Committee Meeting

before

JOINT BUDGET OVERSIGHT COMMITTEE

"To review the State Treasurer's plan to issue short term notes in Fiscal Year 1993"

LOCATION: Room 319
State House
Trenton, New Jersey

DATE: September 11, 1992
2:14 p.m.

MEMBER OF SENATE COMMITTEE PRESENT:

Senator Robert E. Littell, Chairman

MEMBERS OF ASSEMBLY COMMITTEE PRESENT:

Assemblyman Rodney P. Frelinghuysen, Chairman
Assemblyman C. Richard Kamin
Assemblyman John S. Watson

ALSO PRESENT:

Alan R. Kooney
Legislative Budget and Finance Officer
Secretary
Joint Budget Oversight Committee

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, 162 W. State St., CN 068, Trenton, New Jersey 08625-0068

SENATOR
ROBERT E. LITTELL
Co-Chair

ASSEMBLYMAN
RODNEY P. FRELINGHUYSEN
Co-Chair

SENATOR JOHN H. EWING
SENATOR ROBERT MENENDEZ
ASSEMBLYMAN C. RICHARD KAMIN
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New Jersey State Legislature

JOINT BUDGET OVERSIGHT COMMITTEE
STATE HOUSE, ROOM 301-14, CN-068
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ALAN R. KOONEY
Secretary

REVISED

COMMITTEE NOTICE

TO: MEMBERS OF THE JOINT BUDGET OVERSIGHT COMMITTEE

FROM: ROBERT E. LITTELL, CO-CHAIRMAN
RODNEY P. FRELINGHUYSEN, CO-CHAIRMAN

SUBJECT: **MEETING - SEPTEMBER 11, 1992**

The public may address comments and questions to Alan R. Kooney, Legislative Budget and Finance Officer, or make inquiries to Gloria Hendrickson, secretary, at (609) 292-8030.

The Joint Budget Oversight Committee will meet on **Friday, September 11, 1992 at *2:00 p.m., in Room 319, 3rd floor, State House, Trenton, New Jersey.**

The committee will meet for the purpose of reviewing the State Treasurer's plan to issue short term notes in fiscal year 1993. Section 32 of the annual Appropriation Act requires the approval of the Joint Budget Oversight Committee for such debt issuance.

Issued 8/31/92
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ASSEMBLYMAN RODNEY P. FRELINGHUYSEN (Co-Chairman): I would like to thank everybody for coming, and recognize Mr. Kooney for approval of the minutes of the previous meeting.

MR. KOONEY: (Committee Secretary) Thank you, Mr. Chairman. You have in your packets a copy of the minutes from the Joint Budget Oversight Committee meeting of July 16, 1992. The minutes are a summary of what transpired at the last Committee meeting and, as well, I have here -- should any of you want it, and which we are making a part of the official minutes -- a transcription of a portion of that meeting which consisted of a discussion with Commissioner of Personnel Cimino. So, we would opt to make that part of the official minutes. I will read this, if you wish, or we can make a motion to adopt them.

ASSEMBLYMAN FRELINGHUYSEN: I would so move.

SENATOR ROBERT E. LITTELL (Co-Chairman): Second.

ASSEMBLYMAN FRELINGHUYSEN: It has been moved and seconded. Any discussion on the minutes from the previous meeting? (no response) Hearing none, I assume we call the roll, or--

SENATOR LITTELL: All in favor say aye.

ALL MEMBERS OF COMMITTEE PRESENT: Aye.

SENATOR LITTELL: Opposed, nay? (no response) The ayes have it. How's that?

ASSEMBLYMAN FRELINGHUYSEN: All right. We like that.

On behalf of the Committee, Chairman Littell and I would like to express our appreciation to Treasurer Sam Crane for his attendance this afternoon. Welcome.

As all of us are aware, New Jersey embarked on a course of fiscal management in Fiscal Year '92 that was unknown to this State to that point in history -- short-term borrowing, going to Wall Street. During the course of the last fiscal year, $1.8 billion in notes was issued, costing the State approximately $72 million in interest and issuance fees.

Unfortunately, the Legislature was not privy to the details of last year's borrowings until the public offerings were made. In an effort to obtain oversight of this issuance process this year, this year's Appropriations Act requires prior approval of the Joint Budget Oversight Committee, as well as a report from the Treasurer once the issuance has been finalized.

The Legislature and this Committee recognize that the State continues to experience a cash flow problem during the beginning of the fiscal year, despite efforts to alleviate that by allowing pension payments to be postponed to the end of the fiscal year, which payments totaled $1 billion in July of 1991.

This afternoon we are here to discuss with the Treasurer the continuing need for short-term borrowing: How much is needed and why? We welcome the Treasurer, and welcome him walking us through the cash flow tables which he has provided the Committee members. And we welcome a basic education relative to the decision-making process behind each issuance in terms of timings and in terms of the issuance itself. I know the Treasurer has a prepared statement, and both Chairman Littell and I, on behalf of the Committee, would ask if you have that statement, if you would care to either give it, or--

TREASURER SAMUEL CRANE: Well, Assemblyman, you have given a very good introduction. First, let me introduce someone who needs no introduction, Director of the Office of Management and Budget, Mr. Keevey, immediately to my right; and, as many of you know, the Director of the Office of Public Finance in Treasury, Bob Lurie, who are with me today to assist in answering any questions the Committee may have.

I will start with a very brief statement in response to the conversations I have had with both Chairmen to kind of re iew last year's -- Fiscal Year '92's program and what we a icipate for Fiscal Year 1993.

I thought it might be helpful to review again, as I did in the spring with the Legislature, kind of an overview of why it is we do short-term borrowing. First of all, you ought to know that this is not a new practice, although the way it was done last year, as Assemblyman Frelinghuysen has pointed out, was a little different than it had been done in prior years.

Short-term borrowing in New Jersey started in 1970 and continued through the 1980s. In fact, the previous administration engaged in this practice five of its eight years. The only years it was not done was when cash balances, both designated and undesignated, were large enough to make borrowing unnecessary.

During the mid-1980s, the State had a large year-end surplus as the result of the economy. During those years, the surpluses exceeded $1 billion. As you know, over the last two fiscal years, the State has ended with General Fund surpluses of only $1 million.

This year the practice of short-term borrowing is necessary because the State, like most large businesses with active cash flow requirements, often has revenue coming in at times that differ from when expenditures are being made.

As you know, many of the State's major disbursements occur in the first half of the fiscal year, while much of our revenue does not come in until the end. During the fiscal years when we enjoyed a stronger economy, we were able to maintain the cash surpluses. Today, without the short-term borrowing, the State would have a cumulative cash flow shortfall until major tax collections occur in April.

For example, in December, we must make disbursements of $2.4 billion, including: school aid payments of $386 million; municipal aid payments of $217 million; payments for the State takeover of co nty social service programs of $149 million; and gross receipts and franchise payments to municipalities of $313 million. On the other side of the ledger, total revenues for December equal $1.8 billion. If we could spread the cash receipts from April back through the fiscal year, in essence we would not need to borrow.

We must remember that these notes are not long-term debts of the State; neither do they constitute State revenue. The procedure, which was authorized by the Legislature, is completed within the budget year and the funding is only used to manage cash flow.

Last year, we issued a total of $1.8 billion in notes. This was done in three different installments. Because of the immediate need for cash, on July 5, 1991 the State issued $1.2 billion in Tax and Revenue Anticipation Notes, commonly called TRAN's. That was followed by an issue of $400 million on August 13, and another $200 million on December 10. There is no doubt that if the economy were stronger our cash surpluses would be higher and our short-term borrowing requirements would have been reduced.

The State issued last year's notes at a relatively low cost. The interst rates and issuance expenses were comparable, on a percentage basis, to those paid by other states for similar issues. We have attached some charts on our interest rates and some comparisons with other states for your review. This is particularly good for New Jersey, since one would expect the cost for a start-up program to be higher than the well-established programs in other states.

This year, the State's cash flow position has improved only slightly due to the pension payment timing and reevaluation, and the Homestead Rebate going out later than last year. The State has been able to delay the TRAN's sale until late September. Between September and March, it is expected that the State will need to issue up to $1.6 billion in TRAN's to fund cash flow deficits. Based upon market conditions as of September 1, 1992, the State would issue approximately $1.2 billion during September 1992, with a portion of the issue in a fixed rate mode and a portion of the issue in a variable rate mode.

This would allow the State to issue TRAN's to the widest spectrum of investors. The State may reduce interest rate exposure through hedging techniques available in the market. These hedging techniques are explained in the financial plan included in the material provided to the Committee -- I believe, two days ago. The remaining TRAN's would be issued later in the fiscal year as cash flow requirements dictate.

The State is prepared to issue the notes through negotiated sale of a group of firms headed by First Fidelity Securities, Prudential Securities, and Goldman Sachs. Negotiated sale is the method used by almost all other states with note programs over $500 million.

There are several benefits of negotiated sale for this type of issue. First, it allows the underwriters to "presell" the notes long before the actual sale date, using advertising, calls from brokers and traders, mailings, etc. Those presale efforts are critical to a large size program. In a competitive sale, the underwriters do not know who will ultimately offer the bonds for sale, and no presale activity occurs. Presale marketing is especially important for issues such as this, when a program is new and needs to be explained to potential investors.

The second major benefit to negotiated sale for this large an issue is one of timing. Competitive sale requires a firm sale date to be set and announced almost two weeks in advance. As the financial markets have again demonstrated in the last month, interest rates can be extremely volatile over that long a period. Negotiated sale gives us the ability to notify the markets on less than 24 hours' notice that the sale will take place. As long as effective presale marketing has been done, the sale can then proceed efficiently. The fact that the State of California is planning to issue approximately $6.5 billion of notes in the next month makes the issue of timing extremely important. We do not want to get in the way of California's 800-pound gorilla.

The underwriting firms we are using as senior managers for this sale were selected through a Request for Proposal process that included 23 firms. As a result of the responses, our office determined that the underwriting could, and should, be handled by a firm residing in the State of New Jersey. Among the New Jersey firms, First Fidelity submitted the best proposal, showing substantial experience in note offerings. First Fidelity is also among the best capitalized investment banking firms in New Jersey. Likewise, the co-senior managers that will assist First Fidelity in underwriting the notes, Prudential and Goldman Sachs, performed very well on the RFP responses. The State will be very well served by this group.

Today, we would like to be in a position to issue approximately $1.6 billion in TRAN's as cash flow and market conditions allow. We are in a position to take advantage of historically low short-term interest rates. At the same time, we must be cognizant of any market conditions over the next several weeks, particularly the California note sales.

It is clear that without short-term borrowing, the State would not have the cash reserves needed to operate effectively and on schedule. We are like other states; in fact, like businesses in the private sector that need to borrow cash to offset imbalances that occur in collections and disbursements.

Mr. Chairman, that concludes the written statement. We have submitted to you today-- We had our graphics people do a little work to help -- to hopefully assist all of you in understanding when our revenue comes in and when our disbursements are made. We have provided for you a series of charts to kind of give you our picture of what 1993 looks like. We have provided you with year ending balances from '87 to '93; Fiscal Year '93 total receipts versus total disbursements without the short-term notes, to show you the pattern of disbursements set against revenue; and another chart that shows the net of that in a more simplified version. We have even included a line chart -- our graphics people worked overtime here -- to kind of give you a graphic picture throughout the year of how our cash flow works out. There is some other related information -- comparative information -- for the Committee's information.

Previously, we supplied, through the Office of Legislative Services, to the Committee a series of other, more detailed charts showing by category disbursements by month set against revenues by month -- a whole series of detailed tables on this issue that I will not go into now.

Mr. Keevey, Mr. Lurie, and I are ready to answer any questions you may have on this particular issue. I thank you for your attention.

SENATOR LITTELL: Thank you, Treasurer Crane. I have a few questions. Rather than go all around the table each time, I think I will go through my questions and then I will ask everybody else to do theirs. Then if there are more when we get finished, we will come back to them.

How much does the State earn from the investment of the $1.2 billion while you have it and you put it in your money market account and you are not, obviously, spending the whole thing the day you get it? The $1.2 billion must be invested until it is paid up? I notice on the disbursement sheet for FY '92 that you have an arbitrage rebate payment line -- the second line down -- which does not appear on the '93 sheet. I just wondered if you could tell me where that shows up?

RICHARD F. KEEVEY: In '92, I think our bottom line interest earnings for the State as a whole in the General Fund will come in around $10 million or $11 million.

SENATOR LITTELL: From the notes?

MR. KEEVEY: That's a combination of all the balances; principally as a result of the notes, because we had the note sale early in the fiscal year. The prior two years, for example -- I believe the prior two years -- we had no interest earnings, because all of our cash, in effect, was disbursed, and we had to be borrowing from the pensions funds, and had to repay them. Last year, because of the note sale, we had some arbitrage earnings. I think it was on the order of magnitude of 10.

On the sheets we have prepared to date, we have not factored in interest earnings. We strictly show the disbursements, because we don't know exactly what the interest earnings will be. There is some expectation, all other things being equal, that there should be some interest earnings.

ROBERT F. LURIE: Senator, also, the arbitrage rebate line you are referring to in '92 has zeroes in it because we qualified for certain exemptions under the tax law for rebating the difference between investment earnings and investment -- and interest expenses.

SENATOR LITTELL: Is that why you eliminated it on the '93 sheet?

MR. LURIE: Well, we don't know yet whether there will be any, but we expect that there won't. We expect to qualify for the same exemptions.

ASSEMBLYMAN KAMIN: Mr. Chairman, if I might, before you go off that point?

SENATOR LITTELL: All right, Assemblyman Kamin.

ASSEMBLYMAN KAMIN: Would you explain how that affects our tax-exempt status for the State of New Jersey as per Federal rules? Does that only--

MR. LURIE: There is basically a different set of these arbitrage regulations that apply to short-term borrowing, and they are very specific and detailed. But the fact that we have complied with all of those regulations and we have our tax counsel reviewing that carefully will mean that we will not in any way endanger the tax-exempt status of those notes. The note program, really, is totally separate and distinct from all of our long-term borrowing, so there is really no carryover there as well.

ASSEMBLYMAN KAMIN: We have to convince the Federal government that we didn't mix apples and oranges.

MR. LURIE: Well, that's true. If the Federal government were to audit us we would have to convince them of that. The way the municipal bond market works, in fact, is that the lawyers tend to be the policemen as well, and it is very rare that the Federal government comes around to audit unless they are made aware of something that has run afoul.

ASSEMBLYMAN KAMIN: Thank you, Mr. Chairman. I thought that was an important point.

SENATOR LITTELL: Thank you.

I just want to clear up one thing in my mind: If you meant it about $10 million on the investment last year for all of the notes, is that in addition to the $70 million you list as the cost? In other words, was it $80 million less $10 million?

MR. KEEVEY: No. It would be 70 less 10.

SENATOR LITTELL: It's $70 million less $10 million, so it is really only about $60 million.

MR. KEEVEY: Right. When we publish our financial statements ultimately, we will show the $70 million as an appropriation. Then you will see on the revenue side interest earnings coming in.

SENATOR LITTELL: Okay, thank you.

It has been about three or four years since the State has refinanced any bonds. Given the current interest rates being lower than at any time in modern history, is there any reason you are not standing before us and offering a program to refinance some of the bonds and save a couple of hundred million dollars?

TREASURER CRANE: I'm not sure that savings number may be there, Mr. Chairman, but you anticipate a meeting that I suspect you will be having with me shortly. We are in the process of reviewing all of our outstanding bonds to determine what possible refunding would look like. We are in the process of-- Also, we have to do -- and Bob will correct me if I wander too far -- an analysis of what the bond proceeds were used for, if they were used for any private purpose, because then there is a tax implication, the point that Assemblyman Kamin was raising just a few minutes ago. We have a group of people working on that. So, Mr. Chairman, your anticipated conversation I think we may be having very soon.

SENATOR LITTELL: Okay.

MR. LURIE: We're also looking at the same thing for some of our lease obligations as well. We anticipate that some of those will come to fruition at some point in the next few weeks or months.

SENATOR LITTELL: You will keep us informed on that?

TREASURER CRANE: Absolutely. It is underway.

SENATOR LITTELL: With the fact that the pension contributions have been postponed until the end of June, the Homestead Rebate is in October, and a lesser amount, when you look at the disbursement sheet, it is obvious that the payments that are "front-end loaded," as I call it, because they come in the first six months, or most of them come in the first six months, have to do with municipal aid. It just so happens that I had a meeting scheduled this morning with Chuck Richman, from DCA, because the Commissioner was not available. I have asked them to look at those programs in terms of payout, to see if it isn't possible to spread those payments out over 12 months so that in the future municipalities can anticipate them on a monthly basis, and we can anticipate sending them. I realize that will require some law changes. If you have anything to contribute to that, that would certainly be helpful.

Also, I wonder if you would, in the process, explain to us why, with the pension being put off until June and the Homestead Rebate being smaller and being in October, why you still need a hefty chunk up-front.

TREASURER CRANE: I will respond to the first one, and I will ask Rich Keevey to respond to the second, if I may, Mr. Chairman.

On the first one, I mean, it is obvious that our disbursements do not match up with our revenues, I mean, in my opening statement. Clearly, if we could-- I took the revenue and spread it over the year, and you can do it with expenditures the other way. Clearly, if April were October, at this meeting we would probably be discussing something else. That is clearly a problem, but it is also-- The movement of those payments around also produces a significant cash flow problem for local units of governments and school districts which may have to -- and I stress the word "may," I don't want to say they will, because not all of them would have to -- which may have to do some of the very same things that we are talking about today, which is to go into the market to borrow for their cash flow needs.

So, it is a problem that we face as a State. This program is designed to dea. with it-- Under the current payment system we have to counties and municipalities and school districts-- A lot of people like to talk about the municipal aid payments where the school districts are--

SENATOR LITTELL: The schools are all right; the schools are pretty even.

TREASURER CRANE: Right.

SENATOR LITTELL: Colleges are pretty even. Medical payments--

TREASURER CRANE: But when you look at the big pieces that go out for us-- I mean, we've got-- I mean, it causes a local cash flow problem. So therefore, we would have to look at the impact. I think if you want to look at that in a financial way, you want to look at the impact that would have on any local borrowings, because they may be doing the borrowing instead of us. I raise that as an issue--

SENATOR LITTELL: I asked the Assistant Commissioner to look at that part of it. I would appreciate it if you folks would look at it from your end, because I think we all need to figure out a way so we don't need to spend $30 million every year for interest. That's all.

TREASURER CRANE: May I elaborate--

ASSEMBLYMAN FRELINGHUYSEN: Can we just dwell on the municipal side? Inherent in your answer, of course-- The municipalities, I assume, are doing some borrowing of their own right now. I assume tax anticipation notes represent, in many cases, the borrowing vehicle; not all cases, but in some ways. So, if we were to do it the way that Bob suggested, indeed there may be even a greater need for the municipality to borrow, if we were to, perhaps, favor ourselves to what he puts forward as an idea.

MR. KEEVEY: If I may, Mr. Chairman, I think when Mr. Richman looks at it what he will find out, I think, is that those municipalities that are on a calendar year -- and that is the majority of them for 1992 -- they are getting no money in the first half of their calendar year. So, we give them all the money between July and December. So we could not back up the payments beyond December, because if we did they would have a negative in their budgets. They must get all their money by December 30, so there is no way we could spread those payments beyond December 30, 1992 for those municipalities that are on a calendar year. We could not move it forward because it would, in effect, require us to put up additional appropriations.

So, for those municipalities on a calendar year, I think the answer will come back that they can't find an option. For those municipalities that are on a fiscal year, the ones that switched over-- One of the principal reasons for the switching of the fiscal years was to bring their budgets more in line with the State dollars, and they are budgeting and borrowing in such a manner that they are dependent upon the State paying the money up-front. Under the previous scenario, what was happening when they were on a calendar year-- They were getting no money from the State from January through June, and they had to borrow.

So for the big municipalities that switched over, it should, in the long run, eliminate a lot of their short-term borrowing. I think we won't be able to significantly, if at all, change our pattern of disbursements to municipalities; certainly not at all for those calendar year municipalities.

SENATOR LITTELL: If you take municipal supplemental -- 133 in October and 217 in January--

MR. KEEVEY: Right.

SENATOR LITTELL: That is split up at least into two halves. If you take the next one up, municipal revitalization, you get 139 in July and 26 in August, and then zero all the way across. I can't believe that you can't split that up at least half and half. It is not monthly -- once every six months -- to balance our payments out. I mean, it is affecting us, as it might affect them. We need to know the effect on everybody--

MR. KEEVEY: Yes.

SENATOR LITTELL: --but I think that if we are going to reduce the cost to government, then we have to look at our costs.

MR. KEEVEY: The point I was making is that we cannot back it up beyond December 30, and that is when our cash problem becomes exacerbated.

With regard to the first one you spoke about, the law requires it to be paid on or before December 30, so we have backed that up almost to the end, although we are paying some in October because some municipalities have cash problems, and we are moving some of that money out earlier.

With the municipal revitalization, it is the same situation. The statute requires a payment. I guess we could change the statute, but we couldn't change it in such a way as to move it beyond December 30.

SENATOR LITTELL: Well, if we are successful, I hope to see a block grant program for all the municipal aid. It would simplify and equalize the process eventually, and I have asked them to look at that. But I think there are some inequities here that you ought to look at.

ASSEMBLYMAN FRELINGHUYSEN: Mr. Chairman, I am not sure that I necessarily got the full answer. If the Rebate Program has been cut back and our pension obligations are considerably less, I think the overall public question is -- and somewhat the reason we're here -- why are we doing as much borrowing as we are doing? That really gets to what I consider to be the actual use question.

MR. KEEVEY: There are two answers to that part: One, the up-front pension payments that were paid are basically supporting expenditures in the budget. The expenditures and the revenues are still in sync with the resources and the revenues.

Secondly, there were two other phenomenons happening: One, we opened up with less cash. We have $250 million less cash opening up this year than we had last year. Secondly, there is roughly $600 million of utility tax that used to come in in the first half of last fiscal year, that this fiscal year all comes in in April.

So, those two phenomenons -- less cash coming in, or, less cash in the beginning of the year, plus the $500 million of utility tax, some of which came in, I think it was in August and November, now does not come in until April-- So the change in the payment of the pension system was basically offset by those two other phenomenons.

ASSEMBLYMAN FRELINGHUYSEN: Just for the record and for the transcript, the dollar amounts--

MR. KEEVEY: The change in the beginning cash balance was $246 million, and the change in the payment of utility receipts was $585 million. So, in effect, we have lost that cash in the first half of our fiscal year. Five-hundred-and-eighty-five of it we get back, but not until April.

ASSEMBLYMAN FRELINGHUYSEN: Well, you are still doing a considerable amount of borrowing.

MR. KEEVEY: Right, because, for example, last year we had the sale of the Turnpike, an asset, cash that came in, that does not come in this year. That was made up, to some extent, by the acceleration of the payment of the pension payments on July 1. Those pension payments are simply supporting -- or, the revenue from the pension refund is simply supporting ongoing expenditures. I think the bottom line is reflected in the charts there. What has significantly changed on the negative side is the less cash and the utility tax payments.

ASSEMBLYMAN FRELINGHUYSEN: Bob, do you have additional questions?

SENATOR LITTELL: Yes. I just want to know-- I think it would be good if you stated here your position on the ability to repay -- publicly as part of the process -- the $1.2 billion we are borrowing, so we have that on the record. There is no doubt in your minds that we have the ability to repay that?

TREASURER CRANE: The notes-- We have asked for $1.6 billion -- up to $1.6 billion. We will repay those notes in this fiscal year.

SENATOR LITTELL: Okay. What about the rating houses? Do you think they will be all right with their ratings on these bond issues?

TREASURER CRANE: Yes.

SENATOR LITTELL: Okay.

ASSEMBLYMAN FRELINGHUYSEN: I believe Assemblyman Kamin wanted to follow up on one earlier question.

ASSEMBLYMAN KAMIN: If I may, maybe this is a question again for Mr. Lurie. Could you explain to the Committee what the requirements are with the Federal government for the arbitrage on the interest rates? And then maybe for the Treasurer, could you indicate what the cash management account may be earning over the next several months? When you are working with that, looking into the financial plan and giving us a replay of what you were able to do last year, what are your thoughts for this year in playing those spreads?

So for Mr. Lurie, if you could explain what the rules are in earning that interest, and then for--

MR. LURIE: I am not a tax attorney. I will--

TREASURER CRANE: We will practice without a license today.

MR. LURIE: I am always accused of practicing without a license, so I'll give it another shot.

ASSEMBLYMAN KAMIN: All right; fine.

ASSEMBLYMAN FRELINGHUYSEN: This is for the record now. Maybe you might want to restate that.

MR. LURIE: I wanted to give a disclaimer before--

TREASURER CRANE: I trust you will send none of this to the Attorney General's Office, Mr. Chairman.

MR. LURIE: We can borrow up to the amount-- To really simplify it down to its elements, we can borrow up to the amount that we expect to spend within six months of the date of issuance, plus an additional factor for reasonable reserves. As long as we stay within those limits, we can keep the arbitrage. If we exceed them, then we have to give back all the arbitrage. There are probably several pages and pages of regulations which explain all the terms, but you can borrow up to six months of what is called cash flow deficit. And as long as you spend at least 90 percent of that, in fact, you are within the limits. So I boiled down all of that.

TREASURER CRANE: I think if you take a look-- For instance, if you take a look at one of the charts, Assemblyman, in terms of the cash flow, you will see that we improve maybe the--

MR. LURIE: Actually the line graph, I think is more--

TREASURER CRANE: Well, I was going to use this one because it shows the months. If you look at it, we are now-- We are going to sell notes this month. So let's say, for instance, using Mr. Lurie's six months -- October, November, December, January, Feburary, March -- you will see that is the time in which we need the cash the most, and that is the time in which we will use the proceeds from this bond to bridge our cash. By April, we will begin to go into--

MR. LURIE: In fact, on this line chart you can see that our low point, that we expect for '93, is in March, when we get to $1.4 billion of cash flow deficit. So backing up from there, as long as we are talking about issuing the notes at the end of September, it incorporates that period of time. If we had been here in July, we would have had to issue the notes in two pieces, because we could not have issued the whole thing and been within that six-month period.

ASSEMBLYMAN KAMIN: And that would adversely affect the interest rate, issuing it in two pieces?

MR. LURIE: Well, no, it is just that we would-- I don't think we would know how it would affect the interest rate. We could have benefited or not, depending on what the market was like at the time. We have had interest rates go down and way up in the last couple of weeks, and now they are back down again, so it is probably a reasonably advantageous time right now to do as much of it as we can. With California coming into the market at the end of this month, I personally believe things are only going to get worse in the short-term interest rate market over the next few weeks. So I would hesitate to recommend to anybody splitting up the issue for any reason.

ASSEMBLYMAN KAMIN: So it really doesn't function as a line of credit that we draw down over a six-month period. We essentially have it all and then are able to use it and invest it, which would seque into the second part of this: What are your thoughts on how we are going to be able to do that -- the financial plan with the cash management rates, and so forth? What do you expect to be able to earn from that on the spread?

MR. KEEVEY: Well, the cash management rates these days are approximately-- I think they are in our schedule -- 5.3 percent.

TREASURER CRANE: Yes, 5.3 percent.

MR. LURIE: They are dropping rapidly, of course, since Treasury Bill rates right now are about 3 percent. So, as there is a rollover of securities in that fund, we will get down closer to the current rate.

ASSEMBLYMAN KAMIN: So, in fact then, there would be less of a spread this year to work with?

TREASURER CRANE: Potentially.

MR. KEEVEY: As Mr. Lurie pointed out, we have been on a roller coaster ride for the last couple of weeks. I mean, if you look at the curve, it is really like this (demonstrates), right, Bob? I mean, literally interest rates went like this (demonstrates). I mean, it is a roller coaster ride at this point. We won't know, very frankly, until we get there.

So, one of the reasons we are anxious to move ahead is to get in now, because things are pretty good right now, and we would like to take advantage of the market now.

MR. LURIE: Mr. Kamin, I think the rates I gave you were last year's rates. I don't know what they are this year, but they are substantially lower.

SENATOR LITTELL: Have you ever tried to calculate what all these lower interest rates mean in the loss of income in the State of New Jersey?

TREASURER CRANE: In terms of investment earnings?

SENATOR LITTELL: Yes. In other words, your income taxes are not going to be paid on the 7 percent and 8 percent people were making -- or 10 percent they were making a few years back, if they are earning 3 percent, 4 percent, or 5 percent, as compared to, say, 7 percent, 8 percent, 9 percent, 10 percent. Does that have a huge impact on our cash flow?

TREASURER CRANE: I don't think it has any impact on our cash flow, but it is probably-- It is a revenue question.

SENATOR LITTELL: That is what I meant.

TREASURER CRANE: You don't know what investors are going to do out there; whether they are going to move to some other investment to get a higher interest rate, or whatever. Obviously, it could have an impact on it.

Mr. Chairman, I would be less than honest with you-- I mean, with the employment situation and everything else that is going on in this economy, you have so much happening out there, that it is not predictable at this point. It would be very hard to measure that. We may get some indication, or at least a feel maybe for it when we see estimated payments in the month of September, but I would venture that it would be very hard to calculate what those investors are doing out there right now. I mean, because it is all their choice, it is tough to measure, I would submit to you.

SENATOR LITTELL: Just curious.

TREASURER CRANE: Yes.

ASSEMBLYMAN KAMIN: So, the short story on that is that as long as you borrow 90 percent -- utilize 90 percent of the borrowing, you can keep the arbitrage. If not, you have to settle up with the--

MR. LURIE: Plus some reserve that is "reasonable," and our lawyers get to tell us what that means. They will probably--

ASSEMBLYMAN KAMIN: Another arbitrary figure?

MR. LURIE: Well, it is whatever we can get the lawyers to agree with.

ASSEMBLYMAN KAMIN: Good. Thank you very much for your response on that.

ASSEMBLYMAN FRELINGHUYSEN: In terms of the actual use question that I asked a little earlier-- You say we need the money because we don't get the public utilities tax as we used to get it? That was normally collected in August and November.

MR. KEEVEY: Three times.

ASSEMBLYMAN FRELINGHUYSEN: So, when the legislation was passed which pushed it up to April, in fact, that was an exascerbated-- Actually, it promoted somewhat the need in this time period, and perhaps in the future, to do more short-term borrowing.

MR. KEEVEY: Yes, but it also, in the first instance, generated $500 million that heretofore was not there.

ASSEMBLYMAN FRELINGHUYSEN: As a tax?

MR. KEEVEY: As a revenue to the State.

ASSEMBLYMAN FRELINGHUYSEN: Yes.

MR. KEEVEY: We went up from roughly $1 billion to $1.5 billion. And then, as you know, this year, we dropped down to $1.4 billion, but in the process of doing that one aspect of the legislation was to change the payment dates.

ASSEMBLYMAN FRELINGHUYSEN: Well, the actual change in the payment dates gave us money that we otherwise would not have--

MR. KEEVEY: That is correct.

ASSEMBLYMAN FRELINGHUYSEN: --to spend, which was somewhat budget driven here.

ASSEMBLYMAN WATSON: But that was changed.

ASSEMBLYMAN FRELINGHUYSEN: Money that is not spent now has to be made up through more short-term borrowing.

ASSEMBLYMAN WATSON: Mr. Chairman, just a point of clarification--

ASSEMBLYMAN FRELINGHUYSEN: Then we have to wait until April to get the same jolt again.

MR. KEEVEY: Well that portion of it -- I mean, the $500 million -- has been pushed back to the tail end of the year. But I was responding to specific offsets. In other words, you said that if this changed and that changed--

ASSEMBLYMAN FRELINGHUYSEN: I am not being antagonistic. I just wanted to make sure in terms of the actual use.

MR. KEEVEY: Right. That is correct.

ASSEMBLYMAN FRELINGHUYSEN: Assemblyman Watson has a question.

ASSEMBLYMAN WATSON: I'm getting a little confused. When we changed the dates for the revenues to come in from the gross receipts, these were dollars that we were not getting before. They were our dollars. The only thing we did was change the date--

MR. KEEVEY: That is correct.

ASSEMBLYMAN WATSON: --of collection.

MR. KEEVEY: Right.

ASSEMBLYMAN WATSON: So, there is no tax there. It was a changing of dates to collect the revenues we didn't collect in the beginning, and we got it up-front.

MR. KEEVEY: Right.

ASSEMBLYMAN FRELINGHUYSEN: The Chair would not suggest for a minute that we want to tax anybody around here.

(laughter) I was just wondering what we were basically going to spend the money on. I think that is a--

SENATOR LITTELL: Well, I think he was including the--

MR. KEEVEY: Well, you know, it is not dedicated to anything specific.

ASSEMBLYMAN FRELINGHUYSEN: We would like to just have a pretty good handle.

SENATOR LITTELL: You were including the acceleration in your amounts when you said it was 1.5 last year--

MR. KEEVEY: Oh, yes.

SENATOR LITTELL: --and it is 1.4 this year. That is why there is a differential in the total amount.

MR. KEEVEY: Well, that is a budget issue. We are looking here today at the movement of cash into the General Fund. These charts are all built upon cash, which is slightly different in concept than where we stand at any point in time in the budget situation. So, these are actual moneys moving out, whereas in the budget we have to worry about encumbering money and obligating money, so that we continue to stay on a gap basis. Here, we are talking about the movement of cash in and out of the General Fund, and when we actually need money to pay bills. So, they are different in concept, and they can represent wide swings in dollars at any point in time between the budget number and the cash numbers.

ASSEMBLYMAN FRELINGHUYSEN: In terms of the interest rate swap option, we did that last year?

MR. KEEVEY: We used an interest rate cap last year, which is similar. An investment bank is contracting to pay us if our overall interest rate on the variable rate notes exceeded a certain number. The number that we chose was 4.6 percent. As it turned out, our variable rates were below that 4.6 percent on average for the life of the program, so it was not needed to draw upon that contract.

ASSEMBLYMAN FRELINGHUYSEN: But it is the sort of thing that prudent people--

MR. LURIE: It came to an insurance contract. It is now very common in the market.

ASSEMBLYMAN FRELINGHUYSEN: Yes. What does it-- Does it add to the cost of the issuance?

MR. LURIE: Absolutely.

ASSEMBLYMAN FRELINGHUYSEN: It obviously gives you -- sort of spreads your--

MR. LURIE: Like any other insurance, we pay up-front for it. It is itemized on here as interest cap -- a half a million dollars.

Morgan Stanley, who is the counterparty to that-- Their exposure was essentially unlimited. They could have ended up paying us many times that amount, but as it turned out, they won the bet.

ASSEMBLYMAN KAMIN: Is that why the cost of issuance in that particular -- what was that -- Series B and C was so high, as compared to the others?

MR. LURIE: Yes. That particular line item certainly pumps up that expense.

ASSEMBLYMAN FRELINGHUYSEN: There are a number of derivatives out there. How do you decide which one you would be likely to enter into?

MR. LURIE: Well, I think a way that we would approach that--

ASSEMBLYMAN FRELINGHUYSEN: What sort of an analysis goes in?

MR. LURIE: I think one way we would approach that would be to look at the difference between the variable rates for daily variable paper versus the one-year fixed rate. If they are very similar, what I would propose to the Treasurer to do, since I am simply his adviser, is to issue a good chunk of the notes on a fixed rate basis, and to the extent that we issue any variable rate notes at all, that we would enter into an interest rate swap, which has the effect of fixing outright the variable rate paper as well. There may be a way to get essentially a fixed rate for the State of New Jersey using a swap, using that kind of a derivative.

Now, if daily rates were very low, say, at 1 1/2 percent or 2 percent, and fixed rates were at 3 1/2 percent, I might say, "Well, let's take the variable rate now and simply buy some insurance that in the future it won't go up a lot." Right now, the daily rates and the fixed rates are very close together, so I don't know that buying the insurance makes sense. I would propose to just take the fixed rate in large measure right now, but that is the analysis I think we will need to make. As we get right up to the sale date, it may be that the relationship changes.

ASSEMBLYMAN FRELINGHUYSEN: I don't have a lot of knowledge, is this an in-house-- Is this something you do based on your professional judgments -- plural -- or is this something that one normally seeks some guidance from--

MR. LURIE: Well, both. Ultimately, it is a risk decision that comes back to the business managers of the State. One of the things the Treasurer will need to do is to assess what he feels comfortable with.

ASSEMBLYMAN FRELINGHUYSEN: Dick, you had a question you wanted to ask?

ASSEMBLYMAN KAMIN: I have one for the end.

ASSEMBLYMAN FRELINGHUYSEN: Well, maybe-- Whatever.

SENATOR LITTELL: Assemblyman Watson has a question.

ASSEMBLYMAN FRELINGHUYSEN: Excuse me. Assemblyman Watson?

ASSEMBLYMAN WATSON: I am comfortable in the discussion. I have no questions.

ASSEMBLYMAN FRELINGHUYSEN: You have no questions? Okay.

ASSEMBLYMAN KAMIN: Since we have had the opportunity to look over some of our cash flow opportunities today, one of the ones that jumped out at me was the Medicaid disproportionate share funds. During Fiscal Year '93, where the table has indicated that receipts were going to be about 470, and yet the figure I see in there is 616-- Why is there a difference in those two numbers, the 470 and the 616?

MR. KEEVEY: The 470 is the disproportionate share; the 616 is the uncompensated care money. I think that is the money moving in from the hospitals. In other words, as part of the opportunity for the State to draw down the Federal money, we have to physically take the money that comes in from the hospitals, move it into the budget, and move it back down again. There should be a corresponding disbursement on the other side.

Previous to that, we used to take it into an Uncompensated Care Trust Fund. Now we take it into the Trust, move it to the General Fund, and pay it back to the hospitals. That is the way in which we have validated the drawdown of the Federal Medicaid money. But the revenue source that is clear money, as opposed to just a movement of the money through, is the 470, representing the 330 that we get from the acute care hospitals, which is the matching money we get from moving that 616 million through. Then the 140 million that we still expect to get as a result of the psychiatric hospitals. The 330 and the 140 get us the 470. Okay?

ASSEMBLYMAN KAMIN: Yes. Are we still doing the Mexican standoff with the administration on some of those numbers?

TREASURER CRANE: We were offered--

ASSEMBLYMAN KAMIN: The Federal administration.

TREASURER CRANE: --an arrangement. We are not sure it is satisfactory for the State that we should accept it. We have not accepted it. We have continued through the summer some discussions with the Federal government. Those discussions are ongoing, and hopefully will soon bear some fruit.

ASSEMBLYMAN KAMIN: Okay. Thank you for your response.

TREASURER CRANE: Thank you, Assemblyman.

ASSEMBLYMAN FRELINGHUYSEN: I am still a little bit unclear relative to the Assemblyman's questions. We are anticipating approximately 470--

TREASURER CRANE: It is in the budget, yes.

ASSEMBLYMAN FRELINGHUYSEN: And that sum, in fact, is the one which is somewhat contested.

MR. KEEVEY: The 140--

TREASURER CRANE: One-hundred-and-forty of it is.

ASSEMBLYMAN FRELINGHUYSEN: One-hundred-and-forty of it is.

TREASURER CRANE: The balance of it is the amount of money we received in Fiscal '92 -- the full amount. We were fully paid for it. We expect that it will continue pertaining to the acute care hospitals, as opposed to the psychiatric hospitals.

ASSEMBLYMAN FRELINGHUYSEN: So, we are not banking anything in our cash flow that might fall into the category of wishful thinking.

MR. KEEVEY: Well, I think our best judgment is--

ASSEMBLYMAN FRELINGHUYSEN: No, I don't mean that in any--

MR. KEEVEY: Right. Our best judgment is that the 330 we got last year, we are going to get this year. The 140-- I think ultimately our feeling is, depending upon how these negotiations go, that we are entitled not only to 140, but perhaps even more. That is the point that we are continuing to argue.

ASSEMBLYMAN FRELINGHUYSEN: So, the bulk of the money is money that we would normally anticipate--

MR. KEEVEY: Yes.

ASSEMBLYMAN FRELINGHUYSEN: --regardless of the claims that have been put in, which they are giving us a hard time about.

MR. KEEVEY: Right, right.

TREASURER CRANE: Mr. Chairman, I think in providing a full response-- This is not our area of expertise, but the 330 from the acute care hospitals-- The budget shows it is also contingent upon the continuation of some kind of uncompensated care program. As you all know, that is under question at this point. I just think when you ask us on the risk side, it is only fair to say that-- I mean, that is still an open question. If that were to go away, that revenue would then become a particular problem. You should just know that. If you want to know what the risk is, that is the risk.

ASSEMBLYMAN FRELINGHUYSEN: All right. Well, we like to know those risks.

We can dwell for a moment on-- Let me commend you for giving a New Jersey flavor to this issuance. Could you just sort of explain for the record-- You said in your statement that the State is prepared to issue the notes through a negotiated sale. From time to time, people say, "Well, why are you going that route, as opposed to something which is, in one sense, viewed as more of a competitive nature?" Could you just sort of comment? I think we have obviously a strong feeling that you have chosen the right people to handle this, but maybe just as a general educational point you could let us know.

TREASURER CRANE: I think we get into some specifics, comparisons, and whatever, but I think, as I said in my opening statement, there are a couple of reasons why we have chosen this method: One is premarketing, which I think is very, very important in this market. And the second one -- and I think this is even overriding -- is the flexibility to go in the market when it gets -- when we really believe that we can get the best deal for the State. Those two things together, I think, are a powerful argument for a negotiated sale of this size. This is not a small issue. It is a very big issue. We have potential competition that we have already told you about.

We just feel as if this gives us real flexibility, a chance to premarket so that we can get the best deal. That is why we are comfortable with where we are.

MR. LURIE: I also just wanted to add to that, that--

ASSEMBLYMAN FRELINGHUYSEN: So what you said in your statement here on page 5, negotiated sales, the method used by almost all states with no programs over--

TREASURER CRANE: We guess that California is coming in on the 29th. Maybe Mr. Lurie knows exactly when California is going to come in and in what size.

MR. LURIE: I don't think California knows.

TREASURER CRANE: Well, yes, that may be the case. The thing is, is to set a sales date two weeks from now and all of a sudden find out we picked a day that California decided -- not maybe all 6.5-- We'll only sell 4 billion that day, and there we are in the market. I don't want to take that risk.

MR. LURIE: I also just want to insert that we, as a general matter, are in favor of competitive sales. In many instances where we have the option to do either, we will choose to do competitive sales. I think, as a matter of fact, that the refinancings that were referred to earlier by Senator Littell are ones where we might have the option, and you will see us come back to you with a competitive sale proposal.

In a program like this, though, where it is such a large size, and it is a new program, we feel there are overriding reasons to do it -- to negotiate it.

ASSEMBLYMAN FRELINGHUYSEN: We appreciate that clarification. I think periodically our fellow legislators will raise the issue of competition. I think as long as you feel what we are doing is, to a certain extent, of a competitive nature, while it is negotiated, it is competitive in a variety of ways, that is good for us as a State.

MR. LURIE: I should also note that to accept it we use any derivative products that we talked about earlier. Those would be selected by competitive sale as well.

ASSEMBLYMAN FRELINGHUYSEN: Interesting.

Further questions? Assemblyman Kamin?

ASSEMBLYMAN KAMIN: Just one more: Towards the end of June when we were caught up in a whole lot of things, there was a situation where on the repayment of some short-term costs there was a timing error by the paying agent of the State. Do you recall that? I think it happened on a Friday. It was a very-- I think it was a day late. I was wondering if in your thoughts there is any downside from that happening? Was that just a technical default? What does that mean with our relationship with that paying agent in the future?

MR. LURIE: I hate to see the word "default" used because that is an anathema to people in my market. Plus it is a very technical legal term that has a meaning within the documents. We believe we paid, as we were supposed to do, on the appropriate day.

ASSEMBLYMAN KAMIN: Whose liability is that? Is that the paying agent's responsibility under those circumstances?

MR. LURIE: Well, all of the, I guess, legal consequences of that and trying to sort out who owes what to whom, has not yet been determined. There are several lawyers trying to figure all that out and what it means within the context of the documents, the contracts that were entered into last year. There is some gray area there, so I don't think that has been sorted out. We don't have a clarification yet as of today.

ASSEMBLYMAN KAMIN: Well, let's look at it in a prospective sense then. In future obligations, how do we protect ourselves against that kind of thing recurring?

MR. LURIE: Well, we are meeting with the paying agents involved, and also with DTC, the depository trust company that is the recipient of the payments at the back end of that pipeline, and with our staff, just to make sure that the procedures are tightened up so that it gets to the right people on the right day at the right time. That can be done without basically assessing any liability or blame subject.

ASSEMBLYMAN KAMIN: So, it is fair to say that we don't have a fair settlement with negotiations with the many attorneys; that we may, in fact, be changing paying agents.

MR. LURIE: At some point. I think it would be unfair, however, for us to take any drastic action until we are clearer on, you know, what happened and why, and what each person's responsibility was. We don't want to jump to that conclusion.

ASSEMBLYMAN KAMIN: That is not an issue that is probably going to make a whole lot of news when it is finally cleared up. If you would, as a courtesy to the Committee, I would be interested in how it is finally resolved. Just a phone call or a note would be fine.

TREASURER CRANE: We would be glad to do that.

ASSEMBLYMAN WATSON: Mr. Chairman--

SENATOR LITTELL: I just want to thank the three gentlemen for taking the time to guide us through this first experience with short-term notes and financing. I think it has been helpful to us. I appreciate your careful response.

ASSEMBLYMAN FRELINGHUYSEN: It wasn't too painful, was it?

SENATOR LITTELL: No, it wasn't too painful. We have a resolution. Rather than just taking a voice vote, we have a resolution which has been drafted, which I will ask the Secretary to read. Then we will take a vote on that resolution. We'll have a motion and a second for the resolution before he reads it, please.

ASSEMBLYMAN FRELINGHUYSEN: So moved.

ASSEMBLYMAN WATSON: Second.

ASSEMBLYMAN KAMIN: Second.

SENATOR LITTELL: We have a motion and a second. Go ahead and read it, Al.

MR. KOONEY: Mr. Chairman, this is a resolution of the Joint Budget Oversight Committee adopted September 11, 1992:

WHEREAS, the State Treasurer has transmitted to the Joint Budget Oversight Committee (hereinafter the "Committee"), a Finance Plan and supporting materials for a proposed issuance of fiscal year 1993 State short-term notes for cash flow management purposes pursuant to section 32 of P.L.1992, c.40, the fiscal year 1993 annual appropriations act; and

WHEREAS, the Finance Plan and supporting materials indicate that the fiscal year 1993 short-term notes will not constitute a general obligation of the State or a debt or a liability within the meaning of the State Constitution, that such short-term notes shall mature and will be paid in fiscal year 1993, that the State Treasurer shall pay any costs or obligations relating to the issuance of such short-term notes or contracts relating thereto, that short-term notes shall be issued in such amounts and at such times during fiscal year 1993 as the State Treasurer shall deem necessary pursuant to the Finance Plan for cash flow management 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 pursuant to the Finance Plan; and

WHEREAS, the State Treasurer, with the Committee's approval, is authorized to enter into such contracts and to take such other actions, all as determined by the State

Treasurer pursuant to the Finance Plan, as are appropriate to further the above cash flow management purposes; and

WHEREAS, upon issuance by the State Treasurer of 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; and

WHEREAS, the Finance Plan and the supporting materials submitted to the Committee on September 11, 1992, requesting approval of the issuance of fiscal year 1993 State short-term notes for cash flow management purposes pursuant to section 32 of P.L.1992, c.40 is the basis upon which the Committee is evaluating the request, now, therefore,

BE IT RESOLVED by the Joint Budget Oversight Committee:

1. The issuance of fiscal year 1993 State short-term notes for cash flow management purposes pursuant to the Finance Plan of the State Treasurer and the supporting materials submitted by the State Treasurer on September 11, 1992, is approved by the Committee.

SENATOR LITTELL: Would you take a roll call, please?

MR. KOONEY: Assemblyman Watson?

ASSEMBLYMAN WATSON: Yes.

MR. KOONEY: Assemblyman Kamin?

ASSEMBLYMAN KAMIN: Yes.

MR. KOONEY: Assemblyman Frelinghuysen?

ASSEMBLYMAN FRELINGHUYSEN: Yes.

MR. KOONEY: Senator Littell?

SENATOR LITTELL: Yes.

The resolution is passed, and you are all set to do what you need to do.

TREASURER CRANE: Thank you, Mr. Chairman. Thank you, members of the Committee.

(MEETING CONCLUDED)

STATE OF NEW JERSEY
OFFICE OF THE TREASURER
CN 002
TRENTON, N.J.
08625-0002

JIM FLORIO
GOVERNOR

SAMUEL CRANE
STATE TREASURER

September 11, 1992

Honorable Robert E. Littell
Chairman, Senate Budget and Appropriations Committee
Honorable Rodney P. Frelinghuysen
Chairman, Assembly Appropriations Committee
State House
Trenton, NJ 08625

Dear Chairmen Littell and Frelinghuysen:

We are coming before the Committee this afternoon to seek your approval of a proposed issuance of $1.6 billion in short-term notes, as required by the FY'93 Appropriations Act (General provisions, paragraph 32).

We have been advised by the Attorney General that we are not legally required to obtain your approval and we do not waive any of our legal arguments by doing so.

However, we have chosen to seek the Committee's approval in a spirit of cooperation and in an effort to avoid any cloud over the marketability of these notes, which are of critical importance to the financial stability of the State.

Sincerely,

Samuel Crane
State Treasurer

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STATE OF NEW JERSEY
TAX AND REVENUE ANTICIPATION NOTES
SERIES FISCAL YEAR 1993
FINANCE PLAN

The Treasurer hereby submits his plan to issue Tax and Revenue Anticipation Notes (TRAN's),during Fiscal Year 1993, to be used to provide effective cash flow management for revenues and expenditures of the General Fund and Property Tax Relief Fund during the State's Fiscal Year 1993 and to pay the costs of issuance.

It has been demonstrated that the State can realize lower interest costs by issuing TRAN's. The Treasurer would be authorized to select the type (mode) of the TRAN's, the timing of the sale, maturity date, sizing, and enter into any derivative agreement which would benefit the State. The TRAN's will be sold on a negotiated basis.

The following pages set forth (i) the general structure of TRAN's as used by the State during Fiscal Year 1992, (ii) the need for a TRAN's program due to the timing of revenues and disbursements, and (iii) the objectives and proposed strategy of the State for the issuance of TRAN's during Fiscal Year 1993.

FISCAL YEAR 1992 TAX AND REVENUE ANTICIPATION NOTES

The State issued two types of TRAN's during Fiscal Year 1992. The first was a fixed rate note and the other was in the variable mode. For the fixed rate portion the State issued $1.2 billion on July 5, 1991 at a coupon of 5.00% at a premium for a yield of 4.60% with a maturity date of June 15, 1992 during which the rate remains constant. The State also issued two series of variable rate TRAN's. One in the amount of $400 million on August 13, 1991 and the second in the amount of $200 million on December 11, 1991. Similar to the fixed rate, the variable rate had a stated maturity of June 15, 1992; however, the interest rate on the variable portions was repriced on a daily basis. The interest rate on the variable rate ranged from a high of 6.30% (12/27/91) to a low of 0.90% (1/13/92). The State also had the option on the variable portion to have the repricing occur on a weekly, monthly or quarterly period or to fix the rate to the stated maturity. Due to the uncertainty of interest rates during August 1991, the State entered into an interest rate cap for the $400 million TRAN's issued in August. The State paid an upfront fee to purchase protection that the interest rate on the $400 million variable rate TRAN's would not exceed 4.60% over the life of the Notes. Tab B shows the rates paid by the State on the fixed rate notes (Series A) and variable rate notes (Series B,C,D & E) on a daily basis.

Short term rates drifted to historical lows during Fiscal Year 1992. The variable rate notes issued by the State on August 13, 1991 had an average interest rate of 3.18% and the variable rate notes issued December 11, 1991 had an average interest rate of 2.80%. In contrast the Cash Management rates for the same periods were 5.23% and 4.82%, respectively. The fixed rate notes had a coupon of 5.00%, while the Cash Management rate for the same period was 5.33%.

REASONS FOR TAX AND REVENUE ANTICIPATION NOTES

TRAN's are issued due to deficits caused by the timing of receipts and expenditures in the General Fund and Property Tax Relief Fund. In contrast to an accounting surplus, a cash flow surplus or deficit is determined by the actual moneys received and expended during a certain period. During the first six months of Fiscal Year 1992, State receipts totaled $9.7 billion while disbursements during the same period were $12.0 billion for a cash deficit of $2.3 billion; offset by a beginning cash balance of $.9 billion for a total cash deficit of $1.4 billion (See Tab E). In contrast, during the last six months of Fiscal Year 1992 (January - June 1992) receipts totaled $12.1 billion while disbursements were only $10.0 billion for a cash surplus of $2.1 billion. The State issued $1.8 billion of TRAN's during the first six months of Fiscal Year 1992 which matured on June 15, 1992.

The State's cash flow position improves slightly during Fiscal Year 1993 due to several measures taken by the Legislature at the end of Fiscal Year 1992. Due to, among other actions, the pension payment timing and reevaluation, the need for a TRAN's sale can be delayed until late September. Between October and March, it is expected that the State will need to issue $1.6 billion TRAN's to fund cash flow deficits. The TRAN's can be issued as one or several issues using a fixed rate or variable rate mode or combination of both.

PROPOSED FISCAL YEAR 1993 STRUCTURE

The Treasurer will issue up to $1.6 billion of TRAN's during Fiscal Year 1993. Based upon market conditions at the time of sale the Treasurer will determine the amount to be issued, the mode of the financing, the maturity of the TRAN's and the use of any derivative product, if beneficial to the State.

Based on market conditions as of September 1, 1992, the State would have issued $1.2 billion during September 1992, $600 million in the fixed rate mode with a maturity of June 15, 1993 and $600 million would be issued in a variable rate mode. For the variable rate portion the State will enter into an interest rate swap, which is a "derivative product" developed in the fixed income markets to provide issuers with opportunities to lock in current costs and protect against interest rate fluctuations. This proposed structure would allow the State to issue TRAN's to the widest spectrum of investors while reducing the State's exposure to a rise in interest rates.

CSFL-FY 1992 & FY 1993

STATE OF NEW JERSEY
OFFICE OF MANAGEMENT AND BUDGET
FISCAL YEAR 1993

(9/08/92) WITHOUT NOTES

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Beginning Balance	$636.5	$1,233.9	$1,202.2	$837.1	$274.7	($113.9)	($761.7)	($692.9)	($892.1)	($1,013.4)	$858.7	$787.5	
RECEIPTS:													
Sales Tax	371.8	327.7	300.0	305.0	286.0	291.0	348.8	262.3	258.4	296.0	297.0	303.0	3,647.0
Gross Income Tax	152.9	324.2	424.0	258.0	230.0	379.0	589.9	328.0	279.0	603.0	358.0	324.0	4,250.0
Corporation Taxes	18.9	19.5	152.8	40.9	17.7	147.9	36.4	5.9	67.7	278.9	34.7	163.7	985.0
Miscellaneous Taxes	161.6	118.7	157.4	142.5	132.7	134.2	164.5	193.1	224.6	163.7	156.9	188.1	1,938.0
Casino Revenue	38.2	28.6	25.7	23.5	23.8	20.5	22.6	23.4	23.8	25.1	27.0	25.2	307.4
Federal	370.6	396.0	397.3	406.3	402.3	424.5	411.2	410.7	411.9	410.2	421.4	424.4	4,886.8
Insurance - FAIR Act	21.2	21.3	19.2	21.6	18.0	20.2	22.8	21.5	24.2	25.3	25.2	25.2	265.7
Interfund Transfers	0.0	0.0	0.0	153.4	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	164.4
Lottery Revenue	49.4	44.8	47.8	66.8	48.9	41.8	49.2	55.7	42.2	49.6	63.8	49.4	609.4
Medicaid - Federal Initiative	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	118.0	470.0
Medicaid - Uncompensated Care	31.9	0.0	106.2	53.1	53.1	53.1	53.1	53.1	53.1	53.1	53.1	53.1	616.0
NJ Transp. Trust Fund--Const.	45.0	0.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	495.0
Patient - County Recovery	0.0	0.0	0.0	13.3	45.2	158.5	0.0	0.0	0.0	0.0	0.0	18.0	235.0
Pension Refinancing	773.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	773.4
Utility Taxes	0.0	8.0	0.0	0.0	16.0	0.0	0.0	0.0	0.4	1,561.4	0.0	17.5	1,603.3
Short Term Note Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Department Fees	27.3	27.4	27.3	27.3	27.4	27.5	27.4	27.4	27.3	27.3	27.3	27.3	328.2
All Other State Receipts	119.0	111.0	32.2	26.2	60.6	31.7	25.6	50.6	31.6	26.2	58.8	34.3	607.8
Total Receipts	$2,213.2	$1,459.2	$1,766.9	$1,614.9	$1,449.7	$1,806.9	$1,828.5	$1,508.7	$1,521.2	$3,596.8	$1,600.2	$1,816.2	$22,182.4
DISBURSEMENTS:													
AFDC, SSI, & Gen. Assist.	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.7	$67.7	$813.4
Corrections: Grants in Aid	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.2	6.2	73.4
Debt Service	36.7	83.9	35.8	62.5	22.3	40.7	54.1	47.3	24.1	104.8	33.1	39.5	584.8
DS: S/T Notes Interest Pmts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DS: S/T Notes Set Aside	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education	30.4	45.1	461.2	471.1	468.9	473.5	472.4	476.3	470.9	471.6	470.7	475.1	4,787.2
Gross State Payroll	358.1	295.4	280.8	250.3	248.1	285.7	275.3	241.0	258.5	242.5	241.1	240.9	3,217.7
Services & Supplies	64.1	69.1	68.6	56.3	56.3	66.6	56.2	61.9	55.7	56.3	54.6	77.8	743.5
Higher Education	88.5	66.7	114.1	64.9	77.1	64.9	79.8	100.0	77.1	63.6	69.7	82.5	948.9
Homestead Rebate	0.0	0.0	0.0	242.0	16.8	29.3	11.9	0.0	0.0	0.0	0.0	0.0	300.0
Insurance - FAIR Act	18.7	19.7	20.0	19.8	18.1	14.4	19.4	19.4	18.0	23.1	23.1	23.0	236.7
Medicaid	335.2	280.5	263.4	263.4	263.4	263.4	263.4	263.4	263.4	263.5	263.5	263.5	3,250.0
Medicaid - Uncompensated Care	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	754.8
Municipal State Aid	131.2	63.8	106.1	209.3	44.2	217.0	0.0	0.0	0.0	0.0	0.0	0.0	771.6
New Jersey Transit	42.0	21.0	20.9	20.9	20.9	20.9	20.9	20.9	0.0	20.9	20.9	20.9	251.1
Transportation	111.0	108.9	98.9	113.3	108.4	126.0	118.3	116.7	113.4	117.0	133.3	125.8	1,391.0
Patient - County Costs	0.0	0.0	17.0	16.2	41.2	148.9	0.0	0.0	0.0	0.0	0.0	0.0	223.3
Patient-State County Facility	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.9	6.9	6.9	6.9	82.0
Pension Appropriations	5.1	13.1	14.2	5.4	10.8	5.4	5.4	5.4	5.6	5.6	5.6	508.9	590.5
Pharmaceutical & Medical	14.1	14.0	14.1	14.0	14.1	14.0	14.1	14.0	14.1	14.1	14.1	14.1	168.8
Public Utility	114.8	2.0	237.2	14.7	6.5	313.6	0.0	0.0	0.0	0.0	0.0	0.0	688.8
Unemploy. Comp. Fund Repayment	0.0	0.0	38.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.0
All Other Disbursements	122.3	264.1	198.1	209.6	277.6	226.8	224.9	198.0	198.0	198.0	198.0	201.3	2,516.7
Total Disbursements	$1,615.8	$1,490.9	$2,132.0	$2,177.3	$1,838.3	$2,454.7	$1,759.7	$1,707.9	$1,642.5	$1,724.7	$1,671.4	$2,217.0	$22,432.2
Ending Balance	$1,233.9	$1,202.2	$837.1	$274.7	($113.9)	($761.7)	($692.9)	($892.1)	($1,013.4)	$858.7	$787.5	$386.7	
Monthly Cash Flow	$597.4	($31.7)	($365.1)	($562.4)	($388.6)	($647.8)	$68.8	($199.2)	($121.3)	$1,872.1	($71.2)	($400.8)	
Cumulative Cash Flow	$597.4	$565.7	$200.6	($361.8)	($750.4)	($1,398.2)	($1,329.4)	($1,528.6)	($1,649.9)	$222.2	$151.0	($249.8)	
Weekly Cash Low Point	$435.5	$968.8	$482.1	$84.2	($415.3)	($1,117.5)	($1,181.2)	($1,215.5)	($1,378.6)	$190.5	$447.0	$386.7	

CSFL-FY 1992 & FY 1993

(9/08/92)

STATE OF NEW JERSEY
OFFICE OF MANAGEMENT AND BUDGET
FISCAL YEAR 1993 RECEIPTS

WITHOUT NOTES

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Beginning Balance	$636.5	$1,233.9	$1,202.2	$837.1	$274.7	($113.9)	($761.7)	($692.9)	($892.1)	($1,013.4)	$858.7	$787.5	
RECEIPTS:													
Sales Tax	371.8	327.7	300.0	305.0	286.0	291.0	348.8	262.3	258.4	296.0	297.0	303.0	3,647.0
Gross Income Tax	152.9	324.2	424.0	258.0	230.0	379.0	589.9	328.0	279.0	603.0	358.0	324.0	4,250.0
Corporation Taxes	18.9	19.5	152.8	40.9	17.7	147.9	36.4	5.9	67.7	278.9	34.7	163.7	985.0
Corporation-Banks	0.0	0.5	14.4	1.0	0.4	10.6	8.7	(9.5)	(7.6)	25.0	(15.4)	8.9	37.0
Cigarette Tax	23.0	19.5	22.1	27.9	18.0	26.1	22.6	22.0	21.9	21.2	22.5	21.2	268.0
Transfer Inheritance Tax	27.7	19.2	13.5	22.8	16.0	16.1	17.6	16.5	17.0	14.0	19.6	20.0	220.0
Other Taxes	6.7	1.5	12.9	12.0	12.7	10.5	12.6	20.4	14.8	18.9	23.6	14.4	161.0
Alcoholic Bev. Excise	13.9	0.1	15.2	0.1	13.7	0.1	19.7	0.1	10.4	0.7	14.9	0.1	89.0
Casino License Fees	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.7	4.7	57.4
Casino Revenue	33.4	23.8	20.9	18.7	19.0	15.7	17.8	18.6	19.0	20.3	22.3	20.5	250.0
Federal AFDC	21.5	21.2	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.6	379.6
Federal All Other	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.1	816.1
Federal Education	4.0	20.2	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	531.2
Federal Labor	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.6	23.6	282.2
Federal Other Hum. Serv.	50.1	50.1	50.1	50.1	50.1	50.1	50.1	50.1	50.2	50.2	50.2	50.2	601.6
Insurance Premium	5.3	1.2	0.0	0.3	1.4	0.3	0.1	61.9	84.2	0.2	14.0	46.1	215.0
Insurance - FAIR Act	21.2	21.3	19.2	21.6	18.0	20.2	22.8	21.5	24.2	25.3	25.2	25.2	265.7
Interfund Transfers-Bond Funds	0.0	0.0	0.0	108.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	108.4
Interfund Trns Unem. Aux	0.0	0.0	0.0	0.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0
Judiciary Court Fees	3.6	3.7	3.6	3.7	3.6	3.7	3.6	3.7	3.6	3.7	3.7	3.7	43.9
Lottery Admin--Interfund Trns	0.0	0.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	19.4
Lottery Revenue	49.4	44.8	47.8	51.8	48.9	41.8	49.2	55.7	42.2	49.6	63.8	45.0	590.0
Medicaid - Federal	167.6	167.8	136.6	136.6	136.6	136.6	136.6	136.6	136.6	136.6	136.5	136.4	1,701.1
Medicaid - Federal Initiative	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	118.0	470.0
Medicaid - Uncompensated Care	31.9	0.0	106.2	53.1	53.1	53.1	53.1	53.1	53.1	53.1	53.1	53.1	616.0
Motor Fuels	33.4	35.8	36.4	34.8	37.6	31.7	38.4	34.2	33.3	35.4	35.8	36.2	423.0
Motor Vehicle Fees	32.6	27.5	28.2	29.0	20.3	27.2	25.6	32.8	38.1	31.1	26.7	30.9	350.0
Municpal Purpose Asst. Fd.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	60.0	0.0	0.0	60.0
NJ Transportation--Federal	35.9	45.2	34.7	43.7	39.7	61.9	48.6	48.1	49.2	47.5	58.7	61.8	575.0
NJ Transp. Trust Fund--Const.	45.0	0.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	495.0
NJ Transp. Trust Fund--Toll Roads	0.2	0.2	5.7	0.2	0.2	5.7	0.2	0.2	5.7	0.2	0.2	5.8	24.5
Patient - Cost Recovery	4.1	4.2	4.2	4.2	4.1	4.2	4.2	4.2	4.1	4.2	4.2	4.1	50.0
Patient - County Recovery	0.0	0.0	0.0	13.3	45.2	158.5	0.0	0.0	0.0	0.0	0.0	18.0	235.0
Pension Administration	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0	3.0	35.0
Pension Refinancing	773.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	773.4
Pension & Fringe Recoveries	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.9	13.9	13.9	13.9	166.0
Petroleum Gross Receipts	19.0	13.4	14.7	14.6	12.6	11.6	19.2	14.7	12.5	17.2	15.2	10.3	175.0
Public Utility Excise	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	124.6	0.0	0.0	125.0
Public Utility Franchise	0.0	8.0	0.0	0.0	16.0	0.0	0.0	0.0	0.0	1,376.8	0.0	17.5	1,418.3
Second Injury Fund	0.5	35.0	1.0	0.5	35.0	0.5	0.0	25.0	0.5	0.5	33.0	3.0	134.5
Short Term Note Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State Dept. Fees--Bank & Ins	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	27.2
State Dept. Fees--Com Affairs	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.3	3.3	3.3	3.3	40.4
State Dept. Fees--DEPE	8.8	8.8	8.8	8.7	8.8	8.8	8.8	8.7	8.8	8.8	8.7	8.7	105.2
State Dept. Fees--L&PS	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.8	3.8	3.8	46.5
State Dept. Fees--Other	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.5	5.5	65.0
Unclaimed Prop--Interfund Trns	0.0	0.0	0.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45.0
All Other State Receipts	97.5	54.9	4.6	4.6	4.6	4.6	4.5	4.5	4.5	4.5	4.5	4.5	197.8
Total Receipts	$2,213.2	$1,459.2	$1,766.9	$1,614.9	$1,449.7	$1,806.9	$1,828.5	$1,508.7	$1,521.2	$3,596.8	$1,600.2	$1,816.2	$22,182.4
	$2,213.2	$1,459.2											

CSFL-FY 1992 & FY 1993 | STATE OF NEW JERSEY | OFFICE OF MANAGEMENT AND BUDGET | FISCAL YEAR 1993 DISBURSEMENTS
(9/08/92) | WITHOUT NOTES

	July	Aug	Sept.	Oct.	Nov.	Dec	Jan	Feb	March	April	May	June	Total
AFDC, SSI, & Gen. Assist.	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.7	$67.7	$813.4
Business Personal Prop.	51.2	30.9	0.0	0.0	33.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	115.3
Corrections: Grants in Aid	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.2	6.2	73.4
Domestic Insurance	0.0	22.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.8
DS: C.O.P. Lease Payments	0.0	0.0	0.0	0.0	0.0	34.8	0.0	0.0	0.0	0.0	0.0	28.8	63.6
DS: General Obligation Bonds	31.0	66.4	32.7	57.7	16.7	2.1	49.3	32.3	20.9	102.0	24.3	8.9	444.3
DS: Qualified Bonds (Municipalities)	5.7	17.5	3.1	4.8	5.6	3.8	4.8	15.0	3.2	2.8	8.8	1.8	76.9
DS: S/T Notes Interest Pmts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DS: S/T Notes Set Aside	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education: Federal Source	4.0	20.2	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	531.2
Education: FICA	23.7	16.3	20.3	33.9	32.1	31.1	34.1	34.1	34.1	34.1	34.1	34.1	362.0
Education: Qualified Bonds	2.7	8.6	4.3	0.6	0.2	5.8	1.7	5.6	0.2	0.9	0.0	4.4	35.0
Education: School State Aid	0.0	0.0	385.9	385.9	385.9	385.9	385.9	385.9	385.9	385.9	385.9	385.9	3,859.0
Gross State Payroll	283.1	205.1	214.8	187.6	185.4	224.1	213.7	179.4	196.9	180.9	179.6	179.4	2,430.0
Health, Dental, & Drug	47.9	47.9	47.9	43.3	43.3	42.2	42.2	42.2	42.2	42.2	42.1	42.1	525.5
Higher Ed: County Colleges	6.4	6.5	6.4	6.5	6.4	6.5	6.4	6.5	6.4	6.5	6.4	6.4	77.3
Higher Ed: Grants in Aid	8.4	6.4	44.7	9.6	21.9	9.6	9.6	44.7	21.9	9.7	9.7	9.7	205.9
Higher Ed: NJIT	3.2	3.2	3.1	3.2	3.1	3.2	3.1	3.2	3.1	3.2	3.1	3.2	37.9
Higher Ed: Rutgers	37.1	20.7	15.0	15.7	15.8	15.7	15.8	15.7	15.8	14.3	20.6	33.3	235.5
Higher Ed: Tuition Stabilization	0.0	0.0	15.0	0.0	0.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	30.0
Higher Ed: State Colleges	19.0	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	201.6
Higher Ed: UMDNJ	14.4	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	160.7
Homestead Rebate	0.0	0.0	0.0	242.0	16.8	29.3	11.9	0.0	0.0	0.0	0.0	0.0	300.0
In Lieu of Taxes	6.8	0.0	0.0	0.0	6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.5
Insurance - FAIR Act	18.7	19.7	20.0	19.8	18.1	14.4	19.4	19.4	18.0	23.1	23.1	23.0	236.7
Lifeline	0.0	0.0	0.0	8.3	13.4	23.7	23.6	0.0	0.0	0.0	0.0	0.0	69.0
Maint. Improve. & Equip	8.2	8.2	8.2	8.2	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.7	87.1
Materials & Supplies	18.6	18.6	18.6	14.7	14.7	14.6	14.6	14.6	14.6	14.6	14.6	14.6	187.4
Medicaid	335.2	280.5	263.4	263.4	263.4	263.4	263.4	263.4	263.4	263.5	263.5	263.5	3,250.0
Medicaid - Uncompensated Care	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	754.8
Municipal Aid	0.0	0.0	0.0	40.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.3
Municipal Aid-Densely Populated	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.0
Municipal Purpose	14.9	0.2	0.0	14.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.8
Municipal Revitalization	47.0	32.9	85.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	165.0
Municipal Safe & Clean	0.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0
Municipal Supplemental	0.0	0.0	10.0	133.0	0.0	217.0	0.0	0.0	0.0	0.0	0.0	0.0	360.0
Municipal Supp. - Safe & Fire	0.0	0.0	11.0	11.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.0
New Jersey Transit	42.0	21.0	20.9	20.9	20.9	20.9	20.9	20.9	0.0	20.9	20.9	20.9	251.1
NJ Transportation-Federal	35.9	45.2	34.7	43.7	39.7	61.9	48.6	48.1	49.2	47.5	58.7	61.8	575.0
NJ Transp. Trust Fund-Approp.	39.3	23.2	23.3	28.7	27.8	23.2	28.8	27.7	23.3	28.7	33.8	23.2	331.0
NJ Transp. Trust Fund-Const.	35.8	40.5	40.9	40.9	40.9	40.9	40.9	40.9	40.9	40.8	40.8	40.8	485.0
Non Personnel Services	24.2	24.2	24.2	20.3	20.3	20.3	20.3	20.3	20.2	20.2	20.2	20.2	254.9
Other Federally Funded	82.7	82.7	82.7	82.7	82.7	82.7	82.7	82.7	82.7	82.7	82.7	82.8	992.5
Patient - County Costs	0.0	0.0	17.0	16.2	41.2	148.9	0.0	0.0	0.0	0.0	0.0	0.0	223.3
Patient-State County Facility	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.9	6.9	6.9	6.9	82.0
Pension Appropriations	0.0	8.2	8.8	0.0	5.4	0.0	0.0	0.0	0.0	0.0	0.0	503.2	525.6
Pension Approp - Alt Benefits	5.1	4.9	5.4	5.4	5.4	5.4	5.4	5.4	5.6	5.6	5.6	5.7	64.9
Pharmaceutical & Medical	14.1	14.0	14.1	14.0	14.1	14.0	14.1	14.0	14.1	14.1	14.1	14.1	168.8
Property Rentals	13.1	18.1	17.6	13.1	14.5	24.9	14.5	20.2	14.1	14.7	13.0	36.3	214.1
Public Utility Franchise	99.9	1.8	237.2	0.0	6.5	313.6	0.0	0.0	0.0	0.0	0.0	0.0	659.0
Second Injury Fund	6.3	6.4	6.4	9.6	6.4	11.4	9.6	6.4	6.4	6.4	6.4	9.6	91.3
Social Security	27.1	42.4	18.1	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	262.2
Unemploy. Comp. Fund Repayment	0.0	0.0	38.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.0
Veterans & Senior Citz.	0.0	0.3	0.0	0.0	59.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	59.7
All Other Disbursements	26.5	151.9	109.0	109.0	109.0	109.0	109.0	108.9	108.9	108.9	108.9	108.9	1,267.9
Total Disbursements	$1,615.8	$1,490.9	$2,132.0	$2,177.3	$1,838.3	$2,454.7	$1,759.7	$1,707.9	$1,642.5	$1,724.7	$1,671.4	$2,217.0	$22,432.2
Ending Balance	$1,233.9	$1,202.2	$837.1	$274.7	($113.9)	($761.7)	($692.9)	($892.1)	($1,013.4)	$858.7	$787.5	$386.7	
Monthly Cash Flow	$597.4	($31.7)	($365.1)	($562.4)	($388.6)	($647.8)	$68.8	($199.2)	($121.3)	$1,872.1	($71.2)	($400.8)	
Cumulative Cash Flow	$597.4	$565.7	$200.6	($361.8)	($750.4)	($1,398.2)	($1,329.4)	($1,528.6)	($1,649.9)	$222.2	$151.0	($249.8)	
Weekly Cash Low Point	$435.5	$968.8	$482.1	$84.2	($415.3)	($1,117.5)	($1,181.2)	($1,215.5)	($1,378.6)	$190.5	$447.0	$388.7	

CSFL-FY 1992 & FY 1993

STATE OF NEW JERSEY
OFFICE OF MANAGEMENT AND BUDGET
FISCAL YEAR 1993

(9/08/92) WITH NOTES

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Beginning Balance	$636.5	$1,233.9	$1,202.2	$837.1	$1,874.7	$1,484.6	$835.2	$902.4	$701.8	$578.9	$2,449.5	$1,162.0	
RECEIPTS:													
Sales Tax	371.8	327.7	300.0	305.0	286.0	291.0	348.8	262.3	258.4	296.0	297.0	303.0	3,647.0
Gross Income Tax	152.9	324.2	424.0	258.0	230.0	379.0	589.9	328.0	279.0	603.0	358.0	324.0	4,250.0
Corporation Taxes	18.9	19.5	152.8	40.9	17.7	147.9	36.4	5.9	67.7	278.9	34.7	163.7	985.0
Miscellaneous Taxes	161.6	118.7	157.4	142.5	132.7	134.2	164.5	193.1	224.6	163.7	156.9	188.1	1,938.0
Casino Revenue	38.2	28.6	25.7	23.5	23.8	20.5	22.6	23.4	23.8	25.1	27.0	25.2	307.4
Federal	370.6	396.0	397.3	406.3	402.3	424.5	411.2	410.7	411.9	410.2	421.4	424.4	4,886.8
Insurance - FAIR Act	21.2	21.3	19.2	21.6	18.0	20.2	22.8	21.5	24.2	25.3	25.2	25.2	265.7
Interfund Transfers	0.0	0.0	0.0	153.4	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	164.4
Lottery Revenue	49.4	44.8	47.8	66.8	48.9	41.8	49.2	55.7	42.2	49.6	63.8	49.4	609.4
Medicaid - Federal Initiative	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	118.0	470.0
Medicaid - Uncompensated Care	31.9	0.0	106.2	53.1	53.1	53.1	53.1	53.1	53.1	53.1	53.1	53.1	616.0
NJ Transp. Trust Fund--Const.	45.0	0.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	495.0
Patient - County Recovery	0.0	0.0	0.0	13.3	45.2	158.5	0.0	0.0	0.0	0.0	0.0	18.0	235.0
Pension Refinancing	773.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	773.4
Utility Taxes	0.0	8.0	0.0	0.0	16.0	0.0	0.0	0.0	0.4	1,561.4	0.0	17.5	1,603.3
Short Term Note Proceeds	0.0	0.0	0.0	1,600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,600.0
State Department Fees	27.3	27.4	27.3	27.3	27.4	27.5	27.4	27.4	27.3	27.3	27.3	27.3	328.2
All Other State Receipts	119.0	111.0	32.2	26.2	60.6	31.7	25.6	50.6	31.6	26.2	58.8	34.3	607.8
Total Receipts	$2,213.2	$1,459.2	$1,766.9	$3,214.9	$1,449.7	$1,806.9	$1,828.5	$1,508.7	$1,521.2	$3,596.8	$1,600.2	$1,816.2	$23,782.4
DISBURSEMENTS:													
AFDC, SSI, & Gen. Assist.	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.7	$67.7	$813.4
Corrections: Grants in Aid	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.2	6.2	73.4
Debt Service	36.7	83.9	35.8	62.5	22.3	40.7	54.1	47.3	24.1	104.8	33.1	39.5	584.8
DS: S/T Notes Interest Pmts	0.0	0.0	0.0	0.0	1.5	1.6	1.6	1.4	1.6	1.5	16.3	12.9	38.4
DS: S/T Notes Set Aside	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,200.0	400.0	1,600.0
Education	30.4	45.1	461.2	471.1	468.9	473.5	472.4	476.3	470.9	471.6	470.7	475.1	4,787.2
Gross State Payroll	358.1	295.4	280.8	250.3	248.1	285.7	275.3	241.0	258.5	242.5	241.1	240.9	3,217.7
Services & Supplies	64.1	69.1	68.6	56.3	56.3	66.6	56.2	61.9	55.7	56.3	54.6	77.8	743.5
Higher Education	88.5	66.7	114.1	64.9	77.1	64.9	79.8	100.0	77.1	63.6	69.7	82.5	948.9
Homestead Rebate	0.0	0.0	0.0	242.0	16.8	29.3	11.9	0.0	0.0	0.0	0.0	0.0	300.0
Insurance - FAIR Act	18.7	19.7	20.0	19.8	18.1	14.4	19.4	19.4	18.0	23.1	23.1	23.0	236.7
Medicaid	335.2	280.5	263.4	263.4	263.4	263.4	263.4	263.4	263.4	263.5	263.5	263.5	3,250.0
Medicaid - Uncompensated Care	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	754.8
Municipal State Aid	131.2	63.8	106.1	209.3	44.2	217.0	0.0	0.0	0.0	0.0	0.0	0.0	771.6
New Jersey Transit	42.0	21.0	20.9	20.9	20.9	20.9	20.9	20.9	0.0	20.9	20.9	20.9	251.1
Transportation	111.0	108.9	98.9	113.3	108.4	126.0	118.3	116.7	113.4	117.0	133.3	125.8	1,391.0
Patient - County Costs	0.0	0.0	17.0	16.2	41.2	148.9	0.0	0.0	0.0	0.0	0.0	0.0	223.3
Patient-State County Facility	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.9	6.9	6.9	6.9	82.0
Pension Appropriations	5.1	13.1	14.2	5.4	10.8	5.4	5.4	5.4	5.6	5.6	5.6	508.9	590.5
Pharmaceutical & Medical	14.1	14.0	14.1	14.0	14.1	14.0	14.1	14.0	14.1	14.1	14.1	14.1	168.8
Public Utility	114.8	2.0	237.2	14.7	6.5	313.6	0.0	0.0	0.0	0.0	0.0	0.0	688.8
Unemploy. Comp. Fund Repayment	0.0	0.0	38.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.0
All Other Disbursements	122.3	264.1	198.1	209.6	277.6	226.8	224.9	198.0	198.0	198.0	198.0	201.3	2,516.7
Total Disbursements	$1,615.8	$1,490.9	$2,132.0	$2,177.3	$1,839.8	$2,456.3	$1,761.3	$1,709.3	$1,644.1	$1,726.2	$2,887.7	$2,629.9	$24,070.6
Ending Balance	$1,233.9	$1,202.2	$837.1	$1,874.7	$1,484.6	$835.2	$902.4	$701.8	$578.9	$2,449.5	$1,162.0	$348.3	
Monthly Cash Flow	$597.4	($31.7)	($365.1)	$1,037.6	($390.1)	($649.4)	$67.2	($200.6)	($122.9)	$1,870.6	($1,287.5)	($813.7)	
Cumulative Cash Flow	$597.4	$565.7	$200.6	$1,238.2	$848.1	$198.7	$265.9	$65.3	($57.6)	$1,813.0	$525.5	($288.2)	
Weekly Cash Low Point	$435.5	$968.8	$482.1	$1,684.2	$1,183.2	$479.4	$414.1	$378.4	$213.7	$1,781.3	$1,162.0	$348.3	

CSFL-FY 1992 & FY 1993

(9/08/92)

STATE OF NEW JERSEY
OFFICE OF MANAGEMENT AND BUDGET
FISCAL YEAR 1993 RECEIPTS

WITH NOTES

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Beginning Balance	$636.5	$1,233.9	$1,202.2	$837.1	$1,874.7	$1,484.6	$835.2	$902.4	$701.8	$578.9	$2,449.5	$1,162.0	
RECEIPTS:													
Sales Tax	371.8	327.7	300.0	305.0	286.0	291.0	348.8	262.3	258.4	296.0	297.0	303.0	3,647.0
Gross Income Tax	152.9	324.2	424.0	258.0	230.0	379.0	589.9	328.0	279.0	603.0	358.0	324.0	4,250.0
Corporation Taxes	18.9	19.5	152.8	40.9	17.7	147.9	36.4	5.9	67.7	278.9	34.7	163.7	985.0
Corporation-Banks	0.0	0.5	14.4	1.0	0.4	10.6	8.7	(9.5)	(7.6)	25.0	(15.4)	8.9	37.0
Cigarette Tax	23.0	19.5	22.1	27.9	18.0	26.1	22.6	22.0	21.9	21.2	22.5	21.2	268.0
Transfer Inheritance Tax	27.7	19.2	13.5	22.8	16.0	16.1	17.6	16.5	17.0	14.0	19.6	20.0	220.0
Other Taxes	6.7	1.5	12.9	12.0	12.7	10.5	12.6	20.4	14.8	18.9	23.6	14.4	161.0
Alcoholic Bev. Excise	13.9	0.1	15.2	0.1	13.7	0.1	19.7	0.1	10.4	0.7	14.9	0.1	89.0
Casino License Fees	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.7	4.7	57.4
Casino Revenue	33.4	23.8	20.9	18.7	19.0	15.7	17.8	18.6	19.0	20.3	22.3	20.5	250.0
Federal AFDC	21.5	21.2	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.6	379.6
Federal All Other	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.1	816.1
Federal Education	4.0	20.2	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	531.2
Federal Labor	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.6	23.6	282.2
Federal Other Hum. Serv.	50.1	50.1	50.1	50.1	50.1	50.1	50.1	50.1	50.2	50.2	50.2	50.2	601.6
Insurance Premium	5.3	1.2	0.0	0.3	1.4	0.3	0.1	61.9	84.2	0.2	14.0	46.1	215.0
Insurance - FAIR Act	21.2	21.3	19.2	21.6	18.0	20.2	22.8	21.5	24.2	25.3	25.2	25.2	265.7
Interfund Transfers-Bond Funds	0.0	0.0	0.0	108.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	108.4
Interfund Trns Unem. Aux	0.0	0.0	0.0	0.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0
Judiciary Court Fees	3.6	3.7	3.6	3.7	3.6	3.7	3.6	3.7	3.6	3.7	3.7	3.7	43.9
Lottery Admin--Interfund Trns	0.0	0.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	19.4
Lottery Revenue	49.4	44.8	47.8	51.8	48.9	41.8	49.2	55.7	42.2	49.6	63.8	45.0	590.0
Medicaid - Federal	167.6	167.8	136.6	136.6	136.6	136.6	136.6	136.6	136.6	136.6	136.5	136.4	1,701.1
Medicaid - Federal Initiative	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	118.0	470.0
Medicaid - Uncompensated Care	31.9	0.0	106.2	53.1	53.1	53.1	53.1	53.1	53.1	53.1	53.1	53.1	616.0
Motor Fuels	33.4	35.8	36.4	34.8	37.6	31.7	38.4	34.2	33.3	35.4	35.8	36.2	423.0
Motor Vehicle Fees	32.6	27.5	28.2	29.0	20.3	27.2	25.6	32.8	38.1	31.1	26.7	30.9	350.0
Municpal Purpose Asst. Fd.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	60.0	0.0	0.0	60.0
NJ Transportation--Federal	35.9	45.2	34.7	43.7	39.7	61.9	48.6	48.1	49.2	47.5	58.7	61.8	575.0
NJ Transp. Trust Fund--Const.	45.0	0.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	495.0
NJ Transp. Trust Fund--Toll Roads	0.2	0.2	5.7	0.2	0.2	5.7	0.2	0.2	5.7	0.2	0.2	5.8	24.5
Patient - Cost Recovery	4.1	4.2	4.2	4.2	4.1	4.2	4.2	4.2	4.1	4.2	4.2	4.1	50.0
Patient - County Recovery	0.0	0.0	0.0	13.3	45.2	158.5	0.0	0.0	0.0	0.0	0.0	18.0	235.0
Pension Administration	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0	3.0	35.0
Pension Refinancing	773.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	773.4
Pension & Fringe Recoveries	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.8	13.9	13.9	13.9	13.9	166.0
Petroleum Gross Receipts	19.0	13.4	14.7	14.6	12.6	11.6	19.2	14.7	12.5	17.2	15.2	10.3	175.0
Public Utility Excise	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	124.6	0.0	0.0	125.0
Public Utility Franchise	0.0	8.0	0.0	0.0	16.0	0.0	0.0	0.0	0.0	1,376.8	0.0	17.5	1,418.3
Second Injury Fund	0.5	35.0	1.0	0.5	35.0	0.5	0.0	25.0	0.5	0.5	33.0	3.0	134.5
Short Term Note Proceeds	0.0	0.0	0.0	1,600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,600.0
State Dept. Fees--Bank & Ins	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	27.2
State Dept. Fees--Com Affairs	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.3	3.3	3.3	3.3	40.4
State Dept. Fees--DEPE	8.8	8.8	8.8	8.7	8.8	8.8	8.8	8.7	8.8	8.8	8.7	8.7	105.2
State Dept. Fees--L&PS	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.8	3.8	3.8	46.5
State Dept. Fees--Other	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.5	5.5	65.0
Unclaimed Prop--Interfund Trns	0.0	0.0	0.0	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	45.0
All Other State Receipts	97.5	54.9	4.6	4.6	4.6	4.6	4.5	4.5	4.5	4.5	4.5	4.5	197.8
Total Receipts	$2,213.2	$1,459.2	$1,766.9	$3,214.9	$1,449.7	$1,806.9	$1,828.5	$1,508.7	$1,521.2	$3,596.8	$1,600.2	$1,816.2	$23,782.4

8x

CSFL-FY 1992 & FY 1993

(9/08/92)

STATE OF NEW JERSEY
OFFICE OF MANAGEMENT AND BUDGET
FISCAL YEAR 1993 DISBURSEMENTS

WITH NOTES

	July	Aug	Sept.	Oct.	Nov.	Dec	Jan	Feb	March	April	May	June	Total
AFDC, SSI, & Gen. Assist.	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.8	$67.7	$67.7	$813.4
Business Personal Prop.	51.2	30.9	0.0	0.0	33.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	115.3
Corrections: Grants in Aid	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.2	6.2	73.4
Domestic Insurance	0.0	22.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.8
DS: C.O.P. Lease Payments	0.0	0.0	0.0	0.0	0.0	34.8	0.0	0.0	0.0	0.0	0.0	28.8	63.6
DS: General Obligation Bonds	31.0	66.4	32.7	57.7	16.7	2.1	49.3	32.3	20.9	102.0	24.3	8.9	444.3
DS: Qualified Bonds (Municipalities)	5.7	17.5	3.1	4.8	5.6	3.8	4.8	15.0	3.2	2.8	8.8	1.8	76.9
DS: S/T Notes Interest Pmts	0.0	0.0	0.0	0.0	1.5	1.6	1.6	1.4	1.6	1.5	16.3	12.9	38.4
DS: S/T Notes Set Aside	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,200.0	400.0	1,600.0
Education: Federal Source	4.0	20.2	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	50.7	531.2
Education: FICA	23.7	16.3	20.3	33.9	32.1	31.1	34.1	34.1	34.1	34.1	34.1	34.1	362.0
Education: Qualified Bonds	2.7	8.6	4.3	0.6	0.2	5.8	1.7	5.6	0.2	0.9	0.0	4.4	35.0
Education: School State Aid	0.0	0.0	385.9	385.9	385.9	385.9	385.9	385.9	385.9	385.9	385.9	385.9	3,859.0
Gross State Payroll	283.1	205.1	214.8	187.6	185.4	224.1	213.7	179.4	196.9	180.9	179.6	179.4	2,430.0
Health, Dental, & Drug	47.9	47.9	47.9	43.3	43.3	42.2	42.2	42.2	42.2	42.2	42.1	42.1	525.5
Higher Ed: County Colleges	6.4	6.5	6.4	6.5	6.4	6.5	6.4	6.5	6.4	6.5	6.4	6.4	77.3
Higher Ed: Grants in Aid	8.4	6.4	44.7	9.6	21.9	9.6	9.6	44.7	21.9	9.7	9.7	9.7	205.9
Higher Ed: NJIT	3.2	3.2	3.1	3.2	3.1	3.2	3.1	3.2	3.1	3.2	3.1	3.2	37.9
Higher Ed: Rutgers	37.1	20.7	15.0	15.7	15.8	15.7	15.8	15.7	15.8	14.3	20.6	33.3	235.5
Higher Ed: Tuition Stabilization	0.0	0.0	15.0	0.0	0.0	0.0	15.0	0.0	0.0	0.0	0.0	0.0	30.0
Higher Ed: State Colleges	19.0	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	16.6	201.6
Higher Ed: UMDNJ	14.4	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	160.7
Homestead Rebate	0.0	0.0	0.0	242.0	16.8	29.3	11.9	0.0	0.0	0.0	0.0	0.0	300.0
In Lieu of Taxes	6.8	0.0	0.0	0.0	6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.5
Insurance - FAIR Act	18.7	19.7	20.0	19.8	18.1	14.4	19.4	19.4	18.0	23.1	23.1	23.0	236.7
Lifeline	0.0	0.0	0.0	8.3	13.4	23.7	23.6	0.0	0.0	0.0	0.0	0.0	69.0
Maint. Improve. & Equip	8.2	8.2	8.2	8.2	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.7	87.1
Materials & Supplies	18.6	18.6	18.6	14.7	14.7	14.6	14.6	14.6	14.6	14.6	14.6	14.6	187.4
Medicaid	335.2	280.5	263.4	263.4	263.4	263.4	263.4	263.4	263.4	263.5	263.5	263.5	3,250.0
Medicaid - Uncompensated Care	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	754.8
Municipal Aid	0.0	0.0	0.0	40.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.3
Municipal Aid-Densely Populated	33.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.0
Municipal Purpose	14.9	0.2	0.0	14.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.8
Municipal Revitalization	47.0	32.9	85.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	165.0
Municipal Safe & Clean	0.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0
Municipal Supplemental	0.0	0.0	10.0	133.0	0.0	217.0	0.0	0.0	0.0	0.0	0.0	0.0	360.0
Municipal Supp. - Safe & Fire	0.0	0.0	11.0	11.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.0
New Jersey Transit	42.0	21.0	20.9	20.9	20.9	20.9	20.9	20.9	0.0	20.9	20.9	20.9	251.1
NJ Transportation-Federal	35.9	45.2	34.7	43.7	39.7	61.9	48.6	48.1	49.2	47.5	58.7	61.8	575.0
NJ Transp. Trust Fund-Approp.	39.3	23.2	23.3	28.7	27.8	23.2	28.8	27.7	23.3	28.7	33.8	23.2	331.0
NJ Transp. Trust Fund-Const.	35.8	40.5	40.9	40.9	40.9	40.9	40.9	40.9	40.9	40.8	40.8	40.8	485.0
Non Personnel Services	24.2	24.2	24.2	20.3	20.3	20.3	20.3	20.3	20.2	20.2	20.2	20.2	254.9
Other Federally Funded	82.7	82.7	82.7	82.7	82.7	82.7	82.7	82.7	82.7	82.7	82.7	82.8	992.5
Patient - County Costs	0.0	0.0	17.0	16.2	41.2	148.9	0.0	0.0	0.0	0.0	0.0	0.0	223.3
Patient-State County Facility	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.9	6.9	6.9	6.9	82.0
Pension Appropriations	0.0	8.2	8.8	0.0	5.4	0.0	0.0	0.0	0.0	0.0	0.0	503.2	525.6
Pension Approp - Alt Benefits	5.1	4.9	5.4	5.4	5.4	5.4	5.4	5.4	5.6	5.6	5.6	5.7	64.9
Pharmaceutical & Medical	14.1	14.0	14.1	14.0	14.1	14.0	14.1	14.0	14.1	14.1	14.1	14.1	168.8
Property Rentals	13.1	18.1	17.6	13.1	14.5	24.9	14.5	20.2	14.1	14.7	13.0	36.3	214.1
Public Utility Franchise	99.9	1.8	237.2	0.0	6.5	313.6	0.0	0.0	0.0	0.0	0.0	0.0	659.0
Second Injury Fund	6.3	6.4	6.4	9.6	6.4	11.4	9.6	6.4	6.4	6.4	6.4	9.6	91.3
Social Security	27.1	42.4	18.1	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	262.2
Unemploy. Comp. Fund Repayment	0.0	0.0	38.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.0
Veterans & Senior Citz.	0.0	0.3	0.0	0.0	59.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	59.7
All Other Disbursements	26.5	151.9	109.0	109.0	109.0	109.0	109.0	108.9	108.9	108.9	108.9	108.9	1,267.9
Total Disbursements	$1,615.8	$1,490.9	$2,132.0	$2,177.3	$1,839.8	$2,456.3	$1,761.3	$1,709.3	$1,644.1	$1,726.2	$2,887.7	$2,629.9	$24,070.6
Ending Balance	$1,233.9	$1,202.2	$837.1	$1,874.7	$1,484.6	$835.2	$902.4	$701.8	$578.9	$2,449.5	$1,162.0	$348.3	
Monthly Cash Flow	$597.4	($31.7)	($365.1)	$1,037.6	($390.1)	($649.4)	$67.2	($200.6)	($122.9)	$1,870.6	($1,287.5)	($813.7)	
Cumulative Cash Flow	$597.4	$565.7	$603.7	$1,519.7	$1,294.1	$533.8	$546.6	$213.5	$255.5	$2,084.3	$493.8	$348.3	
Weekly Cash Low Point	$435.5	$968.8	$482.1	$1,684.2	$1,183.2	$479.4	$414.1	$378.4	$213.7	$1,781.3	$1,162.0	$348.3	

I. Interest Rate Cap

An interest rate cap is a contract between an Issuer or borrower (herein, the "Issuer") and Lehman Brothers, in which Lehman Brothers would protect the Issuer from rising variable interest rates above a certain level. An interest rate cap agreement operates in a simple fashion: if the average of a weekly variable rate index (such as the J.J. Kenny Weekly Index) for the quarter rises above an agreed upon capped level (e.g., 6.00%), Lehman Brothers will pay the Issuer the difference between the average variable rate index and the capped rate on the notional principal amount which is subject to the cap. A one-time fee for establishing the cap is payable to Lehman Brothers upon execution of the agreement.

An interest rate cap with up to a five year term is particularly attractive for several reasons:

1) The Issuer benefits fully if variable interest rate falls.

2) The Issuer is fully protected from an unexpected variable interest rate increase above the cap level.

3) The Issuer retains maximum flexibility. Early termination of cap can be accomplished easily and at a net payment to the Issuer. With both the collar and interest rate swap alternatives discussed below, if early termination is required and interest rates have fallen below today's levels, the termination will be at a cost to the Issuer.

Provided below are upfront fees for one to five year caps at various levels of Kenny. These and other indicative market levels shown here in are as of January 8, 1992 and are subject to change. The dollar amount is equal to the principal amount covered times the applicable percentage.

Kenny Strike Rate	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
4.25%	.08%	.43%	1.45%	2.84%	4.44%
4.50%	.07%	.33%	1.20%	2.45%	3.87%
5.00%	.06%	.20%	.81%	1.80%	2.98%
5.50%	.05%	.11%	.55%	1.29%	2.25%

The cap upfront fee is based upon the term of the cap and the Kenny cap level. The longer the term the more costly the cap. The higher the cap level, relative to current market levels, the lower the upfront fee. Current market conditions permit Lehman Brothers to offer extremely attractive Kenny caps.

The interest rate cap agreement between Lehman Brothers and the Issuer is a simple document which summarizes the economic terms of the transaction. Since the cap does not involve an extension of credit by Lehman Brothers to the Issuer, there are no covenants to be negotiated. We can execute the cap in minutes over the telephone with an agreement which confirms the economic terms sent by fax. The agreement allows the Issuer to terminate or sell the cap prior to term. The termination of the cap can, at a minimum, have no value to the issuer (if interest rates fall significantly and/or if the cap is sold at or near term) or more likely can be sold at a positive value. Importantly, the cap will allow an Issuer the flexibility to terminate and, in the interim, provide interest rate protection.

Cap payments are calculated in the following way:

- Quarterly, Lehman Brothers, as calculation agent, will compute the average weekly Kenny rate for the period covered. If the average of weekly Kenny rates for the quarterly period are less than the cap rate, no payments are made to the Issuer. If the average weekly Kenny rate for the quarterly period is greater than the cap rate, Lehman Brothers will pay the difference between the average weekly Kenny rate for the quarterly period and the cap rate.

- Each quarterly calculation period will commence and terminate to coincide with the interest payments dates on the Issuer's outstanding variable rate bonds. This will allow for an exact match of the calculation of Kenny for purposes of the cap agreement, with the quarterly payment of the average weekly rates for the Issuer's variable rate bonds and, if payments are made, provide the means of making payments to the Issuer exactly when required by the Issuer to meet its interest payment requirements.

While not specifically discussed below, the calculations to determine whether payments are due for a collar are the same as those outlined for the cap.

II. Interest Rate Collars

Interest rate caps for a term of five years are more costly than a cap for a one or two year term. For example, a Kenny cap at 6.00% would be priced at the following:

Term	Upfront Fee
1 Yr	.05%
2 Yr	.08%
3 Yr	.40%
5 Yr	1.69%

An Issuer can [illegible]
Lehman Brothers of an interest rate floor. Like a cap, an interest rate floor is a contract between Lehman Brothers and Kenny. The floor agreement provides that if the average weekly Kenny rates for the quarterly period fall below an agreed upon Kenny floor level, the Issuer will pay Lehman Brothers the difference between the Kenny rate and the floor rate on the notional principal amount which is subject to the floor. The fee for establishing the floor is paid by Lehman Brothers upon execution of the agreement.

The simultaneous purchase by the Issuer of a cap and its sale of a floor creates an interest rate management technique known as an "interest rate collar". If a collar is structured so that no upfront fee is required, a "costless" collar is created. By using a collar, the Issuer's floating rate obligations would move in a range, never rising above the cap rate and never falling below the floor strike rate.

A "costless" collar has the following features:

- No required upfront fee.
- Ability to terminate the collar prior to term, but at a cost, if interest rates decline as explained above.
- The collar creates a predictable interest rate range for the Issuer. However, the range may expose the Issuer to more risk than upside gain.

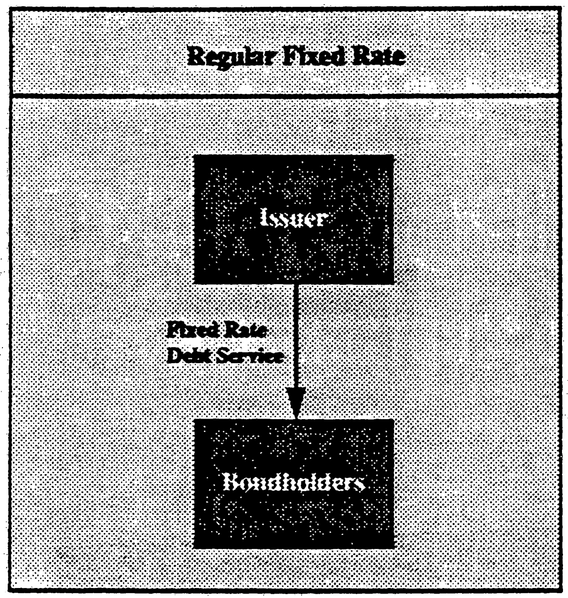
Indicative levels for several "costless" collars are provided below.

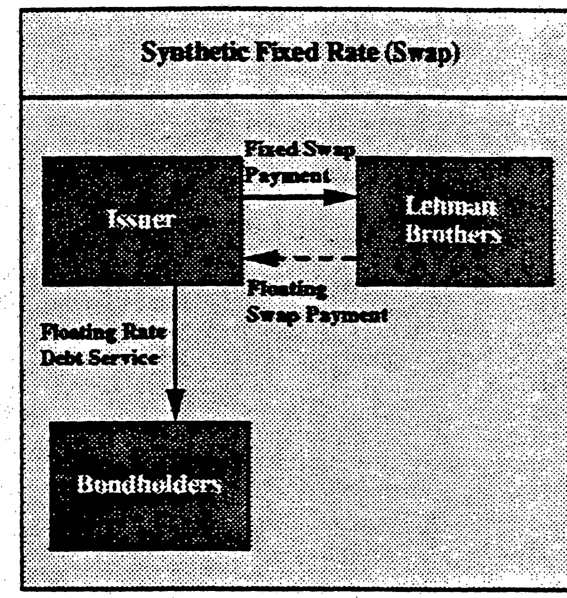
Kenny Cap Rate	Kenny Floor Rate	Term
5.0%	3.1%	2 years
5.5%	3.0%	2 years
6.0%	3.4%	3 years

III. Interest Rate Swap

An Issuer could convert its exposure to tax-exempt variable rate debt to a fixed rate through the use of an interest rate swap.

A swap is a contractural exchange of interest payments computed by multiplying interest rates times the principal amount covered by the swap. Only the computed interest payments, not the principal amount, are exchanged. A swap can cover all or a portion of the principal amount of a bond issue and can last up to 10 years. Swaps are used to create "synthetic" fixed rate or floating rate liabilities. The diagrams below compare the issuance of regular fixed rate bonds with creating a synthetic fixed rate by using a floating to fixed interest rate swap.





- In the regular fixed rate example, the Issuer issues fixed rate bonds and pays a fixed rate to bondholders.

- In the synthetic fixed rate example, the Issuer issues floating rate bonds and pays floating rate debt service to the bondholders. The Issuer also enters into a swap with a swap counterparty such as Lehman Brothers. In the swap the Issuer receives floating rate payments and pays fixed rate payments based on a predetermined fixed rate. The floating rate payments received by the Issuer in the swap should closely match its floating rate payments to bondholders. The Issuer's net cashflow is therefore the fixed rate swap payment.

Issuer's can also use swaps to hedge existing variable rate debt. The example below illustrates the swap mechanics for a 2 year swap relating to $50 million of outstanding variable rate bonds.

1. the Issuer has $50 million of outstanding variable rate bonds;

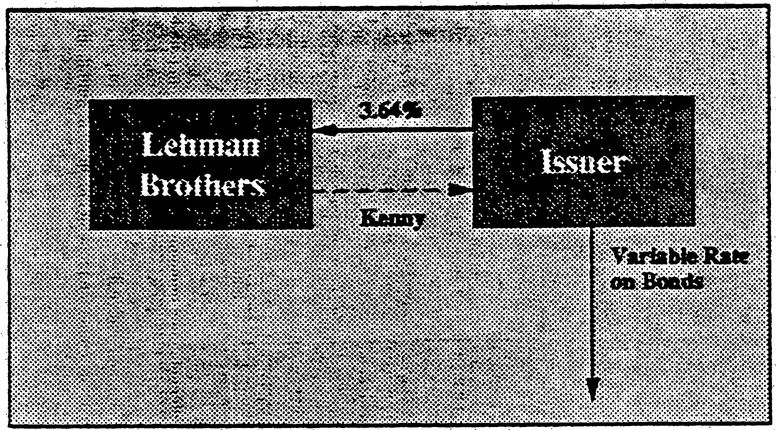
2. the Issuer enters into a Swap Agreement with a Counterparty such as Lehman Brothers;

3. every month, the Counterparty pays to the Issuer the average of Kenny for that period times $50 million. This will closely match the amount that the Issuer must pay to the holders of the variable rate bonds;

4. every six months, the Issuer pays to the Counterparty 4.00%, calculated on a 30/360 day basis, times $50 million for the monthly period. The all-in cost established through the use of the Swap equals 4.00% plus/less the spread of the variable rate bonds over or under the Kenny Index.

5. after two years, the payments cease.

The swap cash flows are as follows:



The swap effectively converts the bonds from a variable rate to a fixed rate for two years. The underlying debt issuer remains unaffected because the swap is an agreement between the Issuer and the Counterparty; it has no impact on obligations to the holders of the variable rate bonds. The Issuer retains the ability to call or refinance the bonds without affecting the swap. Similarly, the swap could be reversed or terminated without affecting the bonds.

The following table shows indicative rates for swaps of two, three, five and ten year terms. The fixed swap rate reflects the payments made by the Issuer to Lehman Brothers in exchange for receiving a payment of Kenny.

Swap Rates as of [illegible]	
Term	**Fixed Swap Rate**
2	3.64%
3	4.03%
5	4.71%
10	5.34%

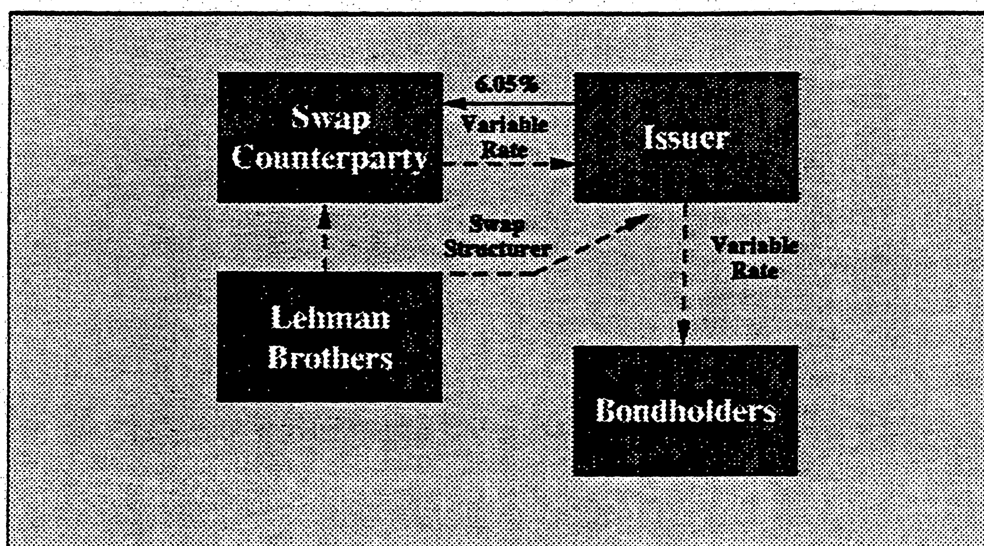
The swap provides several features:

- It establishes an absolute hedge — a fixed interest rate for a period of time.

- Liquidity — the swap may be terminated prior to term at the Issuer's option.

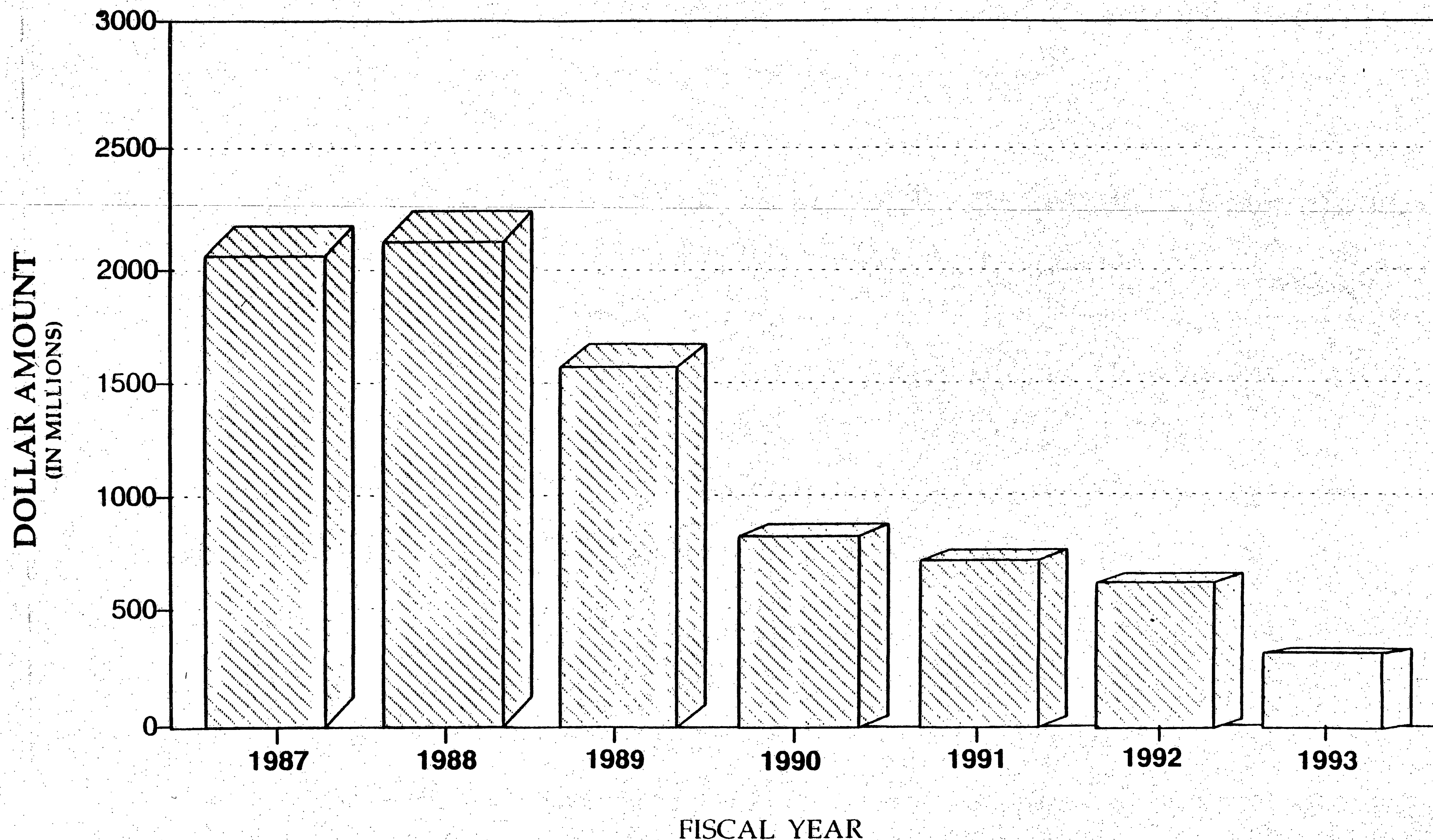
* does not include the ongoing letter of credit facility and remarketing fees

The advantages of fixing a floating rate issue through the use of a swap rather than through the bond market are reduced interest cost and reduced conversion costs. In today's market, the municipal swap market is out-performing the municipal bond market by 30–40 basis points throughout the yield curve. This translates into greatly reduced interest costs to the Issuer through use of a swap rather than a conversion to fixed rate transfer issuance of fixed rate bonds. While swaps rates are market sensitive, like bond rates, they often do provide savings, especially in "speciality" states like New York, New Jersey and California. An additional advantage is that a swap does not involve any issuance of debt, and therefore greatly reduces legal fees, and eliminates management fees and takedown. In effect, Lehman Brothers can fix an Issuers variable rate issue at extremely cost effective rates at virtually no transaction cost to the Issuer. A diagram showing the cash flows for a long dated swap is depicted below:



STATE OF NEW JERSEY

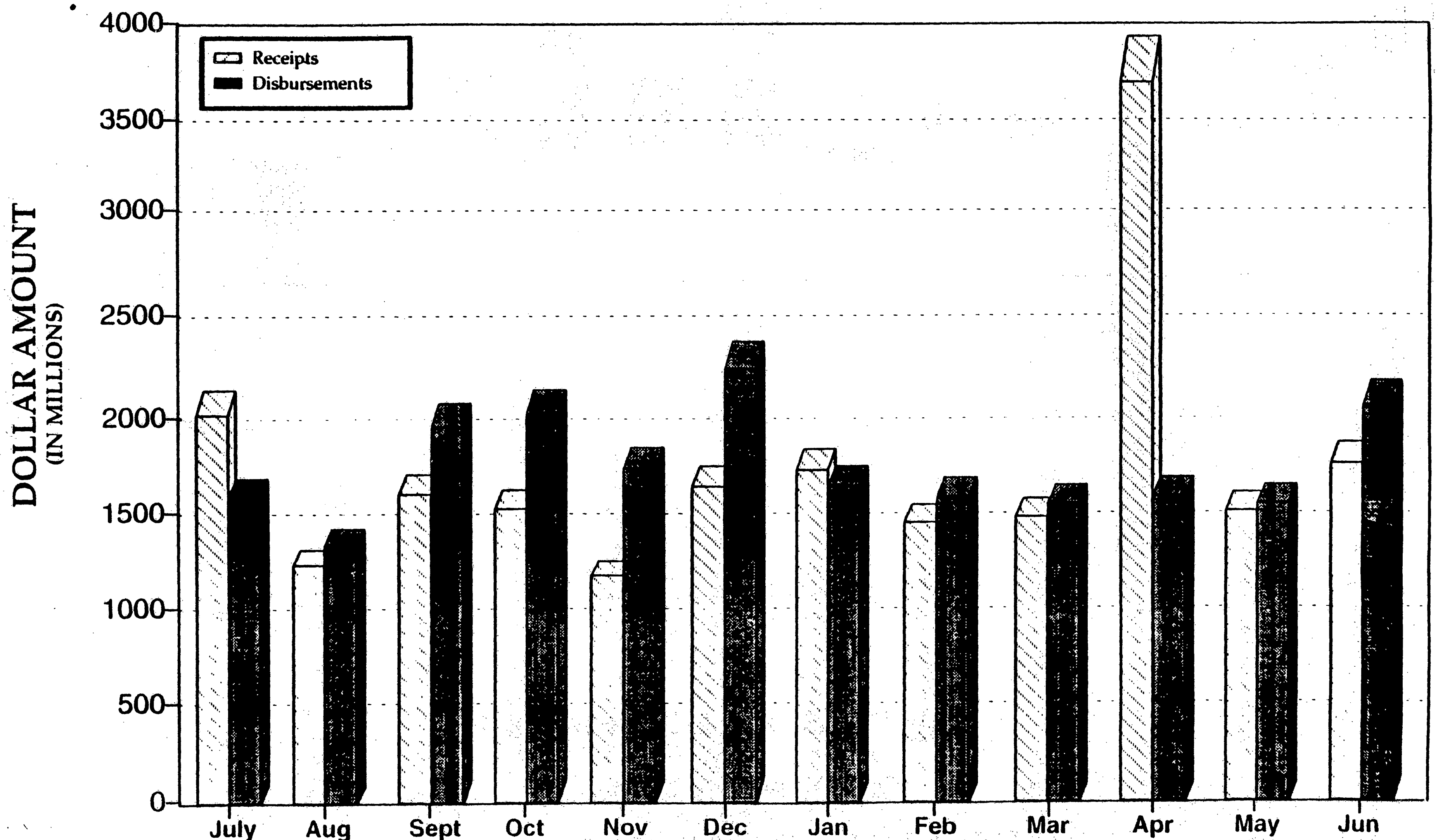
ENDING CASH BALANCES
FISCAL YEARS 1987 TO 1993



SOURCE: OFFICE OF MANAGEMENT AND BUDGET

STATE OF NEW JERSEY

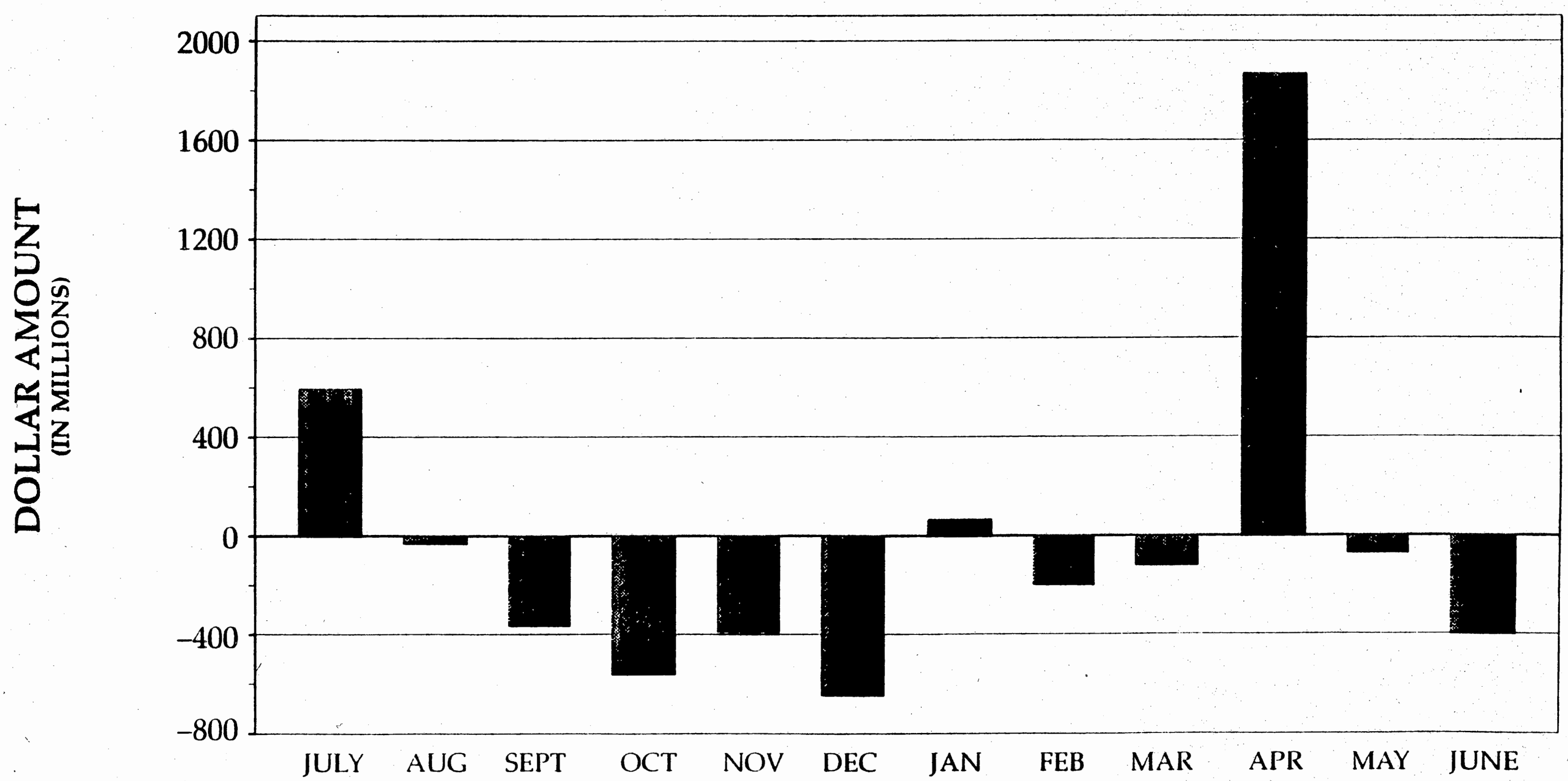
FISCAL YEAR 1993
TOTAL RECEIPTS VS. TOTAL DISBURSEMENTS
(WITHOUT SHORT-TERM NOTES)



SOURCE: OFFICE OF MANAGEMENT AND BUDGET

STATE OF NEW JERSEY

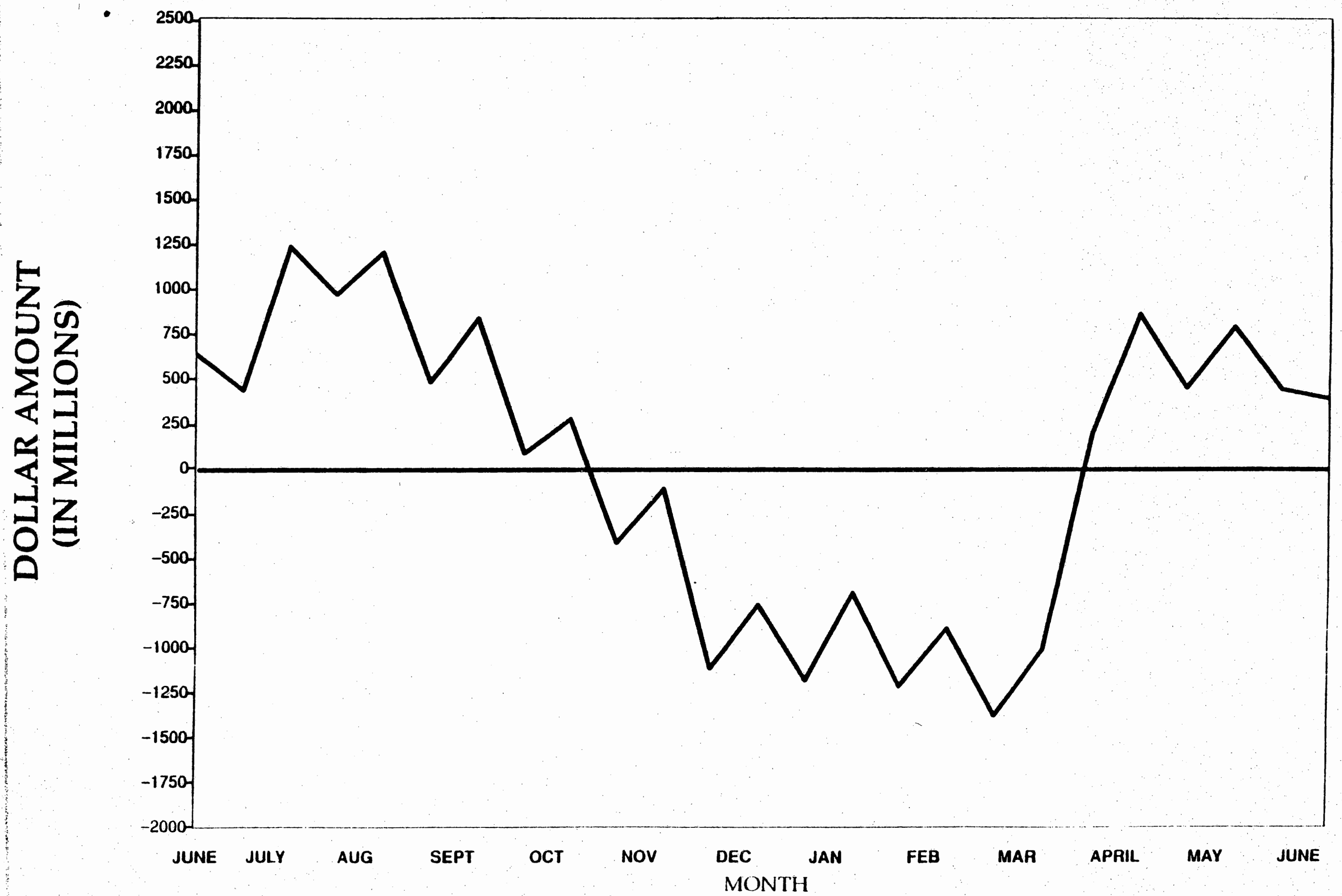
FISCAL YEAR 1993
NET MONTHLY CASH FLOW
(WITHOUT SHORT–TERM NOTES)



SOURCE: OFFICE OF MANAGEMENT AND BUDGET

State of New Jersey

FISCAL YEAR 1993
CASH BALANCES
(WITHOUT SHORT–TERM NOTES



SOURCE: OFFICE OF MANAGEMENT AND BUDGET

Below are listed the costs of issuance incurred by the State for the sale of $1.8 billion TRAN's during Fiscal Year 1992. Total costs of issuance equal $3.61 per $1,000 bond. The major component is the underwriting spread of $2.25 per $1,000 bond. These costs are reasonable based on (i) comparable underwriting spreads and interest rates as shown on the attached sheets and (ii) FY 1992 was the initial offering of the TRAN's by the State requiring additional start up costs.

Costs of Issuance FY 1992 Notes

Service	Vendor	Series A	Series B & C	Series D & E	Totals
Underwriting	Lehman/Citi *	2,884,251.00	790,869.00	390,000.00	4,065,120.00
Remarketing	Lehman		251,758.84	51,310.92	303,069.76
	Citi		83,919.62	51,310.92	135,230.54
Liquidity Facility	UBS		589,147.93	113,298.46	702,446.39
Liquidity Counsel	Rogers & Wells		68,552.56		68,552.56
Note Counsel	Mudge Rose	116,513.96	100,000.00	70,026.52	286,540.48
Binding	Bethel	3,986.45	3,000.00	3,935.30	10,921.75
Printing	Packard	52,021.16	40,718.60	25,474.43	118,214.19
Rating	Moody's	25,000.00	20,000.00	20,000.00	65,000.00
	S & P	75,000.00	50,000.00	23,000.00	148,000.00
	Fitch			20,000.00	20,000.00
Interest Cap	Morgan Stanley		530,000.00		530,000.00
Trustee	First Fidelity	18,000.00	18,000.00	18,000.00	54,000.00
SUBTOTAL		3,174,772.57	2,545,966.55	786,356.55	6,507,095.67
INTEREST		52,322,666.67	10,688,494.27	2,856,768.10	65,867,929.04
TOTAL		55,497,439.24	13,234,460.82	3,643,124.65	72,375,024.71

* Series A Underwriting fee split between group consisting of:

Citicorp Securities
First Boston Corp
Lazard Freres
Goldman Sachs
E.A. Moos & Co.
Pryor, McClendon, Counts
Merrill Lynch
Morgan Stanley
Prudential Securities
Ryan, Beck
William E. Simon & Sons
Sturdivant & Co.
First Fidelity
Printon, Kane
J.B. Hanauer
Artemis Capital Group
Lehman Brothers

Underwriting Spreads

Issue Date	Issuer	Par Amount (Millions)	Underwriting Spread (Per $1,000 Bond)
5/7/92	Cook Co. Illinois	170.0	$2.29
6/18/92	New York	3,900.0	2.36
6/27/92	Iowa	330.0	1.83
7/10/92	Philadelphia	175.0	3.30
7/22/92	California	1,650.0	1.93
8/6/92	California	5,100.0	1.93
8/14/92	Maine	150.0	2.30
10/9/92	New York	1,250.0	2.05

Source: Securities Data Co/Bond Buyer

	New Jersey	1,800.0	2.25

COMPARABLE TAX-EXEMPT NOTE ISSUES

	7/03/91
Bond Buyer One-Year Note Index[1]	4.84
One-Year Treasury Bills	6.00
Los Angeles County, California $1.2 Billion, 1991-92 Tax and Rev. Antic. Notes Sale Date: 6/13/91 Initial Yield: 4.55% Rating: MIG-1/SP-1+	4.50
Wisconsin $450 Million G.O. Operting Notes Sale Date: 6/13/91 Initial Yield: 4.70% Maturity Date: 6/15/92 Rating: MIG-1/SP-1+	4.65
State of Iowa $330 Million Tax and Rev. Antic. Notes Sale Date: 6/27/91 Initial Yield: 5.10% Maturity Date: 6/30/92 Rating: MIG-1/SP-1+	5.02
New York State $3.9 Billion Tax and Rev. Antic. Notes Sale Date: 6/18/91 Initial Yield: 4.95% Maturity Date: 6/30/92 Rating: MIG-2/SP-2	5.10
New Jersey Issue $1.2 Billion Tax and Rev. Antic. Notes Series 1992A Sale Date: 7/3/91 Initial Yield: 4.60% Maturity Date: 6/15/92 Rating: MIG-1/SP-1+	4.60

[1] Includes ten one-year note issues. All are rated MIG-1 and SP-1+, except for the New York State notes (MIG-2,SP-2).
Source: Lehman Brothers

JOINT BUDGET OVERSIGHT COMMITTEE

BALLOT

DATE: September 11, 1992

ITEM: APPROVAL OF ISSUANCE OF FISCAL YEAR 1993 TAX AND REVENUE ANTICIPATION NOTES PER FINANCIAL PLAN SUBMITTED BY STATE TREASURER

VOTE: 4-0-0

	YEA	NAY	ABSTAIN	SIGNATURE
Senator Littell	✓			[signature]
Assemblyman Frelinghuysen	✓			[signature]
Senator Ewing				
Senator Menendez				
Assemblyman Kamin	✓			[signature]
Assemblyman Watson	✓			[signature]

REMARKS:

Quorum Obtained

Present: Senator Littell, Assemblymen Frelinghuysen, Kamin and Watson

Absent: Senators Ewing and Menendez

JOINT BUDGET OVERSIGHT COMMITTEE

RESOLUTION

Adopted September 11, 1992

WHEREAS, the State Treasurer has transmitted to the Joint Budget Oversight Committee (hereinafter the "Committee"), a Finance Plan and supporting materials for a proposed issuance of fiscal year 1993 State short-term notes for cash flow management purposes pursuant to section 32 of P.L.1992, c.40, the fiscal year 1993 annual appropriations act; and

WHEREAS, the Finance Plan and supporting materials indicate that the fiscal year 1993 short-term notes will not constitute a general obligation of the State or a debt or a liability within the meaning of the State Constitution, that such short-term notes shall mature and will be paid in fiscal year 1993, that the State Treasurer shall pay any costs or obligations relating to the issuance of such short-term notes or contracts relating thereto, that short-term notes shall be issued in such amounts and at such times during fiscal year 1993 as the State Treasurer shall deem necessary pursuant to the Finance Plan for cash flow management 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 pursuant to the Finance Plan; and

WHEREAS the State Treasurer, with the Committee's approval, is authorized to enter into such contracts and to take such other actions, all as determined by the State Treasurer pursuant to the Finance Plan, as are appropriate to further the above cash flow management purposes; and

WHEREAS, upon issuance by the State Treasurer of 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; and

WHEREAS, the Finance Plan and the supporting materials submitted to the Committee on September 11, 1992, requesting approval of the issuance of fiscal year 1993 State short-term notes for cash flow management purposes pursuant to section 32 of P.L.1992, c.40 is the basis upon which the Committee is evaluating the request; now, therefore, BE IT RESOLVED by the Joint Budget Oversight Committee:

1. The issuance of fiscal year 1993 State short-term notes for cash flow management purposes pursuant to the Finance Plan of the State Treasurer and the supporting materials submitted by the State Treasurer on September 11, 1992, is approved by the Committee.

ATTESTED:

Alan R. Kooney

Alan R. Kooney
Legislative Budget and Finance Officer
Secretary, Joint Budget Oversight Committee

September 11, 1992
Date

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