic fields; a competition-size swimming pool; a library; an alumni house; an electronic financial trading room for academic instruction; and the Russ Berrie Institute for Professional Sales. Other facilities include a student center, multipurpose recreation center, newly renovated athletic fields with artificial turf surfaces, and campus residences for approximately 2,300 students.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Enrollment total	10,900	11,028	11,093	11,093
Enrollment total (Weighted) (a)	8,139	8,355	8,421	8,421
Undergraduate total	9,022	9,051	9,112	9,112
Undergraduate total (Weighted) (a)	7,345	7,520	7,581	7,581
Full-time	7,104	7,307	7,342	7,342
Full-time (Weighted) (a)	6,575	6,798	6,847	6,847
Part-time	1,918	1,744	1,770	1,770
Part-time (Weighted) (a)	770	722	734	734
Graduate total	1,878	1,977	1,981	1,981
Graduate total (Weighted) (a)	794	835	840	840
Full-time	393	436	436	436
Full-time (Weighted) (a)	314	335	336	336
Part-time	1,485	1,541	1,545	1,545
Part-time (Weighted) (a)	480	500	504	504
Degree programs offered	49	51	51	51
Courses offered	2,262	2,285	2,411	2,411
Degrees Granted				
Bachelors	1,556	1,609	1,609	1,609
Masters	296	329	329	329
Ratio: Student/faculty (b)	15.7/1	15.4/1	15.1/1	15.1/1
Extension and Public Service				
Enrollment	5,494	5,338	5,338	5,338
Enrollment (Weighted) (a)	752	729	729	729
Summer undergraduate	4,473	4,131	4,131	4,131
Summer undergraduate (Weighted) (a)	619	577	577	577
Summer graduate	1,021	1,207	1,207	1,207
Summer graduate (Weighted) (a)	133	152	152	152
Program Revenue	\$3,538,000	\$3,785,000	\$4,088,000	\$4,088,000
Full-Time, First-Time, Degree-Seeking Freshmen who are Regular Admission Students				
Average SAT Score - Math	981	1,074	944	---
Average SAT Score - Math	531	524	528	---
Average SAT Score - Verbal	526	516	520	---
Average SAT Score - Total	1057	1040	1048	---
Outcomes Data (c)				
Third-Semester Retention Rates	78.2%	76.4%	---	---
Six-Year Graduation Rates	47.5%	48.1%	---	---
Student Tuition and Fees				
Total Cost of Attendance (d)	\$18,060	\$19,552	\$19,519	---
Full-Time Undergraduate Tuition - State Residents	\$4,593	\$4,961	\$5,358	---
Full-Time Undergraduate Tuition - Non-State Residents ...	\$8,983	\$9,699	\$10,474	---
Full-Time Undergraduate Fees	\$2,527	\$2,991	\$3,382	---

STATE

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
OPERATING DATA				
Institutional Support				
Institutional Expenditures				
Instruction	\$37,554,000	\$41,206,000	\$43,595,000	---
Sponsored Programs and Research	\$524,000	\$620,000	\$655,000	---
Academic Support	\$8,422,000	\$8,416,000	\$8,904,000	---
Student Services	\$7,315,000	\$7,670,000	\$8,116,000	---
Institutional Support	\$19,974,000	\$22,452,000	\$23,754,000	---
Physical Plant and Support Services	\$10,773,000	\$11,952,000	\$12,645,000	---
Special Purpose Appropriations				
Separately Budgeted Research	\$82,500	\$150,000	\$150,000	\$150,000
College Work Study Program (State Share)	\$82,000	\$82,000	\$82,000	\$82,000
Affirmative Action and Equal Employment Opportunity	\$80,000	\$80,000	\$80,000	\$80,000
Academic Development	\$102,500	\$170,000	\$170,000	\$170,000
New Jersey Project	\$100,000	\$100,000	\$100,000	\$100,000
Outcomes Assessment	\$50,000	\$65,000	\$65,000	\$65,000
Teacher Preparation	\$147,000	\$147,000	\$147,000	\$147,000

PERSONNEL DATA

Position Data

	947	947	947	947
State-funded Positions				

Notes:

- (a) Equated on the basis of 32 credit hours per undergraduate student and 24 credit hours per graduate student.
- (b) Calculated on the basis of budgeted teaching positions (including adjunct faculty) and equated full-time (weighted) students.
- (c) As calculated by the Student Unit Record Enrollment (SURE) system.
- (d) As reported to the Higher Education Student Assistance Authority. Includes tuition, fees, room and board, transportation, and supplies.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Program									
145,105	10,525	1,199	156,829	156,829	Institutional Support	82	169,321	192,367	166,238
145,105	10,525	1,199	156,829	156,829	Total Grants-in-Aid		169,321^(a)	192,367	166,238
Less:									
---	(4,292)	---	(4,292)	(4,292)	Receipts from Tuition Increase		(3,341)	---	---
(45,182)	(2,044)	---	(47,226)	(47,226)	General Services Income		(52,243)	(55,584)	(55,584)
(24,327)	(1,845)	---	(26,172)	(26,172)	Auxiliary Funds Income		(30,438)	(31,250)	(31,250)
(14,191)	(2,344)	---	(16,535)	(16,535)	Special Funds Income		(16,550)	(16,900)	(16,900)
(21,806)	---	---	(21,806)	(21,806)	Employee Fringe Benefits		(24,664)	(24,664)	(24,664)
(105,506)	(10,525)	---	(116,031)	(116,031)	Total Income Deductions		(127,236)	(128,398)	(128,398)
39,599	---	1,199	40,798	40,798	Total State Appropriation		42,085(a)	63,969	37,840
Distribution by Fund and Object									
Special Purpose:									
143,919	10,525	1,199	155,643	155,643	General Institutional Operations	82	168,135	169,297	165,052
1,039	---	---	1,039	1,039	High Enrollment Growth Adjustment	82	1,039	1,039	1,039
147	---	---	147	147	Teacher Preparation	82	147	147	147
---	---	---	---	---	New Jersey Project on Inclusive Scholarship, Curriculum and Teaching	82	---	75	---

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Enrollment total	15,204	15,695	16,063	16,538
Enrollment total (Weighted) (a)	10,884	11,487	11,892	12,340
Undergraduate total	11,375	11,819	12,174	12,607
Undergraduate total (Weighted) (a)	9,072	9,640	10,043	10,445
Full-time	8,983	9,536	9,909	10,389
Full-time (Weighted) (a)	8,093	8,705	9,100	9,520
Part-time	2,392	2,283	2,265	2,218
Part-time (Weighted) (a)	979	935	943	925
Graduate total	3,829	3,876	3,889	3,931
Graduate total (Weighted) (a)	1,812	1,847	1,849	1,895
Full-time	790	826	828	872
Full-time (Weighted) (a)	704	729	721	760
Part-time	3,039	3,050	3,061	3,059
Part-time (Weighted) (a)	1,108	1,118	1,128	1,135
Degree programs offered	82	82	89	89
Courses offered	1,865	2,024	2,088	2,088
Degrees Granted				
Bachelors	2,172	2,206	2,206	2,206
Masters	690	711	711	711
Doctorate	4	2	10	18
Ratio: Student/faculty (b)	18/1	18/1	18/1	18/1
Extension and Public Service				
Enrollment	6,786	6,679	6,570	6,570
Enrollment (Weighted) (a)	2,318	2,318	2,287	2,287
Summer undergraduate	5,009	4,877	4,789	4,789
Summer undergraduate (Weighted) (a)	1,655	1,648	1,621	1,621
Summer graduate	1,777	1,802	1,781	1,781
Summer graduate (Weighted) (a)	663	670	666	666
Program revenue	\$6,002,332	\$6,996,161	\$7,943,435	\$8,701,323
Full-Time, First-Time, Degree-Seeking Freshmen who are Regular Admission Students	1,316	1,461	1,592	---
Average SAT Score - Math	543	537	548	---
Average SAT Score - Verbal	531	524	537	---
Average SAT Score - Total	1074	1061	1085	---
Outcomes Data (c)				
Third-Semester Retention Rates	84.3%	82.2%	---	---
Six-Year Graduation Rates	55.9%	56.3%	---	---
Student Tuition and Fees				
Total Cost of Attendance (d)	\$17,379	\$19,158	\$21,311	---
Full-Time Undergraduate Tuition - State Residents	\$4,785	\$5,168	\$5,581	---
Full-Time Undergraduate Tuition - Non-State Residents	\$7,785	\$8,836	\$10,029	---
Full-Time Undergraduate Fees	\$1,732	\$1,979	\$2,268	---
OPERATING DATA				
Institutional Support				
Institutional Expenditures				
Instruction	\$61,968,833	\$67,256,420	\$76,502,296	---
Academic Support	\$15,274,312	\$16,400,441	\$16,688,393	---
Student Services	\$13,607,046	\$14,898,636	\$16,977,887	---
Institutional Support	\$31,815,505	\$34,571,629	\$46,124,378	---
Physical Plant and Support Services	\$17,267,152	\$21,290,090	\$22,652,127	---
Special Purpose Appropriations				
Separately Budgeted Research	\$102,737	\$120,265	\$124,258	\$130,471
College Work Study Program (State Share)	\$121,865	\$233,617	\$150,000	\$157,500
Affirmative Action and Equal Employment Opportunity	\$101,594	\$114,473	\$129,407	\$135,877
New Jersey State School of Conservation	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
State-funded Positions	1,102	1,102	1,102	1,102

Notes:

- (a) Equated on the basis of 32 credit hours per undergraduate student and 24 credit hours per graduate student.
- (b) Calculated on the basis of teaching positions (including adjunct faculty) and equated full-time (weighted) students.
- (c) As calculated by the Student Unit Record Enrollment (SURE) system.
- (d) As reported to the Higher Education Student Assistance Authority. Includes tuition, fees, room and board, transportation, and supplies.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
GRANTS-IN-AID									
Distribution by Fund and Program									
196,023	13,893	2,162	212,078	212,078	Institutional Support	82	228,844	251,412	228,996
<u>196,023</u>	<u>13,893</u>	<u>2,162</u>	<u>212,078</u>	<u>212,078</u>	Total Grants-in-Aid		<u>228,844</u> (a)	<u>251,412</u>	<u>228,996</u>
Less:									
---	(6,876)	---	(6,876)	(6,876)	Receipts from Tuition Increase		(6,572)	---	---
(89,375)	(3,037)	---	(92,412)	(92,412)	General Services Income		(103,997)	(115,767)	(115,767)
(860)	(193)	---	(1,053)	(1,053)	Conservation School Receipts		(930)	(977)	(977)
(26,570)	(3,144)	---	(29,714)	(29,714)	Auxiliary Funds Income		(29,654)	(30,128)	(30,128)
(8,019)	(643)	---	(8,662)	(8,662)	Special Funds Income		(8,291)	(8,300)	(8,300)
(25,916)	---	---	(25,916)	(25,916)	Employee Fringe Benefits		(29,045)	(29,045)	(29,045)
<u>(150,740)</u>	<u>(13,893)</u>	<u>---</u>	<u>(164,633)</u>	<u>(164,633)</u>	Total Income Deductions		<u>(178,489)</u>	<u>(184,217)</u>	<u>(184,217)</u>
<u>45,283</u>	<u>---</u>	<u>2,162</u>	<u>47,445</u>	<u>47,445</u>	Total State Appropriation		<u>50,355(a)</u>	<u>67,195</u>	<u>44,779</u>
Distribution by Fund and Object									
Special Purpose:									
193,834	13,893	2,162	209,889	209,889	General Institutional Operations	82	226,655	232,383	226,807
1,854	---	---	1,854	1,854	High Enrollment Growth Adjustment	82	1,854	1,854	1,854
335	---	---	335	335	Teacher Preparation	82	335	335	335
---	---	---	---	---	Non-Personnel Inflation Increases	82	---	2,029	---
---	---	---	---	---	Maintenance and Renewal	82	---	9,611	---
---	---	---	---	---	Support for High Enrollment Growth	82	---	5,200	---
<u>(150,740)</u>	<u>(13,893)</u>	<u>---</u>	<u>(164,633)</u>	<u>(164,633)</u>	Income Deductions		<u>(178,489)</u>	<u>(184,217)</u>	<u>(184,217)</u>
<u>45,283</u>	<u>---</u>	<u>2,162</u>	<u>47,445</u>	<u>47,445</u>	Grand Total State Appropriation		<u>50,355</u>	<u>67,195</u>	<u>44,779</u>

Notes -- Grants-In-Aid - General Fund

- (a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

In addition to the sums hereinabove appropriated for Montclair State University, all revenues from lease agreements between Montclair State University and corporations operating satellite relay stations are appropriated.

Of the sums hereinabove appropriated for Montclair State University, \$1,050,000 is appropriated for the New Jersey State School of Conservation. This account shall be considered a special purpose appropriation for accounting and reporting purposes.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Montclair State University shall be 1,102.

**30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
36. HIGHER EDUCATIONAL SERVICES
2470. THE COLLEGE OF NEW JERSEY**

The College of New Jersey is a highly selective institution that has earned national recognition for its commitment to excellence. Founded in 1855 as the New Jersey State Normal School, the College was the state's first, and the nation's ninth, teacher training school. During the 150 years since its inception, The College of New Jersey has become an exemplar of the best in public higher education and is consistently acknowledged as one of the top comprehensive colleges in the nation. TCNJ currently is ranked as one of the 75 "Most Competitive" schools in the nation by Barron's Profiles of American Colleges and is rated the No. 1 public institution in the northern region of the country by U.S. News & World Report.

A strong liberal arts core forms the foundation for a wealth of degree programs offered through the College's seven schools - Art, Media and Music; Business; Culture and Society; Education; Engineering; Nursing; and Science. The College is enriched by an honors program and extensive opportunities to study abroad, and its award-winning First-Year Experience and freshman orientation

programs have helped make its retention and graduation rates among the highest in the country.

Known for its natural beauty, the College's campus is set on 289 tree-lined acres in suburban Ewing Township. The College has 39 major buildings, including a state-of-the-art library; 14 residence halls that accommodate 3,600 students; an award-winning student center; more than 20 academic computer laboratories; a full range of laboratories for nursing, microscopy, science, and technology; a music building with a 300-seat concert hall; and a collegiate recreation and athletic facilities complex.

The College of New Jersey encourages students to expand their talents and skills through more than 150 organizations that are open to students. These groups include performing ensembles, professional and honor societies, student publications, Greek organizations, intramural and club sports, as well as numerous leadership opportunities including Student Finance Board, Student Government Association, and Residence Hall Government.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Enrollment total	6,776	6,757	6,692	6,692
Enrollment total (Weighted) (a)	5,950	6,080	6,123	6,123
Undergraduate total	5,787	5,849	5,806	5,806
Undergraduate total (Weighted) (a)	5,452	5,637	5,671	5,671
Full-time	5,446	5,616	5,639	5,639
Full-time (Weighted) (a)	5,319	5,550	5,606	5,606
Part-time	341	233	167	167
Part-time (Weighted) (a)	133	87	65	65
Graduate total	989	908	886	886
Graduate total (Weighted) (a)	498	443	452	452
Full-time	113	90	132	132
Full-time (Weighted) (a)	117	93	137	137
Part-time	876	818	754	754
Part-time (Weighted) (a)	381	350	315	315
Degree programs offered	60	60	60	60
Courses offered	2,049	2,049	2,055	2,055
Degrees Granted				
Bachelors	1,298	1,415	1,375	1,375
Masters	281	415	350	350
Ratio: Student/faculty (b)	12/1	13/1	13/1	13/1
Extension and Public Service				
Enrollment	3,333	3,374	3,412	3,412
Enrollment (Weighted) (a)	1,390	1,348	1,496	1,496
Summer undergraduate	1,024	1,024	914	914
Summer undergraduate (Weighted) (a)	323	301	322	322
Summer graduate	755	515	698	698
Summer graduate (Weighted) (a)	349	196	330	330
Part-time and extension (off-campus)	1,554	1,835	1,800	1,800
Part-time and extension (off-campus) (Weighted) (a)	718	851	844	844
Program revenue (c)	\$4,765,573	\$4,727,154	\$4,725,000	\$4,725,000
Full-Time, First-Time, Degree-Seeking Freshmen who are				
Regular Admission Students	955	964	982	---
Average SAT Score - Math	666	663	668	---
Average SAT Score - Verbal	640	645	643	---
Average SAT Score - Total	1306	1308	1311	---

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Outcomes Data (d)				
Third-Semester Retention Rates	95.5%	99.1%	---	---
Six-Year Graduation Rates	80.6%	81.6%	---	---
Student Tuition and Fees				
Total Cost of Attendance (e)	\$18,622	\$19,815	\$20,889	---
Full-Time Undergraduate Tuition - State Residents	\$6,131	\$6,621	\$7,051	---
Full-Time Undergraduate Tuition - Non-State Residents ...	\$10,706	\$11,562	\$12,314	---
Full-Time Undergraduate Fees	\$2,073	\$2,367	\$2,656	---

OPERATING DATA

Institutional Support

Institutional Expenditures (f)

Instruction	\$42,008,732	\$45,096,954	\$49,505,834	---
Academic Support	\$10,064,717	\$10,972,457	\$11,928,018	---
Student Services	\$18,657,313	\$20,191,788	\$22,430,322	---
Institutional Support	\$13,506,976	\$13,440,789	\$14,895,686	---
Physical Plant and Support Services	\$15,507,238	\$16,437,704	\$17,887,648	---
Special Purpose Appropriations				
Separately Budgeted Research	\$612,051	\$630,413	\$655,629	\$681,854
College Work Study Program (State Share)	\$44,604	\$52,103	\$65,000	\$65,000
Affirmative Action and Equal Employment Opportunity ...	\$83,732	\$129,773	\$132,044	\$142,165
Scholarships (Includes Minority)	\$6,822,945	\$8,051,383	\$9,320,000	\$10,410,025
Teacher Preparation	\$150,000	\$150,000	\$150,000	\$150,000
Enrollment Growth Adjustment	---	\$166,000	\$166,000	\$166,000

PERSONNEL DATA

Position Data

State-funded Positions	823	823	823	823
------------------------------	-----	-----	-----	-----

Notes:

- (a) Equated on a basis of 32 credit hours per undergraduate student and 24 credit hours per graduate student.
- (b) Calculated on the basis of budgeted teaching positions (including adjunct faculty) and equated full-time (weighted) students.
- (c) Program revenue has been recalculated for fiscal 2004 to include special programs revenue.
- (d) As calculated by the Student Unit Record Enrollment (SURE) System.
- (e) As reported to the Higher Education Student Assistance Authority. Includes tuition, fees, room and board, transportation, and supplies.
- (f) Fiscal 2004 Institutional Expenditures have been revised for consistency in presentation.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
144,028	13,649	1,201	158,878	158,878					
144,028	13,649	1,201	158,878	158,878	GRANTS-IN-AID				
Distribution by Fund and Program									
					Institutional Support	82	168,075	175,806	163,477
					Total Grants-in-Aid		168,075 (a)	175,806	163,477
					Less:				
					Receipts from Tuition Increase		(3,066)	---	---
					General Services Income		(51,007)	(54,073)	(54,073)
					Auxiliary Funds Income		(34,241)	(34,241)	(34,241)
					Special Funds Income		(20,358)	(19,739)	(19,739)
					Employee Fringe Benefits		(21,426)	(21,426)	(21,426)
					Total Income Deductions		(130,098)	(129,479)	(129,479)
					Total State Appropriation		37,977(a)	46,327	33,998

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Object									
Special Purpose:									
143,712	13,649	1,201	158,562	158,562	General Institutional Operations	82	167,759	167,140	163,161
166	---	---	166	166	High Enrollment Growth Adjustment	82	166	166	166
150	---	---	150	150	Teacher Preparation	82	150	200	150
---	---	---	---	---	Acquisition of Sypek Center	82	---	8,100	---
---	---	---	---	---	Leadership Development Institute	82	---	100	---
---	---	---	---	---	Forensic Sciences Program	82	---	100	---
<i>Less:</i>									
(108,243)	(13,649)	---	(121,892)	(121,892)	Income Deductions		(130,098)	(129,479)	(129,479)
<u>35,785</u>	<u>---</u>	<u>1,201</u>	<u>36,986</u>	<u>36,986</u>	Grand Total State Appropriation		<u>37,977</u>	<u>46,327</u>	<u>33,998</u>

Notes -- Grants-In-Aid - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at The College of New Jersey shall be 823.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
36. HIGHER EDUCATIONAL SERVICES
2475. RAMAPO COLLEGE OF NEW JERSEY

Ramapo College of New Jersey was established by the Legislature in 1968 and opened in September 1971. Responsibility for the management of the College is vested in its nine-member Board of Trustees appointed by the Governor, subject to the approval of the New Jersey Senate.

Ramapo College is located in the foothills of the Ramapo Mountains in northwest Bergen County, close to the New York

State border. The wooded, almost rural, setting is enhanced by the award-winning, barrier-free modern buildings, residence halls and student apartments. Facilities include modern academic buildings, a library, a science building, a student center, the Bill Bradley Sports and Recreation Center, the Angelica and Russ Berrie Center for Performing and Visual Arts, outdoor tennis courts, and a variety of playing fields.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Institutional Support				
Enrollment total	5,554	5,541	5,523	5,543
Enrollment total (Weighted) (a)	4,527	4,617	4,603	4,707
Undergraduate total	5,162	5,182	5,182	5,217
Undergraduate total (Weighted) (a)	4,370	4,466	4,466	4,576
Full-time	3,877	4,021	4,021	4,048
Full-time (Weighted) (a)	3,786	3,953	3,953	4,118
Part-time	1,285	1,161	1,161	1,169
Part-time (Weighted) (a)	584	513	513	458
Graduate total	392	359	341	326
Graduate total (Weighted) (a)	157	151	137	131
Full-time	20	20	17	16
Full-time (Weighted) (a)	17	17	9	9
Part-time	372	339	324	310
Part-time (Weighted) (a)	140	134	128	122
Courses offered	2,100	2,081	2,100	2,100
Degrees Granted				
Bachelors	1,010	1,046	1,111	1,111
Masters	96	106	50	50
Ratio: Student/faculty (b)	17/1	17/1	17/1	17/1

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Extension and Public Service				
Enrollment	1,971	1,923	1,670	1,257
Enrollment (Weighted) (a)	348	335	287	210
Summer undergraduate	1,582	1,537	1,398	1,042
Summer undergraduate (Weighted) (a)	253	242	224	164
Summer graduate	207	215	207	215
Summer graduate (Weighted) (a)	45	46	45	46
Part-time and extension (off-campus)	182	171	65	---
Part-time and extension (off-campus) (Weighted) (a)	50	47	18	---
Program revenue	\$1,831,155	\$1,827,413	\$2,070,000	\$1,988,000
Full-Time, First-Time, Degree-Seeking Freshmen who are				
Regular Admission Students	571	600	597	---
Average SAT Score - Math	581	585	597	---
Average SAT Score - Verbal	572	575	581	---
Average SAT Score - Total	1153	1160	1178	---
Outcomes Data (c)				
Third-Semester Retention Rates	88.9%	89.1%	---	---
Six-Year Graduation Rates	60.8%	56.2%	---	---
Student Tuition and Fees				
Total Cost of Attendance (d)	\$18,012	\$19,240	\$20,426	---
Full-Time Undergraduate Tuition - State Residents	\$5,270	\$5,640	\$6,091	---
Full-Time Undergraduate Tuition - Non-State Residents	\$9,525	\$10,192	\$11,008	---
Full-Time Undergraduate Fees	\$2,138	\$2,441	\$2,701	---

OPERATING DATA

Institutional Support

Institutional Expenditures

Instruction	\$20,076,036	\$22,392,730	\$24,123,363	---
Academic Support	\$3,805,094	\$4,303,348	\$4,635,934	---
Student Services	\$7,043,101	\$7,907,453	\$8,518,584	---
Institutional Support	\$12,877,368	\$12,789,576	\$13,778,024	---
Physical Plant and Support Services	\$8,070,401	\$9,279,893	\$9,997,094	---

Special Purpose Appropriations

Separately Budgeted Research	\$70,773	\$69,589	\$100,000	\$100,000
College Work Study Program (State Share)	\$59,338	\$34,796	\$70,000	\$70,000
Affirmative Action and Equal Employment Opportunity	\$255,000	\$126,000	\$310,000	\$310,000
Student Financial Assistance	\$664,000	\$726,351	\$816,000	\$816,000
William T. Cahill Recognition Programs	\$200,000	\$200,000	\$200,000	\$200,000
Equipment Leasing Fund - Debt Service	\$15,788	\$91,000	\$91,000	\$91,000

PERSONNEL DATA

Position Data

State-funded Positions	481	481	481	481
------------------------	-----	-----	-----	-----

Notes:

- (a) Equated on the basis of 32 credit hours per undergraduate student and 24 credit hours per graduate student.
- (b) Calculated on the basis of budgeted teaching positions (including adjunct faculty) and equated full-time (weighted) students.
- (c) As calculated by the Student Unit Record Enrollment (SURE) system.
- (d) As reported to the Higher Education Student Assistance Authority. Includes tuition, fees, room and board, transportation, and supplies.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom-mended	
95,126	4,301	916	100,343	100,343	82	108,382	115,996	107,170	
95,126	4,301	916	100,343	100,343		108,382 ^(a)	115,996	107,170	

GRANTS-IN-AID

Distribution by Fund and Program

Institutional Support	82	108,382	115,996	107,170
Total Grants-in-Aid		108,382 ^(a)	115,996	107,170

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
GRANTS-IN-AID								
<i>Less:</i>								
---	(1,265)	---	(1,265)	(1,265)		(1,918)	---	---
(32,282)	(2,570)	---	(34,852)	(34,852)		(37,784)	(40,457)	(40,457)
(27,724)	4,588	---	(23,136)	(23,136)		(24,839)	(24,839)	(24,839)
(3,623)	(5,054)	---	(8,677)	(8,677)		(9,051)	(9,496)	(9,496)
(11,857)	---	---	(11,857)	(11,857)		(13,373)	(13,373)	(13,373)
<u>(75,486)</u>	<u>(4,301)</u>	<u>---</u>	<u>(79,787)</u>	<u>(79,787)</u>		<u>(86,965)</u>	<u>(88,165)</u>	<u>(88,165)</u>
19,640	---	916	20,556	20,556		21,417(a)	27,831	19,005
Distribution by Fund and Object								
<i>Special Purpose:</i>								
94,465	4,301	916	99,682	99,682				
661	---	---	661	661	82	107,721	108,921	106,509
---	---	---	---	---	82	661	661	661
---	---	---	---	---	82	---	2,696	---
---	---	---	---	---	82	---	3,718	---
<u>(75,486)</u>	<u>(4,301)</u>	<u>---</u>	<u>(79,787)</u>	<u>(79,787)</u>		<u>(86,965)</u>	<u>(88,165)</u>	<u>(88,165)</u>
19,640	---	916	20,556	20,556		21,417	27,831	19,005

Notes -- Grants-In-Aid - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

Of the sums hereinabove appropriated for Ramapo College of New Jersey, \$200,000 is appropriated for the Governor William T. Cahill Recognition Programs. This account shall be considered a special purpose appropriation for accounting and reporting purposes.

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Ramapo College of New Jersey shall be 481.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT
36. HIGHER EDUCATIONAL SERVICES
2480. THE RICHARD STOCKTON COLLEGE OF NEW JERSEY

The Richard Stockton College of New Jersey is a nationally ranked public liberal arts and professional studies institution in the New Jersey system of higher education. It was established in 1969 and admitted its first students in September 1971. Currently, over 6,000 students are enrolled at the College, which provides distinctive traditional and alternative approaches to education.

The operation and management of the College is vested in a Board of Trustees whose members, except for two students elected by the student body and the College President who serves ex officio, are appointed by the Governor with the consent of the New Jersey Senate. The President of the College, appointed by the Board of Trustees as chief executive officer, is entrusted with providing academic, fiscal and administrative leadership for the College. The College's faculty includes nationally known scholars.

Stockton is located on a 1,600-acre campus in Galloway Township in the pine barrens of southern New Jersey, only 12 miles west of Atlantic City. The College's unique and award-winning academic complex comprises eighteen buildings or wings, including three new facilities, a multipurpose recreation center, an arts and

sciences building and a health sciences facility. The College is environmentally concerned and has installed America's largest closed-loop geothermal heating/cooling system as well as an advanced fuel cell energy system.

The Carnegie Library Center has opened to serve the needs of hospitality and tourism, provide access to undergraduate and graduate education, and to provide professional development for area professionals. The Carnegie Center also hosts the Small Business Development Center for Atlantic, Cape May, and Cumberland counties. In addition to its educational mission, the Carnegie Center is rapidly becoming a cultural center and meeting place for non-profit agencies.

Two regional hospitals are located on the campus, and the College also operates a Marine Science Laboratory along Nacote Creek, Port Republic City. Modern campus housing is available to accommodate approximately 2,100 students in both apartment- and dormitory-style living arrangements.

The College is the only four-year academic institution in the rapidly developing region of southeastern New Jersey.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Institutional Support				
Enrollment total	6,751	6,846	6,846	6,846
Enrollment total (Weighted) (a)	5,669	5,802	5,803	5,803
Undergraduate total	6,411	6,426	6,426	6,426
Undergraduate total (Weighted) (a)	5,460	5,553	5,553	5,553
Full-time	5,285	5,392	5,392	5,392
Full-time (Weighted) (a)	5,006	5,134	5,134	5,134
Part-time	1,126	1,034	1,034	1,034
Part-time (Weighted) (a)	454	419	419	419
Graduate total	340	420	420	420
Graduate total (Weighted) (a)	209	249	250	250
Full-time	98	114	114	114
Full-time (Weighted) (a)	133	153	153	153
Part-time	242	306	306	306
Part-time (Weighted) (a)	76	96	97	97
Degree programs offered	33	34	35	35
Courses offered	2,181	2,425	2,449	2,449
Degrees Granted				
Bachelors	1,586	1,639	1,639	1,639
Masters	88	92	92	93
Ratio: Student/faculty (b)	20/1	19/1	18/1	18/1
Extension and Public Service				
Enrollment	2,613	2,488	2,488	2,488
Enrollment (Weighted) (a)	2,307	2,147	2,147	2,147
Summer undergraduate	2,417	2,257	2,257	2,257
Summer undergraduate (Weighted) (a)	2,190	1,997	1,997	1,197
Summer graduate	196	231	231	231
Summer graduate (Weighted) (a)	117	150	150	150
Program revenue	\$2,483,691	\$3,208,227	\$3,208,227	\$3,208,227
Full-Time, First-Time, Degree-Seeking Freshmen who are Regular Admission Students	626	639	613	---
Average SAT Score - Math	575	572	568	---
Average SAT Score - Verbal	558	561	552	---
Average SAT Score - Total	1133	1133	1120	---
Outcomes Data (c)				
Third-Semester Retention Rates	82.7%	83.7%	---	---
Six-Year Graduation Rates	64.1%	61.8%	---	---
Student Tuition and Fees				
Total Cost of Attendance (d)	\$16,090	\$17,429	\$19,292	---
Full-Time Undergraduate Tuition - State Residents	\$4,736	\$5,091	\$5,498	---
Full-Time Undergraduate Tuition - Non-State Residents	\$7,680	\$8,256	\$8,896	---
Full-Time Undergraduate Fees	\$1,488	\$2,112	\$2,896	---
OPERATING DATA				
Institutional Support				
Institutional Expenditures				
Instruction	\$31,289,000	\$33,989,000	\$39,618,000	---
Sponsored Programs and Research	\$332,000	\$555,000	\$444,000	---
Extension and Public Service	\$2,280,000	\$1,954,000	\$2,066,000	---
Academic Support	\$5,716,000	\$5,671,000	\$6,513,000	---
Student Services	\$6,874,000	\$7,297,000	\$8,145,000	---
Institutional Support	\$10,064,000	\$15,070,000	\$17,444,000	---
Physical Plant and Support Services	\$11,264,000	\$9,459,000	\$10,443,000	---
Special Purpose Appropriations				
Faculty Development & Research	\$85,000	\$155,600	\$170,000	\$170,000
College Work Study Program (State Share)	\$78,207	\$83,812	\$90,000	\$90,000
Affirmative Action and Equal Employment Opportunity	\$48,000	\$51,310	\$56,000	\$60,000
Debt Service	\$670,000	\$636,127	\$2,535,348	\$2,535,000
National Direct Student Loan (State Share)	\$21,068	\$15,801	---	---
Scholarship and Loan Assistance	\$1,763,252	\$2,040,000	\$2,000,000	\$2,000,000

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
State-funded Positions	622	622	623	623

Notes:

- (a) Equated on the basis of 32 credit hours per undergraduate student and 24 credit hours per graduate student.
- (b) Calculated on the basis of authorized teaching positions (including adjunct faculty) and equated full-time (weighted) students.
- (c) As calculated by the Student Unit Record Enrollment (SURE) system.
- (d) As reported to the Higher Education Student Assistance Authority. Includes tuition, fees, room and board, transportation, and supplies.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
GRANTS-IN-AID								
Distribution by Fund and Program								
93,429	14,353	685	108,467	108,467	82	117,375	133,214	116,388
93,429	14,353	685	108,467	108,467		117,375 ^(a)	133,214	116,388
<i>Less:</i>								
---	(2,147)	---	(2,147)	(2,147)		(2,448)	---	---
(32,975)	5,033	---	(27,942)	(27,942)		(32,647)	(34,917)	(34,917)
(18,951)	(2,690)	---	(21,641)	(21,641)		(22,767)	(24,282)	(24,282)
(4,631)	(14,549)	---	(19,180)	(19,180)		(19,189)	(19,515)	(19,515)
(13,077)	---	---	(13,077)	(13,077)		(14,659)	(14,659)	(14,659)
(69,634)	(14,353)	---	(83,987)	(83,987)		(91,710)	(93,373)	(93,373)
23,795	---	685	24,480	24,480		25,665(a)	39,841	23,015
Distribution by Fund and Object								
<i>Special Purpose:</i>								
92,679	14,353	685	107,717	107,717	82	116,625	118,288	115,638
512	---	---	512	512	82	512	512	512
150	---	---	150	150	82	150	150	150
88	---	---	88	88	82	88	88	88
---	---	---	---	---	82	---	1,029	---
---	---	---	---	---	82	---	2,445	---
---	---	---	---	---	82	---	65	---
---	---	---	---	---	82	---	1,386	---
---	---	---	---	---	82	---	150	---
---	---	---	---	---	82	---	9,101	---
(69,634)	(14,353)	---	(83,987)	(83,987)		(91,710)	(93,373)	(93,373)
<i>Income Deductions</i>								
CAPITAL CONSTRUCTION								
Distribution by Fund and Program								
---	9	---	9	---	72	---	---	---
---	9	---	9	---		---	---	---
<i>Total Capital Construction</i>								

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
---	8	---	8	---				
---	1	---	1	---				
<u>23,795</u>	<u>9</u>	<u>685</u>	<u>24,489</u>	<u>24,480</u>				
CAPITAL CONSTRUCTION					Distribution by Fund and Object			
The Richard Stockton College of New Jersey								
					72	---	---	---
					72	---	---	---
					<u>Grand Total State Appropriation</u>	<u>25,665</u>	<u>39,841</u>	<u>23,015</u>

Notes -- Grants-In-Aid - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at the Richard Stockton College of New Jersey shall be 623.

HIGHER EDUCATIONAL SERVICES**Language Recommendations -- Direct State Services - General Fund****Language Recommendations -- Grants-In-Aid - General Fund**

Notwithstanding the provisions of any other law to the contrary, from the sums hereinabove appropriated for Higher Educational Services-Institutional Support in each of the senior public institutions of higher education, there are allocated such sums as are required to provide the reimbursement to cover tuition costs of the National Guard members pursuant to subsection b. of section 1 of P.L.2001, c.427 (C.18A:62-24).

Public colleges and universities are authorized to provide a voluntary employee furlough program.

Notwithstanding the provisions of any other law to the contrary, any funds appropriated as Grants-In-Aid and payable to any senior public college or university which requests approval from the Educational Facilities Authority and the Director of the Division of Budget and Accounting may be pledged as a guarantee for payment of principal and interest on any bonds issued by the Educational Facilities Authority or by the college or university. Such funds, if so pledged, shall be made available by the State Treasurer upon receipt of written notification by the Educational Facilities Authority or the Director of the Division of Budget and Accounting that the college or university does not have sufficient funds available for prompt payment of principal and interest on such bonds, and shall be paid by the State Treasurer directly to the holders of such bonds at such time and in such amounts as specified by the bond indenture, notwithstanding that payment of such funds does not coincide with any date for payment otherwise fixed by law.

Of the amount hereinabove appropriated for Higher Educational Services, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Fiscal Year 2007 Governor's Budget Message first shall be charged to the State Lottery Fund.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT**37. CULTURAL AND INTELLECTUAL DEVELOPMENT SERVICES****OBJECTIVES**

1. To increase public participation in the arts, develop audience education in the arts, increase total artistic resources, and increase the availability of professional training in the arts.
2. To collect fine art objects (paintings, sculptures, prints, drawings), decorative art objects (furniture, ceramics, metals, glass, etc.), ethnological and archeological materials, scientific specimens with a New Jersey focus and specimens from other cultures and regions for comparative purposes.
3. To inspire public pride in New Jersey's rich historical heritage among citizens of all ages, occupations, and social backgrounds.
4. To provide non-commercial educational television, radio services, and public broadcasting services to the State's citizens.
5. To coordinate and advise on matters pertaining to public broadcasting among State agencies.

6. To support heritage tourism and cultural programs through advertising and promotion of the State's historic and cultural sites.

PROGRAM CLASSIFICATIONS

05. **Support of the Arts.** The State Council on the Arts (N.J.S. 52:16A-25) provides State and federal grants to art organizations and artists in New Jersey whose projects show professional merit and promise.

Through the services volunteered by the 17-member council appointed by the Governor and the employment of a professional arts manager to serve as Executive Director, the Council cultivates the arts by providing counseling to local artists and art organizations.

Such programs as touring exhibitions, summer festivals, and the artists-in-the-schools are designed to involve more segments of society directly in the arts. Programming also includes those efforts made by the council to research and implement better ways in which to involve the public in the arts in New Jersey.

06. **Museum Services.** Materials are collected, exhibited and interpreted (N.J.S. 18A:73-1 et seq. and N.J.S. 18A:4-26). Collections are in the areas of fine and decorative arts, cultural history, and science. Exhibitions are long-term (those with a permanent orientation, like the Planetarium, the Halls of Natural Science and Cultural History), and short-term (changing exhibits with a focus on fine and decorative arts). Through school and public programs and publications, interpretation of the museum environment is accomplished. The Department also supports services provided by the Newark Museum Association, as well as maintenance of the Old Barracks and the War Memorial Fund.
07. **Development of Historical Resources.** The Historical Commission implements programs to advance public knowledge of the history of New Jersey and the United States. The Commission (N.J.S. 18A:73-21 et seq.) sponsors programs for the production of educational materials, and conducts conferences, lectures and seminars, including the New Jersey History Symposium, and public activities concerned with significant historical events. It also provides financial Grants-In-Aid programs for research in New Jersey history, local history projects, teaching projects and the

Governor Alfred E. Driscoll Fellowship.

10. **Public Broadcasting Services.** The New Jersey Public Broadcasting Authority was created (C.48:23-1 et seq.) to establish and operate non-commercial educational television and radio broadcasting stations and to operate one or more public broadcasting telecommunications networks. The authority is empowered to apply for, receive and hold authorizations and licenses from the Federal Communications Commission. It also has the responsibility to provide advisory assistance to other State agencies and local and regional groups regarding public broadcasting networks and communications techniques, planning, budgeting, and related issues. Programs are produced at the Authority's Trenton and Newark studios and on location. Through membership affiliations, the Authority has access to programs from the Public Broadcasting International, the American Program Service, National Public Radio, and Public Radio Industry, as well as from various audio and video tape libraries. New Jersey Nightly News, a production of the New Jersey Public Broadcasting Authority, provides complete news coverage for the State of New Jersey.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Support of the Arts				
Grants awarded	500	750	750	750
Performances	31,000	35,000	35,000	35,000
Attendance	17,000,000	19,000,000	19,000,000	19,000,000
Artists benefiting	68,000	71,000	74,000	75,000
Museum Services				
Total Attendance (a)	375,000	25,703	22,813	25,703
School program attendance	65,000	9,426	9,426	9,426
Public planetarium attendance	50,000	4,000	1,110	4,000
Other public program attendance	80,000	12,277	12,277	12,277
War Memorial (b)				
Total Events	377	473	545	625
Theatre performance events	80	61	75	95
Theatre rehearsal events	56	39	55	65
Theatre Attendance	100,000	85,000	100,000	120,000
Concerts on the Landing	9	9	10	10
School Matinees	21	20	25	25
School Matinee Attendance	25,200	24,000	30,000	30,000
Free Tours	30	27	30	30
Tour Attendance	1,000	900	1,000	1,000
Meetings/Conferences	181	317	350	400
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	155	154	159	147
Federal	2	2	2	2
All Other	57	57	53	66
Total Positions	214	213	214	215

Filled Positions by Program Class	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Support of the Arts	16	17	18	20
Museum Services	33	32	33	34
Development of Historical Resources	7	6	6	7
Public Broadcasting Services	158	158	157	154
Total Positions	214	213	214	215

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

(a) The State Museum and Planetarium were closed for renovations during fiscal 2005. The attendance figures for fiscal years 2005 through 2007 are based on the gradual re-opening of parts of the Museum as renovations are completed.

(b) Actual fiscal 2004 revision due to Department of State's decision to track and report expanded data on War Memorial events.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
500	---	297	797	797	05	500	500	500	
2,530	---	-16	2,514	2,509	06	2,530	2,455	2,455	
500	---	19	519	519	07	510	510	510	
6,146	---	300	6,446	6,446	10	6,727	5,604	5,604	
9,676	---	600	10,276	10,271		10,267^(a)	9,069	9,069	
Distribution by Fund and Object									
Personal Services:									
7,850	---	273	8,123	8,123		7,934	7,381	7,381	
7,850	---	273	8,123	8,123		7,934	7,381	7,381	
241	---	-69	172	172		243	243	243	
737	---	423	1,160	1,160		740	670	670	
203	---	-76	127	126		205	205	205	
Special Purpose:									
375	---	---	375	375	06	375	300	300	
250	---	---	250	250	06	250	250	250	
20	---	---	20	20	10	20	20	20	
---	---	---	---	---	10	500	---	---	
---	---	49	49	45		---	---	---	
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
28,180	---	---	28,180	28,177	05	29,310	22,842	22,842	
3,800	---	---	3,800	3,800	06	4,000	2,000	2,000	
4,642	6	---	4,648	4,643	07	4,642	3,658	3,658	
36,622	6	---	36,628	36,620		37,952	28,500	28,500	
Distribution by Fund and Object									
Grants:									
---	---	---	---	---	05	450	---	---	
Rutgers Camden Performing Arts Center									

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Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
---	---	---	---	---					
5,000	---	---	5,000	5,000	05	250	---	---	
22,680	---	---	22,680	22,677	05	1,000	---	---	
500	---	---	500	500	05	4,930	2,430	2,430	
					05	22,680	20,412	20,412	
					05	---	---	---	
					05	---	---	---	
800	---	---	800	800	06	500	---	---	
3,000	---	---	3,000	3,000	06	500	500	500	
189	---	---	189	188	06	3,000	1,500	1,500	
13	---	---	13	12	06	189	189	189	
					07	189	189	189	
600	---	---	600	600	07	13	13	13	
					07	13	13	13	
	3	---	3	---	07	600	---	---	
					07	600	---	---	
3,840	3	---	3,843	3,843	07	---	---	---	
					07	---	---	---	
					07	3,840	3,456	3,456	
CAPITAL CONSTRUCTION									
Distribution by Fund and Program									
---	13	---	13	8	05	---	---	---	
---	3	---	3	---	06	---	---	---	
1,000	9	300	1,309	956	10	---	---	---	
1,000	25	300	1,325	964		---	---	---	
Distribution by Fund and Object									
Council on the Arts									
---	13	---	13	8	05	---	---	---	
Division of State Museum									
---	3	---	3	---	06	---	---	---	
New Jersey Public Broadcasting Authority									
---	5	---	5	---	10	---	---	---	
---	4	---	4	---	10	---	---	---	
1,000	---	---	1,000	956	10	---	---	---	
---	---	300	300	---	10	---	---	---	
47,298	31	900	48,229	47,855		48,219	37,569	37,569	

OTHER RELATED APPROPRIATIONS

					Federal Funds				
750	---	---	750	738	05	750	750	750	
202	24	---	226	25	06	715	715	715	
<u>625</u>	<u>---</u>	<u>---</u>	<u>625</u>	<u>---</u>	10	<u>625</u>	<u>625</u>	<u>625</u>	
1,577	24	---	1,601	763		2,090	2,090	2,090	
All Other Funds									
---	731	---	731	---	05	---	---	---	
---	114 R	14	859	567	05	225	225	225	
---	154	---	154	---	06	---	---	---	
---	616 R	---	770	558	06	602	606	606	
---	48	---	48	17	07	30	35	35	

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
OTHER RELATED APPROPRIATIONS									
---	4,073 13,776 ^R	---	17,849	13,607	Public Broadcasting Services	10	13,546	13,420	13,420
---	19,512	14	19,526	14,749	<i>Total All Other Funds</i>		14,403	14,286	14,286
48,875	19,567	914	69,356	63,367	GRAND TOTAL ALL FUNDS		64,712	53,945	53,945

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

A sum, not to exceed \$225,000, is appropriated from the "Cultural Centers and Historic Preservation Fund," established pursuant to section 20 of P.L. 1987, c. 265, for costs attributable to planning and administering grants for the development of cultural centers, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

Of the amount appropriated for Cultural Projects, Grants-In- Aid, an amount not to exceed \$75,000 may be used for administrative purposes, and an amount not to exceed \$125,000 may be used for the assessment and oversight of cultural projects, including administrative costs attendant to this function, in compliance with all pertinent State and federal laws and regulations including the Single Audit Act, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove appropriated for Cultural Projects, the value of project grants awarded within each county shall total not less than \$50,000.

Of the amount hereinabove appropriated for Cultural Projects, funds may be used for the purpose of matching federal grants.

Notwithstanding the provisions of section 4 of P.L. 1999, c. 131 (C:18A:73-22.4), from the amount appropriated for New Jersey Historical Commission Research and Agency Grants, an amount not to exceed \$200,000 is appropriated for administrative costs, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provision of any other law to the contrary, of the amount appropriated for Cultural Projects, 25% shall be awarded to cultural groups or artists based in the eight southernmost counties (Cape May, Salem, Cumberland, Gloucester, Camden, Ocean, Atlantic, and Burlington). In the calculation of the allocation percentage, the first \$1,000,000 of any grants that may be awarded to the New Jersey Performing Arts Center or the Rutgers Camden Performing Arts Center shall be disregarded.

30. EDUCATIONAL, CULTURAL, AND INTELLECTUAL DEVELOPMENT**37. CULTURAL AND INTELLECTUAL DEVELOPMENT SERVICES****2541. DIVISION OF STATE LIBRARY****OBJECTIVES**

1. To collect and maintain library resources and to provide information and other library services to State government, employees and the general public; and through the statewide library network, to provide or locate needed supplementary information or materials not available to patrons at their local libraries.
2. To provide a broad program of public library services for residents of New Jersey who are print handicapped.
3. To develop and coordinate a statewide system of academic, institutional, public, school, and special libraries; provide consulting and technical assistance to those libraries; administer State and federal programs for the improvement of library services; and promote and develop library services throughout the State.
4. To develop an infrastructure which provides for cost-effective electronic transfer of information; create informational databases and ensure that all citizens have access to this information at home, school, place of business, and at their local library (public, school, academic, corporate); and train library staff in the use of these new information systems.

PROGRAM CLASSIFICATIONS

51. **Library Services.** The State Library provides for purchasing, preparing, housing and circulating books, periodicals and other library materials, and supplies information and consultative services to the three branches of State government and to public, school, academic, and special libraries (N.J.S.A. 18A:73-26 et seq.).

Technical and financial assistance is provided under several programs. State Library Aid (N.J.S.A. 18A:74-1 et seq.) is paid to public libraries on a per capita basis; emergency and incentive aid may also be provided to restore service lost because of emergencies and to encourage larger units of service. The New Jersey Library Network Law provides funding for statewide and regionally supplied cooperative library services to individual residents of New Jersey and academic, institutional, public, school, and special libraries. Library Development Aid (P.L. 1985, c. 297) provides funding for increased access to audio visual services; development and improvement of library services to the institutionalized; assistance to municipal libraries to maintain branches, evaluate and develop public library collections; and to conserve and preserve collections of historical or special interest.

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An affiliation between the State Library and Thomas A. Edison State College was created by P.L. 2001, c.137, effective July 2, 2001. The College assumed management and administrative oversight responsibility for the Library. The

purpose of this affiliation was to provide the State Library and the library community with greater flexibility in managing the resources allocated for library services throughout the State.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Library Services				
Books and Documents Managed -- State Library	1,979,480	1,987,484	1,988,000	1,990,000
Materials Loaned to Individuals and Libraries	22,770	31,015	33,000	34,000
Books and Documents Managed -- Library for the Blind & Handicapped (LBH)	71,131	76,402	78,000	80,000
Materials Loaned to Blind and Handicapped	496,035	460,373	461,500	463,000
Customers Served	13,935	14,781	15,100	15,500
LBH Volunteers	185	205	200	235
LBH Outreach Programs	172	357	365	375
Photocopies provided	193,683	138,322	130,000	125,000
Library Documents Distributed	14,359	15,565	16,000	16,500
Reference Questions Answered	23,642	21,630	24,000	25,000
Computer Searches Performed	44,233	155,257	160,000	165,000
Electronic Interlibrary Loans	93,989	231,891	250,000	260,000
CyberDesk / Internet Contacts	3,737,764	4,112,000	4,300,000	4,400,000

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	55	75	75	75
Federal	37	37	37	37
Total Positions	92	112	112	112

Filled Positions by Program Class

Library Services	92	112	112	112
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APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
10,245	---	---	10,245	10,245	51	4,570	12,547	4,570
<u>10,245</u>	<u>---</u>	<u>---</u>	<u>10,245</u>	<u>10,245</u>		<u>4,570</u> ^(a)	<u>12,547</u>	<u>4,570</u>
Distribution by Fund and Object								
Personal Services:								
3,107	---	---	3,107	3,107		3,432	4,270	3,432
Salaries and Wages								
<u>3,107</u>	<u>---</u>	<u>---</u>	<u>3,107</u>	<u>3,107</u>		<u>3,432</u>	<u>4,270</u>	<u>3,432</u>
418	---	---	418	418		418	580	418
193	---	---	193	193		193	193	193
27	---	---	27	27		27	59	27
Special Purpose:								
500	---	-43	457	457	51	500	500	500
6,000	---	---	6,000	6,000		---	6,000	---
---	---	---	---	---	51	---	640	---
Supplies and Extended Services								
Virtual Library (Knowledge Initiative)								
Library for the Blind & Visually Impaired Lab								

08. **Records Management.** The Division of Archives and Records Management holds in trust the public records of New Jersey -- one of the oldest and most vital functions of government. The Division operates the State Archives (the state's largest repository and public research center for the study of New Jersey history and genealogy) and the State Records Storage Center. The State Archives operates New Jersey's research center for public records of enduring historical value, providing reference and consultative services to thousands of researchers, historians, and public record-keepers annually. The Records Storage Center is a secure,

centralized, low-cost facility for storing up to 250,000 cubic feet of semi-current State agency records. Temperature- and humidity-controlled vaults are available to accommodate an agency's computer tapes, optical disks, and microfilm master negatives. The Division's Micrographics Bureau operates the State of New Jersey's centralized microfilm unit, producing source-document microfilm for State, county, and local government agencies on a charge-back basis. The bureau also advises agencies who wish to contract with outside microfilm vendors and monitors compliance with statewide microfilm standards for the public sector.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Office of the Secretary of State				
Information/Program Referrals -- Personal Responsibility Programs	12,000	12,000	12,000	12,000
Grant Applications Received-- Martin Luther King, Jr. Commemorative Commission	36	50	75	75
Grants Awarded-- Martin Luther King, Jr. Commemorative Commission	35	35	25	30
Records Management				
Micro-images produced	16,000,000	17,000,000	17,000,000	17,000,000
Records received (cubic storage feet)	20,000	20,000	40,000	40,000
Records disposed	20,000	20,000	25,000	25,000
Reference requests (storage)	25,000	26,000	25,000	25,000
Visitors to Archives	8,000	9,000	9,000	9,000
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	21	23	23	19
Male Minority %	13.0	11.5	11.5	9.0
Female Minority	52	57	57	69
Female Minority %	32.1	28.5	28.5	34.0
Total Minority	73	80	80	88
Total Minority %	45.1	40.0	40.0	43.0
Position Data				
Filled Positions by Funding Source				
State Supported	76	86	87	90
Federal	7	7	7	7
All Other	46	46	44	48
Total Positions	129	139	138	145
Filled Positions by Program Class				
Office of the Secretary of State	51	58	49	53
Records Management	78	81	89	92
Total Positions	129	139	138	145

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
4,440	612	41	5,093	4,387	Office of the Secretary of State	01	4,360	3,373	3,373
4,709	200	92	5,001	4,081	Records Management	08	4,158	2,963	2,963
9,149	812	133	10,094	8,468	Total Direct State Services		8,518^(a)	6,336	6,336
Distribution by Fund and Object									
Personal Services:									
3,775									
460 ^S	---	30	4,265	4,262	Salaries and Wages		4,269	4,269	4,269
4,235	---	30	4,265	4,262	Total Personal Services		4,269	4,269	4,269
124									
1,014 ^S	---	-55	1,083	740	Materials and Supplies		138	138	138
278									
654 ^S	325	259	1,516	1,515	Services Other Than Personal		317	317	317
							95 ^S		
38									
15 ^S	---	-16	37	37	Maintenance and Fixed Charges		56	56	56
					Special Purpose:				
34	---	---	34	34	Affirmative Action and Equal Employment Opportunity	01	34	34	34
50	---	---	50	50	9-11 Memorial Commission	01	50	50	50
500	---	---	500	499	Personal Responsibility Programs	01	500	500	500
300	287	---	587	136	Amistad Commission	01	887	150	150
250	---	---	250	---	Citizens Task Force on Constitutional Convention	01	---	---	---
259	---	-10	249	249	Office of Volunteerism	01	129	129	129
168	---	---	168	168	Martin Luther King, Jr. Commemorative Commission	01	168	168	168
250	---	---	250	250	Cultural Trust - Administration	01	250	---	---
500					Additions, Improvements and Equipment		525	525	525
480 ^S	200	-75	1,105	528			1,100 ^S		
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
3,720	---	6	3,726	3,635	Office of the Secretary of State	01	3,730	2,220	2,220
3,720	---	6	3,726	3,635	Total Grants-in-Aid		3,730	2,220	2,220
Distribution by Fund and Object									
Grants:									
3,000	---	---	3,000	2,909	Office of Faith-Based Initiatives	01	3,000	1,500	1,500
---	---	---	---	---	Asian American Study Foundation	01	10 ^S	---	---
720	---	6	726	726	Cultural Trust	01	720	720	720
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	4	---	4	4	Office of the Secretary of State	01	---	---	---
---	61	---	61	3	Records Management	08	---	---	---
---	65	---	65	7	Total Capital Construction		---	---	---

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Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
CAPITAL CONSTRUCTION									
Distribution by Fund and Object									
Office of the Secretary of State									
---	4	---	4	4	DOS Infrastructure Upgrade	01	---	---	---
---	61	---	61	3	State Archives - Equipment	08	---	---	---
<u>12,869</u>	<u>877</u>	<u>139</u>	<u>13,885</u>	<u>12,110</u>	Grand Total State Appropriation		<u>12,248</u>	<u>8,556</u>	<u>8,556</u>
OTHER RELATED APPROPRIATIONS									
Federal Funds									
6,313	363	311	6,987	4,739	Office of the Secretary of State	01	6,126	6,181	6,181
347 ^S	---	---	347	248	Records Management	08	---	---	---
<u>6,660</u>	<u>363</u>	<u>311</u>	<u>7,334</u>	<u>4,987</u>	Total Federal Funds		<u>6,126</u>	<u>6,181</u>	<u>6,181</u>
All Other Funds									
---	422	5	491	3	Office of the Secretary of State	01	---	---	---
---	64 ^R	25,064	25,064	25,061	Records Management (b)	08	---	---	---
---	<u>486</u>	<u>25,069</u>	<u>25,555</u>	<u>25,064</u>	Total All Other Funds		<u>---</u>	<u>---</u>	<u>---</u>
<u>19,529</u>	<u>1,726</u>	<u>25,519</u>	<u>46,774</u>	<u>42,161</u>	GRAND TOTAL ALL FUNDS		<u>18,374</u>	<u>14,737</u>	<u>14,737</u>

Notes -- Direct State Services - General Fund

- (a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.
- (b) In addition to the resources reflected in All Other Funds above, funding will be transferred from the Department of Treasury to support operations and services related to the Records Management program in fiscal 2007. The recent history of such receipts is reflected in the Department of Treasury's budget.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal year of the Amistad Commission is appropriated for the same purpose.

In addition to the amount appropriated hereinabove for the Records Management program, such sums as are necessary for State match of federal funds, not to exceed \$95,000, are appropriated to coordinate and implement an effective record storage system for the State and local governments, subject to the approval of the Director of the Division of Budget and Accounting.

The Director of the Division of Budget and Accounting shall transfer from departmental accounts and credit to the Records Management program classification a sum of up to \$415,000 for cost recoveries in the Division of Records.

The amount appropriated hereinabove for the Records Management program is payable from receipts deposited in the New Jersey Public Records Preservation account.

Notwithstanding the provision of any other law to the contrary, up to 40% of the receipts deposited in the New Jersey Public Records Preservation account in the Department of the Treasury are appropriated and allocated as grants to counties and municipalities for the management, storage, and preservation of public records based on guidelines promulgated by the Division of Archives and Records Management and approved by the State Treasurer.

Receipts received from New Jersey Public Records Preservation fees, not to exceed \$1,100,000, are appropriated for the operations of the microfilm unit in the Division of Archives and Records Management within the Department of State, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Direct State Services - General Fund

DEPARTMENT OF STATE

Pursuant to the provisions of P.L. 2003, c. 114, the appropriations hereinabove for purposes of promoting cultural and tourism activities in this State are first charged to revenues derived from the hotel and motel occupancy fee.

DEPARTMENT OF TRANSPORTATION

OVERVIEW

The New Jersey Department of Transportation (NJDOT) is the builder, operator, and maintainer of the State's transportation system.

This system has the highest volume of roadway and bridge usage in the nation. Its size and scope make it one of the most complex in the nation. NJDOT is responsible for operating and maintaining 11,160 miles of lanes, 2,500 bridges, 3,000 traffic signals, and 35,000 highway light fixtures. At any given time, there are 150 construction contracts under way, valued at \$2 billion.

New Jersey is also home to nearly 500 public and private use aeronautical facilities, the nation's largest statewide public transit system, and a system of ports that handles over 100 million tons of shipping each year. As a corridor state with one of the world's busiest ports, goods movement is one of the most important economic engines for the State, region, and nation.

Managing the complex transportation system in New Jersey requires a comprehensive strategy which combines sound capital investment with quality operational oversight. Balanced investments in roads, bridges, public transit, airports, and pedestrian facilities yield a significant stimulus to the State's economy. As an economic and transportation partner with New Jersey's communities and counties, NJDOT is responsible for administering State and federal grants and assistance that provide for improvements to the state's local transportation network and enhance the quality of life. Efficient and safe mobility for pedestrians, bicyclists, motorists, and goods are the primary goals of NJDOT and all of New Jersey's transportation agencies. Safety, congestion relief, and customer service are of paramount importance in achieving these goals.

NJDOT has an annual \$3.2 billion Capital Program that is used for State highway, rail, and bus improvements, local transportation needs, airports, goods movement, bicycle and pedestrian projects, and transportation and economic development efforts. These efforts support the movement of over \$7 billion worth of goods and services, and directly support over 100,000 jobs.

Funding for the NJDOT Capital Program comes from the federal government and the New Jersey Transportation Trust Fund Authority. As required by federal mandates, the NJDOT programs federal funds for transportation improvements through consultation with the state's three Metropolitan Planning Organizations, based on their regional planning recommendations.

Fiscal 2007 Budget Highlights

The Fiscal 2007 Budget for the Department of Transportation totals \$1.3 billion, an increase of \$100.1 million, or 8.2% over the fiscal 2006 adjusted appropriation of \$1.2 billion.

This net increase is the result of a combination of savings initiatives and some growth within the overall NJDOT budget. Specifically, a total of \$17.5 million is cut from NJDOT's Direct State Services budget. The majority of the reduction is the result of removing \$10 million in one-time supplemental funding for snow removal. This action will not result in a decrease in snow removal operations in fiscal 2006. The remaining \$7 million reduction will be realized primarily through attrition, through not backfilling vacancies, and by reducing various contracts. Increases totaling \$117.6 million are split between NJ Transit's operating subsidy (\$27 million), NJ Transit's Elderly and Handicapped Transportation Program (\$600,000), and the Capital appropriation to the Transportation Trust Fund (\$90 million). The \$27 million in grants-in-aid increase for NJ Transit will allow the agency to continue to expand the availability of mass transportation services to the citizens of this state. In fiscal 2007, NJ Transit plans to both add and expand bus, rail, and light rail services.

The \$600,000 increase in Casino Revenue Fund support for transportation services for the elderly and handicapped will not only

allow additional residents to take advantage of this program, but also will provide participating counties with 85% of this increase to help defray the costs of their local programs.

The \$90 million increase in funding to the Transportation Trust Fund will allow the Department to finance a total State-funded Capital program of \$1.6 billion, the largest in the State's history. When combined with federal funds, the total Capital Program for fiscal 2007 is expected to be over \$3.2 billion, again the largest in the State's history.

New Jersey Motor Vehicle Commission

It is the responsibility of the Motor Vehicle Commission (MVC), as the public face of State government, to deliver services that are customer friendly, secure, and that use technologies that make the business process more efficient. Since the issuance of the "Fix DMV Commission Final Report" in November 2002, and the subsequent enactment of the "Motor Vehicle Security and Customer Service Act" in January 2003, MVC remains committed to its mission of being the model of excellence in motor vehicle services by providing quality.

MVC has made significant strides in upgrading its technology infrastructure and by implementing key programs such as the Digital Driver License (DDL) program. Other major MVC initiatives and projects, such as the re-write of the comprehensive computer system, will be an integral part of its reform efforts. Rebuilding the MVC website has enhanced customer service by adding self-service features, such as the ability to download forms and customize consumer information. All MVC technology projects require a partnership with the Office of Information Technology within the Department of Treasury.

Safe, clean, and comfortable facilities are essential to the MVC reform efforts. MVC has developed a Six Year Capital Master Plan to utilize bond proceeds for facility construction and renovation. The plan will improve the workspace environment for MVC employees and the motoring public.

MVC also is required to implement major federal initiatives. The first initiative involves requirements associated with the "US Patriot Act". Pursuant to this law, New Jersey and other states have changed the way hazardous material endorsements (HME) are issued to commercial drivers. New and renewing drivers are now required to pass a background check before MVC can issue the HME. The program impacts approximately 50,000 holders of New Jersey Commercial Driver Licenses (CDLs). Implementation involved rule changes, outreach, system programming, training, notifications, and other components.

The second initiative involves the federal Motor Carrier Safety Improvement Act (MCSIA). As of October 2006, under MCSIA, all school bus drivers must obtain a new school bus endorsement on their CDL. To do so, all New Jersey school bus drivers need to pass both a written test and a skills (road) test. If a driver has two years experience and a good record, the skills (road) test may be waived.

After testing is complete, drivers visit an agency to receive a new CDL license with the "S" endorsement. Most of the State's 30,000 school bus drivers have completed testing, and many already have been issued the endorsement.

In accordance with the Motor Vehicle Security and Customer Service Act, MVC released the Affordability and Fairness Task Force Report in February 2006. This report was required by statute to examine the impact of the current point system and non-driving related suspension of driving privileges.

For fiscal 2007, the MVC will receive \$278 million to continue its reform efforts.

TRANSPORTATION

DEPARTMENT OF TRANSPORTATION SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
110,288	5,997	2,951	119,236	118,513	GENERAL FUND			
278,700	1,655	45	280,400	278,791	Direct State Services	103,955	86,448	86,448
805,000	---	---	805,000	805,000	Grants-In-Aid	273,700	300,700	300,700
					Capital Construction	805,000	895,000	895,000
1,193,988	7,652	2,996	1,204,636	1,202,304	Total General Fund	1,182,655	1,282,148	1,282,148
					CASINO REVENUE FUND			
25,287	---	---	25,287	25,287	State Aid	34,352	34,930	34,930
25,287	---	---	25,287	25,287	Total Casino Revenue Fund	34,352	34,930	34,930
1,219,275	7,652	2,996	1,229,923	1,227,591	Total Appropriation, Department of Transportation	1,217,007	1,317,078	1,317,078

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					DIRECT STATE SERVICES - GENERAL FUND			
					State and Local Highway Facilities			
97,610	4,894	2,211	104,715	104,133	Maintenance and Operations	90,941	75,292	75,292
7,194	513	148	7,855	7,839	Physical Plant and Support Services	7,406	6,846	6,846
---	550	---	550	477	Transportation Systems Improvements	---	---	---
104,804	5,957	2,359	113,120	112,449	Subtotal	98,347	82,138	82,138
					Regulation and General Management			
1,647	39	267	1,953	1,914	Intermodal Services	1,712	1,490	1,490
3,837	1	325	4,163	4,150	Administration and Support Services	3,896	2,820	2,820
5,484	40	592	6,116	6,064	Subtotal	5,608	4,310	4,310
110,288	5,997	2,951	119,236	118,513	Total Direct State Services - General Fund	103,955	86,448	86,448
110,288	5,997	2,951	119,236	118,513	TOTAL DIRECT STATE SERVICES	103,955	86,448	86,448
					GRANTS-IN-AID - GENERAL FUND			
					Public Transportation			
278,700	---	---	278,700	278,700	Railroad and Bus Operations	273,700	300,700	300,700
278,700	---	---	278,700	278,700	Subtotal	273,700	300,700	300,700
					Regulation and General Management			
---	1,655	45	1,700	91	Intermodal Services	---	---	---
---	1,655	45	1,700	91	Subtotal	---	---	---
278,700	1,655	45	280,400	278,791	Total Grants-In-Aid - General Fund	273,700	300,700	300,700
278,700	1,655	45	280,400	278,791	TOTAL GRANTS-IN-AID	273,700	300,700	300,700

TRANSPORTATION

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					STATE AID - CASINO REVENUE FUND			
					Public Transportation			
25,287	---	---	25,287	25,287	Railroad and Bus Operations	34,352	34,930	34,930
25,287	---	---	25,287	25,287	<i>Subtotal</i>	34,352	34,930	34,930
25,287	---	---	25,287	25,287	<i>Total State Aid - Casino Revenue Fund</i>	34,352	34,930	34,930
25,287	---	---	25,287	25,287	TOTAL STATE AID	34,352	34,930	34,930
					CAPITAL CONSTRUCTION			
					State and Local Highway Facilities			
805,000	---	---	805,000	805,000	Trust Fund Authority--Revenues and other funds available for new projects	805,000	895,000	895,000
805,000	---	---	805,000	805,000	<i>Subtotal</i>	805,000	895,000	895,000
805,000	---	---	805,000	805,000	TOTAL CAPITAL CONSTRUCTION	805,000	895,000	895,000
1,219,275	7,652	2,996	1,229,923	1,227,591	Total Appropriation, Department of Transportation	1,217,007	1,317,078	1,317,078

10. PUBLIC SAFETY AND CRIMINAL JUSTICE

11. VEHICULAR SAFETY

OBJECTIVES

1. To promote motor vehicle safety for New Jersey citizens while delivering secure, effective and professional motor vehicle services and to achieve public trust and confidence in the quality and integrity of those services.
2. To identify and regulate drivers and motor vehicles in a manner that deters the commission of unlawful and unsafe acts; assures adequate service to the public; and where provided by law and regulation, collects revenue for the State.
3. To reduce the risk of death, injury, personal and property loss by identifying remedial action required for unsafe, incompetent and unqualified drivers; by taking corrective or remedial action according to statutes, rules, regulations and policies; by reviewing violation and accident data received from New Jersey jurisdictions and other states; and by reviewing medical fitness data received from individuals, physicians, police departments and the Motor Vehicle Commission (MVC) driver testing area.
4. To increase safety in the use of motor vehicles by identifying and correcting vehicle defects and limiting the amount of vehicle-produced air pollution in accordance with State and federal regulations through MVC's Enhanced Inspection and Maintenance Program.
5. To assure equitable and safe transportation practices by motor carriers and maximum revenue to the State.
6. To reduce the risk of personal and property loss caused by irresponsible or uninsured drivers, vehicle theft and fraud.
7. To develop programs that will reduce and prevent the incidence of death, injury and property damage resulting from traffic accidents.

PROGRAM CLASSIFICATIONS

01. **Motor Vehicle Services.** To address security deficiencies identified in the FIX DMV Report issued in 2003, the Motor Vehicle Commission (MVC) restructured the organization, creating a new position, the Director of Security, Investigations and Internal Audit, as well as a separate unit to improve fraud detection and physical security through advanced technology, effective investigative processes and internal controls.

The units under the Director include: a Security and Investigations Unit, an Internal Audit Unit, an Internal Monitoring Unit, a Document Fraud Unit, a Title Record Unit, and a Business License Investigations Unit. These units are interrelated, which promotes an adequate level of professional oversight in security matters throughout MVC.

Information Technology manages the operation and support functions of all information processing systems used in MVC's administration of statutorily mandated programs. MVC's Comprehensive Management Information System (the COMP system) is continuously updated and accessed by more than 300 business partners, 140 insurance companies, and law enforcement organizations. MVC, through the COMP system, issues Digitized Driver Licenses (DDL) and jury notices, and provides online services to the public.

Database Corrections conducts error analysis and processes all database corrections to license, title and registration records. This analysis and processing includes updates to MVC's COMP system. The Imaging Systems Center operates and maintains a computerized indexing system to store and retrieve essential information and documents stored on microfilm.

TRANSPORTATION

The Contact Center receives and responds by telephone to customer inquiries and problems, resolves issues or refers more complex matters when appropriate, as well as operating the telephone mail system.

The Enhanced Inspection and Maintenance Program, with 31 locations and 125 lanes, enforces vehicle inspection standards, regulates motor vehicles to reduce the risk of accidents caused by vehicular safety defects and conducts emissions testing. These functions are performed at State-owned or leased inspection stations, or at State-regulated private inspection centers. All State registered vehicles are examined for compliance with established equipment standards after verification of valid licensing, registration and compulsory insurance documentation. Program personnel perform on-the-road and in-terminal inspections of both New Jersey registered and out-of-state trucks, tractors and trailers; perform roadside inspection of passenger vehicles, conduct semi-annual safety and emissions inspections of all State-registered school buses; and monitor the performance of private inspection centers.

Driver Testing establishes standards for driver licensing through knowledge, vision and behind-the-wheel testing. This area certifies commercial driving schools and their instructors, as well as driver education or classroom instruction.

New Jersey licenses, tests and ensures fitness of motorists who operate commercial motor vehicles in accordance with federal standards established by the "Commercial Motor Vehicle Safety Act of 1986," P.L. 99-570 (49 U.S.C. 2710 et seq.).

Forty-five motor vehicle agencies serve motorists, process applications, collect fees and sales taxes, and issue documentation for titles, driver licenses and vehicle registrations at sites throughout the state. Agencies issue license plates and handicap placards, process name and address changes, conduct eye examinations, boating-related transactions and more.

Driver Education and Improvement schedules and facilitates driver conferences for drivers with proposed suspensions resulting from persistent point system violations and other administrative suspension actions. Within this area, the

Probationary Driver and Experienced Driver Programs conduct classes and determine remedial actions.

Driver Management and Regulatory Affairs tracks compliance with the statutory and regulatory responsibilities of the Business License Compliance and Motor Carriers programs. Additionally, this area provides investigative support to the law enforcement community and internal operational units, and processes requests for driver medical qualification, schedules license re-examinations and updates records to reflect driver compliance.

Business License Compliance licenses private inspection centers, driving schools, driver instructors, auto body repair facilities, new and used auto dealers, vehicle leasing companies, salvage yards, Commercial Driver License third party testers and any other businesses over which MVC has statutory oversight.

The Surcharge Unit analyzes violation and suspension events to determine surcharge validity and to resolve certain driver disputes and is the liaison between MVC and the private vendors and law firms that collect driver payments.

The Motor Carriers Unit administers: the International Registration Program (IRP), which registers interstate commercial vehicles; the International Fuel Tax Agreement (IFTA), which standardizes fuel tax reporting for interstate commercial vehicles; and the Overweight/Over dimensional Permit Program, which provides permits, routes of travel and insurance verification for vehicles transporting loads that exceed a given legal weight, length, height or width.

The Uninsured Motorist Program expedites insurance termination processing, which directly affects the enforcement of New Jersey's compulsory motor vehicle insurance law.

18. **Security Responsibility.** MVC oversees the administration of the Motor Vehicle Security Responsibility Law and aids in the administration of the New Jersey Compulsory Motor Vehicle Liability Insurance Law. These laws provide financial protection against motor vehicle accidents by requiring motorists to carry liability insurance, by facilitating compensation for injury or damage caused by uninsured or financially irresponsible motorists, and by removing irresponsible motorists from the road. The cost of administering the Security Responsibility Law is assessed against insurance companies writing automobile insurance in this state.

TRANSPORTATION

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Motor Vehicle Services				
Registrations and Title Documents Issued	10,386,777	10,202,096	10,238,176	10,308,731
License Documents Issued (Non-Commercial)	2,568,757	3,293,828	3,234,022	3,563,467
Driver Exam Permit Documents Issued (Non-Commercial) . .	318,175	327,976	325,000	325,000
Registration Documents Issued	7,874,380	7,719,351	7,694,176	7,764,731
Certificates of Ownership Issued	2,512,397	2,482,745	2,544,000	2,544,000
Salvage Titles Issued	31,386	32,315	32,961	33,620
Salvage Vehicle Inspections	3,310	1,382	1,382	1,382
Percent of Vehicles with Reflectorized Plates	87%	94%	94%	94%
Regional Service Centers (4) - Number of Customers	1,249,115	1,478,648	1,412,563	1,350,898
Telephone Center - Inquiries Answered	1,875,003	2,791,633	3,070,796	3,377,803
Mailings Processed	16,013,169	14,302,976	16,500,000	16,710,000
Licensed Drivers	5,741,036	5,668,712	5,668,712	5,668,712
Registered Vehicles	7,055,501	6,781,736	6,756,176	6,826,731
Total NJ Inspections/Reinspections	3,171,458	3,000,324	3,254,970	3,305,183
Centralized - Inspections/Reinspections	2,364,989	2,254,842	2,481,316	2,517,483
Initial Inspections - Centralized	1,846,375	1,777,695	1,933,912	1,962,338
Reinspections - Centralized	518,614	477,147	547,404	555,145
Specialty Inspections	9,748	9,979	10,500	11,100
Private Inspection Facility - Inspections/Reinspections . . .	709,174	645,736	670,958	683,850
Initial Inspections - Private Inspection Facilities	493,149	457,144	475,000	485,000
Reinspections - Private Inspection Facilities	216,025	188,592	195,958	198,850
School Bus - Inspections/Reinspections	76,403	73,644	77,196	77,750
Initial Inspections - School Bus	45,771	44,755	46,500	46,750
Reinspections - School Bus	30,632	28,889	30,696	31,000
Specification Inspections	2,267	2,214	2,341	2,532
Roadside Inspections	8,877	13,909	15,000	15,000
Roadside Rejections	5,495	6,751	8,760	8,760
Driver Testing:				
Vision Tests	296,306	293,530	300,000	302,000
Written Tests	394,762	416,522	421,500	425,000
Oral Tests	7,180	9,315	11,500	12,500
Road Tests	247,123	240,697	245,000	245,000
Commercial Driver License Program:				
License Documents Issued	220,097	243,652	264,064	267,952
Permit Documents Issued	62,896	58,581	59,000	59,000
Knowledge Tests	123,258	128,833	130,000	133,000
Road Tests	17,026	16,723	17,500	18,300
Court Suspensions	328,815	303,611	308,000	308,000
Administrative Suspensions	413,176	371,949	408,192	405,000
Point System Suspensions	10,829	10,113	10,500	10,500
Surcharge Suspensions	220,629	223,447	230,192	225,000
Total Restorations	241,113	226,646	243,505	242,420
Businesses Licensed:				
Junkyards	52	51	54	54
Dealers	4,519	4,424	4,531	4,509
Commercial Driving Schools	195	211	215	217
Commercial Driving Instructors	1,128	1,175	1,235	1,247
Leasing Companies	78	70	70	68
Auto Body Repair Facilities	1,662	1,503	1,530	1,535
Private Inspection Centers	1,331	1,165	1,235	1,237
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
All Other	2,185	2,481	2,748	2,875
Total Positions	2,185	2,481	2,748	2,875

TRANSPORTATION

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Filled Positions by Program Class				
Motor Vehicle Services	2,067	2,374	2,641	2,757
Security Responsibility	118	107	107	118
Total Positions	2,185	2,481	2,748	2,875

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
OTHER RELATED APPROPRIATIONS									
---	-30	187	157	---	01	---	---	---	
---	-30	187	157	---		---	---	---	
	72,774								
---	283,666 ^R	-18,922	337,518	249,540	01	262,936	264,014	264,014	
	23								
---	13,463 ^R	1	13,487	13,464	18	13,765	13,800	13,800	
---	369,926	-18,921	351,005	263,004		276,701	277,814	277,814	
---	369,896	-18,734	351,162	263,004		276,701	277,814	277,814	

Notes -- Direct State Services - General Fund

(a) Pursuant to the provisions of P.L. 2003, c.13 (C.39:2A-1 et seq.), the appropriation for the New Jersey Motor Vehicle Commission, which is in but not of the Department of Transportation, is authorized as dedicated revenue in lieu of State appropriations from the General Fund.

Language Recommendations -- Direct State Services - General Fund

Notwithstanding the provisions of the "Motor Vehicle Inspection Fund" established pursuant to subsection j. of R.S. 39:8-2, balances in the fund are available for other-Clean Air purposes, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in the "Commercial Vehicle Enforcement Fund" established pursuant to section 17 of P.L. 1995, c.157 (C.39:8-75), are appropriated to offset all reasonable and necessary expenses of the Division of State Police, the Motor Vehicle Commission, the Department of Transportation, and the Department of Environmental Protection in the performance of commercial truck safety and emission inspections, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived pursuant to the New Jersey Medical Service Helicopter Response Act under subsection a of section 1 of P.L. 2005, c. 311 (C.39:3-8.2), are appropriated to the Division of State Police and the Department of Health and Senior Services to defray the operating costs of the program as authorized under P.L. 1986, c. 106 (C. 26:2K-35 et seq.). The unexpended balance at the end of the preceding fiscal year is appropriated to the special capital maintenance reserve account for capital replacement and major maintenance of helicopter equipment and any expenditures therefrom shall be subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other law to the contrary, \$21,000,000 of the amounts credited to the New Jersey Emergency Medical Service Helicopter Response Program Fund on or after July 1, 2006, is available to the General Fund as State revenue.

Notwithstanding the provisions of section 105 of P.L.2003, c.13 (C.39:2A-36) or any law to the contrary, pursuant to pending legislation, receipts that are derived from the surcharge on luxury and fuel-inefficient vehicles shall be deposited in the General Fund as State revenue.

The amount appropriated for fiscal 2007 to the New Jersey Motor Vehicle Commission is based on proportional revenue collections for that fiscal year pursuant to the statutes listed in subsection a. of section 105 of P.L.2003, c.13 (C.39:2A-36).

60. TRANSPORTATION PROGRAMS

61. STATE AND LOCAL HIGHWAY FACILITIES

OBJECTIVES

1. To maintain State roads, bridges and railroad properties, and to ensure safe and efficient movement of traffic.
2. To provide financial aid for local highway construction and maintenance.
3. To improve and upgrade local roads and streets.
4. To maintain and install all electrical devices required for traffic control, direction or illumination.
5. To maintain and operate the physical plant required to carry out departmental responsibilities and objectives.
6. To provide, maintain and improve the vehicular fleet of the Department.
7. To develop, revise and maintain a comprehensive master plan for transportation development.
8. To oversee the development, revision, and maintenance of urban transportation plans for the metropolitan areas of the state, consistent with federal requirements and directives.
9. To undertake corridor, area-wide, and site specific studies of traffic and transportation problems to define needs and conceptual solutions for subsequent engineering and environmental investigation.
10. To perform scientific research and evaluation pertaining, but not limited to: materials; multi-modal transportation structures and components; traffic safety; transport of people and commodities; systems and techniques pertaining to design, construction, maintenance and operation of multi-modal transportation networks; and the cultural and economic impact on the public of planning, acquiring and operating transport systems.
11. To connect the principal metropolitan areas, cities, industrial centers and recreation areas with a major highway network.
12. To connect, at the state's borders, with routes of the interstate system and continue these roads through New Jersey.
13. To provide a system of rural and suburban highways that facilitate travel from farm to market, travel on rural mail routes, safe school bus routes and travel from home to job for all citizens.
14. To do the above in a manner consistent with protecting the environment and minimizing residential and commercial relocation, while utilizing a high standard of design.

PROGRAM CLASSIFICATIONS

02. **Transportation Systems Improvements - Planning.** Develops Department sponsored projects as well as joint ventures between State, local, federal and public agencies, NJ Transit and the private sector; provides funding for the state's three metropolitan planning regions.
06. **Maintenance and Operations.** Rehabilitates existing roads, bridges and appurtenances on the State highway system for greater safety and to decrease maintenance costs. Administers an efficient snow and ice control program for improved public safety and convenience in inclement weather. Protects the roadside through landscape maintenance, control of roadside advertising and junkyards, and control of access on State highway and public transportation properties. Maintains non-operating State-owned railroad properties to preserve capital investment and public safety. Constructs, maintains and operates traffic signals, highway lighting facilities, and miscellaneous electrical devices on the State highway system. Maintains and operates movable bridges. Maintains the equipment fleet of the Department and other State agencies.

Operates a statewide network of service facilities, including fuel dispensing for other agencies of the State. Fabricates specialized equipment as needed.

08. **Physical Plant and Support Services.** Maintains and repairs the Department's physical plant to preclude unnecessary deterioration. Provides the necessary office, garage and shop facilities, major maintenance facilities, salt and chemical storage facilities, equipment storage buildings, warehouses and laboratories. The program also controls and supervises the records, reproduction, relocation and mail services of the Department.
65. **Rail Freight Lines.** This program is designed to prevent the deterioration and abandonment of rail freight service essential to New Jersey's economy.
71. **Transportation Systems Improvements.** Includes Capital Program Management and Operations, External and Governmental Affairs, and Data Research and Legal Services.

Capital Program Management and Operations-- Designs construction projects, inspects construction in progress and administers the acquisition of right-of-way and relocation of occupants on the State, county and municipal road system. Initiates the project development process considering environmental factors, community development, economic and social activities and the availability of funding. Administers bridge inspection programs, highway lighting facilities, sign illumination and electrical devices. Administers highway safety programs by analyzing accident and roadway inventory data.

External and Governmental Affairs-- Represents the DOT and NJ Transit on issues involving transportation authorities and the federal government. Coordinates the Department's public participation activities for all ongoing planning and development projects to ensure that public comments are integrated into the decision-making process. Develops new technologies to improve motor vehicle services, communications, transportation modes and motor fuel efficiencies. Also is responsible for developing and implementing policies to meet the provisions of the Federal Clean Air Act as it relates to motor vehicles.

Transportation Trust Fund - Local Highway Funds. Provides funds from the New Jersey Transportation Trust Fund for transportation improvements on municipal and county roads.

Transportation Trust Fund - Federal. Funding provided by the federal government via categories outlined within the Transportation Equity Act for the 21st Century (TEA-21) for the following purposes:

Limited access highways connecting the nation's principal metropolitan areas and industrial centers, and to serve national defense; specific projects outlined within the Federal Transportation Act; to support projects which improve air quality and/or relieve congestion without adding new highway capacity; the interstate highway system and other key highway links; improvements on municipal or county roads which are included on a Federal Aid Route System; and the rehabilitation or replacement of bridges defined as structurally deficient and/or functionally obsolete on State or federally eligible municipal and county roads.

Transportation Trust Fund - State Highway Funds. Provides funds from the New Jersey Transportation Trust Fund for transportation improvements on the State highway system.

TRANSPORTATION

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Maintenance and Operations				
Maintenance Operations				
Lane Miles, State Highway System	11,107	11,141	11,160	11,160
Snow and Ice Control Costs (\$ Millions)	\$31.60	\$33.90	\$21.80	\$21.80
Force Account Acres Mowed	51,267	53,039	56,000	56,000
Litter Pick Up and Removal:				
Litter Pick Up Costs (\$ Millions)	\$3.50	\$3.80	\$3.90	\$4.00
Trash Removal by Contract (\$ Millions)	\$0.62	\$0.68	\$0.80	\$0.90
Total Resurfacing:				
Lane Miles Resurfaced by Contract Maintenance	405	323	374	350
Lane Miles Resurfaced by Contract Construction	47	4	15	16
Electrical Operations				
Traffic Signals Maintained	3,023	3,100	3,150	3,150
Traffic Signals Installed by State Forces	93	125	125	125
Signals Relamped	228	250	250	804
Traffic Signal Inspections	11,657	12,400	12,600	12,400
Emergency Call Responses	6,983	7,250	7,250	5,000
After Hour Call Responses	2,995	3,200	3,200	2,750
Fleet Size				
Autos	302	291	291	291
Trucks	1,793	1,839	1,839	1,851
Road Equipment	6,057	6,119	6,147	6,147
Transportation Systems Improvements				
Design				
In-House Design Projects Completed	32	31	50	37
Railroad Grade Crossing Inspections	2,524	1,447	1,000	1,000
State Owned Bridge Safety Inspections In-House	435	435	500	435
State Owned Bridge Safety Inspections by Consultants ..	788	1,013	1,010	600
Administer County Bridge Safety Inspections	1,373	1,150	1,380	1,150
Right-of-Way				
Acquisition Cost (\$ Millions)	\$61	\$77	\$90	\$110
Construction				
Cost to Construct Projects (\$ Millions)	\$452	\$436	\$500	\$510
Construction Contracts Awarded	\$89	\$125	\$110	\$110
Roadway Projects Under Construction	124	150	140	140
Bridges Under Construction	91	122	110	110
Lane Miles Under Construction	652	680	690	690
Interstate	140	133	150	150
Primary	190	218	220	220
State	322	329	320	320
Additional Lane Miles Open To Public	34	15	20	20
Interstate	7	2	5	5
Primary	6	4	5	5
State	21	9	10	10
Planning				
Roadway Accident Analyses	371	271	320	370
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	2,423	2,518	2,493	2,420
Federal	969	974	993	1,040
Total Positions	3,392	3,492	3,486	3,460
Filled Positions by Program Class				
Maintenance and Operations	1,709	1,801	1,786	1,790
Physical Plant and Support Services	95	97	98	84
Transportation Systems Improvements	1,588	1,594	1,602	1,586
Total Positions	3,392	3,492	3,486	3,460

TRANSPORTATION

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March.
The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
97,610	4,894	2,211	104,715	104,133	Maintenance and Operations	06	90,941	75,292	75,292
7,194	513	148	7,855	7,839	Physical Plant and Support Services	08	7,406	6,846	6,846
---	550	---	550	477	Transportation Systems Improvements	71	---	---	---
104,804	5,957	2,359	113,120	112,449	Total Direct State Services		98,347^(a)	82,138	82,138
Distribution by Fund and Object									
Personal Services:									
50,778	14				Salaries and Wages		56,627	51,992	51,992
22,300 ^S	2,031 ^R	-16,233	58,890	58,783	Total Personal Services		56,627	51,992	51,992
73,078	2,045	-16,233	58,890	58,783	Materials and Supplies		12,414	12,414	12,414
12,414	1,061	410	13,885	13,663	Services Other Than Personal		3,032	3,032	3,032
3,032	134	1,101	4,267	4,259	Maintenance and Fixed Charges		15,063		
15,063	1,069	17,666	33,798	33,748			10,000 ^S	14,189	14,189
Special Purpose:									
---	3	---	3	3	September 11 Memorial Bridge	06	---	---	---
---	1	---	1	1	Disposal of Dead Deer	06	---	---	---
---	494 ^R	-494	---	---	Logo Sign Program	06	---	---	---
3 ^S	---	---	3	3	Memorial Sign Trooper Zimmerman	06	---	---	---
3 ^S	---	---	3	1	Designation of Route 1 - "Donald Goodkind Bridge"	06	---	---	---
---	599	---	599	391	Casualty Losses	06	---	---	---
---	108	---	550	477	Rental Receipts, Tenant Relocation Program	71	---	---	---
1,211	442 ^R	-91	1,121	1,120	Additions, Improvements and Equipment		1,211	511	511
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
805,000	---	---	805,000	805,000	Trust Fund Authority--Revenues and other funds available for new projects	60	805,000	895,000	895,000
805,000	---	---	805,000	805,000	Total Capital Construction		805,000	895,000	895,000
Distribution by Fund and Object									
Transportation Systems Improvements									
805,000	---	---	805,000	805,000	Transportation Trust Fund Account	60	805,000	895,000	895,000
909,804	5,957	2,359	918,120	917,449	Grand Total State Appropriation		903,347	977,138	977,138
<u>OTHER RELATED APPROPRIATIONS</u>									
Federal Funds									
26,195					Transportation Systems Improvements-Planning	02	41,839	41,839	41,839
9,363 ^S	14,355	477	50,390	22,803	Transportation Systems Improvements	71	500	500	500
500	92	---	592	93	Total Federal Funds		42,339	42,339	42,339
36,058	14,447	477	50,982	22,896					

TRANSPORTATION

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
OTHER RELATED APPROPRIATIONS									
All Other Funds									
---	446 1,824 ^R	---	2,270	---	Maintenance and Operations	06	2,580	2,580	2,580
---	23,705 7,374 ^R	---	31,079	27,580	Project Cost-Other Parties	61	---	---	---
---	---	---	---	---	Transportation Systems Improvements	71	<u>350</u>	<u>350</u>	<u>350</u>
---	<u>33,349</u>	---	<u>33,349</u>	<u>27,580</u>	Total All Other Funds		<u>2,930</u>	<u>2,930</u>	<u>2,930</u>
Special Transportation Trust Fund									
145,000	858	---	145,858	145,823	Transportation Trust Fund - Local Highway Funds	63	145,000	175,000	175,000
716,391	287,876	---	1,004,267	750,966	Transportation Trust Fund - Federal	69	889,923	977,509	977,509
<u>541,000</u>	<u>62,742</u>	<u>-2,300</u>	<u>601,442</u>	<u>585,017</u>	Transportation Trust Fund - State Highway Funds	81	<u>526,000</u>	<u>750,000</u>	<u>750,000</u>
<u>1,402,391</u>	<u>351,476</u>	<u>-2,300</u>	<u>1,751,567</u>	<u>1,481,806</u>	Total Special Transportation Trust Fund		<u>1,560,923</u>	<u>1,902,509</u>	<u>1,902,509</u>
<u>2,348,253</u>	<u>405,229</u>	<u>536</u>	<u>2,754,018</u>	<u>2,449,731</u>	GRAND TOTAL ALL FUNDS		<u>2,509,539</u>	<u>2,924,916</u>	<u>2,924,916</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

The categorical funding distribution of State, federal and All Other Funds included in the Transportation Trust Fund may be found in the Appendix of the budget.

The remainder of the Department's capital program supported by the Transportation Trust Fund is reflected on the lines entitled "Trust Fund Authority" in the Public Transportation (62) statewide program.

Language Recommendations -- Direct State Services - General Fund

The unexpended balances at the end of the preceding fiscal year in excess of \$1,000,000 in the accounts hereinabove are appropriated.

In addition to the amount appropriated hereinabove for Maintenance and Operations, such additional sums as may be required are appropriated for snow removal costs, not to exceed \$10,000,000, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other law to the contrary, of the amounts appropriated hereinabove for the Department of Transportation from the General Fund, \$37,500,000 thereof shall be paid from funds received or receivable from the various transportation-oriented authorities pursuant to contracts between the authorities and the State as are determined to be eligible for such funding pursuant to such contracts, as shall be determined by the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated from the Logo Sign program fees, which include the Trailblazer Sign Program, the Variable Message Advertising Program, the Excess Parcel Advertising Program, and the Land Service Road Advertising Program, are appropriated for the purpose of administering the program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of the amount anticipated derived from highway application and permit fees pursuant to subsection (h) of section 5 of P.L. 1966, c. 301(C.27:1A-5) are appropriated for the purpose of administering the Access Permit Review program, subject to the approval of the Director of the Division of Budget and Accounting.

The Department is permitted to transfer an amount approved by the Director of the Division of Budget and Accounting from funds previously appropriated for State highway projects from the "Transportation Rehabilitation and Improvement Fund of 1979," established pursuant to section 15 of P.L. 1979, c. 165, for planning, engineering, design, right-of-way acquisition, or other costs related to the construction of projects financed from that fund.

Of the amount hereinabove for Maintenance and Operations \$10,000,000 for winter operations is payable from the receipts of the New Tire Surcharge pursuant to P.L. 2004, c.46.

Language Recommendations -- Capital Construction

The sum provided hereinabove for the Transportation Trust Fund account shall first be provided from revenues received from motor fuel taxes, the petroleum products gross receipts tax, and the sales and use tax pursuant to Article VIII, Section II, paragraph 4 of the State Constitution, and from funds received or receivable from the various transportation-oriented authorities pursuant to contracts between the authorities and the State, together with such additional sums pursuant to P.L. 1984, c.73 (C.27:1B-1 et al.) and R.S.54:39-27 as amended, as may be necessary to satisfy all fiscal year 2007 debt service, bond reserve requirements, and other fiscal obligations of the New Jersey Transportation Trust Fund Authority.

Receipts representing the State share from the rental or lease of property, and the unexpended balances at the end of the preceding fiscal year of such receipts are appropriated for maintenance or improvement of transportation property, equipment and facilities.

Notwithstanding any other requirements of law, the Department may expend necessary sums for improvements to streets and roads providing access to State facilities within the capital city without local participation.

Notwithstanding any other provision of law, the Department of Transportation may transfer Transportation Trust Fund monies to federal projects contracted in federal fiscal years 2004, 2005, 2006, and 2007 until such time as federal funds become available for the projects. These transfers shall be subject to the approval of the Director of the Division of Budget and Accounting and the Legislative Budget and Finance Officer. Subject to the receipt of federal funds, the Transportation Trust Fund shall be reimbursed for all the monies that were transferred to advance federally funded projects.

Notwithstanding the provisions of P.L. 1984, c.73 (C.27:1B-1 et al.), there is appropriated the sum of \$1,600,000,000 from the revenues and other funds of the New Jersey Transportation Fund Authority, for capital purposes as follows:

- Highway Design Projects
- Highway Construction Projects
- Highway Right-of-Way Acquisition Projects
- Project Development
- Highway Planning
- Local Aid Projects
- Public Transportation Projects

The unexpended balances at the end of the preceding fiscal year of appropriations from the New Jersey Transportation Trust Fund Authority are appropriated.

Notwithstanding the provisions of subsection d. of section 21 of P.L. 1984, c.73 (C.27:1B-21), in order to provide the Department with flexibility in administering the appropriations identified, the Commissioner may transfer funds among projects within the same general program heading subject to the approval of the Director of the Division of Budget and Accounting. The Commissioner shall apply to the Director of the Division of Budget and Accounting for permission to transfer funds among projects within different program headings. If the Director of the Division of Budget and Accounting shall consent thereto, the request to transfer funds among projects within different program headings shall be transmitted to the Legislative Budget and Finance Officer for approval or disapproval then returned to the Director of the Division of Budget and Accounting. The Joint Budget Oversight Committee or its successor shall be empowered to review all transfers submitted to the Legislative Budget and Finance Officer and may direct said Legislative Budget and Finance Officer to approve or disapprove any transfer.

Notwithstanding any other provision of law to the contrary, there is appropriated to the Department of Transportation an additional amount of \$175,000,000, subject to the approval of the Director of the Division of Budget and Accounting, for the Route 52 Causeway Replacement Contract A Construction Fund, from the Transportation Trust Fund Authority's Grant Anticipation Revenue Vehicles (GARVEE) bond proceeds.

Federal funds received in conjunction with the Route 52 Causeway Replacement Contract A Construction Fund are hereby appropriated to the Transportation Trust Fund Authority to pay debt service and other costs related to the Grant Anticipation Revenue Vehicles (GARVEE).

**60. TRANSPORTATION PROGRAMS
62. PUBLIC TRANSPORTATION**

OBJECTIVES

1. To assure the availability to the public of a viable public transportation system which serves the needs of commuters, the elderly, the handicapped, and the disadvantaged, and to provide alternatives to the continuing increase in automobile reliance.
2. To continue and improve essential public transportation services through capital improvements.

PROGRAM CLASSIFICATIONS

04. **Railroad and Bus Operations.** Maintains essential public transportation services in the state by contracting for services, marketing efforts to increase use of these services, and capital improvements, including the purchase and rehabilitation of equipment and facilities. Elderly and handicapped programs permit eligible citizens to utilize passenger services for reduced fares during off-peak hours and provide special equipment to non-profit organizations to assist those who cannot use scheduled services.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Railroad and Bus Operations				
Bus Operations (including subsidized carriers)				
Average Daily Ridership	250,075	259,475	256,600	273,700
Total Cost per Trip per rider	\$3.72	\$3.99	\$3.97	\$4.06
Total Revenue per Trip per rider	\$1.84	\$1.73	\$1.87	\$1.90
Total Cost per Mile	\$7.43	\$8.14	\$7.83	\$8.52
Total Revenue per Mile	\$3.68	\$3.52	\$3.69	\$3.98
Revenue/Cost Ratio	49.6%	43.3%	47.2%	46.7%

TRANSPORTATION

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Equipment				
Buses Operated by NJ Transit	2,158	2,038	2,049	2,122
Buses Leased to Private Carriers	1,010	968	968	968
Rail Operations				
Average Daily Ridership	113,625	118,450	119,000	126,300
Total Cost per Trip per rider	\$9.49	\$9.51	\$9.40	\$9.53
Total Revenue per Trip per rider	\$5.66	\$5.34	\$5.92	\$5.98
Total Cost per Mile	\$10.89	\$10.77	\$10.56	\$11.28
Total Revenue per Mile	\$6.49	\$6.05	\$6.65	\$7.09
Revenue/Cost Ratio	59.6%	56.2%	63.0%	62.8%
Equipment				
Rail Passenger Cars	944	967	933	941
Locomotives	142	144	159	159
Light Rail Operations				
Average Daily Ridership	18,325	22,525	26,900	34,700
Total Cost per Trip per rider	\$4.83	\$4.19	\$4.63	\$4.17
Total Revenue per Trip per rider	\$1.11	\$0.98	\$1.04	\$1.05
Total Cost per Mile	\$28.12	\$20.50	\$21.09	\$19.93
Total Revenue per Mile	\$6.48	\$4.80	\$4.74	\$5.01
Revenue/Cost Ratio	23.0%	23.4%	22.5%	25.2%
NJ Transit System				
Average Daily Ridership	382,025	400,450	402,500	434,700
Total Cost per Trip per rider	\$5.49	\$5.64	\$5.62	\$5.66
Total Revenue per Trip per rider	\$2.89	\$2.69	\$2.94	\$2.94
Total Cost per Mile	\$8.76	\$9.07	\$8.86	\$9.52
Total Revenue per Mile	\$4.60	\$4.33	\$4.64	\$4.95
Revenue/Cost Ratio (includes Corporate overhead)	52.6%	47.8%	52.3%	52.0%

PERSONNEL DATA

Affirmative Action Data

Male Minority	4,459	4,615	N/A	N/A
Male Minority %	42	44	N/A	N/A
Female Minority	1,726	1,807	N/A	N/A
Female Minority %	16	17	N/A	N/A
Total Minority	6,185	6,422	N/A	N/A
Total Minority %	59	61	N/A	N/A

Position Data

Operating Positions

Bus Operations	4,906	4,894	4,989	N/A
Rail Operations	3,445	3,443	3,497	N/A
Corporate Operations	1,446	1,438	1,436	N/A
Capital Operations	749	745	745	N/A
Total Positions	10,546	10,520	10,667	N/A

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
1,436,387	---	---	1,436,387	1,436,387	04	1,413,000	1,531,000	1,531,000
1,436,387	---	---	1,436,387	1,436,387		1,413,000	1,531,000	1,531,000

GRANTS-IN-AID

Distribution by Fund and Program

Railroad and Bus Operations	04	1,413,000	1,531,000	1,531,000
Total Grants-in-Aid		1,413,000	1,531,000	1,531,000

TRANSPORTATION

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
					GRANTS-IN-AID			
					<i>Less:</i>			
(558,059)	---	---	(558,059)	(558,059)		(623,100)	(666,200)	(666,200)
(599,628)	---	---	(599,628)	(599,628)		(516,200)	(564,100)	(564,100)
<u>(1,157,687)</u>	---	---	<u>(1,157,687)</u>	<u>(1,157,687)</u>		<u>(1,139,300)</u>	<u>(1,230,300)</u>	<u>(1,230,300)</u>
<u>278,700</u>	---	---	<u>278,700</u>	<u>278,700</u>		<u>273,700</u>	<u>300,700</u>	<u>300,700</u>
					Total State Appropriation			
					Distribution by Fund and Object			
					Personal Services:			
877,844	---	---	877,844	877,844		865,771	920,000	920,000
					Salaries and Wages			
<u>877,844</u>	---	---	<u>877,844</u>	<u>877,844</u>		<u>865,771</u>	<u>920,000</u>	<u>920,000</u>
236,885	---	---	236,885	236,885		222,780	264,500	264,500
					Materials and Supplies			
93,738	---	---	93,738	93,738		88,037	90,300	90,300
					Services Other Than Personal			
					Special Purpose:			
2,056	---	---	2,056	2,056	04	2,296	2,300	2,300
					Leases and Rentals			
45,750	---	---	45,750	45,750	04	64,913	75,200	75,200
					Light Rail Operations			
143,260	---	---	143,260	143,260	04	143,691	155,700	155,700
					Purchased Transportation			
18,467	---	---	18,467	18,467	04	24,956	26,100	26,100
					Insurance and Claims			
64,137	---	---	64,137	64,137	04	65,469	72,100	72,100
					Tolls, Taxes, and Other Operating Expenses			
					<i>Less:</i>			
<u>(1,157,687)</u>	---	---	<u>(1,157,687)</u>	<u>(1,157,687)</u>		<u>(1,139,300)</u>	<u>(1,230,300)</u>	<u>(1,230,300)</u>
					Income Deductions			
					STATE AID			
					Distribution by Fund and Program			
25,287	---	---	25,287	25,287	04	34,352	34,930	34,930
					Railroad and Bus Operations			
25,287	---	---	25,287	25,287		34,352	34,930	34,930
					<i>(From Casino Revenue Fund)</i>			
<u>25,287</u>	---	---	<u>25,287</u>	<u>25,287</u>		<u>34,352</u>	<u>34,930</u>	<u>34,930</u>
					Total State Aid			
25,287	---	---	25,287	25,287		34,352	34,930	34,930
					<i>(From Casino Revenue Fund)</i>			
					Distribution by Fund and Object			
					State Aid:			
<u>25,287</u>	---	---	<u>25,287</u>	<u>25,287</u>		<u>34,352</u>	<u>34,930</u>	<u>34,930</u>
					Transportation Assistance for Senior Citizens and Disabled Residents (CRF)			
<u>303,987</u>	---	---	<u>303,987</u>	<u>303,987</u>	04	<u>308,052</u>	<u>335,630</u>	<u>335,630</u>
					Grand Total State Appropriation			
					OTHER RELATED APPROPRIATIONS			
					Special Transportation Trust Fund			
<u>606,597</u>	---	2,300	<u>608,897</u>	<u>599,631</u>				
					Trust Fund Authority--			
					Revenues and other funds available for new projects			
<u>606,597</u>	---	2,300	<u>608,897</u>	<u>599,631</u>	60	<u>534,000</u>	<u>675,000</u>	<u>675,000</u>
					Total Special Transportation Trust Fund			
<u>910,584</u>	---	2,300	<u>912,884</u>	<u>903,618</u>		<u>842,052</u>	<u>1,010,630</u>	<u>1,010,630</u>
					GRAND TOTAL ALL FUNDS			

Notes -- Direct State Services - General Fund

The remainder of the Department's capital program is reflected on the lines entitled "Trust Fund Authority" in the State and Local Highway Facilities (61) statewide program, as well as the "Total Capital Construction" line in State Highway Facilities (61).

Language Recommendations -- State Aid - Casino Revenue Fund

The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

Counties which provide para-transit services for sheltered workshop clients may seek reimbursement for such services pursuant to P.L.1987, c.455 (C.34:16-51 et seq.).

TRANSPORTATION

Language Recommendations -- Capital Construction

Notwithstanding any other provision of law, the Commissioner of Transportation, upon approval of the Director of the Division of Budget and Accounting, may transfer funds made available from the New Jersey Transportation Trust Authority for public transportation projects under the program headings "New Jersey Transit Corporation" to the line-item under that same program heading entitled "Federal Transit Administration Projects" for any federally funded public transportation project shown in this act or any previous appropriation acts until such time as federal funds become available for the projects. Subject to the receipt of federal funds, the Transportation Trust Fund shall be reimbursed for all the monies that were transferred to advance Federal Transit Administration projects. Any transfer of funds which returns funds from the line-item "Federal Transit Administration Projects" to the account of origin shall be deemed approved.

From the amounts appropriated from the revenues and other funds of the New Jersey Transportation Trust Fund Authority for fiscal year 2007 transportation capital program, the Commissioner of Transportation shall allocate \$4,000,000 of the amount listed for the Private Carrier Equipment Program to NJ Transit's Private Carrier Capital Improvement Program (PCCIP). The amount provided herein shall be allocated to the private motorbus carriers consistent with the formula used to administer the PCCIP and shall be restricted to those carriers that currently qualify for participation in the PCCIP. These funds may be used for the procurement of any goods or services currently approved under NJ Transit's PCCIP, as well as: facility improvements, vehicle procurement, and capital maintenance that comports with subsection r. of section 3 of P.L.1984, c.73 (C.27:1B-3). Such maintenance and equipment procurements shall apply to vehicles owned by the private motorbus carriers and used in public transportation service, as well as to NJ Transit owned vehicles. Private motorbus carriers receiving an allocation of such funds shall be required to submit to NJ Transit a full accounting for all expenditures, demonstrating that the funds were used to increase or maintain the current level of public transportation service provided by the carrier or to improve revenue vehicle maintenance. Under no circumstances shall these funds be used to provide compensation of any officer or owner of a private motorbus carrier.

60. TRANSPORTATION PROGRAMS

64. REGULATION AND GENERAL MANAGEMENT

OBJECTIVES

1. To assure the continuation of freight service on certain light density rail lines that serve business and industry.
2. To review access permits for the purpose of analyzing transportation impacts both locally and regionally.
3. To promote an orderly and progressive development of the airport system to meet growing air traffic needs; improve the quality of aeronautical facilities; promote flight safety; conduct noise abatement programs; and promote air transportation.

PROGRAM CLASSIFICATIONS

05. **Intermodal Services.** Responsible for coordinating with the various modal constituencies the non-highway, non-transit capital programs, and administering the Department's regulatory programs. Through the Division of Aeronautics and Freight Services, administers the airport development and aviation safety programs under the New Jersey Airport Safety Act of 1983; manages the Airport Safety and Zoning program under the Airport Safety and Zoning Act of 1983; licenses and inspects all aeronautical facilities in the state; conducts aviation education and safety awareness programs; and maintains regional liaison programs for municipalities, residents, and the aviation community. The Bureau of Ports, Terminals, and Freight Services administers the rail-freight capital assistance program and the rail systems plan; develops expertise in intermodal and marine transportation as they relate to ports and harbors; and maintains liaison with motor carrier and rail freight communities.
99. **Administration and Support Services.** Manages the activities of the Department; coordinates communication with other agencies, the public, various levels of government and their elected officials; provides leadership, controls operations and executes plans for the construction, rehabilitation and maintenance of the State's highways, roads and bridges; plans

for and authorizes safety grants to meet public aeronautical needs. The Office of the Inspector General investigates and analyses all departmental units to ensure compliance with all management controls including accounting, fiscal and administrative policies and procedures.

The Office of Appeals and Hearings conducts Department level grievance and disciplinary action and appeal hearings and ensures that employee health and safety rights are protected in accordance with existing legislation, rules and regulations. The Division of Civil Rights and Affirmative Action, which plans, directs, organizes and coordinates the civil rights effort as mandated by the Civil Rights Act of 1964, ensures that the employment practices of all contractors and sub-contractors of the NJDOT comply with federal and State equal employment opportunity laws and establishes affirmative action goals for the Department. The Office of Transportation Policy coordinates transportation policy across all modes and agencies.

The Assistant Commissioner for Finance and Administration administers the financial records and fiscal controls in accordance with Department, State and federal regulations and sound financial management principles and provides management with financial guidance and support services for the efficient operation of the Department. Fiscal management objectives are met through the more specific operating objectives of the Division of Budget and Management Support and the Division of Accounting and Auditing. The Bureau of Management Information Systems coordinates all management information systems. The Division of Human Resources ensures that all personnel services are properly rendered in accordance with Department needs, Civil Service rules and regulations and union agreements. The Division of Procurement controls, administers and supervises the purchase and procurement of all commodities, services and contracts required by the Department.

TRANSPORTATION

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Intermodal Services				
Responses to aircraft incidents	37	53	65	65
Aviation facilities development projects	30	35	35	35
Administration and Support Services				
EEO & Affirmative Action investigations	93	80	100	85
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	748	749	719	718
Male Minority %	19.6	19.1	18.5	18.2
Female Minority	244	225	233	230
Female Minority %	6.4	5.7	6.0	5.8
Total Minority	992	974	952	948
Total Minority %	26.0	24.8	24.4	24.0
Position Data				
Filled Positions by Funding Source				
State Supported	369	372	363	308
Federal	51	49	48	43
All Other	7	7	6	7
Total Positions	427	428	417	358
Filled Positions by Program Class				
Intermodal Services	53	50	59	55
Management and Administrative Services	374	378	358	303
Total Positions	427	428	417	358

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
1,647	39	267	1,953	1,914	05	1,712	1,490	1,490	
3,837	1	325	4,163	4,150	99	3,896	2,820	2,820	
5,484	40	592	6,116	6,064	Total Direct State Services		5,608^(a)	4,310	4,310
Distribution by Fund and Object									
Personal Services:									
1,289	---	431	1,720	1,677	Salaries and Wages		1,488	202	202
Total Personal Services							1,488	202	202
288	---	-66	222	216	Materials and Supplies		288	288	288
1,986	---	68	2,054	2,052	Services Other Than Personal		1,986	1,974	1,974
70	---	-5	65	64	Maintenance and Fixed Charges		70	70	70
Special Purpose:									
---	39 ^R	-39	---	---	05	---	---	---	
350	---	200	550	550	05	350	350	350	
965	---	---	965	965	Airport Safety Fund Administration		965	965	965
461	---	---	461	461	99	461	461	461	
					Affirmative Action and Equal Employment Opportunity				

TRANSPORTATION

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
75 ^S	---	---	75	75					
---	1	3	4	4					
DIRECT STATE SERVICES									
					99	---	---	---	
						---	---	---	
GRANTS-IN-AID									
Distribution by Fund and Program									
---	1,655	45	1,700	91	05	---	---	---	
---	1,655	45	1,700	91		---	---	---	
Distribution by Fund and Object									
---	1,655	45	1,700	91	05	---	---	---	
5,484	1,695	637	7,816	6,155		5,608	4,310	4,310	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
<u>17,308</u>	<u>4,984</u>	<u>313</u>	<u>22,605</u>	<u>5,485</u>	05	<u>27,308</u>	<u>27,308</u>	<u>27,308</u>	
17,308	4,984	313	22,605	5,485		27,308	27,308	27,308	
All Other Funds									
---	3,162	30	6,092	1,870	05	3,061	3,031	3,031	
---	2,900 ^R	596	726	725	99	---	---	---	
---	<u>130</u>	<u>626</u>	<u>6,818</u>	<u>2,595</u>		<u>3,061</u>	<u>3,031</u>	<u>3,031</u>	
22,792	12,871	1,576	37,239	14,235		35,977	34,649	34,649	

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal year and the reimbursements in the Department's Stock Purchase Revolving Fund for the purchase of materials and supplies required for the operation of the Department are appropriated.

Receipts in excess of the amount anticipated derived from outdoor advertising application and permit fees are appropriated for the purpose of administering the Outdoor Advertising Permit and Regulation program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Airport Safety Fund account together with any receipts in excess of the amount anticipated are appropriated.

Notwithstanding any other provision of law, the amount hereinabove for the Airport Safety Fund is payable out of the "Airport Safety Fund" established pursuant to section 4 of P.L. 1983, c. 264 (C. 6:1-92) and is available for salary and operational costs incurred by the Bureau of Aeronautics in the administration of loans or grants; the acquisition of airports lands or rights in lands; the operation or provision of any program or activity which promotes aviation safety, promotes aviation education, or provides for the promotion of aeronautics; and for those aviation purposes which the Department is empowered to undertake pursuant to the "New Jersey Airport Safety Act of 1983," P.L.1983, c.264 (C.6:1-89 et. seq.) or under Title 6 and Title 27 of the Revised Statutes. If receipts to that fund are less than anticipated, the appropriation shall be reduced proportionately.

Receipts derived from fees on placarded rail freight cars transporting hazardous materials in this state are appropriated to defray the expenses of the Placarded Rail Freight Car Transporting Hazardous Materials program, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

The unexpended balance at the end of the preceding fiscal year in the Airport Safety Fund account together with any receipts in excess of the amount anticipated are appropriated.

DEPARTMENT OF THE TREASURY

OVERVIEW

The Department of Treasury includes not only the State's traditional financial oversight and purchasing functions but also higher education services, information technology services, and a number of in-but-not-of boards and agencies that receive funding through the State Budget, including: the Economic Development Authority, the Motion Picture and Television Development Commission, the New Jersey Commerce, Economic Growth and Tourism Commission, the Commission on Science and Technology, the Board of Public Utilities, the Office of Administrative Law, the Casino Control Commission, the Office of the Public Defender, the State Legal Services Office, and the Office of the Inspector General. A complete description of the goals and objectives of these programs and agencies can be found on their respective budget pages.

The mission of the Department of Treasury itself is to formulate and manage the State's Budget, generate and collect revenues, disburse the appropriations used to operate New Jersey State government, manage the State's physical and financial assets, and provide statewide support services to state and local government agencies as well as the citizens of New Jersey.

The Department's overriding goal is to ensure the most beneficial use of fiscal resources and revenues to meet critical needs, all within a policy framework set by the Governor. Its objectives include providing current, relevant financial information for management and the public to consider; administering the tax laws of the State to maximize the collection of tax revenue; enhancing revenue collection through integrated receipts processing and aggressive management of public accounts receivable; providing for a centralized purchasing system for goods and services; planning, programming, designing, and supervising the construction of buildings and facilities for the various State agencies; investing and reinvesting funds of the various State agencies and pension funds as effectively as possible; administering all employee benefit programs at minimum cost; providing risk management, loss prevention, and claims services and management of the fire and casualty insurance program to all State agencies; and operating a central motor pool fleet at the lowest possible cost and in the safest manner.

Budget Highlights

The Fiscal 2007 Budget for the Department of Treasury totals \$2.96 billion, an increase of \$888 million or 42.9% over the fiscal 2006 adjusted appropriation of \$2.07 billion.

Major components of this increase include \$550 million for Property Tax Relief, \$223 million for debt service costs, and \$152 million to fund Business Employment Incentive Program contracts directly, which replaces the current practice of debt financing these payments.

Offsetting these increases are management efficiency initiatives, such as staff reductions through attrition and electronic filing of tax and other State forms, which reduce State appropriations by \$20 million across all divisions within the Department. Other reductions, such as aid to Higher Education programs and energy assistance grants, are discussed below.

Property Tax Relief

The Fiscal 2007 Budget increases essential property tax relief programs by providing \$1.3 billion in rebates to New Jersey property taxpayers.

With an infusion of \$530 million, funding for Homestead Rebates will increase from the current \$0.7 billion to \$1.2 billion in fiscal 2007, providing rebates that exceed fiscal 2006 levels for all recipients. Of the \$530 million increase, \$400 million is needed to account for the fact that the fiscal 2006 rebate program was funded in part through a fiscal 2005 supplemental appropriation of \$400

million. The remaining \$130 million of the increase reflects a 10% across-the-board increase in the amount of the rebates. Homeowners with incomes up to \$200,000, and tenants with incomes up to \$100,000, will continue to be eligible for the program. Funded at a total of \$1.2 billion, this program will provide the highest rebates to low- and middle-income senior citizens. Specifically, senior homeowners with incomes less than \$70,000 will receive a maximum rebate of \$1,320, and senior homeowners with incomes above \$70,000 will receive a maximum rebate of \$880. Rebates for non-senior homeowners will be from \$330 to \$385. Senior tenants and non-senior tenants will receive maximum rebates of \$908 and \$83, respectively.

The State's low- and middle-income seniors will continue to see 100% of their property tax increases paid through the Senior and Disabled Citizens' Property Tax Freeze (Senior Tax Freeze) program. Funding for this program increases 21% (\$20.5 million) to \$119 million in fiscal 2007. This program is expected to provide rebates to approximately 162,000 seniors in fiscal 2007, with rebates averaging \$735.

Department Accomplishments

Consistent with the Division of Taxation's effort to maximize collection of all taxes, Compliance Collections continues to represent the fourth largest single revenue source in the State Budget. Compliance Collections are defined as revenue resulting from the Division's compliance or enforcement action, program or intervention, or revenue otherwise not remitted voluntarily by a taxpayer.

The Division of Revenue continues to institute and expand programs that enhance the State's revenue accounting and collection process, especially using the technology of e-government to improve and enhance service.

The Division of Purchase and Property has forged ahead with a number of technology initiatives in support of procurement reform. These initiatives are aimed at providing more effective and efficient mechanisms for addressing internal processing and external interactions with citizens and vendors. The revamped public Internet site for vendor interaction with the Purchase Bureau now offers electronic notification service, which e-mails alerts to vendors and other interested parties of advertised solicitations, and is now being geared up for the launch of electronic bid capability for vendors. Meanwhile, standard contract language has been streamlined to encourage more vendors to participate, and to increase competition and techniques, such as restructured contracts and best and final offer negotiations, to obtain more favorable pricing.

The Division of Lottery experienced record Lottery sales in fiscal 2005, totaling \$2.3 billion. This resulted in a State contribution to education and State institutions of \$811 million, also a record high.

The Division of Property Management and Construction began a multi-phase project involving the consolidation and elimination of warehouse leases that has resulted in annual savings to the State of \$1.2 million.

The Division of Pensions & Benefits is using technology to expand client service offerings and support Treasury's paper free initiative.

The Department continues to bid contracts for "green power" electricity. The green power procurement helps New Jersey satisfy federal environmental regulations and aids in the development of clean energy markets. As part of this effort, approximately 12% of the total electrical load will be procured from renewable or green power sources.

TREASURY

In-but-not-of agencies that have significant changes in the Fiscal 2007 Budget recommendation are described below:

Office of Administrative Law

In fiscal 2007, a decrease of \$386,000 in Direct State Services funding is recommended for the Office of Administrative Law (OAL). This decrease of 7.5% will be offset by fee increases to third party users of OAL services, such as government-regulated industries and the federal government.

Board of Public Utilities

The Fiscal 2007 Budget for the Board of Public Utilities totals \$96.7 million, a decrease of \$10 million or 9.4% under the fiscal 2006 adjusted appropriation of \$106.7 million. Of this decrease, \$1 million represents a reduction in salaries in various divisions of the Board, and \$9 million represents the reduction of one-time legislative appropriations for energy assistance grants.

Higher Education System

The Department of Treasury budget also contains appropriations supporting certain higher educational services, including support to independent institutions, aid to county colleges, and miscellaneous higher education grant and capital programs.

There are 14 independent institutions in New Jersey that receive funding through the Independent College and University Assistance Act and participate in other State-funded programs, including facilities bond funds, programs for special student populations, and student grant, scholarship, and loan programs. The Fiscal 2007 Budget recommends funding to the independent colleges and universities in the amount of \$12 million for direct operating aid, a reduction of \$12 million or 50% under fiscal 2006.

The county college system is composed of 19 institutions that provide access to higher education for a broad range of New Jersey residents, many of whom might otherwise be denied the benefit of a college education. Total services and recommended funding for the county

colleges, including operating aid, fringe benefits, and debt service funding, is \$208.1 million for fiscal 2007, a reduction of \$15.5 million from fiscal 2006. Of this amount, \$8 million will be funded from the Department of Labor and Workforce Development's Supplemental Workforce Fund for Basic Skills. Direct aid to the county colleges of \$146.3 million is a reduction of \$16.3 million, or 10% under the fiscal 2006 funding level.

County colleges are eligible to participate in the Chapter 12 bond program, a \$530 million self-renewing capital funding mechanism specifically for these institutions. Counties or eligible authorities issue bonds for new construction, acquisition, expansion, or capital renewal or replacement, and the State shares the debt service equally with the counties. In fiscal 2007, debt service payments by the State are anticipated to be \$27.5 million. This is a decrease of \$1.1 million under the fiscal 2006 projected debt service.

In fiscal 2007, support is continued for debt service costs of a variety of valuable higher education capital programs, including the \$550 million Higher Education Capital Improvement Program; the \$100 million Equipment Leasing Fund; the \$55 million Higher Education Technology Infrastructure Bond Fund; the \$220 million Higher Education Facilities Trust Fund; and the \$90 million Dormitory Safety Trust Fund. Debt service for these programs in fiscal 2007 is recommended at \$86.5 million, an increase of \$14.5 million over fiscal 2006.

Support for the New Jersey Stem Cell Research Institute will be maintained in fiscal 2007 at \$5.5 million. The Stem Cell Research Institute will be jointly operated by the University of Medicine and Dentistry of New Jersey, and Rutgers, The State University and will be based in a new facility to be built in New Brunswick. The Institute, one of the first of its kind in the country, will be the first to form a real partnership between research universities, a medical school, and private interests.

DEPARTMENT OF THE TREASURY SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom- mended
GENERAL FUND							
381,907	67,218	4,069	453,194	424,942	392,437	371,652	371,652
235,812	93	3,279	239,184	211,950	239,977	399,851	378,185
307,214	8,279	-783	314,710	285,707	305,442	342,752	311,496
---	5,318	5,954	11,272	5,825	---	---	---
232,519	---	-11,728	220,791	220,621	144,651	368,121	368,121
1,157,452	80,908	791	1,239,151	1,149,045	1,082,507	1,482,376	1,429,454
PROPERTY TAX RELIEF FUND							
2,162,711	24	---	2,162,735	1,609,845	789,888	1,340,188	1,340,188
164,334	---	-7,961	156,373	155,072	167,020	158,134	158,134
2,327,045	24	-7,961	2,319,108	1,764,917	956,908	1,498,322	1,498,322
CASINO CONTROL FUND							
27,901	778	---	28,679	27,601	29,440	29,440	29,440
27,901	778	---	28,679	27,601	29,440	29,440	29,440
3,512,398	81,710	-7,170	3,586,938	2,941,563	2,068,855	3,010,138	2,957,216
Total Appropriation, Department of the Treasury					2,068,855	3,010,138	2,957,216

SUMMARY OF APPROPRIATIONS BY PROGRAM
(thousands of dollars)

Orig. & (S)Supple- mental	Year Ending June 30, 2005				2006 Adjusted Approp.	Year Ending June 30, 2007		
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		Requested	Recom- mended	
					DIRECT STATE SERVICES - GENERAL FUND			
					Economic Planning and Development			
452	---	26	478	476	Economic Development	517	517	517
---	2	493	495	443	New Jersey Commission on Science and Technology	581	581	581
<u>452</u>	<u>2</u>	<u>519</u>	<u>973</u>	<u>919</u>	<i>Subtotal</i>	<u>1,098</u>	<u>1,098</u>	<u>1,098</u>
					Economic Regulation			
7,529	1,332	-538	8,323	7,059	Utility Regulation	8,027	7,893	7,893
1,926	236	53	2,215	2,045	Regulation of Cable Television	2,024	2,024	2,024
1,591	---	---	1,591	1,591	Energy Assistance Programs	1,669	1,669	1,669
3,264	23	597	3,884	3,827	Regulatory Support Services	3,724	3,337	3,337
8,631	3,118	566	12,315	11,284	Administration and Support Services	11,432	10,951	10,951
<u>22,941</u>	<u>4,709</u>	<u>678</u>	<u>28,328</u>	<u>25,806</u>	<i>Subtotal</i>	<u>26,876</u>	<u>25,874</u>	<u>25,874</u>
					Governmental Review and Oversight			
555	---	904	1,459	1,457	Employee Relations and Collective Negotiations	724	678	678
19,527	24,844	-17,181	27,190	25,336	Office of Management and Budget	19,335	18,587	18,587
---	---	1,122	1,122	234	Office of the Inspector General	2,570	2,302	2,302
<u>20,082</u>	<u>24,844</u>	<u>-15,155</u>	<u>29,771</u>	<u>27,027</u>	<i>Subtotal</i>	<u>22,629</u>	<u>21,567</u>	<u>21,567</u>
					Financial Administration			
110,445	15,860	2,568	128,873	127,016	Taxation Services and Administration	106,634	124,255	124,255
30,300	572	---	30,872	29,711	Administration of State Lottery	22,490	21,900	21,900
30,867	4,773	---	35,640	30,019	Administration of State Revenues	29,746	28,104	28,104
7,445	8	337	7,790	7,780	Management of State Investments	8,637	8,719	8,719
4,703	436	---	5,139	5,093	Business Services Bureau	4,703	4,703	4,703
<u>183,760</u>	<u>21,649</u>	<u>2,905</u>	<u>208,314</u>	<u>199,619</u>	<i>Subtotal</i>	<u>172,210</u>	<u>187,681</u>	<u>187,681</u>
					General Government Services			
468	---	---	468	272	Garden State Preservation Trust	478	478	478
8,505	448	4,915	13,868	13,535	Purchasing and Inventory Management	10,870	9,789	9,789
31,705	12,111	106	43,922	34,354	Pensions and Benefits	32,387	---	---
13,338	1,057	1,050	15,445	14,885	Property Management and Construction - Property Management Services	15,142	14,285	14,285
1,807	553	113	2,473	2,459	Risk Management	2,070	2,657	2,657
5,260	---	---	5,260	5,253	Adjudication of Administrative Appeals	5,120	4,734	4,734
<u>61,083</u>	<u>14,169</u>	<u>6,184</u>	<u>81,436</u>	<u>70,758</u>	<i>Subtotal</i>	<u>66,067</u>	<u>31,943</u>	<u>31,943</u>
					Management and Administration			
1,613	---	60	1,673	1,666	Contract Compliance and Equal Employment Opportunity in Public Contracts	1,794	1,702	1,702
10,723	1,531	2,664	14,918	14,313	Administration and Support Services	12,685	12,429	12,429
<u>12,336</u>	<u>1,531</u>	<u>2,724</u>	<u>16,591</u>	<u>15,979</u>	<i>Subtotal</i>	<u>14,479</u>	<u>14,131</u>	<u>14,131</u>
					Protection of Citizens' Rights			
7,957	173	323	8,453	8,045	Appellate Services to Indigents	9,689	9,689	9,689
71,009	139	5,680	76,828	74,294	Trial Services to Indigents and Special Programs	76,948	77,228	77,228
2,287	2	211	2,500	2,495	Administration and Support Services	2,441	2,441	2,441

TREASURY

Orig. & (S)Supple- mental	Year Ending June 30, 2005					Year Ending June 30, 2007		
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
81,253	314	6,214	87,781	84,834	<i>Subtotal</i>	89,078	89,358	89,358
381,907	67,218	4,069	453,194	424,942	Total Direct State Services - General Fund	392,437	371,652	371,652
DIRECT STATE SERVICES - CASINO CONTROL FUND								
Financial Administration								
27,901	778	---	28,679	27,601	Administration of Casino Gambling	29,440	29,440	29,440
27,901	778	---	28,679	27,601	<i>Subtotal</i>	29,440	29,440	29,440
27,901	778	---	28,679	27,601	Total Direct State Services - Casino Control Fund	29,440	29,440	29,440
409,808	67,996	4,069	481,873	452,543	TOTAL DIRECT STATE SERVICES	421,877	401,092	401,092
GRANTS-IN-AID - GENERAL FUND								
Higher Educational Services								
25,359	---	---	25,359	25,359	Support to Independent Institutions	25,959	31,919	13,378
85,562	---	149	85,711	76,117	Miscellaneous Higher Education Programs	83,379	96,993	93,868
110,921	---	149	111,070	101,476	<i>Subtotal</i>	109,338	128,912	107,246
Economic Planning and Development								
21,851	---	3,260	25,111	20,659	Economic Development	19,749	171,749	171,749
8,800	93	-493	8,400	3,627	New Jersey Commission on Science and Technology	14,650	11,950	11,950
30,651	93	2,767	33,511	24,286	<i>Subtotal</i>	34,399	183,699	183,699
Economic Regulation								
70,840	---	---	70,840	65,788	Energy Assistance Programs	79,840	70,840	70,840
70,840	---	---	70,840	65,788	<i>Subtotal</i>	79,840	70,840	70,840
Management and Administration								
7,000	---	363	7,363	4,000	Administration and Support Services	---	---	---
7,000	---	363	7,363	4,000	<i>Subtotal</i>	---	---	---
Protection of Citizens' Rights								
16,400	---	---	16,400	16,400	Trial Services to Indigents and Special Programs	16,400	16,400	16,400
16,400	---	---	16,400	16,400	<i>Subtotal</i>	16,400	16,400	16,400
235,812	93	3,279	239,184	211,950	Total Grants-In-Aid - General Fund	239,977	399,851	378,185

TREASURY

Orig. & (S)Supple- mental	Year Ending June 30, 2005					2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended			Requested	Recom- mended
2,162,711	24	---	2,162,735	1,609,845				
<u>2,162,711</u>	<u>24</u>	<u>---</u>	<u>2,162,735</u>	<u>1,609,845</u>				
2,162,711	24	---	2,162,735	1,609,845				
<u>2,398,523</u>	<u>117</u>	<u>3,279</u>	<u>2,401,919</u>	<u>1,821,795</u>				
					GRANTS-IN-AID - PROPERTY TAX RELIEF FUND			
					State Subsidies and Financial Aid			
					Homestead Exemptions	789,888	1,340,188	1,340,188
					<i>Subtotal</i>	<u>789,888</u>	<u>1,340,188</u>	<u>1,340,188</u>
					Total Grants-In-Aid - Property Tax Relief Fund	789,888	1,340,188	1,340,188
					TOTAL Grants-In-Aid	1,029,865	1,740,039	1,718,373
					STATE AID - GENERAL FUND			
					Higher Educational Services			
184,075	---	-783	183,292	183,061	Aid to County Colleges	181,023	203,824	172,568
<u>184,075</u>	<u>---</u>	<u>-783</u>	<u>183,292</u>	<u>183,061</u>	<i>Subtotal</i>	<u>181,023</u>	<u>203,824</u>	<u>172,568</u>
					State Subsidies and Financial Aid			
1,481	---	---	1,481	1,383	County Boards of Taxation	1,681	2,289	2,289
80,233	8,279	---	88,512	67,818	Locally Provided Assistance	79,324	61,796	61,796
41,425	---	---	41,425	33,445	Consolidated Police and Firemen's Pension Fund	43,414	74,843	74,843
---	---	---	---	---	Energy Tax Receipts	---	---	---
<u>123,139</u>	<u>8,279</u>	<u>---</u>	<u>131,418</u>	<u>102,646</u>	<i>Subtotal</i>	<u>124,419</u>	<u>138,928</u>	<u>138,928</u>
307,214	8,279	-783	314,710	285,707	Total State Aid - General Fund	305,442	342,752	311,496
					STATE AID - PROPERTY TAX RELIEF FUND			
					Higher Educational Services			
28,045	---	-2,839	25,206	25,206	Aid to County Colleges	28,556	27,500	27,500
<u>28,045</u>	<u>---</u>	<u>-2,839</u>	<u>25,206</u>	<u>25,206</u>	<i>Subtotal</i>	<u>28,556</u>	<u>27,500</u>	<u>27,500</u>
					State Subsidies and Financial Aid			
109,000	---	-5,122	103,878	103,878	Reimbursement of Senior/ Disabled Citizens' and Veterans' Tax Deductions	109,000	99,100	99,100
27,289	---	---	27,289	25,988	Consolidated Police and Firemen's Pension Fund	29,464	31,534	31,534
<u>136,289</u>	<u>---</u>	<u>-5,122</u>	<u>131,167</u>	<u>129,866</u>	<i>Subtotal</i>	<u>138,464</u>	<u>130,634</u>	<u>130,634</u>
164,334	---	-7,961	156,373	155,072	Total State Aid - Property Tax Relief Fund	167,020	158,134	158,134
<u>471,548</u>	<u>8,279</u>	<u>-8,744</u>	<u>471,083</u>	<u>440,779</u>	TOTAL STATE AID	472,462	500,886	469,630
					CAPITAL CONSTRUCTION			
					Economic Regulation			
---	1	---	1	---	Administration and Support Services	---	---	---
<u>---</u>	<u>1</u>	<u>---</u>	<u>1</u>	<u>---</u>	<i>Subtotal</i>	<u>---</u>	<u>---</u>	<u>---</u>

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Program									
25,359	---	---	25,359	25,359	Support to Independent Institutions	47	25,959	31,919	13,378
85,562	---	149	85,711	76,117	Miscellaneous Higher Education Programs	49	83,379	96,993	93,868
110,921	---	149	111,070	101,476	Total Grants-In-Aid		109,338	128,912	107,246
Distribution by Fund and Object									
Grants:									
23,962	---	---	23,962	23,962	Aid to Independent Colleges and Universities	47	23,962	30,522	11,981
200	---	---	200	200	Clinical Legal Programs for the Poor--Seton Hall University (P.L. 1996, c.52)	47	200	200	200
80	---	---	80	80	Institute for Advanced Study -- Discrete Mathematics and Computer Science Center	47	130	80	80
80	---	---	80	80	Institute for Advanced Study -- Park City Mathematics Institute	47	130	80	80
---	---	---	---	---	Bloomfield College -- Science Laboratory	47	500	---	---
1,037	---	---	1,037	1,037	Research Under Contract with the Institute of Medical Research, Camden	47	1,037	1,037	1,037
3,000	---	---	3,000	3,000	Higher Education Incentive Endowment Fund	49	3,000	3,000	---
100	---	---	100	8	Garden State Savings Bonds Incentive	49	100	100	100
29,855	---	---	29,855	29,855	Higher Education Capital Improvement Program -- Debt Service	49	17,100	32,146	32,146
-4,724 ^S	---	-3,625	21,506	21,505	Equipment Leasing Fund -- Debt Service	49	18,599	18,503	18,503
18,449	---	-226	18,223	18,222	Higher Education Facilities Trust Fund -- Debt Service	49	21,033	20,911	20,911
21,015	---	---	21,015	21,015	Higher Education Technology Bond -- Debt Service	49	6,475	6,457	6,457
6,463	---	---	6,463	6,463	Marine Sciences Consortium	49	576	701	576
426	---	---	426	426	Dormitory Safety Trust Fund -- Debt Service	49	8,796	8,475	8,475
9,053	---	---	9,053	9,053	Statewide Systemic Initiative to Reform Mathematics and Science Education	49	1,200	1,200	1,200
-5,775 ^S	---	---	3,278	3,278	New Jersey Stem Cell Research Institute	49	5,500	5,500	5,500
1,200	---	---	1,200	1,200	Stevens Institute of Technology - New Jersey Community College Strategic Partnership	49	1,000	---	---
5,500	---	4,000	9,500	---					
1,000	---	---	1,000	1,000					
STATE AID									
Distribution by Fund and Program									
220,120	---	-3,622	216,498	216,267	Aid to County Colleges	48	223,579	239,324	208,068
192,075	---	-783	191,292	191,061	(From General Fund)		195,023	211,824	180,568
28,045	---	-2,839	25,206	25,206	(From Property Tax Relief Fund)		28,556	27,500	27,500
220,120	---	-3,622	216,498	216,267	Total State Aid		223,579	239,324	208,068
192,075	---	-783	191,292	191,061	(From General Fund)		195,023	211,824	180,568

TREASURY

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
28,045	---	-2,839	25,206	25,206					
(8,000)	---	---	(8,000)	(8,000)					
<u>(8,000)</u>	<u>---</u>	<u>---</u>	<u>(8,000)</u>	<u>(8,000)</u>					
212,120	---	-3,622	208,498	208,267					
					STATE AID				
					<i>(From Property Tax Relief Fund)</i>				
						28,556	27,500	27,500	
					<i>Less:</i>				
					Supplemental Workforce Fund-Basic Skills				
						(14,000)	(8,000)	(8,000)	
					Total Income Deductions				
						(14,000)	(8,000)	(8,000)	
					Total State Appropriation				
						209,579	231,324	200,068	
					Distribution by Fund and Object				
					State Aid:				
162,562	---	---	162,562	162,562	Operational Costs	48	162,562	177,562	146,306
28,045	---	-2,839	25,206	25,206	Debt Service for Chapter 12 P.L.1971, c.12 (C.18A:64A-22.1) (PTRF)	48	28,556	27,500	27,500
15,032	---	---	15,032	15,032	Alternate Benefit Program - Employer Contributions (a)	48	15,722	15,626	15,626
2,198	---	---	2,198	2,198	Alternate Benefit Program - Non-contributory Insurance (a)	48	2,589	3,086	3,086
---	---	---	---	---	Teachers' Pension and Annuity Fund - Non-contributory Insurance (b)	48	14	18	18
---	---	---	---	---	Employer Contributions - Teachers' Pension and Annuity Fund (b)	48	23	418	418
1,195	---	---	1,195	1,102	Teachers' Pension and Annuity Fund - Post Retirement Medical	48	1,117	1,155	1,155
10,560	---	-783	9,777	9,777	Post Retirement Medical Other Than TPAF	48	12,461	13,516	13,516
450	---	---	450	312	Employer Contributions -- FICA for County College Members of Teachers' Pension and Annuity Fund	48	450	350	350
78	---	---	78	78	Debt Service on Pension Obligation Bonds P.L. 1997, c.114 (C.34:1B-7.50 et seq.)	48	85	93	93
					<i>Less:</i>				
					Income Deductions				
						<u>(14,000)</u>	<u>(8,000)</u>	<u>(8,000)</u>	
					Grand Total State Appropriation				
						318,917	360,236	307,314	

Notes -- State Aid - General Fund

(a) The fiscal 2005 data and the fiscal 2006 appropriation have been adjusted to report the non-contributory insurance component.

(b) The fiscal 2006 appropriation has been adjusted to report the non-contributory insurance component.

Language Recommendations -- Grants-In-Aid - General Fund

For the purpose of implementing the "Independent College and University Assistance Act," P.L.1979, c.132 (C.18A:72B-15 et seq.), the number of full-time equivalent students (FTE) at the eight State Colleges is 57,445 for fiscal 2006.

Receipts in excess of the amount hereinabove for Clinical Legal Programs for the Poor-Seton Hall University (P.L.1996, c.52) are appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

The sums provided hereinabove for Research Under Contract with the Institute of Medical Research, Camden (Coriell Institute) shall be expended on support for research activities, and the Institute shall submit an annual audited financial statement to the Department of the Treasury which shall include a schedule showing the use of these funds.

In addition to the amounts hereinabove appropriated for the Higher Education Capital Improvement Program-Debt Service account, the unexpended balances at the end of the preceding fiscal year are appropriated for the same purpose.

The amount hereinabove appropriated for the New Jersey Stem Cell Research Institute shall be expended subject to the approval of the State Treasurer in consultation with the New Jersey Commission on Science and Technology.

The unexpended balance at the end of the preceding fiscal year in the New Jersey Stem Cell Research Institute account is appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- State Aid - General Fund

In addition to the amount hereinabove for operational costs, there is appropriated \$8,000,000 from the Supplemental Workforce Fund for Basic Skills for the same purpose.

Such additional sums as may be required for Alternate Benefit Program - Employer Contributions, Alternate Benefit Program - Non-contributory Insurance, Teachers' Pension and Annuity Fund - Non-contributory Insurance, Employer Contributions - Teachers' Pension and Annuity Fund, Teachers' Pension and Annuity Fund - Post Retirement Medical, and Post Retirement Medical Other Than TPAF are appropriated, as the Director of the Division of Budget and Accounting shall determine.

In addition to the sum hereinabove appropriated for Debt Service on Pension Obligation Bonds P.L. 1997, c.114 (C.34:1B-7.50 et seq.) to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L. 1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

Notwithstanding the provisions of any other law to the contrary, from the sums hereinabove appropriated for county college Operational Costs, there are allocated such sums as are required to provide the reimbursement to cover tuition costs of the National Guard members pursuant to subsection b. of section 1 of P.L.2001, c.427 (C.18A:62-24).

Language Recommendations -- State Aid - Property Tax Relief Fund

Such sums as may be necessary for the payment of interest or principal or both, due from the issuance of any bonds authorized under the provisions of section 1 of P.L.1971, c.12 (C.18A:64A-22.1) are appropriated.

HIGHER EDUCATIONAL SERVICES

Of the amount hereinabove appropriated for Higher Educational Services, such sums as the Director of the Division of Budget and Accounting shall determine from the schedule included in the Fiscal 2007 Governor's Budget Message first shall be charged to the State Lottery Fund.

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

51. ECONOMIC PLANNING AND DEVELOPMENT

OBJECTIVES

1. To promote the expansion and growth of commerce and industry in order to create employment and economic growth in New Jersey.
2. To collect, analyze, and disseminate economic data for the purpose of generating a coordinated projection of economic conditions for State government.

Growth Commission include the Motion Picture and Television Development Commission and the Economic Development Authority (EDA).

The Motion Picture and Television Development Commission facilitates the cooperation of all governmental agencies and private sector groups for applications, locations, production, and auxiliary facilities in the production of motion picture and television projects.

PROGRAM CLASSIFICATIONS

38. **Economic Development.** Economic development entities that operate outside the New Jersey Commerce and Economic

EDA arranges long-term, low-interest financing for businesses, not-for-profit organizations, and government agencies for buildings, equipment, working capital, and other investments that could create and retain jobs in New Jersey.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Economic Development				
Motion Picture and Television Development				
Total film/television productions	850	820	860	880
Direct spending by companies (millions)	\$81	\$78	\$83	\$88
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	5	5	5	5
Total Positions	5	5	5	5
Filled Positions by Program Class				
Motion Picture	5	5	5	5
Total Positions	5	5	5	5

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

TREASURY

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
452	---	26	478	476	Economic Development	38	517	517
<u>452</u>	<u>---</u>	<u>26</u>	<u>478</u>	<u>476</u>	Total Direct State Services		<u>517</u> (a)	<u>517</u>
Distribution by Fund and Object								
Personal Services:								
377	---	29	406	406	Salaries and Wages		434	434
<u>377</u>	<u>---</u>	<u>29</u>	<u>406</u>	<u>406</u>	Total Personal Services		<u>434</u>	<u>434</u>
15	---	-3	12	11	Materials and Supplies		15	15
35	---	1	36	35	Services Other Than Personal		43	43
15	---	-7	8	8	Maintenance and Fixed Charges		15	15
10	---	6	16	16	Additions, Improvements and Equipment		10	10
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
1,500	---	3,260	4,760	3,260	Economic Development	38	---	152,000
<u>1,500</u>	<u>---</u>	<u>3,260</u>	<u>4,760</u>	<u>3,260</u>	Total Grants-In-Aid		<u>---</u>	<u>152,000</u>
Distribution by Fund and Object								
Grants:								
600	---	---	600	---	Hispanic Business Owners Outreach Program	38	---	---
900	---	---	900	---	Stem Cell Research Grant - Economic Development Authority (EDA)	38	---	---
---	---	3,260	3,260	3,260	Brownfields Site Reimbursement Fund	38	---	---
---	---	---	---	---	Business Employment Incentive Program, EDA (b)	38	---	152,000
<u>1,952</u>	<u>---</u>	<u>3,286</u>	<u>5,238</u>	<u>3,736</u>	Grand Total State Appropriation		<u>517</u>	<u>152,517</u>

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Notes -- Grants-In-Aid - General Fund

(b) Funding is provided for direct Business Employment Incentive Program (BEIP) grant payments. Funding for debt service on BEIP bonds is included in the Aid to Independent Authorities program classification in the Interdepartmental budget.

Language Recommendations -- Grants-In-Aid - General Fund

Funds made available for the remediation of the discharges of hazardous substances pursuant to the amendments effective December 4, 2003, to Article VIII, Section II, paragraph 6 of the State Constitution, shall be allocated to the Brownfields Site Reimbursement Fund, established pursuant to P.L.1997, c.278, in an amount to be determined by the Director of the Division of Taxation, and subject to the approval of the Director of the Division of Budget and Accounting. If such sums for the remediation of discharges of hazardous substances are insufficient, there are appropriated such sums as necessary for the Brownfields Site Reimbursement Fund, subject to the approval of the Director of the Division of Budget and Accounting.

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

51. ECONOMIC PLANNING AND DEVELOPMENT

2041. NEW JERSEY COMMERCE, ECONOMIC GROWTH AND TOURISM COMMISSION

OBJECTIVES

1. To function as a single voice for the economic development activities of the State by coordinating the economic development efforts of all State agencies and authorities.
2. To obtain private sector input regarding economic development initiatives through its membership on the Commission's Board.
3. To promote sustainable economic growth and create quality jobs by retaining and expanding existing jobs and attracting new jobs to the State.
4. To build a foundation for New Jersey's economic leadership in the 21st century.
5. To implement a market-driven economic development service delivery system, including the introduction of innovative programs and flexible services.
6. To highlight the importance of the tourism industry in New Jersey, improve qualitative and quantitative services to the

industry and the public, improve efficiency, and meet the challenges of a competitive economy.

PROGRAM CLASSIFICATIONS

38. **New Jersey Commerce, Economic Growth and Tourism Commission.** Pursuant to Executive Reorganization Plan No. 005-2004, the New Jersey Commerce and Economic Growth Commission has been re-named the New Jersey Commerce, Economic Growth and Tourism Commission, effective December 17, 2004. The Commission, which is in-but-not-of the Department of the Treasury, promotes business advocacy, international trade, economic development, sustainable businesses, travel and tourism, the Urban Enterprise Zone program, and the development of small, women, and minority-owned businesses. The Commission also coordinates the State's economic development activities among the Commission on Science and Technology, the Urban Enterprise Zone Authority, the New Jersey Development Authority for Small Businesses, Minorities' and Women's Enterprises, and the Motion Picture and Television Development Commission.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Travel and Tourism				
Revenue generated by tourism (billions)	\$30.0	\$32.4	\$33.0	\$33.0
Tax revenue generated by tourism (billions)	\$2.9	\$3.7	\$3.7	\$3.7
Overnight visitors (millions)	68.1	71.7	73.0	73.0
International Trade				
Total value of New Jersey exports (billions)	\$18.1	\$20.3	\$21.7	\$22.8
Jobs generated through exporting	216,896	243,600	260,652	273,685
Development for Small Businesses and Women and Minority Businesses				
Set-aside contracts awarded (millions)	\$157.8 (a)	\$400.0	\$416.0	\$432.0
Jobs created and retained	2,320 (a)	5,882	6,117	6,352
Tax revenue generated by Set-aside Program (millions)	\$9.0 (a)	\$22.8	\$23.7	\$24.6
Economic Development				
Urban Enterprise Zone Program				
Participating businesses	22,399	24,115	24,500	25,000
Total number of jobs created (annually)	22,170	16,422	16,500	17,000
Private investment generated (annual value in billions)	\$1.3	\$2.1	\$2.0	\$2.0
Zone Assistance Fund projects (annual value in millions)	\$56.5	\$50.0	\$50.0	\$50.0
Business Retention, Expansion, and Attraction				
Number of new jobs in new businesses	1,731	6,890	7,000	7,500
Number of new jobs in existing businesses	1,057	6,746	7,000	7,500
Number of jobs retained	1,614	18,788	7,000	7,500
OPERATING DATA				
Economic Development				
Program Expenditures - Commerce Commission (thousands)				
Business Retention, Expansion, and Attraction	\$2,549	\$1,547	\$1,787	\$1,787
Export Promotion	\$1,114	\$727	\$1,030	\$1,030
Travel and Tourism	\$11,232	\$13,696	\$14,400	\$14,400
Small Businesses and Women and Minority Businesses	\$1,140	\$897	\$1,146	\$1,146
Other Key Industries and Initiatives	\$1,157	\$532	\$1,386	\$1,386
Special Purpose Appropriations (thousands)				
Advertising and Promotion	\$9,382	\$12,242	\$12,760	\$12,760
Travel & Tourism Cooperative Marketing	\$1,850 (b)	\$1,769	\$1,850	\$1,850
NJ Israel Commission	\$124	\$121	\$130	\$130

TREASURY

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	16	10	10	10
Male Minority %	15%	8%	8%	8%
Female Minority	29	29	28	28
Female Minority %	26%	23%	23%	23%
Total Minority	45	39	38	38
Total Minority %	41%	31%	31%	31%
Position Data				
State Supported	95	107	104	104
All Other	15	17	17	17
Total Positions	110	124	121	121
Filled Positions by Program Class				
Export Promotion	8	9	9	9
Travel and Tourism	24	32	32	32
Development for Small Businesses and Women and Minority Businesses	11	16	15	15
Business Retention, Expansion and Attraction	21	24	24	24
Other Key Industries and Initiatives	46	43	41	41
Total Positions	110	124	121	121

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December, and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

(a) Full year data not retrievable due to system conversion.

(b) Funding of \$1,850,000 provided by off-budget Economic Recovery Fund balances.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
GRANTS-IN-AID								
Distribution by Fund and Program								
20,351	---	---	20,351	17,399	Economic Development	38	19,749	19,749
<u>20,351</u>	<u>---</u>	<u>---</u>	<u>20,351</u>	<u>17,399</u>	Total Grants-In-Aid		<u>19,749</u>	<u>19,749</u>
Distribution by Fund and Object								
Grants:								
19,829	---	---	19,829	17,399	New Jersey Commerce, Economic Growth and Tourism Commission	38	19,749	19,749
<u>522</u>	<u>---</u>	<u>---</u>	<u>522</u>	<u>---</u>	Prosperity New Jersey, Incorporated	38	<u>---</u>	<u>---</u>
<u>20,351</u>	<u>---</u>	<u>---</u>	<u>20,351</u>	<u>17,399</u>	Grand Total State Appropriation		<u>19,749</u>	<u>19,749</u>
OTHER RELATED APPROPRIATIONS								
All Other Funds								
---	1,976 ^R	---	1,976	1,976	Economic Development	38	2,815	3,135
<u>---</u>	<u>1,976</u>	<u>---</u>	<u>1,976</u>	<u>1,976</u>	Total All Other Funds		<u>2,815</u>	<u>3,135</u>
<u>20,351</u>	<u>1,976</u>	<u>---</u>	<u>22,327</u>	<u>19,375</u>	GRAND TOTAL ALL FUNDS		<u>22,564</u>	<u>22,884</u>

Language Recommendations -- Grants-In-Aid - General Fund

Of the sum hereinabove appropriated for the New Jersey Commerce, Economic Growth and Tourism Commission, not less than \$12,760,000 shall be used for Advertising and Promotion, from which \$15,000 shall be allocated to each of the six regional tourism councils for regional tourism promotion; \$2,853,000 shall be used for Business Retention, Expansion and Attraction of which \$800,000 is for New Jersey Small Business Development Centers; \$130,000 shall be used for the New Jersey Israel Commission; and \$1,850,000 shall be used for the Travel and Tourism Cooperative Marketing Program; except that any amount for the Cooperative Marketing Program is available for expenditure only to the extent that an amount equal to 25% of the State funds are expended from funds raised by the Commerce Commission, pursuant to subsection j. of section 9 of P.L. 1977, c.225 (C.34:1A-53), through contributions from private tourism industry concerns and non-State public entities as determined by the Director of the Division of Budget and Accounting. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

Pursuant to the provisions of P.L. 2003, c.114 (C. 54:32-1 et seq.) the appropriations hereinabove for purposes of promoting tourism activities in this state are first charged to revenues derived from the hotel and motel occupancy fee.

There is appropriated from the Enterprise Zone Assistance Fund such sums as are necessary for administrative services provided by the New Jersey Commerce, Economic Growth and Tourism Commission in accordance with the provisions of section 11 of P.L.1993, c.367 (C.52:27H-65.1), subject to the approval of the Director of the Division of Budget and Accounting.

The Chief Executive Officer and Secretary of the Commission shall report semi-annually on the expenditure of State funds and private contributions during the preceding six months for the Advertising and Promotion Program and the Travel and Tourism, Advertising and Promotion - Cooperative Marketing Program. The first semi-annual report covering the first six months of fiscal year 2007 shall be completed not later than January 31, 2007, the second semi-annual report covering the second six months of fiscal year 2007 shall be completed not later than July 31, 2007, and both reports shall be submitted to the Treasurer, the Director of the Division of Budget and Accounting, and the Joint Budget Oversight Committee.

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

51. ECONOMIC PLANNING AND DEVELOPMENT

2042. NEW JERSEY COMMISSION ON SCIENCE AND TECHNOLOGY

OBJECTIVES

1. To promote further development of New Jersey's academic research capabilities in priority fields, and to identify and evaluate new fields of opportunity.
2. To enhance the transfer of technology from the academic research environment to implementation in business settings.
3. To encourage business development through Commission programs designed to provide assistance for science- and technology-oriented businesses, and to facilitate the establishment of new enterprises in science and technology fields.
4. To support the preparation of a workforce which is technology-literate, consistent with the mandate of the Commission.

PROGRAM CLASSIFICATIONS

39. **The New Jersey Commission on Science and Technology.** Enacted under Public Law 1985, Chapter 102, the Commission was established to encourage the development of scientific and technological programs, stimulate academic-industrial collaboration, and coordinate activities of technological centers and business facilities. The primary mission of the Commission is to accelerate economic development by applying science and technology applications to industry. The principal goals of the Commission are the creation of new jobs and the revitalization of industry by encouraging new enterprises, particularly those that are oriented toward the adoption of the most advanced scientific and technological techniques.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
New Jersey Commission on Science and Technology (CST)				
New Jersey Manufacturing Extension Program				
Firms Assisted	110	118	150	190
Jobs Created or Retained	1,200	1,100	1,300	1,500
CST Funding (in thousands)	\$1,000	\$1,200	\$1,200	\$1,200
Non-State Matching (in thousands)	\$3,200	\$2,617	\$4,100	\$4,200
Business Incubators (Technology Incubators)				
Companies Supported	170	160	360	360
Employment at Incubator Companies	666	900	900	1,000
CST Funding (in thousands)	---	\$1,000	\$2,000	\$3,500
Non-State Matching (in thousands)	\$3,825	\$4,250	\$4,300	\$4,500
Small Business Innovative Research Bridge Grant Program				
Companies Assisted	---	6	14	14
CST Funding (in thousands)	---	\$300	\$750	\$750
Non-State Matching (in thousands)	---	\$4,500	\$10,500	\$10,500
NJ Technology Fellowships				
Firms Assisted	---	8	30	30
CST Funding (in thousands)	---	\$500	\$1,800	\$1,800
Non-State Matching (in thousands)	---	---	---	---

TREASURY

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Research and Development (R&D)				
R&D Excellence Program (a)				
Institutions Assisted	19	12	---	---
CST Funding (in thousands)	\$4,600	\$2,300	---	---
Non-State Matching (in thousands)	\$15,625	\$9,425	---	---
Industry-University Collaboration				
University Intellectual Property Program				
Institutions Assisted	---	4	4	5
CST Funding (in thousands)	---	\$1,000	\$2,000	\$3,500
Non-State Matching (in thousands)	---	\$800	\$850	\$1,000
Stem Cell Research				
Institutions Assisted	---	---	17	17
CST Funding (in thousands)	---	---	\$5,000	\$5,000
Non-State Matching (in thousands)	---	---	---	---

PERSONNEL DATA

Position Data

Filled Positions by Funding Source

State Supported	5	5	6	7
Total Positions	5	5	6	7

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

(a) Program eliminated during fiscal 2006.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
---	2	493	495	443					
					New Jersey Commission on Science and Technology	39	581	581	581
---	2	493	495	443	Total Direct State Services		581 ^(a)	581	581
Distribution by Fund and Object									
---	---	328	328	325	Personal Services:				
					Salaries and Wages		384	476	476
---	---	328	328	325	Total Personal Services		384	476	476
---	---	52	52	48	Materials and Supplies		51	51	51
---	---	103	103	59	Services Other Than Personal		140	48	48
---	---	1	1	---	Maintenance and Fixed Charges		6	6	6
---	2	9	11	11	Additions, Improvements and Equipment		---	---	---
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
8,800	93	-493	8,400	3,627	New Jersey Commission on Science and Technology	39	14,650	11,950	11,950
8,800	93	-493	8,400	3,627	Total Grants-In-Aid		14,650	11,950	11,950
Distribution by Fund and Object									
8,600	93	-543	8,150	3,377	Grants:				
					Science and Technology Grants	39	14,050	11,350	11,350
200	---	50	250	250	Conference Cost Share	39	---	---	---
---	---	---	---	---	Manufacturing Extension Program	39	600	600	600
8,800	95	---	8,895	4,070	Grand Total State Appropriation		15,231	12,531	12,531

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Grants-In-Aid - General Fund

The unexpended balance at the end of the preceding fiscal year in the New Jersey Commission on Science and Technology Grants-In-Aid account is appropriated for the same purpose.

An amount not to exceed 5% of the Science and Technology Grants account is available for transfer to Direct State Services for the administrative expenses of this program, as determined by the Director of the Division of Budget and Accounting.

From the amount hereinabove appropriated for Science and Technology Grants, there is allocated \$600,000 for the Manufacturing Extension Program.

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

52. ECONOMIC REGULATION

OBJECTIVES

1. To ensure that safe, adequate, and proper utility services are provided at reasonable, non-discriminatory rates to all members of the public who desire such services.
2. To provide a comprehensive energy supply and demand strategy that allows for responsible and necessary economic growth and development without compromising the environment and quality of life in New Jersey.
3. To ensure that New Jersey has adequate and economical natural gas supplies to meet its home heating requirements, industrial load, and an ever growing alternative power production industry.
4. To assist in the development of a state-of-the-art telecommunications network that permits the timely introduction and marketing of new and advanced technology. In addition, to seek to ensure the full utilization of such network by all segments of our society, regardless of income status or physical disabilities.
5. To ensure that New Jersey residents have economical and environmentally safe water supplies that are provided through strict compliance with the State's Safe Drinking Water Act by all private and public water purveyors under the Board's jurisdiction.
6. To provide adequate, economical, and efficient cable television service, with a degree of uniform operation, and the protection of the municipality in the franchise process. In addition, the Board will seek to ensure the responsiveness of cable operators to subscribers' complaints and needs, and the availability of competitively priced alternative television program packaging.
7. To administer statewide energy assistance programs.
8. To increase energy conservation and reduce the utility costs of low-income households through the weatherization of single and multi-family dwellings.

PROGRAM CLASSIFICATIONS

54. **Utility Regulation.** The Board of Public Utilities controls, through its rate approval process, the charges paid by the public for gas, electric, water, sewer, and telephone services. A uniform system of accounts and quarterly and annual financial statements and reports are required for disclosure and to permit intelligent public participation in the process. Filings for both rate and fuel adjustment charge changes are approved only to generate sufficient revenues to cover allowable expenses and an equitable return on investment.
The Board assures the safety, adequacy, and availability of utility services by conducting hearings that result in the

promulgation of rules, regulations, and orders, and their enforcement through inspections and investigations. Regular tests are conducted by engineering personnel to minimize the possibility of disruptions or discontinuance of essential services. The Division of Reliability and Security was created to ensure the safety and reliability of services as a result of the increase in concerns about terrorism.

55. **Regulation of Cable Television.** Assists local jurisdictions in preparing legislation, franchise, and consent agreements; regulates operating and competitive practices to assure reasonable uniformity, reliability, economy, and quality of cable television services; cooperates with other states and the federal government in promoting and coordinating beneficial uses of cable television through balanced programming, including local and educational services.
56. **Energy Resource Management.** Develops and implements the State's energy policies and associated programs, including funding mechanisms to support efficiency and renewable energy projects, energy education and outreach, energy data collection and analysis, and evaluation of energy use and supply.
88. **Energy Assistance Programs.** The Lifeline Credit Program provides combined gas and electric utility credits of up to \$225 a year to New Jersey residents who are eligible for Pharmaceutical Assistance to the Aged and Disabled, Supplemental Security Income, Medicaid only, or Lifeline only. The Tenants' Assistance Rebate Program provides a cash payment of up to \$225 a year to tenants who would be eligible for the Lifeline Credit Program except for the fact that they do not pay their own utility bills. Persons receiving Supplemental Security Income (SSI) who are eligible for this program receive monthly utility supplements totaling \$225 a year included in their SSI checks.
97. **Regulatory Support Services.** Provides economic analysis of conditions affecting regulated utilities to the Board of Public Utilities and its technical divisions, and conducts audits of regulated utilities.
99. **Administration and Support Services.** The Division of Administration and Support Services exercises general policy and administrative control over the operations of the divisions and offices of the Board of Public Utilities. Organizationally, the Administration Division consists of five units which provide services to the staff of the Board of Public Utilities. The primary responsibilities of the Division are to provide human resource management, including personnel requirements, employee relations support, broad based facility support, administration of the Equal Opportunity and Affirmative Action program, training, dissemination of public information concerning Board activities, and nursing services.

TREASURY

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Utility Regulation				
Utilities Regulated				
Electric	5	5	5	5
Gas	4	4	4	4
Telephone and telegraph	104	130	138	160
Water and sewer	67	69	68	59
Municipal water companies	10	10	9	9
Cable TV (Basic Service)	40	36	36	37
Cases Pending June 30				
Cable TV	135	131	146	140
Electric	287	218	237	250
Gas	228	192	192	200
Telephone	937	597	238	200
Water and sewer	113	104	104	100
Audits, rates, tariff revisions, generic rulemaking, other	57	38	8	25
Customer Relations				
Consumer complaints (phone calls)	18,837	16,909	21,780	24,200
Consumer complaints (walk-ins)	367	300	400	442
Consumer information requests	15,801	20,077	22,651	23,761
Consumer complaints (letters)	3,281	2,552	2,751	3,050
Total calls received as of 12/03/05	102,687	127,827	141,000	152,000
Service Evaluation				
One-call cases for review	4,500	4,500	4,500	4,000
One-call cases handled	400	450	450	500
Meter tests conducted	225	300	300	350
Gas pipeline inspections	420	400	400	410
Regulation of Cable Television				
Cable television systems	41	40	40	41
Number of municipalities w/certification for operation	562	562	562	562
Cable television subscribers (thousands)	2,592	2,542	2,542	2,530
Electric Power Suppliers and Gas Suppliers				
Electric suppliers - applications	3	3	14	21
Electric suppliers - renewal applications	16	13	12	18
Electric suppliers - final licenses	3	3	10	19
Electric suppliers - renewal licenses	16	15	12	18
Gas suppliers - applications	3	3	9	12
Gas suppliers - renewal licenses	28	18	15	20
Gas suppliers - final licenses	3	3	5	6
Gas suppliers - renewal applications	28	22	12	20
Energy Agent and Private Aggregator Registration				
Energy agents - applications	6	2	---	2
Energy agents - renewal applications	6	5	8	10
Energy agents - final registration	1	2	---	2
Private aggregators - applications	5	3	8	9
Private aggregators - final registration	5	3	8	9
Energy Assistance Programs				
Lifeline Credit Program - Population Data				
Pharmaceutical Assistance to the Aged and Disabled	114,306	112,573	113,000	113,300
Supplemental Security Income	30,952	31,472	30,500	30,650
Medicaid Only	10,904	11,801	12,000	12,100
Lifeline Only	2,750	2,486	2,600	2,650
Total recipients	158,912	158,332	158,100	158,700
Tenants' Assistance Rebate Program - Population Data				
Pharmaceutical Assistance to the Aged and Disabled	32,829	30,887	30,500	30,000
Supplemental Security Income	116,440	118,394	119,000	119,150
Medicaid Only	7,322	7,902	7,900	8,200
Lifeline Only	518	462	450	600
Total recipients	157,109	157,645	157,850	157,950

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
Federal	17	7	9	16
All Other	278	295	295	303
Total Positions	295	302	304	319
Filled Positions by Program Class				
Utility Regulation	95	105	104	106
Regulation of Cable Television	28	27	25	28
Energy Resource Management	20	14	16	24
Regulatory Support Services	60	60	59	60
Administration and Support Services	92	96	100	101
Total Positions	295	302	304	319

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

The Energy Assistance Programs are administered by the Department of Health and Senior Services. Funding for these programs is provided through the Board of Public Utilities Universal Service Fund.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
7,529	1,332	-538	8,323	7,059	Utility Regulation	54	8,027	7,893	7,893
1,926	236	53	2,215	2,045	Regulation of Cable Television	55	2,024	2,024	2,024
1,591	---	---	1,591	1,591	Energy Assistance Programs	88	1,669	1,669	1,669
3,264	23	597	3,884	3,827	Regulatory Support Services	97	3,724	3,337	3,337
8,631	3,118	566	12,315	11,284	Administration and Support Services	99	11,432	10,951	10,951
22,941	4,709	678	28,328	25,806	Total Direct State Services		26,876^(a)	25,874	25,874
Distribution by Fund and Object									
Personal Services:									
21,047	1,539 33 ^R	1,777	24,396	22,843	Salaries and Wages		23,339	22,577	22,577
21,047	1,572	1,777	24,396	22,843	Total Personal Services		23,339	22,577	22,577
411	74	10	495	355	Materials and Supplies		515	515	515
839	380	1,044	2,263	1,760	Services Other Than Personal		914	914	914
403	55	149	607	498	Maintenance and Fixed Charges		403	403	403
Special Purpose:									
---	29 2,534 ^R	-2,563	---	---	Administration and Support Services	99	---	---	---
---	---	---	---	---	Energy Targets	99	240	---	---(b)
---	---	---	---	---	Energy Master Plan Development	99	436	436	436
---	---	---	---	---	Database Projects	99	502	502	502
241	65	261	567	350	Additions, Improvements and Equipment		527	527	527
GRANTS-IN-AID									
Distribution by Fund and Program									
70,840	---	---	70,840	65,788	Energy Assistance Programs	88	79,840	70,840	70,840
70,840	---	---	70,840	65,788	Total Grants-In-Aid		79,840	70,840	70,840

TREASURY

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Object									
Grants:									
34,669	---	---	34,669	32,760	88	34,669	34,669	34,669	
36,171	---	---	36,171	33,028	88	36,171	36,171	36,171	
---	---	---	---	---	88	7,000 ^S	---	---	
---	---	---	---	---	88	2,000 ^S	---	---	
CAPITAL CONSTRUCTION									
Distribution by Fund and Program									
---	1	---	1	---	99	---	---	---	
---	1	---	1	---	Total Capital Construction				
Distribution by Fund and Object Management and Administration									
---	1	---	1	---	99	---	---	---	
93,781	4,710	678	99,169	91,594	Grand Total State Appropriation				
						106,716	96,714	96,714	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
600	498	400	1,498	501	54	600	600	600	
3,587					56	4,019	4,019	4,019	
171 ^S	26	---	3,784	935	Total Federal Funds				
4,358	524	400	5,282	1,436	All Other Funds				
---	618	---	618	487	56	820	820	820	
---	---	---	---	---	99	350	380	380	
---	618	---	618	487	Total All Other Funds				
98,139	5,852	1,078	105,069	93,517	GRAND TOTAL ALL FUNDS				
						112,505	102,533	102,533	

Notes -- Direct State Services - General Fund

- (a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.
- (b) Funding for Energy Targets is provided in the base appropriation for Salaries and Wages in Administration and Support Services beginning in fiscal 2007.

The Department of the Public Advocate was created in fiscal 2006 pursuant to P.L. 2005, c.155. For comparison purposes, appropriations in fiscal years 2005 and 2006 for salary and other operating costs were transferred from the following departments: Corrections Ombudsperson in the Department of Corrections; Office of the Ombudsman in the Department of Health and Senior Services; Child Advocate Agency in-but-not-of the Department of Law and Public Safety; and the Ratepayer Advocacy, Dispute Settlement and Mental Health Screening Services in the Department of Treasury.

Language Recommendations -- Direct State Services - General Fund

In addition to the sum hereinabove, such other sums as the Director of the Division of Budget and Accounting shall determine are appropriated on behalf of the Board of Public Utilities under P.L.1968, c.173 (C. 48:2-59 et seq.) and P.L.1972, c. 186 (C. 48:5A-32 et seq.), or other applicable statutes with respect to assessment of public utilities or the cable television industry.

In addition to the amount hereinabove for administration of the Board of Public Utilities, there are appropriated such sums as may be required for operation of the Board and assessed to the public utilities or the cable television industry, subject to the approval of the Director of Budget and Accounting.

Receipts derived from fees are appropriated.

Fees received from the "Electric Facility Need Assessment Act," P.L. 1983, c.115 (C. 48:7-16 et seq.), are appropriated.

The unexpended balances at the end of the preceding fiscal year are appropriated.

There are appropriated from interest earned by the Petroleum Overcharge Reimbursement Fund such sums as may be required for costs attributable to the administration of the fund, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law, the balances from the Petroleum Overcharge Reimbursement Fund and the Secondary Stage Refunds, and the monies required to be deposited in that fund from projects which have been completed or are no longer viable, are reappropriated for new projects consistent with the court rulings which served as the basis for the original awards, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts appropriated hereinabove, not to exceed \$1,669,000, for the Energy Assistance Program account may be transferred to the Department of Health and Senior Services, Lifeline account to fund the costs associated with administering the Lifeline Credits and Tenants' Assistance Rebates Program and shall be applied in accordance with a Memorandum of Understanding between the President of the Board of Public Utilities and the Commissioner of the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, the investment earnings derived from the funds deposited in the Clean Energy Fund and Retail Margin Fund shall accrue to the funds and are available to pay the costs of the various programs of the New Jersey Board of Public Utilities Clean Energy Program and Retail Margin Program.

Notwithstanding the provisions of paragraph (3) of subsection a. of section 12 of the "Electric Discount and Energy Competition Act," P.L.1999, c.23 (C.48:3-60) and any other laws to the contrary, receipts from the New Jersey Clean Energy Trust Fund are appropriated for the actual administrative salary and operating costs, not to exceed \$820,000, for the Office of Clean Energy as requested by the President of the Board of Public Utilities and approved by the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

Notwithstanding the provisions of P.L.1979, c.197 (C.48:2-29.15 et seq.), the provisions of P.L. 1981, c.210 (C.48:2-29.30 et seq.) or any other law to the contrary, the benefits of the Lifeline Credits Program and the Tenants' Assistance Rebates Program may be distributed throughout the entire year from July through June, and are not limited to an October to March heating season; therefore, applications for Lifeline benefits and benefits from the Pharmaceutical Assistance to the Aged and Disabled program may be combined.

The amounts hereinabove appropriated for Payments for the Lifeline Credits Program and Tenants' Assistance Rebates Program are available for the payment of obligations applicable to prior fiscal years.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of Lifeline claims, amounts may be transferred from the various items of appropriation within the Energy Assistance Programs classification, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount hereinabove, such sums as may be required for the payment of claims, credits, and rebates, are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Any supplemental appropriation for the Payments for Lifeline Credits and the Tenants' Assistance Rebates Program may be recovered from the Universal Service Fund through transfer to the General Fund as State revenue, subject to the approval of the Director of the Division of Budget and Accounting.

All funds recovered under P.L. 1968, c.413 (C.30:4D-1 et seq.) and P.L. 1975, c.194 (C.30:4D-20 et seq.), during the preceding fiscal year, are appropriated for payments to providers in the same program class from which the recovery originated.

The amounts hereinabove appropriated, not to exceed \$70,840,000, for Payments for the Lifeline Credits and the Tenants' Assistance Rebates Program are available to the Department of Health and Senior Services to fund the payments associated with the Lifeline Credits and Tenants' Assistance programs and shall be applied in accordance with a Memorandum of Understanding between the President of the Board of Public Utilities and the Commissioner of the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

72. GOVERNMENTAL REVIEW AND OVERSIGHT

OBJECTIVES

1. To assist the Governor's Employee Relations Policy Council in all matters regarding relations between the State and its employees.
2. To plan for, formulate, and monitor the annual State budget.
3. To assure financial responsibility and accountability and provide current, relevant financial information for management and the public.

PROGRAM CLASSIFICATIONS

03. **Employee Relations and Collective Negotiations.** Pursuant to Executive Orders No. 4, 1970 and No. 33, 1995, staff assistance is provided to the Governor and decisions are implemented concerning employee relations. Through the Governor's Employee Relations Policy Council, assistance in the development of overall policy and execution of policies is provided. Negotiations with unions and other representatives of State employees are conducted. Agencies are assisted and advised concerning employee relations activities.

07. **Office of Management and Budget.** Pursuant to NJSA 52:27B-12.33, the Office of Management and Budget coordinates the annual agency-based planning process, identifies and projects trends affecting the demand for services, analyzes the allocation of available financial and human resources, and evaluates strategic and long-term issues.

In addition, the Office of Management and Budget plans for the most beneficial use of fiscal resources to meet the needs of the citizens of New Jersey within the policy framework set by the Governor, including analysis of State fiscal requirements. Based on these studies, the Office of Management and Budget evaluates budget requests from State departments and formulates the annual budget submitted by the Governor to the Legislature.

On an ongoing basis, the Office of Management and Budget reviews State agency responses to proposed legislation to ensure that fiscal policy concerns are taken into account.

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
OTHER RELATED APPROPRIATIONS								
All Other Funds								
---	61,486							
---	16,553 ^R	-25,656	52,383	---	07	8,950	8,980	8,980
---	78,039	-25,656	52,383	---		8,950	8,980	8,980
20,082	102,883	-41,933	81,032	26,793		29,009	28,245	28,245
					GRAND TOTAL ALL FUNDS			

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program, which includes \$128,000 for the Office of Information Technology, and the reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

Such sums as may be necessary for administrative expenses incurred in processing federal benefit payments are appropriated from such sums as may be received or receivable for this purpose.

In addition to the amounts hereinabove, there are appropriated such additional sums as may be necessary for an independent audit of the State's general fixed asset account group, management, performance, and operational audits, and the single audit.

There are appropriated, out of receipts derived from the investment of State funds, such sums as may be necessary for interest costs, bank service charges, custodial costs, mortgage servicing fees, and advertising bank balances under section 1 of P.L.1956, c.174 (C.52:18-16.1).

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

72. GOVERNMENTAL REVIEW AND OVERSIGHT

2068. OFFICE OF THE INSPECTOR GENERAL

OBJECTIVES

- To establish a full-time program of audit, investigation, and performance review designed to provide increased accountability, integrity, and oversight of all recipients of State funds, including, but not limited to all State departments and agencies, independent authorities, county and municipal governments, and boards of education.

within the programs and operations of any governmental agency funded by or disbursing State funds.

The Inspector General is granted all necessary powers to conduct audits, evaluations, inspections, and other reviews in accordance with professional standards relating to such investigations and audits in government environments.

The Inspector General shall report the findings of such audits or investigations performed by the Office and shall issue recommendations for corrective or remedial action to the Governor and to the entity at issue. The Inspector General shall further monitor the implementation of those recommendations. The Inspector General may also refer matters for further civil, criminal, and administrative action to the appropriate authorities.

PROGRAM CLASSIFICATIONS

- Office of the Inspector General.** Pursuant to P.L. 2005, c.243, the Inspector General is authorized to investigate the performance of governmental officers, employees, appointees, functions, and programs in order to promote efficiency, to identify cost savings, and to detect and prevent misconduct

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	---	---	17	18
Total Positions	---	---	17	18
Filled Positions by Program Class				
Office of the Inspector General	---	---	17	18
Total Positions	---	---	17	18

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

TREASURY

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
---	---	1,122	1,122	234	Office of the Inspector General	14	2,570	2,302	2,302
---	---	<u>1,122</u>	<u>1,122</u>	<u>234</u>	Total Direct State Services		<u>2,570</u> (a)	<u>2,302</u>	<u>2,302</u>
Distribution by Fund and Object									
Personal Services:									
---	---	487	487	166	Salaries and Wages		1,490	1,561	1,561
---	---	487	487	166	Total Personal Services		<u>1,490</u>	<u>1,561</u>	<u>1,561</u>
---	---	75	75	4	Materials and Supplies		100	100	100
---	---	405	405	15	Services Other Than Personal		750	482	482
---	---	80	80	2	Maintenance and Fixed Charges		155	134	134
---	---	<u>75</u>	<u>75</u>	<u>47</u>	Additions, Improvements and Equipment		<u>75</u>	<u>25</u>	<u>25</u>
---	---	<u>1,122</u>	<u>1,122</u>	<u>234</u>	Grand Total State Appropriation		<u>2,570</u>	<u>2,302</u>	<u>2,302</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

In addition to the amounts hereinabove appropriated, such sums as may be necessary are appropriated to fund the operations of the Office of the Inspector General, subject to the approval of the Director of the Division of Budget and Accounting.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL 73. FINANCIAL ADMINISTRATION

OBJECTIVES

- To administer the tax laws of the State so that all properly due taxes are collected.
- To manage unclaimed property in the State as effectively as possible.
- To enhance revenue collection through integrated receipts processing and aggressive management of public accounts receivable.
- To maximize revenues from the State lottery and minimize illegal organized gambling.
- To invest and reinvest funds of the various State agencies and pension funds as effectively as possible.
- To ensure that legalized gambling in New Jersey maintains the highest standard of integrity and serves as an effective method for rebuilding and developing existing facilities in Atlantic City in order to provide a meaningful and permanent contribution to the resort, convention, and tourism industry of New Jersey.
- To provide for the recording, filing, processing, and control of documents required or permitted to be filed under various statutes.

PROGRAM CLASSIFICATIONS

- Taxation Services and Administration.** Pursuant to NJSA 54:1-2, services include general administration, payment, and accounting records, issuance of licenses and administration of local property and public utility functions. Specific functions

performed include auditing tax returns and taxpaying entities; performing office and field audits; preparing tax refunds, certificates of tax lien search and certificates of tax lien release; holding taxpayer hearings and conferences; providing revenue analysis, research, and statistics for tax administration. Provides services involving bankruptcies, judgments, bulk sales, liens, levies, seizures, proclamations, and reinstatements; investigates tax-related matters having criminal and/or civil potential; renders taxpayer service to the public.

- Administration of State Lottery.** Pursuant to NJSA 5:9-1, daily and weekly lotteries are conducted. Lottery programs are continually reviewed so that State revenues are maximized.
- Administration of State Revenues.** Pursuant to Executive Reorganization Plan 001-97, the Division oversees and coordinates collection and processing of revenues arising from State taxation, motor vehicle licensing and regulation, and environmental protection laws and regulations. Centrally manages the collection and processing of revenues related to Unemployment Insurance, Temporary Disability, Worker's Compensation, and Special Compensation and other employer filings. Centrally manages the collection and processing of delinquencies owed to the State by motorists, taxpayers, professional license holders and violators of State statute and regulation. Continues streamlining business reporting requirements by creating a central collection point for all tax collections, including corporate business taxes.

19. **Management of State Investments.** Pursuant to NJSA 52:18A-79, activities involve investment and reinvestment of State funds, including the various State pension funds, the State Disability Benefits Fund, the General Investment Fund, and the State of New Jersey Cash Management Fund, together with the control of principal proceeds and interest receipts. Detailed reports of operations are published monthly and an annual report is presented to the Governor and Legislature. Investment functions are provided to other State agencies involving investment accounts.
25. **Administration of Casino Gambling.** Pursuant to NJSA 5:12-1, the Casino Control Commission is responsible for the regulation of legalized casino gambling in New Jersey including the licensure of facilities, employees, and ancillary industries. In addition, the Commission is responsible for the collection of all license fees and taxes imposed by the Casino

Control Act. It promulgates regulations and carries on a continuous study of methods to control the casino gaming and casino service industries, prevents the material involvement of undesirable persons in casino gaming, conducts hearings pertaining to civil violations of the Act or its regulations, and levies and collects all penalties appropriate thereto.

50. **Business Services Bureau.** Pursuant to NJSA 52:16A-36 and formerly known as Commercial Recording, the Bureau provides essential services to the public and legal communities. These include filing and processing information permitted and/or required by Title 14A, Corporations General; Title 15A, Associations Not for Profit; and Title 16, Corporations and Associations Not for Profit; and the issuing of regulations, in addition to a number of similar functions. Through its Expedited Services, information is provided via telephone or the Internet.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Taxation Services and Administration				
Customer Services				
Telephone Inquiries	2,863,619	2,880,940	3,100,000	3,200,000
Gross Income Tax Filings by Telephone	153,284	156,845	170,000	175,000
Total Tax Returns Filed by Telephone	4.0%	4.3%	4.9%	5.0%
Homestead Rebate Filings By Telephone/Computer	1,570,685	1,857,817	2,000,000	2,000,000
Information and Publications				
Correspondence	117,000	140,000	168,000	168,000
Regulatory Services				
Telephone Inquiries	15,570	14,679	15,120	15,200
Correspondence	9,121	9,210	8,100	8,100
Taxpayer Accounting				
Telephone Inquiries-Individual	18,362	18,801	15,000	18,000
Telephone Inquiries-Business	19,060	17,708	14,000	18,000
Correspondence-Individual	88,443	79,803	85,000	85,000
Correspondence-Business	35,697	28,376	24,000	30,000
Enforcement				
Audits				
Average Number of Auditors	435	430	450	460
Assessment Amount	\$471,562,542	\$488,940,717	\$502,000,000	\$510,000,000
Audits Completed	112,432	113,689	115,000	118,000
Average Assessment/Auditor	\$1,084,052	\$1,137,071	\$1,115,556	\$1,108,696
Compliance				
Number of Collectors	285	268	278	280
Collections	\$271,748,757	\$288,284,612	\$290,000,000	\$291,000,000
Number of Closed Cases	670,085	691,135	700,000	710,000
Average Collection Per Collector	\$953,504	\$1,075,689	\$1,043,165	\$1,039,286
Bankruptcy Claims	3,943	3,946	4,200	4,100
Judgments	22,590	25,965	27,000	27,000
Deferred Payment Plans	6,257	6,986	7,200	7,300
Third Party Collection of Deficient Taxes	\$66,994,102	\$93,922,230	\$100,922,230	\$100,000,000
Third Party Collection of Delinquent Taxes	\$36,561,588	\$36,755,126	\$41,755,126	\$42,000,000
Criminal Investigations				
Prosecution Recommendations	128	125	125	125
Assessment Amount	\$3,686,869	\$3,962,114	\$3,960,000	\$3,960,000
Billings Mailed				
Individual	232,702	228,427	300,000	250,000
Business	142,739	169,818	155,000	160,000
Refunds Reviewed				
Individual	62,633	44,384	40,000	50,000
Business	4,349	10,892	5,000	7,000

TREASURY

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Property Administration				
Real Estate Appraisals-Inheritance Tax	340	487	500	525
Informal Assessors' Appeals	1,100	945	1,140	1,200
Sales Ratio Study				
Sales Evaluated	272,000	295,968	320,000	325,000
Sales Investigated, Office	112,000	134,101	145,000	155,000
Sales Investigated, Field	35,000	39,400	41,000	41,250
Intestates/Escheated Estates	50	55	60	60
Unclaimed Property				
Reports Filed	8,300	8,100	8,500	8,500
Administration of State Lottery				
Agents	6,000	6,100	6,100	6,200
Drawings	2,040	2,028	2,028	2,028
Net Sales (millions)	\$2,186	\$2,274	\$2,321	\$2,321
Cents Spent to Generate One Sales Dollar	8.8	9.1	8.9	8.9
Cents Spent to Generate One Government Dollar	24.4	25.5	25.1	25.1
Government Revenue as a Percent of Sales	36.4	35.7	35.3	35.3
Administration of State Revenues				
Documents Processed				
Gross Income Tax-Imaged	3,084,512	3,140,987	3,100,000	3,000,000
Gross Income Tax-Manual	319,020	139,809	140,000	130,000
Gross Income Tax-Archival Imaged	606,900	158,700	150,000	140,000
Corporation Business Tax-Imaged	307,100	244,900	250,000	250,000
Corporation Business Tax-Manual	37,287	38,490	40,000	40,000
Employer Wage Reports (Form WR-30)-Imaged	365,250	274,400	275,000	250,000
Employer Wage Reports (Form WR-30)-Manual	184,552	150,084	100,000	80,000
Property Tax Reimbursement Forms-Imaged	146,050	170,000	170,000	170,000
Property Tax Reimbursement Forms-Manual	2,582	3,703	4,000	4,000
Homestead Rebates-Manual	35,162	67,499	68,000	68,000
All Taxes-Remittance Processed	4,646,259	4,513,771	4,500,000	4,500,000
Gross Income Tax Payments and Extensions-Manual	115,103	26,769	25,000	25,000
Taxes Other Than Gross Income Tax-Manual	942,042	656,497	650,000	650,000
Motor Vehicle Commission Licenses and Registrations	3,615,116	3,040,551	3,050,000	3,500,000
OMB Checks	923,137	278,879	300,000	300,000
Total Documents Processed	15,330,072	12,905,039	12,822,000	13,107,000
Alternate Filing				
Individual Electronic Filing	1,004,958	1,564,509	1,721,000	1,893,000
Combined Employer Return (Form 927)	381,432	467,086	584,000	642,000
Employer Reports of Wages Paid (Form WR-30)	576,835	505,948	556,500	612,000
Number of Payments via Electronic Fund Transfer	2,865,199	3,469,304	3,816,000	4,198,000
Client Registrations				
Registration File Updates	251,038	304,480	255,000	255,000
Telephone Inquiries	84,074	116,340	83,000	83,000
Licenses Issued (Cigarette and Motor Fuels)	17,548	16,023	18,000	18,000
Collection Activity				
Motor Vehicle Commission Surcharge Contract	\$137,293,830	\$126,609,824	\$127,000,000	\$127,000,000
Number of SOIL Setoffs	186,266	196,679	193,000	193,000
Revenue Accounting				
Checks Processed	8,179,752	7,353,719	7,300,000	7,300,000
Electronic Invoices	137,166	153,060	153,000	153,000
Bills Generated (Department of Environmental Protection)	164,641	197,771	170,000	200,000
Dishonored Checks	27,631	25,665	30,500	30,500
Cigarette Stamps Sold	371,258,000	325,273,750	326,000,000	326,000,000

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Business Support Services				
Corporations and Related Filings	143,276	117,705	150,000	150,000
Corporations Information Request	173,645	166,046	175,000	175,000
Annual Reports	357,584	426,347	260,000	260,000
Uniform Commercial Code Filings	107,741	99,376	100,000	100,000
Uniform Commercial Code Searches	72,624	71,816	71,000	71,000
Notary and Related Transactions	69,181	71,442	65,000	65,000
Trade Name/Trademark and Related Transactions	32,046	27,558	30,000	30,000
Telephone Inquiries	122,613	155,198	150,000	150,000
Management of State Investments				
Market Value of Investments as of June 30 (billions)	\$79.15	\$82.10	\$83.00	\$84.00
Cash Management Returns	1.11%	2.27%	3.00%	3.00%
Net Investment Earnings, Cash Basis (billions)	\$1.19	\$1.27	\$1.40	\$1.40
Funds Managed	180	184	185	185
Administration of Casino Gambling				
Number of Casinos in Operation	12	12	12	12
Number of Persons Employed by the Casino Industry	47,064	47,724	48,000	48,000
Casino Industry Gross Revenue (in billions)	\$4.71	\$4.86	\$4.98	\$5.00
New Casino Key Licenses Issued	223	173	160	155
New Casino Employee Licenses Issued	2,948	2,792	2,722	2,650
Renewals of Casino Key and Employee Licenses	7,292	5,636	3,433	4,590
Casino Service Employee Registrations Issued	1,697	1,768	1,531	1,600
Casino Service Industry Licenses Issued:				
New Licenses	259	204	193	185
Renewal Licenses	142	177	175	175
Slot Machine Licenses Issued	42,542	42,572	41,981	42,500
Casino Table Games in Operation	1,402	1,548	1,700	1,750
Junket Enterprise Licenses				
Junket Licenses Issued	4	2	3	3
Junket Licenses Renewed	10	3	3	3
Contract Review:				
Vendor and Junket Enterprise Registration Forms				
Processed	2,243	2,423	2,333	2,378
Notice of Intent to Conduct Business with Enterprises	396	366	381	373
Contested Case Hearings:				
Employee Applications and Renewals	542	504	510	525
Casino Service Industry Applications and Renewals	18	21	22	22
Revocations and Violation Complaints	213	261	254	260
Miscellaneous	12	82	187	190
Exclusions	3	2	3	5
Litigation	---	4	3	4
Motion for Relief from Casino Control Commission				
Orders and Other Reasons	28	36	32	34
Reapplication for Permission to Work With or Without				
Credentials	33	35	35	35
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	1,992	2,101	2,123	2,197
All Other	419	432	431	452
Total Positions	2,411	2,533	2,554	2,649
Filled Positions by Program Class				
Taxation Services and Administration	1,389	1,512	1,526	1,582
Administration of State Lottery	139	146	152	154
Administration of State Revenues	473	470	459	461
Management of State Investments	64	60	70	88
Administration of Casino Gambling	346	345	347	364
Total Positions	2,411	2,533	2,554	2,649

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
OTHER RELATED APPROPRIATIONS									
All Other Funds									
---	8,492	---	16,781	7,240					
---	31,127 ^R	-22,838	---	---	15	34,919	29,983	29,983	
---	---	---	---	---	16	60	60	60	
---	27,750	---	73,635	11,848					
---	70,949 ^R	-25,064	---	---	17	72,218	45,225	45,225	
---	---	---	---	---	50	560	560	560	
---	<u>138,318</u>	<u>-47,902</u>	<u>90,416</u>	<u>19,088</u>		<u>107,757</u>	<u>75,828</u>	<u>75,828</u>	
<u>211,661</u>	<u>160,745</u>	<u>-44,997</u>	<u>327,409</u>	<u>246,308</u>		<u>309,407</u>	<u>292,949</u>	<u>292,949</u>	
GRAND TOTAL ALL FUNDS									

Notes -- Direct State Services - General Fund

- (a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program, which includes \$391,000 for the Office of Information Technology, and the reallocation of administrative efficiencies.
- (b) Receipts shown hereinabove for the Taxation Services and Administration program classification include fees associated with the surcharge on rental vehicles, which will be transferred to the Departments of Agriculture, Health and Senior Services, and Law and Public Safety in fiscal 2007 to support domestic security programs.
- (c) Receipts shown hereinabove for the Administration of State Revenues include fees for services of county clerks and registers, which will be transferred to the Department of State in fiscal 2007 to support the New Jersey Public Records Preservation program.

Language Recommendations -- Direct State Services - General Fund

Receipts derived from the sale of confiscated equipment, materials, and supplies under the "Cigarette Tax Act," P.L. 1948, c.65 (C.54:40A-1 et seq.) as may be necessary for confiscation, storage, disposal, and other related expenses thereof, are appropriated.

Notwithstanding the provision of any law to the contrary, there shall be no retroactive payment for refunds due under section 9 of P.L.1976, c.141 (C.58:10-23.11h) as amended pursuant to section 1 of P.L. 1997, c.134 for the period from January 1, 1996 through June 26, 1997, appropriated from the Spill Compensation Fund.

Upon certification of the Director of the Division of Taxation, the State Treasurer shall pay, upon warrants of the Director of the Division of Budget and Accounting, such claims for refund as may be necessary under the provisions of Title 54 of the Revised Statutes, as amended and supplemented.

Notwithstanding any other law to the contrary, there are appropriated out of the receipts in the Solid Waste Services Tax Fund such sums as may be necessary for the cost of administration and collection of taxes pursuant to P.L. 1985, c. 38 (C.13:1E-136 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Such sums as are required for the acquisition of equipment essential to the modernization of processing tax returns, are appropriated from tax collections, subject to the approval of the Joint Budget Oversight Committee and the Director of the Division of Budget and Accounting.

The amount necessary to provide administrative costs incurred by the Division of Taxation and the Division of Revenue to meet the statutory requirements of the "New Jersey Urban Enterprise Zones Act," P.L.1983, c.303 (C.52:27H-60 et seq.) is appropriated from the Enterprise Zone Assistance Fund, subject to the approval of the Director of the Division of Budget and Accounting.

Pursuant to the provisions of section 12 of P.L. 1992, c.165 (C.40:54D-12) there are appropriated such sums as may be required to compensate the Department of the Treasury for costs incurred in administering the "Tourism Improvement and Development District Act," P.L. 1992 c.165 (C.40:54D-1 et seq.).

Notwithstanding any provision of any other law to the contrary, there are available out of fees derived from the cost of collection imposed pursuant to section 8 of P.L.1987, c.76 (C.54:49-12.1) such sums as may be required for compliance and enforcement activities associated with the collection process as promulgated by the Taxpayers' Bill of Rights under P.L.1992, c.175.

In addition to the amounts hereinabove appropriated, such additional sums as may be necessary are appropriated to fund costs of the collecting and processing of debts, taxes, and other fees and charges owed to the State, including but not limited to the services of auditors and attorneys and enhanced compliance programs, subject to the approval of the Director of the Division of Budget and Accounting. The Director of the Division of Budget and Accounting shall provide the Joint Budget Oversight Committee with written reports on the detailed appropriation and expenditure of sums appropriated pursuant to this provision.

Notwithstanding the provisions of section 4 of the "Lead Hazard Control Assistance Act," P.L. 2003, c.311 (C.52:27D-437.4), such sums as are necessary are appropriated from the Lead Hazard Control Assistance Fund for the Department of the Treasury's administrative costs, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Property Assessment Management System (PAMS) account is appropriated for the same purpose.

There are appropriated, out of revenues derived from escheated property under the various escheat acts, such sums as may be necessary to administer such acts and such sums as may be required for refunds.

TREASURY

- Pursuant to the provisions of section 54 of P.L. 2002, c.34 (C.App.A:9-78) deposits made to the "New Jersey Domestic Security Account" are appropriated for transfer to the Department of Health and Senior Services to support medical emergency disaster preparedness for bioterrorism, to the Departments of Law and Public Safety and Military and Veterans Affairs for security coverage at nuclear power facilities, and to the Department of Law and Public Safety for State Police salaries related to statewide security services and counter-terrorism programs, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any other law to the contrary, \$5,000,000 of the amounts credited to the New Jersey Domestic Security account on or after July 1, 2006, is available to the General Fund as State revenue.
- There are appropriated out of the State Lottery Fund such sums as may be necessary for costs required to implement the "State Lottery Law," P.L. 1970, c.13 (C.5:9-1 et seq.) and for payment for commissions, prizes, and expenses of developing and implementing games pursuant to section 7 of P.L. 1970, c.13 (C. 5:9-7).
- In addition to the amounts hereinabove, State Lottery Fund receipts in excess of anticipated contributions to education and State institutions, and reimbursement of administrative expenditures, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee.
- Notwithstanding the provisions of any other law to the contrary, there are appropriated out of receipts derived from communications fees such sums as may be necessary for telecommunications costs required in the administration of the State Lottery.
- Notwithstanding the provisions of any other law to the contrary, there are appropriated out of receipts derived from the sale of advertising and/or promotional products by the State Lottery, such sums as may be necessary for advertising costs required in the administration of the State Lottery pursuant to P.L.1970, c.13 (C.5:9-1 et seq.).
- There are appropriated such sums as are necessary to fund the hospitals' share of monies collected pursuant to the Hospital Care Payment Act, P.L.2003, c.112 (C.17B:30-41 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance at the end of the preceding fiscal year in the Revenue Management System account are appropriated.
- The Director of the Division of Budget and Accounting is hereby authorized to transfer or credit such sums as are necessary between the Department of Labor and the Department of the Treasury for the administration of revenue collection and processing functions related to Unemployment Insurance, Temporary Disability Insurance, Workers' Compensation, Special Compensation Programs, the Health Care Subsidy Fund, and the Workforce Development Partnership program.
- The amount hereinabove for the Wage Reporting/Temporary Disability Insurance program are payable out of the State Disability Benefits Fund, and in addition to the amounts hereinabove, there are appropriated out of the State Disability Benefits Fund such additional sums as may be required to administer revenue collection associated with the Temporary Disability Insurance program, subject to the approval of the Director of the Division of Budget and Accounting.
- Receipts in excess of those anticipated from the over-the-counter surcharges are appropriated to meet the costs of the Division of Revenue's commercial recording function, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any provisions of law, regulation or Executive Order to the contrary, any receipts received from Nextel Corporation in accordance with a Plan Funding Agreement approved by Nextel and the 800 MHz Transition Administrator for costs of rebanding incurred by State agencies, and any local units of government that have entered into a memorandum of understanding with the Attorney General authorizing the State to receive Nextel funds on behalf of such local unit, pursuant to Federal Communications Commission-ordered reconfiguration of the 800 MHz band, are appropriated to the Department of the Treasury. Such sums shall be expended or transferred to the various departments and agencies to reimburse administrative and procurement costs in accordance with the Plan Funding Agreement and in consultation with the Attorney General, subject to the approval of the Director of the Division of Budget and Accounting.
- Pursuant to the provisions of P.L. 2003, c.117 (C.22A:4-4.2) deposits made to the "New Jersey Public Records Preservation Account" are appropriated for transfer to the Department of State for grants to counties and municipalities for the management, storage, and preservation of public records, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any other law to the contrary, \$27,000,000 of the amounts credited to the county portion of the New Jersey Public Records Preservation account on or after July 1, 2006, is available to the General Fund as State revenue.
- Funds necessary to defray the cost of collection to implement the provisions of P.L. 1994, c.64 (C.17:29A-35 et seq.), as well as the cost of billing and collection of surcharges levied on drivers in accordance with the New Jersey Automobile Insurance Reform Act of 1982 - Merit Rating System Surcharge Program, P.L. 1983, c.65 (C.17:29A-33 et al.) as amended, are appropriated from fees in lieu of actual cost of collection receipts and from surcharges derived, subject to the approval of the Director of the Division of Budget and Accounting.
- There are appropriated, out of receipts derived from service fees billed to authorities for the handling of investment transactions, such sums as may be necessary to administer the Management of State Investments program.
- There are appropriated, out of receipts derived from the investments of State funds, such sums as may be necessary for bank service charges, custodial costs, mortgage servicing fees, and advertising bank balances under section 1 of P.L. 1956, c.174 (C.52:18-16.1).
- Notwithstanding the provisions of any law to the contrary, the expenses of administration for the various retirement systems and employee benefit programs administered by the Division of Pensions and Benefits and the Division of Investments shall be charged to the pension and health benefits funds established by law to receive employer contributions or payments or to make benefit payments under the programs, as the case may be. In addition to the amounts hereinabove, there are appropriated such sums as may be necessary for administrative costs, which shall include bank service charges, investment services, and other such costs as are related to the management of the pension and health benefit programs, as the Director of the Division of Budget and Accounting shall determine. In addition, revenue resulting from such charges to the various pensions and health benefit funds, payable on a schedule to be determined by the Director of the Division of Budget and Accounting, shall be credited to the General Fund as anticipated revenue.

Language Recommendations -- Direct State Services - Casino Control Fund

In addition to the amount hereinabove for Administration of Casino Gambling, there are appropriated from the Casino Control Fund such additional sums as may be required for operation of the Casino Control Commission, subject to the approval of the Director of the Division of Budget and Accounting.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
74. GENERAL GOVERNMENT SERVICES

OBJECTIVES

1. To centralize all press and public relations services.
2. To provide a centralized purchasing system for goods and services needed to operate all State government departments, and to provide savings opportunities for school districts, county, and local governments through cooperative purchasing.
3. To provide maintenance and operation services for the preservation and protection of the buildings in the Capitol Complex.
4. With respect to real property, provides for purchase and disposal, as necessary, as well as the centralized management of rents and leases, including the management of employee housing.
5. To plan, program, design and supervise the construction of buildings and facilities for the various State agencies.
6. To administer all employee benefit programs at minimum cost.
7. To operate a central motor pool fleet at the lowest possible cost and provide State agencies with safe operating vehicles.
8. To provide printing services to State agencies.
9. To provide food service in the State House Complex cafeterias and other State-owned facilities in the Trenton area.
10. To provide risk management, loss prevention and claims services, and management of the fire and casualty insurance program to all State agencies.
11. To warehouse commodities by purchasing in large volume shipments, making goods available on request at the lowest possible prices, and to coordinate on a statewide basis the assembling, distribution, and sale of surplus personal property.
12. To provide a mail processing/delivery system at minimum cost.
13. To coordinate New Jersey's land and historic preservation goals and programs.

PROGRAM CLASSIFICATIONS

02. **Garden State Preservation Trust.** The Garden State Preservation Trust fulfills a statutory responsibility to oversee New Jersey's progress in achieving its land preservation goals, conducts related education and outreach, and reviews and recommends open space, farmland, and historic preservation projects submitted respectively by the Department of Environmental Protection's Green Acres Program, the State Agricultural Development Committee and the New Jersey Historic Trust.
04. **Public Information Services.** Executive Order No. 30, dated January 14, 1976, centralized all press and public relations services of the various departments of State government.
09. **Purchasing and Inventory Management.** Pursuant to NJSA 52:18A-3, the Division of Purchase and Property administers a centralized statewide purchasing system, including the setting of purchasing standards and specifications; makes available contracts for products and services to school districts, municipalities, and other political subdivisions through the cooperative purchasing program; contracts

major lease/purchase arrangements through the Master Lease Program; maintains a centralized distribution center to permit bulk purchases for all State departments; performs testing and inspection functions; supervises the disposition of State surplus property.

12. **Property Management and Construction - Construction Management Services.** Pursuant to NJSA 52:18A, the Division supervises all architectural, engineering design and construction of new facilities, as well as the renovation and rehabilitation of existing facilities; provides technical advice and assistance to all State agencies in preliminary planning, programming, design, layout and cost estimating; administers construction and professional service contracts associated with building programs; provides for field supervision on State construction projects; ensures that all building programs are completed in accordance with predetermined goals and objectives.
21. **Pensions and Benefits.** Pursuant to NJSA 52:18A-95 et seq., eligibility determinations are made for those who are required or optionally permitted to participate in the benefit programs. Certifications of membership, rates involving employer and employee contributions, and proper designation of beneficiaries for the several benefit schedules are provided.

Monies are accounted for in members' individual accounts and to the credit of the several systems in the general and subsidiary ledgers. A complete and proper accounting of all disbursements to eligible employers and employees and their beneficiaries is provided. This program will be funded directly from the pension and health benefits funds in fiscal year 2007.
22. **Capital City Redevelopment Corporation.** Pursuant to NJSA 52:9Q-9 et seq., the Capital City Redevelopment Corporation (CCRC) was created to guide a revitalization effort in the capitol district of downtown Trenton, and to act as a central facilitator of the implementation of the Renaissance Plan.
26. **Property Management and Construction - Property Management Services.** Disposal of surplus real property and purchase of all real property (exclusive of Department of Transportation highway and public transportation requirements and the Department of Environmental Protection's "Green Acres" and water supply acquisitions) is a responsibility of the Office of Property Management. In addition, Property Management Services is charged with securing all leased office, warehouse and other State space requirements. Also, Property Management Services provides, in the Trenton area, full maintenance services for 40 State-owned buildings, including the State Records Storage Center, the Richard J. Hughes Justice Complex, Mary G. Roebing, William Ashby, War Memorial, and the Environmental Protection buildings; also provides renovation and alteration services valued at less than \$39,600. Carries out all related contract administration services, including the processing of change orders, pre-qualification of contractors, public advertising, awarding of bids; prepares and maintains central contract files and all other records, including plans and specifications.

TREASURY

37. **Risk Management.** Operates to reduce the adverse impact of catastrophic pure loss on State operations and budgets through a combination of risk management and loss prevention techniques. Administers claims against the State and its employees under Title 59, Tort Claims Act, R.S. 34 Workers Compensation statute and various Federal statutes and laws. Risk Management also administers claims on behalf of the State against others responsible for damage to the State, its employees and property.
40. **Office of Information Technology.** Processes information for a wide variety of department and agency programs including, but not limited to, centralized payroll, budget, revenue, general accounting, pensions, nursing home claims, food stamps, public assistance, institutional patient billings, caseload activities, unemployment compensation, disability insurance, employment and personnel services, engineering services, air monitoring, and criminal justice.
41. **Automotive Services.** Pursuant to Executive Order No. 33, dated June 7, 1991, the State Central Motor Pool administers central fleet management and maintains and operates central facilities for the repair and storage of State-owned motor vehicles. The pool has legal ownership of the vehicles and prescribes rules for the efficient and economical operation of the fleet. Since the pool is self-supporting, rental fees based on usage are billed to the State using agencies. The revenues collected are used to purchase replacement vehicles and to cover all costs of the pool operation.
43. **Printing Services.** The Treasury Print Shop operates as a revolving fund. The costs of labor and materials are reimbursed by various agencies including, but not limited to the Department of the Treasury, the Office of the Chief Executive, the Legislature, and the Department of State.
44. **Capitol Post Office.** The Capitol Post Office operates as a revolving fund, providing postal services to all State departments.
62. **State Cafeterias.** Provides food services on a receipt basis and operates as a dedicated fund.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Purchasing and Inventory Management				
Vendor purchases (millions)	\$1,813	\$1,889	\$1,800	\$1,800
Contracts	1,499	762	800	800
Pensions and Benefits				
Financial Data				
Assets, all funds (thousands)	\$71,276,272	\$74,679,016	\$77,093,266	\$81,015,397
Benefit payments (thousands)	\$8,249,643	\$9,014,686	\$10,040,164	\$11,193,444
Lump sum death benefit payments (thousands)	\$189,002	\$194,851	\$203,420	\$212,391
Member loans outstanding (thousands)	\$1,153,834	\$1,097,094	\$1,100,306	\$1,103,772
Membership, all retirement systems	536,379	547,560	558,164	569,014
Retired members and beneficiaries	210,063	218,332	226,764	235,563
Membership, other systems				
Supplemental annuity	4,098	3,956	3,816	3,681
Health benefits program members	358,609	363,435	371,745	380,256
Health benefits program covered lives	802,158	806,328	821,783	837,533
Prescription drug program members	148,164	150,780	153,449	156,165
Prescription drug program covered lives	369,328	373,066	376,834	380,640
Dental program members	99,072	134,505	137,478	140,516
Dental program covered lives	234,626	292,369	299,751	307,320
Benefit Processing Data				
New enrollments or transfers	64,083	64,182	65,000	65,000
Withdrawals	7,893	9,348	9,815	10,306
Death claims	7,907	8,131	8,375	8,626
New retirements	15,831	14,486	13,500	13,600
Pensions adjustments	6,736	7,500	7,500	7,500
Service purchase requests	15,359	15,852	17,000	17,000
Member loans	115,741	113,134	109,740	106,448
Client Services				
Telephone inquiries	1,484,175	1,631,207	1,800,000	1,980,000
Interviews	14,177	15,026	16,500	18,150
Correspondence	20,948	27,716	34,600	43,300
Internet inquiries	14,021	614,500	780,415	991,000
Seminars	1,372	1,284	1,450	1,525
Property Management and Construction - Property Management Services				
Leased facilities	341	333	342	353
Area in square feet (leased facilities)	5,200,000	5,500,000	6,100,000	6,350,000
State-owned space maintained (square feet)	5,429,470	5,919,883	5,919,953	5,915,953

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	689	701	741	373
All Other	32	31	31	389
Total Positions	721	732	772	762
Filled Positions by Program Class				
Garden State Preservation Trust	2	2	2	4
Purchasing and Inventory Management	106	123	126	129
Pensions and Benefits	346	337	354	355
Capital City Redevelopment Corporation	1	1	1	2
Property Management and Construction	179	182	190	174
Risk Management	56	57	69	66
Capitol Post Office	31	30	30	32
Total Positions	721	732	772	762

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Program								
468	---	---	468	272	02	478	478	478
8,505	448	4,915	13,868	13,535	09	10,870	9,789	9,789
31,705	12,111	106	43,922	34,354	21	32,387	---	---
13,338	1,057	1,050	15,445	14,885	26	15,142	14,285	14,285
1,807	553	113	2,473	2,459	37	2,070	2,657	2,657
55,823	14,169	6,184	76,176	65,505		60,947^(b)	27,209	27,209
Distribution by Fund and Object								
35,031	602 ^R	3,513	39,146	39,146		40,015	20,959	20,959
35,031	602	3,513	39,146	39,146		40,015	20,959	20,959
816	---	316	1,132	1,123		855	406	406
16,724	---	2,713	19,437	19,282		16,655	3,306	3,306
1,899	70 ^S	---	2,529	2,186		2,029	1,925	1,925
468	---	---	468	272	02	478	478	478
---	---	497	497	203	09	250	---	---
---	---	---	---	---	09	250	---	---
---	---	---	---	---	09	100	---	---
560	---	---	560	560	09	---	---	---
180	---	27	207	207	21	180	---	---
---	11,535	---	11,535	2,113	21	---	---	---
---	350 ^R	-100	250	---	26	---	---	---

TREASURY

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
75	978	-638	415	413				
					<u>DIRECT STATE SERVICES</u>			
						135	135	135
					<u>CAPITAL CONSTRUCTION</u>			
					Distribution by Fund and Program			
---	2,089	---	2,089	335				
					26	---	---	---
---	3,228	5,954	9,182	5,490	40	---	---	---
---	5,317	5,954	11,271	5,825		---	---	---
					Distribution by Fund and Object			
					Office of Information Technology			
---	282	---	282	81				
					40	---	---	---
---	3	---	3	---	40	---	---	---
---	33	---	33	---	40	---	---	---
---	1	---	1	---	40	---	---	---
---	2,690	5,954	8,644	5,409				
					40	---	---	---
---	216	---	216	---	40	---	---	---
---	3	---	3	---	40	---	---	---
					Property Management and Construction			
---	1,826	---	1,963	265				
	137 ^R				26	---	---	---
---	52	---	52	49	26	---	---	---
---	10	---	10	---	26	---	---	---
---	61	---	61	21	26	---	---	---
---	2	---	2	---	26	---	---	---
---	1	---	1	---	26	---	---	---
55,823	19,486	12,138	87,447	71,330		60,947	27,209	27,209
OTHER RELATED APPROPRIATIONS								
Federal Funds								
72 ^S	383	330	785	455				
					40	---	---	---
72	383	330	785	455		---	---	---
All Other Funds								
---	---	---	---	---				
					09	55	10	10
---	---	---	---	---	21	---	33,482	33,482
---	80 ^R	---	80	80	22	378	378	378
---	1,233	15	3,914	2,891				
	2,666 ^R				26	3,657	3,710	3,710
---	---	---	---	---	37	500	500	500
---	15	7,182	7,202	4,387	40	---	---	---
	5 ^R							
---	184	---	271	152	62	77	77	77
	87 ^R							
---	4,270	7,197	11,467	7,510		4,667	38,157	38,157
55,895	24,139	19,665	99,699	79,295		65,614	65,366	65,366

Notes -- Direct State Services - General Fund

- (a) Effective in fiscal 2007, the appropriation for the administrative costs of the Division of Pensions and Benefits is authorized as dedicated revenue in lieu of State appropriations from the General Fund. This change affects the Direct State Services budget for the Division, as well as anticipated revenue in Schedule 1.
- (b) The fiscal 2006 appropriation has been adjusted for the allocation of salary program, which includes \$176,000 for the Office of Information Technology, and the reallocation of administrative efficiencies.

Language Recommendations -- Direct State Services - General Fund

The Director of the Division of Budget and Accounting is empowered to transfer or credit to any central data processing center any appropriation made to any department which had been appropriated or allocated to such department for its share of costs of such data processing center including the replacement of data processing equipment and the purchase of additional data processing equipment.

There are appropriated, out of receipts derived from service fees billed to political subdivisions for the operating costs of the cooperative purchasing program, such sums as may be necessary to administer and operate the Purchase Bureau program.

There are appropriated, out of receipts derived from service fees billed to authorities for the handling of insurance procurement and risk management services, such sums as may be necessary to administer the Risk Management program.

Notwithstanding the provisions of any other law to the contrary, there are appropriated, out of the receipts derived from third party subrogation, such sums as may be necessary for the administrative expenses of the Risk Management program.

Notwithstanding the provisions of section 15 of article 6 of P.L. 1944, c.112 (C.52:27B-67), revenues in excess of the anticipation derived from the sale of surplus state vehicles are available for the replacement of Central Motor Pool temporary assignment vehicles, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any other law to the contrary, there are appropriated, out of receipts derived from service fees billed to the various State departments for the purpose of travel services, such sums as may be necessary for the administrative expenses of the State Central Motor Pool program.

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Capitol Post Office revolving fund any appropriation made to any department for postage costs appropriated or allocated to such departments for their share of costs of the Capitol Post Office.

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Print Shop revolving fund any appropriation made to any department for printing costs appropriated or allocated to such departments for their share of costs of the Print Shop and the Office of Printing Control.

The unexpended balances at the end of the preceding fiscal year in the State cafeteria accounts and receipts obtained from cafeteria operations are appropriated for the improvement and extension of cafeteria services and facilities pursuant to section 2 of P.L.1951, c.312 (C.52:18A-19.6).

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Property Management and Construction program classification, from appropriations for construction and improvements, a sufficient sum to pay for the cost of architectural work, superintendence and other expert services in connection with such work.

From the receipts derived from the sale of real property, such sums are appropriated for the costs incurred in order to preserve and maintain the property's value and condition and for costs incurred in the selling of the real property, including appraisal, survey, advertising, maintenance, security and other costs related to the preservation and disposal, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, there are appropriated out of receipts derived from the pre-qualification service fees billed to contractors, architects, engineers, and professionals sufficient sums for expenses related to the administration of pre-qualification activities undertaken by the Division of Property Management and Construction.

The unexpended balances at the end of the preceding fiscal year in excess of \$300,000 in the Management of the Department of Environmental Protection Properties account are appropriated for the same purpose.

Receipts derived from the leasing of State surplus real property are appropriated for the maintenance of leased property subject to the approval of the Director of the Division of Budget and Accounting, provided that a sum not to exceed \$100,000 shall be available for the administrative expenses of the program.

There are appropriated such additional sums as may be necessary for the purchase of expert witness services related to the State's defense against inverse condemnation claims related to the Department of Environmental Protection's Land Use Regulation program.

Receipts from employee maintenance charges in excess of \$300,000 are appropriated for maintenance of employee housing and associated relocation costs; provided, however, that a sum not to exceed \$25,000 shall be available for management of the program, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated out of receipts derived from lease proceeds billed to the occupants of the James J. Howard Marine Science Laboratory, such sums as may be required to operate and maintain the facility and for the payment of interest and/or principal due from the issuance of bonds for this facility.

Notwithstanding any other law to the contrary, an amount not to exceed \$478,000 is transferred from the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund and the Garden State Historic Preservation Trust Fund to the General Fund in an allocation to be determined by the Garden State Preservation Trust and approved by the Director of the Division of Budget and Accounting and such amount is appropriated to the Garden State Preservation Trust.

Notwithstanding any other law to the contrary, the Departments of the Treasury, Community Affairs, Environmental Protection, and Agriculture will provide such administrative services as are necessary to operate the Garden State Preservation Trust.

TREASURY

Notwithstanding the provisions of any law to the contrary, administrative expenses for the various retirement systems and employee benefit programs administered by the Division of Pensions and Benefits are appropriated from the pension and health benefits funds established by law to receive employer contributions or payments or to make benefit payments under the programs, as the case may be, subject to the approval of the Director of the Division of Budget and Accounting. Administrative costs shall include bank service charges, investment services, and any other such costs as are related to the management of the pension and health benefits programs, as the Director of the Division of Budget and Accounting shall determine.

There is appropriated from the pension and health benefits funds established by law an amount, not to exceed \$12,000,000, for the re-engineering of the pension and health benefits computer systems as referenced in the Division of Pensions and Benefits organizational study.

The unexpended balance at the end of the preceding fiscal year in the Re-engineering of the Pension and Health Benefits Computer Systems account is appropriated for the same purpose.

Notwithstanding the provisions of any law to the contrary, there are appropriated from the Capital City Redevelopment Loan and Grant Fund such sums as may be required to provide for expenses, programs, and strategies which will enhance the vitality of the capitol district as a place to live, visit, work and conduct business, subject to the approval of the Director of the Division of Budget and Accounting.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

74. GENERAL GOVERNMENT SERVICES

2026. OFFICE OF ADMINISTRATIVE LAW

OBJECTIVES

1. To develop and apply a fair, comprehensive and uniform system of administrative practice and procedures in the Executive Branch governing the adjudication of contested matters and the promulgation of rules and regulations.

more than 11,000 administrative cases; develops and administers a program for the continuing training and education of judicial corps.

Development of Administrative Procedures (C.52:14B-1 et seq.), regulates and assists State agencies with regard to the preparation and filing of rules and regulations, and establishes standards for the New Jersey Register and the New Jersey Administrative Code.

PROGRAM CLASSIFICATIONS

45. **Adjudication of Administrative Appeals.** Pursuant to C.52:14F-1 et seq. and C.52:14B-10, full-time administrative law judges hold hearings and render decisions to the various agency heads for their acceptance, rejection, or modification within 45 days, or a lesser period where prescribed by law.

General and Administrative Services provides support to judicial administration and administrative procedures by maintaining the case management data base and office automation systems. Budgeting and accounting, purchasing, property maintenance, and personnel and payroll are other services provided by this division.

Judicial Administration creates standards and maintains filing, docketing, record keeping, and decision making systems for

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Adjudication of Administrative Appeals				
Cases pending as of July 1	4,620	4,927	4,829	5,089
Cases filed	11,776	12,606	13,160	13,300
Cases disposed of	11,469	12,704	12,900	13,000
Cases pending as of June 30	4,927	4,829	5,089	5,389
Cases disposed of per judge	319	334	339	333
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	7	5	6	6
Male Minority %	6.3	4.5	5.2	5.0
Female Minority	32	32	33	33
Female Minority %	28.8	28.6	28.4	27.3
Total Minority	39	37	39	39
Total Minority %	35.1	33.1	33.6	31.9
Position Data				
Filled Positions by Funding Source				
State Supported	101	102	106	111
All Other	10	10	10	10
Total Positions	111	112	116	121

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Filled Positions by Program Class				
Adjudication of Administrative Appeals	111	112	116	121
Total Positions	111	112	116	121

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The budget estimate for fiscal 2007 reflects the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
5,260	4,366	---	9,626	8,753				
5,260	---	---	5,260	5,253	45	9,483	9,481	9,481
---	4,366	---	4,366	3,500		5,120	4,734	4,734
						4,363	4,747	4,747
5,260	4,366	---	9,626	8,753		9,483 (a)	9,481	9,481
---	(4,366)	---	(4,366)	(3,500)		(4,363)	(4,747)	(4,747)
5,260	---	---	5,260	5,253		5,120	4,734	4,734
Distribution by Fund and Object								
4,682	---	3,074	7,756	7,557				
---	---	---	---	199				
4,682	---	3,074	7,756	7,756		8,398	8,478	8,478
35	---	46	81	81		217	221	221
502	---	136	638	638				
35	---	12	47	47				
6	---	---	6	6				
---	7	---	---	---	45	6	6	6
---	2,865 ^R	-2,468	404	---	45	---	---	---
---	207	---	---	---	45	---	---	---
---	867 ^R	-820	254	---	45	---	---	---
---	234	---	---	---	45	---	---	---
---	186 ^R	-205	215	---	45	---	---	---
---	---	225	225	225				
---	(4,366)	---	(4,366)	(3,500)		(4,363)	(4,747)	(4,747)
5,260	---	---	5,260	5,253		5,120	4,734	4,734
OTHER RELATED APPROPRIATIONS								
---	4,366	---	4,366	3,500		4,363	4,747	4,747
5,260	4,366	---	9,626	8,753		9,483	9,481	9,481

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

In addition to the amount hereinabove, such sums as may be received or receivable from any department or non-State fund source for administrative hearing costs or rule-making costs by the Office of Administrative Law and the unexpended balance at the end of the preceding fiscal year of such sums are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The Director of the Division of Budget and Accounting is empowered to transfer or credit to the Office of Administrative Law any appropriation made to any department for administrative hearing costs which had been appropriated or allocated to such department for its share of such costs.

Receipts derived from annual license fees, payable to the Office of Administrative Law, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated.

Receipts derived from royalties, payable to the Office of Administrative Law, and the unexpended balance at the end of the preceding fiscal year of such receipts, are appropriated.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL 75. STATE SUBSIDIES AND FINANCIAL AID

PROGRAM CLASSIFICATIONS

27. **Other Distributed Taxes.** The State is responsible for the collection of certain insurance taxes, and for distribution of a portion of these taxes to the county in which a domestic insurance company's principal office was situated on January 1. Amounts are determined by increasing the total amount of the franchise tax on domestic insurance companies received by the county in the prior calendar year by the percentage rate of change of all taxes paid by all insurance companies pursuant to C.54:18A-1 et seq. for the current and the immediately preceding tax year.

28. **County Boards of Taxation.** A County Board of Taxation (R.S.54:3-1) is established in each county. Each board consists of five members, except in the first-class counties of Bergen, Essex, Hudson and Union, the second-class county of Middlesex, and the fifth-class counties of Monmouth and Ocean, where there are seven members. The board hears appeals of taxpayers from local tax assessments, certifies tax duplicates to the collectors, determines local tax rates, prepares county abstracts of ratables, promulgates equalization tables, supervises the activities of assessors, and does related work in the enforcement of local property tax laws.

29. **Locally Provided Assistance.** Locally Provided Assistance includes State funds provided for the South Jersey Port Corporation Property Tax and Debt Service Reserve Funds (P.L.1968, c.60), for county-based solid waste debt assistance, and for the Highlands Protection Fund. The South Jersey Port Corporation Property Tax Reserve Fund was established to make payments-in-lieu-of-taxes (PILOT) to compensate counties and municipalities for any loss of tax revenue due to the Corporation's acquisition of property. The South Jersey Port Corporation Debt Service Reserve Fund was established to ensure the maintenance of the maximum debt service reserve requirement for any debt obligations issued by the Corporation. The Solid Waste Management program subsidizes debt service payments made by counties and county authorities for environmental investments incurred pursuant to the Solid Waste Management Act and the Solid Waste Utility Control Act.

Per the provisions of the Highlands Water Protection and Planning Act (P.L. 2004, c.120), the Highlands Protection Fund was created with \$12 million in annual funding. The Highlands Water Protection and Planning Act requires the introduction of various new aid and planning grant programs as well as the reinstatement of prior year programs including property tax stabilization aid and watershed moratorium offset aid. This funding compensates municipalities in the Highlands region for the loss of the developable value of their

land due to new Highlands environmental protections, and also provides compensation for Pinelands municipalities.

33. **Homestead Exemptions.** The Homestead Rebate program was initiated in fiscal 1977. The program provides rebates based on the amount by which property taxes exceed 5% of the taxpayer's income. In fiscal 2005, the expansion of the Homestead Rebate program corresponded with the elimination of the NJ SAVER program. The expanded Homestead Rebate program, available to households with incomes up to \$200,000, had a maximum rebate of \$1,200 for seniors and \$800 for non-seniors. In fiscal 2006, the rebate amounts were reduced for non-senior participants. In fiscal 2007, rebates will increase 10% for all recipients.

Pursuant to P.L. 1997, c.348, certain senior and disabled residents are eligible for a homestead property tax reimbursement, which provides compensation for increases in property taxes. Qualified residents must have paid property taxes directly or indirectly through rent on any homestead used as their principal residence for at least 10 consecutive years. For at least three of these years, the resident must have been the owner of the principal residence for which a property tax reimbursement is being sought.

34. **Reimbursement of Senior/Disabled Citizens' and Veterans' Tax Deductions.** The State provides each municipality a direct payment in reimbursement of amounts deducted from the local property tax bills of senior citizens, disabled citizens and veterans. Based on certifications made annually by county boards of taxation, and confirmed by the Director of the Division of Taxation, payments for the total amount due are made to municipalities on November 1 of each year. Eligible veterans and disabled and senior citizens will receive a \$250 tax deduction; both of these deductions are paid from the Property Tax Relief Fund.

35. **Consolidated Police and Firemen's Pension Fund.** The Consolidated Police and Firemen's Pension Fund was established (R.S.43:16-1 et seq.) to place 213 police and firemen's pension funds on an actuarial basis. The liabilities of these local funds are now being shared, two-thirds by the participating municipalities and one-third by the State. The commission administering this fund consists of two police representatives, two fire representatives, the State Treasurer, and four persons appointed by the Governor.

42. **Energy Tax Receipts.** Prior to January 1998, the State was responsible for collecting the Public Utilities Franchise Tax and the Public Utilities Gross Receipts Tax. Of the funds collected, municipalities annually received a minimum distribution of \$685 million by law based on utility personal property valuations. As of January 1998, the Energy Tax

Receipts Property Tax Relief Act (P.L. 1997, c.167) replaced the previous method of distributing these funds to municipalities. This legislation restructured the previous system of utility tax collection by eliminating the gross receipts and franchise taxes levy for certain taxpayers and replacing it with a system centered on the corporation business tax, a sales and use tax, and a temporary transitional energy facility assessment tax. Energy utilities are subject to all three of the replacement taxes. Telecommunications

utilities are subject only to the corporation business tax, because they have been collecting and remitting sales and use taxes since 1990. Water and sewer utilities remain subject to the franchise and gross receipts taxes. Pursuant to the new law, receipts generated from the replacement revenues are deposited in the Energy Tax Receipts Property Tax Relief Fund, a special dedicated fund established in the State Treasury. During fiscal 2007, municipalities will receive a State Aid distribution totaling \$872.2 million from this fund.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
GRANTS-IN-AID								
Distribution by Fund and Program								
2,162,711	24	---	2,162,735	1,609,845	33	789,888	1,340,188	1,340,188
2,162,711	24	---	2,162,735	1,609,845				
						789,888	1,340,188	1,340,188
2,162,711	24	---	2,162,735	1,609,845		789,888	1,340,188	1,340,188
2,162,711	24	---	2,162,735	1,609,845		789,888	1,340,188	1,340,188
Distribution by Fund and Object								
Grants:								
1,501,311								
400,000 ^S	24	---	1,901,335	1,355,778				
						566,488	1,085,288	1,085,288
188,000	---	---	188,000	181,670	33	125,000	136,000	136,000
67,400								
6,000 ^S	---	---	73,400	72,397	33	98,400	118,900	118,900
STATE AID								
Distribution by Fund and Program								
1,481	---	---	1,481	1,383	28	1,681	2,289	2,289
80,233	8,279	---	88,512	67,818	29	79,324	61,796	61,796
109,000	---	-5,122	103,878	103,878				
						109,000	99,100	99,100
109,000	---	-5,122	103,878	103,878		109,000	99,100	99,100
68,714	---	---	68,714	59,433				
						72,878	106,377	106,377
41,425	---	---	41,425	33,445		43,414	74,843	74,843
27,289	---	---	27,289	25,988		29,464	31,534	31,534
259,428	8,279	-5,122	262,585	232,512		262,883	269,562	269,562
123,139	8,279	---	131,418	102,646		124,419	138,928	138,928
136,289	---	-5,122	131,167	129,866		138,464	130,634	130,634
Distribution by Fund and Object								
State Aid:								
1,481	---	---	1,481	1,383	28	1,481	2,289	2,289
						200 ^S		
4,200	---	---	6,963	6,963	29	4,200	7,256	7,256
2,763 ^S	---	---				2,256 ^S		
2,442	---	---	2,442	2,441	29	2,540	2,540	2,540
2,650	---	-18	2,632	---	29	2,650	2,650	2,650

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Orig. & (S) Supplemental	Year Ending June 30, 2005				Prog. Class.	2006 Adjusted Approp.	Year Ending June 30, 2007	
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended			Requested	Recommended
STATE AID								
1,750	---	---	1,750	---				
2,200	---	18	2,218	2,218	29	1,750	1,750	1,750
3,600	---	---	3,600	---				
1,800	---	---	1,800	1,800	29	3,600	3,600	3,600
1,500 ^S	843	---	2,343	2,343	29	---	---	---
57,328	7,436	---	64,764	52,053	29	57,328	40,000	40,000
---	---	---	---	---				
23,000	---	1,428	24,428	24,428	29	1,000	---	---
86,000	---	-6,550	79,450	79,450	34	23,000	22,700	22,700
7,046	---	---	7,046	7,046	34	86,000	76,400	76,400
7,869	---	---	7,869	7,869	35	6,397	1,784	1,784
19,420	---	---	19,420	18,119	35	8,575	9,379	9,379
19,864	---	---	19,864	17,171	35	20,889	22,155	22,155
14,515	---	---	14,515	9,228	35	23,700	47,480	47,480
2,422,139	8,303	-5,122	2,425,320	1,842,357		1,052,771	1,609,750	1,609,750
OTHER RELATED APPROPRIATIONS								
All Other Funds								
---	3,191 ^R	---	3,191	3,191	27	3,363	3,363	3,363
---	787,739 ^R	18,808	806,547	806,445	42	788,492	788,492	788,492
---	790,930	18,808	809,738	809,636		791,855	791,855	791,855
2,422,139	799,233	13,686	3,235,058	2,651,993		1,844,626	2,401,605	2,401,605

Language Recommendations -- Grants-In-Aid - Property Tax Relief Fund

From the amount hereinabove appropriated for the Homestead Property Tax Rebates for Homeowners and the Homestead Property Tax Rebates for Tenants programs, there are appropriated such sums as may be necessary for the administration of those programs, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts hereinabove appropriated for the Homestead Property Tax Rebates for Homeowners program and the Homestead Property Tax Rebates for Tenants program shall be available to pay homestead rebates pursuant to the provisions of section 3 of P.L. 1990, c.61 (C.54:4-8.59) and section 4 of P.L. 1990, c.61 (C.54:4-8.60), respectively, as amended by P.L. 2004, c.40, for residents who are 65 years of age or older at the close of the tax year, or who are allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, except that the cost-of-living adjustment pursuant to subsection h. of section 3 and subsection g. of section 4 shall be 10%. Notwithstanding the provisions of P.L. 1990, c. 61 (C.54:4-8.59 et seq.), as amended by P.L. 2004, c.40, to the contrary, the amounts hereinabove appropriated for the Homestead Property Tax Rebates for Homeowners program and the Homestead Property Tax Rebates for Tenants program shall only be available to pay homestead rebates pursuant to the provisions of that law but not in excess of the following maximum amounts for tax year 2005: (a) \$385 for residents who are not 65 years of age or older at the close of the tax year, and who are not allowed to claim a personal deduction as a blind or disabled taxpayer

pursuant to subsection b. of N.J.S.54A:3-1, with gross income not in excess of \$125,000 for the taxable year for property taxes paid, (b) \$330 for residents who are not 65 years of age or older at the close of the tax year, and who are not allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, with gross income in excess of \$125,000 but not in excess of \$200,000 for the taxable year for property taxes paid, (c) \$83 for residents who are not 65 years of age or older at the close of the tax year, and who are not allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1 for rent constituting property taxes paid for the tax year 2005. If the amounts hereinabove appropriated are not sufficient, there are appropriated from the Property Tax Relief Fund such additional sums as may be required for payment of such rebates, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of P.L. 1997, c.348 (C.54:4-8.67 et seq.), the amount hereinabove for the Homestead Property Tax Reimbursement (Senior and Disabled Citizens' Property Tax Freeze), and any additional sum which may be required for this purpose, is appropriated from the Property Tax Relief Fund.

In addition to the amount hereinabove, there are appropriated from the Property Tax Relief Fund such additional sums as may be required for payments of property tax credits to homeowners and tenants pursuant to the "Property Tax Deduction Act," P.L. 1996, c.60 (C.54A:3A-15 et seq.).

Language Recommendations -- State Aid - General Fund

There are appropriated such additional sums as may be certified to the Governor by the South Jersey Port Corporation as necessary to meet the requirements of the "South Jersey Port Corporation Debt Service Reserve Fund" under section 14 of P.L. 1968, c.60 (C.12:11A-14), the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

The amounts hereinabove for Highlands Protection Fund appropriations are payable from the receipts of the portion of the realty transfer fee directed to be credited to the Highlands Protection Fund and the unexpended balances at the end of the preceding fiscal year in the Highlands Protection Fund accounts are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. Further, the Department of Treasury may transfer funds as necessary between the Highlands Protection Fund - Incentive Planning Aid account, the Highlands Protection Fund - Regional Master Plan Compliance Aid account, and the Highlands Protection Fund - Watershed Moratorium Offset Aid account, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for Solid Waste Management - County Environmental Investment Debt Service Aid is appropriated to subsidize county and county authority debt service payments for environmental investments incurred pursuant to the "Solid Waste Management Act," P.L. 1970, c.39 (C.13:1E-1 et seq.) and the "Solid Waste Utility Control Act," P.L. 1970, c.40 (C.48:13A-1 et seq.) as determined by the State Treasurer based upon the need for such financial assistance after taking into account all financial resources available or attainable to pay such debt service. Such additional sums as may be necessary shall be appropriated subject to the approval of the Director of the Division of Budget and Accounting and shall be provided upon such terms and conditions as the State Treasurer may determine. The unexpended balance at the end of the preceding fiscal year is appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of the "Corporation Business Tax Act (1945)," P.L. 1945, c.162 (C.54:10A-1 et seq.), the sum apportioned to the several counties of the State shall not be distributed and shall be anticipated as revenue for general State purposes.

Notwithstanding the provisions of P.L. 1945, c.162 (C.54:10A-1 et seq.), the amounts collected from banking corporations pursuant to the "Corporation Business Tax Act (1945)" shall not be distributed to the counties and municipalities and shall be anticipated as revenue for general State purposes.

There is appropriated from the Energy Tax Receipts Property Tax Relief Fund the sum of \$788,492,000 and an amount not to exceed \$81,542,000 which is transferred from the Consolidated Municipal Property Tax Relief Aid (PTRF) account and an amount not to exceed \$2,211,000 from the Special Municipal Aid Act account to the fund and shall be allocated to municipalities in accordance with the provisions of subsection b. of section 2 of P.L. 1997, c.167 (C.52:27D-439) except that any sums transferred from the Special Municipal Aid Act account shall be allocated to the city of Camden. Each municipality that receives an allocation from the amount so transferred shall have its allocation from the Consolidated Municipal Property Tax Relief Aid program reduced by the same amount. Of the amount herein appropriated from the Energy Tax Receipts Property Tax Relief Fund, an amount equal to \$25,000,000 shall be allocated to municipalities proportionately based on population, except that Newark and Jersey City shall each receive \$390,000 of the \$25,000,000 and Paterson shall receive \$375,000 of the \$25,000,000.

Notwithstanding the provisions of paragraph (1) of subsection c. of section 2 of P.L. 1997, c.167 (C.52:27D-439) to the contrary, the amount hereinabove appropriated for Energy Tax Receipts Property Tax Relief Fund payments shall be distributed on the following schedule: on or before August 1, 45% of the total amount due; September 1, 30% of the total amount due; October 1, 15% of the total amount due; November 1, 5% of the total amount due; and December 1, 5% of the total amount due.

The unexpended balance at the end of the preceding fiscal year from the taxes collected pursuant to P.L. 1940, c.4 (C.54:30A-16 et seq.) and P.L. 1940, c.5 (C.54:30A-49 et seq.) shall lapse.

There is appropriated from taxes collected from certain insurance companies, pursuant to the insurance tax act, so much as may be required for payments to counties pursuant to P.L. 1945, c.132 (C.54:18A-1 et seq.).

The Director of the Division of Budget and Accounting shall reduce amounts provided to any municipality from the appropriations hereinabove by the difference, if any, between pension contribution savings, and the amount of Consolidated Municipal Property Tax Relief Aid payable to such municipality.

Language Recommendations -- State Aid - Property Tax Relief Fund

In addition to the amount hereinabove, there is appropriated from the Property Tax Relief Fund such additional sums as may be required for State reimbursement to municipalities for senior and disabled citizens' and veterans' property tax deductions.

In addition to the sum hereinabove appropriated for Debt Service on Pension Obligation Bonds to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L. 1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as

TREASURY

the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

Such additional sums as may be required for Police and Firemen's Retirement System - Post Retirement Medical are appropriated, as the Director of the Division of Budget and Accounting shall determine.

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL 76. MANAGEMENT AND ADMINISTRATION

OBJECTIVES

1. To develop and exercise policy control over agency program planning and management, fiscal administration, and personnel management in the Department of the Treasury.
2. To provide fiscal, personnel, and other administrative and facilitating services to all agencies of the Department.
3. To assist all agencies of State government in securing grants and entitlements under various federal grant programs.
4. To enforce public contracts affirmative action regulations.
5. To manage the public finance activities in the State as effectively as possible.

PROGRAM CLASSIFICATIONS

98. **Contract Compliance and Equal Employment Opportunity in Public Contracts.** Pursuant to P.L. 1975, c.127, the Division oversees all State, county and local units of government in the State to ensure contractors, subcontractors,

and businesses afford equal opportunity in employment in performance of their contracts.

99. **Administration and Support Services.** Pursuant to N.J.S.A. 52:27B-8, the Office of the State Treasurer develops and exercises general policy and administrative control over the operations of the divisions and offices of the Department. The Administrative Division, the Fiscal Section, the Human Resources Section, and the Office of Treasury Technology provide fiscal, personnel, and other facilitating services for the Department of Treasury. The Federal Liaison Office represents the Governor and assists State agencies in negotiating with federal agencies for approval of grants and entitlements, in order to maximize New Jersey's share of total federal grant funds. It also maintains liaison with Congress, on behalf of the Governor and New Jersey government, in connection with proposed and pending federal legislation affecting the State and provides updated information on such matters to State agencies.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Administration and Support Services				
Office of Treasury Technology Data				
Desktop Services				
Personal Computers Supported	1,749	1,782	1,800	1,750
Printers Supported	734	570	550	525
Help Desk Service Requests	5,984	6,128	7,000	7,000
Applications Support				
Applications Maintained	241	283	322	345
Help Desk Service Requests	679	590	650	600
Client Application Service Requests Received	226	250	275	275
Local Area Network Administration				
LAN Servers Supported	65	92	111	111
Users Supported	1,483	1,520	1,588	1,600
Help Desk Service Requests	1,845	1,855	1,560	1,600
LAN Printers Supported	270	275	284	284
Network Switches Supported	155	201	210	210
Network Hubs Supported	5	5	5	5
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	277	300	282	305
Male Minority %	7.6	8.0	8.0	8.0
Female Minority	701	758	694	758
Female Minority %	19.2	20.0	18.0	20.0
Total Minority	978	1,058	976	1,063
Total Minority %	26.8	28.0	26.0	28.0
Position Data				
Filled Positions by Funding Source				
State Supported	265	279	277	270
All Other	15	13	13	14
Total Positions	280	292	290	284

Filled Positions by Program Class	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Contract Compliance and Equal Employment Opportunity in Public Contracts	25	25	26	22
Administration and Support Services	255	267	264	262
Total Positions	280	292	290	284

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
1,613	---	60	1,673	1,666				
10,723	1,531	2,664	14,918	14,313	98	1,794	1,702	1,702
					99	12,685	12,429	12,429
12,336	1,531	2,724	16,591	15,979		14,479^(a)	14,131	14,131
Distribution by Fund and Object								
Personal Services:								
9,745	---	2,045	11,790	11,790				
9,745	---	2,045	11,790	11,790		12,288	11,586	11,586
93	---	57	150	136		65	65	65
2,160	---	-266	1,894	1,605		2,038	2,392	2,392
65	---	50	115	113		65	65	65
Special Purpose:								
23	---	---	23	---				
250 ^S	---	---	250	45	99	23	23	23
---	1,497 ^R	-122	1,375	1,375	99	---	---	---
---	34	960	994	915	99	---	---	---
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
7,000	---	363	7,363	4,000	99	---	---	---
7,000	---	363	7,363	4,000		---	---	---
Distribution by Fund and Object								
Grants:								
---	---	25	25	25				
---	---	8	8	8	99	---	---	---
4,000	---	325	4,325	3,962	99	---	---	---
3,000	---	---	3,000	---	99	---	---	---
---	---	5	5	5	99	---	---	---
19,336	1,531	3,087	23,954	19,979		14,479	14,131	14,131

OTHER RELATED APPROPRIATIONS

80. SPECIAL GOVERNMENT SERVICES
82. PROTECTION OF CITIZENS' RIGHTS

OBJECTIVES

1. To provide representation for the citizens of New Jersey in their dealings with departments and agencies of State government, other governmental agencies, and the private sector.
2. To provide for the realization of the constitutional guarantees of counsel in criminal cases for indigent defendants (C2A:158A-1 et seq.).

PROGRAM CLASSIFICATIONS

06. **Appellate Services to Indigents.** Provides that every adult and juvenile found guilty after trial is permitted a direct appeal from that conviction or adjudication. Most of the referrals to the Appellate section come from trial regions. In addition, direct applications are received for services at the appellate level. The Appellate section files notices of appeal within a court-mandated time period, orders transcripts and assigns an attorney who then reviews the transcript, interviews defendants, files motions, and does the research necessary to identify the problems raised in the transcript. Representation is provided in both State and federal courts.

57. **Trial Services to Indigents and Special Programs.** Represents those indigent defendants who have been charged with indictable offenses and those indigent juveniles whose cases have been assigned to the formal calendar. The activity of the attorneys, investigative, and clerical staff begins with this assignment. The court assignment is received and after indigency review, the case is opened, interviews are scheduled, and an investigation is initiated. The assigned attorney prepares the case and enters into the necessary negotiations, trial, and sentencing proceedings. The recent enactment of Megan's Law requires the Public Defender to represent indigent offenders in notification hearings. The Intensive Supervision program, operated by the Administrative Office of the Courts, is supported by Public Defender staff at probation violation hearings.

99. **Administration and Support Services.** Provides centralized supervision and policy planning for the Office of the Public Defender. Budgetary policy is provided to allocate resources among the priorities. Administrative support is provided in the areas of personnel, accounting, budgeting, purchasing, statistical evaluation, and a central research unit, library, and motor pool.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Appellate Services to Indigents				
Cases open (July 1)	1,664	1,977	2,098	2,047
Added	2,115	1,915	1,915	1,915
Closed	1,802	1,794	1,966	1,966
Open (June 30)	1,977	2,098	2,047	1,996
Backlog (months)	11.2	13.1	12.8	12.5
Excessive Sentence Program Dispositions	737	737	737	737
Briefs filed	771	987	1,159	1,159
Dismissals	294	362	362	362
Reversals and modifications	216	216	216	216
Trial Services to Indigents and Special Programs				
Cases open (July 1)	44,015	48,159	55,208	60,276
Added	81,305	79,124	82,004	82,004
Closed	77,161	72,075	76,936	76,936
Open (June 30)	48,159	55,208	60,276	65,344
Backlog (months)	7.1	8.4	8.8	9.6
Parental Representation Unit - Title 9				
Cases open (July 1)	4,868	6,859	6,930	7,001
Added	4,262	4,619	5,092	5,092
Closed	2,271	4,548	5,021	5,092
Open (June 30)	6,859	6,930	7,001	7,001
Parental Representation Unit - Title 30				
Cases open (July 1)	1,170	1,532	1,193	1,009
Added	902	1,101	1,101	1,101
Closed	540	1,440	1,285	1,192
Open (June 30)	1,532	1,193	1,009	918
Law Guardian - Title 9				
Cases open (July 1)	7,590	8,426	8,719	9,416
Added	6,502	6,339	6,848	6,848
Closed	5,666	6,046	6,151	6,848
Open (June 30)	8,426	8,719	9,416	9,416
Institutional Abuse investigations (DYFS)	211	157	157	157

TREASURY

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Law Guardian - Title 30				
Cases open (July 1)	2,828	1,980	1,377	1,222
Added	1,349	1,333	1,333	1,333
Closed	2,197	1,936	1,488	1,444
Open (June 30)	1,980	1,377	1,222	1,111
Special Hearings Unit - Megan's Law				
Cases open (July 1)	273	318	298	278
Added	326	353	353	353
Closed	281	373	373	373
Open (June 30)	318	298	278	258
Intensive Supervision Program (ISP) Staff				
Cases open (July 1)	227	198	169	140
Added	1,387	1,363	1,363	1,363
Closed	1,416	1,392	1,392	1,392
Open (June 30)	198	169	140	111

PERSONNEL DATA

Affirmative Action Data

Male Minority	115	118	120	120
Male Minority %	11.4	10.9	10.9	10.9
Female Minority	292	318	328	328
Female Minority %	28.9	29.4	29.9	29.9
Total Minority	407	436	448	448
Total Minority %	40.3	40.3	40.8	40.8

Position Data

Filled Positions by Funding Source

State Supported	887	965	1,030	1,053
Federal	---	1	2	2
Total Positions	887	966	1,032	1,055

Filled Positions by Program Class

Appellate Services to Indigents	66	67	68	69
Trial Services to Indigents and Special Programs	788	867	933	957
Administration and Support Services	33	32	31	29
Total Positions	887	966	1,032	1,055

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimates for fiscal 2007 reflects the number of positions funded.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
7,957	173	323	8,453	8,045	06	9,689	9,689	9,689
71,009	139	5,680	76,828	74,294	57	76,948	77,228	77,228
2,287	2	211	2,500	2,495	99	2,441	2,441	2,441
81,253	314	6,214	87,781	84,834		89,078^(a)	89,358	89,358
Distribution by Fund and Object								
Personal Services:								
51,834	---	2,187	54,021	54,019		56,986	56,986	56,986
---	---	---	---	1		---	---	---

TREASURY

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
51,834	---	2,187	54,021	54,020		56,986	56,986	56,986
822	26	-152	696	675		726	726	726
21,310	194	-98	21,406	20,077		22,393		
494	5	184	683	681		387 ^S	22,780	22,780
---	44	---	44	43		548	548	548
Special Purpose:								
Law Guardian Expansion								
Required for DYFS Caseload Increase								
4,601	20	---	4,621	4,552	57	---	---	---
184	19	-45	158	151	57	4,836	4,836	4,836
1,720	2	---	1,722	1,668	57	199	199	199
---	---	30	30	29	57	1,877	1,877	1,877
---	---	2,485	2,485	1,716	57	---	---	---
---	---	1,519	1,519	835	57	---	---	---
---	---	49	49	40	57	838	1,118	1,118
64	---	---	64	64	57	---	---	---
224	4	55	283	283	99	64	64	64
<u>GRANTS-IN-AID</u>								
Distribution by Fund and Program								
16,400	---	---	16,400	16,400	57	16,400	16,400	16,400
<u>16,400</u>	<u>---</u>	<u>---</u>	<u>16,400</u>	<u>16,400</u>		<u>16,400</u>	<u>16,400</u>	<u>16,400</u>
Distribution by Fund and Object								
Grants:								
8,400	---	---	8,400	8,400	57	8,400	8,400	8,400
<u>8,000</u>	<u>---</u>	<u>---</u>	<u>8,000</u>	<u>8,000</u>	57	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
<u>97,653</u>	<u>314</u>	<u>6,214</u>	<u>104,181</u>	<u>101,234</u>		<u>105,478</u>	<u>105,758</u>	<u>105,758</u>
<u>OTHER RELATED APPROPRIATIONS</u>								
Federal Funds								
1,228	110	248	1,586	1,514	57	1,228	1,228	1,228
<u>1,228</u>	<u>110</u>	<u>248</u>	<u>1,586</u>	<u>1,514</u>		<u>1,228</u>	<u>1,228</u>	<u>1,228</u>
<u>98,881</u>	<u>424</u>	<u>6,462</u>	<u>105,767</u>	<u>102,748</u>		<u>106,706</u>	<u>106,986</u>	<u>106,986</u>

Notes -- Direct State Services - General Fund

(a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.

The Department of the Public Advocate was created in fiscal 2006 pursuant to P.L. 2005, c.155. For comparison purposes, appropriations in fiscal years 2005 and 2006 for salary and other operating costs were transferred from the following departments: Corrections Ombudsperson in the Department of Corrections; Office of the Ombudsman in the Department of Health and Senior Services; Child Advocate Agency in-but-not-of the Department of Law and Public Safety; and the Ratepayer Advocacy, Dispute Settlement and Mental Health Screening Services in the Department of Treasury.

Language Recommendations -- Direct State Services - General Fund

Sums provided for legal and investigative services are available for payment of obligations applicable to prior fiscal years.

TREASURY

In addition to the amount hereinabove for the operation of the Public Defender's office there are appropriated additional sums as may be required for Trial and Appellate services to indigents, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other provision of law, no State funds are appropriated to fund the expenses associated with the legal representation of persons before the State Parole Board or the Parole Bureau.

Lawsuit settlements and legal costs awarded by any court to the Office of the Public Defender are appropriated for the expenses associated with the representation of indigent clients.

The funds appropriated to the Office of the Public Defender are available for expenses associated with the defense of pool attorneys hired by the Public Defender for the representation of indigent clients.

The unexpended balances at the end of the preceding fiscal year are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

Receipts in excess of the amount hereinabove for Legal Services of New Jersey - Legal Assistance in Civil Matters, P.L.1996, c.52, are appropriated for the same purposes, subject to the approval of the Director of the Division of Budget and Accounting.

MISCELLANEOUS COMMISSIONS
OVERVIEW

Miscellaneous Commissions are agencies with missions that extend beyond a single department within the State. In some instances, they may extend to one or more states, and were created as an interstate-federal compact. For example, an interstate commission operates in conjunction with executive departments in several states, with each member state exercising equal power in the decision making process. Such compacts are necessary, as an action taken by one state frequently has ramifications in another state.

Services are provided in two distinct areas: science and technical programs, and governmental review. The Delaware River Basin Commission and the Interstate Environmental Commission are engaged in science and technology programs, and governmental review activities are conducted by the Council on Local Mandates.

The Fiscal 2007 Budget for Miscellaneous Commissions totals \$1.4 million, a decrease of \$25,000 or 1.7% from the fiscal 2006 adjusted appropriation of \$1.4 million. The decrease of \$25,000 represents a one-time legislative appropriation in fiscal 2006 to the SMART Research and Development Compact that does not continue in fiscal 2007.

Delaware River Basin Commission

This Commission, under the Delaware River Basin Compact, operates as a regional agency for the planning, conservation, utilization, development, management, and control of water and related natural resources of the Delaware River Basin. The Compact includes Delaware, New Jersey, New York, the Commonwealth of Pennsylvania, and the federal government. Each year the Commission proposes a water resources program to be undertaken in conjunction with other governmental and private agencies, organizations, and individuals over a six-year period, or another reasonable, specified time period. The Commission is empowered to allocate the waters of the Basin to and among the states and their respective political subdivisions, and to impose related conditions, obligations, and release requirements, subject to certain limitations. Also, it is empowered to acquire, operate, and control projects and facilities for the storage and release of waters, and may assess water users for any imposed costs. The Commission may conduct investigations and surveys, and design, acquire, construct, operate, and maintain projects and facilities for the purpose of controlling

potential pollution, abating existing pollution, and for reducing flood damage. Additionally, it has the power to restrict the use of property within areas of the flood plain in order to minimize flood hazards.

The Commission provides for the development of water-related public sports and recreational facilities through the construction, maintenance, and administration of such facilities. It may develop and operate, or authorize to be developed and operated, dams and related facilities and equipment for the purpose of generating hydroelectric power. The fiscal 2007 recommendation of \$857,000 represents New Jersey's share of the Commission's budget.

Interstate Environmental Commission

The Commission is a tri-state agency created by the states of New Jersey, New York, and Connecticut through enabling legislation and a tri-state compact. The Commission plans and coordinates activities designed to abate water pollution in waterways common to the three states. It establishes rules, regulations, and orders related to its purpose and may rely on the courts for enforcement, if required. In addition, the Commission is the official planning and coordinating agency for the New Jersey, New York, and Connecticut air quality control region, though it does not have air pollution abatement enforcement powers. The Commission's program plan is designed to provide an effective coordinated approach to regional environmental problems. The Commission conducts research, testing, and development, and disseminates data to other public and private organizations or agencies. It does sampling to track sources of air pollutants and refers complaints, with data necessary to support corrective action, to the appropriate agency or agencies of the states. The fiscal 2007 recommendation of \$383,000 reflects New Jersey's contribution to the Commission's total operating budget.

Council On Local Mandates

The nine-member Council was created by Chapter 24, P.L. 1996 to implement a constitutional amendment approved by New Jersey voters in the 1995 general election. The Council reviews complaints filed by counties, municipalities or school districts, or by a county executive or elected mayor, and issues written rulings on whether a statute, rule, or regulation constitutes an impermissible, unfunded State mandate. The fiscal 2007 recommendation is \$167,000.

MISCELLANEOUS COMMISSIONS
SUMMARY OF APPROPRIATIONS BY FUND
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended
GENERAL FUND							
1,390	3	6	1,399	1,399	1,432	1,407	1,407
---	2	---	2	---	---	---	---
1,390	5	6	1,401	1,399	1,432	1,407	1,407
1,390	5	6	1,401	1,399	1,432	1,407	1,407
					Total Appropriation, Miscellaneous Commissions		
					1,432	1,407	1,407

MISCELLANEOUS COMMISSIONS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
383	---	---	383	383	Interstate Environmental Commission	03	383	383	383
Total Direct State Services						383	383	383	383
Distribution by Fund and Object									
Special Purpose:									
383	---	---	383	383	Expenses of the Commission	03	383	383	383
Grand Total State Appropriation						383	383	383	383

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

43. SCIENCE AND TECHNICAL PROGRAMS

9140. DELAWARE RIVER BASIN COMMISSION

OBJECTIVES

1. To establish standards of planning, design and operation of water resources projects and facilities in the Basin.
2. To conduct and sponsor research on water resources.
3. To coordinate the activities and programs of federal, state, municipal and private agencies concerned with water resources administration.
4. To improve environmental quality within the Basin.

PROGRAM CLASSIFICATIONS

02. **Delaware River Basin Commission.** This Commission, under the Delaware River Basin Compact (C.32:11D-1 et seq.), cooperates as a regional agency for the planning, conservation, utilization, development, management and control of water and related natural resources of the Delaware River Basin. The Compact includes the states of Delaware, New Jersey, New York, the Commonwealth of Pennsylvania and the federal government. Each year the Commission adopts a water resources program which it proposes be undertaken by the Commission and other governmental and private agencies, organizations and persons during the

ensuing six years or such other reasonable period. The Commission is empowered to allocate the waters of the Basin to and among the states and their respective political subdivisions, and to impose conditions, obligations and release requirements related thereto, subject to certain limitations. It is also empowered to acquire, operate and control projects and facilities for the storage and release of waters and may assess the cost thereof upon water users. The Commission may undertake investigations and surveys, and acquire and construct, operate and maintain projects and facilities to control potential pollution and abate existing pollution. The Commission may plan, design, construct and operate and maintain projects and facilities for flood damage reduction and has the power to restrict the use of property within the area of a flood plain so as to minimize the flood hazard. The Commission provides for the development of water-related public sports and recreational facilities through the construction, maintenance and administration of such facilities. The Commission may develop and operate, or authorize to be developed and operated, dams and related facilities and appurtenances for the purpose of generating hydroelectric power. The appropriation recommended below represents New Jersey's share of the Commission's budget.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
857	---	---	857	857	Delaware River Basin Commission	02	857	857	857
Total Direct State Services						857	857	857	857

MISCELLANEOUS COMMISSIONS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Object									
Special Purpose:									
857	---	---	857	857	02	857	857	857	
<u>CAPITAL CONSTRUCTION</u>									
Distribution by Fund and Program									
---	2	---	2	---	02	---	---	---	
Total Capital Construction									
---	2	---	2	---		---	---	---	
Distribution by Fund and Object									
Delaware River Basin Commission									
---	2	---	2	---	02	---	---	---	
Amortization Costs of Multipurpose Dams									
857	2	---	859	857	02	---	---	---	
Grand Total State Appropriation									
						857	857	857	

40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT
43. SCIENCE AND TECHNICAL PROGRAMS
9145. SMART RESEARCH AND DEVELOPMENT COMPACT

OBJECTIVES

- To promote cooperation, partnership, and the exchange of information in the field of science and technology across the Mid-Atlantic region.

PROGRAM CLASSIFICATIONS

- SMART Research and Development Compact in New Jersey.** The Strengthening the Mid-Atlantic Region for Tomorrow (SMART) Research and Development Compact

was ratified by P.L. 2005, c.377 to promote the contribution of the Mid-Atlantic region to the nation's research and development in science and technology. The purpose of this multi-state organization is to acquire research and development funding to enhance cooperation, partnerships, and sharing of information among businesses, academic institutions, federal and state governmental agencies, private and federally-operated laboratories, and nonprofit entities within the Mid-Atlantic region comprising the states of Delaware, Maryland, New Jersey, and Pennsylvania.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
---	---	---	---	---	05	25	---	---	
Total Direct State Services									
---	---	---	---	---		25	---	---	
Distribution by Fund and Object									
Special Purpose:									
---	---	---	---	---	05	25 ^S	---	---	
Grand Total State Appropriation									
						25	---	---	

MISCELLANEOUS COMMISSIONS

**70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
72. GOVERNMENTAL REVIEW AND OVERSIGHT
9148. COUNCIL ON LOCAL MANDATES**

OBJECTIVES

1. To resolve disputes as to whether a statute, rule or regulation constitutes an unfunded State mandate.

constitutional amendment approved by New Jersey voters in the 1995 general election. The Council reviews and issues written rulings on whether a statute, rule, or regulation constitutes an impermissible, unfunded State mandate. Complaints may be filed by a county, municipality or school district, or by a county executive or directly elected mayor.

PROGRAM CLASSIFICATIONS

92. **Council On Local Mandates.** The nine-member Council was created by P.L. 1996, C. 24 to implement the

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
Filled Positions by Funding Source				
State Supported	2	2	2	2
Total Positions	2	2	2	2
Filled Positions by Program Class				
Council on Local Mandates	2	2	2	2
Total Positions	2	2	2	2

Notes:

Actual payroll counts reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflects the number of positions funded.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
<u>DIRECT STATE SERVICES</u>								
Distribution by Fund and Program								
150	3	6	159	159	92	167	167	167
<u>150</u>	<u>3</u>	<u>6</u>	<u>159</u>	<u>159</u>	<i>Total Direct State Services</i>		<u>167^(a)</u>	<u>167</u>
Distribution by Fund and Object								
Special Purpose:								
150	3	6	159	159	92	167	167	167
<u>150</u>	<u>3</u>	<u>6</u>	<u>159</u>	<u>159</u>	<i>Grand Total State Appropriation</i>		<u>167</u>	<u>167</u>

Notes -- Direct State Services - General Fund

(a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program.

Language Recommendations -- Direct State Services - General Fund

The unexpended balance at the end of the preceding fiscal year in this account is appropriated.

INTERDEPARTMENTAL ACCOUNTS OVERVIEW

The Interdepartmental Accounts provide funds for the cost of certain services that are administered centrally on behalf of all agencies of State government. The Budget for Statewide Capital is discussed in the Capital and Debt Service section.

Budget Highlights

The Fiscal year 2007 Budget for all Interdepartmental Accounts totals \$3.281 billion, an increase of \$399.7 million, or 13.9%, over the fiscal 2006 adjusted appropriation of \$2.881 billion. (The specific highlights are outlined in their respective sections below.)

Salary Increases

The State of New Jersey employs approximately 80,000 full-time workers. The State is covered by the New Jersey Public Employer-Employee Relations Act, as amended, N.J.S.A. 34:13A-1, et seq. This Act guarantees public employees the right to negotiate collectively, through employee organizations certified or recognized as the exclusive collective negotiation representatives for units of public employees. As of February 2006, unions represented 72,000 full-time State employees, or approximately 90% of the total work force.

In fiscal 2007, \$127.9 million is recommended for Salary Increases and Other Benefits, to cover fiscal 2007 employee increments, progressions, across-the-board raises for all eligible employees, and bonuses according to contractual agreements, along with any related deferred costs. This amount is net of \$50 million savings from statewide management efficiencies and it provides no additional funding for senior public higher education institutions' employee salary increases.

In addition to salary increases, this section of the Budget provides \$7.5 million for payment of unused accumulated sick leave in accordance with N.J.A.C. 4A:6-3.1 et. seq. Employees are permitted to accumulate earned sick days. Upon retirement, retirees are paid for any unused sick days, at 50% of the normal pay rate, up to a maximum amount of \$15,000.

Employee Contract Status

Contracts have been settled with the unions representing 75% of State employees, including CWA (Communications Workers of America), AFSCME (American Federation of State, County, and Municipal Employees), IFPTE (International Federation of Professional and Technical Engineers), and unions representing corrections and non-corrections law enforcement officers employed by the State, which are effective July 1, 2003 to June 30, 2007. All of the above unions have negotiated a cost-of-living (COLA) increase of 2.25% on or about July 1, 2006, and another increase of 2.35% on or about January 1, 2007.

The unions that represent Judicial employees - CWA, Judiciary Council of Affiliated Unions (JCAU), and Probation Association of New Jersey (PANJ), will receive a 2% increase on or about both July 1, 2006 and January 1, 2007, as well as a 4.15% progression on or about July 1, 2006. Additionally, the State Police will receive a 4% increase on or about July 1, 2006. Both the Judicial unions and the State Police contracts are effective July 1, 2004 to June 30, 2008.

Employee Fringe Benefits

For fiscal 2007, a total cost of \$1.7 billion is budgeted to provide fringe benefits to employees of State government, an increase of \$220.3 million, or 14.7%, as compared to fiscal 2006. The fiscal 2007 recommendation for higher education's senior public institutions is \$683.4 million, which, after accounting for reimbursements, is essentially flat compared to fiscal 2006.

Employee Retirement

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

The majority of the fiscal 2007 growth in employee benefits is in pension contributions. The Fiscal 2007 Budget accelerates the phase-in towards full funding, increasing from 40% funding in fiscal 2006 for all systems other than SPRS (which was funded at 30%) to 70% in fiscal 2007.

The recommended amount for State employee pensions in the Fiscal 2007 Budget totals \$629.8 million, including \$263.9 million of post retirement medical costs. The recommended appropriation for debt service payments on the pension obligation bonds for State employees is \$70.7 million in fiscal 2007.

Employee Health Benefits

The projected cost for health benefits, including medical, prescription drug, dental, and vision, for State employees in fiscal 2007 is \$675.2 million. This recommendation includes projected savings from cost containment measures that are being implemented in the Fiscal 2007 Budget. These measures include bulk purchasing of pharmaceuticals, mandatory mail-order for maintenance drugs, mandatory use of generic drugs, improved pharmacy administration, increased cost sharing for noncompetitive, non-aligned employees, and use of available State Prescription Drug Program fund balances.

Employer Payroll Taxes

The fiscal 2007 recommendation of \$340.3 million for employer payroll taxes for State employees represents a decrease of \$5.7 million over fiscal 2006. The recommendation includes \$325 million of employer Social Security tax, \$13 million for Temporary Disability Insurance (TDI), and \$2.3 million for Unemployment Insurance (UI) liability.

Other Interdepartmental Accounts

The Fiscal 2007 Budget for Other Interdepartmental Accounts totals \$92.1 million, a decrease of \$42.2 million, or 32%, from the fiscal 2006 adjusted appropriation of \$134.3 million.

In Direct State Services (DSS), some of the major items funded in fiscal 2007 are: \$46 million for interest on short-term notes, \$17.6 million for Statewide E-911 Emergency Telephone System and \$5.5 million for several smaller programs. Additionally, this Budget provides \$8 million for information technology.

The Fiscal 2007 Grants-in-Aid (GIA) Budget for Other Interdepartmental Accounts totals \$14.9 million, a decrease of \$40 million from the fiscal 2006 appropriations of \$54.9 million. All of the funds are to be used for grants for E-911 Statewide Emergency Telephone System.

Aid To Independent Authorities

The Fiscal 2007 Budget for Aid to Independent Authorities totals \$130.2 million, an increase of \$24 million, or 23% more than the fiscal 2006 adjusted appropriation of \$106.2 million. This Budget supports the New Jersey Sports and Exposition Authority, Business Employment Incentive Programs, New Jersey Performing Arts Center, Municipal Rehabilitation and Economic Recovery, and other authorities.

INTERDEPARTMENTAL ACCOUNTS

Property Rentals

The Fiscal 2007 Budget for Property Rentals totals \$158.7 million, which is an increase of \$12.4 million, or 8.5%, from the previous year. The Property Rentals account supports existing and anticipated leases of offices and other facilities used by State agencies (\$121.3 million), payments for debt service leases and payments in lieu of property taxes on facilities occupied by State agencies (\$19 million), and debt service payments for various fire sprinkler systems and office furnishings (\$1.3 million). This account also includes \$17.1 million for debt service payments associated with the State's lease-purchase of facilities acquired or built by the Economic Development Authority.

Insurance and Other Services

The Insurance and Other Services account includes insurance premiums for property, casualty and special insurance policies for coverage against loss to State-owned real property, boilers and other machinery and fine art objects owned by the State. This account also provides self-insurance funds for various claims against the State, including tort claims for personal injury or property damage, workers' compensation for State employees, vehicle liability claims for property damage and injury resulting from the operation of State vehicles, and claims arising from the Foster Parents Program and the UMDNJ Self-Insurance Reserve Fund.

The Fiscal 2007 Budget for Insurance and Other Services totals \$106.7 million, an increase of \$3.7 million over the fiscal 2006 adjusted appropriation of \$103 million. Funding increases by \$3.5 million for tort claims and \$200,000 for Workers' Compensation claims.

Utilities and Other Services

The Utilities and Other Services account provides funding for the heating, electrical, janitorial and trash removal needs for various State-owned buildings, primarily in the Capitol Complex, that house the State workforce. This account also includes funding for State departments that are severely impacted by the recent and dramatic increase in fuel and utility costs. The Fiscal 2007 Budget for Utilities and Other Services of \$50.9 million is \$15.7 million, or 45% higher than the previous year. Of this amount, \$15.2 million is for increased fuel and utility costs and \$550,000 is for contractual increases for janitorial and trash removal services.

The New Jersey Consolidated Energy Savings Program (NJCESP) has reduced the cost of energy for New Jersey State departments and agencies, colleges, universities, NJ Transit, and authorities. As part of this effort, approximately 12% of the total electrical load will be procured from renewable, or "green power" sources. The green power procurement helps New Jersey satisfy federal environmental regulations and aids in the development of clean energy markets.

INTERDEPARTMENTAL ACCOUNTS SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					GENERAL FUND			
1,838,750	63,189	-132,408	1,769,531	1,686,469	Direct State Services	1,867,233	2,244,943	2,244,943
853,859	1,917	-47,183	808,593	765,514	Grants-In-Aid	834,816	828,479	828,479
168,653	34,358	17,642	220,653	173,889	Capital Construction	179,327	207,636	207,636
2,861,262	99,464	-161,949	2,798,777	2,625,872	Total General Fund	2,881,376	3,281,058	3,281,058
2,861,262	99,464	-161,949	2,798,777	2,625,872	Total Appropriation, Interdepartmental Accounts	2,881,376	3,281,058	3,281,058

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					DIRECT STATE SERVICES - GENERAL FUND			
					General Government Services			
153,023	134	---	153,157	150,856	Property Rentals	146,320	158,690	158,690
103,911	7,214	-1	111,124	94,206	Insurance and Other Services	103,011	106,711	106,711
1,357,386	19,008	605	1,376,999	1,368,281	Employee Benefits	1,495,797	1,716,124	1,716,124
55,469	761	-6,985	49,245	33,516	Other Inter-Departmental Accounts	79,421	77,142	77,142
137,280	33,860	-126,027	45,113	5,717	Salary Increases and Other Benefits	7,500	135,360	135,360
31,681	2,212	---	33,893	33,893	Utilities and Other Services	35,184	50,916	50,916
1,838,750	63,189	-132,408	1,769,531	1,686,469	Subtotal	1,867,233	2,244,943	2,244,943
1,838,750	63,189	-132,408	1,769,531	1,686,469	Total Direct State Services - General Fund	1,867,233	2,244,943	2,244,943
1,838,750	63,189	-132,408	1,769,531	1,686,469	TOTAL DIRECT STATE SERVICES	1,867,233	2,244,943	2,244,943

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					GRANTS-IN-AID - GENERAL FUND			
					General Government Services			
619,292	179	-1,868	617,603	615,500	Employee Benefits	673,658	683,358	683,358
114,198	---	-14,157	100,041	59,326	Other Inter-Departmental Accounts	54,925	14,925	14,925
31,158	---	-31,158	---	---	Salary Increases and Other Benefits	---	---	---
89,211	1,738	---	90,949	90,688	Aid to Independent Authorities	106,233	130,196	130,196
<u>853,859</u>	<u>1,917</u>	<u>-47,183</u>	<u>808,593</u>	<u>765,514</u>	<i>Subtotal</i>	<u>834,816</u>	<u>828,479</u>	<u>828,479</u>
<u>853,859</u>	<u>1,917</u>	<u>-47,183</u>	<u>808,593</u>	<u>765,514</u>	<i>Total Grants-In-Aid - General Fund</i>	<u>834,816</u>	<u>828,479</u>	<u>828,479</u>
<u>853,859</u>	<u>1,917</u>	<u>-47,183</u>	<u>808,593</u>	<u>765,514</u>	TOTAL GRANTS-IN-AID	<u>834,816</u>	<u>828,479</u>	<u>828,479</u>
					CAPITAL CONSTRUCTION			
					General Government Services			
168,653	34,358	17,642	220,653	173,889	Capital Projects - Statewide	179,327	207,636	207,636
<u>168,653</u>	<u>34,358</u>	<u>17,642</u>	<u>220,653</u>	<u>173,889</u>	<i>Subtotal</i>	<u>179,327</u>	<u>207,636</u>	<u>207,636</u>
<u>168,653</u>	<u>34,358</u>	<u>17,642</u>	<u>220,653</u>	<u>173,889</u>	TOTAL CAPITAL CONSTRUCTION	<u>179,327</u>	<u>207,636</u>	<u>207,636</u>
<u>2,861,262</u>	<u>99,464</u>	<u>-161,949</u>	<u>2,798,777</u>	<u>2,625,872</u>	<i>Total Appropriation, Interdepartmental Accounts</i>	<u>2,881,376</u>	<u>3,281,058</u>	<u>3,281,058</u>

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

74. GENERAL GOVERNMENT SERVICES

OBJECTIVES

1. To provide pooled funds for the costs of certain services which are managed centrally for or on behalf of all agencies of State government.
2. To provide pooled contingency reserve funds to cover certain emergency situations and probable cost increases for various utilities and common services which cannot be predicted with reasonable certainty.
3. To provide pooled funds for salary adjustments and other salary and compensation benefits for State employees.

PROGRAM CLASSIFICATIONS

01. **Property Rentals.** Provides for payment by the Department of Treasury of rents for office space and other premises for State agencies, whose operations are financed from General Fund appropriations. This account also functions as a clearing account for payment of rents for agencies financed from other than General Fund sources, which amounts are shown as a deduction from the gross rent recommendation.
02. **Insurance and Other Services.** Provides funds to pay all central insurance premium costs and to cover the State's tort liability and its statutory duty to indemnify its employees for adverse judgments in all instances where the State is self-insured. This account also provides the self-insurance funds to pay losses which fall within the deductible areas of property insurance coverage and other insurance claims.
03. **Employee Benefits.** Provides funds for the following classes of employees: (1) Heath Act pensioners (R.S. 43:5-1 et seq.), consisting of persons employed by the State as of January, 1921; (2) Veterans' Act pensioners (R.S. 43:4-1 et seq.); (3) Miscellaneous Special Pension Acts, in accordance with

various State laws authorizing payments to designated individuals; (4) Annuity for Widows of Governors (R.S. 43:8-2); (5) Judicial pensioners (C.43:6-6.4 et seq.); (6) Prison officers (C.43:7-7 et seq.) whose funds are administered by a commission of five members including an appointee of the Governor, and the State Treasurer; (7) Public Employees (C.43:15A-1 et seq.), whose funds are administered by a board of nine trustees, including municipal and county representation, two appointees of the Governor, and the State Treasurer; (8) State Police (C.53:5A-1 et seq.), whose funds are administered by a board of five trustees including two active members of the system, two appointees of the Governor, and the State Treasurer, ex officio; (9) and the pension and non-contributory group life insurance payments to be made by the State on behalf of those members of the Teachers' Pension and Annuity Fund, not employees of school districts, employed by the State Department of Education, and by the public institutions of higher education in the State. Funds are also provided for the payments for non-contributory group life insurance covering employees of the State and other participating employers in the retirement system (C.43:15A-1 et seq.); the State's share of Social Security Tax (C.43:22-1 et seq.); Pension Adjustment Act (C.3:3B-1 et seq.) providing increases in benefits payable to members of State retirement systems; and the employer's share of health benefits charges for State employees enrolled in the public and school employees' health benefits program. Under C.52:14-17.25 et seq., the administration of this program was transferred to the Division of Pensions and Benefits.

The Alternate Benefit Program was established (N.J.S. 18A:64C-11.1, N.J.S. 18A:65-74 and C.18A:66-130) for faculty and staff members at the University of Medicine and

INTERDEPARTMENTAL ACCOUNTS

Dentistry of New Jersey; Rutgers, The State University; the New Jersey Institute of Technology; and the State Colleges. The employer contribution to this retirement program is included in this Budget.

The State Employee Health Benefits Program (C.52:14-17.25 et seq.) provides health insurance for employees and their dependents, including those employed by State colleges and universities, through a traditional plan or a managed care health plan.

The Division of Pensions and Benefits coordinates payment of temporary disability insurance benefits to State employees (C.43:21-46). Temporary cash benefits are provided to eligible State employees covered under federal law to insure against loss of earnings due to non-occupational sickness or accident.

All individuals in the employ of the State of New Jersey or an instrumentality of the State, with respect to service performed after December 31, 1971 for a hospital or institution of higher education, are covered under the Unemployment Compensation Law (R.S. 43:21-1 et seq., as amended by P.L. 1971, c. 346). Any political subdivision of the State may elect to cover individuals employed by the subdivision in all of the hospitals and institutions of higher education operated by that political subdivision. Benefits paid based on wages earned in the employ of the State or of a political subdivision are financed by payments in lieu of employer contributions to the Unemployment Compensation Fund. All covered State employees are required to contribute each year to the Fund in accordance with the established rate. Benefits under the unemployment compensation program are payable in accordance with the provisions of the Unemployment Compensation Law.

The New Jersey State Prescription Drug Program (C.52:14-17.29) helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes, or other institutions. Included are those drugs which, as required by federal law, can be dispensed only upon a written prescription order by a physician. The program covers the full cost of a prescription

item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill. The co-payment charge is dependent upon whether the employee chooses a prescription which is generic or non-generic. All full time State employees are eligible to enroll for coverage in the Program without cost to the employee.

04. **Other Inter-Departmental.** Provides funds for allotment by the Director of the Division of Budget and Accounting to various departments or agencies of State government for meeting emergency conditions, and for a number of other contingencies which cannot be predicted with sufficient certainty to be included within the budget recommendations of individual departments or agencies. Included are the Governor's Emergency Fund, the premium portion of required payments for short term notes, seed money to implement cost saving processes, the 911 emergency telephone payments, and other productivity improvements as appropriate.
05. **Salary Increases and Other Benefits.** Includes funds to be allotted to the various State departments or agencies for the cost of general and special salary adjustments and unused accumulated sick leave.
06. **Utilities and Other Services.** Provides for payment of fuel, utilities, janitorial services, and trash removal for State-owned and lease-purchase facilities primarily in the Capitol district, as well as some fuel and utility costs for State departments.
08. **Capital Projects - Statewide.** Provides for statewide programs and capital projects administered by the Department of Treasury on behalf of state agencies. Statewide programs include the removal of underground storage tanks, hazardous material removal and Americans with Disabilities Act compliance. Also, included is funding for the purchase of open space through the Garden State Preservation Trust Fund. Other items include network upgrades and agency information technology systems.
09. **Aid to Independent Authorities.** Provides for payments to independent authorities for operating expenses and construction costs of both cultural and sports related facilities.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	2006 Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
202,700	134	---	202,834	200,533				
103,911	7,214	-1	111,124	94,206				
31,681	2,212	---	33,893	33,893				
202,700	134	---	202,834	200,533				
103,911	7,214	-1	111,124	94,206				
31,681	2,212	---	33,893	33,893				
338,292	9,560	-1	347,851	328,632				
(49,677)	---	---	(49,677)	(49,677)				
(49,677)	---	---	(49,677)	(49,677)				
288,615	9,560	-1	298,174	278,955				
					DIRECT STATE SERVICES			
					Distribution by Fund and Organization			
						231,755	242,043	242,043
						103,011	106,711	106,711
						35,184	50,916	50,916
					Distribution by Fund and Program			
					01	231,755	242,043	242,043
					02	103,011	106,711	106,711
					06	35,184	50,916	50,916
						369,950	399,670	399,670
					Less:			
						(85,435)	(83,353)	(83,353)
						(85,435)	(83,353)	(83,353)
						284,515	316,317	316,317

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom-mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Object									
Property Rentals									
160,242			164,967	164,432	Existing and Anticipated Leases	01	187,587	204,695	204,695
4,591 ^S	134	---					5,500 ^S		
17,491			17,491	17,216	Economic Development Authority	01	16,183	17,051	17,051
<u>16,586</u>	<u>---</u>	<u>---</u>	<u>16,586</u>	<u>16,586</u>	Other Debt Service Leases and Tax Payments	01	<u>17,822</u>	<u>19,015</u>	<u>19,015</u>
<u>198,910</u>	<u>134</u>	<u>---</u>	<u>199,044</u>	<u>198,234</u>	<i>Subtotal Appropriation (Gross)</i>		<u>227,092</u>	<u>240,761</u>	<u>240,761</u>
<i>Less:</i>									
<u>(49,677)</u>	<u>---</u>	<u>---</u>	<u>(49,677)</u>	<u>(49,677)</u>	<i>Direct Charges and Charges to Non-State Fund Sources</i>		<u>(85,435)</u>	<u>(83,353)</u>	<u>(83,353)</u>
<u>149,233</u>	<u>134</u>	<u>---</u>	<u>149,367</u>	<u>148,557</u>	<i>Subtotal Appropriation (Net)</i>		<u>141,657</u>	<u>157,408</u>	<u>157,408</u>
3,790			3,790	2,299	Additions, Improvements and Equipment		4,663	1,282	1,282
Insurance and Other Services									
Tort Claims Liability Fund (C59:12-1)									
11,000			26,500	12,534	Workers' Compensation Self-Insurance Fund	02	11,000	17,500	17,500
15,500 ^S	---	---					3,000 ^S		
41,900			56,910	56,568	Property Insurance Premium Payments	02	55,500	61,700	61,700
8,000 ^S	5,565	1,445					6,000 ^S		
3,636		-112	3,524	3,524	Casualty Insurance Premium Payments	02	3,636	3,636	3,636
2,030		-1,294	736	736	Special Insurance Policy Premium Payment	02	2,030	2,030	2,030
220		63	283	283	UMDNJ Self Insurance Reserve Fund	02	220	220	220
18,000			18,000	17,300	Vehicle Claims Liability Fund	02	18,000	18,000	18,000
2,000			2,000	1,999	Self-Insurance Deductible Fund	02	2,000	2,000	2,000
1,500	1,649		3,149	1,240	Self-Insurance Fund - Foster Parents	02	1,500	1,500	1,500
125		-103	22	22		02	125	125	125
Utilities and Other Services									
Fuel and Utilities									
23,382	235		27,081	27,081	Household and Security	06	27,495	42,677	42,677
937 ^S	1,977 ^R	550							
5,703			6,812	6,812		06	7,689	8,239	8,239
1,659 ^S		-550							
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
89,211	1,738	---	90,949	90,688	Aid to Independent Authorities	09	106,233	130,196	130,196
<u>89,211</u>	<u>1,738</u>	<u>---</u>	<u>90,949</u>	<u>90,688</u>	<i>Total Grants-in-Aid</i>		<u>106,233</u>	<u>130,196</u>	<u>130,196</u>
Distribution by Fund and Object									
Grants:									
1,500			1,500	1,500	Camden Aquarium Management Agreement	09	---	---	---
5,555			5,555	5,540	New Jersey Performing Arts Center, EDA	09	5,559	5,557	5,557
15,344			16,320	16,320	Business Employment Incentive Program, EDA-Debt Service	09	28,694	48,443	48,443
976 ^S							2,151 ^S		
718			718	702	Liberty Science Center - EDA	09	598	1,213	1,213
8,948			9,298	9,298	Municipal Rehabilitation and Economic Recovery, EDA	09	9,314	14,129	14,129
350 ^S									
625			625	625	Camden Children's Garden	09	625	625	625

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
CAPITAL CONSTRUCTION									
New Jersey Building Authority Debt Service - General State Projects									
24,289	---	---	24,289	24,289	- Southwoods State Prison	08	20,414	30,248	30,248
15,860	---	---	4,420	4,420	- State House Renovations	08	13,326	19,731	19,731
-11,440 ^S	---	---	7,702	7,702	- Hughes Justice Complex	08	7,461	11,046	11,046
8,880	---	---	21,098	19,239	- Other State Projects	08	18,135	26,872	26,872
-1,178 ^S	1,332	---	1,000	1,000	- 9/11 Memorial	08	864	---	---
21,586	---	---	5,059	5,059	<i>Counter Terrorism Projects</i>				
-1,820 ^S	---	---	717	717	- State Police Multipurpose Building/Troop "C" Headquarters	08	5,122	7,584	7,584
1,000	---	---	2,000	---	- State Police Emergency Operations Center	08	955	1,414	1,414
6,097	---	---	59	---	Enterprise Initiatives				
-1,038 ^S	59	---	2,000	---	Network Infrastructure	08	3,950	416	416
1,137	---	---	---	---	Enterprise Upgrades-Garden State Network	08	---	---	---
-420 ^S	---	---	---	---	Office of Information Technology-Availability and Recovery Site (OARS)	08	1,400	6,500	6,500
---	---	---	---	---	Open Space Preservation Program				
2,000	---	---	98,000	99,492	Garden State Preservation Trust Fund Account	08	98,000	98,000	98,000
---	---	---	546,479	543,532	Grand Total State Appropriation				
---	1,819	1,492	101,311	99,492	08	570,075	654,149	654,149	
---	---	---	---	---	08	98,000	98,000	98,000	
---	45,656	17,641	609,776	543,532	Grand Total State Appropriation				
---	---	---	---	---	08	570,075	654,149	654,149	

OTHER RELATED APPROPRIATIONS

Federal Funds									
---	1,194	---	1,194	1,194	Utilities and Other Services	06	---	---	---
---	1,194	---	1,194	1,194	Total Federal Funds				
546,479	46,850	17,641	610,970	544,726	GRAND TOTAL ALL FUNDS				
							570,075	654,149	654,149

Notes -- Capital Construction

(a) For fiscal 2006 a total of \$16,992,000 will be made available for Statewide Fire, Life Safety and Renovation Projects from non-State funding sources.

Language Recommendations -- Direct State Services - General Fund

The Director of the Division of Budget and Accounting is empowered to allocate to any State agency occupying space in any State-owned building equitable charges for the rental of such space to include, but not be limited to, the costs of operation and maintenance thereof, and the amounts so charged shall be credited to the General Fund; and, to the extent that such charges exceed the amounts appropriated for such purposes to any agency financed from any fund other than the General Fund, the required additional appropriation shall be made out of such other fund.

Receipts derived from direct charges and charges to non-State fund sources are appropriated for the rental of property, including the costs of operation and maintenance of such properties.

Notwithstanding any other provision of law, and except for leases negotiated by the Division of Property Management and Construction and subject to the approval or disapproval by the State Leasing and Space Utilization Committee pursuant to P.L. 1992, c.130 (C.52:18A-191.1 et seq.), and except as hereinafter provided, no lease for the rental of any office or building shall be executed without the prior written consent of the State Treasurer, the Director of the Division of Budget and Accounting, the President of the Senate and the Speaker of the General Assembly.

To the extent that sums appropriated for property rental payments are insufficient, there are appropriated such additional sums, not to exceed \$3,000,000 as may be required to pay property rental obligations, subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$2,500,000 shall be appropriated for the costs of security, maintenance, utilities and other operating expenses related to the Marlboro Psychiatric Hospital and North Princeton Developmental Center closure initiatives, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated such additional sums as may be required to pay debt service costs for the Greystone Park Psychiatric Hospital Project, subject to the approval of the Director of the Division of Budget and Accounting.

INTERDEPARTMENTAL ACCOUNTS

- The unexpended balance at the end of the preceding fiscal year in the Master Lease Program Fund is appropriated for the same purpose.
- In order to permit flexibility, amounts may be transferred between various items of appropriation within the Insurance and Other Services program classification, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.
- There are appropriated such additional sums as may be required to pay tort claims under N.J.S. 59:12-1, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the payment of claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the payment of direct costs of legal, administrative and medical services related to the investigation, mitigation and litigation of tort claims under N.J.S. 59:12-1, and claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of pool attorneys engaged by the Public Defender for the defense of indigents.
- The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of designated pathologists engaged by the State Medical Examiner.
- Notwithstanding any other law to the contrary, claims paid from the Tort Claims Liability Fund on behalf of entities funded, in whole or in part, from non-State funds, may be reimbursed from such non-State fund sources as determined by the Director of the Division of Budget and Accounting.
- There are appropriated such additional sums as may be required to pay claims not payable from the Tort Claims Liability Fund or payable under the New Jersey Contractual Liability Act, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine. The funds appropriated are available for the payment of direct costs of legal, administrative and medical services related to the investigation, mitigation and litigation of claims not payable from the Tort Claims Liability Fund or payable under the New Jersey Contractual Liability Act, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine. Notwithstanding any other law to the contrary, claims or costs paid from the monies appropriated under this paragraph on behalf of entities funded, in whole or in part from non-State funds, may be reimbursed from such non-State funds sources as determined by the Director of the Division of Budget and Accounting. Appropriations under this paragraph shall not be available to pay punitive damages and shall not be deemed a waiver of any immunity by the State.
- To the extent that sums appropriated to pay Workers' Compensation claims under R.S.34:15-1 et seq., are insufficient, there are appropriated such additional sums as may be required to pay Workers' Compensation claims, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount appropriated hereinabove for the Workers' Compensation Self-Insurance Fund under R.S. 34:15-1 et seq. is available for the payment of direct costs of legal, investigative, administrative and medical services related to the investigation, mitigation, litigation and administration of claims against the fund, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any other law to the contrary, benefits provided to community work experience participants shall be borne by the Work First New Jersey program funded through the Department of Human Services and any costs related to administration, mitigation, litigation and investigation of claims will be reimbursed to the Bureau of Risk Management by the Work First New Jersey Program funded through the Department of Human Services, subject to the approval of the Director of the Division of Budget and Accounting.
- Providing that expenditures during the current fiscal year on workers' compensation claims attributable to the Departments of Human Services, Transportation, Corrections, and Law and Public Safety are less than the respective amounts expended by those departments for claims attributable to the preceding fiscal year, all or a portion of that savings is appropriated to those departments or the Bureau of Risk Management within the Department of the Treasury for the purpose of improving worker safety and reducing workers' compensation costs, subject to the approval of the Director of the Division of Budget and Accounting.
- To the extent that sums appropriated to pay auto insurance claims are insufficient, there are appropriated such additional sums as may be required to pay auto insurance claims, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount appropriated hereinabove for the Vehicle Claims Liability Fund is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.
- The unexpended balance at the end of the preceding fiscal year in the Self-Insurance Deductible Fund is appropriated for the same purposes.
- The amount hereinabove appropriated for the Self-Insurance Fund - Foster Parents is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.
- The sums hereinabove appropriated are available for payment of obligations applicable to prior fiscal years.
- There are appropriated out of revenues received from utility companies such sums as may be required for implementation and administration of the Energy Conservation Initiatives Program, subject to the approval of the Director of the Division of Budget and Accounting.
- In addition to the sums hereinabove appropriated for Fuel and Utilities, the Director of the Division of Budget and Accounting shall transfer or credit to this account such sums that accrue from appropriations made to various spending agencies for Fuel and Utilities and Salaries and Wages, to reflect savings associated with electrical deregulation, fuel switch and other energy-conservation initiatives.
- Of the amount appropriated hereinabove for fuel and utility costs, \$15,182,000 may be transferred to State departments and, in addition to the sums hereinabove appropriated for fuel and utility costs, there are appropriated such additional sums as may be required for transfer to State departments to pay fuel and utility costs, subject to the approval of the Director of the Division of Budget and Accounting.

INTERDEPARTMENTAL ACCOUNTS

Of the unexpended balances in the Petroleum Overcharge Reimbursement Fund available for "Green Power", such sums shall be transferred to the various departments and agencies participating in the State electricity contract, as applicable, to reimburse additional costs associated with "Green Power" sources, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Global Energy Statewide Account is appropriated for the same purpose.

Notwithstanding any law to the contrary, the Division of Property Management and Construction is empowered to renegotiate lease terms, provided that such renegotiations result in cost savings to the State for the current fiscal year and for the term of the lease. Any lease amendments made as a result of these renegotiations are subject to the review and approval of the State Leasing and Space Utilization Committee.

Language Recommendations -- Grants-In-Aid - General Fund

In addition to the amounts hereinabove appropriated for the Sports and Exposition Authority Operations - Debt Service there are appropriated such additional sums as may be necessary, subject to the approval of the Director of the Division of Budget and Accounting.

The amount for the New Jersey Performing Arts Center, EDA account shall be used to pay the State's obligations pursuant to a lease with the New Jersey Economic Development Authority, for the lease of real property and infrastructure improvements and the Performing Arts Center structure constructed thereon purchased by the authority for the State in the city of Newark, for the purpose of constructing buildings to comprise a Performing Arts Center. Notwithstanding any other provision of law, the State Treasurer may enter into a lease with the New Jersey Economic Development Authority to lease the real property and improvements thereon purchased or caused to be constructed by the authority for the State in the city of Newark for the Performing Arts Center, subject to the prior written consent of the Director of the Division of Budget and Accounting, the President of the Senate and the Speaker of the General Assembly. Upon the final payment of the State's obligations pursuant to the lease for the real property and infrastructure improvements purchased by the authority, the title to the real property and improvements shall revert to the State. The State may sublease the land and facilities for the purpose of operating, maintaining or financing a Performing Arts Center in Newark. Any sublease for use of land and improvements acquired for the State by the New Jersey Economic Development Authority for the Performing Arts Center shall be subject to the prior written approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee, or its successor. There are appropriated such additional sums as may be necessary to pay debt service for the New Jersey Performing Arts Center.

The amount hereinabove appropriated for the Camden Children's Garden shall be subject to the execution of an agreement between the State Treasurer and the operator of the Camden Children's Garden.

The amounts hereinabove appropriated for fiscal year 2007 debt service payments attributable to the New Jersey Performing Arts Center, EDA program and to the Municipal Rehabilitation and Economic Recovery, EDA program may be paid by the New Jersey Economic Development Authority from resources available from unexpended balances, and in such instances the amounts appropriated for the New Jersey Performing Arts Center, EDA program and for the Municipal Rehabilitation and Economic Recovery, EDA program shall be reduced by the same amount. There are appropriated such additional sums as may be necessary to pay debt service and other costs for the Municipal Rehabilitation and Economic Recovery, EDA program, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for the Battleship New Jersey Utilities shall be used for the utility expenses of the Battleship New Jersey as shall be substantiated by the Home Port Alliance in a submission to the Director of the Division of Budget and Accounting, and shall not be expended without the approval of the Director and the State Treasurer.

Language Recommendations -- Capital Construction

There are appropriated such additional sums as may be required to pay future debt service costs for projects undertaken by the New Jersey Building Authority, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amounts appropriated under P.L.2004, c.71, donations for the 9/11 Memorial Design Costs from public and private sources, including those collected from the Port Authority of New York and New Jersey, for the purposes of planning, designing, maintaining and constructing a memorial to the victims of the terrorist attacks of September 11, 2001, on the World Trade Center in New York City, the Pentagon in Washington, D.C., and United Airlines Flight 93 in Somerset County, Pennsylvania, shall be deposited by the State Treasurer in a dedicated account established for this purpose and are appropriated for the purposes set forth under P.L.2004, c.71.

Notwithstanding the provisions of any other law to the contrary, in order to provide flexibility in administering the amounts provided for Statewide Fire, Life Safety and Renovations Projects, such sums as may be necessary may be transferred to individual project line items within various departments, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year of appropriations from the "1996 Economic Development Site Fund," established pursuant to section 20 of the "Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act of 1996," c. 70 are appropriated.

Of the amount hereinabove appropriated for Office of Information Technology-Availability and Recovery Site (OARS), an amount may be transferred to the Office of Information Technology Office of Information Technology-Availability and Recovery Site (OARS) account to cover the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove appropriated for Network Infrastructure, an amount may be transferred to the Office of Information Technology Network Infrastructure account to cover the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to the amount appropriated hereinabove for the Garden State Preservation Trust Fund Account, interest earned and accumulated commencing with the start of this fiscal year is appropriated.

INTERDEPARTMENTAL ACCOUNTS

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL 74. GENERAL GOVERNMENT SERVICES 9410. EMPLOYEE BENEFITS EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Employee Benefits				
Judicial Retirement System				
Assets	\$ 324,619,731	\$ 330,136,054	\$ 344,871,158	\$ 359,402,252
Active Members	432	427	430	433
Pensioners	417	432	450	469
Annual Pensions	\$ 26,576,846	\$ 28,756,368	\$ 30,639,910	\$ 32,646,824
Lump Sum Death Benefits	\$ 487,548	\$ 261,988	\$ 259,326	\$ 256,691
Prison Officers' Pension Fund				
Assets	\$ 16,105,439	\$ 15,019,308	\$ 14,570,175	\$ 14,010,308
Pensioners	200	186	173	161
Public Employees' Retirement System				
Assets	\$ 23,191,446,226	\$ 24,071,909,584	\$ 24,085,463,470	\$ 24,911,896,268
Total Members	314,673	322,985	330,270	336,898
State (Active)	82,462	85,985	88,117	89,480
State (Inactive)	27,487	28,223	29,033	29,866
Local	204,724	208,777	213,120	217,552
Pensioners	115,647	119,174	123,038	127,028
Annual Pensions	\$ 1,506,081,057	\$ 1,605,184,591	\$ 1,709,714,211	\$ 1,821,050,801
Lump Sum Death Benefits	\$ 97,104,220	\$ 103,933,290	\$ 107,679,046	\$ 111,559,799
State Police Retirement System				
Assets	\$ 1,694,769,733	\$ 1,752,407,719	\$ 1,825,915,563	\$ 1,913,368,929
Total Members	2,745	3,074	2,873	2,913
Active	2,710	2,950	2,734	2,757
Inactive	35	124	139	156
Pensioners	2,191	2,299	2,409	2,524
Annual Pensions	\$ 88,550,978	\$ 97,942,622	\$ 107,834,827	\$ 118,726,144
Lump Sum Death Benefits	\$ 721,085	\$ 927,128	\$ 1,057,853	\$ 1,207,010
Police and Firemen's Retirement System				
Assets	\$ 16,439,571,152	\$ 17,502,319,933	\$ 19,189,388,328	\$ 20,514,828,982
Total Members	45,124	45,263	45,462	45,669
State (Active)	7,725	7,860	7,929	7,999
State (Inactive)	477	424	377	335
Local	36,922	36,979	37,156	37,335
Pensioners	27,768	29,183	30,526	31,931
Annual Pensions	\$ 956,173,745	\$ 1,037,521,253	\$ 1,120,512,578	\$ 1,210,142,379
Lump Sum Death Benefits	\$ 30,881,935	\$ 26,941,999	\$ 28,525,111	\$ 30,201,246
Alternate Benefit Program				
Total Active Members	17,431	17,125	17,149	17,172
State	14,446	14,094	14,114	14,133
County	2,985	3,031	3,035	3,039
Teachers' Pension and Annuity Fund				
Assets	\$ 28,894,103,112	\$ 30,114,941,816	\$ 30,640,264,919	\$ 32,196,645,606
Total Members	151,911	154,854	158,007	161,226
State	319	301	294	287
County	52	51	49	48
Local	151,540	154,502	157,664	160,891
Pensioners	61,892	65,260	68,494	71,887
Annual Pensions	\$ 1,821,694,407	\$ 1,998,447,461	\$ 2,206,745,640	\$ 2,436,754,738
Lump Sum Death Benefits	\$ 59,806,846	\$ 62,786,216	\$ 65,899,157	\$ 69,166,437
Consolidated Police & Firemen's Pension Fund				
Assets	\$ 16,723,261	\$ 17,899,099	\$ 19,546,412	\$ 16,319,365
Pensioners	952	831	735	649
Annual Pensions	\$ 16,829,838	\$ 15,137,682	\$ 13,633,602	\$ 12,278,967

INTERDEPARTMENTAL ACCOUNTS

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Health Benefits Program				
Covered Members	358,609	363,435	371,745	379,433
State	142,342	147,298	151,638	155,284
Local	216,267	216,137	220,107	224,149

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
1,357,386	19,008	605	1,376,999	1,368,281	03	1,495,797	1,716,124	1,716,124	
<u>1,357,386</u>	<u>19,008</u>	<u>605</u>	<u>1,376,999</u>	<u>1,368,281</u>		<u>1,495,797</u>	<u>1,716,124</u>	<u>1,716,124</u>	
Distribution by Fund and Object									
Special Purpose:									
---	---	---	---	---					
					03	--- (a)	214,274	214,274	
167,602	---	---	167,602	167,602					
					03	183,596 5,200 ^S	194,274	194,274	
---	---	---	---	---					
					03	22,314 (a)	17,697	17,697	
24,814	---	---	24,814	17,711	03	27,719	66,746	66,746	
1,894	---	---	1,894	1,894					
					03	3,991	4,806	4,806	
2,180	---	---	2,180	1,635					
					03	2,328	4,064	4,064	
1,084	---	---	1,084	955	03	1,011	1,018	1,018	
157	---	---	157	157					
					03	221	264	264	
188	---	---	188	188	03	11,210 (a)	35,102	35,102	
---	---	---	---	---					
					03	1,731 (a)	1,256	1,256	
6,120	---	42	6,162	6,162	03	7,345 (a)	15,415	15,415	
---	---	---	---	---					
					03	627 (a)	722	722	
---	---	---	---	---					
					03	239 (a)	2,636	2,636	
3,292	---	---	3,292	3,038					
					03	3,148	4,040	4,040	
---	---	---	---	---					
					03	72 (a)	91	91	
1,708	---	-42	1,666	1,649	03	1,689	1,600	1,600	
115	---	-1	114	85	03	74	70	70	
4	---	1	5	5					
					03	5	---	---	
5	---	---	5	5	03	5	5	5	

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES									
59,324									
48 ^S	---	---	59,372	59,372					
105	---	---	105	105					
504,445	18,900	---	523,345	523,345					
55,524	---	---	55,524	55,524					
162,810	---	---	162,810	162,810					
16,111	---	---	16,111	16,111					
1,000	---	---	1,000	680					
305,449									
28,600 ^S	108	4,348	338,505	338,504					
8,367	---	---	8,367	8,367					
6,440	---	-3,743	2,697	2,377					
---	---	---	---	---					
GRANTS-IN-AID									
Distribution by Fund and Program									
619,292	179	-1,868	617,603	615,500					
619,292	179	-1,868	617,603	615,500					
Distribution by Fund and Object									
Special Purpose:									
---	---	---	---	---					
24,393	---	---	24,393	24,393					
---	---	---	---	---					
2,184	---	---	2,184	1,621					
67	---	---	67	67					
99,704	---	---	99,704	99,082					
15,186	---	---	15,186	15,186					
---	---	---	---	---					
6,553	---	---	6,553	6,048					
---	---	---	---	---					

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
GRANTS-IN-AID									
3,423	---	---	3,423	3,423	Debt Service on Pension Obligation Bonds	03	3,730	4,080	4,080
215,992	---	---	215,992	215,992	State Employees' Health Benefits	03	233,266	268,625	268,625
15,661	---	---	15,661	15,661	Other Pension Systems-Post Retirement Medical	03	17,837	20,233	20,233
66,460	---	---	66,460	66,460	State Employees' Prescription Drug Program	03	78,989	82,379	82,379
6,229	---	---	6,229	6,229	State Employees' Dental Program - Shared Cost	03	10,399	11,406	11,406
144,529	---	---	144,529	144,529	Social Security Tax - State	03	155,622	90,865	90,865
11,500 ^S	179	-440	155,768	155,416			4,000 ^S		
3,796	---	---	3,796	3,796	Temporary Disability Insurance Liability	03	4,540	4,314	4,314
3,615	---	-1,428	2,187	2,126	Unemployment Insurance Liability	03	2,012	1,823	1,823
<u>1,976,678</u>	<u>19,187</u>	<u>-1,263</u>	<u>1,994,602</u>	<u>1,983,781</u>	Grand Total State Appropriation		<u>2,169,455</u>	<u>2,399,482</u>	<u>2,399,482</u>

Notes -- Direct State Services - General Fund

- (a) The fiscal 2006 appropriation has been adjusted to report the non-contributory insurance component.
- (b) The fiscal 2005 data and the fiscal 2006 appropriation have been adjusted to report the non-contributory insurance component.
- (c) The fiscal 2006 appropriation has been adjusted for the reallocation of administrative efficiencies.
- (d) The amount of \$22,000,000 will be transferred from the Securities Enforcement Fund in fiscal 2007.

Notes -- Grants-In-Aid - General Fund

- (a) The fiscal 2006 appropriation has been adjusted to report the non-contributory insurance component.
- (b) The fiscal 2005 data and the fiscal 2006 appropriation have been adjusted to report the non-contributory insurance component.

Language Recommendations -- Direct State Services - General Fund

There is appropriated a sufficient amount in order that upon application to the Director of the Division of Budget and Accounting, an annuity of \$4,000 shall be paid to the widow or widower of any person, now deceased, who was elected and served as Governor of the State; provided such widow or widower was the spouse of such person for all or part of the period during which he or she served as Governor; and provided further, that this shall not apply to any widow or widower receiving a pension granted under R.S. 43:8-2, and continued by R.S.43:7-1 et seq., R.S.43:8-1 et seq., and R.S.43:8-8 et seq.

The amounts hereinabove appropriated for Employee Benefits may be transferred to the Grants-In-Aid accounts for the same purposes.

Such additional sums as may be required for Public Employees' Retirement System - Post Retirement Medical, Public Employees' Retirement System - Non-contributory Insurance, Police and Firemen's Retirement System - Non-contributory Insurance, Alternate Benefit Program - Employer Contributions, Alternate Benefit Program - Non-contributory Insurance, Teachers' Pension and Annuity Fund - Post Retirement Medical - State, Teachers' Pension and Annuity Fund - Non-contributory Insurance, State Police Retirement System - Non-contributory Insurance, Judicial Retirement System - Non-contributory Insurance, State Employees' Health Benefits, Other Pension Systems - Post Retirement Medical, State Employees' Prescription Drug Program, State Employees' Dental Program - Shared Cost, State Employees' Vision Care Program, Social Security Tax - State, Temporary Disability Insurance Liability, and Unemployment Insurance Liability are appropriated, as the Director of the Division of Budget and Accounting shall determine.

No monies appropriated herein shall be used to provide additional health insurance coverage to a State or local elected official when that official receives health insurance coverage as a result of holding other public office or employment.

Notwithstanding the provisions of the Pension Adjustment Act, P.L.1958, c.143 (C.43:3B-1 et seq.), pension adjustment benefits for State members and beneficiaries of the Consolidated Police and Firemen's Pension Fund, Prison Officers' Pension Fund, and Central Pension Fund shall be paid by the respective pension funds. The amounts hereinabove appropriated for the Pension Adjustment Program for these benefits as required under the act shall be paid to the Pension Adjustment Fund.

In addition to the sum hereinabove appropriated for Debt Service on Pension Obligation Bonds to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L.1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

The unexpended balance at the end of the preceding fiscal year in the Debt Service on Pension Obligation Bonds account is appropriated for the same purpose.

Such additional sums as may be required for State Employees' Health Benefits may be allotted from the various departmental operating appropriations to this account, as the Director of the Division of Budget and Accounting shall determine.

INTERDEPARTMENTAL ACCOUNTS

Notwithstanding the provisions of any other law to the contrary, amounts hereinabove appropriated for the State Health Benefits Program are subject to the condition that: (i) increases in co-payments for the prescription drug plan, the co-payment for office visits in the managed care plans, and the deductible for the Traditional Plan agreed to by bargaining units representing State employees and employees of State authorities, State commissions, State colleges and State universities for fiscal 2006 shall continue at the same levels for this fiscal year; and (ii) the following increases implemented by the State Health Benefits Commission for fiscal year 2006 shall continue in this fiscal year for (a) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes; and (b) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations purposes who receive health benefits through the State Health Benefits Program and such health benefits are funded in whole or in part by State appropriations: a \$10 co-payment for NJ PLUS and HMO primary care physician and specialist office visits; co-payments for the Employee Prescription Drug: Retail Pharmacy -\$3 generic and \$10 brand name for up to a 30-day supply, and Mail Order Pharmacy -\$5 generic and \$15 brand name for up to a 90 day supply; and a Traditional Plan deductible of \$250.

Notwithstanding the provisions of any other law to the contrary, amounts hereinabove appropriated for the State Employees' Prescription Drug Program are subject to the condition that a mandatory generic and mandatory mail order requirement for the prescription drug plan shall be implemented by the State Health Benefits Commission as expeditiously as is administratively feasible for: 1) State employees and employees of State authorities, State commissions, State colleges and State universities represented by bargaining units, to the extent permitted by contract; 2) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes; and (3) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations purposes who receive health benefits through the State Health Benefits Program and such health benefits are funded in whole or in part by State appropriations.

Such additional sums as may be required for Social Security Tax - State may be allotted from the various departmental operating appropriations to this account, as the Director of the Division of Budget and Accounting shall determine.

Language Recommendations -- Grants-In-Aid - General Fund

The amounts hereinabove appropriated for Employee Benefits may be transferred to the Direct State Services accounts for the same purposes.

Such additional sums as may be required for Public Employees' Retirement System - Post Retirement Medical, Public Employees' Retirement System - Non-contributory Insurance, Police and Firemen's Retirement System - Non-contributory Insurance, Alternate Benefit Program - Employer Contributions, Alternate Benefit Program - Non-contributory Insurance, Teachers' Pension and Annuity Fund - Post Retirement Medical - State, Teachers' Pension and Annuity Fund - Non-contributory Insurance, State Employees' Health Benefits, Other Pension Systems - Post Retirement Medical, State Employees' Prescription Drug Program, State Employees' Dental Program - Shared Cost, Social Security Tax - State, Temporary Disability Insurance Liability, and Unemployment Insurance Liability are appropriated, as the Director of the Division of Budget and Accounting shall determine.

No monies appropriated herein shall be used to provide additional health insurance coverage to a State or local elected official when that official receives health insurance coverage as a result of holding other public office or employment.

The unexpended balance at the end of the preceding fiscal year in the Debt Service on Pension Obligation Bonds account is appropriated for the same purpose.

In addition to the sum hereinabove appropriated for Debt Service on Pension Obligation Bonds to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L.1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

Notwithstanding the provisions of any other law to the contrary, amounts hereinabove appropriated for the State Health Benefits Program are subject to the condition that: (i) increases in co-payments for the prescription drug plan, the co-payment for office visits in the managed care plans, and the deductible for the Traditional Plan agreed to by bargaining units representing State employees and employees of State authorities, State commissions, State colleges and State universities for fiscal year 2006 shall continue at the same levels for this fiscal year; and (ii) the following increases implemented by the State Health Benefits Commission for Fiscal Year 2006 shall continue in this fiscal year for (a) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes; and (b) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations purposes who receive health benefits through the State Health Benefits Program and such health benefits are funded in whole or in part by State appropriations: a \$10 co-payment for NJ PLUS and HMO primary care physician and specialist office visits; co-payments for the Employee Prescription Drug: Retail Pharmacy -\$3 generic and \$10 brand name for up to a 30-day supply, and Mail Order Pharmacy -\$5 generic and \$15 brand name for up to a 90 day supply; and a Traditional Plan deductible of \$250.

Notwithstanding the provisions of any other law to the contrary, amounts hereinabove appropriated for the State Employees' Prescription Drug Program are subject to the condition that a mandatory generic and mandatory mail order requirement for the prescription drug plan shall be implemented by the State Health Benefits Commission as expeditiously as is administratively feasible for: 1) State employees and employees of State authorities, State commissions, State colleges and State universities represented by bargaining units, to the extent permitted by contract; 2) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes; and (3) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations purposes who receive health benefits through the State Health Benefits Program and such health benefits are funded in whole or in part by State appropriations.

INTERDEPARTMENTAL ACCOUNTS

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
74. GENERAL GOVERNMENT SERVICES
9420. OTHER INTER-DEPARTMENTAL ACCOUNTS

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
55,469	761	-6,985	49,245	33,516	Other Inter-Departmental Accounts	04	79,421	77,142	77,142
55,469	761	-6,985	49,245	33,516	Total Direct State Services		79,421	77,142	77,142
Distribution by Fund and Object									
Special Purpose:									
1,750	411	-1,061	1,100	---	To the Governor, for allotment to the various departments or agencies, to meet any condition of emergency or necessity; provided however, that a sum not in excess of \$5,000 shall be available for expenses of officially receiving dignitaries and for incidental expenses, including lunches for non-salaried board members and others for whom official reception shall be beneficial to the State.	04	1,750	875	875
1,250	---	-639	611	---	Contingency Funds	04	1,250	625	625
22,300	---	-400	21,900	19,564	Interest On Short Term Notes	04	46,000	46,000	46,000
1,100	---	---	1,100	329	Debt Issuance-Special Purpose	04	1,100	1,100	1,100
125	---	---	125	125	Catastrophic Illness in Children Relief Fund - Employer Contributions	04	672	125	125
1,000	---	-985	15	7	Interest on Interfund Borrowing	04	---	---	---
350	350	---	700	190	Payment of Military Leave Benefits	04	350	350	350
18,362	---	-2,500	15,862	9,184	Statewide 911 Emergency Telephone System	04	17,567	17,567	17,567
6,800	---	---	6,800	3,649	Network Infrastructure	04	7,200	6,968	6,968
282	---	---	282	282	Garden State Network Infrastructure	04	282	282	282
450	---	---	450	---	Automated Document Factory	04	450	450	450
300	---	---	300	186	Automated Cartridge System Upgrade	04	300	300	300
1,000	---	-1,000	---	---	Information Technology On-Line State Portal	04	1,000	1,000	1,000
400	---	-400	---	---	Accelerated Registration	04	---	---	---
---	---	---	---	---	Office of Emergency Telecommunication Services	04	1,500	1,500	1,500
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
114,198	---	-14,157	100,041	59,326	Other Inter-Departmental Accounts	04	54,925	14,925	14,925
114,198	---	-14,157	100,041	59,326	Total Grants-in-Aid		54,925	14,925	14,925

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Object									
Grants:									
14,925	---	-885	14,040	---	Enhanced 911 Grants	04	14,925	14,925	14,925
88,000	---	-2,000	86,000	59,326	Property Tax Assistance and Community Development Grants	04	---	---	---
11,273	---	-11,272	1	---	Cost of Living Increase for Community Care Providers	04	---	---	---
---	---	---	---	---	Property Tax Assistance and Community Development Grants	04	(a)	---	---
<u>169,667</u>	<u>761</u>	<u>-21,142</u>	<u>149,286</u>	<u>92,842</u>	Grand Total State Appropriation		<u>40,000</u>	<u>92,067</u>	<u>92,067</u>
							<u>134,346</u>		

Notes -- Grants-In-Aid - General Fund

(a) The appropriation of \$11,273,000 for Cost of Living Increases for Community Care Providers has been transferred to the Community Care Providers accounts in the various departments.

Language Recommendations -- Direct State Services - General Fund

Unless otherwise indicated, the above amounts may be allotted by the Director of the Division of Budget and Accounting to the various departments and agencies.

Of the amount hereinabove appropriated for the Statewide 911 Emergency Telephone System, an amount may be transferred to the Office of Information Technology 911 Contract Fees account and the Office of Information Technology Geographic Information Systems account to cover the cost of these programs, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of N.J.S. 2A:153-1 et seq., there is allocated at the discretion of the Governor, an amount up to \$50,000, from the Special Purpose amount appropriated hereinabove to meet any condition of emergency or necessity, as a reward for the capture and return of Joanne Chesimard.

Of the amount hereinabove appropriated for Information Technology On Line State Portal, an amount may be transferred to the Office of Information Technology New Jersey State Portal account to cover the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove appropriated for the Office of Emergency Telecommunication Services, an amount may be transferred to the Office of Information Technology Office of Emergency Telecommunication Services account to cover the cost of this program, subject to the approval of a spending plan to be submitted by the Office of Emergency Telecommunication Services to the Director of the Division of Budget and Accounting.

There are appropriated to the Emergency Services Fund such sums as are required to meet the costs of any emergency occasioned by aggression, civil disturbance, sabotage, or disaster as recommended by the Emergency Services Council and approved by the Governor, and subject to the approval of the Director of the Division of Budget and Accounting. In the event that the Emergency Service Council is unable to convene due to any such emergency described above, there shall be appropriated to the Emergency Service Fund such sums as are required to meet the costs of any such emergency described above, and payments from the Fund shall be made by the State Treasurer upon approval of the Governor and the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Governor's Contingency Fund is appropriated for the same purpose. Such sums as may be necessary for payment of expenses incurred by issuing officials appointed under the several bond acts of the State are appropriated for the purposes and from the sources defined in those acts.

There are appropriated such sums for Geographic Information System (GIS) Integration as may be received from federal, county, municipal governments or agencies and nonprofit organizations for orthoimagery and parcel data mapping.

The unexpended balance at the end of the preceding fiscal year in Payment of Military Leave Benefits is appropriated for the same purpose.

Of the amount hereinabove appropriated for Network Infrastructure, an amount may be transferred to the Office of Information Technology Network Infrastructure account to cover the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

Language Recommendations -- Grants-In-Aid - General Fund

Grant awards and expenditures supported by the appropriation for Enhanced 911 Grants shall be determined in accordance with the recommendations of an efficiency study prepared by the Rutgers University-Heldrich School as well as grant criteria to be jointly developed by the 911 Commission and the Department of Treasury, the purpose of which will be to create incentives for the regional consolidation of 911 call services and public safety answering points. Of the amount hereinabove appropriated for the Enhanced 911 Grants, an amount may be transferred to the Office of Information Technology Enhanced 911 Grants account to cover the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Enhanced 911 Grants account is appropriated for the same purpose.

INTERDEPARTMENTAL ACCOUNTS

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL 74. GENERAL GOVERNMENT SERVICES 9430. SALARY INCREASES AND OTHER BENEFITS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
137,280	33,860	-126,027	45,113	5,717	Salary Increases and Other Benefits	05	7,500	135,360	135,360
<u>137,280</u>	<u>33,860</u>	<u>-126,027</u>	<u>45,113</u>	<u>5,717</u>	Total Direct State Services		<u>7,500</u>	<u>135,360</u>	<u>135,360</u>
Distribution by Fund and Object									
Special Purpose:									
129,780	33,860	-126,027	37,613	---	Salary Increases and Other Benefits	05	--- (a)	177,860	177,860
7,500	---	---	7,500	5,717	Unused Accumulated Sick Leave Payments	05	7,500	7,500	7,500
---	---	---	---	---	Management Efficiencies	05	---	-50,000	-50,000
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
31,158	---	-31,158	---	---	Salary Increases and Other Benefits	05	---	---	---
<u>31,158</u>	<u>---</u>	<u>-31,158</u>	<u>---</u>	<u>---</u>	Total Grants-in-Aid		<u>---</u>	<u>---</u>	<u>---</u>
Distribution by Fund and Object									
Grants:									
31,158	---	-31,158	---	---	Salary Increases and Other Benefits	05	--- (b)	---	---
<u>168,438</u>	<u>33,860</u>	<u>-157,185</u>	<u>45,113</u>	<u>5,717</u>	Grand Total State Appropriation		<u>7,500</u>	<u>135,360</u>	<u>135,360</u>

Notes -- Direct State Services - General Fund

(a) The original fiscal 2006 appropriation for salary program allocation was transferred to the agency budgets.

Notes -- Grants-In-Aid - General Fund

(b) The original fiscal 2006 appropriation for salary program allocation was transferred to the senior public institution budgets.

Language Recommendations -- Direct State Services - General Fund

The sums hereinabove appropriated to the various State departments, agencies or commissions for the cost of salaries, wages, or other benefits shall be allotted as the Director of the Division of Budget and Accounting shall determine.

Notwithstanding the provisions of any other law, including R.S.34:15-49 and section 1 of P.L.1981, c.353 (C.34:15-49.1), the State Treasurer, the Commissioner of Personnel, and the Director of the Division of Budget and Accounting shall establish directives governing salary ranges and rates of pay, including salary increases. The implementation of such directives shall be made effective at the first full pay period of the fiscal year as determined by such directives, with timely notification of such directives to the Joint Budget Oversight Committee or its successor. Such directives shall not be considered an "administrative rule" or "rule" within the meaning of subsection (e) of section 2 of P.L.1968, c.410 (C.52:14B-2), but shall be considered exempt under paragraphs (1) and (2) of subsection (e) of section 2 of P.L.1968, c.410 (C.52:14B-2), and shall not be subject to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). Nothing herein shall be construed as applicable to the Presidents of the State Colleges, Rutgers, The State University, the University of Medicine and Dentistry of New Jersey and the New Jersey Institute of Technology.

No salary range or rate of pay shall be increased or paid in any State department, agency, or commission without the approval of the Director of the Division of Budget and Accounting. Nothing herein shall be construed as applicable to unclassified personnel of the Legislative Branch or unclassified personnel of the Judicial Branch.

Any sums appropriated for Salary Increases and Other Benefits shall be made available for any person holding State office, position or employment whose compensation is paid directly or indirectly, in whole or in part, from State funds, including any person holding office, position or employment under the Palisades Interstate Park Commission.

The unexpended balance at the end of the preceding fiscal year in the Salary Increases and Other Benefits account is appropriated for the same purposes.

In addition to the amount hereinabove for Unused Accumulated Sick Leave Payments, there are appropriated such sums as may be necessary for payments of unused accumulated sick leave.

**THE JUDICIARY
OVERVIEW**

The Judiciary, as an independent branch of government, is constitutionally entrusted with the full and fair resolution of disputes in order to preserve the rule of law and to protect the rights and liberties guaranteed by the Constitution and laws of the United States and this State.

The Judiciary is organized into 15 vicinages that include courts in each of the State’s 21 counties. The Administrative Office of the Courts provides administrative services to the courts. The Judiciary includes the Supreme Court, the Superior Court, including the Appellate Division, the civil, criminal, family and general equity divisions, and the Tax Court. Judiciary staff supervise probationers in the 15 vicinages.

In the court year ending June 30, 2005, the Superior Courts resolved more than 1 million cases, including 58,741 criminal cases, 590,151 civil cases, and 381,070 cases involving family-related issues.

With the consolidation of activities, streamlining of court operations, and application of sound case-management practices during the past five years, the Judiciary has been successful in reducing backlogged court system cases by 54%. The number of cases in backlog decreased from 51,369 in June of 2000 to 22,854 in June of 2005.

The Judiciary is responsible for the oversight, supervision, and technical support of the State’s 536 Municipal Courts, which handle about 6 million cases per year. In 2002, the Judiciary launched NJMCDirect, an online payment system for traffic and parking tickets. Payments made through NJMCDirect immediately update Municipal Court records through the statewide Automated Traffic System, providing law enforcement officers and the Motor Vehicles Commission with instant access to current information. Since the program’s introduction, 1,341,959 transactions, totaling \$66.6 million have been paid online. An online payment system provides convenience to drivers and efficiency to the Municipal Courts, as online payments eliminate handling and processing costs.

The Judiciary continues to modernize its communications and computer operations in order to improve available online and technology services.

Fiscal 2007 Budget Highlights

The fiscal year 2007 Budget for the Judiciary totals \$571.8 million, the same level as the fiscal 2006 adjusted appropriation.

Drug Court Program

The fiscal 2007 funding recommendation for the Drug Court Program is \$29 million. Of the \$29 million appropriation, \$20.6 million is designated for drug treatment and aftercare services provided by the Division of Addiction Services within the Department of Human Services. The Drug Court Program, a cost effective alternative to incarceration, provides court-supervised treatment for carefully screened, non-violent offenders with addictions. The program’s purpose is to break the cycle of drug-driven crime through treatment and close supervision of eligible offenders. The pilot drug courts in Camden, Essex, Mercer, Passaic, and Union vicinages initially provided the framework for the statewide project. The Judiciary added five additional drug courts in fiscal 2002: Bergen, Cumberland/Gloucester/Salem, Monmouth, Morris/Sussex, and Ocean vicinages. In fiscal 2005, the Judiciary expanded the Drug Court Program to all vicinages, reaching all 21 counties in the State.

Kinship Legal Guardianship Program

The fiscal 2007 funding recommendation for the Kinship Legal Guardianship Program is \$3.3 million, the same level of funding as fiscal 2006. The program addresses the needs of children who cannot reside with their parents due to the parents’ inability to provide appropriate care. The program allows relatives to assume full responsibility for the child. Relatives must provide for the child’s health, protection, education, and maintenance until the child reaches age 18. The Kinship Legal Guardianship Program was created to establish a more stable and permanent alternative to custody or long-term foster care.

**THE JUDICIARY
SUMMARY OF APPROPRIATIONS BY FUND
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recommended
532,073	13,003	3,061	548,137	537,212			
---	---	500	500	500			
532,073	13,003	3,561	548,637	537,712	571,750	571,750	571,750
532,073	13,003	3,561	548,637	537,712	571,750	571,750	571,750

JUDICIARY

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2006 Adjusted Approp.	Requested	Recom-mended	
					DIRECT STATE SERVICES - GENERAL FUND			
					Judicial Services			
5,426	1	-300	5,127	5,127	Supreme Court	5,744	5,744	5,744
19,205	---	-151	19,054	19,054	Superior Court-Appellate Division	20,053	20,053	20,053
90,374	9,138	-1,475	98,037	91,836	Civil Courts	95,274	95,274	95,274
105,654	---	-17,475	88,179	86,459	Criminal Courts	111,920	111,920	111,920
91,839	2	1,892	93,733	93,730	Family Courts	99,111	100,225	100,225
1,050	---	-20	1,030	1,030	Municipal Courts	1,147	1,147	1,147
110,876	829	5,924	117,629	117,626	Probation Services	123,145	120,123	120,123
7,849	3	-607	7,245	7,244	Court Reporting	8,368	8,368	8,368
2,618	---	38	2,656	2,656	Public Affairs and Education	2,794	2,794	2,794
16,003	20	12,485	28,508	28,508	Information Services	17,107	17,107	17,107
68,480	3,010	2,128	73,618	70,621	Trial Court Services	72,506	74,414	74,414
12,699	---	622	13,321	13,321	Management and Administration	14,581	14,581	14,581
532,073	13,003	3,061	548,137	537,212	<i>Subtotal</i>	571,750	571,750	571,750
532,073	13,003	3,061	548,137	537,212	<i>Total Direct State Services - General Fund</i>	571,750	571,750	571,750
532,073	13,003	3,061	548,137	537,212	TOTAL DIRECT STATE SERVICES	571,750	571,750	571,750
					GRANTS-IN-AID - GENERAL FUND			
					Judicial Services			
---	---	500	500	500	Family Courts	---	---	---
---	---	500	500	500	<i>Subtotal</i>	---	---	---
---	---	500	500	500	<i>Total Grants-In-Aid - General Fund</i>	---	---	---
---	---	500	500	500	TOTAL GRANTS-IN-AID	---	---	---
532,073	13,003	3,561	548,637	537,712	<i>Total Appropriation, The Judiciary</i>	571,750	571,750	571,750

10. PUBLIC SAFETY AND CRIMINAL JUSTICE 15. JUDICIAL SERVICES

OBJECTIVES

- To determine in a fair and expeditious manner the cases of all kinds which are brought to court.
- To assist the Chief Justice of the Supreme Court in carrying out the constitutional responsibility vested in that office as the administrative head of the entire New Jersey court system.
- To provide the services and direct support necessary for the effective operation of the Judicial system throughout the State.

PROGRAM CLASSIFICATIONS

- Supreme Court.** The State Supreme Court consists of the Chief Justice and six Associate Justices, appointed by the Governor with the advice and consent of the Senate, and is the State court of final appeal. Pursuant to Article VI, Section V of the New Jersey Constitution, appeals may be taken to the Supreme Court in causes determined by the Appellate Division of the Superior Court involving a question arising under the Constitution of the United States or of this State; in

causes in which there is a dissent in the Appellate Division of the Superior Court; in capital causes; on certification by the Supreme Court itself to the Superior Court and where provided by rules of the Supreme Court, to the inferior courts; and in such other causes as may be provided by law.

Pursuant to Article VI, Section II of the Constitution, the Supreme Court makes rules governing the administration of the courts in the State. The Supreme Court also administers programs that are wholly or partially reimbursable by special fees, such as the New Jersey Lawyers' Fund for Client Protection, Attorney Discipline, Trial Attorney Certification, and the Bar Admissions Financial Committee.

- Superior Court, Appellate Division.** The Superior Court, pursuant to Article VI, Section III of the Constitution, includes an Appellate Division. The Appellate Division hears appeals from the Law and Chancery Divisions of the Superior Court, the Tax Court, and State administrative agencies.

03. **Civil Courts.** The Civil Courts include the Civil Part of the Law Division of Superior Court, the General Equity Part of the Chancery Division, and the Tax Court.

The Tax Court is a special category within Civil Courts. Pursuant to N.J.S.A. 2A:4A, it has jurisdiction to hear tax appeals of taxpayers and taxing districts with regard to assessment, railroad assessments levied by the State, sales taxes, franchise taxes, gross receipts, and all other taxes levied by the State. The Court also hears appeals on homestead rebate denials issued by the Director of the Division of Taxation and appeals by taxing districts from both the equalization tables promulgated by the Director of the Division of Taxation for the distribution of school aid and the equalization tables promulgated by the various counties for the purpose of distributing costs of county government.

04. **Criminal Courts.** The Criminal Part of the Law Division of the Superior Court hears and determines all serious criminal cases following grand jury indictment. It also hears appeals from Municipal Courts.

05. **Family Courts.** The Family Courts hear and determine all causes involving the family including those causes previously heard by the Matrimonial Part of the Superior Court and the Juvenile and Domestic Relations Courts.

06. **Municipal Courts.** The municipal courts are funded directly by the municipalities, but the State supports a unit within the Administrative Office of the Courts to train municipal court judges and clerks, promulgate manuals of procedures, collect data on municipal court operations, conduct studies for the improvement of municipal courts, works with other State agencies on matters involving the municipal courts, and also administers the Automated Traffic System, a program which is wholly reimbursable by special fees.

07. **Probation Services.** Probation Services supervises probation operations statewide, establishes and monitors standards,

conducts research and field review of probation programs, coordinates community services programs and operates the Intensive Supervision Program. Additionally, it oversees both the collections of all court imposed financial obligations and the Child Support Enforcement operations statewide.

08. **Court Reporting.** Court proceedings are recorded verbatim either by court reporters or by sound recordings, as provided by Supreme Court rules.

09. **Public Affairs and Education.** Responsibilities of the units within this program, formerly known as Legal and Professional Services, include coordination and/or provision of legislative liaison services, research and analysis, and coordination of the Judicial Performance Program, Media/Public Information.

10. **Information Services.** The Administrative Office of the Courts is responsible for the collection and maintenance of data on court operations, including statistical analysis and reporting, records management, and management information systems.

11. **Trial Court Services.** This program classification, formerly known as Field Operations, includes the Division of Trial Court Support Operations, which provides technical assistance to the statewide trial level courts in areas such as case management, management structure, interpreter and translation services, and coordination of volunteer services.

In the Trial Courts, this program classification includes Trial Court Administrators who serve as the administrative arm for the Assignment Judge, as well as the vicinage finance, accounting, purchasing, and human resources functions.

12. **Management and Administration.** Provides overhead services in such areas as budgeting and accounting, purchasing, property maintenance, and personnel.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Supreme Court				
Court Year--July 1 to June 30				
Appeals				
Added	174	175	220	200
Disposed	172	168	220	200
Pending	107	114	114	114
Certifications added	1,420	1,362	1,450	1,475
Motions added	1,507	1,630	1,650	1,675
Disciplinary proceedings added	325	218	150	150
Superior Court-Appellate Division				
Appeals				
Added	7,463	7,450	7,450	7,100
Disposed	7,342	7,350	7,350	6,900
Pending June 30	5,785	5,885	5,895	6,250
Motions added	7,002	7,000	7,000	7,000
Civil Courts				
Civil Cases				
Added	99,855	99,706	97,712	95,758
Resolved	100,332	106,982	104,842	102,746
Pending	97,807	90,994	83,864	76,876
Special Civil				
Added	499,476	466,274	480,262	494,670
Resolved	500,018	467,247	481,264	495,702
Pending	45,471	46,665	45,663	44,631

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	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Probate				
Added	10,566	10,488	10,488	10,488
Resolved	10,435	10,462	10,462	10,462
Pending	1,649	1,556	1,582	1,608
General Equity				
Added	5,413	5,154	5,154	5,154
Disposed	5,350	5,460	5,460	5,460
Pending	2,553	2,298	1,992	1,686
Automobile Arbitration				
Cases scheduled (a)	29,517	20,916	20,916	20,916
Cases removed	144	135	135	135
Cases settled prior to hearing	4,104	2,632	2,632	2,632
Cases arbitrated	12,582	11,251	11,251	11,251
Trial de novo requests	9,481	6,739	6,739	6,739
Trials de novo completed	740	477	477	477
Personal Injury Arbitration				
Cases scheduled	16,636	14,238	14,238	14,238
Cases removed	134	94	94	94
Cases settled prior to hearing	1,950	1,694	1,694	1,694
Cases arbitrated	6,709	5,601	5,601	5,601
Trial de novo requests	4,679	4,000	4,000	4,000
Trials de novo completed	368	262	262	262
Other Civil Arbitration				
Cases Scheduled	13,882	6,361 ^(b)	6,361	6,361
Presumptive Mediation (c)				
Cases Referred	6,894	6,936	6,936	6,936
Cases Settled Prior to Hearing	281	150	150	150
Completed Mediation	4,470	4,280	4,280	4,280
Agreement Reached	1,304	1,303	1,303	1,303
Partial Agreement	153	112	112	112
No Agreement	3,013	2,865	2,865	2,865
Tax Court				
Local & State Appeals				
Added	8,105	7,332	9,365	9,400
Closed	5,973	6,719	7,140	7,500
Pending	11,400	12,282	15,740	17,640
Criminal Courts				
Criminal Post-Indictment				
Added	53,478	53,762	54,300	54,843
Resolved	55,171	56,722	57,290	57,863
Pending June 30	14,593	13,752	12,257	10,747
Municipal Appeals				
Added	1,476	1,487	1,487	1,487
Resolved	1,538	1,517	1,517	1,517
Pending June 30	540	514	484	454
Post-Conviction Relief				
Added	613	619	644	670
Resolved	432	502	522	543
Pending June 30	731	845	967	1,094
Drug Court Program				
Current Active Cases	1,829	2,200	2,770	3,350
Number of Graduates	279	393	540	680
Family Courts				
Dissolution				
Added	64,723	64,252	63,609	62,973
Resolved	65,655	64,314	63,670	63,034
Pending June 30	17,803	17,698	17,637	17,576
Juvenile Delinquency				
Added	79,424	72,926	70,738	68,616
Resolved	80,383	73,123	70,929	68,801
Pending June 30	5,354	5,119	4,928	4,743

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Non-Dissolution				
Added	158,756	156,290	157,853	159,432
Resolved	157,801	155,630	157,186	158,759
Pending June 30	10,512	11,006	11,673	12,346
Domestic Violence				
Added	60,834	58,924	59,513	60,108
Resolved	60,874	59,006	59,596	60,192
Pending June 30	1,527	1,475	1,392	1,308
Abuse/Neglect Complaints				
Added	4,075	4,021	4,021	4,021
Resolved	3,410	3,935	3,935	3,935
Pending June 30	4,528	4,612	4,698	4,784
Adoption Complaints				
Added	2,490	2,557	2,557	2,557
Resolved	2,419	2,722	2,722	2,722
Pending June 30	649	531	366	201
Child Placement Review				
Added	7,323	5,855	5,504	5,174
Resolved	6,816	7,271	6,835	6,425
Pending June 30	13,182	11,854	10,523	9,272
Juvenile/Family Crisis Petition				
Added	1,435	1,088	979	881
Resolved	1,430	1,111	986	884
Pending June 30	62	39	32	29
Kinship Legal Guardian (KLG)				
Added	1,083	1,311	1,639	2,049
Resolved	1,050	1,285	1,606	2,008
Pending June 30	201	228	261	302
Termination of Parental Rights Complaints				
Added	1,123	1,095	1,106	1,117
Resolved	1,030	1,237	1,249	1,262
Pending June 30	716	580	437	292
Criminal/Quasi-Criminal				
Added	11,333	11,499	11,499	11,499
Resolved	11,545	11,436	11,436	11,436
Pending June 30	720	792	855	918
Combined Trial Courts				
Added	1,063,476	1,017,308	1,029,065	1,041,497
Resolved	1,065,689	1,029,962	1,041,507	1,053,751
Pending June 30	218,598	210,558	199,611	188,867
Volunteer Services				
Number of Volunteers	5,955	5,990	6,015	6,000
Number of Volunteer Hours Served	357,300	359,400	360,900	360,000
Municipal Courts				
Non-Traffic Violations				
Indictables	201,008	204,304	207,654	211,059
Disorderly Person	394,290	385,133	376,189	367,452
Other Non-Traffic	228,575	227,259	225,951	224,650
Traffic Violations				
Drunk Driving	36,635	36,750	36,865	36,981
Moving Violations	2,567,457	2,532,300	2,497,624	2,463,424
Parking	3,074,203	2,914,436	2,762,972	2,619,380
Total	6,502,168	6,300,182	6,107,255	5,922,946
Probation Services				
Adult Supervision Clients (d)	64,688	68,852	62,210	63,330
Juvenile Supervision Clients (d)	13,919	14,336	14,694	14,964
Core Services Clients	61,931	63,046	59,931	62,516

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	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Intensive Supervision Program (ISP)				
Participants	1,266	1,262	1,267	1,267
Applications (d)	3,584	3,580	3,580	3,580
Assessment Reports (d)	2,567	2,481	2,485	2,485
Resentencing Panel Hearings (d)	4,636	5,064	5,060	5,060
Revocations (d)	469	485	486	486
Juvenile Intensive Supervision Program (JISP)				
Participants	282	284	325	325
Applications	260	275	300	300
Assessment Reports	260	275	300	300
Revocations	77	63	81	81
Child Support & Paternity - Title IV-D				
Child Support Cases	301,200	305,700	309,000	313,000
Collections	\$965,934,905	\$1,023,890,999	\$1,076,000,000	\$1,140,000,000

PERSONNEL DATA

Affirmative Action Data

Male Minority	599	599	599	599
Male Minority %	6.4	6.4	6.3	6.3
Female Minority	2,665	2,694	2,772	2,772
Female Minority %	28.5	28.7	29.2	29.3
Total Minority	3,264	3,293	3,371	3,371
Total Minority %	34.9	35.1	35.5	35.6

Position Data

Filled Positions by Funding Source

State Supported	7,840	7,877	7,999	8,072
Federal	1,291	1,265	1,288	1,328
All Other	219	229	255	295
Total Positions	9,350	9,371	9,542	9,695

Filled Positions by Program Class

Supreme Court	180	185	179	191
Superior Court-Appellate Division	232	234	229	247
Civil Courts	1,631	1,622	1,627	1,636
Criminal Courts	1,457	1,455	1,452	1,501
Family Courts	1,860	1,842	1,936	1,889
Municipal Courts	56	58	80	84
Probation Services	2,553	2,439	2,424 (e)	2,549
Court Reporting	85	85	81	98
Public Affairs and Education	31	31	30	29
Information Services	160	170	178	198
Trial Court Services	945	1,089	1,157 (e)	1,116
Management and Administration	160	161	169	157
Total Positions	9,350	9,371	9,542	9,695

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal 2006 as of March. The Budget Estimate for fiscal 2007 reflect the number of positions funded.

Revised fiscal years 2005 and 2006 figures and the budget estimate for fiscal 2007 are based on recounted data. The calculation of pending plus added less disposed may not total.

(a) Figures for Auto Arbitration are the same for fiscal years 2005, 2006, and 2007 due to the uncertainty of the impact of best practices on the program.

(b) Beginning in fiscal 2005, certain cases are no longer considered for Civil Arbitration.

(c) New data category.

(d) For fiscal years 2004 and 2005, data has been revised to reflect more accurate information.

(e) Federal positions were reallocated from Probation Services to Trial Court Services.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES									
Distribution by Fund and Program									
5,426	1	-300	5,127	5,127	Supreme Court	01	5,744	5,744	5,744
19,205	---	-151	19,054	19,054	Superior Court-Appellate Division	02	20,053	20,053	20,053
90,374	9,138	-1,475	98,037	91,836	Civil Courts	03	95,274	95,274	95,274
105,654	---	-17,475	88,179	86,459	Criminal Courts	04	111,920	111,920	111,920
91,839	2	1,892	93,733	93,730	Family Courts	05	99,111	100,225	100,225
1,050	---	-20	1,030	1,030	Municipal Courts	06	1,147	1,147	1,147
110,876	829	5,924	117,629	117,626	Probation Services	07	123,145	120,123	120,123
7,849	3	-607	7,245	7,244	Court Reporting	08	8,368	8,368	8,368
2,618	---	38	2,656	2,656	Public Affairs and Education	09	2,794	2,794	2,794
16,003	20	12,485	28,508	28,508	Information Services	10	17,107	17,107	17,107
68,480	3,010	2,128	73,618	70,621	Trial Court Services	11	72,506	74,414	74,414
12,699	---	622	13,321	13,321	Management and Administration	12	14,581	14,581	14,581
532,073	13,003	3,061	548,137	537,212	Total Direct State Services		571,750 (a)	571,750	571,750
Distribution by Fund and Object									
Personal Services:									
---	---	---	---	164	Chief Justice		164	164	164
---	---	---	---	978	Associate Justices		951	951	951
---	---	---	---	59,483	Judges		61,295	61,295	61,295
414,458	2,999	-3,349	414,108	353,483	Salaries and Wages		379,699	379,699	379,699
414,458	2,999	-3,349	414,108	414,108	Total Personal Services		442,109	442,109	442,109
7,755	---	581	8,336	8,336	Materials and Supplies		7,755	7,755	7,755
32,549	485	5,809	38,843	35,838	Services Other Than Personal		32,549	32,549	32,549
1,852	3	38	1,893	1,890	Maintenance and Fixed Charges		1,852	1,852	1,852
Special Purpose:									
200	1	-23	178	178	Rules Development	01	200	200	200
---	6,403	---	9,138	2,944	Civil Arbitration Program	03	---	---	---
18,918	2,735 R	-17,200	1,718	---	Drug Court Treatment/After-care	04	20,618 (b)	20,618	20,618
6,780	---	24	6,804	6,804	Drug Court Operations	04	6,978	6,978	6,978
1,498	---	17	1,515	1,515	Drug Court Judgeships	04	1,498	1,498	1,498
82	---	---	82	82	Child Placement Review Advisory Council	05	82	82	82
3,151	---	-58	3,093	3,093	Kinship Legal Guardianship	05	3,361	3,361	3,361
7,866	---	2,396	10,262	10,262	Child Support and Paternity Program Title IV-D (Family Court)	05	9,957 (c)	11,071	11,071
11,112	3	103	11,592	11,590	Intensive Supervision Program	07	11,630	11,630	11,630
2,169	---	-125	2,044	2,041	Juvenile Intensive Supervision Program	07	2,169	2,169	2,169
18,910	---	4,121	23,031	23,031	Child Support and Paternity Program Title IV-D (Probation)	07	26,219 (c)	23,197	23,197
---	---	---	---	---	Child Support and Paternity Program Title IV-D (Trial)	11	---	1,908	1,908
770	---	-29	741	741	Affirmative Action and Equal Employment Opportunity	12	770	770	770
4,003	---	10,756	14,759	14,759	Additions, Improvements and Equipment		4,003	4,003	4,003

JUDICIARY

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Program									
---	---	500	500	500	05	---	---	---	
---	---	<u>500</u>	<u>500</u>	<u>500</u>		---	---	---	
Distribution by Fund and Object									
Grants:									
---	---	500	500	500	05	---	---	---	
<u>532,073</u>	<u>13,003</u>	<u>3,561</u>	<u>548,637</u>	<u>537,712</u>		<u>571,750</u>	<u>571,750</u>	<u>571,750</u>	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
200	33	---	233	34	04	450	450	450	
22,063	495	5,096	27,654	24,109	05	19,084	26,822	26,822	
56,295	1,601	-9,762	48,134	46,396	07	60,545	53,178	53,178	
---	513	102	615	569	10	---	---	---	
---	---	<u>4,682</u>	<u>4,682</u>	<u>4,184</u>	11	---	<u>4,002</u>	<u>4,002</u>	
<u>78,558</u>	<u>2,642</u>	<u>118</u>	<u>81,318</u>	<u>75,292</u>		<u>80,079</u>	<u>84,452</u>	<u>84,452</u>	
All Other Funds									
---	43	---	11,923	11,922	01	13,665	14,747	14,747	
---	11,880 R	---	2,035	2,035	03	1,990	2,206	2,206	
---	232	---	815	678	05	400	400	400	
---	583 R	---	21,020	16,553	06	23,113	21,006	21,006	
---	3,160	---	6,452	3,636	07	2,800	2,900	2,900	
---	17,860 R	---	16,223	15,766	10	13,824	13,624	13,624	
---	2,464	---	60	26	11	---	---	---	
---	3,988 R	---	99	---	12	---	---	---	
---	2,163	---	<u>58,617</u>	<u>58,627</u>		<u>55,792</u>	<u>54,883</u>	<u>54,883</u>	
---	14,060 R	---	<u>610,631</u>	<u>663,620</u>		<u>707,621</u>	<u>711,085</u>	<u>711,085</u>	
---	5	---							
---	55 R	---							
---	89	10							
---	<u>58,617</u>	<u>10</u>	<u>58,627</u>	<u>50,616</u>		<u>55,792</u>	<u>54,883</u>	<u>54,883</u>	
<u>610,631</u>	<u>74,262</u>	<u>3,689</u>	<u>688,582</u>	<u>663,620</u>		<u>707,621</u>	<u>711,085</u>	<u>711,085</u>	

Notes -- Direct State Services - General Fund

- (a) The fiscal 2006 appropriation has been adjusted for the allocation of salary program.
- (b) The appropriation of \$20,618,000 for Drug Court Treatment and Aftercare will be transferred to the Department of Human Services to provide services for the drug court program.
- (c) An amount of \$2,300,000 has been reallocated from various salary accounts to the Child Support and Paternity Program - Title IV-D in Family and Probation Courts.

Language Recommendations -- Direct State Services - General Fund

The unexpended balances at the end of the preceding fiscal year in the Civil Arbitration Program are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, receipts derived from fees under the Special Civil Part service of process via certified mailers are appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting.

The amounts appropriated hereinabove in the Drug Courts Treatment and Aftercare account shall be transferred to the Department of Human Services to fund treatment, aftercare and administrative services associated with the drug court program, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts derived from the increase in fees collected by the Judiciary pursuant to P.L. 2002, c. 34 and related increases provided by operation of N.J.S. 22A:2-5 and section 2 of P.L.1993, c.74 (C.22A:5-1) are appropriated from the Court Technology Improvement Fund for the purpose of offsetting the costs of development, establishment, operation and maintenance of the Judiciary computerized court information systems, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from charges to certain special purpose accounts listed hereinabove are appropriated for services provided to these funds.

Receipts from charges to the Superior Court Trust Fund, NJ Lawyers Fund for Client Protection, Disciplinary Oversight Committee, Board on Attorney Certification, Bar Admission Financial Committee, Parents' Education Fund, Automated Traffic System Fund, Municipal Court Administrator Certification, Comprehensive Enforcement Program, and Courts Computerized Information Systems Fund are appropriated for services provided to these funds.

The unexpended balances at the end of the preceding fiscal year not to exceed \$3,000,000 in these respective accounts are appropriated subject to the approval of the Director of the Division of Budget and Accounting.



Capital Construction & Debt Service

This section includes an overview and summary of appropriations and expenditures for the design, construction, and repair of major capital assets such as roads, bridges, parks, or other physical facilities.

The primary method for State financing of capital projects is through the sale of general obligation bonds of the State. The Debt Service portion of this section shows the amounts necessary to pay principal and interest due on capital projects financed via general obligation bonds.

OVERVIEW

Capital Planning Process

For fiscal 2007, the General Fund capital recommendation totals almost \$1.3 billion, including \$1.1 billion for legislatively-mandated projects funded through dedicated sources as well as \$179.7 million for discretionary projects that maximize federal matching funds and maintain essential state programs and services. Of the \$179.7 million in discretionary capital, \$96.9 million is allocated to pay debt service on New Jersey Building Authority projects. In addition to General Fund capital, \$17 million will be provided from other sources for critical statewide fire, life safety, emergency, and security projects.

The Capital Budget is largely based on the recommendations of the New Jersey Commission on Capital Budgeting and Planning. This Commission, composed of Executive, Legislative, and public members, prepares the State's Annual Capital Improvement Plan and serves in an advisory role to the Governor and the Legislature. In addition to the Commission, the capital budgeting process includes the Governor's Office, the Office of Management and Budget, the Department of the Treasury, and other State departments and agencies.

Capital Highlights

To identify various chemicals harmful to livestock, in addition to identifying bacteria pathogenic to humans and livestock, \$250,000 is recommended to procure new liquid and gas chromatographic equipment within the Department of Agriculture.

The Department of Corrections will receive \$9 million from other sources to repair a high temperature hot water system at Southwoods Prison (\$8 million) and for trailer replacements (\$1 million).

To address fire and life safety concerns at the Department of Education, \$500,000 is recommended to fund a wet fire suppression system at the Piscataway Regional Day School. This project will better protect the life and safety of students. An additional \$1.9 million will be used to purchase a fully integrated state-of-the-art fire alarm system to comply with federal Americans with Disabilities Act and Title 6 requirements at the Katzenbach School for the Deaf.

For the Department of Environmental Protection, \$147.8 million is recommended. The recommendation provides \$34.5 million for Cleanup of Hazardous Substance Discharges, \$25.6 million in loans and grants for Brownfields Redevelopment Projects, \$17.1 million for remediation of Private Underground Storage Tanks, and \$25 million for Shore Protection. These four mandated programs are funded through dedicated sources. In addition, \$5.6 million is recommended for the HR-6 flood prevention program. Both the HR-6 and Shore Protection programs will generate substantial federal matching funds; an additional \$22.6 million will be available for HR-6, while the Shore Protection will provide \$56 million in federal and \$7.2 million in local contributions. Finally, \$40 million is recommended for capital improvements to the State's parks system.

For the Department of Human Services, \$17.7 million is recommended. This includes \$10 million for the Statewide Child Welfare Information System (SACWIS), a key component of the State's Child Welfare Reform Plan. This system will improve the administration of the Title IV-B Child Welfare and Title IV-E Foster Care programs and will generate \$10 million in federal matching funds. A total of \$3.2 million is recommended to replace an underground water distribution system affecting cottages at the Hunterdon Developmental Center. Also, \$4.5 million is recommended to upgrade Heating, Ventilation, and Air Conditioning (HVAC) systems at various facilities including North Jersey, Hagedorn, Greystone, Green Brook, and Vineland. In addition

to General Fund capital, \$5 million is recommended from other sources to connect the wastewater treatment facility at Ancora Psychiatric Hospital to the Camden County Municipal Utilities Authority.

For the Juvenile Justice Commission, \$1.5 million is recommended. Of this amount, \$500,000 is for suicide prevention improvements, \$500,000 is for critical repairs to Commission facilities, and \$500,000 is for fire safety initiatives at a number of facilities, including the Ocean and Voorhees Residential Community Homes.

The Capital recommendation also includes \$2.6 million for the Department of Military and Veterans' Affairs to fund 30 new beds for homeless veterans by renovating Ancora Psychiatric Hospital property and for installing fire suppression systems at the Bordentown, Flemington, Hammonton, and Tuckerton armories. The latter projects will generate a 75% federal match. Finally, an additional \$400,000 is recommended from other sources for emergency power generation at four strategic National Guard armories. These generators will allow operations to continue during emergencies so that MAVA can respond to homeland security/terrorism threats and natural disasters.

To ensure highway and mass transit improvements, \$895 million in dedicated funds is recommended for the Department of Transportation. This recommendation, combined with federal, State, and other matching funds, will provide for a transportation program totaling \$2.9 billion.

A total of \$6.9 million is recommended for statewide data processing improvements at the Office of Information Technology (OIT). Of this amount, \$6.5 million is recommended to finish the State's OIT Availability and Recovery Site (OARS), thus ensuring the integrity of data recovery for all state agencies. In addition, \$416,000 of State funding and \$1.1 million in other funds is recommended for network management equipment and software to prevent intrusion into the State's database. Another \$1.3 million in other sources is recommended for electrical and HVAC upgrades at the Riverview Plaza and Atlantic City CitiCenter. The most critically needed equipment is the replacement of the Uninterruptible Power Supply Systems at Riverview Plaza.

Finally, \$200.7 million is recommended for the Interdepartmental accounts. This includes \$98 million for the constitutionally-mandated Open Space, Farmland, Parks and Historic Preservation programs, and \$96.9 million for debt service costs on Building Authority bonds. A total of \$2.4 million is recommended for a roof and HVAC replacement at the State's Document Control Center, \$1.5 million for statewide security enhancements, \$1 million to modify state buildings to comply with the Americans with Disabilities Act, \$500,000 for the removal of hazardous materials from State facilities, and \$425,000 for HVAC/energy upgrades and fire code compliance. In addition to these funds, \$250,000 million will be available from other sources for HVAC upgrades in State office buildings.

Capital Objectives

New Jersey's Capital program invests in critical short-term and long-term needs essential to the citizens of the State. These needs include preservation of existing capital equipment and facilities; investments in the transportation system; improvements to wastewater treatment and water supply facilities; cleanup of hazardous waste sites; preservation of open space; and construction of local schools and higher education facilities. Together, these investments ensure a clean and healthy environment, provide recreational space, enhance mobility, and generate economic growth and jobs for New Jersey citizens.

CAPITAL CONSTRUCTION

CAPITAL CONSTRUCTION

Summary of Appropriations by Department (thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
—	2,363	—	2,363	2,190	Legislature	—	—	—
—	1,142	—	1,142	150	Department of Agriculture Children and Families	—	250	250
—	—	—	—	—		—	10,000	10,000
500	6,359	—	6,859	1,710	Department of Corrections	5,000	—	—
—	946	—	946	166	Department of Education	1,050	2,450	2,450
116,453	100,273	-9,730	206,996	89,837	Department of Environmental Protection	84,263	147,767	147,767
—	752	—	752	327	Department of Health and Senior Services	—	—	—
10,400	18,727	—	29,127	14,112	Department of Human Services	11,600	7,700	7,700
—	18,246	3,000	21,246	10,790	Department of Law and Public Safety	4,805	1,500	1,500
2,627	812	505	3,944	1,143	Department of Military and Veterans' Affairs	175	2,590	2,590
—	2	—	2	—	Department of Personnel	—	—	—
1,000	122	300	1,422	971	Department of State	—	—	—
805,000	—	—	805,000	805,000	Department of Transportation	805,000	895,000	895,000
—	5,318	5,954	11,272	5,825	Department of the Treasury	—	—	—
—	2	—	2	—	Miscellaneous Commissions	—	—	—
168,653	34,358	17,642	220,653	173,889	Interdepartmental Accounts	179,327	207,636	207,636
1,104,633	189,422	17,671	1,311,726	1,106,110	Total Appropriation	1,091,220	1,274,893	1,274,893

OVERVIEW

The primary method for State financing of capital projects is through the sale of State general obligation bonds, previously authorized by voter approval in the general election. The State must present debt before the voters in a general election as required by the statutory debt limitations in the State Constitution. The State Constitution provides that the State Legislature shall not create, in any fiscal year, debt or liability of the State, which, together with any previous debts or liabilities, exceeds at any time one percent of total appropriations, unless authorized by law and submitted to the people at a general election for approval by the voters. Since the current appropriation level is approximately \$28.9 billion, the debt limit is \$289 million before voter approval must be sought. The current level of outstanding general obligation debt is \$3.1 billion. Therefore, voter approval must be sought in order to authorize additional general obligation bonds. Voter approval is not required for any such law authorizing the creation of a debt for a refinancing of all or any portion of the outstanding debts or liabilities of the State, so long as the refinancing produces a debt service savings.

pay principal and interest due on capital projects financed via general obligation bonds. A factor affecting the fiscal 2007 Governor's Recommendation includes a projected debt service cost for proposed bond sales. The actual debt service payments and savings associated with bond sales are dependent upon the interest rates at the time of the sale and therefore, preliminary figures are estimates since actual schedules are not available until after a bond sale.

Appropriations for principal and interest payments on General Obligation bonds are recommended at \$432.8 million for fiscal 2007. This projected level of debt service reflects \$427.8 million for principal and interest on bonds outstanding on July 1, 2005, and additional funding of \$5.0 million for a proposed bond sale during fiscal 2007.

The Statement of General Long-Term Debt, which appears in the Appendix of this Budget, shows the status of the State's general obligation, bonded indebtedness as of June 30, 2005. The outstanding debt as of that date is \$3.1 billion. Also, there is \$0.7 billion of additional long-term debt authorized but unissued.

The Debt Service section of the budget shows the amounts necessary to

DEBT SERVICE
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
160,791	—	-3,703	157,088	155,624	Interest on Bonds	155,656	178,539	178,539
109,388	—	-4,448	104,940	104,712	Bond Redemption	13,670	254,246	254,246
270,179	—	-8,151	262,028	260,336	Total Appropriation	169,326	432,785	432,785
873	—	-585	288	256	Water Conservation Bonds (P.L. 1969, c. 127)	102	825	825
826	—	—	826	825	State Recreation and Conservation Land Acquisition and Development Bonds (P.L. 1974, c. 102)	10	157	157
211	—	—	211	126	Clean Waters Bonds (P.L. 1976, c. 92)	20	205	205
668	—	—	668	668	Institutions Construction Bonds (P.L. 1976, c. 93)	—	—	—
223	—	—	223	223	State Mortgage Assistance Bonds (P.L. 1976, c. 94)	—	—	—
334	—	—	334	332	Beaches and Harbors Bonds (P.L. 1977, c. 208)	—	—	—
334	—	—	334	334	Institutional Construction Bonds (P.L. 1978, c. 79)	—	—	—
848	—	-115	733	717	State Land Acquisition and Development Bonds (P.L. 1978, c. 118)	134	813	813
4,125	—	—	4,125	4,124	Transportation Rehabilitation and Improvement Bonds (P.L. 1979, c. 165)	50	786	786
250	—	-184	66	66	Energy Conservation Bonds (P.L. 1980, c. 68)	63	236	236
2,176	—	-85	2,091	2,091	Natural Resources Bonds (P.L. 1980, c. 70)	1,115	1,888	1,888
705	—	-370	335	313	Hazardous Discharge Bonds (P.L. 1981, c. 275)	136	744	744
1,012	—	—	1,012	943	Community Development Bonds (P.L. 1981, c. 486)	716	555	555

DEBT SERVICE

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
106	—	—	106	21	1983 New Jersey Green Acres Bonds (P.L. 1983, c. 354)	13	100	100
53	—	—	53	53	Shore Protection Bonds (P.L. 1983, c. 356)	3	53	53
237	—	—	237	236	Human Services Facilities Construction Bonds (P.L. 1984, c. 157)	15	235	235
179,428	—	-1,500	177,928	177,925	Refunding Bonds (P.L. 1985, c. 74 as amended by P.L. 1992, c. 182)	122,642	311,650	311,650
2,671	—	-940	1,731	1,645	Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c. 330)	1,401	1,340	1,340
7,969	—	3,624	11,593	11,593	Hazardous Discharge Bonds (P.L. 1986, c. 113)	7,670	11,567	11,567
735	—	-395	340	308	1987 Green Acres, Cultural Centers and Historic Preservation Bonds (P.L. 1987, c. 265)	229	802	802
6,214	—	-1,295	4,919	4,919	Jobs, Education and Competitiveness Bonds (P.L. 1988, c. 78)	760	5,888	5,888
1,718	—	-156	1,562	1,562	1989 Bridge Rehabilitation and Improvement and Railroad Right-of-way Preservation Bonds (P.L. 1989, c. 108)	778	4,138	4,138
876	—	-305	571	523	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	243	676	676
4,665	—	—	4,665	4,565	1989 New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	1,694	7,578	7,578
1,992	—	-880	1,112	1,019	Public Purpose Buildings and Community-Based Facilities Construction Bonds (P.L. 1989, c. 184)	544	1,736	1,736
6,686	—	582	7,268	7,268	Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 (P.L. 1992, c. 88)	4,353	16,271	16,271
4,898	—	229	5,127	5,126	Developmental Disabilities Waiting List Reduction and HS Fac. Const. Bonds—1994 (P.L. 1994, c. 108)	3,828	9,217	9,217
6,315	—	801	7,116	6,552	Green Acres, Farmland and Historic Preservation, and Blue Acres Bond Act of 1995 (P.L. 1994, c. 108)	5,071	16,509	16,509
1,611	—	1,365	2,976	2,527	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996 c. 70)	2,481	5,136	5,136
3,811	—	—	3,811	3,810	Urban and Rural Centers Unsafe Buildings Demolition Bonds (P.L. 1997, c. 125)	3,809	3,808	3,808
19,219	—	448	19,667	19,666	Statewide Transportation and Local Bridge Bond Act of 1999 (P.L. 1999, c.181)	11,446	24,872	24,872
8,390	—	-8,390	—	—	Payments on Future Bond Sales	—	5,000	5,000
270,179	—	-8,151	262,028	260,336	Total Appropriation	169,326	432,785	432,785

**DESCRIPTION OF BOND FUNDS
FINANCED BY DEBT SERVICE APPROPRIATION
PUBLIC BUILDINGS CONSTRUCTION BONDS—1968**

An amount of \$337,500,000 was authorized for the construction or reconstruction and rehabilitation of various institutions and the equipment necessary for the operation of the facilities. Among the types of institutional facilities included are mental health and mental retardation, correctional, higher education, including state and county colleges, vocational education, and facilities to establish a public broadcasting system within the State of New Jersey.

WATER CONSERVATION BONDS—1969

An amount of \$271,000,000 was authorized for planning, developing, constructing and maintaining facilities to provide adequate supplies of water for potable, industrial, commercial, irrigational and recreational purposes.

HIGHER EDUCATION CONSTRUCTION BONDS—1971

An amount of \$155,000,000 was authorized for the construction and rehabilitation of State institutions for higher education and for county colleges.

STATE TRANSPORTATION BONDS—1968

An amount of \$640,000,000 was authorized to improve the public transportation system of the State. Of this amount, not more than \$200,000,000 was for mass transportation facilities with the remainder for the improvement of highways.

STATE RECREATION AND CONSERVATION LAND ACQUISITION BONDS—1971

An amount of \$80,000,000 was authorized for the acquisition of land by the State and by municipalities through state grants for recreation and conservation purposes.

STATE RECREATION AND CONSERVATION LAND ACQUISITION AND DEVELOPMENT BONDS—1974

An amount of \$200,000,000 was authorized for the acquisition of land by the State and municipalities through state grants, for recreation and conservation purposes. In addition, this Act also provides funds for state and local development of acquired lands to expand and enhance their utilization for recreation and conservation purposes.

CLEAN WATERS BONDS—1976

An amount of \$120,000,000 was authorized for the conservation and development of water resources through construction of water supply and waste water treatment facilities.

INSTITUTIONS CONSTRUCTION BONDS—1976

An amount of \$80,000,000 was authorized to provide safe and humane facilities at institutions for the mentally ill, mentally retarded and incarcerated through construction of new facilities or rehabilitation and improvement of existing facilities. An amount of \$41,500,000 was allocated to the Department of Corrections and \$38,500,000 was allocated to the Department of Human Services.

STATE MORTGAGE ASSISTANCE BONDS—1976

An amount of \$25,000,000 was authorized for construction, rehabilitation and maintenance of housing for senior citizens and families of low and moderate income and to provide funds for second mortgage assistance.

BEACHES AND HARBORS BONDS—1977

An amount of \$30,000,000 was authorized for the restoration, maintenance and protection of the State's beaches and harbors.

MEDICAL EDUCATION FACILITIES BONDS—1977

An amount of \$120,000,000 was authorized for the issuance of general obligation bonds of the State to refinance revenue bonds issued in 1974 by the New Jersey Health Care Facilities Financing Authority. The refinancing reduced interest costs for the construction of the teaching hospital at the University of Medicine and Dentistry of New Jersey and provided substantial savings (\$25 million) which were made available for other needed medical facilities.

DEBT SERVICE

EMERGENCY FLOOD CONTROL BONDS—1978

An amount of \$25,000,000 was authorized to develop and maintain flood control facilities and to develop a comprehensive flood control master plan for the State.

INSTITUTIONAL CONSTRUCTION BONDS—1978

An amount of \$100,000,000 was authorized for various state facilities. An amount of \$59,000,000 was allocated to construct or rehabilitate facilities for the mentally retarded in concert with the federal program for Intermediate Care Facilities/Mentally Retarded (ICF/MR) and the construction or rehabilitation of mental health facilities. An amount of \$30,000,000 was allocated for correctional facilities. In addition, \$6,500,000 was allocated for a library for the blind and handicapped and \$4,500,000 was allocated for a forensic laboratory for the State Medical Examiner.

STATE LAND ACQUISITION AND DEVELOPMENT BONDS—1978

An amount of \$200,000,000 was authorized for state and local acquisition and development to conserve open space and provide recreation areas. Half of the amount authorized is allocated to urban areas.

TRANSPORTATION REHABILITATION AND IMPROVEMENT BONDS—1979

An amount of \$475,000,000 was authorized to improve state highways, county and municipal roads, and public transportation facilities.

ENERGY CONSERVATION BONDS—1980

An amount of \$50,000,000 was authorized for energy audits and renovation of public buildings for the purpose of reducing energy consumption.

NATURAL RESOURCES BONDS—1980

An amount of \$145,000,000 was authorized for development, acquisition, and construction of resource recovery facilities, sewage treatment facilities, water supply facilities, dam restoration projects, and harbor cleanup. An amount of \$50,000,000 was allocated for resource recovery; \$60,000,000 for sewage treatment; \$12,000,000 for harbor cleanup; \$15,000,000 for dam restoration; and \$8,000,000 for water supply.

PUBLIC PURPOSE BUILDINGS CONSTRUCTION BONDS—1980

An amount of \$159,000,000 was authorized for the construction, equipping, and/or the demolition of public buildings. An amount of \$92,000,000 was allocated to the Department of Human Services for facilities for the mentally retarded, mentally ill, disabled veterans, and for a loan guarantee program for the construction of nursing homes. The Department of Corrections was allocated \$67,000,000 for correctional facilities.

WATER SUPPLY BONDS—1981

An amount of \$350,000,000 was authorized for state or local projects to rehabilitate, repair or consolidate antiquated, damaged or inadequately operating water supply facilities and to plan, design, acquire and construct various state water supply facilities.

HAZARDOUS DISCHARGE BONDS—1981

An amount of \$100,000,000 was authorized for the identification, cleanup and removal of hazardous discharges.

FARMLAND PRESERVATION BONDS—1981

An amount of \$50,000,000 was authorized for the purchase of development easements on farmland and to provide State matching funds for soil and water conservation projects.

COMMUNITY DEVELOPMENT BONDS—1982

An amount of \$85,000,000 was authorized to capitalize the New Jersey Local Development Financing Fund and to provide support for revitalization and development of, and the creation of urban industrial parks.

CORRECTIONAL FACILITIES CONSTRUCTION BONDS—1982

An amount of \$170,000,000 was authorized for the planning, erection, acquisition, improvement, development and equipping of correctional facilities. These funds will be used to alleviate present and anticipated problems of overcrowding in state and county prisons.

NEW JERSEY GREEN ACRES BONDS—1983

An amount of \$135,000,000 was authorized for state and local acquisition and development to conserve open space and provide recreation areas. An amount of \$52,000,000 was allocated for state acquisition and development and \$83,000,000 was allocated for loans to local governments.

SHORE PROTECTION BONDS—1983

An amount of \$50,000,000 was authorized for restoration, maintenance and protection of beaches and harbors.

NEW JERSEY BRIDGE REHABILITATION AND IMPROVEMENTS BONDS—1983

An amount of \$135,000,000 was authorized for the construction, reconstruction, improvement and repair to state and local bridges. An amount of \$97,500,000 was allocated for state bridges and \$37,500,000 was allocated for local bridges.

JOBS, SCIENCE AND TECHNOLOGY BONDS—1984

An amount of \$90,000,000 was authorized for the construction and improvement of technical and engineering facilities and for high technology job training and retraining programs at public and private institutions of higher education. The New Jersey Commission on Science and Technology was allocated \$57,000,000 for the establishment and construction of advanced technology centers. The Department of Higher Education was allocated \$23,000,000 for the construction of undergraduate facilities and \$10,000,000 for engineering programs and Computer-Assisted-Design and Computer-Assisted-Manufacturing Centers.

HUMAN SERVICES FACILITIES CONSTRUCTION BONDS—1984

An amount of \$60,000,000 was authorized for the planning, construction, acquisition, improvement, development and equipping of Human Service's facilities and for community programs.

PINELANDS INFRASTRUCTURE TRUST BONDS—1985

An amount of \$30,000,000 was authorized to provide grants and loans to local governments located in the Pinelands for infrastructure needs.

WASTEWATER TREATMENT BONDS—1985

An amount of \$190,000,000 was authorized for two major areas. An amount of \$150,000,000 was allocated for grants and loans for the construction of wastewater treatment facilities and \$40,000,000 was allocated to the New Jersey Wastewater Treatment Trust of 1985.

RESOURCE RECOVERY AND SOLID WASTE DISPOSAL FACILITY BONDS—1985

An amount of \$85,000,000 was authorized to provide loans to local governments for construction of resource recovery facilities.

HAZARDOUS DISCHARGE BONDS—1986

An amount of \$200,000,000 was authorized for the identification, cleanup and removal of hazardous discharges.

CORRECTIONAL FACILITIES CONSTRUCTION BONDS—1987

An amount of \$198,000,000 was authorized for the planning, erection, acquisition, improvement and development of correctional facilities.

DEBT SERVICE

NEW JERSEY GREEN ACRES CULTURAL CENTERS AND HISTORIC PRESERVATION BONDS—1987

An amount of \$100,000,000 was authorized for the construction and development of cultural centers and for restoration, repair and rehabilitation of historic structures. An amount of \$40,000,000 was allocated to the Department of State for state grants for cultural center development. The Department of Environmental Protection and Energy was allocated \$25,000,000 for historic preservation grants and loans and \$35,000,000 for grants and loans to local government units for Green Acres projects.

JOBS, EDUCATION AND COMPETITIVENESS BONDS—1988

An amount of \$350,000,000 was authorized for the construction and renovation of classrooms, libraries, computer facilities, and a network of high technology research centers at colleges and universities. An amount of \$308,000,000 was designated for higher education construction and renovations. The remaining \$42,000,000 was designated to the New Jersey Commission on Science and Technology to establish and build an expanded network of advanced technology centers.

NEW JERSEY BRIDGE REHABILITATION AND IMPROVEMENT AND RAILROAD RIGHT-OF-WAY PRESERVATION BONDS—1989

An amount of \$115,000,000 was authorized for the rehabilitation and improvement of bridges and the preservation and acquisition of railroad rights-of-way. An amount of \$45,000,000 was designated for the rehabilitation of bridges carrying state highways; \$45,000,000 was designated for bridges carrying county and municipal roads; and \$25,000,000 was designated for the preservation and acquisition of railroad rights-of-way.

STORMWATER MANAGEMENT AND COMBINED SEWER OVERFLOW ABATEMENT BONDS—1989

An amount of \$50,000,000 was authorized for the purpose of providing grants and low interest loans to local government units for the costs of projects to manage stormwater and abate combined sewer overflows into the State's waters and other improper connections of stormwater and sewer systems.

OPEN SPACE PRESERVATION BONDS—1989

An amount of \$300,000,000 was authorized for the purchase and development of land for recreation and conservation purposes and to provide state matching funds for soil and water conservation projects. The Department of Environmental Protection and Energy was allocated \$230,000,000 for acquisition of lands for recreational development and conservation purposes and \$20,000,000 for funding development potential transfer banks. The Department of Agriculture was allocated \$50,000,000 for the preservation of farmland for agricultural use and production.

PUBLIC PURPOSE BUILDINGS AND COMMUNITY-BASED FACILITIES CONSTRUCTION BONDS—1989

An amount of \$125,000,000 was authorized for the purchase, construction, and renovation of public buildings. An amount of \$90,000,000 was allocated to the Department of Human Services for facilities for the mentally ill and developmentally disabled. The Department of Corrections was allocated \$35,000,000 for the construction of correctional facilities.

GREEN ACRES, CLEAN WATER, FARMLAND AND HISTORIC PRESERVATION BONDS—1992

A total amount of \$345,000,000 was authorized, of which the Department of Environmental Protection and Energy was authorized an amount of \$200,000,000 for acquisition and development of lands for recreation and conservation purposes, \$25,000,000 for historic preservation projects, \$20,000,000 for dam restoration and inland waters projects, and \$50,000,000 for financing wastewater treatment system projects. The Department of Agriculture was provided with \$50,000,000 for the preservation of farmland for agricultural use and production.

DEVELOPMENTAL DISABILITIES WAITING LIST REDUCTION AND HUMAN SERVICES FACILITIES CONSTRUCTION BONDS—1994

The Department of Human Services was authorized an amount of \$160,000,000 for institutional and community projects for clients served by the Department of Human Services, including clients of the Division of Developmental Disabilities. An amount of \$130,000,000 was allocated for renovations of existing community-based facilities and expansion and creation of new community-based facilities. An amount of \$30,000,000 was allocated for necessary capital improvements at the various institutions operated by the Department of Human Services.

GREEN ACRES, FARMLAND AND HISTORIC PRESERVATION, AND BLUE ACRES BONDS—1995

A total amount of \$340,000,000 was authorized, of which the Department of Environmental Protection was allocated \$250,000,000 for acquisition and development of lands for recreation and conservation purposes, and to provide state matching funds for recreation and conservation projects, \$10,000,000 for historic preservation projects, \$15,000,000 for the acquisition of coastal area lands that have or are prone to damage by storms or storm related flooding, and \$15,000,000 to purchase lands in the floodway of the Passaic River. The Department of Agriculture was allocated \$50,000,000 for the preservation of farmland for agricultural use and production.

PORT OF NEW JERSEY REVITALIZATION, DREDGING, ENVIRONMENTAL CLEANUP, LAKE RESTORATION, AND DELAWARE BAY AREA ECONOMIC DEVELOPMENT BONDS—1996

The Department of Environmental Protection was authorized a total amount of \$300,000,000 of which, \$185 million was allocated for the construction of subaqueous pits and a containment facility for the disposal of dredged material from the New Jersey/New York port region, \$20 million for dredging navigational channels not located in the port region, \$70 million for remediation of hazardous discharge sites, \$5 million for lake restoration projects and \$20 million for financing economic development sites in the Delaware River and Bay Region.

URBAN AND RURAL CENTERS UNSAFE BUILDINGS DEMOLITION BONDS—1997

An amount of \$20,000,000 was authorized for the purpose of providing loans to municipalities for the demolition and disposal of unsafe buildings in urban and rural centers.

STATEWIDE TRANSPORTATION AND LOCAL BRIDGE BONDS—1999

An amount of \$500,000,000 was authorized for the purpose of rehabilitating and improving the State transportation system, including local bridges. Of the total amount authorized, \$250,000,000 was allocated for grants to county and municipal governments for rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads, including railroad overhead bridges. The remaining \$250,000,000 was allocated for transportation projects.

DAM, LAKE, STREAM, AND WASTEWATER TREATMENT PROJECT BONDS —2003

An amount of \$200,000 was authorized for the purposes of dam restoration and repair projects, lake dredging and restoration projects, stream cleaning and desnagging projects. Of the total amount authorized, \$15,000,000 was allocated to restore and repair State-owned dams, \$105,000,000 was allocated for low-interest loans to owners of private dams for dam restoration and repairs projects, \$30,000,000 was allocated for low-interest loans to owners of private lakes and streams and private lake associations for lake dredging, restoration, or stream cleaning and desnagging projects, necessary to diminish severe flooding, and \$50,000,000 was allocated for wastewater treatment system projects.

DEBT SERVICE

**42. DEPARTMENT OF ENVIRONMENTAL PROTECTION
40. COMMUNITY DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT
46. ENVIRONMENTAL PLANNING AND ADMINISTRATION**

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
19,604	—	4,281	23,885	22,525	Interest on Bonds	16,410	14,844	14,844
<u>18,056</u>	<u>—</u>	<u>-704</u>	<u>17,352</u>	<u>17,190</u>	Bond Redemption	<u>8,265</u>	<u>49,820</u>	<u>49,820</u>
37,660	—	3,577	41,237	39,715	Total Appropriation	24,675	64,664	64,664
Distribution by Object								
Special Purpose:								
<i>Interest:</i>								
199	—	—	199	167	Water Conservation Bonds (P.L. 1969, c. 127)	102	73	73
92	—	—	92	91	State Recreation and Conservation Land Acquisition and Development Bonds (P.L. 1974, c. 102)	10	5	5
42	—	—	42	37	Clean Waters Bonds (P.L. 1976, c. 92)	20	13	13
34	—	—	34	32	Beaches and Harbors Bonds (P.L. 1977, c. 208)	—	—	—
242	—	—	242	226	State Land Acquisition and Development Bonds (P.L. 1978, c. 118)	134	105	105
1,337	—	207	1,544	1,544	Natural Resources Bonds (P.L. 1980, c. 70)	1,095	886	886
201	—	—	201	179	Hazardous Discharge Bonds (P.L. 1981, c. 275)	136	122	122
26	—	—	26	21	1983 New Jersey Green Acres Bonds (P.L. 1983, c. 354)	13	10	10
8	—	—	8	8	Shore Protection Bonds (P.L. 1983, c. 356)	3	2	2
746	—	—	746	660	Resource Recovery and Solid Waste Disposal Facility Bonds (P.L. 1985, c. 330)	341	305	305
1,551	—	1,007	2,558	2,558	Hazardous Discharge Bonds (P.L. 1986, c. 113)	1,810	1,541	1,541
315	—	—	315	283	1987 Green Acres, Cultural Centers and Historic Preservation Bonds (P.L. 1987, c. 265)	229	222	222
1,999	—	—	1,999	1,900	1989 New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	1,139	929	929
446	—	—	446	398	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	243	206	206
4,760	—	582	5,342	5,342	Green Acres, Clean Water, Farmland and Historic Pres. Bonds (P.L. 1992, c. 88)	3,583	3,200	3,200
6,315	—	801	7,116	6,552	Green Acres, Farmland and Historic Pres. and Blue Acres Bonds (P.L. 1995 c. 204)	5,071	4,764	4,764
1,291	—	1,684	2,975	2,527	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996 c. 70)	2,481	2,461	2,461
<i>Redemption:</i>								
674	—	-585	89	89	Water Conservation Bonds (P.L. 1969, c. 127)	—	752	752

DEBT SERVICE

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
734	—	—	734	734	State Recreation and Conservation Land Acquisition and Development Bonds (P.L. 1974, c. 102)	—	152	152
169	—	—	169	89	Clean Waters Bonds (P.L. 1976, c. 92)	—	192	192
300	—	—	300	300	Beaches and Harbors Bonds (P.L. 1977, c. 208)	—	—	—
606	—	-115	491	491	State Land Acquisition and Development Bonds (P.L. 1978, c. 118)	—	708	708
839	—	-292	547	547	Natural Resources Bonds (P.L. 1980, c. 70)	20	1,002	1,002
504	—	-370	134	134	Hazardous Discharge Bonds (P.L. 1981, c. 275)	—	622	622
80	—	—	80	—	1983 New Jersey Green Acres Bonds (P.L. 1983, c. 354)	—	90	90
45	—	—	45	45	Shore Protection Bonds (P.L. 1983, c. 356)	—	51	51
1,925	—	-940	985	985	Resource Recovery and Solid Waste Disposal Facility Bonds (P.L. 1985, c. 330)	1,060	1,035	1,035
6,418	—	2,617	9,035	9,035	Hazardous Discharge Bonds (P.L. 1986, c. 113)	5,860	10,026	10,026
420	—	-395	25	25	1987 Green Acres, Cultural Centers and Historic Preservation Bonds (P.L. 1987, c. 265)	—	580	580
6,317	—	—	2,666	2,665	1989 New Jersey Open Space Preservation Bonds (P.L. 1989, c. 183)	555	6,649	6,649
-3,651 ^S	—	—	2,666	2,665	Stormwater Management and Combined Sewer Overflow Abatement Bonds (P.L. 1989, c. 181)	—	470	470
430	—	-305	125	125	Green Acres, Clean Water, Farmland and Historic Pres. Bonds (P.L. 1992, c. 88)	770	13,071	13,071
11,600	—	—	1,926	1,926	Green Acres, Farmland and Historic Pres. and Blue Acres Bonds (P.L. 1995 c. 204)	—	11,745	11,745
-9,674 ^S	—	—	1,926	1,926	Port of New Jersey Revitalization, Dredging Bonds (P.L. 1996 c. 70)	—	2,675	2,675
9,785	—	—	—	—		—	11,745	11,745
-9,785 ^S	—	—	—	—		—	11,745	11,745
2,790	—	-319	1	—		—	2,675	2,675
-2,470 ^S	—	-319	1	—		—	2,675	2,675
37,660	—	3,577	41,237	39,715	<i>Total Special Purpose</i>	24,675	64,664	64,664
37,660	—	3,577	41,237	39,715	Total Appropriation, Department of Environmental Protection	24,675	64,664	64,664

DEBT SERVICE

**82. DEPARTMENT OF THE TREASURY
70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
76. MANAGEMENT AND ADMINISTRATION**

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
141,187	—	-7,984	133,203	133,099	Interest on Bonds	139,246	163,695	163,695
<u>91,332</u>	<u>—</u>	<u>-3,744</u>	<u>87,588</u>	<u>87,522</u>	Bond Redemption	<u>5,405</u>	<u>204,426</u>	<u>204,426</u>
<u>232,519</u>	<u>—</u>	<u>-11,728</u>	<u>220,791</u>	<u>220,621</u>	<i>Total Appropriation</i>	<u>144,651</u>	<u>368,121</u>	<u>368,121</u>
Distribution by Object								
Special Purpose:								
Interest:								
23	—	—	23	23	State Mortgage Assistance Bonds (P.L. 1976, c. 94)	—	—	—
68	—	—	68	68	Institutions Construction Bonds (P.L. 1976, c.93)	—	—	—
34	—	—	34	34	Institutional Construction Bonds (P.L. 1978, c. 79)	—	—	—
456	—	—	456	455	Transportation Rehabilitation and Improvement Bonds (P.L. 1979, c.165)	50	25	25
50	—	10	60	60	Energy Conservation Bonds (P.L. 1980, c.68)	43	36	36
166	—	—	166	162	Community Development Bonds (P.L. 1981, c. 486)	86	42	42
36	—	—	36	35	Human Services Facilities Construction Bonds (P.L. 1984, c. 157)	15	7	7
122,438	—	—	109,548	109,545	Refunding Bonds (P.L. 1985, c.74, as amended by P.L. 1992, c. 182)	122,642	144,624	144,624
-12,890 ^S	—	—	1,416	1,416	Jobs, Education and Competitiveness Bonds (P.L. 1988, c. 78)	760	571	571
1,531	—	-115	932	839	Public Purpose Buildings and Community-Based Facilities Construction Bonds (P.L. 1987, c. 184)	544	491	491
942	—	-10	1,117	1,117	1989 Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation (P.L. 1989, c. 180)	778	710	710
1,273	—	-156	3,235	3,234	Develop Disabil. Waiting List Reduct.& Human Serv. Bonds (P.L. 1994, c. 108)	2,303	2,039	2,039
3,006	—	229	691	690	Urban and Rural Centers Unsafe Buildings Demolition Bonds (P.L. 1997, c.125)	579	438	438
691	—	—	15,421	15,421	Statewide Transportation and Local Bridge Bond Act of 1999 (P.L. 1999, c.181)	11,446	9,712	9,712
14,973	—	448	—	—	Payments on Future Bond Sales	—	5,000	5,000
9,097	—	-8,390	—	—	<i>Redemption:</i>	—	—	—
-707 ^S	—	—	200	200	State Mortgage Assistance Bonds (P.L. 1976, c. 94)	—	—	—
200	—	—	600	600	Institutions Construction Bonds (P.L. 1976, c.93)	—	—	—
600	—	—	300	300	Institutional Construction Bonds (P.L. 1978, c. 79)	—	—	—
300	—	—	3,669	3,669	Transportation Rehabilitation and Improvement Bonds (P.L. 1979, c.165)	—	761	761
3,669	—	—	—	—		—	—	—

DEBT SERVICE

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Repts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
200	—	-194	6	6	Energy Conservation Bonds (P.L. 1980, c.68)	20	200	200
846	—	—	846	781	Community Development Bonds (P.L. 1981, c. 486)	630	513	513
201	—	—	201	201	Human Services Facilities Construction Bonds (P.L. 1984, c. 157)	—	228	228
188,605	—	-1,500	68,380	68,380	Refunding Bonds (P.L. 1985, c.74, as amended by P.L. 1992, c. 182)	—	167,026	167,026
-118,725 ^S	—	—	—	—		—	—	—
4,683	—	-1,180	3,503	3,503	Jobs, Education and Competitiveness Bonds (P.L. 1988, c. 78)	—	5,317	5,317
1,050	—	-870	180	180	Public Purpose Buildings and Community-Based Facilities Construction Bonds (P.L. 1987, c. 184)	—	1,245	1,245
2,855	—	—	445	445	1989 Bridge Rehabilitation and Improvement and Railroad Right- of-Way Preservation (P.L. 1989, c. 180)	—	3,428	3,428
-2,410 ^S	—	—	—	—		—	—	—
5,775	—	—	1,892	1,892	Develop Disabil. Waiting List Reduct.& Human Serv. Bonds (P.L. 1994, c. 108)	1,525	7,178	7,178
-3,883 ^S	—	—	—	—		—	—	—
3,120	—	—	3,120	3,120	Urban and Rural Centers Unsafe Buildings Demolition Bonds (P.L. 1997, c.125)	3,230	3,370	3,370
11,405	—	—	4,246	4,245	Statewide Transportation and Local Bridge Bond Act of 1999 (P.L. 1999, c.181)	—	15,160	15,160
-7,159 ^S	—	—	—	—		—	—	—
232,519	—	-11,728	220,791	220,621	<i>Total Special Purpose</i>	144,651	368,121	368,121

Language Recommendations —

Notwithstanding the provision of any law, rule or regulation to the contrary, such sums as may be needed for the payment of interest and/or principal due from the issuance of any bonds authorized under the several bond acts of the State are appropriated and shall first be charged to the earnings from the investments of such bond proceeds and/or repayments of loans from the applicable bond funds established under such bond acts, and monies are appropriated from such bond funds for the purpose of paying interest and/or principal on the bonds issued pursuant to such bond acts. Where required by law, such sums shall be used to fund a reserve for the payment of interest and/or principal on the bonds authorized under the bond act. Furthermore, where required by law, the amounts appropriated herein are allocated to the projects heretofore approved by the Legislature pursuant to those bond acts.

There are appropriated such sums as may be needed for the payment of debt service administrative costs.

Subsequent to the refunding of bonds in the current fiscal year, the Director of the Division of Budget and Accounting is authorized to reallocate amounts appropriated hereinabove among the various debt service accounts to reflect the debt service savings of the refunding and to permit the proper debt service payments.

232,519	—	-11,728	220,791	220,621	Total Appropriation, Department of the Treasury	144,651	368,121	368,121
270,179	—	-8,151	262,028	260,336	Grand Total, Debt Service	169,326	432,785	432,785



Language Provisions

This section includes the General Language provisions which provide certain restrictions on the use of State and Federal Fund appropriations.

FEDERAL FUNDS PROVISIONS

Notwithstanding any State law to the contrary, no State agency shall accept or expend federal funds except as appropriated by the Legislature or otherwise provided in this act.

In addition to the federal funds appropriated in this act, there are appropriated the following federal funds, subject to the approval of the Director of the Division of Budget and Accounting: emergency disaster aid funds; pass-through grants to political subdivisions of the State over which the State is not permitted to exercise discretion in the use or distribution of the funds and for which no State matching funds are required; the first 25% of unanticipated grant awards, and up to 25% of increases in previously anticipated grant awards for which no State matching funds are required except, for the purpose of this section, federal funds received by one executive agency that are ultimately expended by another executive agency shall not be considered pass-through grants; federal financial aid funds for students attending post-secondary educational institutions in excess of the amount specifically appropriated, and any such grants intended to prevent threats to homeland security up to 100% of previously anticipated or unanticipated grant award amounts for which no State matching funds are required, provided however, that the Director of the Division of Budget and Accounting shall notify the Legislative Budget and Finance Officer of such grants; and all other grants of \$500,000 or less which have been awarded competitively.

For the purposes of federal funds appropriations, "political subdivisions of the State" means counties, municipalities, school districts, or agencies thereof, regional, county or municipal authorities, or districts other than interstate authorities or districts; "discretion" refers to any action in which an agency may determine either the amount of funds to be allocated or the recipient of the allocation; and "grants" refers to one-time, or time limited awards, which are received pursuant to submission of a grant application in competition with other grant applications.

The unexpended balances at the end of the preceding fiscal year of federal funds are appropriated for the same purposes. The Director of the Division of Budget and Accounting shall inform the Legislative Budget and Finance Officer by November 1, 2006 of any unexpended balances which are continued.

The appropriate executive agencies shall prepare and submit to the Senate Budget and Appropriations Committee and the Assembly Appropriations Committee, or their successors, by March 1, 2007, reports on proposed expenditures during the current fiscal year for the following federal programs: the alcohol, drug abuse and mental health block grant; the education block grant; the community services block grant; the jobs training partnership block grant; the low income energy assistance block grant; the maternal and child health block grant; the preventive health and health services block grant; the small cities block grant; the social services block grant; and the child care block grant. These reports shall account for all federal, State and local funds which are anticipated to be expended on block grant programs, shall provide an accounting of block grant expenditures during the prior fiscal year, and shall provide a detailed list of contracts awarded to provide services under the block grants.

Out of the appropriations herein, the Director of the Division of Budget and Accounting is empowered to approve payments to liquidate any unrecorded liabilities for materials delivered or services rendered in prior fiscal years, upon the written recommendations of any department head or the department head's designated representative. The Director of the Division of Budget and Accounting shall reject any recommendations for payment which the Director deems improper.

The sum herein appropriated to the Department of Transportation for the Hudson-Bergen Light Rail Transit System is hereby appropriated, to the extent necessary, to pay the principal of and interest on the grant anticipation notes issued by the New Jersey Transit Corporation.

In order to permit flexibility in the handling of appropriations and ensure the timely payment of claims to providers of medical services, amounts may be transferred to and from the various items of appropriation within the General Medical Services program classification, and within the federal matching funding, in the Division of Medical Assistance and Health Services in the Department of Human Services, and within the Medical Services for the Aged program classification, and within the federal matching funding, in the Division of Senior Services in the Department of Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.

Notwithstanding the provisions of any law, regulation or Executive Order to the contrary, any purchase by the State or by a State agency or local government unit of equipment, goods or services related to homeland security and domestic preparedness, that is paid for or reimbursed by federal funds awarded by the U.S. Department of Homeland Security or other federal agency, appropriated in the current fiscal year, may be made through the receipt of public bids or as an alternative to public bidding and subject to the provisions of this paragraph, through direct purchase without advertising for bids or rejecting bids already received but not awarded. The equipment, goods or services purchased by a local government unit shall be referred to in the grant agreement issued by the State administrative agency administering such funds and shall be authorized by resolution of the governing body of the local government unit entering into the grant agreement. Such resolution may, without subsequent action of the local governing body, simultaneously accept the grant from the State administrative agency, authorize the insertion of the revenue and offsetting appropriation in the budget of the local government unit, and authorize the contracting agent of the local government unit to procure the equipment, goods or services. A copy of such resolution shall be filed with the chief financial officer of the local government unit, the State Administrative agency and the Division of Local Government Services in the Department of Community Affairs. Purchases made without public bidding shall be from vendors that shall either (1) be holders of a current State contract for the equipment, goods or services sought, or (2) be participating in a federal procurement program established by a federal department or agency, or (3) have been approved by the State Treasurer in consultation with the New Jersey Domestic Security Preparedness Task Force. All homeland security purchases herein shall continue to be subject to all grant requirements and conditions approved by the State administrative agency. The Director of the Division of Purchase and Property may enter into or participate in purchasing agreements with one or more other states, or political subdivisions or compact agencies thereof, for the purchase of such equipment, goods or services, using monies appropriated under this act, to meet the domestic preparedness and homeland security needs of this State. Such purchasing agreement may provide for the sharing of costs and the methods of payments relating to such purchases. Furthermore, a county government awarding a contract for Homeland Security equipment, goods or services, may, with the approval of the vendor, extend the terms and conditions of the contract to any other county government that wants to purchase under that contract, subject to notice and documentation requirements issued by the Director of the Division of Local Government Services.

Of the amounts appropriated for Income Maintenance Management, amounts may be transferred to the various departments in accordance with the Division of Family Development's agreements, subject to the approval of the Director of the Division of Budget and Accounting. Any unobligated balances remaining from funds transferred to the departments shall be transferred back to the Division of Family Development subject to the approval of the Director of the Division of Budget and Accounting.

LANGUAGE PROVISIONS

GENERAL FUND PROVISIONS

All dedicated funds are hereby appropriated for their dedicated purposes. There are appropriated, subject to allotment by the Director of the Division of Budget and Accounting and with the approval of the Legislative Budget and Finance Officer, private contributions, revolving funds and dedicated funds received, receivable or estimated to be received for the use of the State or its agencies in excess of those anticipated, unless otherwise provided herein, and the unexpended balances at the end of the preceding fiscal year of such funds, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated, subject to allotment by the Director of the Division of Budget and Accounting, the following: sums required to refund amounts credited to the State Treasury which do not represent State revenue; sums received representing insurance to cover losses by fire and other casualties and the unexpended balance at the end of the preceding fiscal year of such sums; sums received by any State department or agency from the sale of equipment, when such sums are received in lieu of trade-in value in the replacement of such equipment; and sums received in the State Treasury representing refunds of payments made from appropriations provided in this act.

There are appropriated, subject to allotment by the Director of the Division of Budget and Accounting, sums required to satisfy receivables previously established from which non-reimbursable costs and ineligible expenditures have been incurred.

There are appropriated, subject to allotment by the Director of the Division of Budget and Accounting, from federal or other non-State sources amounts not to exceed the cost of services necessary to document and support retroactive claims.

There are appropriated such sums as may be required to pay interest liabilities to the federal government as required by the Treasury/State agreement pursuant to the provisions of the Cash Management Improvement Act of 1990, Pub. L. 101-453 (31 U.S.C. s.6501 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated, subject to the approval of the Director of the Division of Budget and Accounting, from interest earnings of the various bond funds such sums as may be necessary for the State to comply with the federal "Tax Reform Act of 1986," Pub. L. 99-514 (26 U.S.C. s.1 et seq.), which requires issuers of tax-exempt debt obligations to rebate any arbitrage earnings to the federal government.

There are appropriated from the General Fund, subject to the approval of the Director of the Division of Budget and Accounting, such sums as are necessary to pay interest, at the average rate of earnings during the fiscal year from the State's general investments, to those bond funds that have borrowed money from the General Fund or other bond funds and that have insufficient resources to accrue and pay the interest expense on such borrowing.

In addition to the amounts appropriated hereinabove, such additional sums as may be necessary are appropriated to fund the costs of the collection of debts, taxes and other fees and charges owed to the State, including but not limited to the services of auditors and attorneys and enhanced compliance programs, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated \$11,600,000 from the Legal Services Trust Fund established pursuant to section 6 of P.L. 1996, c.52 (C.22A:2-51), for transfer to the General Fund as State revenue to fund the following programs: \$8,000,000 for Legal Services of New Jersey grant, \$3,000,000 for ten additional judgeships in the Judiciary, and \$600,000 for Clinical Legal Programs for the Poor at the Rutgers-Camden Law School, the Rutgers-Newark Law School and Seton Hall Law School.

The unexpended balances at the end of the preceding fiscal year in the accounts of the several departments and agencies heretofore appropriated or established in the category of Additions, Improvements and Equipment are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balances at the end of the preceding fiscal year in the Capital Construction accounts for all departments and agencies are appropriated.

Unless otherwise provided, unexpended balances at the end of the preceding fiscal year in accounts of appropriations enacted subsequent to April 1, 2006 are appropriated.

The unexpended balances at the end of the preceding fiscal year in accounts that are funded by Interfund Transfers are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other provisions in this act or the provisions of any other law to the contrary, no unexpended balances at the end of the preceding fiscal year are appropriated without the approval of the Director of the Division of Budget and Accounting, except that the Legislative Branch of State government shall be exempt from this provision. The Director of the Division of Budget and Accounting shall notify the Legislative Budget and Finance Officer of those instances in which unexpended balances are not appropriated pursuant to this section.

The administrative costs of the Special Education Medicaid Initiative (SEMI) and the Medicaid Administrative Claiming (MAC) program, including the participation of a consultant, are appropriated and shall be paid from the revenue received, subject to the approval of the Director of the Division of Budget and Accounting.

The following transfer of appropriations rules are in effect for the current fiscal year:

- a. To permit flexibility in the handling of appropriations, any department or agency that receives an appropriation by law, may, subject to the provisions of this section, or unless otherwise provided in this act, apply to the Director of the Division of Budget and Accounting for permission to transfer funds from one item of appropriation to a different item of appropriation. For the purposes of this section, “item of appropriation” means the spending authority identified by an organization code, appropriation source, and program code, unique to the item. If the director consents to the transfer, the amount transferred shall be credited by the director to the designated item of appropriation and notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer. However, the director, after consenting thereto, shall submit the following transfer requests to the Legislative Budget and Finance Officer for legislative approval or disapproval unless otherwise provided in this act:
 - (1) Requests for the transfer of State and other nonfederal funds, in amounts greater than \$300,000, to or from any item of appropriation;
 - (2) Requests for the transfer of State and other nonfederal funds, in amounts greater than \$50,000, to or from any Special Purpose account, as defined by major object 5, or Grant account, as defined by major object 6, within an item of appropriation, from or to a different item of appropriation;
 - (3) Requests for the transfer of State and other nonfederal funds, in amounts greater than \$50,000, to or from any Special Purpose or Grant account in which the identifying organization code, appropriation source, and program code, remain the same, provided that the transfer would effect a change in the legislative intent of the appropriations;
 - (4) Requests for the transfer of State funds, in amounts greater than \$50,000, between items of appropriation in different departments or between items of appropriation in different appropriation classifications herein entitled as Direct State Services, Grants–In–Aid, State Aid, Capital Construction and Debt Service;
 - (5) Requests for the transfer of federal funds, in amounts greater than \$300,000, from one item of appropriation to another item of appropriation, if the amount of the transfer to an item in combination with the amount of the appropriation to that item would result in an amount in excess of the appropriation authority for that item, as defined by the program class;
 - (6) Requests for such other transfers as are appropriate in order to ensure compliance with the legislative intent of this act.
- b. The Joint Budget Oversight Committee or its successor may review all transfer requests submitted for legislative approval and may direct the Legislative Budget and Finance Officer to approve or disapprove any such transfer request. Transfers submitted for legislative approval pursuant to paragraph (4) of subsection a. of this section shall be made only if approved by the Legislative Budget and Finance Officer at the direction of the committee.
- c. The Legislative Budget and Finance Officer shall approve or disapprove requests for the transfer of funds submitted for legislative approval within 10 working days of the physical receipt thereof and shall return them to the director. If any provision of this act or any supplement thereto requires the Legislative Budget and Finance Officer to approve or disapprove requests for the transfer of funds, the request shall be deemed to be approved by the Legislative Budget and Finance Officer if, within 20 working days of the physical receipt of the request, he has not disapproved the request and so notified the requesting officer. However, this time period shall not pertain to any transfer request under review by the Joint Budget Oversight Committee or its successor, provided notice of such review has been given to the director.
- d. No amount appropriated for any capital improvement shall be used for any temporary purpose except extraordinary snow removal or extraordinary transportation maintenance subject to the approval of the Director of the Division of Budget and Accounting. However, an amount from any appropriation for an item of capital improvement may be transferred to any other item of capital improvement subject to the approval of the director, and, if in an amount greater than \$300,000, subject to the approval of the Legislative Budget and Finance Officer.
- e. The provisions of subsections a. through d. of this section shall not apply to appropriations made to the Legislative or Judicial branches of State government. To permit flexibility in the handling of these appropriations, amounts may be transferred to and from the various items of appropriation by the appropriate officer or designee with notification given to the director on the effective date thereof.
- f. Notwithstanding any provisions of this section to the contrary, transfers to and from the Special Purpose appropriation to the Governor for emergency or necessity under the Other Interdepartmental Accounts program classification and transfers from the appropriations to the various accounts in the category of Salary Increases and Other Benefits, both in the Interdepartmental Accounts, shall not be subject to legislative approval or disapproval.

The Director of the Division of Budget and Accounting shall make such correction of the title, text or account number of an appropriation necessary to make such appropriation available in accordance with legislative intent. Such correction shall be by written ruling, reciting in appropriate detail the facts thereof, and reasons therefore, attested by the signature of the Director of the Division of Budget and Accounting and filed in the Division of Budget and Accounting of the Department of the Treasury as an official record thereof, and any action thereunder, including disbursement and the audit thereof, shall be legally binding and of full force and virtue. An official copy of each such written ruling shall be transmitted to the Legislative Budget and Finance Officer, upon the effective date of the ruling.

The Legislative Budget and Finance Officer with the cooperation and assistance of the Director of the Division of Budget and Accounting is authorized to adjust this appropriations bill to reflect any reorganizations which have been implemented since the presentation of the Governor’s Budget Message.

None of the funds appropriated to the Executive Branch of State government for Information Processing, Development, Telecommunications, and Related Services and Equipment shall be available to pay for any of these services or equipment without the review of the Office of Information Technology, and compliance with statewide policies and standards and an approved department Information Technology Strategic Plan; authorization and approval by the Office of Information Technology is required for expenditure of amounts in excess of \$25,000, as shall be specified by Circular Letter.

LANGUAGE PROVISIONS

If the sum provided in this act for a State aid payment pursuant to formula is insufficient to meet the full requirements of the formula, all recipients of State aid shall have their allocation proportionately reduced, subject to the approval of the Director of the Division of Budget and Accounting.

When the duties or responsibilities of any department or branch, except for the Legislature and any of its agencies, are transferred to any other department or branch, it shall be the duty of the Director of the Division of Budget and Accounting and the director is hereby empowered to transfer funds appropriated for the maintenance and operation of any such department or branch to such department or branch as shall be charged with the responsibility of administering the functions so transferred. The Director of the Division of Budget and Accounting shall have the authority to create such new accounts as may be necessary to carry out the intent of the transfer. Information copies of such transfers shall be transmitted to the Legislative Budget and Finance Officer upon the effective date thereof. If such transfers may be required among appropriations made to the Legislature and its agencies, the Legislative Budget and Finance Officer, subject to the approval of the President of the Senate and the Speaker of the General Assembly, is hereby empowered and it shall be that officer's duty to effect such transactions hereinabove described and to notify the Director of the Division of Budget and Accounting upon the effective date thereof.

The Director of the Division of Budget and Accounting is empowered and it shall be the director's duty in the disbursement of funds for payment of expenses classified as salary increases and other benefits, employee benefits, debt service, rent, telephone, data processing, motor pool, insurance, travel, postage, lease payments on equipment purchases, additions, improvements and equipment, and compensation awards to credit or transfer to the Department of the Treasury, to an Interdepartmental account, or to the General Fund, as applicable, from any other department, branch or non-State fund source out of funds appropriated or credited thereto, such sums as may be required to cover the costs of such payment attributable to such other department, branch or non-State fund source, or to reimburse the Department of the Treasury, an Interdepartmental account, or the General Fund for reductions made representing statewide savings in the above expense classifications, as the director shall determine. Receipts in any non-State funds are appropriated for the purpose of such transfer.

The Governor is empowered to direct the State Treasurer to transfer from any State department to any other State department such sums as may be necessary for the cost of any emergency occasioned by aggression, civil disturbance, sabotage, or disaster.

Upon request of any department receiving non-State funds, the Director of the Division of Budget and Accounting is empowered to transfer such funds from that department to other departments as may be charged with the responsibility for the expenditure thereof.

The Director of the Division of Budget and Accounting is empowered to transfer or credit appropriations to any State agency for services provided, or to be provided, by that agency to any other agency or department; provided further, however, that funds have been appropriated or allocated to such agency or department for the purpose of purchasing these services.

Notwithstanding any law to the contrary, should appropriations in the Property Tax Relief Fund exceed available revenues, the Director of the Division of Budget and Accounting is authorized to transfer General Fund unreserved, undesignated fund balances into the Property Tax Relief Fund, providing unreserved, undesignated fund balances are available from the General Fund, as determined by the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, should appropriations in the Casino Revenue Fund exceed available revenues, the Director of the Division of Budget and Accounting is authorized to transfer General Fund unreserved, undesignated fund balances into the Casino Revenue Fund, providing unreserved, undesignated fund balances are available from the General Fund, as determined by the Director of the Division of Budget and Accounting.

No funds shall be expended by any State Department in the Executive Branch in connection with a contract for the production of films, videotapes, video conferences, video-assisted training or multi-media projects that include video images unless the New Jersey Public Broadcasting Authority (PBA) has the opportunity to match any successful bid as part of any formal or informal contract award process. This is not a requirement to award a contract to PBA since the decision to award a contract may also be based on non-cost considerations.

Notwithstanding the provisions of P.L.1954, c.48 (C.52:34-6 et seq.), sums appropriated for services for the various State departments and agencies may be expended for the purchase of contract services from the New Jersey Marine Sciences Consortium as if it were a State government agency pursuant to subsection (a) of section 5 of P.L.1954, c.48 (C.52:34-10).

Out of the appropriations herein, the Director of the Division of Budget and Accounting is empowered to approve payments to liquidate any unrecorded liabilities for materials delivered or services rendered in prior fiscal years, upon the written recommendation of any department head, or the department head's designated representative. The Director of the Division of Budget and Accounting shall reject any recommendations for payment which the director deems improper.

Whenever any county, municipality, school district or a political subdivision thereof withholds funds from a State agency, or causes a State agency to make payment on behalf of a county, municipality, school district or a political subdivision thereof, then the Director of the Division of Budget and Accounting may withhold State aid payments and transfer the same as payment for such funds, as the Director of the Division of Budget and Accounting shall determine.

The Director of the Division of Budget and Accounting is empowered to establish revolving and dedicated funds as required. Notice of the establishment of such funds shall be transmitted to the Legislative Budget and Finance Officer, upon the effective date thereof.

The Director of the Division of Budget and Accounting may, upon application therefore, allot from appropriations made to any official, department, commission or board, a sum to establish a petty cash fund for the payment of expenses under rules and regulations established by the director. Allotments thus made by the Director of the Division of Budget and Accounting shall be paid to such person as shall be designated as the custodian thereof by the official, department, commission or board making a request therefore, and the money thus allotted shall be disbursed by such custodian who shall require a receipt therefore from all persons obtaining money from the fund. The director shall make regulations governing disbursement from petty cash funds.

From appropriations to the various departments of State government, the Director of the Division of Budget and Accounting is empowered to transfer sums sufficient to pay any obligation due and owing in any other department or agency.

Notwithstanding the provision of any other law, the State Treasurer may transfer from any fund in the State Treasurer's custody, deposited with the State Treasurer pursuant to law, sufficient sums to enable payments from any appropriation made herein for any obligations due and owing. Any such transfer shall be restored out of the taxes or other revenue received in the Treasury in support of this act. Except for transfers from the several funds established pursuant to statutes that provide for interest earnings to accrue to those funds, all such transfers shall be without interest. If the statute provides for interest earnings, it shall be calculated at the average rate of earnings during the fiscal year from the State's general investments and such sums as are necessary shall be appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Any qualifying State aid appropriation, or part thereof, made from the General Fund may be transferred and recorded as an appropriation from the Property Tax Relief Fund, as deemed necessary by the State Treasurer, in order that the Director of the Division of Budget and Accounting may warrant the necessary payments; provided however, that the available unreserved, undesignated fund balance in the Property Tax Relief Fund, as determined by the State Treasurer, is sufficient to support the expenditure.

Notwithstanding any other provisions of this act, the State Treasurer, upon warrant of the Director of the Division of Budget and Accounting, shall pay any claim not exceeding \$4,000 out of any appropriations made to the several departments, provided such claim is recommended for payment by the head of such department. The Legislative Budget and Finance Officer shall be notified of the amount and description of any such claim at the time such payment is made. Any claimant who has presented a claim not exceeding \$4,000, which has been denied or not recommended by the head of such department, shall be precluded from presenting said claim to the Legislature for consideration.

Unless otherwise provided, federal grant and project receipts representing reimbursement for agency and central support services, indirect and administrative costs, as determined by the Director of the Division of Budget and Accounting, shall be transmitted to the Department of the Treasury for credit to the General Fund; provided however, that a portion of the indirect and administrative cost recoveries received which are in excess of the amount anticipated may be reclassified into a dedicated account and returned to State departments and agencies, as determined by the Director of the Division of Budget and Accounting, who shall notify the Legislative Budget and Finance Officer of the amount of such funds returned, the departments or agencies receiving such funds and the purpose for which such funds will be used, within 10 working days of any such transaction. Such receipts shall be forwarded to the Director of the Division of Budget and Accounting upon completion of the project or at the end of the fiscal year, whichever occurs earlier.

Notwithstanding any other law to the contrary, each local school district that participates in the Special Education Medicaid Initiative (SEMI) shall receive a percentage of the federal revenue realized for current year claims. The percentage share shall be 15% of the first \$28,000,000 of federal reimbursements realized for claims submitted to the State by June 30, 2006. After federal reimbursements are realized in excess of \$28,000,000, local school districts shall receive 50% of their pro rata share of federal revenues realized in excess of \$28,000,000.

Notwithstanding any other law to the contrary, each local school district that participates in the Medicaid Administrative Claiming (MAC) initiative shall receive a percentage of the federal revenue realized for current year claims. The percentage share shall be 15% of federal reimbursements for claims submitted to the State by June 30, 2006.

Notwithstanding the provisions of P.L.1943, c.188 (C.52:14-17.1 et seq.), the rate of reimbursement for mileage allowed for employees traveling by personal automobile on official business shall be \$.31 per mile.

State agencies shall prepare and submit a copy of their agency or departmental budget requests for Fiscal Year 2008 by October 1, 2006 to the Director of the Division of Budget and Accounting and a copy of their spending plans involving all State, federal and other non-State funds to the Director of the Division of Budget and Accounting and the Legislative Budget and Finance Officer by November 1, 2006, and updated spending plans on February 1, and May 1, 2007. The spending plans shall account for any changes in departmental spending which differ from this appropriations act and all supplements to this act. The spending plans shall be submitted on forms specified by the Director of the Division of Budget and Accounting.

The Director of the Division of Budget and Accounting shall provide the Legislative Budget and Finance Officer with copies of all BB-4s, Application for Non-State funds, and accompanying project proposals or grant applications, which require a State match and that may commit or require State support after the grant's expiration.

In order to provide effective cash flow management for revenues and expenditures of the General Fund and the Property Tax Relief Fund in the implementation of the fiscal year 2007 annual appropriations act, there are appropriated from the General Fund such sums as may be required to pay the principal of and interest on tax and revenue anticipation notes including notes in the form of commercial paper (hereinafter collectively referred to as short-term notes), together with any costs or obligations relating to the issuance thereof or contracts related thereto, according to the terms set forth herein. Provided further that, to the extent that short-term notes are issued for cash flow management purposes in connection with the Property Tax Relief Fund, there are appropriated from the Property Tax Relief Fund such sums as may be required to pay the principal of those short-term notes.

The State Treasurer is authorized to issue short-term notes, which notes shall not constitute a general obligation of the State or a debt or a liability within the meaning of the State Constitution, and the State Treasurer is authorized to pay any costs or obligations relating to the issuance of such short-term notes or contracts relating thereto. Such short-term notes shall be issued in such amounts and at such times as the State Treasurer shall deem necessary for the above stated purposes and for the payment of related costs, and on such terms and conditions, sold in such manner and at such prices, bearing interest at such fixed or variable rate or rates, renewable at such time or times, and entitled to such security, and using such paying agents as shall be determined by the State Treasurer. The State Treasurer is authorized to enter into such contracts and to take such other actions, all as determined by the State Treasurer to be appropriate to carry out the above cash flow management purposes. The State Treasurer shall give consideration to New Jersey-based vendors in entering into such contracts. Whenever the State Treasurer issues such short-term notes, the State Treasurer shall report on each such issuance to the Chairman of the Senate Budget and Appropriations Committee and the Chairman of the Assembly Appropriations Committee.

LANGUAGE PROVISIONS

The Tobacco Settlement Fund, created and established in the Department of the Treasury as a separate non-lapsing fund pursuant to section 53 of P.L.1999, c.138, is reestablished and continued. The unexpended balances at the end of the preceding fiscal year in the Tobacco Settlement Fund are appropriated. The Tobacco Settlement Fund shall be the repository for payments made by the tobacco manufacturers pursuant to the settlement agreement entered into by the tobacco manufacturers and the State on November 23, 1998 that resolved the State's pending claims against the tobacco industry and all other moneys, including interest earnings on balances in the fund, credited or transferred thereto from any other fund or source pursuant to law. Balances in the Tobacco Settlement Fund shall be deposited in such depositories as the State Treasurer may select. Amounts transferred from the Tobacco Settlement Fund to the General Fund as anticipated revenue shall be excluded when calculating deposits to the Surplus Revenue Fund pursuant to P.L.1990, c.44 (C.52:9H-14 et seq.).

Notwithstanding any other provision of law, funds derived from the sale or conveyance of any lands and buildings or proceeds from the sale of all fill material held by a department are appropriated for demolition, acquisition of land, rehabilitation or improvement of existing facilities and construction of new facilities subject to the approval of the Director of the Division of Budget and Accounting.

With respect to appropriations provided to various departments for services provided by the Office of Information Technology, any change by the Office of Information Technology to their rate structure that would affect the rates charged to the various State agencies for Office of Information Technology services shall first be approved by the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of section 29 of P.L.1983, c.303 (C.52:27H-88), or any other law to the contrary, interest earned in the current fiscal year on balances in the Enterprise Zone Assistance Fund, shall be credited to the General Fund.

Notwithstanding any other law to the contrary, funds may be transferred from the State Disability Benefits Fund to the General Fund during the current fiscal year, which transfer amount shall be based upon the actual receipt of revenue in the State Disability Benefits Fund as shall be determined by the State Treasurer in consultation with the Commissioner of Labor, subject to the approval of the Director of the Division of Budget and Accounting.

There is appropriated \$600,000 from the Casino Simulcasting Fund for transfer to the Casino Revenue Fund.

In all cases in which language authorizes the appropriation of additional receipts not to exceed a specific amount, and the specific amount is insufficient to cover the amount due for fringe benefits and indirect costs, there are appropriated from receipts such additional amounts as are required to fully cover the amount due for fringe benefits and indirect costs, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated, out of receipts derived from any structured financing transaction, such sums as may be necessary to satisfy any obligation incurred in connection with any structured financing agreement, subject to the approval of the Director of the Division of Budget and Accounting. In addition, there are appropriated such sums as may be necessary to pay costs incurred in connection with any proposed structured financing transaction, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any departmental language or statute, no receipts in excess of those anticipated or appropriated as provided in the Departmental Revenue Statements (BB-103's) in the fiscal 2007 budget submission are available for expenditure until a comprehensive expenditure plan is submitted to and approved by the Director of the Division of Budget and Accounting.

Such sums as may be necessary are appropriated or transferred from existing appropriations for the purpose of promoting awareness to increase participation in programs that are administered by the State subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated such additional sums as may be required to pay the amount of any civil penalty imposed on a State officer, employee or custodian pursuant to section 12 of P.L.2001, c.404 (C.47:1A-11), as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.

Receipts derived from the provision of copies and other materials related to compliance with P.L.2001, c.404, are appropriated for the purpose of offsetting agency and departmental expenses of complying with the public access law, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any law to the contrary, there is appropriated from the Universal Service Fund \$72,509,000 for transfer to the General Fund as State revenue.

Notwithstanding the provisions of section 32 of P.L. 2002, c.40 (C.52:9H-38) to the contrary, revenues derived from the corporation business tax during the preceding fiscal year shall not be credited to the "Corporation Business Tax Excess Revenue Fund" but shall be available as undesignated funds in the General Fund except as are dedicated by Article VIII, Section II, paragraph 6 of the State Constitution.

Any qualifying State aid or Grants-In-Aid appropriation, or part thereof, made from the General Fund may be transferred and recorded as an appropriation from the Casino Revenue Fund, as deemed necessary by the State Treasurer, in order that the Director of the Division of Budget and Accounting may warrant the necessary payments; provided however, that the available unreserved, undesignated fund balance in the Casino Revenue Fund, as determined by the State Treasurer, is sufficient to support the expenditure.

Providing that the contributions made during the current fiscal year by the University of Medicine and Dentistry of New Jersey and its affiliates to the UMDNJ Self Insurance Reserve Fund is equal to the amount established in a memorandum of agreement between the Department of the Treasury and the University, and if after such amount having been contributed, the receipts deposited within the University of Medicine and Dentistry of New Jersey's Self Insurance Reserve Fund are insufficient to pay claims expenditures, there is appropriated from the General Fund to the Self Insurance Reserve Fund such sums as may be necessary to pay the remaining claims, subject to the approval of the Director of the Division of Budget and Accounting.

In addition to any amounts hereinabove appropriated to pay debt service on bonds, notes and other obligations by the various independent authorities, payment of which is to be made by the State subject to appropriation pursuant to a contract with the State Treasurer or pursuant to a lease with a State department, there is hereby appropriated such additional sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts or leases, as applicable.

LANGUAGE PROVISIONS

All proceeds derived from the sale of real property shall be deposited in the General Fund, and notwithstanding any other law to the contrary there are appropriated from the proceeds of the sale of real property such sums as may be determined by the State Treasurer to the department which formerly owned or operated the asset for the purpose of capital improvements, purchase of equipment, or other program expenses, subject to the approval of the Director of the Division of Budget and Accounting.

Monies appropriated pursuant to this act to counties, municipalities or school districts as State grants or State Aid may, in addition to the uses specifically provided under this act, be used for purposes of implementing best practices adopted by the New Jersey Domestic Security Preparedness Task Force.

The unexpended balances at the end of the preceding fiscal year for the Statewide Local Domestic Preparedness Equipment Grant Program are appropriated subject to the same conditions and limitations imposed pursuant to P.L.2004, c.71, subject to the approval of the Director of the Division of Budget and Accounting.

If any law requires annual State funding, and if the amount of the funding in this act is insufficient to meet the requirement, the statutory requirement shall be deemed to be suspended for the current fiscal year to the extent that the funding is insufficient.

Such sums as may be required to initiate the implementation of information systems development or modification during the current fiscal year to support fees, fines or other revenue enhancements, or to initiate cost savings or budget efficiencies that are to be implemented during the fiscal year ending June 30, 2008 and that are proposed in the Governor's Budget Recommendation Document for the fiscal year ending June 30, 2008, shall be transferred between appropriate accounts subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding any other law or regulation to the contrary, there is appropriated from the State of New Jersey Cash Management Fund reserve fund such amounts as are necessary for the State Treasurer to return funds held on behalf of participating governmental units other than the State Government to those units that receive monies from appropriations made in this act. Funds attributable to participants in the reserve fund that do not receive State appropriations in the act shall continue to be held in the reserve fund.

There is appropriated from the General Fund to the Department of the Treasury such amount as is necessary to purchase a surety bond to cover the proportionate share of losses of the "Other-than-State" participants of the State of New Jersey Cash Management Fund in the event of certain losses which could be incurred by the fund.

Notwithstanding any provision of law to the contrary, no funding shall be provided by any program supported in part or in whole by State funding for erectile dysfunction medications for individuals who are registered on New Jersey's Sex Offender Registry.

Notwithstanding any other law to the contrary, there is hereby appropriated to each local school district that participates in the Special Education Medicaid Initiative (SEMI) and/or the Medicaid Administrative Claiming (MAC) program from the federal revenue received from SEMI and/or MAC, such sums in an amount equivalent to negative claims adjustments resulting from a federal Office of Inspector General audit issued April 2003 (#A-02-02-01022), subject to the approval of the Director of the Division of Budget and Accounting.

Due to opportunities for increased recoveries in the Department of Human Services and available resources in the Securities Enforcement Fund in the Department of Law and Public Safety and the Health Benefits State Employees Program Fund, unexpended balances carried forward are appropriated for the developmental centers in the Department of Human Services, and social security tax and health benefits in the Interdepartmental Accounts, subject to the approval of the Director of the Division of Budget and Accounting. For the purposes of these accounts, the carried forward amounts shall be deemed a "Base Year Appropriation" for the purposes of the "State Appropriations Limitation Act," P.L. 1990 (C.52:9H-24 et seq.).

The amounts appropriated herein for employee fringe benefits in Interdepartmental Direct-State-Services and Grant-in-Aid; Department of Education State Aid; and Department of Treasury State Aid may be transferred between accounts for the same purposes, as the Director of the Division of Budget and Accounting shall determine.

There is appropriated \$50,000,000 from the State Disability Benefits Fund for transfer to the General Fund as State revenue.

This act shall take effect July 1, 2006.



Revolving Funds

The Revolving Fund section consists of programs or agencies which receive no direct appropriations, but instead, operate from fees charged to other State agencies for services or commodities.

**26. DEPARTMENT OF CORRECTIONS
10. PUBLIC SAFETY AND CRIMINAL JUSTICE
16. DETENTION AND REHABILITATION
7020. BUREAU OF STATE USE INDUSTRIES**

The Bureau of State Use Industries (RS 30:4-98), operates self-sustaining work-training projects in the institutions. Functions include planning and maintenance of industrial output, training of personnel, procurement of equipment and materials, distribution of finished products, accounting, billing, and cost control systems similar to any diversified manufacturing operation. Products manufactured in State Use Industries are sold only to tax supported agencies, institutions, and units of state, county, and municipal governments all within and outside of New Jersey. Under current

law, products manufactured by inmate labor through DEPTCOR/Bureau of State Use Industries must not be sold in competition with the products of free enterprise on the open market.

On July 1, 1990, the Bureau formally registered with the New Jersey Department of State the trademark/servicemark DEPTCOR. The DEPTCOR trade name now represents the complete line of products and services offered by the Bureau of State Use Industries.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
State Use				
Average Number of Jobs for Inmates	1,525	1,525	1,526	1,526
Inmates Assigned During Year	3,300	3,300	3,300	3,300
Number of				
Shops and Offices	40	39	39	39
Product Items	2,000	2,000	2,000	2,000
Sales	19,814,000	18,331,000	20,500,000	21,000,000
 PERSONNEL DATA				
Position Data				
All Other	163	173	163	167

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recepts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
—	21,973	—	21,973	20,136				
—	21,973	—	21,973	20,136				
					Distribution by Program			
					06	20,500	20,500	20,500
					Total Appropriation^(a)			
					Distribution by Object			
					Personal Services:			
						8,650	8,967	8,967
					Total Personal Services			
						8,650	8,967	8,967
						9,154	9,089	9,089
						1,187	1,109	1,109
						1,134	1,140	1,140
					Special Purpose:			
						3,659		
						18,314 ^R		
						21,973		
						21,973		
					474			
					Additions, Improvements and Equipment			
						355	195	195

Notes —

(a) Fiscal data has been adjusted to reflect accounting adjustments.

REVOLVING FUNDS

**46. DEPARTMENT OF HEALTH AND SENIOR SERVICES
20. PHYSICAL AND MENTAL HEALTH
21. HEALTH SERVICES
4280. DIVISION OF PUBLIC HEALTH AND ENVIRONMENTAL LABORATORIES**

The Department of Health and Senior Services operates a revolving fund for certain laboratory services that are charged to the public or third party providers. Receipts from the sale of these services support staff and supplies that handle the increased laboratory effort generated from these activities.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
All Other	95	104	108	105

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of September. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
—	14,487	—	14,487	12,255				
—	14,487	—	14,487	12,255				
					Distribution by Program			
—	—	—	—	5,088	08	10,530	11,000	11,000
—	—	—	—	835		4,110	5,311	5,311
—	—	—	—	5,923		767	883	883
—	—	—	—	3,947		4,877	6,194	6,194
—	—	—	—	880		4,202	3,263	3,263
—	—	—	—	433		788	769	769
					Special Purpose:			
—	4,523	—	14,487	—	08	—	—	—
—	9,964 ^R	—	—	306		286	356	356
—	14,487	—	14,487	306		286	356	356
					Grants:			
—	—	—	—	313	08	—	—	—
—	—	—	—	313		—	—	—
—	—	—	—	453		51	15	15

REVOLVING FUNDS

54. DEPARTMENT OF HUMAN SERVICES
50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY
53. ECONOMIC ASSISTANCE AND SECURITY
7550. DIVISION OF FAMILY DEVELOPMENT

Information processing services are provided to the county welfare agencies and the county probation departments through three major systems. The Electronic Benefits Transfer System (EBT) provides electronic transfer of public assistance and food stamp benefits to welfare recipients. EBT operational costs are shared equally by the federal government and participating counties. The Family Assistance Management Information System (FAMIS) is a benefit delivery system for disbursement of Work First New Jersey

(WFNJ), Food Stamp coupons, and Medicaid Eligibility cards. The Automated Child Support Enforcement System (ACSES) is a statewide system for the collection and distribution of child support payments and arrearages. Development and implementation costs were funded by the State and federal governments. Maintenance and operations are funded by the State, county and federal governments.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
—	6,907	—	6,907	6,287	Distribution by Program				
—	6,907	—	6,907	6,287	15	5,463	5,767	5,767	
					Total Appropriation				
					Distribution by Object				
—	365 6,542 ^R	—	6,907	6,287		5,463	5,767	5,767	
					Services Other Than Personal				

82. DEPARTMENT OF THE TREASURY
70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
74. GENERAL GOVERNMENT SERVICES
2020. OFFICE OF PUBLIC COMMUNICATION

The Office of Public Communication was created by Executive Order No. 30, effective February 1, 1976, to centralize the functions of press and public relations services. It operates as a

revolving fund with the costs of operation being financed by the agencies receiving services.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
All Other	19	15	11	18

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and Revised fiscal year 2006 as of September. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
—	1,761	—	1,761	1,189	Distribution by Program				
—	1,761	—	1,761	1,189	04	1,293	1,293	1,293	
					Total Appropriation				
					Distribution by Object				
					Personal Services:				
—	—	—	—	1,032		1,220	1,105	1,105	
					Salaries and Wages				

REVOLVING FUNDS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
—	—	—	—	1,032		1,220	1,105	1,105	
				53	Total Personal Services				
				92	Materials and Supplies	27	57	57	
				12	Services Other Than Personal	40	105	105	
					Maintenance and Fixed Charges	6	26	26	
					Special Purpose:				
	331								
	1,430 ^R		1,761		Public Information Services	04	—	—	
	1,761		1,761		Total Special Purpose		—	—	

82. DEPARTMENT OF THE TREASURY
70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
74. GENERAL GOVERNMENT SERVICES
2034. OFFICE OF INFORMATION TECHNOLOGY

The Office of Information Technology (OIT), in-but-not-of the Department of Treasury, was created by Executive Order No.87 on September 4, 1998. Under the direction of the Chief Information Officer and with oversight by a public and private sector board, the OIT assumed all the responsibilities of the former Office of Telecommunications and Information Systems. The OIT has operational responsibility for the State's major data centers and the Garden State Network, a statewide integrated communications network capable of carrying data and voice transmissions.

The OIT processes information for a wide variety of department and agency programs including, but not limited to, centralized payroll, budget, revenue, general accounting, pensions, nursing home claims, food stamps, public assistance, institutional patient billings, caseload activities, unemployment compensation, disabili-

ty insurance, employment and personnel services, engineering services, air monitoring, and criminal justice. OIT also supports 362 Enhanced-911 Public Safety Answering Points throughout New Jersey.

OIT currently maintains three major data centers. Within these major data centers, OIT maintains two IBM mainframes and one Bull mainframe.

The fiscal data displayed below reflects the authorized spending level for the OIT. The amount appropriated for the OIT is distributed directly to State user agencies from a combination of State, federal and dedicated (i.e., All Other Fund) resources. State user agencies reimburse OIT for information processing services provided.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Computer Resources				
Mainframe Environment				
Relative Processing Speed (MIPS)	1,760	1,760	2,200	2,200
Server Environment				
UNIX Environment	135	244	325	400
Other Environments	120	274	325	400
OIT Hosted/Client Supported (Combined)	30	73	100	125
Telecommunications Infrastructure				
Data Network (Garden State Network)				
Router Infrastructure (Central Location)	56	60	60	60
Router Infrastructure (Distributed Locations)	1,573	1,835	1,850	1,850
Client Locations Supported	2,203	1,404	1,425	1,450
Data Lines	2,439	2,082	2,050	2,025
State Access to the Internet (Bandwidth in Megabytes per Second)	180	90	311	311
Access for Local Government				
Drops Supported (SNA Circuits)	8,010	3,120	3,050	3,000
Drops Supported (IP Circuits)	15,110	22,764	23,000	23,250
Voice Network				
Voice Lines Supported	83,000	78,821	81,100	83,100
Voice Devices Supported	94,619	94,585	97,422	100,345
Other				
Cell Phones Supported	4,533	10,685	11,680	12,680

REVOLVING FUNDS

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Production Services and User Support				
Transactions				
On-line Transactions (Millions)	2,034	2,100	2,215	2,200
Checks Produced (Millions)	20	22	23	23
User Support				
User Logon ID's (Mainframe only)	90,000	95,000	95,000	95,000
User Calls to the Help Desk (Network Call Center)	120,000	159,426	160,000	170,000
Applications Development and Maintenance				
Internet, Legacy and Client/Server	439	425	421	421
Under Development	51	57	51	51
Maintenance Mode	388	368	370	370
E-Government				
Directory Services	500,000	750,000	750,000	750,000
Digital Certificates	65,000	65,000	65,000	65,000
Geographic Information System				
Under Development	10	7	10	10
Maintenance Mode	13	8	15	16
Web Site				
Under Development	125	85	60	60
Maintenance Mode	50	75	80	75
OIT Supported Web Pages (Thousands)	250	260	270	270
Page View (Millions)	221	342	425	450
Data Management Service Applications				
Under Development	— (a)	29	30	15
Maintenance Mode	— (a)	10	20	45
Total Applications	— (a)	39	50	60
Data Warehouse Growth-in Gigabytes	— (a)	970	2,250	3,300

Notes:

- (a) Data not available
- (b) Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimates for fiscal year 2007 reflect the number of positions funded.

PERSONNEL DATA

Position Data

All Other	929	936	937	957
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	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
ADM-Client Applications Supported				
Agriculture	1	1	1	1
Banking and Insurance	14	14	15	15
Community Affairs	30	28	29	29
Corrections	5	6	6	6
Education	5	4	6	6
Environmental Protection	11	13	13	13
Health	22	23	23	23
Human Services	59	50	50	50
Labor	34	31	33	33
Law & Public Safety	35	35	36	36
Personnel	10	10	15	15
Transportation	89	80	82	82
Treasury	118	119	100	100
Other	6	11	12	12
Total	439	425	421	421

REVOLVING FUNDS

DISTRIBUTION BY AGENCY	General Fund	Federal Funds	All Other Funds	Grand Total
Agriculture	39	—	—	39
Banking and Insurance	655	—	—	655
Chief Executive Office	54	—	—	54
Community Affairs	1,414	435	—	1,849
Corrections	1,747	—	11	1,758
Education	202	73	7	282
Environmental Protection	328	—	—	328
Health	451	75	216	742
Human Services	7,119	15,888	3,905	26,912
Labor	2,443	11,146	—	13,589
Law and Public Safety	9,071	—	297	9,368
Military and Veterans' Affairs	247	—	—	247
Personnel	1,376	—	—	1,376
State	102	86	32	220
Transportation	4,189	—	8,875	13,064
Treasury	30,196	—	566	30,762
Total Executive Branch	59,633	27,703	13,909	101,245
Legislature	49	—	—	49
Judiciary	260	—	—	260
Total Recommended	59,942	27,703	13,909	101,554

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
—	120,321	-3,397	116,924	108,057	Distribution by Program			
—	120,321	-3,397	116,924	108,057	40	101,554	101,554	101,554
					Total Appropriation			
					Distribution by Object			
					Personal Services:			
—	—	—	—	65,887	Salaries and Wages			
—	—	—	—	65,887	40	68,193	68,193	68,193
					Total Personal Services			
—	—	—	—	1,052	Materials and Supplies			
—	—	—	—	30,114	Services Other Than Personal			
—	—	—	—	276	Maintenance and Fixed Charges			
					Special Purpose:			
—	8,634	—	—	—	Office of Information Technology			
—	96,345 ^R	-2,823	102,156	—	40	—	—	—
—	214	-214	—	—	GovConnect—Government to Government Network			
—	446	—	446	446	40	—	—	—
—	455	—	455	455	Professional Services Agency Transfer Payments			
—	—	—	—	—	Digital Certificates Security Access			
—	—	885	885	525	Enhanced 911 Grants			
—	1,500 ^R	—	1,500	700	Office of Emergency Telecommunication Services			
—	1,297	-1,288	9	—	Enterprise License Agreements			
—	29	1,000	1,029	1,029	State Portal			
—	—	2,735	2,735	2,735	Statewide Emergency 911 Telecom Contract Fees			
—	108,920	295	109,215	5,890	Total Special Purpose			
—	5,454	—	—	—	Additions, Improvements and Equipment			
—	5,947 ^R	-3,692	7,709	4,838	40	1,670	1,670	1,670

Notes —

(a) The fiscal year 2006 appropriation reflects the estimated reimbursement from client agencies including \$1 million that will be transferred from various Office of Information Technology accounts to the Employee Benefits accounts in accordance with the provisions set forth in the Fiscal 2006 Appropriations Act (P.L. 2005, c.132).

REVOLVING FUNDS

82. DEPARTMENT OF THE TREASURY
70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
74. GENERAL GOVERNMENT SERVICES
2052. STATE CENTRAL MOTOR POOL

The Bureau of Transportation Services (State Central Motor Pool) operates and oversees the maintenance and repair facilities servicing State owned motor vehicles. The Bureau controls and manages the majority of maintenance, fueling, and repair facilities

located throughout the state. The Bureau has legal ownership of all State vehicles and prescribes rules and regulations aimed at promoting the efficient and effective use of the fleet.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Automotive Services				
Vehicles				
Central Motor Pool Maintained (a)	6,825	7,158	7,902	7,902
Agency Assignment (b)	8,030	8,999	8,999	8,999
Mechanic Personnel	49	49	54	54
PERSONNEL DATA				
Position Data				
All Other	107	107	107	112

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and Revised fiscal year 2006 as of September. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

- (a) Vehicles are titled to the Central Motor Pool and are under the jurisdiction of the Central Motor Pool as a result of the consolidation of statewide facilities. The fiscal 2005 and 2006 increase is a result of the Child Welfare Initiative.
- (b) Vehicles are titled to the Central Motor Pool, however, the supporting funds are budgeted in the agency budgets, not in the Central Motor Pool requested authorization.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
Distribution by Program								
—	23,039	—	23,039	20,350	41	25,539	25,957	25,957
—	23,039	—	23,039	20,350	Total Appropriation			
Distribution by Object								
Personal Services:								
—	—	—	—	5,814	Salaries and Wages			
—	—	—	—	5,814	Total Personal Services			
—	—	—	—	8,006	Materials and Supplies			
—	—	—	—	635	Services Other Than Personal			
—	—	—	—	5,894	Maintenance and Fixed Charges			
Special Purpose:								
—	3,286	—	22,997	—	41	—	—	—
—	19,711 ^R	—	22,997	—	Automotive Services			
—	33	—	42	—	41	—	—	—
—	9 ^R	—	42	—	Vehicle Escrow			
—	23,039	—	23,039	—	Total Special Purpose			
—	—	—	—	1	Additions, Improvements and Equipment			
						280	280	280

REVOLVING FUNDS

**82. DEPARTMENT OF THE TREASURY
70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
74. GENERAL GOVERNMENT SERVICES
2056. PRINT SHOP**

Pursuant to NJSA 52:18A-30, the Treasury Department Print Shop operates as a revolving fund. The costs of labor and materials are reimbursed by various agencies including, but not limited to, the

Department of the Treasury, the Office of the Chief Executive, the Legislature, and the Department of State.

EVALUATION DATA

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Printing Services				
Orders Processed	6,685	6,429	7,000	7,000
Pages Printed	52,193,393	64,464,739	66,000,000	66,000,000
Metal Offset Plates	636	849	900	900
Sheets Collated (a)	560,519	974,647	1,000,000	1,000,000
Items Bound, Padded, and Punched	10,954,513	10,792,769	12,000,000	12,000,000

PERSONNEL DATA

Position Data

All Other	29	28	29	30
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Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and Revised fiscal year 2006 as of September. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

(a) Does not include collated sheets completed on high speed copiers.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
—	2,501	—	2,501	2,189	Distribution by Program			
—	2,501	—	2,501	2,189	43	2,324	2,324	2,324
					<i>Total Appropriation</i>			
					Distribution by Object			
					Personal Services:			
—	—	—	—	1,310		1,320	1,415	1,415
—	—	—	—	1,310		1,320	1,415	1,415
					<i>Total Personal Services</i>			
—	—	—	—	641		667	662	662
—	—	—	—	52		64	54	54
—	—	—	—	135		173	143	143
					Special Purpose:			
—	22	—	22	—		—	—	—
—	2,479 ^R	—	2,501	—	43	—	—	—
—	2,501	—	2,501	—		—	—	—
—	—	—	—	51		100	50	50
					<i>Additions, Improvements and Equipment</i>			

REVOLVING FUNDS

82. DEPARTMENT OF THE TREASURY
70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
74. GENERAL GOVERNMENT SERVICES
2057. DISTRIBUTION CENTER

The Distribution Center (NJSA 52:25-13) maintains and operates central facilities for the purchase and distribution of food and other materials used by various State agencies. Revenues collected

include amounts sufficient to cover the costs of operation. Financing for the program is accomplished through the use of the State Purchase Fund.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PROGRAM DATA				
Purchasing and Inventory Management				
Sales	\$53,179,477	\$50,620,287	\$45,386,000	\$45,386,000
Value of inventory, June 30	\$4,024,841	\$4,025,000	\$4,025,000	\$4,025,000
Percentage of demand (\$) delivered	95%	96%	97%	97%
PERSONNEL DATA				
Position Data				
All Other	73	70	65	65

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and Revised fiscal year 2006 as of March. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
—	50,748	—	50,748	50,682	Distribution by Program			
—	50,748	—	50,748	50,682	09	45,386	45,386	45,386
					Total Appropriation			
					Distribution by Object			
					Personal Services:			
—	—	—	—	4,070		4,041	4,041	4,041
—	—	—	—	4,070		4,041	4,041	4,041
—	—	—	—	45,654		334	334	334
—	—	—	—	516		485	485	485
—	—	—	—	440		430	430	430
					Special Purpose:			
—	136	—	50,748	—	09	40,093	40,093	40,093
—	50,612 ^R	—	50,748	—		40,093	40,093	40,093
—	50,748	—	50,748	—		40,093	40,093	40,093
—	—	—	—	2		3	3	3

**82. DEPARTMENT OF THE TREASURY
70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
74. GENERAL GOVERNMENT SERVICES
2065. DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION**

The Division of Property Management and Construction – Construction Management Services provides all architectural and engineering design and construction supervision of new facilities, as well as the renovation and rehabilitation of existing facilities; provides technical advice and assistance to all State agencies in preliminary planning, programming design, layout, and cost

estimating; administers construction and professional service contracts associated with building programs; provides for field supervision on State construction projects; and ensures that all building programs are completed in accordance with the objectives of the State agencies within established budgets.

EVALUATION DATA

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
PERSONNEL DATA				
Position Data				
All Other	44	45	44	45

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and Revised fiscal year 2006 as of September. The Budget Estimate for fiscal year 2007 reflects the number of positions funded.

**APPROPRIATIONS DATA
(thousands of dollars)**

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended
—	5,933	—	5,933	4,379	Distribution by Program			
—	5,933	—	5,933	4,379	12	4,527	4,425	4,425
					Total Appropriation			
					Distribution by Object			
					Personal Services:			
—	—	—	—	3,529		3,261	3,569	3,569
—	—	—	—	3,529		3,261	3,569	3,569
—	—	—	—	94		100	100	100
—	—	—	—	618		1,094	701	701
—	—	—	—	52		55	55	55
					Special Purpose:			
—	2,277	—	—	—				
—	3,656 ^R	—	5,933	—				
					Property Management and Construction – Construction Management Services			
—	5,933	—	5,933	—	12	—	—	—
					Total Special Purpose			
—	—	—	—	86		17	—	—
					Additions, Improvements and Equipment			



Appendices

**SUMMARY
ESTIMATED REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUES, CAPITAL PROJECTS, PROPRIETARY, AND
PRIVATE PURPOSE TRUST FUNDS**

**APPENDIX 1
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005	2006	2007
	Actual	Estimated	Estimated
Fund Balance July 1	4,975,834	4,884,809	5,142,320
Total Revenues	6,090,658	6,168,446	6,381,829
Other Financing Sources			
Proceeds from sale of bonds	--	89,000	75,200
Transfers from other funds	490,974	861,302	464,644
Other	2,325,746	--	--
Total Other Financing Sources	2,816,720	950,302	539,844
Total Available	13,883,212	12,003,557	12,063,993
Total Expenditures	5,095,924	4,949,126	4,982,457
Other Financing Uses			
Transfers to other funds	3,902,479	1,912,111	1,900,567
Total Other Financing Uses	3,902,479	1,912,111	1,900,567
Total Expenditures and Other Financing Uses	8,998,403	6,861,237	6,883,024
Fund Balance June 30	4,884,809	5,142,320	5,180,969

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Alcohol Education, Rehabilitation and Enforcement Fund (N.J.S.A. 54:32C)			
Fund Balance July 1	5,396	6,384	6,245
Revenues			
Taxes	11,000	11,000	11,000
Licenses and fees	2,060	2,010	2,010
Investment earnings	121	225	201
Total Revenues	13,181	13,235	13,211
Total Available	18,577	19,619	19,456
Expenditures			
Public safety and criminal justice	1,104	1,684	1,680
Physical and mental health	9,324	9,940	9,940
Total Expenditures	10,428	11,624	11,620
Other Financing Uses			
Transfers to other funds	1,765	1,750	1,750
Total Other Financing Uses	1,765	1,750	1,750
Total Expenditures and Other Financing Uses	12,193	13,374	13,370
Fund Balance June 30	6,384	6,245	6,086
Atlantic City Parking Fees Fund (P.L. 1993, c.159)			
Fund Balance July 1	1,452	71	81
Revenues			
Taxes	16,297	19,328	22,000
Investment earnings	8	10	11
Total Revenues	16,305	19,338	22,011
Total Available	17,757	19,409	22,092
Expenditures			
Economic planning, development and security	17,686	19,328	22,000
Total Expenditures	17,686	19,328	22,000
Fund Balance June 30	71	81	92
Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)			
Fund Balance July 1	752	757	765
Revenues			
Taxes	10,102	11,100	12,200
Investment earnings	5	8	10
Total Revenues	10,107	11,108	12,210
Total Available	10,859	11,865	12,975
Expenditures			
Economic planning, development and security	10,102	11,100	12,200
Total Expenditures	10,102	11,100	12,200
Fund Balance June 30	757	765	775

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Beaches and Harbors Fund (P.L. 1977, c.208)			
Fund Balance July 1	1,352	1,352	2,700
Revenues			
Investment Earnings	--	48	94
Other	28	1,376	--
Total Revenues	28	1,424	94
Total Available	1,380	2,776	2,794
Other Financing Uses			
Transfers to other funds	28	76	94
Total Other Financing Uses	28	76	94
Fund Balance June 30	1,352	2,700	2,700
Board of Bar Examiners (R. 1:27 B 1)			
Fund Balance July 1	4,150	4,671	4,186
Revenues			
Licenses and fees	2,784	2,624	2,649
Investment earnings	94	100	75
Other	54	50	50
Total Revenues	2,932	2,774	2,774
Total Available	7,082	7,445	6,960
Expenditures			
Public safety and criminal justice	2,411	3,259	3,259
Total Expenditures	2,411	3,259	3,259
Fund Balance June 30	4,671	4,186	3,701
Boarding House Rental Assistance Fund (N.J.S.A. 55:14K-14)			
Fund Balance July 1	462	184	--
Revenues			
Investment earnings	5	4	--
Other	--	--	--
Total Revenues	5	4	--
Total Available	467	188	--
Expenditures			
Community development and environmental management	283	188	--
Total Expenditures	283	188	--
Fund Balance June 30	184	--	--

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Body Armor Replacement Fund (P.L. 1997, c. 177)			
Fund Balance July 1	6,048	6,299	6,600
Revenues			
Investment earnings	106	168	174
Other	4,142	4,093	4,052
Total Revenues	4,248	4,261	4,226
Total Available	10,296	10,560	10,826
Expenditures			
Public safety and criminal justice	3,500	3,485	3,450
Government direction, management, and control	422	400	400
Total Expenditures	3,922	3,885	3,850
Other Financing Uses			
Transfers to other funds	75	75	75
Total Other Financing Uses	75	75	75
Total Expenditures and Other Financing Uses	3,997	3,960	3,925
Fund Balance June 30	6,299	6,600	6,901
Capital City Redevelopment Loan and Grant Fund (P.L. 1987, c.58)			
Fund Balance July 1	1,788	1,716	1,353
Revenues			
Investment earnings	9	15	15
Other	1	--	--
Total Revenues	10	15	15
Total Available	1,798	1,731	1,368
Expenditures			
Government direction, management, and control	2	--	--
Total Expenditures	2	--	--
Other Financing Uses			
Transfers to other funds	80	378	378
Total Other Financing Uses	80	378	378
Total Expenditures and Other Financing Uses	82	378	378
Fund Balance June 30	1,716	1,353	990
Casino Simulcasting Fund (P.L. 1992, c.19)			
Fund Balance July 1	158	94	4
Revenues			
Investment earnings	10	10	5
Other	526	600	600
Total Revenues	536	610	605
Total Available	694	704	609
Other Financing Uses			
Transfers to other funds	600	700	600
Total Other Financing Uses	600	700	600
Fund Balance June 30	94	4	9

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Casino Simulcasting Special Fund (P.L. 1992, c.19)			
Fund Balance July 1	4,965	4,443	4,712
Revenues			
Investment earnings	76	169	177
Other	5,642	6,000	6,000
Total Revenues	5,718	6,169	6,177
Total Available	10,683	10,612	10,889
Expenditures			
Public safety and criminal justice	6,240	5,900	5,900
Total Expenditures	6,240	5,900	5,900
Fund Balance June 30	4,443	4,712	4,989
Catastrophic Illness in Children Relief Fund (P.L. 1987, c.370)			
Fund Balance July 1	3,836	5,844	3,631
Revenues			
Services and assessments	6,809	6,300	6,300
Investment earnings	80	167	125
Total Revenues	6,889	6,467	6,425
Other Financing Sources			
Transfers from other funds	3,000	--	--
Total Other Financing Sources	3,000	--	--
Total Available	13,725	12,311	10,056
Expenditures			
Government direction, management, and control	6,673	--	--
Total Expenditures	6,673	--	--
Other Financing Uses			
Transfers to other funds	1,208	8,680	9,140
Total Other Financing Uses	1,208	8,680	9,140
Total Expenditures and Other Financing Uses	7,881	8,680	9,140
Fund Balance June 30	5,844	3,631	916
Cigarette Tax Securitization Fund (P.L. 2004, c.68)			
Fund Balance July 1	--	--	--
Other Financing Sources			
Other	1,486,139	--	--
Total Other Financing Sources	1,486,139	--	--
Total Available	1,486,139	--	--
Expenditures			
Government direction, management, and control	296,139	--	--
Total Expenditures	296,139	--	--
Other Financing Uses			
Transfers to other funds	1,190,000	--	--
Total Other Financing Uses	1,190,000	--	--
Total Expenditures and Other Financing Uses	1,486,139	--	--
Fund Balance June 30	--	--	--

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Clean Communities Account Fund (P.L. 1985, c.533)			
Fund Balance July 1	1,596	2,312	2,156
Revenues			
Taxes	15,447	14,500	14,500
Investment earnings	81	76	80
Total Revenues	15,528	14,576	14,580
Total Available	17,124	16,888	16,736
Expenditures			
Community development and environmental management	11,111	10,875	10,875
Total Expenditures	11,111	10,875	10,875
Other Financing Uses			
Transfers to other funds	3,701	3,857	3,625
Total Other Financing Uses	3,701	3,857	3,625
Total Expenditures and Other Financing Uses	14,812	14,732	14,500
Fund Balance June 30	2,312	2,156	2,236
 Clean Energy Fund (P.L. 1999, c.23)			
Fund Balance July 1	--	124,347	107,833
Revenues			
Services and assessments	130,474	49,325	184,214
Investment earnings	943	3,000	1,500
Total Revenues	131,417	52,325	185,714
Total Available	131,417	176,672	293,547
Expenditures			
Economic planning, development, and security	7,070	68,839	258,660
Total Expenditures	7,070	68,839	258,660
Fund Balance June 30	124,347	107,833	34,887
 Clean Waters Fund (P.L. 1976, c.92)			
Fund Balance July 1	1,933	(128)	35
Revenues			
Investment earnings	12	5	10
Total Revenues	12	5	10
Other Financing Sources			
Proceeds from sale of bonds	--	200	200
Total Other Financing Sources	--	200	200
Total Available	1,945	77	245
Expenditures			
Community development and environmental management	2,061	37	100
Government direction, management, and control	4	--	--
Total Expenditures	2,065	37	100
Other Financing Uses			
Transfers to other funds	8	5	10
Total Other Financing Uses	8	5	10
Total Expenditures and Other Financing Uses	2,073	42	110
Fund Balance June 30	(128)	35	135

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)			
Fund Balance July 1	(2,471)	(2,999)	2,044
Revenues			
Investment earnings	57	60	55
Total Revenues	57	60	55
Other Financing Sources			
Proceeds from sale of bonds	--	6,000	--
Total Other Financing Sources	--	6,000	--
Total Available	(2,414)	3,061	2,099
Expenditures			
Educational, cultural, and intellectual development	401	--	--
Economic planning, development and security	18	762	200
Total Expenditures	419	762	200
Other Financing Uses			
Transfers to other funds	166	255	255
Total Other Financing Uses	166	255	255
Total Expenditures and Other Financing Uses	585	1,017	455
Fund Balance June 30	(2,999)	2,044	1,644
2003 Dam, Lake, and Stream Project Revolving Loan Fund (P.L. 2003, c.162)			
Fund Balance July 1	--	--	45,000
Revenues			
Investment earnings	--	--	175
Total Revenues	--	--	175
Other Financing Sources			
Proceeds from sale of bonds	--	45,000	45,000
Total Other Financing Sources	--	45,000	45,000
Total Available	--	45,000	90,175
Fund Balance June 30	--	45,000	90,175
2003 Dam, Lake, Stream, and Flood Control Project Fund (P.L. 2003, c.162)			
Fund Balance July 1	--	--	5,000
Revenues			
Investment earnings	--	--	175
Total Revenues	--	--	175
Other Financing Sources			
Proceeds from sale of bonds	--	20,000	25,000
Total Other Financing Sources	--	20,000	25,000
Total Available	--	20,000	30,175
Expenditures			
Community development and environmental management	--	15,000	24,000
Total Expenditures	--	15,000	24,000
Other Financing Uses			
Transfers to other funds	--	--	175
Total Other Financing Uses	--	--	175
Total Expenditures and Other Financing Uses	--	15,000	24,175
Fund Balance June 30	--	5,000	6,000

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1992 Dam Restoration and Clean Water Fund (P.L. 1992, c. 88)			
Fund Balance July 1	15,902	16,210	15,381
Revenues			
Investment earnings	120	171	205
Other	191	--	--
Total Revenues	311	171	205
Total Available	16,213	16,381	15,586
Expenditures			
Community development and environmental management	3	1,000	1,000
Total Expenditures	3	1,000	1,000
Fund Balance June 30	16,210	15,381	14,586
1989 Development Potential Bank Transfer Fund (P.L. 1989, c. 183)			
Fund Balance July 1	6,443	6,466	6,336
Revenues			
Investment earnings	140	220	116
Total Revenues	140	220	116
Total Available	6,583	6,686	6,452
Expenditures			
Community development and environmental management	117	200	6,000
Total Expenditures	117	200	6,000
Other Financing Uses			
Transfers to other funds	--	150	150
Total Other Financing Uses	--	150	150
Total Expenditures and Other Financing Uses	117	350	6,150
Fund Balance June 30	6,466	6,336	302
Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c. 108)			
Fund Balance July 1	28,252	22,110	10,110
Revenues			
Investment earnings	529	765	313
Total Revenues	529	765	313
Total Available	28,781	22,875	10,423
Expenditures			
Public safety and criminal justice	65	--	--
Educational, cultural and intellectual management	5,649	12,000	7,000
Government direction, management and control	428	--	--
Total Expenditures	6,142	12,000	7,000
Other Financing Uses			
Transfers to other funds	529	765	313
Total Other Financing Uses	529	765	313
Total Expenditures and Other Financing Uses	6,671	12,765	7,313
Fund Balance June 30	22,110	10,110	3,110

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Disciplinary Oversight Committee (R. 1:20-2)			
Fund Balance July 1	1,596	1,834	1,148
Revenues			
Licenses and fees	8,702	8,384	8,384
Investment earnings	82	100	100
Other	272	275	275
Total Revenues	9,056	8,759	8,759
Total Available	10,652	10,593	9,907
Expenditures			
Public safety and criminal justice	8,818	9,445	9,445
Total Expenditures	8,818	9,445	9,445
Fund Balance June 30	1,834	1,148	462
Division of Motor Vehicles Surcharge Fund (P.L.1994, c. 57)			
Fund Balance July 1	101	226	--
Revenues			
Services and assessments	129,758	136,000	136,000
Investment earnings	228	209	139
Total Revenues	129,986	136,209	136,139
Total Available	130,087	136,435	136,139
Expenditures			
Public safety and criminal justice	4,482	4,000	4,000
Government direction, management and control	125,379	132,435	132,139
Total Expenditures	129,861	136,435	136,139
Fund Balance June 30	226	--	--
Dredging and Containment Facility Fund (P.L. 1996, c.70)			
Fund Balance July 1	48,958	39,051	30,496
Revenues			
Investment earnings	920	1,380	1,034
Total Revenues	920	1,380	1,034
Total Available	49,878	40,431	31,530
Expenditures			
Community development and environmental management	220	750	750
Transportation programs	8,697	8,583	8,583
Government direction, management, and control	1,478	--	--
Total Expenditures	10,395	9,333	9,333
Other Financing Uses			
Transfers to other funds	432	602	602
Total Other Financing Uses	432	602	602
Total Expenditures and Other Financing Uses	10,827	9,935	9,935
Fund Balance June 30	39,051	30,496	21,595

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Drinking Water State Revolving Fund (P.L. 1998, c.84)			
Fund Balance July 1	123,534	152,079	171,013
Revenues			
Federal and other grants	23,914	19,838	19,838
Investment earnings	1,227	1,434	1,500
Total Revenues	25,141	21,272	21,338
Other Financing Sources			
Transfers from other funds	6,308	6,295	6,300
Total Other Financing Sources	6,308	6,295	6,300
Total Available	154,983	179,646	198,651
Expenditures			
Community development and environment management	--	2,289	2,000
Total Expenditures	--	2,289	2,000
Other Financing Uses			
Transfers to other funds	2,904	6,344	6,344
Total Other Financing Uses	2,904	6,344	6,344
Total Expenditures and Other Financing Uses	2,904	8,633	8,344
Fund Balance June 30	152,079	171,013	190,307
1996 Economic Development Site Fund (P.L. 1996, c.70)			
Fund Balance July 1	6,959	4,658	2,511
Revenues			
Investment earnings	38	53	25
Total Revenues	38	53	25
Total Available	6,997	4,711	2,536
Expenditures			
Economic planning, development, and security	1,200	2,200	--
Government direction, management, and control	1,139	--	--
Total Expenditures	2,339	2,200	--
Fund Balance June 30	4,658	2,511	2,536
Emergency Flood Control Fund (P.L. 1978, c.78)			
Fund Balance July 1	353	353	353
Revenues			
Investment earnings	8	12	12
Total Revenues	8	12	12
Total Available	361	365	365
Other Financing Uses			
Transfers to other funds	8	12	12
Total Other Financing Uses	8	12	12
Fund Balance June 30	353	353	353

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Emergency Medical Technician Training Fund (P.L. 1992, c.143)			
Fund Balance July 1	7,574	7,148	6,308
Revenues			
Services and assessments	2,108	2,000	2,000
Investment earnings	163	264	225
Total Revenues	2,271	2,264	2,225
Other Financing Sources			
Transfers from other funds	16	--	--
Total Other Financing Sources	16	--	--
Total Available	9,861	9,412	8,533
Expenditures			
Physical and mental health	2,479	2,800	2,800
Total Expenditures	2,479	2,800	2,800
Other Financing Uses			
Transfers to other funds	234	304	454
Total Other Financing Uses	234	304	454
Total Expenditures and Other Financing Uses	2,713	3,104	3,254
Fund Balance June 30	7,148	6,308	5,279
Emergency Services Fund (N.J.S.A. 52:14E-5)			
Fund Balance July 1	10,473	13,466	5,716
Revenues			
Investment earnings	286	330	200
Total Revenues	286	330	200
Other Financing Sources			
Transfers from other funds	5,000	--	--
Total Other Financing Sources	5,000	--	--
Total Available	15,759	13,796	5,916
Expenditures			
Public safety and criminal justice	2,039	6,380	--
Community development and environmental management	254	1,700	--
Total Expenditures	2,293	8,080	--
Fund Balance June 30	13,466	5,716	5,916
Enterprise Zone Assistance Fund (P.L. 1983, c.303)			
Fund Balance July 1	195,938	226,415	258,716
Revenues			
Taxes	78,167	85,500	87,363
Licenses and fees	3,134	--	--
Investment earnings	4,715	8,490	9,631
Total Revenues	86,016	93,990	96,994
Total Available	281,954	320,405	355,710
Expenditures			
Community development and environmental management	4,776	5,511	5,648
Economic planning, development, and security	43,799	44,769	45,888
Total Expenditures	48,575	50,280	51,536
Other Financing Uses			
Transfers to other funds	6,964	11,409	12,550
Total Other Financing Uses	6,964	11,409	12,550
Total Expenditures and Other Financing Uses	55,539	61,689	64,086
Fund Balance June 30	226,415	258,716	291,624

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1996 Environmental Cleanup Fund (P.L. 1996, c.70)			
Fund Balance July 1	5,267	3,988	2,629
Revenues			
Investment earnings	97	141	81
Total Revenues	97	141	81
Total Available	5,364	4,129	2,710
Expenditures			
Community development and environmental management	1,181	1,500	2,500
Government direction, management, and control	195	--	--
Total Expenditures	1,376	1,500	2,500
Fund Balance June 30	3,988	2,629	210
1989 Farmland Preservation Fund (P.L. 1989, c.183)			
Fund Balance July 1	185	149	150
Revenues			
Investment earnings	3	5	5
Total Revenues	3	5	5
Total Available	188	154	155
Expenditures			
Community development and environmental management	39	4	--
Total Expenditures	39	4	--
Fund Balance June 30	149	150	155
1992 Farmland Preservation Fund (P.L. 1992, c.88)			
Fund Balance July 1	2,182	1,868	493
Revenues			
Investment earnings	49	41	13
Total Revenues	49	41	13
Total Available	2,231	1,909	506
Expenditures			
Community development and environmental management	298	1,416	261
Total Expenditures	298	1,416	261
Other Financing Uses			
Transfers to other funds	65	--	--
Total Other Financing Uses	65	--	--
Total Expenditures and Other Financing Uses	363	1,416	261
Fund Balance June 30	1,868	493	245

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1995 Farmland Preservation Bond Fund (P.L. 1995, c.204)			
Fund Balance July 1	9,396	8,258	3,652
Revenues			
Investment earnings	198	205	95
Total Revenues	198	205	95
Total Available	9,594	8,463	3,747
Expenditures			
Community development and environmental management	751	4,111	1,462
Total Expenditures	751	4,111	1,462
Other Financing Uses			
Transfers to other funds	585	700	415
Total Other Financing Uses	585	700	415
Total Expenditures and Other Financing Uses	1,336	4,811	1,877
Fund Balance June 30	8,258	3,652	1,870
Fund For Support of Free Public Schools (N.J.S.A. 18A:56-1)			
Fund Balance July 1	101,537	106,787	111,844
Revenues			
Licenses and fees	10,940	11,000	11,000
Investment earnings	1,985	2,822	2,822
Total Revenues	12,925	13,822	13,822
Total Available	114,462	120,609	125,666
Other Financing Uses			
Transfers to other funds	7,675	8,765	9,293
Total Other Financing Uses	7,675	8,765	9,293
Fund Balance June 30	106,787	111,844	116,373
Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)			
Fund Balance July 1	208,765	162,574	361,037
Revenues			
Investment earnings	3,942	9,006	11,552
Other	3,705	1,500	4,000
Total Revenues	7,647	10,506	15,552
Other Financing Sources			
Transfers from other funds	28,919	267,722	13,815
Total Other Financing Sources	28,919	267,722	13,815
Total Available	245,331	440,802	390,404
Expenditures			
Community development and environmental management	80,879	78,000	78,000
Total Expenditures	80,879	78,000	78,000
Other Financing Uses			
Transfers to other funds	1,878	1,765	1,765
Total Other Financing Uses	1,878	1,765	1,765
Total Expenditures and Other Financing Uses	82,757	79,765	79,765
Fund Balance June 30	162,574	361,037	310,639

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STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)			
Fund Balance July 1	246,690	182,555	593,738
Revenues			
Federal and other grants	6,001	--	--
Investment earnings	3,863	13,128	19,559
Other	464	1,479	1,479
Total Revenues	10,328	14,607	21,038
Other Financing Sources			
Transfers from other funds	43,378	476,583	20,722
Total Other Financing Sources	43,378	476,583	20,722
Total Available	300,396	673,745	635,498
Expenditures			
Community development and environmental management	112,562	75,000	75,000
Total Expenditures	112,562	75,000	75,000
Other Financing Uses			
Transfers to other funds	5,279	5,007	5,007
Total Other Financing Uses	5,279	5,007	5,007
Total Expenditures and Other Financing Uses	117,841	80,007	80,007
Fund Balance June 30	182,555	593,738	555,491
Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)			
Fund Balance July 1	20,474	21,405	23,083
Revenues			
Investment earnings	418	765	790
Total Revenues	418	765	790
Other Financing Sources			
Transfers from other funds	6,088	6,000	6,000
Total Other Financing Sources	6,088	6,000	6,000
Total Available	26,980	28,170	29,873
Expenditures			
Economic planning, development and security	4,935	4,470	6,213
Total Expenditures	4,935	4,470	6,213
Other Financing Uses			
Transfers to other funds	640	617	617
Total Other Financing Uses	640	617	617
Total Expenditures and Other Financing Uses	5,575	5,087	6,830
Fund Balance June 30	21,405	23,083	23,043
Green Trust Fund (P.L. 1983, c.354)			
Fund Balance July 1	85,960	83,212	80,612
Revenues			
Investment earnings	209	300	300
Other	1,371	1,400	1,400
Total Revenues	1,580	1,700	1,700
Total Available	87,540	84,912	82,312
Expenditures			
Community development and environmental management	4,328	4,300	4,300
Total Expenditures	4,328	4,300	4,300
Fund Balance June 30	83,212	80,612	78,012

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Hazardous Discharge Fund of 1981 (P.L. 1981, c. 275)			
Fund Balance July 1	181	181	181
Revenues			
Investment earnings	4	7	7
Total Revenues	4	7	7
Total Available	185	188	188
Other Financing Uses			
Transfers to other funds	4	7	7
Total Other Financing Uses	4	7	7
Total Expenditures and Other Financing Uses	4	7	7
Fund Balance June 30	181	181	181
Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)			
Fund Balance July 1	13,379	13,616	15,162
Revenues			
Investment earnings	338	546	550
Total Revenues	338	546	550
Other Financing Sources			
Transfers from other funds	8,564	12,000	12,000
Total Other Financing Sources	8,564	12,000	12,000
Total Available	22,281	26,162	27,712
Expenditures			
Community development and environmental management	8,662	11,000	11,000
Government direction, management, and control	3	--	--
Total Expenditures	8,665	11,000	11,000
Fund Balance June 30	13,616	15,162	16,712
Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)			
Fund Balance July 1	78,430	88,945	81,021
Revenues			
Services and assessments	22,122	16,750	16,800
Investment earnings	1,882	3,200	3,200
Total Revenues	24,004	19,950	20,000
Other Financing Sources			
Transfers from other funds	16,420	4,000	4,000
Total Other Financing Sources	16,420	4,000	4,000
Total Available	118,854	112,895	105,021
Expenditures			
Community development and environmental management	6,156	11,350	5,850
Total Expenditures	6,156	11,350	5,850
Other Financing Uses			
Transfers to other funds	23,753	20,524	20,467
Total Other Financing Uses	23,753	20,524	20,467
Total Expenditures and Other Financing Uses	29,909	31,874	26,317
Fund Balance June 30	88,945	81,021	78,704

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STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Health Care Subsidy Fund (P.L. 1992, c. 160)			
Fund Balance July 1	342	14	2,625
Revenues			
Taxes	250,934	518,560	169,060
Services and assessments	116,521	117,687	117,687
Investment earnings	1,734	2,978	1,500
Total Revenues	369,189	639,225	288,247
Other Financing Sources			
Transfers from other funds	324,585	56,125	369,462
Total Other Financing Sources	324,585	56,125	369,462
Total Available	694,116	695,364	660,334
Expenditures			
Physical and mental health	1,000	--	--
Total Expenditures	1,000	--	--
Other Financing Uses			
Transfers to other funds	693,102	692,739	657,767
Total Other Financing Uses	693,102	692,739	657,767
Total Expenditures and Other Financing Uses	694,102	692,739	657,767
Fund Balance June 30	14	2,625	2,567
Higher Education Facility Renovation and Rehabilitation Fund (P.L. 1990, c. 126)			
Fund Balance July 1	1,058	882	40
Revenues			
Investment earnings	16	20	1
Total Revenues	16	20	1
Total Available	1,074	902	41
Expenditures			
Educational, cultural and intellectual development	192	862	41
Total Expenditures	192	862	41
Fund Balance June 30	882	40	--
1992 Historic Preservation Fund (P.L. 1992, c.88)			
Fund Balance July 1	61	42	1,077
Revenues			
Investment earnings	1	2	20
Total Revenues	1	2	20
Other Financing Sources			
Proceeds from sale of bonds	--	1,700	--
Total Other Financing Sources	--	1,700	--
Total Available	62	1,744	1,097
Expenditures			
Economic planning, development and security	20	667	656
Total Expenditures	20	667	656
Fund Balance June 30	42	1,077	441

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1995 Historic Preservation Fund (P.L. 1995, c.204)			
Fund Balance July 1	1,137	443	395
Revenues			
Investment earnings	11	4	1
Total Revenues	11	4	1
Other Financing Sources			
Proceeds from sale of bonds	--	500	--
Total Other Financing Sources	--	500	--
Total Available	1,148	947	396
Expenditures			
Economic planning, development and security	666	552	113
Government direction, management, and control	39	--	--
Total Expenditures	705	552	113
Fund Balance June 30	443	395	283
Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)			
Fund Balance July 1	3,905	3,990	4,123
Revenues			
Investment earnings	76	126	128
Other	9	7	--
Total Revenues	85	133	128
Total Available	3,990	4,123	4,251
Fund Balance June 30	3,990	4,123	4,251
Horse Racing Injury Compensation Fund (P.L. 1995, c.329)			
Fund Balance July 1	4,871	4,504	4,552
Revenues			
Services and assessments	315	700	750
Investment earnings	95	148	146
Total Revenues	410	848	896
Total Available	5,281	5,352	5,448
Expenditures			
Public safety and criminal justice	777	800	800
Total Expenditures	777	800	800
Fund Balance June 30	4,504	4,552	4,648
Housing Assistance Fund (P.L. 1968, c.127)			
Fund Balance July 1	6,700	6,916	2,963
Revenues			
Investment earnings	90	149	10
Other	126	130	130
Total Revenues	216	279	140
Total Available	6,916	7,195	3,103
Expenditures			
Community development and environmental management	--	4,000	--
Total Expenditures	--	4,000	--
Other Financing Uses			
Transfers to other funds	--	232	140
Total Other Financing Uses	--	232	140
Total Expenditures and Other Financing Uses	--	4,232	140
Fund Balance June 30	6,916	2,963	2,963

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Jobs, Education and Competitiveness Fund (P.L. 1988, c.78)			
Fund Balance July 1	6,351	6,045	553
Revenues			
Investment earnings	147	175	15
Total Revenues	147	175	15
Total Available	6,498	6,220	568
Expenditures			
Educational, cultural and intellectual development	306	5,492	289
Total Expenditures	306	5,492	289
Other Financing Uses			
Transfers to other funds	147	175	15
Total Other Financing Uses	147	175	15
Total Expenditures and Other Financing Uses	453	5,667	304
Fund Balance June 30	6,045	553	264
Jobs, Science and Technology Fund (P.L. 1984, c.99)			
Fund Balance July 1	27	24	18
Total Available	27	24	18
Expenditures			
Educational, cultural and intellectual development	3	6	6
Total Expenditures	3	6	6
Fund Balance June 30	24	18	12
Korean Veterans' Memorial Fund (P.L. 1996, c.72)			
Fund Balance July 1	(1,021)	(1,000)	--
Revenues			
Contributions	21	--	--
Other	--	1,000	--
Total Revenues	21	1,000	--
Total Available	(1,000)	--	--
Fund Balance June 30	(1,000)	--	--
1996 Lake Restoration Fund (P.L. 1996, c.70)			
Fund Balance July 1	2,526	2,463	2,408
Revenues			
Investment earnings	30	45	46
Other	3	--	--
Total Revenues	33	45	46
Total Available	2,559	2,508	2,454
Expenditures			
Community development and environmental management	96	100	100
Total Expenditures	96	100	100
Fund Balance June 30	2,463	2,408	2,354

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Lead Hazard Control Assistance Fund (P.L. 2003, c.311)			
Fund Balance July 1	2,000	1,930	4,995
Revenues			
Investment earnings	59	65	67
Other	--	500	1,000
Total Revenues	59	565	1,067
Other Financing Sources			
Transfers from other funds	3,300	10,000	10,000
Total Other Financing Sources	3,300	10,000	10,000
Total Available	5,359	12,495	16,062
Expenditures			
Community development and environmental management	363	7,000	11,500
Total Expenditures	363	7,000	11,500
Other Financing Uses			
Transfers to other funds	3,066	500	680
Total Other Financing Uses	3,066	500	680
Total Expenditures and Other Financing Uses	3,429	7,500	12,180
Fund Balance June 30	1,930	4,995	3,882
Legal Services Fund (P.L. 1996, c.52)			
Fund Balance July 1	--	--	--
Revenues			
Licenses and fees	9,791	10,410	10,410
Total Revenues	9,791	10,410	10,410
Total Available	9,791	10,410	10,410
Other Financing Uses			
Transfers to other funds	9,791	10,410	10,410
Total Other Financing Uses	9,791	10,410	10,410
Fund Balance June 30	--	--	--
Luxury Tax Fund (N.J.S. A. 40:48-8.30a(B), (P.L. 1991, c.375)			
Fund Balance July 1	1,872	1,874	1,376
Revenues			
Taxes	26,645	27,500	29,000
Investment earnings	2	2	3
Total Revenues	26,647	27,502	29,003
Total Available	28,519	29,376	30,379
Expenditures			
Government direction, management, and control	26,645	28,000	29,000
Total Expenditures	26,645	28,000	29,000
Fund Balance June 30	1,874	1,376	1,379

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STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Medical Malpractice Liability Insurance Premium Assistance Fund (P.L. 2004, c.17)			
Fund Balance July 1	--	15,472	--
Revenues			
Services and assessments	21,005	21,300	21,300
Investment earnings	293	900	1,000
Total Revenues	21,298	22,200	22,300
Total Available	21,298	37,672	22,300
Expenditures			
Economic planning, development and security	202	32,009	16,637
Government direction, management, and control	63	63	63
Total Expenditures	265	32,072	16,700
Other Financing Uses			
Transfers to other funds	5,561	5,600	5,600
Total Other Financing Uses	5,561	5,600	5,600
Total Expenditures and Other Financing Uses	5,826	37,672	22,300
Fund Balance June 30	15,472	--	--
Mortgage Assistance Fund (P.L. 1976, c.94)			
Fund Balance July 1	13,826	13,826	11,426
Revenues			
Investment earnings	57	71	20
Other	689	690	695
Total Revenues	746	761	715
Total Available	14,572	14,587	12,141
Expenditures			
Community development and environmental management	--	2,400	--
Total Expenditures	--	2,400	--
Other Financing Uses			
Transfers to other funds	746	761	715
Total Other Financing Uses	746	761	715
Total Expenditures and Other Financing Uses	746	3,161	715
Fund Balance June 30	13,826	11,426	11,426
Motor Vehicle Surcharge Securitization Fund (P.L. 2004, c.70)			
Fund Balance July 1	--	--	--
Other Financing Sources			
Other	839,607	--	--
Total Other Financing Sources	839,607	--	--
Total Available	839,607	--	--
Expenditures			
Government direction, management, and control	99,607	--	--
Total Expenditures	99,607	--	--
Other Financing Uses			
Transfers to other funds	740,000	--	--
Total Other Financing Uses	740,000	--	--
Total Expenditures and Other Financing Uses	839,607	--	--
Fund Balance June 30	--	--	--

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)			
Fund Balance July 1	40	61	61
Revenues			
Other	226	1,062	1,100
Total Revenues	226	1,062	1,100
Total Available	266	1,123	1,161
Expenditures			
Community development and environmental management	205	1,062	1,150
Total Expenditures	205	1,062	1,150
Fund Balance June 30	61	61	11
Mutual Workers' Compensation Security Fund (N.J.S.A. 34:15-112)			
Fund Balance July 1	10,000	--	--
Revenues			
Services and assessments	76	--	--
Investment earnings	154	--	--
Total Revenues	230	--	--
Total Available	10,230	--	--
Expenditures			
Economic planning, development and security	1,945	--	--
Total Expenditures	1,945	--	--
Other Financing Uses			
Transfers to other funds	8,285	--	--
Total Other Financing Uses	8,285	--	--
Total Expenditures and Other Financing Uses	10,230	--	--
Fund Balance June 30	--	--	--
Natural Resources Fund (P.L. 1980, c.70)			
Fund Balance July 1	4,617	3,502	2,375
Revenues			
Investment earnings	77	90	53
Other	1	573	--
Total Revenues	78	663	53
Total Available	4,695	4,165	2,428
Expenditures			
Community development and environmental management	823	1,700	1,700
Government direction, management, and control	292	--	--
Total Expenditures	1,115	1,700	1,700
Other Financing Uses			
Transfers to other funds	78	90	53
Total Other Financing Uses	78	90	53
Total Expenditures and Other Financing Uses	1,193	1,790	1,753
Fund Balance June 30	3,502	2,375	675

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STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
New Home Warranty Security Fund (N.J.S.A. 46:3B-7)			
Fund Balance July 1	34,790	39,636	22,929
Revenues			
Licenses and fees	1,007	1,000	1,000
Services and assessments	8,285	8,250	8,250
Investment earnings	852	1,159	913
Other	117	200	200
Total Revenues	10,261	10,609	10,363
Total Available	45,051	50,245	33,292
Expenditures			
Community development and environmental management	1,481	2,500	3,000
Total Expenditures	1,481	2,500	3,000
Other Financing Uses			
Transfers to other funds	3,934	24,816	5,000
Total Other Financing Uses	3,934	24,816	5,000
Total Expenditures and Other Financing Uses	5,415	27,316	8,000
Fund Balance June 30	39,636	22,929	25,292
1995 New Jersey Coastal Blue Acres Fund (P.L. 1995, c.204)			
Fund Balance July 1	3,371	3,352	2,958
Revenues			
Investment earnings	49	76	64
Other	29	30	30
Total Revenues	78	106	94
Total Available	3,449	3,458	3,052
Expenditures			
Community development and environmental management	--	500	500
Government direction, management, and control	97	--	--
Total Expenditures	97	500	500
Fund Balance June 30	3,352	2,958	2,552
New Jersey Cultural Trust (P.L. 2000, c.76)			
Fund Balance July 1	20,685	21,453	22,173
Revenues			
Investment earnings	432	750	900
Total Revenues	432	750	900
Other Financing Sources			
Transfers from other funds	726	720	720
Total Other Financing Sources	726	720	720
Total Available	21,843	22,923	23,793
Expenditures			
Government direction, management, and control	390	750	900
Total Expenditures	390	750	900
Fund Balance June 30	21,453	22,173	22,893

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1983 New Jersey Green Acres Fund (P.L. 1983, c.354)			
Fund Balance July 1	19,690	19,690	19,643
Revenues			
Investment earnings	436	675	680
Total Revenues	436	675	680
Total Available	20,126	20,365	20,323
Expenditures			
Community development and environmental management	--	47	47
Total Expenditures	--	47	47
Other Financing Uses			
Transfers to other funds	436	675	680
Total Other Financing Uses	436	675	680
Total Expenditures and Other Financing Uses	436	722	727
Fund Balance June 30	19,690	19,643	19,596
1989 New Jersey Green Acres Fund (P.L. 1989, c.183)			
Fund Balance July 1	5,317	5,408	5,293
Revenues			
Investment earnings	111	185	190
Total Revenues	111	185	190
Total Available	5,428	5,593	5,483
Expenditures			
Community development and environmental management	20	300	400
Total Expenditures	20	300	400
Fund Balance June 30	5,408	5,293	5,083
1992 New Jersey Green Acres Fund (P.L. 1992, c. 88)			
Fund Balance July 1	1,762	1,742	1,599
Revenues			
Investment earnings	37	57	50
Total Revenues	37	57	50
Total Available	1,799	1,799	1,649
Expenditures			
Community development and environmental management	57	200	200
Total Expenditures	57	200	200
Fund Balance June 30	1,742	1,599	1,449
1995 New Jersey Green Acres Fund (P.L. 1995, c. 204)			
Fund Balance July 1	6,570	4,250	2,850
Revenues			
Investment earnings	90	100	70
Total Revenues	90	100	70
Other Financing Sources			
Transfers from other funds	780	--	--
Total Other Financing Sources	780	--	--
Total Available	7,440	4,350	2,920
Expenditures			
Community development and environmental management	2,898	1,500	2,000
Government direction, management, and control	292	--	--
Total Expenditures	3,190	1,500	2,000
Fund Balance June 30	4,250	2,850	920

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1989 New Jersey Green Trust Fund (P.L. 1989, c.183)			
Fund Balance July 1	93,794	95,389	94,789
Revenues			
Investment earnings	678	1,200	1,200
Other	1,323	1,400	1,400
Total Revenues	2,001	2,600	2,600
Total Available	95,795	97,989	97,389
Expenditures			
Community development and environmental management	406	3,200	3,200
Total Expenditures	406	3,200	3,200
Fund Balance June 30	95,389	94,789	94,189
1992 New Jersey Green Trust Fund (P.L. 1992, c. 88)			
Fund Balance July 1	56,336	55,676	54,876
Revenues			
Investment earnings	430	600	600
Other	679	700	700
Total Revenues	1,109	1,300	1,300
Total Available	57,445	56,976	56,176
Expenditures			
Community development and environmental management	913	2,100	2,100
Government direction, management, and control	856	--	--
Total Expenditures	1,769	2,100	2,100
Fund Balance June 30	55,676	54,876	54,076
1995 New Jersey Green Trust Fund (P.L. 1995, c. 204)			
Fund Balance July 1	76,909	76,799	76,049
Revenues			
Investment earnings	543	750	750
Other	917	1,000	1,000
Total Revenues	1,460	1,750	1,750
Total Available	78,369	78,549	77,799
Expenditures			
Community development and environmental management	559	2,500	2,500
Government direction, management, and control	1,011	--	--
Total Expenditures	1,570	2,500	2,500
Fund Balance June 30	76,799	76,049	75,299
1995 New Jersey Inland Blue Acres Fund (P.L. 1995, c.204)			
Fund Balance July 1	1,392	1,208	999
Revenues			
Investment earnings	26	41	40
Total Revenues	26	41	40
Total Available	1,418	1,249	1,039
Expenditures			
Community development and environmental management	210	250	250
Total Expenditures	210	250	250
Fund Balance June 30	1,208	999	789

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c. 12)			
Fund Balance July 1	22,669	24,780	2,205
Revenues			
Investment earnings	521	832	77
Total Revenues	521	832	77
Other Financing Sources			
Transfers from other funds	1,897	--	--
Total Other Financing Sources	1,897	--	--
Total Available	25,087	25,612	2,282
Expenditures			
Economic planning, development, and security	307	23,407	--
Total Expenditures	307	23,407	--
Fund Balance June 30	24,780	2,205	2,282
New Jersey Lawyers' Assistance Program (R. 1:28 B)			
Fund Balance July 1	407	395	264
Revenues			
Investment earnings	401	332	332
Other	9	10	10
Total Revenues	410	342	342
Total Available	817	737	606
Expenditures			
Public safety and criminal justice	422	473	473
Total Expenditures	422	473	473
Fund Balance June 30	395	264	133
New Jersey Lawyers' Fund for Client Protection (R. 1:28-7)			
Fund Balance July 1	14,344	12,647	12,660
Revenues			
Licenses and fees	3,238	3,579	3,579
Investment earnings	144	145	145
Other	617	625	625
Total Revenues	3,999	4,349	4,349
Total Available	18,343	16,996	17,009
Expenditures			
Public safety and criminal justice	5,696	4,336	4,336
Total Expenditures	5,696	4,336	4,336
Fund Balance June 30	12,647	12,660	12,673
New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)			
Fund Balance July 1	49,659	47,838	47,704
Revenues			
Licenses and fees	29	31	31
Investment earnings	369	600	610
Other	1,021	1,185	1,200
Total Revenues	1,419	1,816	1,841
Total Available	51,078	49,654	49,545
Expenditures			
Economic planning, development and security	3,240	1,950	2,200
Total Expenditures	3,240	1,950	2,200
Fund Balance June 30	47,838	47,704	47,345

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STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
New Jersey Racing Industry Special Fund (P.L. 2001, c.199)			
Fund Balance July 1	1,179	4,936	4,597
Revenues			
Services and assessments	2,810	600	600
Investment earnings	17	28	10
Other	1,638	5,569	5,800
Total Revenues	4,465	6,197	6,410
Total Available	5,644	11,133	11,007
Expenditures			
Public safety and criminal justice	708	6,536	6,000
Total Expenditures	708	6,536	6,000
Fund Balance June 30	4,936	4,597	5,007
New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)			
Fund Balance July 1	11,074	8,241	8,641
Revenues			
Taxes	28,192	24,000	24,000
Licenses and fees	6,611	5,500	5,000
Investment earnings	578	900	900
Other	1,047	1,900	1,900
Total Revenues	36,428	32,300	31,800
Total Available	47,502	40,541	40,441
Expenditures			
Community development and environmental management	5,297	3,000	2,000
Total Expenditures	5,297	3,000	2,000
Other Financing Uses			
Transfers to other funds	33,964	28,900	29,400
Total Other Financing Uses	33,964	28,900	29,400
Total Expenditures and Other Financing Uses	39,261	31,900	31,400
Fund Balance June 30	8,241	8,641	9,041
New Jersey Spinal Cord Research Fund (P.L. 1999, c. 201)			
Fund Balance July 1	13,235	14,585	12,465
Revenues			
Investment earnings	320	501	415
Other	4,038	3,600	3,600
Total Revenues	4,358	4,101	4,015
Total Available	17,593	18,686	16,480
Expenditures			
Physical and mental health	2,510	5,500	6,500
Total Expenditures	2,510	5,500	6,500
Other Financing Uses			
Transfers to other funds	498	721	750
Total Other Financing Uses	498	721	750
Total Expenditures and Other Financing Uses	3,008	6,221	7,250
Fund Balance June 30	14,585	12,465	9,230

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
New Jersey Workforce Development Partnership Fund (P.L. 1992, c. 44)			
Fund Balance July 1	62,567	67,631	63,455
Revenues			
Taxes	89,993	92,400	97,400
Investment earnings	1,194	2,090	1,650
Total Revenues	91,187	94,490	99,050
Total Available	153,754	162,121	162,505
Expenditures			
Economic planning, development, and security	44,690	45,900	45,900
Total Expenditures	44,690	45,900	45,900
Other Financing Uses			
Transfers to other funds	41,433	52,766	42,766
Total Other Financing Uses	41,433	52,766	42,766
Total Expenditures and Other Financing Uses	86,123	98,666	88,666
Fund Balance June 30	67,631	63,455	73,839
Petroleum Overcharge Reimbursement Fund (P.L. 1987,c.231)			
Fund Balance July 1	14,234	13,001	7,128
Revenues			
Investment earnings	200	312	98
Total Revenues	200	312	98
Total Available	14,434	13,313	7,226
Expenditures			
Community development and environmental management	237	--	--
Economic planning, development, and security	2	--	--
Government direction, management, and control	1,194	6,185	833
Total Expenditures	1,433	6,185	833
Fund Balance June 30	13,001	7,128	6,393
Pinelands Infrastructure Trust Fund (P.L. 1985, c.302)			
Fund Balance July 1	9,431	9,700	10,022
Revenues			
Investment earnings	93	159	167
Other	177	168	170
Total Revenues	270	327	337
Total Available	9,701	10,027	10,359
Expenditures			
Community development and environmental management	1	5	5
Total Expenditures	1	5	5
Fund Balance June 30	9,700	10,022	10,354
Pollution Prevention Fund (P.L. 1991, c. 235)			
Fund Balance July 1	1,087	1,013	898
Revenues			
Services and assessments	2,066	1,620	1,620
Investment earnings	28	40	28
Total Revenues	2,094	1,660	1,648
Total Available	3,181	2,673	2,546
Other Financing Uses			
Transfers to other funds	2,168	1,775	1,775
Total Other Financing Uses	2,168	1,775	1,775
Fund Balance June 30	1,013	898	771

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Real Estate Guaranty Fund (N.J.S.A. 45:15-34)			
Fund Balance July 1	1,342	1,458	1,513
Revenues			
Licenses and fees	140	130	130
Investment earnings	22	25	25
Total Revenues	162	155	155
Total Available	1,504	1,613	1,668
Expenditures			
Economic planning, development, and security	46	100	100
Total Expenditures	46	100	100
Fund Balance June 30	1,458	1,513	1,568
Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c.330)			
Fund Balance July 1	562	574	593
Revenues			
Investment earnings	12	19	20
Total Revenues	12	19	20
Total Available	574	593	613
Fund Balance June 30	574	593	613
Retail Margin Fund (P.L. 1999, c.23)			
Fund Balance July 1	--	--	18
Revenues			
Investment earnings	--	18	172
Other	--	2,055	11,000
Total Revenues	--	2,073	11,172
Total Available	--	2,073	11,190
Expenditures			
Government direction, management, and control	--	2,055	10,120
Total Expenditures	--	2,055	10,120
Fund Balance June 30	--	18	1,070
Safe Drinking Water Fund (N.J.S.A. 58:12A-12)			
Fund Balance July 1	1,844	529	461
Revenues			
Taxes	2,508	3,300	3,300
Investment earnings	44	30	16
Total Revenues	2,552	3,330	3,316
Total Available	4,396	3,859	3,777
Expenditures			
Community development and environmental management	392	230	200
Total Expenditures	392	230	200
Other Financing Uses			
Transfers to other funds	3,475	3,168	3,168
Total Other Financing Uses	3,475	3,168	3,168
Total Expenditures and Other Financing Uses	3,867	3,398	3,368
Fund Balance June 30	529	461	409

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Sanitary Landfill Facility Contingency Fund (N.J.S.A. 13:1E-100)			
Fund Balance July 1	11,412	13,723	16,173
Revenues			
Services and assessments	2,252	2,200	2,200
Investment earnings	265	500	600
Total Revenues	2,517	2,700	2,800
Total Available	13,929	16,423	18,973
Expenditures			
Community development and environmental management	206	250	250
Total Expenditures	206	250	250
Other Financing Uses			
Transfers to other funds	--	--	5,000
Total Other Financing Uses	--	--	5,000
Total Expenditures and Other Financing Uses	206	250	5,250
Fund Balance June 30	13,723	16,173	13,723
Shore Protection Fund (P.L. 1983, c. 356)			
Fund Balance July 1	11,086	11,086	10,786
Revenues			
Investment earnings	224	357	345
Other	130	100	100
Total Revenues	354	457	445
Total Available	11,440	11,543	11,231
Expenditures			
Community development and environmental management	--	300	300
Total Expenditures	--	300	300
Other Financing Uses			
Transfers to other funds	354	457	445
Total Other Financing Uses	354	457	445
Total Expenditures and Other Financing Uses	354	757	745
Fund Balance June 30	11,086	10,786	10,486
State Disability Benefit Fund (N.J.S.A. 43:21-46a)			
Fund Balance July 1	218,182	154,479	189,079
Revenue			
Taxes	497,338	510,000	537,000
Services and assessments	33,262	34,000	35,000
Investment earnings	1,778	2,200	2,200
Other	1,363	100	100
Total Revenues	533,741	546,300	574,300
Total Available	751,923	700,779	763,379
Expenditures			
Economic planning, development and security	453,654	477,000	498,500
Total Expenditures	453,654	477,000	498,500
Other Financing Uses			
Transfers to other funds	143,790	34,700	86,647
Total Other Financing Uses	143,790	34,700	86,647
Total Expenditures and Other Financing Uses	597,444	511,700	585,147
Fund Balance June 30	154,479	189,079	178,232

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STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
State Land Acquisition and Development Fund (P.L. 1978, c. 118)			
Fund Balance July 1	416	257	107
Revenues			
Investment earnings	7	6	3
Total Revenues	7	6	3
Total Available	423	263	110
Expenditures			
Community development and environmental management	159	150	107
Total Expenditures	159	150	107
Other Financing Uses			
Transfers to other funds	7	6	3
Total Other Financing Uses	7	6	3
Total Expenditures and Other Financing Uses	166	156	110
Fund Balance June 30	257	107	--
State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)			
Fund Balance July 1	899	899	749
Revenues			
Investment earnings	19	29	25
Total Revenues	19	29	25
Total Available	918	928	774
Expenditures			
Community development and environmental management	--	150	150
Total Expenditures	--	150	150
Other Financing Uses			
Transfers to other funds	19	29	25
Total Other Financing Uses	19	29	25
Total Expenditures and Other Financing Uses	19	179	175
Fund Balance June 30	899	749	599
State Recycling Fund (N.J.S.A. 12:1E-92)			
Fund Balance July 1	6,534	5,587	5,785
Revenues			
Investment earnings	63	138	136
Other	73	60	60
Total Revenues	136	198	196
Other Financing Sources			
Transfers from other funds	3,701	3,857	3,625
Total Other Financing Sources	3,701	3,857	3,625
Total Available	10,371	9,642	9,606
Expenditures			
Community development and environmental management	3,697	3,857	3,625
Total Expenditures	3,697	3,857	3,625
Other Financing Uses			
Transfers to other funds	1,087	--	--
Total Other Financing Uses	1,087	--	--
Total Expenditures and Other Financing Uses	4,784	3,857	3,625
Fund Balance June 30	5,587	5,785	5,981

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Stock Workers' Compensation Security Fund (N.J.S.A. 34:15-105)			
Fund Balance July 1	24,054	--	--
Revenues			
Services and assessment	22,364	--	--
Investment earnings	450	--	--
Total Revenues	22,814	--	--
Total Available	46,868	--	--
Expenditures			
Economic planning, development, and security	34,168	--	--
Total Expenditures	34,168	--	--
Other Financing Uses			
Transfers to other funds	12,700	--	--
Total Other Financing Uses	12,700	--	--
Total Expenditures and Other Financing Uses	46,868	--	--
Fund Balance June 30	--	--	--
Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c. 181)			
Fund Balance July 1	3,223	1,402	3,934
Revenues			
Investment earnings	48	32	100
Total Revenues	48	32	100
Other Financing Sources			
Proceeds from sale of bonds	--	4,000	--
Total Other Financing Sources	--	4,000	--
Total Available	3,271	5,434	4,034
Expenditures			
Community development and environmental management	1,869	1,500	1,500
Total Expenditures	1,869	1,500	1,500
Fund Balance June 30	1,402	3,934	2,534
Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)			
Fund Balance July 1	1,253	1,261	1,261
Revenues			
Investment earnings	5,332	5,300	5,300
Total Revenues	5,332	5,300	5,300
Total Available	6,585	6,561	6,561
Expenditures			
Public safety and criminal justice	5,324	5,300	5,300
Total Expenditures	5,324	5,300	5,300
Fund Balance June 30	1,261	1,261	1,261

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STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Supplemental Workforce Fund for Basic Skills (P.L.2001, c.152)			
Fund Balance July 1	29,020	33,807	30,019
Revenues			
Taxes	25,529	25,800	27,300
Investment earnings	557	912	498
Total Revenues	26,086	26,712	27,798
Total Available	55,106	60,519	57,817
Expenditures			
Public safety and criminal justice	68	--	--
Economic planning, development and security	19,411	28,500	26,600
Total Expenditures	19,479	28,500	26,600
Other Financing Uses			--
Transfers to other funds	1,820	2,000	2,000
Total Other Financing Uses	1,820	2,000	2,000
Total Expenditures and Other Financing Uses	21,299	30,500	28,600
Fund Balance June 30	33,807	30,019	29,217
Tobacco Settlement Fund			
Fund Balance July 1	16,345	18,082	5,600
Revenues			
Investment earnings	385	440	196
Other	1,352	--	--
Total Revenues	1,737	440	196
Total Available	18,082	18,522	5,796
Other Financing Uses			
Transfers to other funds	--	12,922	196
Total Other Financing Uses	--	12,922	196
Fund Balance June 30	18,082	5,600	5,600
Trial Attorney Certification Program (R. 1:39-1(h))			
Fund Balance July 1	103	104	93
Revenues			
Licenses and fees	235	243	244
Investment earnings	4	4	3
Other	4	4	4
Total Revenues	243	251	251
Total Available	346	355	344
Expenditures			
Public safety and criminal justice	242	262	262
Total Expenditures	242	262	262
Fund Balance June 30	104	93	82

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Unclaimed Child Support Trust Fund (P.L. 1995, c.115)			
Fund Balance July 1	2,187	2,286	2,377
Revenues			
Investment earnings	42	70	70
Other	61	31	32
Total Revenues	103	101	102
Total Available	2,290	2,387	2,479
Expenditures			
Government direction, management, and control	4	10	10
Total Expenditures	4	10	10
Fund Balance June 30	2,286	2,377	2,469
Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)			
Fund Balance July 1	3,164	4,080	4,965
Revenues			
Investment earnings	41	160	165
Other	3,434	3,605	3,500
Total Revenues	3,475	3,765	3,665
Total Available	6,639	7,845	8,630
Expenditures			
Government direction, management, and control	2,518	2,720	2,745
Total Expenditures	2,518	2,720	2,745
Other Financing Uses			
Transfers to other funds	41	160	165
Total Other Financing Uses	41	160	165
Total Expenditures and Other Financing Uses	2,559	2,880	2,910
Fund Balance June 30	4,080	4,965	5,720
Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)			
Fund Balance July 1	932	3,075	5,241
Revenues			
Investment earnings	228	443	480
Other	19,995	20,430	20,600
Total Revenues	20,223	20,873	21,080
Total Available	21,155	23,948	26,321
Expenditures			
Economic planning, development, and security	550	550	550
Total Expenditures	550	550	550
Other Financing Uses			
Transfers to other funds	17,530	18,157	22,847
Total Other Financing Uses	17,530	18,157	22,847
Total Expenditures and Other Financing Uses	18,080	18,707	23,397
Fund Balance June 30	3,075	5,241	2,924

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Universal Services Fund (P.L. 1999, c.23)			
Fund Balance July 1	610	--	--
Revenues			
Services and assessments	70,284	72,855	73,000
Investment earnings	754	1,801	1,800
Total Revenues	71,038	74,656	74,800
Total Available	71,648	74,656	74,800
Other Financing Uses			
Transfers to other funds	71,648	74,656	74,800
Total Other Financing Uses	71,648	74,656	74,800
Fund Balance June 30	--	--	--
 University of Medicine and Dentistry of New Jersey - Self Insurance Reserve Fund (N.J.S.A. 52:18A-1 et seq.)			
Fund Balance July 1	94	1,801	1,672
Revenues			
Services and assessments	6,668	6,858	6,900
Investment earnings	203	150	175
Total Revenues	6,871	7,008	7,075
Other Financing Sources			
Transfers from other funds	17,300	18,000	18,000
Total Other Financing Sources	17,300	18,000	18,000
Total Available	24,265	26,809	26,747
Expenditures			
Economic planning, development, and security	22,464	25,137	21,000
Total Expenditures	22,464	25,137	21,000
Fund Balance June 30	1,801	1,672	5,747
 Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)			
Fund Balance July 1	20,347	20,558	20,840
Revenues			
Investment earnings	192	262	184
Other	19	20	25
Total Revenues	211	282	209
Total Available	20,558	20,840	21,049
Fund Balance June 30	20,558	20,840	21,049
 Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)			
Fund Balance July 1	15	79	15
Revenues			
Contributions	177	25	25
Total Revenues	177	25	25
Total Available	192	104	40
Expenditures			
Special government services	113	89	25
Total Expenditures	113	89	25
Fund Balance June 30	79	15	15

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS**

**APPENDIX 1A
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c. 8)			
Fund Balance July 1	3,000	3,051	3,121
Revenues			
Investment earnings	24	40	40
Other	27	30	30
Total Revenues	51	70	70
Total Available	3,051	3,121	3,191
Fund Balance June 30	3,051	3,121	3,191
Wastewater Treatment Fund (P.L. 1985, c. 329)			
Fund Balance July 1	802,529	831,684	954,060
Revenues			
Federal and other grants	87,649	125,761	91,761
Investment earnings	8,725	14,500	15,000
Total Revenues	96,374	140,261	106,761
Total Available	898,903	971,945	1,060,821
Expenditures			
Community development and environmental management	58,414	9,551	12,000
Total Expenditures	58,414	9,551	12,000
Other Financing Uses			
Transfers to other funds	8,805	8,334	8,419
Total Other Financing Uses	8,805	8,334	8,419
Total Expenditures and Other Financing Uses	67,219	17,885	20,419
Fund Balance June 30	831,684	954,060	1,040,402
1992 Wastewater Treatment Fund (P.L. 1992, c. 88)			
Fund Balance July 1	29,617	29,590	29,920
Revenues			
Investment earnings	207	330	360
Total Revenues	207	330	360
Total Available	29,824	29,920	30,280
Expenditures			
Government direction, management and control	234	--	--
Total Expenditures	234	--	--
Fund Balance June 30	29,590	29,920	30,280
Water Conservation Fund (P.L. 1969, c. 127)			
Fund Balance July 1	1,185	795	595
Revenues			
Federal and other grants	390	--	--
Investment earnings	20	26	18
Other	11	11	6
Total Revenues	421	37	24
Total Available	1,606	832	619
Expenditures			
Community development and environmental management	--	200	200
Total Expenditures	--	200	200
Other Financing Uses			
Transfers to other funds	811	37	24
Total Other Financing Uses	811	37	24
Total Expenditures and Other Financing Uses	811	237	224
Fund Balance June 30	795	595	395

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES SPECIAL REVENUE FUNDS

APPENDIX 1A (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
2003 Water Resources and Wastewater Treatment Fund (P.L. 2003, c.162)			
Fund Balance July 1	--	--	5,000
Revenues			
Investment earnings	4	--	--
Total Revenues	4	--	--
Other Financing Sources			
Proceeds from sale of bonds	--	5,000	5,000
Transfers from other funds	7	--	--
Total Other Financing Sources	7	5,000	5,000
Total Available	11	5,000	10,000
Expenditures			
Government direction, management, and control	11	--	--
Total Expenditures	11	--	--
Fund Balance June 30	--	5,000	10,000
2003 Water Resources and Wastewater Treatment Trust Fund (P.L. 2003, c.162)			
Fund Balance July 1	--	--	--
Other Financing Sources			
Proceeds from sale of bonds	--	5,000	--
Total Other Financing Sources	--	5,000	--
Total Available	--	5,000	--
Expenditures			
Community development and environmental management	--	5,000	--
Total Expenditures	--	5,000	--
Fund Balance June 30	--	--	--
Water Supply Fund (P.L. 1981, c. 261)			
Fund Balance July 1	171,889	172,095	133,062
Revenues			
Investment earnings	1,126	3,300	2,200
Other	3,984	2,005	2,000
Total Revenues	5,110	5,305	4,200
Total Available	176,999	177,400	137,262
Expenditures			
Community development and environmental management	899	40,000	30,000
Total Expenditures	899	40,000	30,000
Other Financing Uses			
Transfers to other funds	4,005	4,338	4,338
Total Other Financing Uses	4,005	4,338	4,338
Total Expenditures and Other Financing Uses	4,904	44,338	34,338
Fund Balance June 30	172,095	133,062	102,924

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
SPECIAL REVENUE FUNDS

APPENDIX 1A
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Water Supply Replacement Trust Fund (P.L. 1988, c. 106)			
Fund Balance July 1	63	87	26
Revenues			
Investment earnings	1	2	--
Other	23	--	--
Total Revenues	24	2	--
Total Available	87	89	26
Expenditures			
Community development and environmental management	--	63	--
Total Expenditures	--	63	--
Fund Balance June 30	87	26	26
Worker and Community Right To Know Fund (P.L. 1983, c. 315)			
Fund Balance July 1	504	1,531	1,790
Revenues			
Services and assessments	4,366	4,000	4,000
Investment earnings	30	51	60
Total Revenues	4,396	4,051	4,060
Total Available	4,900	5,582	5,850
Other Financing Uses			
Transfers to other funds	3,369	3,792	3,792
Total Other Financing Uses	3,369	3,792	3,792
Fund Balance June 30	1,531	1,790	2,058
Workers Compensation Security Fund (P.L. 2004, c.179)			
Fund Balance July 1	--	18,180	3,680
Revenues			
Services and assessments	1,756	25,000	25,000
Investment earnings	42	500	150
Total Revenues	1,798	25,500	25,150
Other Financing Sources			
Transfers from other funds	20,985	--	--
Total Other Financing Sources	20,985	--	--
Total Available	22,783	43,680	28,830
Expenditures			
Economic planning, development and security	4,603	40,000	28,830
Total Expenditures	4,603	40,000	28,830
Fund Balance June 30	18,180	3,680	--

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES CAPITAL PROJECTS FUNDS

APPENDIX 1B (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Correctional Facilities Construction Fund (P.L. 1982, c. 120)			
Fund Balance July 1	597	589	574
Revenues			
Investment earnings	13	20	20
Total Revenues	13	20	20
Total Available	610	609	594
Expenditures			
Public safety and criminal justice	8	15	--
Total Expenditures	8	15	--
Other Financing Uses			
Transfers to other funds	13	20	20
Total Other Financing Uses	13	20	20
Total Expenditures and Other Financing Uses	21	35	20
Fund Balance June 30	589	574	574
Correctional Facilities Construction Fund of 1987 (P.L. 1987, c.178)			
Fund Balance July 1	1,898	1,211	631
Revenues			
Investment earnings	38	32	13
Total Revenues	38	32	13
Total Available	1,936	1,243	644
Expenditures			
Public safety and criminal justice	318	148	502
Total Expenditures	318	148	502
Other Financing Uses			
Transfers to other funds	407	464	142
Total Other Financing Uses	407	464	142
Total Expenditures and Other Financing Uses	725	612	644
Fund Balance June 30	1,211	631	--
Energy Conservation Fund (P.L. 1980, c.68)			
Fund Balance July 1	293	279	647
Revenues			
Investment earnings	6	15	15
Total Revenues	6	15	15
Other Financing Sources			
Proceeds from sale of bonds	--	1,600	--
Total Other Financing Sources	--	1,600	--
Total Available	299	1,894	662
Expenditures			
Government direction, management and control	14	1,232	368
Total Expenditures	14	1,232	368
Other Financing Uses			
Transfers to other funds	6	15	15
Total Other Financing Uses	6	15	15
Total Expenditures and Other Financing Uses	20	1,247	383
Fund Balance June 30	279	647	279

**STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
CAPITAL PROJECTS FUNDS**

**APPENDIX 1B
(thousands of dollars)**

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Human Services Facilities Construction Fund (P.L. 1984, c. 157)			
Fund Balance July 1	212	61	--
Revenues			
Investment earnings	2	1	--
Total Revenues	2	1	--
Total Available	214	62	--
Expenditures			
Educational, cultural, and intellectual development	151	61	--
Total Expenditures	151	61	--
Other Financing Uses			
Transfers to other funds	2	1	--
Total Other Financing Uses	2	1	--
Total Expenditures and Other Financing Uses	153	62	--
Fund Balance June 30	61	--	--
Motor Vehicle Commission Fund (P.L. 2003, c.13)			
Fund Balance July 1	145,438	129,161	103,461
Revenues			
Investment earnings	3,597	3,000	2,400
Total Revenues	3,597	3,000	2,400
Total Available	149,035	132,161	105,861
Expenditures			
Public safety and criminal justice	19,869	28,700	41,200
Government direction, management, and control	5	--	--
Total Expenditures	19,874	28,700	41,200
Fund Balance June 30	129,161	103,461	64,661
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c. 180)			
Fund Balance July 1	6,165	6,165	5,594
Revenues			
Investment earnings	137	223	196
Total Revenues	137	223	196
Total Available	6,302	6,388	5,790
Expenditures			
Transportation programs	--	571	571
Total Expenditures	--	571	571
Other Financing Uses			
Transfers to other funds	137	223	196
Total Other Financing Uses	137	223	196
Total Expenditures and Other Financing Uses	137	794	767
Fund Balance June 30	6,165	5,594	5,023
New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c. 363)			
Fund Balance July 1	6	--	--
Total Available	6	--	--
Expenditures			
Transportation programs	6	--	--
Total Expenditures	6	--	--
Fund Balance June 30	--	--	--

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES CAPITAL PROJECTS FUNDS

APPENDIX 1B (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c. 184)			
Fund Balance July 1	4,873	4,461	3,481
Revenues			
Investment earnings	103	159	120
Total Revenues	103	159	120
Total Available	4,976	4,620	3,601
Expenditures			
Public safety and criminal justice	215	980	3,022
Physical and mental health	162	--	--
Educational, cultural and intellectual development	10	--	--
Economic planning, development and security	25	--	--
Total Expenditures	412	980	3,022
Other Financing Uses			
Transfers to other funds	103	159	120
Total Other Financing Uses	103	159	120
Total Expenditures and Other Financing Uses	515	1,139	3,142
Fund Balance June 30	4,461	3,481	459
Public Purpose Buildings Construction Fund (P.L. 1980, c. 119)			
Fund Balance July 1	245	245	221
Revenues			
Investments earnings	3	8	8
Total Revenues	3	8	8
Total Available	248	253	229
Expenditures			
Educational, cultural, and intellectual development	--	24	133
Total Expenditures	--	24	133
Other Financing Uses			
Transfers to other funds	3	8	8
Total Other Financing Uses	3	8	8
Total Expenditures and Other Financing Uses	3	32	141
Fund Balance June 30	245	221	88
State Facilities for Handicapped Fund (P.L. 1973, c. 149)			
Fund Balance July 1	241	17	--
Revenues			
Investment earnings	5	1	--
Total Revenues	5	1	--
Total Available	246	18	--
Expenditures			
Educational, cultural, and intellectual development	229	18	--
Total Expenditures	229	18	--
Fund Balance June 30	17	--	--

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
CAPITAL PROJECTS FUNDS

APPENDIX 1B
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c. 181)			
Fund Balance July 1	58,041	38,319	21,011
Revenues			
Investment earnings	1,052	1,000	400
Total Revenues	1,052	1,000	400
Total Available	59,093	39,319	21,411
Expenditures			
Transportation programs	18,052	17,308	17,308
Government direction, management, and control	1,595	--	--
Total Expenditures	19,647	17,308	17,308
Other Financing Uses			
Transfers to other funds	1,127	1,000	400
Total Other Financing Uses	1,127	1,000	400
Total Expenditures and Other Financing Uses	20,774	18,308	17,708
Fund Balance June 30	38,319	21,011	3,703
Transportation Rehabilitation and Improvement Fund (P.L. 1979, c. 165)			
Fund Balance July 1	568	568	568
Revenues			
Investment earnings	7	11	11
Total Revenues	7	11	11
Total Available	575	579	579
Other Financing Uses			
Transfers to other funds	7	11	11
Total Other Financing Uses	7	11	11
Fund Balance June 30	568	568	568

APPENDIX

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES PRIVATE PURPOSE TRUST FUNDS

APPENDIX 1C (thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
Insurance Annuity Trust Fund			
Fund Balance July 1	94	102	110
Revenues			
Investment earnings	2	2	2
Other	6	6	6
Total Revenues	8	8	8
Total Available	102	110	118
Fund Balance June 30	102	110	118
Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)			
Fund Balance July 1	--	--	--
Revenues			
Investment earnings	5	3	3
Total Revenues	5	3	3
Total Available	5	3	3
Other Financing Uses			
Transfers to other funds	5	3	3
Total Other Financing Uses	5	3	3
Fund Balance June 30	--	--	--
Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)			
Fund Balance July 1	3,748	4,062	4,391
Revenues			
Investment earnings	196	322	325
Other	348	437	437
Total Revenues	544	759	762
Total Available	4,292	4,821	5,153
Expenditures			
Government direction, management, and control	230	430	400
Total Expenditures	230	430	400
Fund Balance June 30	4,062	4,391	4,753
Unclaimed Insurance Payments on Deposit Accounts Fund			
Fund Balance July 1	1,941	1,807	1,664
Revenues			
Investment earnings	40	54	34
Total Revenues	40	54	34
Total Available	1,981	1,861	1,698
Expenditures			
Government direction, management, and control	134	143	1,459
Total Expenditures	134	143	1,459
Other Financing Uses			
Transfers to other funds	40	54	34
Total Other Financing Uses	40	54	34
Total Expenditures and Other Financing Uses	174	197	1,493
Fund Balance June 30	1,807	1,664	205

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCES
PROPRIETARY FUNDS

APPENDIX 1D
(thousands of dollars)

	-----Fiscal Year Ending June 30-----		
	2005 Actual	2006 Estimated	2007 Estimated
State Lottery Fund (N.J.S.A. 5:9-21)			
Fund Balance July 1	21,102	13,470	12,020
Revenues			
Investment earnings	2,436	1,800	2,400
Other	2,305,716	2,392,900	2,343,865
Total Revenues	2,308,152	2,394,700	2,346,265
Total Available	2,329,254	2,408,170	2,358,285
Expenditures			
Government direction, management, and control	1,476,406	1,541,660	1,487,218
Total Expenditures	1,476,406	1,541,660	1,487,218
Other Finance Uses			
Transfers to other funds	839,378	854,490	857,900
Total Other Financing Uses	839,378	854,490	857,900
Total Expenditures and Other Finance Uses	2,315,784	2,396,150	2,345,118
Fund Balance June 30	13,470	12,020	13,167
 Unemployment Compensation Fund (N.J.S.A. 43:21-9a)			
Fund Balance July 1	1,539,201	1,442,893	1,068,193
Revenue			
Federal and other grants	37,376	36,000	35,000
Services and assessments	1,763,904	1,484,000	1,959,000
Investment earnings	55,166	43,300	31,300
Other	4,395	5,000	1,000
Total Revenues	1,860,841	1,568,300	2,026,300
Total Available	3,400,042	3,011,193	3,094,493
Expenditures			
Economic planning, development and security	1,957,149	1,943,000	1,880,000
Total Expenditures	1,957,149	1,943,000	1,880,000
Fund Balance June 30	1,442,893	1,068,193	1,214,493

APPENDIX

STATE OF NEW JERSEY DESCRIPTION OF FUNDS

Alcohol Education, Rehabilitation, and Enforcement Fund (N.J.S.A. 54:32C)

Special Revenue Fund

Annual deposits of \$11 million are made to this fund from annual Alcohol Beverage Excise Tax collections. The monies collected shall be dedicated as follows: 75% to alcohol rehabilitation, 15% to enforcement, and 10% to education.

Additionally, a \$40 fee paid by persons convicted of operating a motor vehicle under the influence of intoxicating liquor or drugs are deposited into this fund to be used for the screening, evaluation, education, and referral of persons who have been convicted of driving while intoxicated.

Atlantic City Parking Fees Fund (P.L. 1993, c.159)

Special Revenue Fund

P.L. 2003, c.116 imposes a \$3 parking fee per diem for each vehicle parked, garaged, or stored in any casino hotel parking space. One half of the revenue collected is to be made available to the Casino Reinvestment Development Authority. The remaining one half is deposited into the Casino Revenue Fund.

Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)

Special Revenue Fund

This fund accounts for revenues collected for fees of \$2 per day for each occupied room in any hotel providing casino gaming and \$1 per day for each occupied room in any other hotel in the eligible municipality. The revenues are collected, certified, and distributed on a monthly basis to the Atlantic City Convention and Visitors Authority. Amounts expended are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

Beaches and Harbor Fund (P.L. 1977, c.208)

Special Revenue Fund

An amount of \$30 million of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

Board of Bar Examiners (R. 1:27B1)

Special Revenue Fund

This fund was established for the purposes of drafting bar essay examination questions, reviewing applications, and preparing, administering, and grading bar examinations. Revenues are generated by payments made by candidates for admission to the Bar of the State of New Jersey. Revenues include examination fees, late fee charges, certificates of good standing, license name changes, and copying fees.

Boarding House Rental Assistance Fund (N.J.S.A. 55:14K-14)

Special Revenue Fund

The purpose of this fund is to finance life safety improvement loans by the New Jersey Housing and Mortgage Finance Agency for the benefit of residents of boarding homes. This fund also provides a source of repayment for such life safety improvement loans.

Body Armor Replacement Fund (P.L. 1997, c.177)

Special Revenue Fund

This fund is a repository for monies used exclusively for the purchase of body vests for law enforcement officers and correction officers.

Capital City Redevelopment Loan and Grant Fund (P.L. 1987, c.58)

Special Revenue Fund

This fund was established for the redevelopment and revitalization of the City of Trenton. The State established the Capital City Redevelopment Corporation to operate within the boundaries of the Trenton district. The Corporation plans, coordinates, and promotes the public and private development of that district in a manner that enhances the Trenton area's vitality as a place of commerce, recreation, and culture and as an area which to conduct public business and visit historic sites.

Casino Control Fund (N.J.S.A. 5:12-143)**Special Revenue Fund**

This fund accounts for fees from the issuance and annual renewal of casino licenses, work permit fees, and other license fees. Appropriations fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

Casino Revenue Fund (N.J.S.A. 5:12-145)**Special Revenue Fund**

This fund accounts for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations, less the total sums paid out as winnings to patrons, and a deduction for uncollectible gaming receivables. Appropriations from this fund must be used for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.

Casino Simulcasting Fund (P.L. 1992, c.19)**Special Revenue Fund**

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this fund and shall be used for services to benefit senior citizens.

Casino Simulcasting Special Fund (P.L. 1992, c.19)**Special Revenue Fund**

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this fund and shall be disbursed to the Atlantic City Racetrack, Atlantic City casinos conducting simulcasting, and for other miscellaneous purposes.

Catastrophic Illness in Children Relief Fund (P.L. 1987, c.370)**Special Revenue Fund**

The purpose of this fund is to provide assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a \$1 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

Cigarette Tax Securitization Fund (P.L. 2004, c.68)**Special Revenue Fund**

This fund was established in order to receive bond proceeds from the New Jersey Economic Development Authority, which issued \$1.461 billion of Cigarette Tax Revenue Bonds. An amount of \$1.190 billion was transferred to the General Fund for expenditure of any lawful State purpose for which monies on deposit in the State's General Fund may be used. The remaining proceeds were transferred to the New Jersey Economic Development Authority in order to fund capitalized interest, a debt service reserve fund, and to pay for costs of issuance.

Clean Communities Account Fund (P.L. 1985, c.533)**Special Revenue Fund**

P.L. 2002, c.128, revised portions of legislation affecting the Clean Communities Account Fund and the State Recycling Fund. Specifically, this legislation imposes a user fee on sales of litter-generating products to be credited to the Clean Communities Account Fund. Of the annual amount credited to the fund, 25 %, but not more than \$4 million per year, is appropriated to the State Recycling Fund to provide recycling grants to municipalities and counties for local recycling programs. The balance of money credited to the fund shall be used to provide grants to eligible municipalities for programs of litter pickup and removal. The balance shall also be used for a State program of litter pickup and removal, and of enforcement of litter-related laws.

Clean Energy Fund (P.L. 1999, c.23)**Special Revenue Fund**

This fund accounts for revenues collected from a "societal benefit charge" on monthly utility bills. Funds generated from this charge are used to support clean energy initiatives.

APPENDIX

Clean Waters Fund (P.L. 1976, c.92)

Special Revenue Fund

An amount of \$120 million of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities.

Correctional Facilities Construction Fund (P.L. 1982, c.120)

Capital Projects Fund

An amount of \$170 million of General Obligation bonds was authorized for the construction of new medium security prisons, county assistance programs, and renovations and modifications to existing State facilities.

Correctional Facilities Construction Fund of 1987 (P.L. 1987, c.178)

Capital Projects Fund

An amount of \$198 million of General Obligation bonds was authorized for the planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment of State and county correctional facilities.

Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)

Special Revenue Fund

An amount of \$100 million of General Obligation bonds was authorized for the purpose of financing the construction and development of cultural centers (\$40 million); the restoration, repair, or rehabilitation of State historic structures (\$25 million); and for providing grants and loans to assist municipalities, counties, and other units of local government to acquire and develop lands for recreation and conservation purposes (\$35 million).

2003 Dam, Lake, and Stream Project Revolving Loan Fund (P.L. 2003, Chapter 162)

Special Revenue Fund

An amount of \$110 million of General Obligation bonds was authorized to make low-interest loans to owners of dams, lakes or streams, or private lake associations. These loans fund dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects.

2003 Dam, Lake, Stream, and Flood Control Project Fund (P.L. 2003, Chapter 162)

Special Revenue Fund

An amount of \$40 million of General Obligation bonds was authorized to provide assistance, other than full or matching grants, to owners of dams, lakes or streams, or private lake associations for dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects, and for State flood control projects or State dam restoration and repair projects.

1992 Dam Restoration and Clean Waters Trust Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$20 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 to finance dam restoration and inland water projects and loans.

1989 Development Potential Bank Transfer Fund (P.L. 1989, c.183)

Special Revenue Fund

General Obligation bonds, authorized in the amount of \$20 million, provide for the acquisition and development rights of land by the State for recreation and conservation purposes.

Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c.108)

Special Revenue Fund

An amount of \$160 million of General Obligation bonds was authorized for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of community based residential facilities for clients on the New Jersey Department of Human Services' Developmental Disabilities Waiting List.

Disciplinary Oversight Committee (R. 1:20-2)**Special Revenue Fund**

This fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey. Revenues are generated from annual attorney assessments paid by bar members.

Division of Motor Vehicles Surcharge Fund (P.L. 1994, c.57)**Special Revenue Fund**

The fund is comprised of revenues from surcharges and interest for payment to the New Jersey Economic Development Authority's Market Transition Facility Revenue Fund to pay principal and interest on the Market Transition Facility bonds. Excess funds are available for transfer to the State's General Fund.

Dredging and Containment Facility Fund (P.L. 1996, c.70)**Special Revenue Fund**

An amount of \$185 million of General Obligation bonds was authorized for the construction of sub-aqueous pits, the construction of containment facilities, projects related to the decontamination of dredged materials, and dredging projects. Additionally, an amount of \$20 million of General Obligation bond proceeds was authorized for the purpose of dredging navigation channels located in the port region.

Drinking Water State Revolving Fund (P.L. 1998, c.84)**Special Revenue Fund**

This fund is the depository for the receipt of federal capitalization grants and other funds made available to the State for drinking water projects and set-asides pursuant to the Federal Safe Drinking Water Act.

1996 Economic Development Site Fund (P.L. 1996, c.70)**Special Revenue Fund**

An amount of \$20 million of General Obligation bonds was authorized for the purchase of real property, equipment, and any building, construction, and miscellaneous site improvements associated with an economic development site.

Emergency Flood Control Fund (P.L. 1978, c.78)**Special Revenue Fund**

An amount of \$25 million of General Obligation bonds was authorized to acquire, develop, construct, and maintain flood control facilities and for the development of a comprehensive flood control master plan.

Emergency Medical Technician Training Fund (P.L. 1992, c.143)**Special Revenue Fund**

This fund was established to annually reimburse any private agency, organization, or entity which is certified by the Commissioner of Health and Senior Services to provide training and testing for volunteer ambulance, first aid, and rescue squad personnel who are seeking emergency medical tech-ambulance and defibrillation intermediate, or who are taking refresher courses or recertification for which that entity is not otherwise reimbursed.

Emergency Services Fund (N.J.S.A. 52:14E-5)**Special Revenue Fund**

Established in 1972, this fund reimburses municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

Energy Conservation Fund (P.L. 1980, c.68)**Capital Projects Fund**

An amount of \$50 million of General Obligation bonds was authorized, of which \$3 million is appropriated for energy audits and \$47 million is appropriated for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

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Enterprise Zone Assistance Fund (P.L. 1983, c.303)

Special Revenue Fund

The purpose of this fund is to concentrate the benefits of zone designation and to provide a gradual and geographically balanced introduction of such zones. The law encourages the revitalization of some of the State's most distressed urban areas with incidence of poverty and unemployment.

1996 Environmental Cleanup Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of \$70 million of General Obligation bonds was authorized to provide for the remediation of hazardous discharge sites and for the construction of water supply facilities. These facilities are to replace potable water supplies determined to be contaminated or threatened by discharge.

1989 Farmland Preservation Fund (P.L. 1989, c.183)

Special Revenue Fund

An amount of \$50 million of General Obligation bonds was authorized for the purpose of the preservation of farmland for agricultural use and production.

1992 Farmland Preservation Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$50 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 for the preservation of farmland for agricultural use and production.

1995 Farmland Preservation Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of \$50 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of farmland preservation and agricultural use.

Fund for Support of Free Public Schools (N.J.S.A. 18A:56-1)

Special Revenue Fund

The fund consists of proceeds from the sale of riparian lands, rents received on leased riparian State lands, licenses and fees related to such lands, and the income from earnings on investments. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the fund is then transferred to the General Fund in support of such appropriations.

P.L. 2003, c.118 provides for the establishment of a school bond reserve. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 % of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1 % of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations.

Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Farmland Preservation Trust Fund was authorized for the preservation of farmland for agricultural use and production. It receives funding from the Garden State Preservation Trust.

Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Green Acres Preservation Trust Fund was authorized for the acquisition and development of lands by the State for recreation and conservation purposes. It receives funding from the Garden State Preservation Trust.

Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)**Special Revenue Fund**

The Garden State Historic Preservation Trust Fund was authorized for the work relating to the conservation, improvement, repair, restoration, or stabilization of historic property. It receives funding from the Garden State Preservation Trust.

General Fund

This fund accounts for all State revenues not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this fund. The Appropriations Act enacted by the State Legislature provides the basic framework for the operations of the General Fund.

Green Trust Fund (P.L. 1983, c.354)**Special Revenue Fund**

An amount of \$83 million of General Obligation bonds was authorized from the 1983 New Jersey Green Acres Fund for the purpose of making loans and grants to local government units for the acquisition and development of lands for recreation and conservation.

Gubernatorial Elections Fund (N.J.S.A. 54A:9-25.1)**Special Revenue Fund**

This fund accounts for receipts from the \$1 designation on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

Hazardous Discharge Fund of 1981 (P.L. 1981, c.275)**Special Revenue Fund**

An amount of \$100 million of General Obligation bonds was authorized for the identification, cleanup, and removal of hazardous discharges.

Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)**Special Revenue Fund**

An amount of \$200 million of General Obligation bonds was authorized for the purpose of financing the cost of identification, cleanup, and removal of hazardous discharges.

Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)**Special Revenue Fund**

This fund was established for the purposes of preparing feasibility studies, engineering designs, and undertaking other work necessary to the cleanup or mitigation of hazardous discharge sites in the State. An amount of \$100 million was appropriated from the Hazardous Discharge Fund of 1981.

Health Care Subsidy Fund (P.L. 1992, c.160)**Special Revenue Fund**

This fund is comprised of revenues from employee and employer contributions, cigarette and tobacco taxes, hospital assessments, interest, and penalties. Monies in the fund shall be used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the New Jersey Kid Care program; and provide financial assistance for hospitals, other health care initiatives, and hospital bond assistance.

Higher Education Facility Renovation and Rehabilitation Fund (P.L. 1990, c.126)**Special Revenue Fund**

The sum of \$45 million of General Obligation bonds was appropriated from the Jobs, Education, and Competitiveness Fund to the Higher Education Facility Renovation and Rehabilitation Fund for the renovation and rehabilitation of existing higher education buildings at various State colleges and universities, and the New Jersey Institute of Technology.

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1992 Historic Preservation Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$25 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax exempt nonprofit organizations meet the historic preservation project costs for historic properties, structures, facilities, or sites owned or leased on a long-term basis by those agencies, entities, units, or organizations.

1995 Historic Preservation Fund (P.L. 1995, c.204)

Special Revenue Fund

The purpose of this fund is to provide matching grants to assist State agencies or entities, local government units, and qualified tax-exempt nonprofit organizations to meet historic preservation project costs.

Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)

Special Revenue Fund

There was appropriated \$3 million to the Historic Preservation Revolving Loan Fund for the purpose of making low interest loans to counties, municipalities, or tax exempt non-profit organizations to finance the costs of acquiring, restoring, repairing, or rehabilitating historic structures.

Horse Racing Injury Compensation Fund (P.L. 1995, c.329)

Special Revenue Fund

The purpose of this fund is to provide workers' compensation coverage to employees in the thoroughbred and standardbred horse racing industries. The costs of providing coverage shall be funded from assessments to both the thoroughbred and standardbred industries based on their respective experience rating.

Housing Assistance Fund (P.L. 1968, c.127)

Special Revenue Fund

An amount of \$12.5 million was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing, and to provide financial assistance to qualified housing developments that were constructed, financed, or rehabilitated under federal law and moderate income financing programs.

Human Services Facilities Construction Fund (P.L. 1984, c.157)

Capital Projects Fund

An amount of \$60 million of General Obligation bonds was authorized for the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of human services facilities.

Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County Docket No. L-081390-83)

Private Purpose Trust Fund

This fund was established to account for deposits made by Western National Life Insurance Company or its assignees on behalf of the State of New Jersey resulting from a lawsuit filed against the State.

Jobs, Education, and Competitiveness Fund (P.L. 1988, c.78)

Special Revenue Fund

An amount of \$350 million of General Obligation bonds was authorized for the construction, reconstruction, development, extension, improvement, and equipment of classrooms, academic buildings, libraries, computer facilities, and other higher education buildings at New Jersey's public and private institutions of higher education; the establishment and construction of advanced technology centers at public and private institutions of higher education; and for the expansion and construction of additional facilities at, and acquisition of additional and upgraded equipment for, existing advanced technology centers sponsored by the New Jersey Commission on Science and Technology.

Jobs, Science, and Technology Fund (P.L. 1984, c.99)**Special Revenue Fund**

An amount of \$90 million of General Obligation bonds was authorized for the establishment and construction of a network of advanced technology centers at public and private institutions of higher education; providing for the construction and improvement of technical and engineering facilities and for high technology job training and retraining programs at public and private institutions of higher education.

Korean Veterans' Memorial Fund (P.L. 1996, c.72)**Special Revenue Fund**

The Korean Veterans' Memorial Fund is credited with funds collected by the Korean Veterans' Memorial Committee. The purpose of this fund is to locate a suitable site for the construction of a memorial in the State of New Jersey honoring the veterans of the Korean War.

1996 Lake Restoration Fund (P.L. 1996, c.70)**Special Revenue Fund**

An amount of \$5 million of General Obligation bonds was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of non-point source or point source pollution.

Lead Hazard Control Assistance Fund (P.L. 2003, c.311)**Special Revenue Fund**

This fund was established for the purpose of providing financial assistance in the form of grants or loans to eligible homeowners to make their homes lead-safe. Funds are received from various sources, including a \$20 fee assessed to homeowners of multiple dwelling units, a portion of the Sales and Use Tax generated on the sale of paint, and the Catastrophic Illness in Children Relief Fund.

Legal Services Fund (P.L. 1996, c.52)**Special Revenue Fund**

Revenues generated from the increase in certain filing fees in civil actions are credited to the fund and are used to provide legal services to the poor in civil matters, funding for ten Superior Court judgeships, and support to Rutgers–Newark Law School, Rutgers–Camden Law School, and Seton Hall Law School for clinical programs which provide free legal representation to the poor.

Luxury Tax Fund (N.J.S.A. 40:48-8.30a (B), (P.L. 1991, c.375)**Special Revenue Fund**

This fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The Act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for the construction of Convention Hall facilities, to subsidize Convention Center operating budget deficits, and to provide housing opportunities for low and moderate income families.

Medical Malpractice Liability Insurance Premium Assistance Fund (P.L. 2004, c.17)**Special Revenue Fund**

This fund was established to provide medical malpractice liability insurance premium relief to certain health care providers who have experienced or are experiencing a liability insurance premium increase in an amount established by regulation by the Department of Banking and Insurance. Revenues in the fund are generated from a \$3 per employee surcharge on those businesses who are subject to the “unemployment compensation law” and an annual \$75 assessment of certain health care professionals and attorneys. The fund is set to expire in three years.

Mortgage Assistance Fund (P.L. 1976, c.94)**Special Revenue Fund**

An amount of \$25 million of General Obligation bonds was authorized for mortgage assistance and for the construction, rehabilitation, and maintenance of housing for senior citizens and families of a low and moderate income. The bonds also provide funding for second mortgages and for a neighborhood preservation program.

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Motor Vehicle Commission Fund (P.L. 2003, c.13)

Capital Projects Fund

The Motor Vehicle Security and Customer Service Act created the Motor Vehicle Commission Fund which authorized the issuance of \$160 million in installment obligation bonds. An amount of \$10 million has been transferred to the Administrative Office of the Courts for improvements to the automated traffic system. The remainder is for the payment of the costs of capital improvements for Motor Vehicle Commission facilities. These improvements include, but are not limited to, building improvements and the acquisition and installation of furniture, fixtures, machinery, computers, and electronic equipment.

Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)

Private Purpose Trust Fund

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this fund. The deposits may be disbursed in satisfaction of judgments rendered or returned to the motorist upon release of liability.

Motor Vehicle Surcharge Securitization Fund (P.L. 2004, c.70)

Special Revenue Fund

This fund was established in order to receive bond proceeds from the New Jersey Economic Development Authority, which issued \$807.5 million of Motor Vehicle Surcharges Revenue Bonds. An amount of \$740 million was transferred to the General Fund for expenditure of any lawful State purpose for which moneys on deposit in the State's General Fund may be used. The remaining proceeds were transferred to the New Jersey Economic Development Authority in order to fund capitalized interest and to pay for costs of issuance.

Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)

Special Revenue Fund

This fund is dedicated for the purpose of reimbursing a developer who enters into a redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites and is certified for reimbursement in accordance with the provisions of the law. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for 75 % reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated Sales and Use Tax collections.

Mutual Workers' Compensation Security Fund (N.J.S.A. 34:15-112)

Special Revenue Fund

Monies received from assessments levied against mutual insurance carriers writing workers' compensation insurance in the State are deposited in this fund. Payments from the Mutual Workers' Compensation Security Fund are made to persons entitled to receive workers' compensation when a mutual carrier is determined to be insolvent.

Natural Resources Fund (P.L. 1980, c.70)

Special Revenue Fund

An amount of \$145 million of General Obligation bonds was authorized to fund state and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

New Home Warranty Security Fund (N.J.S.A. 46:3B-7)

Special Revenue Fund

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited in this fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)

Capital Projects Fund

An amount of \$115 million of General Obligation bonds was authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.

New Jersey Bridge Rehabilitation and Improvement Fund (P.L. 1983, c.363)**Capital Projects Fund**

An amount of \$135 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving bridges in the State's rail and road system. Of this sum, \$97.5 million was reserved for the cost of rehabilitation and improvement of bridges carrying State highways and \$37.5 million was reserved for the State share of the cost of rehabilitation and improvement of bridges carrying county and municipal roads.

1995 New Jersey Coastal Blue Acres Trust Fund (P.L. 1995, c.204)**Special Revenue Fund**

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland, and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 providing State grants and loans to assist local government units in acquiring Blue Acres Land to meet the coastal blue acres cost, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.

New Jersey Cultural Trust Fund (P.L. 2000, c.76)**Special Revenue Fund**

The Annual Appropriations Act provides funding to a dedicated non-lapsing account in the General Fund. The State Treasurer shall transfer to the trust fund from this account an amount equal to donations made to the Cultural Trust Fund subject to the availability of monies in the dedicated account. Interest or other monies earned on the deposits made to the fund shall be used for assisting in the funding of capital facilities projects and endowment development, and contributing to the financial stability of qualified organizations in New Jersey.

1983 New Jersey Green Acres Fund (P.L. 1983, c.354)**Special Revenue Fund**

An amount of \$135 million of General Obligation bonds was authorized for public acquisition and development of land for recreation and conservation purposes to meet the future needs of the expanding population. Of this amount, \$52 million has been allocated for the acquisition and development of land by the State. An amount of \$83 million has been transferred to the Green Trust Fund for grants or loans to local governmental entities for acquisition or development of land.

1989 New Jersey Green Acres Fund (P.L. 1989, c.183)**Special Revenue Fund**

An amount of \$90 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local governmental entities to acquire and develop land for recreation and conservation purposes.

1992 New Jersey Green Acres Fund (P.L. 1992, c.88)**Special Revenue Fund**

An amount of \$80 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 to acquire and develop land by the State for recreation and conservation purposes.

1995 New Jersey Green Acres Fund (P.L. 1995, c.204)**Special Revenue Fund**

An amount of \$115 million of General Obligation bonds was authorized from the 1995 Green Acres, Farmland, and Historic Preservation, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

1989 New Jersey Green Trust Fund (P.L. 1989, c.183)**Special Revenue Fund**

An amount of \$140 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

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1992 New Jersey Green Trust Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$120 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 for the purpose of providing State grants and loans to assist local governmental entities to acquire and develop land for recreation and conservation.

1995 New Jersey Green Trust Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of \$135 million of General Obligation bonds was authorized from the Green Acres, Farmland, and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

1995 New Jersey Inland Blue Acres Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of \$15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of acquiring inland blue acres for recreation and conservation purposes and lands in the floodway of the Passaic River and its tributaries that have been damaged by, or may be prone to incurring damage caused by, storms or storm related flooding, or that may buffer or protect other lands from such damage.

New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c.12)

Special Revenue Fund

The purpose of this Fund is to protect, subject to certain limitations, covered individuals and providers against the failure or inability of HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. to perform certain contractual obligations due to their insolvency. An amount of \$41.1 million from the Tobacco Settlement Fund as well as an aggregate amount not to exceed \$50 million from HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. has been appropriated to this fund.

New Jersey Lawyers' Assistance Program (R. 1:28B)

Special Revenue Fund

This fund provides assistance to members of the New Jersey Bar, law students, and law school graduates who have an alcohol, drug abuse, and/or gambling problems. Each nonexempt member of the Bar is required to pay \$3 annually if in their second year of practice and \$6 annually for attorneys in their third year to forty-ninth year.

New Jersey Lawyers' Fund for Client Protection (R. 1:28-7)

Special Revenue Fund

This fund was established for the purpose of reimbursing, to the extent and in the manner provided by rules and regulations, losses resulting from dishonest conduct by members of the Bar of the State of New Jersey. Annual payments are made to this fund by each member of the Bar of the State of New Jersey.

New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)

Special Revenue Fund

An amount of \$45 million of General Obligation bonds was authorized to capitalize the New Jersey Local Development Financing Fund. The fund provides financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

New Jersey Racing Industry Special Fund (P.L. 2001, c.199)

Special Revenue Fund

The New Jersey Racing Industry Special Fund accounts for inactive or dormant wagering accounts, breakage and outstanding parimutual money exceeding required racing costs, and the excess takeout rate. Money deposited shall be disbursed monthly by the New Jersey Racing Commission primarily to those holding horse racing permits.

New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)**Special Revenue Fund**

Receipts from taxes and penalties levied upon each owner or operator of a major facility of hazardous substances are deposited in this fund. The tax is measured by the number of barrels of hazardous substances initially transferred to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

New Jersey Spinal Cord Research Fund (P.L. 1999, c.201)**Special Revenue Fund**

A \$1 surcharge on motor vehicle fines and penalties are credited to this fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

New Jersey Workforce Development Partnership Fund (P.L. 1992, c.44)**Special Revenue Fund**

This fund was established to provide qualified displaced, disadvantaged, and employed workers with employment and training services most likely to provide the greatest opportunity for long range career advancement with high levels of productivity and earning power. The program shall provide services by means of training grants or customized training services, provided the funding is not available from federal or other non-State sources. Beginning January 1, 1993, each worker and employer shall contribute to the fund an amount equal to 0.025% of the workers' wages. These funds will reduce contributions to the Unemployment Compensation Fund.

Petroleum Overcharge Reimbursement Fund (P.L. 1987, c.231)**Special Revenue Fund**

The Petroleum Overcharge Reimbursement Fund accounts for monies received by the State from the federal government pursuant to court settlements with various petroleum companies and distributors as payments for overcharges for petroleum products. Appropriations are made from the fund for energy efficiency and conservation programs.

Pinelands Infrastructure Trust Fund (P.L. 1985, c.302)**Special Revenue Fund**

An amount of \$30 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local governmental entities for transportation, wastewater treatment, water supply, and other infrastructure capital projects necessary to accommodate development in the pinelands area.

Pollution Prevention Fund (P.L. 1991, c.235)**Special Revenue Fund**

The purpose of this fund is the implementation of a comprehensive pollution prevention program, which integrates air pollution, water pollution, and hazardous waste management programs. The fund shall be credited with fees imposed upon employers and collected by the New Jersey Department of Labor.

Property Tax Relief Fund (N.J.S.A. 54A:9-25)**Special Revenue Fund**

The Property Tax Relief Fund accounts for revenues from the New Jersey Gross Income Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. Annual appropriations are made from the fund, pursuant to formulas established by the State Legislature, to counties, municipalities, and school districts.

Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)**Capital Projects Fund**

An amount of \$125 million of General Obligation bonds was authorized for the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipment of State and community-based human services facilities and State correctional facilities.

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Public Purpose Buildings Construction Fund (P.L. 1980, c.119)

Capital Projects Fund

An amount of \$159 million of General Obligation bonds was authorized for the construction of public purpose buildings, including \$50 million for facilities for the mentally retarded, \$67 million for correctional facilities, \$7 million for a veterans' long-term care facility, \$3.5 million for facilities for children in need of supervision, and \$21.5 million for facilities for the mentally ill.

The Public Purpose Buildings Construction Fund provided \$10 million to the Department of Human Services for the establishment of a loan guarantee fund to encourage the construction of long-term care facilities which will provide additional Medicaid beds.

Real Estate Guaranty Fund (N.J.S.A. 45:15-34)

Special Revenue Fund

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c.330)

Special Revenue Fund

An amount of \$85 million of General Obligation bonds was authorized to provide funds for loans or grants to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

Retail Margin Fund (P.L. 1999, c.23)

Special Revenue Fund

This fund accounts for revenues from a "retail margin charge" collected from large commercial and industrial consumers of energy. Funds generated from this charge are used to support Board of Public Utilities initiatives related to commercial and industrial-based customers.

Safe Drinking Water Fund (N.J.S.A. 58:12A-12)

Special Revenue Fund

This fund accounts for tax revenues collected from owners or operators of public community water systems pursuant to the Safe Drinking Water Act. Monies in this fund are subject to appropriation to the Department of Environmental Protection for all costs associated with the department's administration of programs set forth in the Act.

Sanitary Landfill Facility Contingency Fund (N.J.S.A. 13:1E-100)

Special Revenue Fund

Receipts from taxes and penalties levied upon each owner or operator of every sanitary landfill facility are deposited in this fund. The tax is levied per cubic yard of solids and per gallon of liquids. The fund shall be liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill.

Shore Protection Fund (P.L. 1983, c.356)

Special Revenue Fund

An amount of \$50 million of General Obligation bonds was authorized for the purpose of State projects and the making of State grants and loans to counties and municipalities for researching, planning, acquiring, developing, constructing, and maintaining shore protection projects. Of the total available, \$40 million was allocated for State shore protection projects and for State grants to counties and municipalities. The remaining \$10 million was allocated for State loans to counties and municipalities.

State Disability Benefit Fund (N.J.S.A. 43:21-46a)**Special Revenue Fund**

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State are recorded in the fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. Payments from the fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions, and for administrative expenses.

State Facilities for Handicapped Fund (P.L. 1973, c.149)**Capital Projects Fund**

An amount of \$25 million of General Obligation bonds was authorized for the expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

State Land Acquisition and Development Fund (P.L. 1978, c.118)**Special Revenue Fund**

An amount of \$200 million of General Obligation bonds was authorized for State and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

State Lottery Fund (N.J.S.A. 5:9-21)**Proprietary Fund**

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. The balance of funds is paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. The present values of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this fund.

State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)**Special Revenue Fund**

An amount of \$200 million of General Obligation bonds was authorized to enable the State to acquire and develop land and to provide for State grants to assist municipalities, counties, and other units of local government to acquire and develop land for recreation and conservation purposes.

State Recycling Fund (N.J.S.A. 12:1E-92)**Special Revenue Fund**

P.L. 2002, c.128 requires that 25% of the balance in the Clean Communities Account Fund, but not more than \$4 million per year, is appropriated to this fund in order to provide recycling grants to municipalities and counties for local recycling programs.

1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)**Capital Projects Fund**

An amount of \$500 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, \$250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining \$250 million is reserved for transportation projects.

Stock Workers' Compensation Security Fund (N.J.S.A. 34:15-105)**Special Revenue Fund**

Monies received from assessments levied against stock insurance carriers writing workers' compensation insurance in the State are deposited in this fund. Payments from the Stock Workers' Compensation Fund are made to persons entitled to receive workers' compensation when a stock carrier is determined to be insolvent.

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Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c.181)

Special Revenue Fund

An amount of \$50 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local government units for the costs of projects identified pursuant to the stormwater management and combined sewer overflow abatement project priority list.

Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)

Special Revenue Fund

This fund accounts for monies representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships, and interpleaders.

Supplemental Workforce Fund for Basic Skills (PL 2002, c.152)

Special Revenue Fund

Beginning July 1, 2001, each employer shall contribute an amount equal to the amount that the employer's contribution is decreased pursuant to subparagraph (5) of subsection (c) of R.S.43:21-7. Beginning January 1, 2002, each worker shall contribute 0.0175 % of the worker's wages as determined in paragraph (3) of subsection (b) of R.S. 43:21-7. The monies in this fund shall be used for basic skills training, reemployment services, and training programs for displaced disadvantaged workers.

Tobacco Settlement Fund

Special Revenue Fund

Payments received from the Master Settlement Agreement (MSA), dated November 23, 1998, are deposited into this fund. The MSA is the national settlement reached with the tobacco industry in which participating states will be paid in perpetuity. During Fiscal Year 2003, the State sold its rights of future installments acquired via the MSA to the Tobacco Settlement Financing Corporation, Inc. for \$2.8 billion plus any interest accrued on monies held in escrow.

Transportation Rehabilitation and Improvement Fund (P.L. 1979, c.165)

Capital Projects Fund

An amount of \$475 million of General Obligation bonds was authorized to provide an improved transportation system for the State. Of this amount, \$150 million was reserved for the improvement of public transportation facilities, \$80 million was reserved for the improvement of county and municipal roads, and \$245 million was reserved for the improvement of State highways.

Trial Attorney Certification Program (R. 1:39-1 (h))

Special Revenue Fund

This fund was established to assist the Supreme Court of New Jersey in the administration of the certification function for civil or criminal trial attorneys. The rules and regulations by which the Board is administered were approved by the Supreme Court of New Jersey.

Unclaimed Child Support Trust Fund (P.L. 1995, c.115)

Special Revenue Fund

All monies received as abandoned child support shall be deposited into this fund. Each year, within 45 days of the receipt of such funds, payments shall be made to the Judiciary consisting of the federal government's Title IV-D share. The remaining portions shall be used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)

Private Purpose Trust Fund

All monies received as unclaimed county deposits shall be deposited in the fund. Each year 75% of the deposits received from a respective county shall be paid to that county. The remaining portion shall be retained in the fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed Insurance Payments on Deposit Accounts Fund**Private Purpose Trust Fund**

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten-year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation.

Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)**Special Revenue Fund**

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey Statewide Heating Assistance and Referral for Energy Services, a non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75% of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion shall be retained in the fund and used to pay claims duly presented and allowed.

Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)**Special Revenue Fund**

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this fund.

Payments from the fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program, authorized training programs, and economic development activities.

Unemployment Compensation Fund (N.J.S.A. 43:21-9a)**Proprietary Fund**

This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, whereby amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by federal statutes, which authorize advances from the federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the fund assets at any time by the Governor.

Universal Services Fund (P.L. 1999, c.23)**Special Revenue Fund**

Monies deposited into this fund are generated from a "societal benefit charge" on monthly utility bills. The funds generated from the charge support the Lifeline program as well as clean energy initiatives.

APPENDIX

University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund

(N.J.S.A. 52:18A-1 et seq.)

Special Revenue Fund

This fund was established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. Fund deposits are managed by the Division of Investment with earnings increasing the fund. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)

Special Revenue Fund

An amount of \$20 million of General Obligation bonds was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)

Special Revenue Fund

This fund receives monies from donations and income tax designations to fund the Vietnam Veterans' Memorial honoring New Jersey veterans of the Vietnam conflict.

Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c.8)

Special Revenue Fund

The purpose of this fund is to provide low-interest loans to volunteer emergency service organizations for the purpose of modernizing or replacing outmoded or unsafe emergency vehicles, apparatus, equipment, or facilities, or to establish facilities to meet an increasing demand for a higher level of service in the communities in which they serve.

Wastewater Treatment Fund (P.L. 1985, c.329)

Special Revenue Fund

An amount of \$190 million of General Obligation bonds was authorized for the purpose of financing construction of wastewater treatment systems. Of the total amount authorized, \$145 million is allocated for the purpose of making grants and low or zero interest loans to local government units for financing the cost of the construction of wastewater treatment systems. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

1992 Wastewater Treatment Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of \$45 million was authorized for the purpose of making zero interest loans to local governmental entities for wastewater treatment system projects, in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.

Water Conservation Fund (P.L. 1969, c.127)

Special Revenue Fund

An amount of \$271 million of General Obligation bonds was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

2003 Water Resources and Wastewater Treatment Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of \$45 million of General Obligation bonds was authorized to provide loans to, or on behalf of, local governmental entities or public water utilities to finance the costs of water resources projects or to make improvements to water supply facilities, or to provide loans to, or on behalf of, local governmental entities to finance the costs of wastewater treatment system projects.

2003 Water Resources and Wastewater Treatment Trust Fund (P.L. 2003, c.162)**Special Revenue Fund**

An amount of \$5 million of General Obligation bonds was authorized to establish reserve accounts to secure debt issued by the New Jersey Environmental Infrastructure Trust and loan guarantee accounts to secure debt issued by a local government unit. Moneys in the reserve and loan guarantee accounts may be made available to the NJ Department of Environmental Protection, with the concurrence of the New Jersey Environmental Infrastructure Trust, for temporary use by the department in implementing the provisions of the related act.

Water Supply Fund (P.L. 1981, c.261)**Special Revenue Fund**

An amount of \$350 million of General Obligation bonds was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged, or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

Water Supply Replacement Trust Fund (P.L. 1988, c.106)**Special Revenue Fund**

This fund provides loans to municipalities or municipally owned public water systems for the purpose of providing a permanent alternate water supply to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances.

Worker and Community Right to Know Fund (N.J.S.A. 34:5A-1)**Special Revenue Fund**

This fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Monies in the fund are allocated for expenses incurred by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor and Workforce Development, and the Department of the Treasury in connection with the Act's provisions.

Workers' Compensation Security Fund (P.L. 2004, c.179)**Special Revenue Fund**

Monies received from assessments levied against mutual and stock insurance carriers writing workers' compensation insurance in the State are deposited in this fund. Payments from this fund are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

APPENDIX

STATE LOTTERY FUND SCHEDULE

(thousands of dollars)

The estimated revenue available from the State Lottery Fund for education and institutions in fiscal 2006–2007 is \$836 million. 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	20,725
Marie H. Katzenbach School for the Deaf	3,264
Department of Human Services	
Operation of State Psychiatric Hospitals	259,837
Operation of Centers for the Developmentally Disabled	87,362
Department of Military and Veterans' Affairs	
Operation of Homes for Disabled Soldiers	30,410
<i>Subtotal, Direct State Services</i>	401,598

GRANTS-IN-AID

Higher Educational Services	
Senior Public Institutions–Operating Aid	807,586
Tuition Aid Grants	214,729
Higher Education Capital Improvement Program	32,146
Opportunity Program Grants	26,910
Aid to Independent Colleges and Universities	11,981
Higher Education Facilities Trust Fund	20,911
Outstanding Scholars Recruitment Program	9,650
Supplementary Education Program Grants	12,885
Student Tuition Assistance Reward Scholarship (NJSTARS I & II)	8,000
Coordinated Garden State Scholarship Programs	7,562
Higher Education for Special Needs Students	1,100
<i>Subtotal, Grants-in-Aid</i>	1,153,460

STATE AID

Department of Agriculture	
School Nutrition	11,677
Department of Education	
Nonpublic School Aid	101,615
School Construction and Renovation	62,000
Higher Education Services	
Aid to County Colleges for Operational Costs	138,306
<i>Subtotal, State Aid</i>	313,598
<i>Grand Total</i>	1,868,656

CASINO REVENUE FUND SCHEDULE

(thousands of dollars)

The estimated revenue from the Casino Revenue Fund in Fiscal Year 2007 is \$468,087,000. These funds will be applied to support a portion of the programs listed below that originated in the Casino Revenue Fund or were created to be included within the Fund.

Senior Citizen Property Tax Freeze	118,900
Medical Assistance	
Personal Assistance Services	3,734
Personal Care	146,605
Home Care Expansion	71
Pharmaceutical Assistance to the Aged & Disabled	392,751
Traumatic Brain Injury	21,436
Community Care/Sixth Omnibus Budget Reconciliation Act	304,258
Respite Care	5,359
Hearing Aid Assistance	200
Statewide Birth Defects Registry	529
Health and Senior Services Administration	871
Transportation Assistance	
Senior Citizens and Disabled Residents	34,930
Sheltered Workshop Transportation	2,440
Housing Programs	
Safe Housing and Transportation	1,726
Developmental Disabilities	32,516
Congregate Housing Support Services	2,006
<i>Other</i>	5,678
Grand Total	1,074,010

APPENDIX

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 \$468.1 million, including \$600,000 from the Casino Simulcasting Fund, are projected for fiscal 2007. Total CRF resources also include \$42.5 million from five taxes implemented in fiscal 2004. These taxes are: an increase in the casino parking fee from \$2 to \$3, a \$3 per room per day fee on casino hotel rooms, a 4.25% tax on casino comps, a 7.5% tax on the casinos’ adjusted net income, and an 8% tax on multi-casino progressive slot machine revenue.

Total available CRF resources in fiscal 2007 are forecast to decrease from the fiscal 2006 appropriated amount by \$13.2 million because the five taxes implemented in 2004 are beginning to sunset. The majority of total CRF resources are being used to maintain CRF funding of the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program. This program was once entirely funded with casino revenues; however, the rapid increase in the cost of prescription drugs

now requires a substantial subsidy from the General Fund. The summary and projection table at the end of this section illustrates CRF revenues, and the programs receiving Fund appropriations over the past several years. Some CRF appropriations have been shifted to the General Fund and other funds over the past several fiscal years (see the General Fund Subsidy section of the table).

BUDGET INITIATIVES AND ONGOING PROGRAMS

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

- Pharmaceutical Assistance to the Aged and Disabled (PAAD) — \$271.1 million
- Transportation Assistance — \$34.9 million
- Residential Care Developmental Disabilities — \$32.5 million
- Personal Assistance Services Program — \$3.7 million
- Community Care Alternatives — \$30.4 million
- Sheltered Workshop Transportation — \$2.4 million
- Waiver Initiatives — \$16.5 million
- Home Care Expansion Program — \$71,000
- Personal Care — \$60.1 million

CASINO REVENUE FUND SUMMARY AND PROJECTION

(millions of dollars)

	Fiscal 2001	Fiscal 2002	Fiscal 2003	Fiscal 2004	Fiscal 2005	Adj. Approp. 2006	Budget Rec. 2007
Opening Surplus	--	--	--	--	22.7	--	--
Revenues	347.0	35--	346.0	467.5	474.1	499.2	466.5
Lapses And Adjustments	--	14.2	18.8	0.7	2.7	1.7	1.6
Total Resources	<u>347.0</u>	<u>364.2</u>	<u>364.8</u>	<u>468.2</u>	<u>499.5</u>	<u>500.9</u>	<u>468.1</u>
Property Tax Deduction	17.2	-- (b)	--	--	--	--	--
Medical Assistance							
Personal Assistance	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Home Care Expansion	0.5	0.4	0.3	0.2	0.2	0.2	0.1
PAAD -- Expanded	229.9 (a)	257.9	259.9	254.7	309.0	304.4	271.1
Community Care And Waivers	1.6	3.0	3.3	44.7	44.5	46.6	46.9
Respite Care	4.8	5.2	5.4	5.4	5.4	5.6	5.4
Hearing Aid Assistance	0.2	0.2	0.3	0.1	0.1	0.2	0.2
Statewide Birth Defects Registry	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Health and Senior Services Admin.	0.9	0.9	0.9	0.9	1.0	0.9	0.9
Personal Care	--	--	--	60.1	60.1	60.1	60.1
Lifeline Credits	32.7	34.7	34.6	-- (c)	--	--	--
Transportation Assistance							
Senior Citizens and Disabled Residents	25.7	24.8	24.9	25.5	25.3	34.4	34.9
Sheltered Workshop Transportation	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Housing Programs							
Congregate Housing Support	0.5	3.3	1.9	1.9	1.9	2.0	2.0
Safe Housing and Transportation	1.6	1.7	1.7	1.7	1.7	1.7	1.7
Developmental Disabilities	19.6	19.6	19.6	38.3	38.3	32.5	32.5
Other	5.2	5.9	5.4	5.4	5.4	5.7	5.7
Total Appropriations	<u>347.0</u>	<u>364.2</u>	<u>364.8</u>	<u>445.5</u>	<u>499.5</u>	<u>500.9</u>	<u>468.1</u>
Ending Surplus	<u>--</u>	<u>--</u>	<u>--</u>	<u>22.7</u>	<u>--</u>	<u>--</u>	<u>--</u>
General Fund Subsidy							
Lifeline	36.2	36.2	11.2	-- (c)	--	--	--
SOBRA for Aged and Disabled	123.8	128.8	133.9	198.8	218.2	242.6	273.9
Community Care and Waivers	41.2	41.2	45.9	0.6	5.1	5.8	4.9
Personal Care	96.7	116.2	130.2	75.0	76.8	89.8	86.5
Senior Citizens Property Tax Freeze	10.6	10.6	23.0	17.7	72.4	98.4	118.9
PAAD -- Expanded	49.5	92.9	123.9	128.9	48.6	51.2	121.7
Value Of Programs Shifted	<u>358.0</u>	<u>425.9</u>	<u>468.1</u>	<u>421.0</u>	<u>421.1</u>	<u>487.8</u>	<u>605.9</u>

Notes:

(a) In addition to this amount, \$49.5 million was shifted to the General Fund and charged to the Tobacco Settlement Trust Fund.

(b) The Property Tax Deduction appropriation has been shifted to the Property Tax Relief Fund.

(c) Beginning in fiscal 2004, the Board of Public Utilities began funding the Lifeline program.

APPENDIX

911 SYSTEM AND EMERGENCY RESPONSE FEE

(thousands of dollars)

The estimated revenue from the mobile telecommunications service and telephone exchange service fee in fiscal 2007 totals \$119 million. In accordance with the enabling legislation (P.L. 2004, c.48), these funds will be deposited into the 911 System and Emergency Response Trust Fund account and applied to offset a portion of the cost of related programs listed below:

Department of Community Affairs

Municipal Homeland Security Assistance Aid 32,000

Department of Health and Senior Services

Bioterrorism Response 4,000
Disease Surveillance 3,250

Interdepartmental

Statewide 911 Emergency Telephone System 17,567
Enhanced 911 Grants 14,925
State Police Emergency Operations Center 1,414
State Police Multipurpose Bldg and Troop C Headquarters 7,584
Statewide Security - Capital 1,500
Office of Emergency Telecommunications Service (OETS) 1,500
OIT Availability and Recovery Site (OARS) - Capital 6,500

Department of Law and Public Safety

Counterterrorism 1,400
Domestic Security Preparedness Task Force 600
Homeland Security and Preparedness 20,000
State Police CAD System 600
State Police Forensic Lab 3,804
State Police Multipurpose Building/Troop C Maintenance 3,278
Office of Emergency Management - Enhancement 1,100
State Police Recruit Classes 2,700
Vehicle Purchases 8,216
State Police Dispatch Unit 1,400
911 Expanded Call Takers 1,950
State Police Central Monitoring Station 654
State Police Radio Upgrade 2,000
Nuclear Facility Detail 1,600
Emergency Operations Center, Operating 3,466
State Police - Remaining Operating Budget 224,147

Military and Veterans' Affairs

Nuclear Facility Detail 2,930
Military Services - National Guard and Support Services 8,546

Department of Treasury

Cyberterrorism 416

Total, State Appropriations **379,047**

TRANSPORTATION TRUST FUND

(thousands of dollars)

The New Jersey Transportation Trust Fund Authority (P.L. 1984, c. 73 as amended) funds the development and preservation of the State's transportation infrastructure. The Authority funds State highway, bridge, and public transportation projects outlined in the Department of Transportation's annual capital plan. Funds appropriated to the Authority are composed of Toll Authority contributions, motor fuels taxes, petroleum products gross receipts taxes, and sales and use taxes. The Authority may also issue bonds to supplement State appropriations.

	Fiscal 2005 Expended	Fiscal 2006 Adjusted Approp.	Year Ending June 30, 2007	
			Requested	Recommended
DISTRIBUTION OF STATE TRANSPORTATION FUNDS				
By Project Type				
State Highway Projects	585,126	526,000	750,000	750,000
Local Aid Highway Projects	145,823	145,000	175,000	175,000
Public Transportation Projects	599,631	534,000	675,000	675,000
<i>Subtotal, State Transportation Funds</i>	<u>1,330,580</u>	<u>1,205,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
By Phase of Work				
Construction	1,199,917	1,086,669	1,543,176	1,543,176
Design and Engineering	29,539	26,751	7,000	7,000
Right-of-Way Acquisition	71,452	64,709	35,338	35,338
Study and Development	22,221	20,124	11,486	11,486
Planning	7,451	6,747	3,000	3,000
<i>Total, State Transportation Funds</i>	<u>1,330,580</u>	<u>1,205,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
DISTRIBUTION OF FEDERAL HIGHWAY AND THIRD-PARTY FUNDS				
By Project Type				
State Highway Projects	704,322	836,528	773,118	773,118
Local Aid Highway Projects	46,535	53,395	204,391	204,391
Public Transportation Projects	416,390	492,792	635,344	635,344
<i>Subtotal, Federal Highway and Third-Party Funds</i>	<u>1,167,247</u>	<u>1,382,715</u>	<u>1,612,853</u>	<u>1,612,853</u>
By Phase of Work				
Construction	937,533	1,110,597	1,409,258	1,409,258
Design and Engineering	74,821	88,632	111,843	111,843
Right-of-Way Acquisition	90,228	106,884	39,605	39,605
Study and Development	64,665	76,602	52,147	52,147
<i>Total, Federal Highway and Third-Party Funds</i>	<u>1,167,247</u>	<u>1,382,715</u>	<u>1,612,853</u>	<u>1,612,853</u>
<i>Total, State Transportation Funds</i>	1,330,580	1,205,000	1,600,000	1,600,000
<i>Total, Federal Highway and Third-Party Funds</i>	1,167,247	1,382,715	1,612,853	1,612,853
<i>Total Program Authorization</i>	<u>2,497,827</u>	<u>2,587,715 (a)</u>	<u>3,212,853</u>	<u>3,212,853 (b)</u>

(a) Fiscal 2006 adjusted appropriation is derived from the fiscal 2006 Transportation Capital Construction Program.

(b) The specific projects represented by these amounts will be available in the fiscal 2007 Transportation Capital Construction Program due to be issued in March, 2006.

APPENDIX

**STATE OF NEW JERSEY
STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 2005 (a)
(thousands of dollars)**

	ACT OF	AUTHORIZED ^(a)	UNISSUED	RETIRED ^(b)	OUTSTANDING
Water Conservation Bonds	1969	271,000	---	268,458	2,542
State Recreation and Conservation Land Acquisition and Development Bonds	1974	200,000	---	199,848	152
Clean Waters Bonds	1976	120,000	5,000	114,558	442
State Land Acquisition and Development Bonds	1978	200,000	1,500	195,842	2,658
New Jersey Transportation-Rehabilitation and and Improvement Bonds	1979	475,000	---	474,239	761
Natural Resources Bonds	1980	145,000	9,600	109,958	25,442
Energy Conservation Bonds	1980	50,000	1,600	47,325	1,075
Water Supply Bonds	1981	350,000	93,400	256,600	---
Hazardous Discharge Bonds	1981	100,000	43,000	54,318	2,682
Community Development Bonds	1982	85,000	---	83,432	1,568
New Jersey Green Acres Bonds	1983	135,000	14,500	120,160	340
Shore Protection Bonds	1983	50,000	---	49,949	51
New Jersey Human Services Facilities Construction Bonds	1984	60,000	---	59,772	228
Refunding Bonds	1985	5,017,200	---	2,638,955	2,378,245
Pinelands Infrastructure Trust Bonds	1985	30,000	8,000	22,000	---
Resource Recovery and Solid Waste Disposal Facility Bonds	1985	85,000	---	78,200	6,800
Hazardous Discharge Bonds	1986	200,000	48,000	101,519	50,481
Green Acres, Cultural Centers, and Historic Preservation Bonds	1987	100,000	9,000	86,670	4,330
Jobs, Education, and Competitiveness Bonds	1988	350,000	---	335,168	14,832
New Jersey Open Space Preservation Bonds	1989	300,000	26,000	250,146	23,854
Public Purpose Buildings and Community-Based Facilities Construction Bonds	1989	125,000	5,000	108,795	11,205
Stormwater Management and Combined Sewer Overflow Abatement Bonds	1989	50,000	21,500	23,205	5,295
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Bonds	1989	115,000	---	99,362	15,638
New Jersey Green Acres, Clean Water, and Farmland and Historic Preservation Bonds	1992	345,000	26,780	241,284	76,936
Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction Bonds	1994	160,000	5,000	104,607	50,393
Green Acres, Farmland and Historic Preservation, and Blue Acres Bonds	1995	340,000	25,500	208,480	106,020
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bonds	1996	300,000	199,000	48,890	52,110
Urban and Rural Centers Unsafe Buildings Demolition Bonds . .	1997	20,000	---	6,150	13,850
Statewide Transportation and Local Bridge Bonds	1999	500,000	---	247,835	252,165
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bonds	2003	200,000	200,000	---	---
Total Long-Term Debt:		<u>10,713,200</u>	<u>742,380</u>	<u>6,870,725</u>	<u>3,100,095</u>

(a) An additional \$1,000,000 of Emergency Housing Bonds (Act of 1946) remain authorized, but are not to be issued.

(b) Retired includes bonds for which provisions for payment have been made through the sale and issuance of refunding bonds.

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 and 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 2007 is computed by multiplying the base year appropriation (fiscal 2006) subject to the percentage limitation by the average three-year growth rate in per capita personal income calculated on a fiscal basis. The fiscal 2007 CAP is calculated using 2.96%.

The calculation results in a maximum increase of \$168.8 million over the fiscal 2006 Adjusted Appropriation or a maximum appropriation of \$5.873 billion for Direct State Services for fiscal 2007. The Governor's recommendation for fiscal 2007, for items under the CAP, is \$5.869 billion, or \$4 million under the CAP limit. Data used to compute the appropriation limit are presented in the accompanying tables.

The average per capita personal income for the State and the average percentage change for the last four fiscal years are displayed as follows.

STATE INCOME (millions of dollars)

Fiscal 2002	336,411
Fiscal 2003	338,659
Fiscal 2004	351,289
Fiscal 2005	372,969

Source: U.S. Department of Commerce,
Bureau of Economic Analysis

STATE POPULATION

Fiscal 2002	8,576,089
Fiscal 2003	8,640,028
Fiscal 2004	8,685,166
Fiscal 2005	8,717,925

Source: U.S. Bureau of the Census
(State Pop. Estimates July 1, 2002 - July 1, 2005)

STATE AVERAGE PER CAPITA

	Personal Income	Percentage Change
Fiscal 2002	39,227	
Fiscal 2003	39,196	-0.08%
Fiscal 2004	40,447	3.19%
Fiscal 2005	42,782	5.77%

Source: U.S. Bureau of the Census
(State Pop. Estimates, July 1, 2002 - July 1, 2005)

APPENDIX

COMPUTATION OF FISCAL 2007 CAP SUBJECT TO EXPENDITURE LIMITATION LAW PERCENTAGE (thousands of dollars)

Appropriation and Adjustments for Fiscal 2006	28,265,316
Adjustment: For Restoration from Cash Management Reserve (a)	12,000
Less Statutory Exemptions:	
Grants-In-Aid	(8,163,967)
State Aid	(1,925,126)
Capital Construction	(1,091,220)
Debt Service	(169,326)
Property Tax Relief Fund	(10,359,500)
Casino Control Fund	(72,039)
Casino Revenue Fund	(500,941)
Gubernatorial Elections Fund	(2,525)
Less: Funding In Accordance With Court Settlements	(175,470)
Less: Federal Funds Support of Employee Benefits	(113,080)
Amount Subject to Limitation	5,704,122
Fiscal 2006 Base Subject to Percentage Limitation	5,704,122
Per Capita Personal Income Growth Rate	2.96%
Maximum Increase in Appropriation for Fiscal 2007	168,842
Maximum Appropriation for Fiscal 2007	5,872,964
Fiscal 2007 Recommendation	6,253,569
Less: Funding In Accordance With Court Settlements	(254,097)
Less: Federal Funds Support of Employee Benefits	(130,680)
Amount of Fiscal 2007 Appropriation Subject to the CAP Limitation	5,868,792
Amount Over/(Under) the CAP Limitation	(4,172)

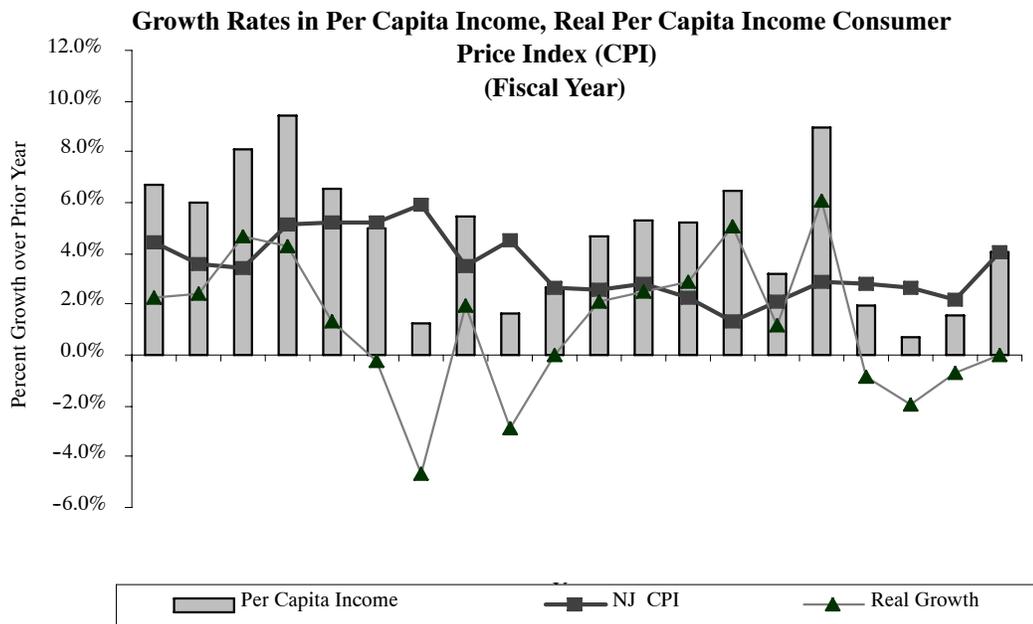
(a) For the purposes of calculating the State Appropriations Limitation Act P.L. 1990, c.94 (C.52:9H-24 et seq.) the recovery of funds from the Cash Management Reserve Fund may be treated as a “base appropriation” in accordance with the Appropriations Act P.L. 2005, c.132.

POPULATION AND PERSONAL INCOME

The total population of New Jersey is 8.7 million, based on the latest update of the U.S. Bureau of the Census in July 2005.

New Jersey has the highest rank for per capita personal income of the mid-Atlantic states (see table below) and in 2004 was the state with the third highest per-capita income nationwide.

New Jersey's per capita income has failed to experience real growth, i.e., annual growth in excess of consumer price index (CPI) growth, for the fourth straight year (see figure below).



**PER CAPITA PERSONAL INCOME FOR
THE UNITED STATES, NEW JERSEY, AND MIDDLE ATLANTIC STATES
(2004 Calendar Year)**

	Amount	Percent of National Average	National Ranking
United States	\$33,041	---	---
New Jersey	\$41,636	126%	3
Maryland	\$39,629	120%	4
New York	\$38,333	116%	5
Delaware	\$35,559	108%	10
Pennsylvania	\$33,257	101%	18

Source: U.S. Department of Commerce, Bureau of Economic Analysis

WORKFORCE

Through a rigorous hiring freeze, administrative efficiencies, and responsible reorganization of select government functions, the Fiscal 2007 Budget will reflect 1,038 position reductions and \$67.2 million in salary and fringe benefit savings. Strict enforcement of minimal replacement of positions vacated by attrition will yield opportunities both to control government growth and to facilitate reorganization, improve management practices, and streamline services.

Department reduction initiatives are wide-spread. They include, for example, the elimination of 34 positions at the Department of Law and Public Safety as a result of the consolidation of administrative functions as well as a 41 position reduction in an effort to increase productivity and efficiencies at the Division of Law. Also, the Department of Transportation's State funded workforce will be reduced by 128 positions from 2,856 to 2,728. A total of 92 funded vacant positions will be eliminated. The remaining 36 positions are performing functions that will be absorbed by various programs within the Department without reducing current levels of service.

This Budget proposes the New Jersey Department of Children and Families (DCF) to provide the necessary focus to aggressively reform the State's child welfare system. This new Cabinet agency will be devoted exclusively to serving the State's most vulnerable children and families. Because results must be achieved quickly, DCF will begin July 1, and initially be composed only of the divisions in DHS focused on child protection, welfare, education and permanency, child behavioral health, and abuse prevention. The creation of the DCF will not require any new positions; however the continued reform of the system, largely to add social workers and related support staff, will increase the number of employees by 442, taking into account State and federal funding. Additional funding will allow DCF to implement the Child Welfare Reform Plan more successfully with increased staff, achieving caseload to staff ratios, and other initiatives. In addition to the staff provided directly to Children and Families, more than 367 staff at the Department of Law and Office of the Public Safety and the Public Defender provide services to address the requirements of the child welfare reform effort.

Non-State funding represents positions that are supported from sources other than the State's General Fund and includes federal, fee-supported, and other dedicated funding. Of the 1,092 non-State Executive Branch employee increase, approximately one-third represents increases for the Human Services Department and for Children's and Families.

The 212 non-State increase for the Department of Law and Public Safety includes funded vacancies in Consumer Affairs, Criminal Justice, Law, State Police, Racing Commission, the Office of the State Medical Examiner, Insurance Fraud Prosecutor, as well as several Professional Boards. These positions are largely supported from fees dedicated to the program. Growth for Community Affairs includes additional staff for a number of fee-supported programs. The growth of 127 for the Motor Vehicles Commission (MVC) represents continuation of upgrades to the agencies in order to improve access, security, and customer service. More specifically, MVC is in the process of developing/implementing a comprehensive data system that will integrate separate systems to better manage data flow and increase the efficiency and effectiveness of operations. A new accounting system will increase the ability to analyze financial data and track revenues and expenses. Once these systems are operational, MVC will not refill positions vacated by attrition related to these one time efforts.

Most of the 158 increase for the Department of Environmental Protection represents funded vacancies, a significant portion of which are positions supported by an off-budget source. For example, 13 funded vacancies for Highlands Permitting and 13 for Solid Waste Regulation are fee-supported. The November 2005 Ballot question authorizes 11 new positions to be funded from the CBT dedication for the Diesel Risk Mitigation program and 17 positions for the administration of the Private Underground Storage Tank Remediation program. The CBT dedication also supports 10 new positions for the Underground Storage Tank Inspection program authorized by the December 2003 constitutional amendment. Parks and Forestry has 27 funded vacancies which will be filled to address critical park infrastructure.

The State funded increase of 81 for the Department of Military and Veterans' Affairs largely represents funded vacancies at the Veterans' Homes due to expansions begun in previous budgets.

The net recommended State funding for Executive Branch employees in fiscal 2007 provides for an increase of 5 full-time employees compared to the actual number of employees on March 10, 2006. The number of State supported employees actually would decline by 720 were it not for priority growth for child welfare reform, additional State troopers, additional nurses and others for State Veterans' Homes, and additional staff to address priority environmental concerns.

STATE FUNDED WORKFORCE
03/03/06 vs. FY 2007 FUNDED POSITION COMPARISON

	Employees 3/03/06	FY 2007 FUNDED POSITIONS
AGRICULTURE	150	144
BANKING AND INSURANCE	3	4
CHIEF EXECUTIVE OFFICE	96	91
CHILDREN & FAMILIES	4,269 (1)	4,505
COMMUNITY AFFAIRS	184	201
CORRECTIONS (Balance)	9,088 (2)	8,948
- Parole Board	757	750
EDUCATION	419	449
ENVIRONMENTAL PROTECTION	2,420	2,578
HEALTH AND SENIOR SERVICES	814 (2)	793
HUMAN SERVICES (Total)	10,946	10,871
- Management and Budget	320	310
- Medical Assistance	186	128
- Disability Services	18	19
- Family Development	231	223
- Addiction Services	22	18
- Commission for the Blind and Visually Impaired	199	199
- Deaf and Hard of Hearing	9	9
- Developmental Disabilities	5,079	5,079
- Mental Health and Hospitals	4,882	4,886
LABOR (Balance)	227	234
- Public Employee Relations Commission	35	36
LAW AND PUBLIC SAFETY (Balance)	2,882 (2)	2,771
- State Police	2,252	2,335
- Election Law Enforcement Commission	73	88
- Violent Crimes Compensation Board	47	48
- Executive Commission on Ethical Standards	13	18
- Juvenile Justice	1,294	1,296
MILITARY AND VETERANS' AFFAIRS	1,356	1,437
PERSONNEL	374	368
PUBLIC ADVOCATE	105 (2)	172
STATE (Balance)	130	135
- Commission on Higher Education	15	18
- Higher Education Student Assistance Authority	27	24
- New Jersey Network	116	102
TRANSPORTATION	2,856	2,728
- Motor Vehicle Commission	0	0
TREASURY (Balance)	2,988 (2)	3,044
- Casino Control Commission	0	0
- Office of Administrative Law	106	111
- Office of Information Technology	0	0
- Public Defender	1,030 (2)	1,053
- Commission on Science and Technology	6	7
- Board of Public Utilities	0	0
MISCELLANEOUS COMMISSIONS	2	2
Less Statewide Position Reductions		(276)
SUBTOTAL EXECUTIVE BRANCH	45,080	45,085
LEGISLATURE	469	459
- SCI	48	59
JUDICIARY	7,999	8,072
GRAND TOTAL	53,596	53,675

Notes:

- (1) Adjusted to reflect the prospective shift of filled State funded positions to federally funded positions.
(2) Positions reallocated to the Public Advocate from Corrections, Health & Senior Services, Law & Public Safety, and the Public Defender. Also adjusted to reflect the prospective shift of 354 positions from State funding to dedicated funding.

NON-STATE FUNDED WORKFORCE
03/03/06 vs. FY 2007 FUNDED POSITION COMPARISON

	EMPLOYEES 3/03/06	FY 2007 FUNDED POSITIONS
AGRICULTURE	113	136
BANKING AND INSURANCE	498	501
CHIEF EXECUTIVE OFFICE	0	0
CHILDREN & FAMILIES	1,909 (1)	2,115
COMMUNITY AFFAIRS	976	1,078
CORRECTIONS (Balance)	421	435
- Parole Board	0	0
EDUCATION	537	554
ENVIRONMENTAL PROTECTION	997	982
HEALTH AND SENIOR SERVICES	1,325	1,378
HUMAN SERVICES (Total)	4,894	5,013
- Management and Budget	99	145
- Medical Assistance	389	413
- Disability Services	13	10
- Family Development	223	255
- Addiction Services	114	118
- Commission for the Blind and Visually Impaired	107	107
- Deaf and Hard of Hearing	0	0
- Developmental Disabilities	3,926	3,948
- Mental Health and Hospitals	23	17
LABOR (Balance)	3,522	3,582
- Public Employee Relations Commission	0	0
LAW AND PUBLIC SAFETY (Balance)	2,210	2,422
- State Police	726	700
- Election Law Enforcement Commission	0	0
- Violent Crimes Compensation Board	0	0
- Executive Commission on Ethical Standards	0	0
- Juvenile Justice	469	469
MILITARY AND VETERANS' AFFAIRS	154	190
PERSONNEL	0	0
PUBLIC ADVOCATE	43 (2)	47
STATE (Balance)	65	71
- Commission on Higher Education	2	4
- Higher Education Student Assistance Authority	170	198
- New Jersey Network	41	52
TRANSPORTATION	1,047	1,090
- Motor Vehicle Commission	2,748	2,875
TREASURY (Balance)	740 (3)	755
- Casino Control Commission	347	364
- Office of Administrative Law	10	10
- Office of Information Technology	937	957
- Public Defender	3 (2)	2
- Commission on Science and Technology	0	0
- Board of Public Utilities	303 (2)	319
MISCELLANEOUS COMMISSIONS	0	0
SUBTOTAL EXECUTIVE BRANCH	25,207	26,299
LEGISLATURE	0	0
- SCI	0	0
JUDICIARY	1,543	1,623
GRAND TOTAL	26,750	27,922

Notes:

- (1) Adjusted to reflect the prospective shift of filled State funded positions to federally funded positions.
- (2) Positions reallocated to the Public Advocate from Ratepayer Advocate and Public Defender.
- (3) Adjusted to reflect prospective shift of 354 positions from State funding to dedicated funding.

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