



SUMMARIES OF APPROPRIATIONS

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



SUMMARIES OF APPROPRIATIONS

THE BUDGET IN BRIEF

GENERAL FUND

Resources

(\$ In Thousands)

Undesignated fund balance, July 1, 2003	100,000	
Revenues anticipated and adjustments	15,783,065	
Total Resources		15,883,065
Recommendations		
Direct State Services	5,093,786	
Grants-in-Aid	5,841,960	
State Aid	3,373,947	
Capital Construction	1,024,444	
Debt Service	433,928	
Total Recommendations		15,768,065
Undesignated fund balance, June 30, 2004		115,000

SURPLUS REVENUE FUND

Resources

Undesignated fund balance, July 1, 2003		---
Recommendations		
Transfer from or to General Fund		---
Undesignated fund balance, June 30, 2003		---

PROPERTY TAX RELIEF FUND

Resources

Undesignated fund balance, July 1, 2003	---	
Revenues anticipated from Gross Income Tax	7,493,820	
Total Resources		7,493,820
Recommendations		
Grants-in-Aid	992,883	
State Aid	6,500,937	
Total Recommendations		7,493,820
Undesignated fund balance, June 30, 2004		---

GUBERNATORIAL ELECTIONS FUND

Resources

Undesignated fund balance, July 1, 2003	1,500	
Revenues anticipated	1,500	
Total Resources		3,000
Recommendations		
Public Financing of Elections		---
Undesignated fund balance, June 30, 2004		3,000

CASINO CONTROL FUND

Resources

Undesignated fund balance, July 1, 2003	---	
Revenues anticipated	62,737	
Total Resources		62,737
Recommendations		
Regulation of Casino Gambling		62,737
Undesignated fund balance, June 30, 2004		---

CASINO REVENUE FUND

Resources

Undesignated fund balance, July 1, 2003	---	
Revenues anticipated	512,200	
Total Resources		512,200
Recommendations		
Programs for senior citizens and handicapped persons		377,200
Undesignated fund balance, June 30, 2004		135,000 (a)

(a) It is anticipated that \$135 million in General Fund Appropriations will be shifted to the Casino Revenue Fund thus reducing the Casino Revenue Fund surplus to \$0 and increasing the General Fund surplus to \$250 million.

NOTES

BUDGET HIGHLIGHTS

Against a backdrop of severe fiscal constraint gripping nearly every state in the nation, Governor James E. McGreevey proposes a \$23.702 billion fiscal 2004 Budget for New Jersey that adheres closely to his guiding principles of fiscal responsibility, government accountability, and core priorities in education, children, taxpayer relief, and smart growth.

Like countless families and businesses throughout New Jersey, State government must tighten its belt in this era of austerity. More than any budget in recent memory, the plan presented here was forged from a firm commitment for the State to "live within its means." In short, this Budget is the product of many difficult choices.

But amid crisis, there is opportunity. Opportunity to rethink the basic mission of State government, and opportunity to identify the programs and services that New Jerseyans hold most dear. A strict new calculus now drives each budget decision: every dollar saved is one more dollar to educate a young child, to secure our safety, to ensure critical tax relief, and to care for the neediest among us.

With those tenets firmly in mind, this Administration led a concerted effort to review every program and line item and to reduce spending where appropriate. In total, 108 programs and line items of varying sizes will be completely eliminated in fiscal 2004, saving over \$300 million in State funds. Another 19 programs or line items have been reduced by 50 percent or more, yielding an additional \$15 million in cost reductions. Where budget growth was not mandated by the State constitution, contract, or federal mandate, it was sharply constrained, providing a cost avoidance that totaled \$2.4 billion.

As a result, the budgets of nearly every State department, agency, and commission have been reduced in fiscal 2004. In Direct State Services, the only increases are reflected in the Interdepartmental budget (\$224 million) due to unavoidable growth in pension costs, health benefits, and salary contracts, and in Human Services (\$7.2 million), owing to an initiative to ensure the Division of Youth and Family Services (DYFS) has the resources necessary to protect children.

Governor McGreevey has proposed fiscal solutions to address budget deficits totaling \$6.3 billion, including a \$1.3 billion shortfall in fiscal 2003 and a projected

deficit of nearly \$5 billion in fiscal 2004. Despite these fiscal pressures, however, this Budget is crafted to increase the projected closing surplus from \$100 million to \$250 million in fiscal 2004.

Perhaps most importantly, Governor McGreevey's Budget proposes to:

- Hold the line on income, sales, and corporate taxes;
- Increase formula-related and supplemental School Aid by \$100 million and School Construction by \$96 million;
- Preserve the core value of property tax relief programs for individuals: NJ Saver checks averaging \$500 will continue for nearly 900,000 homeowners with annual incomes of \$100,000 or less and Homestead Rebate checks benefiting a total of 1.6 million residents will remain at the current maximum of \$775.

Fiscal Responsibility

Fiscal 2003⁶ Current Year Shortfall

A deficit of approximately \$1.3 billion was projected for fiscal 2003, due primarily to the following:

- Sluggish revenue growth, with sales and income taxes on a pace to generate approximately \$500 million less than originally projected. Shortfalls in other revenues will be offset by greater than anticipated collections in the Corporate Business Tax.
- Delays in securing nearly \$392 million in anticipated federal funds for a requested pharmaceutical waiver (\$62 million) and Intergovernmental Transfer (IGT) payments (\$330 million).
- Higher than anticipated supplemental spending, including \$60 million for court-mandated, Abbott Supplemental Aid, \$50 million for post retirement medical costs, and \$47 million for county solid waste debt service.

The Governor took decisive action to offset the deficit, triggering the use of \$413 million in remaining funds from the first Tobacco Securitization initiative and identifying approximately \$700 million of current year spending authority for lapse to the General Fund. With regard to the latter, the Governor's fiscal 2003 solutions included:

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- Delaying payments totaling \$361 million, including \$296 million for School Aid, \$43 million to colleges and universities, and \$22 million to NJ Transit;
- Underspending \$134 million across many programs, including NJ SAVER (\$45 million), short term borrowing (\$37 million), Abbott Preschool (\$30 million), and Homestead Rebates (\$8 million);
- Achieving debt service savings of \$68 million;
- Lapsing balances from the Second Injury Fund (\$20 million) and other miscellaneous accounts (\$117 million).

Finally, the use of \$166 million from higher-than-anticipated receipts from the Tax Amnesty program will be used as budget relief in fiscal 2003.

As a result of these actions, the fiscal 2003 Budget is expected to close with a fund balance of \$100 million.

Fiscal 2004 -- Preserving Vital Services

The projected fiscal 2004 deficit of approximately \$5 billion represents 21% of the total recommended fiscal 2004 Budget of \$23.7 billion. An unprecedented combination of factors have coincided to restrain revenue growth, including sluggish economic growth affecting much of the national economy, a drop in capital gains and bonuses related to the downturn in the stock market, and the failure of the federal government to provide increased state aid as part of its proposed economic stimulus plans.

Base revenues for fiscal 2004 are estimated at \$22.9 billion, including an estimated \$1.1 billion from securitizing the remainder of tobacco settlement proceeds. This represents a *reduction* of \$314 million from the adjusted fiscal 2003 revenues.

The significance of this decline is best understood by contrasting it with the projected growth in the budget. To accommodate cost increases attributable to statutory requirements (\$1.5 billion), constitutional dedications (\$586 million), contracts and debt service (\$650 million), and federal mandates/decisions (\$434 million), as well as the elimination of one-time funding sources (\$453 million), a budget totaling \$27.7 billion would have been required in fiscal 2004. Since much of this growth is unavoidable or of highest priority, the resulting \$5 billion deficit represents a fiscal challenge of immense proportion.

To restore fiscal stability, the Governor proposes a combination of \$1.3 billion in spending reductions, \$2.4 billion in reduced growth, and \$1.2 billion in additional revenue initiatives. (With respect to the revenue items, some are reflected in the Budget as revenue increases and others as appropriation reductions offset with corresponding revenue; however, all are characterized as revenue-related initiatives for the purpose of this summary.) Specifically, the budget plan recommends revenue enhancements totaling \$891 million, the most prominent of which are summarized below:

- \$250 million from additional tobacco securitization;
- \$140 million from a 7% hotel/motel tax, much of which will be paid by travelers from other states;
- \$93 million from an increase in the Realty Transfer Tax, the base amount of which was last raised in 1975;
- \$90 million from raising the 8% Casino Revenue tax 10%;
- \$78 million from a 40 cent increase in the cigarette tax;
- \$72 million surcharge on utility bills to support energy assistance programs for seniors and the disabled;
- \$62 million from more aggressive collection of outstanding debt, including an amnesty on certain motor vehicle surcharges and collection of hospital debt to offset charity care costs;
- \$46 million from a franchise fee on wireless telephone service to support the ongoing cost of security and counter-terrorism, including State Police costs for heightened levels of alert as well as operation of the statewide 911 calling system;
- \$45 million from the imposition of a sales tax on complimentary rooms and meals.

In addition, \$220 million in trust fund balances are recommended for transfer to the General Fund. Key initiatives include:

- \$47.5 million from the Workforce Development Fund to support job training costs in Human Services' Workfirst program;
- \$25 million from the Housing and Mortgage Finance Authority (HMFA) to support housing-related programs;

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- \$30.4 million in available balances from the Economic Development Authority to offset related State appropriations for pension bonds (\$22.6 million), the Heldrich Center in New Brunswick (\$4 million), Nanotechnology and Cooperative Marketing (\$3.3 million) in the Commerce Commission, and the NJ Performing Arts Center in Newark (\$.5 million);
- \$30 million from the State Disability Benefits (TDI) Fund;
- \$15 million from the Stock Workers' Compensation Security Fund;
- \$12.6 million from a legislative initiative to expand the dedication to Shore Protection to include flooding and dam repair projects.

Increased fees and fines will provide \$82 million in new revenue. Most prominently, a new assessment on nursing home providers (\$18.5 million) will largely be funded through increased federal Medicaid payments. Co-payments of \$3 are proposed for drug prescriptions secured through the Medicaid program (\$17.1 million) and for services provided by Personal Care Attendants (\$12.7 million).

Finally, \$36 million in asset sales are assumed for the North Princeton and Marlboro facilities (\$26 million) and the lease/leaseback of certain properties (\$10 million).

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

On the spending side, budget growth has been suppressed significantly. As previously noted, approximately \$2.4 billion (67%) of the \$3.6 billion in budget increases originally projected for fiscal 2004 has been suspended or offset. Cost increases that have been curtailed include:

- \$731 million in cost avoidance in pensions through the use of a five-year contribution phase-in and assets within the Benefit Enhancement Fund;
- \$512 million in projected growth in School Aid (\$413 million) and School Construction debt service (\$99 million);
- \$325 million in Charity Care payments assuming enactment of legislation to continue the redirection of Unemployment Insurance funds to support this critical program;

- Federal funding attributable to the Intergovernmental Transfer program, economic stimulus or other federal aid.

Much of the remaining growth of \$1.2 billion that is recommended for fiscal 2004 is either mandated by the State constitution, statutory dedications, existing contracts, federal requirements, or debt service commitments. Given the lackluster revenue outlook, it was necessary to offset a good portion of this growth with significant cuts to appropriations. Specifically, the Budget provides for:

- \$330 million reduction in Medicaid attributable to increased federal funds from either the Intergovernmental Transfer (IGT) program, economic stimulus or other federal aid;
- \$210 million as a result of limiting the NJ SAVER program to an income cap of \$100,000 (\$171 million) and recalculating program participation levels (\$39 million);
- \$113.5 million in reductions to senior public colleges and universities (\$101 million), county colleges (\$8 million), and independent colleges and universities (\$4.5 million);
- \$89 million in pharmaceutical-related reductions in the PAAD, Senior Gold and Medicaid programs, including a preferred drug list, average wholesale price discount, and mandatory generic substitution;
- \$76 million in FamilyCare reductions
- \$32 million in reductions to cultural, arts and history grants.

Within the \$1.2 billion of growth that *is* recommended in this Budget, employee benefits collectively represent nearly 50% percent of the total. On a cumulative basis, the sum of nearly \$585 million in growth is proposed as benefits for State employees (\$300 million), teachers (\$194 million), college employees (\$76 million), and local government staff (\$15 million). More specifically, costs include post retirement medical (\$285 million), health benefits (\$126 million), pension contributions (\$28 million), and, in the case of State employees, contractual salary increases (\$82 million). Other significant increases include the aforementioned growth for formula-related and supplemental School Aid (\$100 million) and School Construction (\$96 million).

SUMMARIES OF APPROPRIATIONS

Fiscal 2004 Budget Compared to Fiscal 2003 Budget

When viewed by category of funding, the recommended Fiscal 2004 Budget is allocated as follows:

- \$17.1 billion (72%) is either State Aid (\$9.9 billion, 42%) or Grants (\$7.2 billion, 30%).
- Direct State Services (DSS) totals \$5.2 billion (22%), virtually the same as in fiscal year 2003 and includes \$3.6 billion for operating departments which is \$146 million, or 3.9%, below the current year level and \$1.6 billion for central costs including employee benefits which is \$224 million, or 16.8%, above the current year levels.
- Importantly, Direct State Services funding increases by only 1.5% while State Aid increases by 4%.
- Grants decline by \$776 million (9.7%).
- General obligation debt service declines by \$36.7 million, nearly an 8% reduction from the current year. Total debt service (including contract debt), however, is \$1.59 billion, an increase of \$139 million. In addition, \$38 million in debt service is being offset through revenues from EDA, HMFA and EFA.

See the Summary of Major Increases and Decreases in the *Financial Summaries* section for a full listing of the recommendations in the fiscal 2004 Budget.

Management Efficiencies

Re-engineering

The Department of Treasury has embarked on a number of re-engineering projects with the primary goal of improving service delivery and constraining costs. Ongoing studies include the following:

- Examination of the operation of the Investments Division;
- Comprehensive assessment of existing office leases to maximize the use of available space;
- Energy procurement aggregation in which the State has joined with other entities such as toll road authorities, colleges, and NJ Transit to maximize our market presence as we approach the full deregulation of energy in August, 2003;

- Energy audits of the largest state facilities to identify where the use of energy-efficient lighting and equipment would reduce our costs;
- Contract with a pool of collection agencies to pursue outstanding debt owed to the State, including a second referral debt collectors who will be paid higher fees to track down aged and high volume cases;
- Study to identify savings within the State Health Benefits Program, which is experiencing strong, upward cost pressure.

Sports and Exposition Authority

For the first time since fiscal 1999, the operating subsidy to the New Jersey Sports and Exposition Authority is proposed for elimination in fiscal 2004. At the request of the Governor, the Authority has aggressively reduced staff and unnecessary operating costs and implemented a revised plan for events at Giants Stadium in 2003 that is projected to increase net revenues significantly.

Auto Inspections

This Administration is finalizing a new agreement on the operation of the State's motor vehicle inspection system with Parsons Infrastructure, the private contractor assigned to operate the system. A total savings of approximately \$17 million will be realized, largely by exempting new cars from their first biennial inspection. This initiative effectively eliminates approximately 20% of the State's biennial inspections and ends the practice of paying millions to inspect new cars which, by their very nature, pose little chance of failing. The new agreement also increases fines for poor service, requires Parsons to pay for property maintenance, and eliminates an existing contract for public relations and advertising.

NJ Transit

The New Jersey Transit Corporation continues to exemplify strong leadership in the area of cost containment and innovative finance. Through innovative use of cross-border leasing of rolling stock, NJ Transit expects to generate \$20 million in new revenue in fiscal 2004. Operationally, the Corporation will eliminate more than 8% of its non-agreement workforce through an early retirement program, elimination of vacancies and abolishment of certain administrative positions. In addition, electronic maintenance functions will be consolidated and the number of automobiles that are not assigned to revenue-related operations will be significantly

reduced. Collectively, management efficiencies are expected to save about \$47 million in fiscal 2004, a significant factor in eliminating the need to increase NJ Transit's subsidy.

GOVERNOR MCGREEVEY'S PRIORITIES

Education

Early Childhood -- The Preschool Advantage

This Administration recognizes that building a solid educational foundation begins at the preschool level, particularly for at-risk students in New Jersey's special needs districts. The State's approach to early childhood education is comprehensive, involving both the Departments of Education and Human Services. It integrates educational, social, and family programs so that children can develop the academic and social skills needed for kindergarten, higher grades and life after graduation from school.

The Abbott Implementation and Compliance Coordinating Council, created by Governor McGreevey's Executive Order #6, included early childhood education as one of its principal areas of focus. As a result of the collaborative efforts of the council and stakeholders, the Department of Education issued guidelines that will assist Abbott School Districts to plan, develop, and realize high quality early childhood education programs for three- and four-year olds within three years. The approved 2003-2004 preschool plans followed those guidelines.

The fiscal 2004 Budget provides \$142.4 million in the Department of Education and \$114.5 million in the Department of Human Services for the expansion of Abbott preschool programs. Increased funding of \$39 million over the projected fiscal 2003 actual spending amount will accommodate an increase from the fall 2002 enrollment.

School Construction

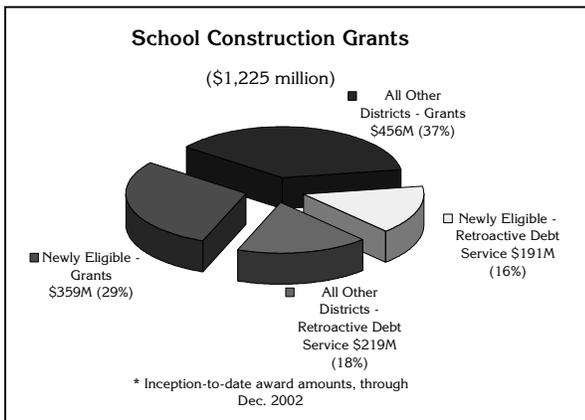
The fiscal 2004 Budget includes a \$96.5 million increase for the State's School Construction program. The Educational Facilities Construction and Financing Act of 2000 initiated the largest, most comprehensive school construction program in the nation and defined a constitutional standard for all school construction. The new program gives all school districts an increased percentage of State support for eligible project costs. From the inception of the program through December 2002, 145 of the 239 districts that would have received no State funding under the prior law have submitted one or more school construction projects and been approved to receive almost \$550 million in State support in the form of debt service aid or grants from the NJ Schools Construction Corporation, a subsidiary of the Economic Development Authority (EDA). This represents 45% of the total \$1.2 billion in approvals. As a "new" form of State Aid, the School Construction program provides a massive infusion of dollars into local school districts to help them keep pace with the demand for expanded facilities and a quality learning environment.

See the section below on "Taxpayer Relief" for information on School Aid).

Taxpayer Relief

Despite the unprecedented structural budget problems continuing to face New Jersey, Governor McGreevey has not only preserved current property tax relief programs but has provided an increase of \$234 million (2%) over fiscal 2003 (including local pension savings). The Fiscal Year 2004 Budget provides over \$12 billion direct or indirect property tax relief to New Jersey communities and citizens, representing more than half of the entire State Budget.

These funds are essential to local schools and governments, not only to subsidize operating costs, but because they represent property tax relief. State Aid consists of school aid, municipal aid, other local aid, and local property tax relief. In addition to State and Direct Taxpayer Relief, local governments will benefit from the Pension Security Program (PSP) and the Police and Firemen's Retirement System (PFRS) savings of \$347 million in fiscal 2004. (See the Fiscal 2004 Taxpayer Relief table for a detailed listing of these amounts).



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School Aid

State Aid for local school districts is the single largest purpose to which State funds are devoted. In recognition of the continued high priority given to education by this administration, the fiscal 2004 Budget includes \$6.8 billion in direct aid to local school districts.

The Budget also provides \$111.5 million for school construction and renovation costs associated with the Educational Facilities Construction and Financing Act, an increase of \$96.5 million over fiscal 2003. This includes State debt service and increased aid for recently issued local debt for school construction.

The Budget provides \$1.2 billion in payments on behalf of local districts for teachers' retirement benefits and the employer's share of social security payments. This represents an increase of \$203.8 million above fiscal 2003 and shields property taxpayers from shouldering these costs. The fiscal 2004 Budget recommendation includes an increase of \$100 million in formula-related and supplemental school aid - \$50 million for Abbott districts and \$50 million for other districts. No district will receive less aid than in the 2002-2003 school year. Beyond the Abbott districts, wealthy districts (I & J) will receive level funding and the majority of other districts will receive a slight increase in aid.

Municipal Aid

The fiscal 2004 Budget continues to fulfill Governor McGreevey's promise to New Jersey's 566 municipalities that their State funding will be held harmless, despite the ongoing downturn in State revenues.

The two major municipal aid categories, Consolidated Municipal Property Tax Relief and Energy Receipts Property Tax Relief, are funded at a combined total of almost \$1.6 billion, which includes an upward adjustment of nearly \$8 million for inflation. This increased funding will provide both reliability and stability for municipalities as they prepare their budgets and make long-term fiscal plans. The Budget also includes funding for:

- Special Municipal Aid at \$38.5 million, representing a reduction of \$3 million;
- Legislative Initiative Block Grant Program at \$34.8 million;

- State payments in lieu of taxes for open space at \$8 million;
- Trenton Capitol City Aid at \$16.5 million.

In addition, beginning in July 2004, municipalities and counties will begin to receive a portion of the \$140 million in revenue generated from the enactment of an additional 7% tax on hotels and motels (see Revenue Forecast and Initiatives Section for a detailed description of this new tax). It is anticipated that municipalities that host hotels, motels and other facilities covered under the new tax, as well as neighboring towns and county governments, will benefit from this additional aid.

Other Local Aid

In fiscal 2004, the Budget provides \$583.8 million in local aid through various aid programs, an increase of \$38.4 million, or 7%. As noted on the Fiscal 2004 Taxpayer Relief chart, several of the programs received continuation funding in fiscal 2004. Areas of change are highlighted below:

- County Colleges: Totaling \$205.3 million in fiscal 2004, County College Aid provides \$4.0 million of increased funding for pension and health benefits and debt service requirements.
- Urban Enterprise Zones (UEZ): Two critical elements of the UEZ program involve the State's Sales and Use Tax. Under this program, the Sales Tax within the zones is reduced from the normal 6% to 3% and those receipts are dedicated to the UEZ municipalities to fund projects within the zones. In fiscal 2004, municipalities involved in the UEZ program will retain Sales Tax revenues totaling \$41.8 million.
- Library Aid: Of the \$16.8 million allocation, approximately \$8.7 million will support the basic operations of each county and municipal library, and \$6.7 million is set aside for inter-library networking and special developmental projects.
- Pension Contributions for Localities: Contributions for pensions and related health benefits for the Police and Firemen's Retirement System (PFRS) and the Consolidated Police and Firemen's Pension Fund are also included in this category. The cost of these benefits in fiscal 2004 is estimated to be \$38.6 million, an increase of

- \$7.2 million from fiscal 2003. (Local governments will avoid approximately \$214 million in increased pension costs due to the State's initiative to phase-in the increased costs.)

Direct Property Tax Relief

By continuing essential property tax relief programs, this Budget provides almost \$1.5 billion in rebates and State-funded tax deductions to New Jersey property taxpayers.

The fiscal 2004 Homestead Rebate program, funded at \$499.7 million, remains at the fiscal 2003 maximum rebate amount of \$775, providing property tax relief to an estimated 1.6 million senior/disabled homeowners and tenants with taxable incomes of \$100,000 or less.

To make it possible for the State to invest in our children through increased aid to Education, the fiscal 2004 Budget caps NJ SAVER eligibility to incomes under \$100,000 compared to the fiscal 2003 level of \$200,000. This reduced cap allows \$171 million to be shifted to Education, leaving an appropriation of \$470.2 million for the NJ SAVER program. NJ SAVER rebates, which will remain at the fiscal 2003 average of \$500, are expected to provide property tax relief to over 900,000 households.

A total of \$23 million allocated for the Senior and Disabled Citizens' Property Tax Freeze program will provide the 104,000 qualified seniors who participated in the fiscal 2003 program with a rebate check in fiscal 2004. Although income eligibility thresholds increase from \$38,475 to \$39,475 if single or \$47,177 to \$48,404 if married, this Budget will limit participation to those individuals who received a Senior Tax Freeze rebate for tax year 2001. Rebates will not exceed the amount paid during tax year 2001.

In accordance with the State constitution, this Budget provides the fourth and final property tax deduction increase, from \$200 to \$250, for eligible veterans. Qualified senior and disabled residents will continue to receive a \$250 property tax deduction, which brings the total cost of the State's reimbursement to municipalities for all qualified veterans, seniors and disabled residents to \$109 million.

The property tax deduction will save property tax owners \$347 million against their State income tax liability in fiscal 2004, an increase of \$11.9 million or 3.6%. The Earned Income Tax Credit (EITC)

program will increase from 17.5% to 20% of the corresponding federal benefit level for families, and the \$86 million cost of the program will be paid from federal welfare block grant funds in fiscal 2004.

Smart Growth and the Environment

Shore Protection and Inland Water Projects

Legislation will be introduced to broaden the existing statutory dedication of \$25 million in realty transfer tax revenue for Shore Protection to include inland flood control and dam repair projects. A total of \$13 million in Shore Protection capital carried forward into fiscal 2003 within the Department of Environmental Protection (DEP) and a like amount is projected to rollover into fiscal 2004. By expanding the list of projects considered eligible under the dedication, a budget savings of \$12.6 million will be realized in fiscal 2004, eliminating planned capital appropriations for flood control (\$8.3 million) and dam repairs (\$3.1 million) and a Direct State Services appropriation for dam safety administration (\$1.2 million).

Since nearly 80% of flood control projects are funded from federal funds, and given the public safety benefits of these projects, broadening the statutory dedication to ensure the required State match is a cost effective investment during times of fiscal constraint. Equally important, a more flexible dedication will enable the State to advance the highest priority water resource projects, including pressing work on public and private dams. The remaining portion of the dedication attributable to Shore Protection is expected to leverage approximately \$52.6 million in federal funds and \$6.5 million in local funds for beach replenishment projects, including work in Townsend Inlet, Raritan Bay, Absecon Island and from Asbury Park to Deal. Flood control projects will include Ramapo River at Oakland, Green Brook, the Harrison/Passaic River and the Mahwah/Suffern River, for which DEP will leverage \$30 million in federal (HR-6) funds and \$2.5 million from local governments.

Brownfields

In November, 2003, voters will be asked to approve a broadened use of the existing constitutional dedication of the Corporation Business Tax (CBT) to include brownfield remediation. Presently, one-third of the 4 percent dedication of CBT funds to the Department of Environmental Protection (DEP) is constitutionally earmarked to remediate spills from

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private underground storage tanks. This program, which is administered by the Economic Development Authority (EDA) on behalf of DEP, receives an appropriation of approximately \$19 million annually. Demand for such funding has waned in recent years, however, and a balance of roughly \$80 million is projected in that fund by fiscal 2004. At the same time, the EDA has largely exhausted the resources in its Hazardous Discharge Site Remediation Fund, which provides grants and low-interest loans to municipalities for brownfields projects. Merging the two funds would provide critical flexibility in allocating existing resources and will stimulate private investment in redevelopment projects that often hold the key to revitalizing our urban areas and older suburbs.

Legal Assistance -- Smart Growth

A new appropriation of \$250,000 will be provided to the Office of the Attorney General in the Department of Law and Public Safety to provide legal support to municipalities that become embroiled in disputes with developers over local development issues. This initiative will provide deputy attorney general (DAG) services to towns whose local budget is not equipped to pay for adequate legal assistance to successfully defend the State's smart growth policies.

Open Space

As noted during Governor McGreevey's State of the State speech, an initiative is underway to provide an additional \$100 million by 2009 for the purchase of open space and farmland throughout New Jersey. Through the use of innovative financing, more resources will be made available to support the purchase of additional tracts of land that are currently under development pressure, expanding a critical element of our long-term Smart Growth strategy.

Motor Vehicles Commission

In legislation signed into law on January 28, 2003, the Division of Motor Vehicles (DMV) in the Department of Transportation (DOT) was abolished and replaced by the New Jersey Motor Vehicle Commission (NJMVC). The Commission will assume an "in but not of" status within DOT. The basic goal of the Commission is to increase customer satisfaction and convenience, enhance security, reduce processing time, and provide more accurate information to the motoring public. As an important step in that direction, the bill authorizes the Commission to reverse the privatization of the local

service agencies and convert those staff to career service status as State employees.

The fiscal 2004 Budget allocates \$200 million in revenue for the Commission that would otherwise accrue to the General Fund, essentially moving that operation "off-budget." The Commission will also have access to \$150 million in capital from securitizing the existing motor vehicle surcharge revenue dedicated to the Market Transition Facility (MTF) Fund. The legislation authorizes fee increases of \$7 on vehicle registrations and \$6 on driver licenses, which are estimated to raise approximately \$42 million annually. These additional resources will enable the Commission to revamp its antiquated computer system, an investment that is key to improving service delivery and operational efficiency. New staff are being added as well, including 76 positions assigned to accelerate response time at the telephone center, reduce wait time for customers at regional centers and local agencies, and improve driver testing services.

Health and Welfare

DYFS Reform Initiative

As the State's child welfare and protective services agency, the Division of Youth and Family Services (DYFS) focuses on the needs of abused, neglected and troubled children. Through a combination of State and federal funds, DYFS is appropriated more than \$530 million to ensure the safety and well-being of children throughout New Jersey.

Demonstrating the Governor's commitment to strengthening child welfare and protective services, the fiscal 2004 Budget includes \$14.3 million in funding for the "Children First" Reform Initiative. The initiative will add 273 full-time positions to reduce caseload ratios, enhance supervision and ensure case practice accountability. Further, the "Children First" Reform Initiative funds operational enhancements for field workers that include additional vehicles, mobile phones and security personnel.

This initiative is coupled with a 70 percent increase in capital funding for the State Automated Child Welfare Information System (SACWIS), from \$3.3 million in fiscal 2003 to \$5.6 million in fiscal 2004. When fully implemented, SACWIS will provide automated case management tools that will enable front line staff to track the tens of thousands of children DYFS cares for each year.

Prescription Drugs -- Seniors

The Budget includes a number of changes to the Pharmaceutical Assistance to the Aged and Disabled Program (PAAD) designed to reduce overall program costs. In fiscal 2004, the Department of Health and Senior Services will implement a polypharmacy program designed to review the prescriptions of individuals who receive over 10 prescriptions each month. The program is designed to improve the quality of care provided to the client while reducing costs. In addition, the Budget assumes that reimbursements to pharmacies will be based on the Average Wholesale Price (AWP) minus 15% instead of the current 10% discount. A mandatory generic substitution program will be implemented as well as a voluntary mail order program.

Costs will be further reduced through the implementation of a preferred drug list for PAAD and Senior Gold, as well as a program for supplemental rebates from manufacturers. Finally, PAAD clients with assets in excess of \$75,000 for single individuals and \$100,000 for married couples will be moved from PAAD to the Senior Gold Program. (The asset test will exclude the value of homes and primary automobiles owned by seniors and the disabled.) These clients will continue to remain eligible for Lifeline and Hearing Aid Assistance.

Long Term Care

The Budget also includes a number of changes in Medicaid nursing home reimbursement. First, the budget includes \$2 million to restore the target occupancy rate for nursing homes to 85%. In addition, nursing home rates will not be re-based during fiscal 2004. The rates, however, will be adjusted for inflation.

Finally, the Budget assumes the implementation of a new assessment on nursing home beds valued at \$18.5 million, as well as \$440 million in federal funding which may take the form of Intergovernmental Transfer (IGT), economic stimulus, or other federal aid. In terms of budget savings, the \$440 million in federal resources is reflected as both a reduction in State appropriations for nursing homes (\$330 million) and in the elimination of anticipated growth for that program (\$110 million).

The Budget also includes funding for an additional 375 Assisted Living slots. The Assisted Living Program provides a cost-effective alternative to nursing home care for the Medicaid population.

Lifeline -- Energy Assistance

In fiscal 2004, energy assistance grants provided to senior citizens and the disabled through the Lifeline program will be moved from the Department of Health and Senior Services to the Board of Public Utilities and funded from an assessment on residential and commercial energy bills. Funding and eligibility for the program will not change. Rather, an annual total of \$72.4 million will be collected from ratepayers by various public utilities and deposited in the Board of Public Utilities' Universal Service Fund, thus completely offsetting the current State appropriation for Lifeline. The BPU will administer the program through an interagency agreement with the Department of Health and Senior Services (DHSS) governing the continued use of DHSS' existing Lifeline staff to maximize efficiency. Because the Lifeline program was formerly funded from the Casino Revenue Fund (CRF), this shift also provides an opportunity to redirect existing CRF revenue to other, pressing needs for seniors and the disabled. This initiative, which benefits tenants and homeowners, creates a steady funding source to help needy seniors and disabled individuals pay for the cost of energy.

Family Care

New Jersey expanded health insurance coverage for children in 1998 in response to the passage of the federal State Children's Health Insurance Program (SCHIP). Today, more than 93,000 children are enrolled in the State's SCHIP -- NJ FamilyCare. The program was expanded to cover parents up to 200% of the federal poverty level and other adults. However, to ensure that resources are available to continue serving children and lowest-income parents, NJ FamilyCare enrollment will be limited in fiscal 2004 to parents up to 134% of the federal poverty level. Eligibility for children in KidCare will remain unchanged at 350% of poverty, one of the highest benefit levels in the nation.

Most importantly, the fiscal 2004 Budget ensures continued access to quality health care for all uninsured low-income children in New Jersey. State funding for adults and children in NJ FamilyCare and KidCare will total \$133 million in fiscal 2004.

Medicaid Reductions

New Jersey currently offers one of the richest Medicaid benefit packages in the country, which includes not only services that are federally mandated but also all of the optional services, including prescription drugs, home health, podiatry, optometry

SUMMARIES OF APPROPRIATIONS

and others. As a necessary cost-saving measure, and to ensure that health services can continue to be provided to as many of New Jersey's most vulnerable citizens as possible, the service package will put limits on dental coverage and chiropractor services for non-pregnant adults. These actions will save an estimated \$15 million in fiscal 2004.

Prescription Drugs - Medicaid

With spending on prescription drugs for Medicaid clients projected to increase, the Division of Medical Assistance and Health Services (DMAHS) will take measures in fiscal 2004 to control those escalating costs. The Division anticipates saving \$61 million in State funds through several measures which include: implementing a preferred drug list; a supplemental manufacturer's rebate program; requiring prescriptions to be filled with a generic drug when available and appropriate; increasing the pace in which generic prescriptions are introduced in the market and reducing reimbursement to pharmacies to the Average Wholesale Price (AWP) minus 15%. The Division also proposes to bring its purchasing practices more in line with the commercial market by leveraging its purchasing power, requiring an increased discount on prescription drugs, and charging non-pregnant adults a \$3 co-payment per prescription for drugs received through the fee-for-service system.

The Department of Human Services will promote the use of appropriate generic drugs in the State psychiatric hospitals. The Department will also maximize federal reimbursements in Integrated Case Management and behavioral health services for people with mental illness.

Homeland Security

The Governor's Budget provides \$94.8 million in funding for security and counter-terrorism initiatives derived from a combination of State appropriations (\$24 million) and off-budget spending supported by the existing surcharge on car rentals (\$19.7 million), a new franchise fee on wireless telephone service (\$46.1 million), and balances within the Emergency Medical Technician Training (EMT) Fund (\$5 million). Most of this investment ensures continuation funding for existing initiatives, essentially sheltering them from possible reduction during a time of fiscal constraint.

Specific allocations from these various sources are summarized below:

- \$46.1 million in revenue from a new franchise fee on wireless telephone services will offset \$31.3 million in State Police salaries, a \$12.8 million lease payment on the State's 911 emergency system, and \$2 million for security at our nuclear power plants;
- \$24 million in State appropriations will support other initiatives including \$6.1 million in debt service costs and a \$3.8 million pay-as-you-go appropriation for the new Technology Center/Troop C Headquarters in Hamilton as well as \$4.4 million for equipment to outfit the new State Police Forensic Lab;
- \$19.7 million from the existing car rental surcharge will support \$7.5 million for the existing MEDPREP program in the Department of Health and Senior Services, \$7.2 million for the Office of Counter-terrorism, and \$5 million in State Police salaries;
- \$5 million from the Emergency Medical Technician Training (EMT) Fund will also be used for MEDPREP, yielding a total of \$12.5 million for that program.

Higher Education

The Budget provides \$1.78 billion in overall support of the State's higher education system in fiscal 2004, a \$26.4 million reduction in funding from the fiscal 2003 level. While all sectors -- senior publics, county colleges, and independents - will experience reduced operational and special purpose grant support due to limited State resources, the increased cost of pension and benefits totaling \$70.1 million in fiscal 2004 for institutional personnel has been funded.

Also included is a \$5.8 million increase in Tuition Aid Grant funding to provide sufficient resources for an additional 2,000 award recipients projected for fiscal 2004. This increase, together with the continuation of funding for Educational Opportunity Fund programs, will insure that the State's students in need of financial assistance will be supported at current award levels. The Outstanding Scholar Recruitment Program, which provides merit based scholarships, is funded in fiscal 2004 to cover the costs of existing recipients; due to fiscal constraints, support for incoming freshmen has not been funded for this program in fiscal 2004.

SUMMARIES OF APPROPRIATIONS

Employee Benefits

The projected growth in State pension contribution requirements is \$759 million, from \$130 million in fiscal 2003 to \$889 million in fiscal 2004. In light of the current fiscal situation and to ensure that resources are available for the most critical programs, a five-year contribution phase-in approach has been developed to systematically and rationally phase-in state pension contributions. Coupled with the use of assets set aside in the Benefit Enhancement Fund for the future costs of the "n/55" benefit enhancement of the Public Employees Retirement System - State and Teacher's Pension and Annuity Fund members, which was enacted in 2001, this action reduces the net pension contribution for fiscal 2004 from \$889 million to \$158 million, a drop of \$731 million.

The last time the State fully funded its pension contribution requirements was fiscal 1996. Since fiscal 1997, the surplus assets created by the effects

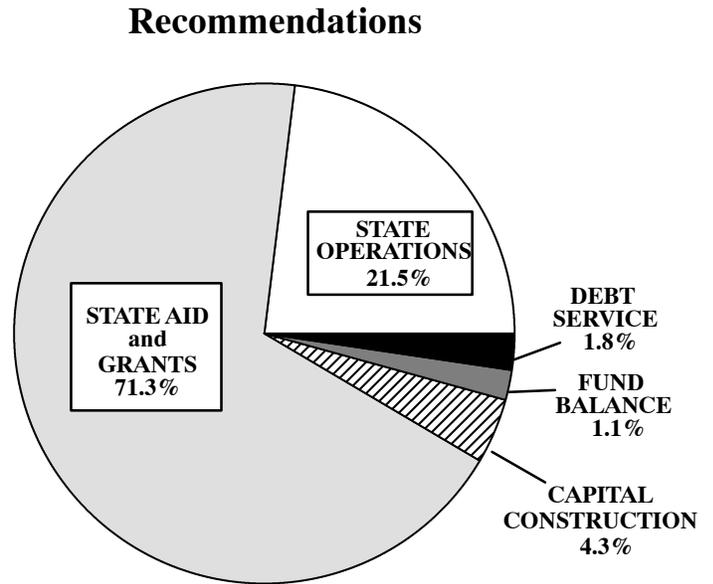
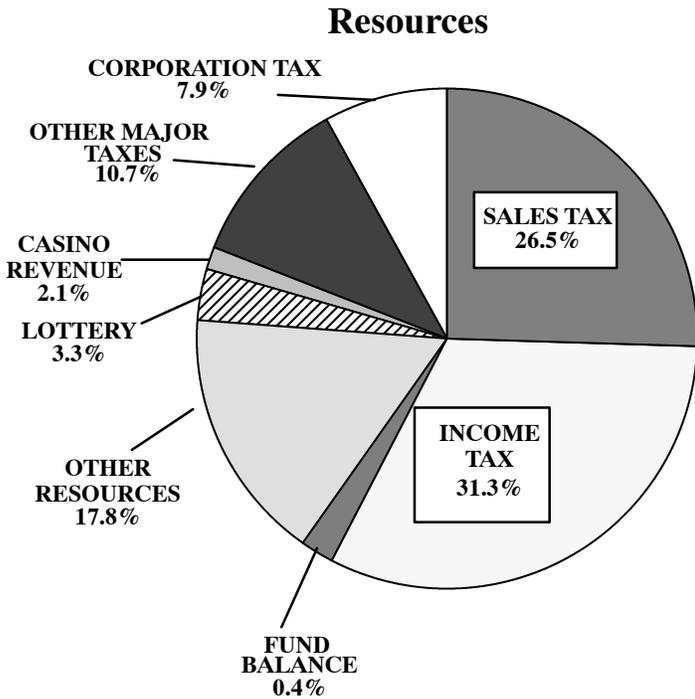
of the Pension Security Proposal (Chapters 114 and 115, P.L. 1997) and the significant investment returns of the late 1990's have been used to cover most of the State's pension contribution requirements. The recent economic downturn resulted in investment losses in the pension funds which have essentially depleted the surplus assets of most of the pension systems, however.

State and higher education employees' health benefits and post retirement medical benefits increase by \$126 million and \$285 million, respectively, which reflects anticipated premium rate increases effective January 1, 2004. Growth in health benefits is the result of higher utilization experiences and increasing health care costs.

NEW JERSEY BUDGET

RESOURCES AND RECOMMENDATIONS FOR FISCAL YEAR 2004

ALL STATE FUNDS



RESOURCES

(\$000)

INCOME TAX	\$7,493,820
SALES TAX	6,333,800
CORPORATION and BANK TAX	1,902,000
LOTTERY REVENUE	783,000
CASINO REVENUE	512,200
OTHER MAJOR TAXES:	
Motor Fuels	544,000
Cigarette	499,000
Transfer Inheritance	378,000
Insurance Premium	356,000
Motor Vehicle Fees	233,979
Petroleum Products Gross Receipts	221,000
Realty Transfer	210,000
Alcoholic Beverage Excise	83,000
Savings Institutions	20,000
Tobacco Products Wholesale Sales	10,000
Public Utility Excise	8,700

OTHER RESOURCES 4,264,823

SUB-TOTAL RESOURCES \$23,853,322

ESTIMATED FUND BALANCE, JULY 1, 2003

General Fund	100,000
Surplus Revenue Fund	--
Property Tax Relief Fund	--
Casino Revenue Fund	--
Casino Control Fund	--
Gubernatorial Elections Fund	1,500
TOTAL	<u>\$23,954,822</u>

RECOMMENDATIONS

(\$000)

Education	8,162,058
Human Services	4,186,940
Interdepartmental	2,369,613
Treasury	2,046,098
Higher Education	1,307,387
Transportation	1,111,498
Community Affairs	1,032,397
Corrections	918,238
Health and Senior Services	839,117
Judiciary	502,164
Law and Public Safety	466,377
Environmental Protection	370,133
Labor	93,737
Legislature	70,779
Military and Veteran's Affairs	69,884
Banking and Insurance	68,018
Other Departments	87,384

SUB-TOTAL RECOMMENDATIONS \$23,701,822

ESTIMATED FUND BALANCE, JUNE 30, 2004

General Fund	115,000
Surplus Revenue Fund	--
Property Tax Relief Fund	--
Casino Revenue Fund	135,000(a)
Casino Control Fund	--
Gubernatorial Elections Fund	3,000
TOTAL	<u>\$23,954,822</u>

(a) It is anticipated that \$135 million of General Fund Appropriations will be transferred to the Casino Revenue Fund thus reducing the Casino Revenue Fund surplus to \$0 and increasing the General Fund surplus to \$250 million.

SUMMARIES OF APPROPRIATIONS

TABLE I
SUMMARY OF FISCAL YEAR 2003-2004 APPROPRIATION RECOMMENDATION
(thousands of dollars)

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

	Fiscal Year 2003 Adjusted Appropriations	Fiscal Year 2004 Recommendations	---Change---	
			Dollar	Percent
GENERAL FUND AND PROPERTY TAX RELIEF FUND				
State Aid and Grants	\$ 17,106,453	\$16,709,727	\$ (396,726)	-2.3%
State Operations				
Legislature	3,106,535	2,966,702	(139,833)	-4.5%
Judiciary	74,571	70,779	(3,792)	-5.1%
Interdepartmental	504,703	502,164	(2,539)	-0.5%
Total State Operations	<u>1,330,175</u>	<u>1,554,141</u>	<u>223,966</u>	<u>16.8%</u>
	<u>5,015,984</u>	<u>5,093,786</u>	<u>77,802</u>	<u>1.6%</u>
Capital Construction				
Debt Service	1,021,951	1,024,444	2,493	0.2%
	470,675	433,928	(36,747)	-7.8%
TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND	<u>23,615,063</u>	<u>23,261,885</u>	<u>(353,178)</u>	<u>-1.5%</u>
CASINO REVENUE FUND				
CASINO CONTROL FUND	364,968	377,200	12,232	3.4%
GUBERN ELECTION FUND	62,737	62,737	---	0.0%
	---	---	---	0.0%
GRAND TOTAL STATE APPROPRIATIONS	<u>\$ 24,042,768</u>	<u>\$ 23,701,822</u>	<u>\$ (340,946)</u>	<u>-1.4%</u>

TABLE II
SUMMARY OF FISCAL YEAR 2003-2004 APPROPRIATION RECOMMENDATIONS BY FUND
(thousands of dollars)

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

Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended		2003		Recommended
						Adjusted Approp.	Requested	
4,728,765	405,838	159,591	5,294,194	4,843,150	General Fund			
6,135,805	611,183	(102,540)	6,644,448	5,652,995	Direct State Services	5,015,984	5,284,290	5,093,786
1,662,166	144,329	(128,304)	1,678,191	1,498,271	Grants-in-Aid	6,405,148	6,139,019	5,841,960
1,075,562	310,523	311	1,386,396	1,012,181	State Aid	3,337,592	3,923,220	3,373,947
469,215	---	---	469,215	451,176	Capital Construction	1,021,951	1,024,444	1,024,444
					Debt Service	470,675	433,928	433,928
14,071,513	1,471,873	(70,942)	15,472,444	13,457,773	Total General Fund	16,251,350	16,804,901	15,768,065
8,712,516	10,926	126,088	8,849,530	8,539,047	Prop. Tax Relief Fund	7,363,713	7,493,820	7,493,820
61,044	1,130	1	62,175	59,562	Casino Control Fund	62,737	62,737	62,737
362,354	66,136	---	428,490	428,021	Casino Revenue Fund	364,968	377,200	377,200
11,200	---	---	11,200	11,200	Gubernatorial Elections Fund	---	---	---
9,147,114	78,192	126,089	9,351,395	9,037,830	Grand Total	7,791,418	7,933,757	7,933,757
23,218,627	1,550,065	55,147	24,823,839	22,495,603	State Appropriations	24,042,768	24,738,658	23,701,822

SUMMARIES OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS BY ORGANIZATION

(thousands of dollars)

Year Ending June 30, 2002					Year Ending June 30, 2004		
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	2003 Adjusted Approp.	Requested	Recommended
GENERAL FUND					GENERAL FUND		
Direct State Services					Direct State Services		
Legislative Branch					Legislative Branch		
10,519	2,256	665	13,440	11,220	11,167	11,167	11,167
17,321	4,141	-310	21,152	18,512	18,071	18,071	18,071
26,930	3,902	-1,193	29,639	29,045	30,189	26,797	26,797
12,906	3,702	131	16,739	12,467	15,144	14,744	14,744
67,676	14,001	-707	80,970	71,244	74,571	70,779	70,779
Executive Branch					Executive Branch		
5,821	1,646	147	7,614	6,567	5,945	5,529	5,529
11,332	1,423	130	12,885	11,801	10,031	9,384	9,384
67,254	4,265	109	71,628	66,241	68,959	68,018	68,018
38,800	14,353	-1,994	51,159	44,771	38,365	33,282	33,282
779,618	10,428	11,141	801,187	780,787	834,128	831,125	831,125
57,816	6,349	2,977	67,142	58,439	63,155	59,077	59,077
229,236	29,683	1,334	260,253	235,153	214,898	206,692	206,692
101,627	7,798	8,512	117,937	96,390	102,006	67,846	67,846
559,792	30,953	100,380	691,125	668,087	660,811	667,985	667,985
58,529	19,488	43	78,060	75,566	61,392	60,018	60,018
432,048	109,105	18,914	560,067	484,027	441,155	402,498	402,498
70,667	3,132	5,328	79,127	75,697	74,148	68,675	68,675
29,735	4,908	-224	34,419	32,407	26,711	25,936	25,936
27,009	3,367	293	30,669	26,278	24,262	20,680	19,712
106,927	4,589	1,802	113,318	106,763	101,924	87,213	87,213
408,047	47,984	3,945	459,976	401,797	377,250	352,339	352,339
1,392	47	50	1,489	1,432	1,395	1,373	1,373
2,985,650	299,518	152,887	3,438,055	3,172,203	3,106,535	2,967,670	2,966,702
Inter-Departmental Accounts					Inter-Departmental Accounts		
169,041	2,760	-8,168	163,633	131,392	144,626	149,989	149,989
56,710	211	6,000	62,921	56,985	62,125	53,775	53,775
21,816	1,001	3,168	25,985	24,862	26,416	26,416	26,416
833,398	30,282	70,317	933,997	860,641	982,314	1,375,186	1,185,650
68,576	1,580	-8,233	61,923	40,608	90,463	45,007	45,007
75,171	30,180	-70,969	34,382	6,152	24,231	93,304	93,304
1,224,712	66,014	-7,885	1,282,841	1,120,640	1,330,175	1,743,677	1,554,141
Judicial Branch					Judicial Branch		
450,727	26,305	15,296	492,328	479,063	504,703	502,164	502,164
450,727	26,305	15,296	492,328	479,063	504,703	502,164	502,164
4,728,765	405,838	159,591	5,294,194	4,843,150	5,015,984	5,284,290	5,093,786

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2003 Adjusted Approp.	Requested	Recom- mended
					Grants-in-Aid			
					Executive Branch			
---	5,704	-4,800	904	---	Chief Executive	---	---	---
3,904	2,961	846	7,711	5,047	Department of Agriculture	1,909	436	436
92,780	13,479	1,683	107,942	87,484	Department of Community Affairs	30,791	22,200	22,200
90,614	25,371	---	115,985	104,059	Department of Corrections	82,630	87,113	87,113
10,326	344	-679	9,991	4,055	Department of Education	4,415	2,623	2,623
10,960	8,848	2,000	21,808	9,839	Department of Environmental Protection	5,500	---	---
650,668	235,192	-6,657	879,203	670,203	Department of Health and Senior Services	879,012	467,150	467,150
2,975,125	256,188	-34,035	3,197,278	2,694,615	Department of Human Services	3,212,558	3,128,347	3,128,347
30,624	535	7,249	38,408	37,842	Department of Labor	32,779	31,279	31,279
29,765	14,827	256	44,848	35,123	Department of Law and Public Safety	19,822	18,822	18,822
1,319	55	---	1,374	1,229	Department of Military and Veterans' Affairs	1,044	1,044	1,044
1,206,602	8,276	-57,009	1,157,869	1,081,602	Department of State	1,142,825	1,275,768	1,005,229
260,027	2,078	39	262,144	254,546	Department of Transportation	269,027	260,027	260,027
239,293	37,301	2,479	279,073	179,054	Department of the Treasury	178,124	205,876	196,451
5,602,007	611,183	-88,652	6,124,538	5,164,698	Total Executive Branch	5,860,436	5,500,685	5,220,721
					Inter-Departmental Accounts			
430,066	---	1,062	431,128	419,287	Employee Benefits	476,559	565,116	548,021
200	---	-200	---	---	Other Inter-Departmental Accounts	200	200	200
29,500	---	-14,750	14,750	---	Salary Increases and Other Benefits	---	---	---
73,942	---	---	73,942	68,920	Aid to Independent Authorities	67,953	73,018	73,018
533,708	---	-13,888	519,820	488,207	Total Inter-Departmental Accounts	544,712	638,334	621,239
					Judicial Branch			
90	---	---	90	90	The Judiciary	---	---	---
90	---	---	90	90	Total Judicial Branch	---	---	---
6,135,805	611,183	-102,540	6,644,448	5,652,995	Total Grants-in-Aid	6,405,148	6,139,019	5,841,960
					State Aid			
					Executive Branch			
9,642	876	-4	10,514	8,860	Department of Agriculture	8,642	8,642	8,642
18,462	57,593	-1,113	74,942	42,146	Department of Community Affairs	18,042	17,646	17,646
1,067,618	69,504	-131,165	1,005,957	892,201	Department of Education	2,700,422	3,211,142	2,729,266
22,446	496	---	22,942	6,054	Department of Environmental Protection	4,420	4,255	4,255
38,485	---	189	38,674	37,541	Department of Health and Senior Services	53,134	50,054	50,054
261,795	15,114	3,190	280,099	272,087	Department of Human Services	283,352	289,245	289,245
10,064	746	---	10,810	10,251	Department of Law and Public Safety	17,072	4,820	4,820
18,612	---	---	18,612	18,302	Department of State	19,631	24,185	16,827
215,042	---	599	215,641	210,829	Department of the Treasury	232,877	313,231	253,192
1,662,166	144,329	-128,304	1,678,191	1,498,271	Total State Aid	3,337,592	3,923,220	3,373,947
					Capital Construction			
					Legislative Branch			
---	2,536	2,500	5,036	4,644	Legislative Support Services	---	---	---
---	2,536	2,500	5,036	4,644	Total Legislative Branch	---	---	---

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2003 Adjusted Approp.	Requested	Recom- mended
50	10,552	---	10,602	5,236			
19,177	39,666	1	58,844	16,413			
2,930	5,092	---	8,022	1,610			
120,215	84,390	-169	204,436	96,715			
2,079	893	---	2,972	1,218			
5,200	33,530	550	39,280	8,565			
---	238	---	238	238			
14,107	32,773	---	46,880	9,167			
6,954	13,322	---	20,276	1,488			
7,541	15,528	8	23,077	16,052			
715,490	3,007	---	718,497	687,742			
1,100	11,403	825	13,328	5,258			
---	2	---	2	---			
894,843	250,396	1,215	1,146,454	849,702			
180,719	57,591	-3,404	234,906	157,835			
180,719	57,591	-3,404	234,906	157,835			
1,075,562	310,523	311	1,386,396	1,012,181			
81,407	---	-16,280	65,127	54,279			
387,808	---	16,280	404,088	396,897			
469,215	---	---	469,215	451,176			
14,071,513	1,471,873	-70,942	15,472,444	13,457,773			
1,235,627	---	---	1,235,627	1,227,353			
1,235,627	---	---	1,235,627	1,227,353			
962,122	1,500	-2,245	961,377	934,724			
6,373,733	9,426	128,333	6,511,492	6,245,731			
9,823	---	---	9,823	9,686			
131,211	---	---	131,211	121,553			
7,476,889	10,926	126,088	7,613,903	7,311,694			
8,712,516	10,926	126,088	8,849,530	8,539,047			
Executive Branch							
Department of Agriculture					---	---	---
Department of Corrections					2,900	---	---
Department of Education					400	---	---
Department of Environmental Protection					80,745	80,680	80,680
Department of Health and Senior Services					650	620	620
Department of Human Services					7,500	5,600	5,600
Department of Labor					---	---	---
Department of Law and Public Safety					7,828	4,346	4,346
Department of Military and Veterans' Affairs					1,779	165	165
Department of State					---	---	---
Department of Transportation					745,000	738,800	738,800
Department of the Treasury					5,500	---	---
Miscellaneous Commissions					---	---	---
Total Executive Branch					852,302	830,211	830,211
Inter-Departmental Accounts							
Capital Projects - Statewide					169,649	194,233	194,233
Total Inter-Departmental Accounts					169,649	194,233	194,233
Total Capital Construction					1,021,951	1,024,444	1,024,444
Debt Service							
Executive Branch							
Department of Environmental Protection					76,833	68,053	68,053
Department of the Treasury					393,842	365,875	365,875
Total Debt Service					470,675	433,928	433,928
Total General Fund					16,251,350	16,804,901	15,768,065
PROPERTY TAX RELIEF FUND							
Property Tax Relief Fund - Grants-in-Aid							
Executive Branch							
Department of the Treasury					1,217,563	992,883	992,883
Total Property Tax Relief Fund - Grants-in-Aid					1,217,563	992,883	992,883
Property Tax Relief Fund - State Aid							
Executive Branch							
Department of Community Affairs					967,769	959,269	959,269
Department of Education					5,026,111	5,371,092	5,371,092
Department of Environmental Protection					10,453	10,453	10,453
Department of the Treasury					141,817	160,123	160,123
Total Property Tax Relief Fund - State Aid					6,146,150	6,500,937	6,500,937
Total Property Tax Relief Fund					7,363,713	7,493,820	7,493,820

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2003 Adjusted Approp.	Requested	Recom- mended
					CASINO CONTROL FUND		
					Casino Control Fund - Direct State Services		
					Executive Branch		
35,799	321	---	36,120	34,822	35,799	35,799	35,799
25,245	809	1	26,055	24,740	26,938	26,938	26,938
61,044	1,130	1	62,175	59,562	62,737	62,737	62,737
					CASINO REVENUE FUND		
					Casino Revenue Fund - Direct State Services		
					Executive Branch		
871	2	50	923	890	871	871	871
92	1	---	93	88	92	92	92
963	3	50	1,016	978	963	963	963
					Casino Revenue Fund - Grants-in-Aid		
					Executive Branch		
276,092	66,133	-50	342,175	341,790	278,593	252,576	252,576
23,369	---	---	23,369	23,323	23,369	95,763	95,763
2,440	---	---	2,440	2,440	2,440	2,440	2,440
34,669	---	---	34,669	34,669	34,669	---	---
336,570	66,133	-50	402,653	402,222	339,071	350,779	350,779
					Casino Revenue Fund - State Aid		
					Executive Branch		
24,821	---	---	24,821	24,821	24,934	25,458	25,458
24,821	---	---	24,821	24,821	24,934	25,458	25,458
362,354	66,136	---	428,490	428,021	364,968	377,200	377,200
					GUBERNATORIAL ELECTIONS FUND		
					Gubernatorial Elections Fund - Direct State Services		
					Executive Branch		
11,200	---	---	11,200	11,200	---	---	---
11,200	---	---	11,200	11,200	---	---	---
23,218,627	1,550,065	55,147	24,823,839	22,495,603	24,042,768	24,738,658	23,701,822
					GRAND TOTAL STATE APPROPRIATIONS		

SUMMARIES OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS BY ORGANIZATION (thousands of dollars)

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	2003 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>								
Legislative Branch								
10,519	2,256	665	13,440	11,220	Senate	11,167	11,167	11,167
17,321	4,141	-310	21,152	18,512	General Assembly	18,071	18,071	18,071
26,930	3,902	-1,193	29,639	29,045	Legislative Support Services	30,189	26,797	26,797
12,906	3,702	131	16,739	12,467	Legislative Commission	15,144	14,744	14,744
67,676	14,001	-707	80,970	71,244	Total Legislative Branch	74,571	70,779	70,779
Executive Branch								
5,821	1,646	147	7,614	6,567	Chief Executive	5,945	5,529	5,529
11,332	1,423	130	12,885	11,801	Department of Agriculture	10,031	9,384	9,384
67,254	4,265	109	71,628	66,241	Department of Banking and Insurance	68,959	68,018	68,018
38,800	14,353	-1,994	51,159	44,771	Department of Community Affairs	38,365	33,282	33,282
779,618	10,428	11,141	801,187	780,787	Department of Corrections	834,128	831,125	831,125
57,816	6,349	2,977	67,142	58,439	Department of Education	63,155	59,077	59,077
229,236	29,683	1,334	260,253	235,153	Department of Environmental Protection	214,898	206,692	206,692
102,498	7,800	8,562	118,860	97,280	Department of Health and Senior Services	102,877	68,717	68,717
101,627	7,798	8,512	117,937	96,390	(From General Fund)	102,006	67,846	67,846
871	2	50	923	890	(From Casino Revenue Fund)	871	871	871
559,792	30,953	100,380	691,125	668,087	Department of Human Services	660,811	667,985	667,985
58,529	19,488	43	78,060	75,566	Department of Labor	61,392	60,018	60,018
479,139	109,427	18,914	607,480	530,137	Department of Law and Public Safety	477,046	438,389	438,389
432,048	109,105	18,914	560,067	484,027	(From General Fund)	441,155	402,498	402,498
35,799	321	---	36,120	34,822	(From Casino Control Fund)	35,799	35,799	35,799
92	1	---	93	88	(From Casino Revenue Fund)	92	92	92
11,200	---	---	11,200	11,200	(From Gubernatorial Election Fund)	---	---	---
70,667	3,132	5,328	79,127	75,697	Department of Military and Veterans' Affairs	74,148	68,675	68,675
29,735	4,908	-224	34,419	32,407	Department of Personnel	26,711	25,936	25,936
27,009	3,367	293	30,669	26,278	Department of State	24,262	20,680	19,712
106,927	4,589	1,802	113,318	106,763	Department of Transportation	101,924	87,213	87,213
433,292	48,793	3,946	486,031	426,537	Department of the Treasury	404,188	379,277	379,277
408,047	47,984	3,945	459,976	401,797	(From General Fund)	377,250	352,339	352,339
25,245	809	1	26,055	24,740	(From Casino Control Fund)	26,938	26,938	26,938
1,392	47	50	1,489	1,432	Miscellaneous Commissions	1,395	1,373	1,373
3,058,857	300,651	152,938	3,512,446	3,243,943	Total Executive Branch	3,170,235	3,031,370	3,030,402
2,985,650	299,518	152,887	3,438,055	3,172,203	(From General Fund)	3,106,535	2,967,670	2,966,702
61,044	1,130	1	62,175	59,562	(From Casino Control Fund)	62,737	62,737	62,737
963	3	50	1,016	978	(From Casino Revenue Fund)	963	963	963
11,200	---	---	11,200	11,200	(From Gubernatorial Election Fund)	---	---	---
Inter-Departmental Accounts								
169,041	2,760	-8,168	163,633	131,392	Property Rentals	144,626	149,989	149,989
56,710	211	6,000	62,921	56,985	Insurance and Other Services	62,125	53,775	53,775
833,398	30,282	70,317	933,997	860,641	Employee Benefits	982,314	1,375,186	1,185,650
68,576	1,580	-8,233	61,923	40,608	Other Inter-Departmental Accounts	90,463	45,007	45,007
75,171	30,180	-70,969	34,382	6,152	Salary Increases and Other Benefits	24,231	93,304	93,304
21,816	1,001	3,168	25,985	24,862	Utilities and Other Services	26,416	26,416	26,416

SUMMARIES OF APPROPRIATIONS

Orig. & (S)Supple- mental	Year Ending June 30, 2002					Year Ending June 30, 2004		
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2003 Adjusted Approp.	Requested	Recom- mended
1,224,712	66,014	-7,885	1,282,841	1,120,640				
<u>DIRECT STATE SERVICES</u>								
					Total Inter-Departmental Accounts	1,330,175	1,743,677	1,554,141
Judicial Branch								
450,727	26,305	15,296	492,328	479,063	The Judiciary	504,703	502,164	502,164
450,727	26,305	15,296	492,328	479,063	Total Judicial Branch	504,703	502,164	502,164
4,801,972	406,971	159,642	5,368,585	4,914,890	Total Direct State Services	5,079,684	5,347,990	5,157,486
4,728,765	405,838	159,591	5,294,194	4,843,150	<i>(From General Fund)</i>	5,015,984	5,284,290	5,093,786
61,044	1,130	1	62,175	59,562	<i>(From Casino Control Fund)</i>	62,737	62,737	62,737
963	3	50	1,016	978	<i>(From Casino Revenue Fund)</i>	963	963	963
11,200	---	---	11,200	11,200	<i>(From Gubernatorial Election Fund)</i>	---	---	---
<u>GRANTS-IN-AID</u>								
Executive Branch								
---	5,704	-4,800	904	---	Chief Executive	---	---	---
3,904	2,961	846	7,711	5,047	Department of Agriculture	1,909	436	436
92,780	13,479	1,683	107,942	87,484	Department of Community Affairs	30,791	22,200	22,200
90,614	25,371	---	115,985	104,059	Department of Corrections	82,630	87,113	87,113
10,326	344	-679	9,991	4,055	Department of Education	4,415	2,623	2,623
10,960	8,848	2,000	21,808	9,839	Department of Environmental Protection	5,500	---	---
926,760	301,325	-6,707	1,221,378	1,011,993	Department of Health and Senior Services	1,157,605	719,726	719,726
650,668	235,192	-6,657	879,203	670,203	<i>(From General Fund)</i>	879,012	467,150	467,150
276,092	66,133	-50	342,175	341,790	<i>(From Casino Revenue Fund)</i>	278,593	252,576	252,576
2,998,494	256,188	-34,035	3,220,647	2,717,938	Department of Human Services	3,235,927	3,224,110	3,224,110
2,975,125	256,188	-34,035	3,197,278	2,694,615	<i>(From General Fund)</i>	3,212,558	3,128,347	3,128,347
23,369	---	---	23,369	23,323	<i>(From Casino Revenue Fund)</i>	23,369	95,763	95,763
33,064	535	7,249	40,848	40,282	Department of Labor	35,219	33,719	33,719
30,624	535	7,249	38,408	37,842	<i>(From General Fund)</i>	32,779	31,279	31,279
2,440	---	---	2,440	2,440	<i>(From Casino Revenue Fund)</i>	2,440	2,440	2,440
29,765	14,827	256	44,848	35,123	Department of Law and Public Safety	19,822	18,822	18,822
1,319	55	---	1,374	1,229	Department of Military and Veterans' Affairs	1,044	1,044	1,044
1,206,602	8,276	-57,009	1,157,869	1,081,602	Department of State	1,142,825	1,275,768	1,005,229
260,027	2,078	39	262,144	254,546	Department of Transportation	269,027	260,027	260,027
1,509,589	37,325	2,455	1,549,369	1,441,076	Department of the Treasury	1,430,356	1,198,759	1,189,334
239,293	37,325	2,455	279,073	179,054	<i>(From General Fund)</i>	178,124	205,876	196,451
1,235,627	---	---	1,235,627	1,227,353	<i>(From Property Tax Relief Fund)</i>	1,217,563	992,883	992,883
34,669	---	---	34,669	34,669	<i>(From Casino Revenue Fund)</i>	34,669	---	---
7,174,204	677,316	-88,702	7,762,818	6,794,273	Total Executive Branch	7,417,070	6,844,347	6,564,383
5,602,007	611,183	-88,652	6,124,538	5,164,698	<i>(From General Fund)</i>	5,860,436	5,500,685	5,220,721
1,235,627	---	---	1,235,627	1,227,353	<i>(From Property Tax Relief Fund)</i>	1,217,563	992,883	992,883
336,570	66,133	-50	402,653	402,222	<i>(From Casino Revenue Fund)</i>	339,071	350,779	350,779
Inter-Departmental Accounts								
430,066	---	1,062	431,128	419,287	Employee Benefits	476,559	565,116	548,021
200	---	-200	---	---	Other Inter-Departmental Accounts	200	200	200
29,500	---	-14,750	14,750	---	Salary Increases and Other Benefits	---	---	---
73,942	---	---	73,942	68,920	Aid to Independent Authorities	67,953	73,018	73,018

SUMMARIES OF APPROPRIATIONS

Orig. & (S) Supplemental	Year Ending June 30, 2002					2003 Adjusted Approp.	Year Ending June 30, 2004	
	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended			Requested	Recommended
533,708	---	-13,888	519,820	488,207	GRANTS-IN-AID			
					<i>Total Inter-Departmental Accounts</i>	544,712	638,334	621,239
					Judicial Branch			
90	---	---	90	90	The Judiciary	---	---	---
90	---	---	90	90	Total Judicial Branch	---	---	---
7,708,002	677,316	-102,590	8,282,728	7,282,570	Total Grants-in-Aid	7,961,782	7,482,681	7,185,622
6,135,805	611,183	-102,540	6,644,448	5,652,995	(From General Fund)	6,405,148	6,139,019	5,841,960
1,235,627	---	---	1,235,627	1,227,353	(From Property Tax Relief Fund)	1,217,563	992,883	992,883
336,570	66,133	-50	402,653	402,222	(From Casino Revenue Fund)	339,071	350,779	350,779
					STATE AID			
					Executive Branch			
9,642	876	-4	10,514	8,860	Department of Agriculture	8,642	8,642	8,642
980,584	59,093	-3,358	1,036,319	976,870	Department of Community Affairs	985,811	976,915	976,915
18,462	57,593	-1,113	74,942	42,146	(From General Fund)	18,042	17,646	17,646
962,122	1,500	-2,245	961,377	934,724	(From Property Tax Relief Fund)	967,769	959,269	959,269
7,441,351	78,930	-2,832	7,517,449	7,137,932	Department of Education	7,726,533	8,582,234	8,100,358
1,067,618	69,504	-131,165	1,005,957	892,201	(From General Fund)	2,700,422	3,211,142	2,729,266
6,373,733	9,426	128,333	6,511,492	6,245,731	(From Property Tax Relief Fund)	5,026,111	5,371,092	5,371,092
32,269	496	---	32,765	15,740	Department of Environmental Protection	14,873	14,708	14,708
22,446	496	---	22,942	6,054	(From General Fund)	4,420	4,255	4,255
9,823	---	---	9,823	9,686	(From Property Tax Relief Fund)	10,453	10,453	10,453
38,485	---	189	38,674	37,541	Department of Health and Senior Services	53,134	50,054	50,054
261,795	15,114	3,190	280,099	272,087	Department of Human Services	283,352	289,245	289,245
10,064	746	---	10,810	10,251	Department of Law and Public Safety	17,072	4,820	4,820
18,612	---	---	18,612	18,302	Department of State	19,631	24,185	16,827
24,821	---	---	24,821	24,821	Department of Transportation	24,934	25,458	25,458
24,821	---	---	24,821	24,821	(From Casino Revenue Fund)	24,934	25,458	25,458
346,253	---	599	346,852	332,382	Department of the Treasury	374,694	473,354	413,315
215,042	---	599	215,641	210,829	(From General Fund)	232,877	313,231	253,192
131,211	---	---	131,211	121,553	(From Property Tax Relief Fund)	141,817	160,123	160,123
9,163,876	155,255	-2,216	9,316,915	8,834,786	Total Executive Branch	9,508,676	10,449,615	9,900,342
1,662,166	144,329	-128,304	1,678,191	1,498,271	(From General Fund)	3,337,592	3,923,220	3,373,947
7,476,889	10,926	126,088	7,613,903	7,311,694	(From Property Tax Relief Fund)	6,146,150	6,500,937	6,500,937
24,821	---	---	24,821	24,821	(From Casino Revenue Fund)	24,934	25,458	25,458
9,163,876	155,255	-2,216	9,316,915	8,834,786	Total State Aid	9,508,676	10,449,615	9,900,342
1,662,166	144,329	-128,304	1,678,191	1,498,271	(From General Fund)	3,337,592	3,923,220	3,373,947
7,476,889	10,926	126,088	7,613,903	7,311,694	(From Property Tax Relief Fund)	6,146,150	6,500,937	6,500,937
24,821	---	---	24,821	24,821	(From Casino Revenue Fund)	24,934	25,458	25,458
					CAPITAL CONSTRUCTION			
					Legislative Branch			
---	2,536	2,500	5,036	4,644	Legislative Support Services	---	---	---
---	2,536	2,500	5,036	4,644	Total Legislative Branch	---	---	---
					Executive Branch			
50	10,552	---	10,602	5,236	Department of Agriculture	---	---	---

SUMMARIES OF APPROPRIATIONS

Orig. & (S)Supple- mental	Year Ending June 30, 2002				2003 Adjusted Approp.	Year Ending June 30, 2004		
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		Requested	Recom- mended	
<u>CAPITAL CONSTRUCTION</u>								
19,177	39,666	1	58,844	16,413	Department of Corrections	2,900	---	---
2,930	5,092	---	8,022	1,610	Department of Education	400	---	---
120,215	84,390	-169	204,436	96,715	Department of Environmental Protection	80,745	80,680	80,680
2,079	893	---	2,972	1,218	Department of Health and Senior Services	650	620	620
5,200	33,530	550	39,280	8,565	Department of Human Services	7,500	5,600	5,600
---	238	---	238	238	Department of Labor	---	---	---
14,107	32,773	---	46,880	9,167	Department of Law and Public Safety	7,828	4,346	4,346
6,954	13,322	---	20,276	1,488	Department of Military and Veterans' Affairs	1,779	165	165
7,541	15,528	8	23,077	16,052	Department of State	---	---	---
715,490	3,007	---	718,497	687,742	Department of Transportation	745,000	738,800	738,800
1,100	11,403	825	13,328	5,258	Department of the Treasury	5,500	---	---
---	2	---	2	---	Miscellaneous Commissions	---	---	---
894,843	250,396	1,215	1,146,454	849,702	Total Executive Branch	852,302	830,211	830,211
<u>Inter-Departmental Accounts</u>								
180,719	57,591	-3,404	234,906	157,835	Capital Projects - Statewide	169,649	194,233	194,233
180,719	57,591	-3,404	234,906	157,835	Total Inter-Departmental Accounts	169,649	194,233	194,233
1,075,562	310,523	311	1,386,396	1,012,181	Total Capital Construction	1,021,951	1,024,444	1,024,444
<u>DEBT SERVICE</u>								
<u>Executive Branch</u>								
81,407	---	-16,280	65,127	54,279	Department of Environmental Protection	76,833	68,053	68,053
387,808	---	16,280	404,088	396,897	Department of the Treasury	393,842	365,875	365,875
469,215	---	---	469,215	451,176	Total Executive Branch	470,675	433,928	433,928
469,215	---	---	469,215	451,176	Total Debt Service	470,675	433,928	433,928
23,218,627	1,550,065	55,147	24,823,839	22,495,603	GRAND TOTAL-STATE APPROPRIATIONS	24,042,768	24,738,658	23,701,822
14,071,513	1,471,873	-70,942	15,472,444	13,457,773	(From General Fund)	16,251,350	16,804,901	15,768,065
61,044	1,130	1	62,175	59,562	(From Casino Control Fund)	62,737	62,737	62,737
8,712,516	10,926	126,088	8,849,530	8,539,047	(From Property Tax Relief Fund)	7,363,713	7,493,820	7,493,820
362,354	66,136	---	428,490	428,021	(From Casino Revenue Fund)	364,968	377,200	377,200
11,200	---	---	11,200	11,200	(From Gubernatorial Election Fund)	---	---	---

SUMMARIES OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS BY CATEGORY OR PURPOSE

(thousands of dollars)

	2002 Expenditures	2003 Adjusted Appropriation	2004 Requested	2004 Recom- mended
General Fund--				
Direct State Services--				
Personal Services	2,493,422	2,518,794	2,506,713	2,505,873
Materials and Supplies	203,561	196,955	195,131	195,120
Services Other Than Personal	399,981	399,004	388,362	388,301
Maintenance and Fixed Charges	206,489	218,344	220,504	220,460
Improvements and Equipment	44,680	34,485	33,104	33,092
Employee Pension and Health Benefits	860,641	982,314	1,375,186	1,185,650
Human Services Programs	37,291	35,414	42,881	42,881
Other	597,085	630,674	522,409	522,409
<i>Total Direct State Services</i>	<u>4,843,150</u>	<u>5,015,984</u>	<u>5,284,290</u>	<u>5,093,786</u>
Grants-in-Aid--				
Employee Pension and Health Benefits	416,171	468,770	542,020	524,925
Rutgers, The State University	342,955	358,341	331,407	297,034
University of Medicine and Dentistry of New Jersey	112,631	199,104	197,025	171,355
New Jersey Institute of Technology	57,301	58,622	52,884	45,736
State Colleges	310,560	312,571	285,806	251,047
Other Higher Education Programs	77,573	80,148	91,136	86,236
Transit Subsidy	254,546	260,027	260,027	260,027
Student Aid-Scholarships and Grants	216,725	227,257	232,848	229,098
Support of Independent Higher Education Institutions	24,240	26,697	27,697	21,147
Correctional Facilities	104,059	82,630	87,113	87,113
Support of the Arts	21,826	28,000	---	---
Income Maintenance Management	232,825	287,154	261,498	261,498
Medicaid and Pharmaceutical Assistance to the Aged and Disabled	2,047,025	2,597,021	2,188,387	2,188,387
Youth and Family Services	199,450	239,055	237,762	237,762
Services for the Developmentally Disabled	353,241	393,826	393,156	393,156
Mental Health Services	206,555	217,564	212,001	212,001
Drug Abuse and AIDS Control	48,783	49,723	43,108	43,108
Other Human Service Programs	167,545	184,813	116,338	116,338
Other	458,984	333,825	578,806	415,992
<i>Total Grants-in-Aid</i>	<u>5,652,995</u>	<u>6,405,148</u>	<u>6,139,019</u>	<u>5,841,960</u>
State Aid--				
Educational	1,081,250	2,888,224	3,434,703	2,928,071
Welfare	179,796	188,842	195,735	195,735
Health	129,832	147,644	143,564	143,564
Payment to Counties and Municipalities	84,021	88,247	84,135	84,135
Other	12,851	14,116	62,045	20,357
Non State Funds	10,521	10,519	3,038	2,085
<i>Total State Aid</i>	<u>1,498,271</u>	<u>3,337,592</u>	<u>3,923,220</u>	<u>3,373,947</u>
Capital Construction--				
Transportation	687,671	745,000	738,800	738,800
Environmental	96,544	80,745	80,680	80,680
Educational	1,610	400	---	---
Institutional	24,978	10,400	5,600	5,600
All Other	201,136	185,406	199,364	199,364
Non State Funds	242	---	---	---
<i>Total Capital Construction</i>	<u>1,012,181</u>	<u>1,021,951</u>	<u>1,024,444</u>	<u>1,024,444</u>

SUMMARIES OF APPROPRIATIONS

	2002 Expenditures	2003 Adjusted Appropriation	2004 Requested	2004 Recom- mended
Debt Service--				
Principal	296,135	291,975	270,469	270,469
Interest	155,041	178,700	163,459	163,459
<i>Total Debt Service</i>	<u>451,176</u>	<u>470,675</u>	<u>433,928</u>	<u>433,928</u>
<i>Total General Fund</i>	<u>13,457,773</u>	<u>16,251,350</u>	<u>16,804,901</u>	<u>15,768,065</u>
Property Tax Relief Fund--				
Homestead Rebates	502,967	537,329	522,663	522,663
Direct School Tax Relief	724,386	680,234	470,220	470,220
Educational	6,245,731	5,026,111	5,371,092	5,371,092
Payments to Municipalities	1,065,963	1,120,039	1,129,845	1,129,845
<i>Total Property Tax Relief Fund</i>	<u>8,539,047</u>	<u>7,363,713</u>	<u>7,493,820</u>	<u>7,493,820</u>
Casino Control Fund - Direct State Services--				
Enforcement	34,822	35,799	35,799	35,799
Administration	24,740	26,938	26,938	26,938
<i>Total Casino Control Fund - Direct State Services</i>	<u>59,562</u>	<u>62,737</u>	<u>62,737</u>	<u>62,737</u>
Casino Revenue Fund--				
Programs for Senior Citizens and the Disabled	428,021	364,968	377,200	377,200
<i>Total Casino Revenue Fund</i>	<u>428,021</u>	<u>364,968</u>	<u>377,200</u>	<u>377,200</u>
Gubernatorial Elections Fund - Direct State Services--				
Public Financing of Gubernatorial General Election	11,200	---	---	---
<i>Total Gubernatorial Elections Fund - Direct State Services</i>	<u>11,200</u>	<u>---</u>	<u>---</u>	<u>---</u>
GRAND TOTAL STATE APPROPRIATIONS	<u>22,495,603</u>	<u>24,042,768</u>	<u>24,738,658</u>	<u>23,701,822</u>

SUMMARIES OF APPROPRIATIONS

SUMMARY OF APPROPRIATIONS BY STATEWIDE PROGRAM

(thousands of dollars)

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2003 Adjusted Approp.	Requested	Recommended
GENERAL FUND								
Direct State Services								
10. Public Safety and Criminal Justice								
271,929	17,555	13,866	303,350	289,482	12. Law Enforcement	280,292	242,230	242,230
7,723	4,822	45	12,590	11,196	13. Special Law Enforcement Activities	6,294	6,294	6,294
15,339	1,759	4,704	21,802	18,852	14. Military Services	17,400	12,956	12,956
450,727	26,305	15,296	492,328	479,063	15. Judicial Services	504,703	502,164	502,164
708,818	9,794	9,493	728,105	711,391	16. Detention and Rehabilitation	760,612	757,521	757,521
53,272	631	-1,100	52,803	49,258	17. Parole	54,239	54,445	54,445
79,335	4	3,543	82,882	81,769	18. Juvenile Services	82,867	80,717	80,717
28,940	5	3,801	32,746	32,600	19. Central Planning, Direction and Management	31,355	32,363	32,363
1,616,083	60,875	49,648	1,726,606	1,673,611	Total Appropriation	1,737,762	1,688,690	1,688,690
20. Physical and Mental Health								
71,026	2,688	606	74,320	58,118	21. Health Services	76,642	41,267	41,267
7,343	4,888	-2,179	10,052	7,281	22. Health Planning and Evaluation	5,812	5,134	5,134
217,521	573	35,526	253,620	253,179	23. Mental Health Services	250,454	249,799	249,799
26,886	7,945	4,410	39,241	33,877	24. Special Health Services	26,058	26,853	26,853
6,045	24	2,350	8,419	6,950	25. Health Administration	5,407	4,876	4,876
17,213	198	7,735	25,146	24,041	26. Senior Services	14,145	16,569	16,569
965	---	---	965	965	27. Disability Services	986	984	984
346,999	16,316	48,448	411,763	384,411	Total Appropriation	379,504	345,482	345,482
30. Educational, Cultural and Intellectual Development								
930	---	-6	924	918	31. Direct Educational Services and Assistance	648	648	648
199,511	166	35,511	235,188	234,331	32. Operation and Support of Educational Institutions	240,195	239,401	239,401
8,368	1,620	-13	9,975	9,128	33. Supplemental Education and Training Programs	8,723	8,694	8,694
37,994	6,198	2,793	46,985	39,115	34. Educational Support Services	44,852	39,957	39,957
15,285	150	321	15,756	15,101	35. Education Administration and Management	14,397	15,214	15,214
4,657	---	292	4,949	4,171	36. Higher Educational Services	3,843	3,833	3,255
15,852	1,059	-75	16,836	14,518	37. Cultural and Intellectual Development Services	14,064	12,363	11,973
282,597	9,193	38,823	330,613	317,282	Total Appropriation	326,722	320,110	319,142

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2003 Adjusted Approp.	Requested	Recom- mended
					40. Community Development and Environmental Management			
21,595	13,625	-1,207	34,013	32,270	41. Community Development Management	23,785	21,194	21,194
66,345	4,595	1,231	72,171	68,656	42. Natural Resource Management	65,066	58,966	58,966
44,134	4,394	-929	47,599	34,006	43. Science and Technical Programs	33,916	33,856	33,856
43,276	17,103	-82	60,297	56,375	44. Site Remediation and Waste Management	44,089	45,604	45,604
39,609	2,887	-95	42,401	39,438	45. Environmental Regulation	33,648	32,081	32,081
19,317	176	675	20,168	19,753	46. Environmental Planning and Administration	21,557	19,858	19,858
17,810	528	534	18,872	18,180	47. Compliance and Enforcement	17,877	17,567	17,567
11,332	1,423	130	12,885	11,801	49. Agricultural Resources, Planning, and Regulation	10,031	9,384	9,384
263,418	44,731	257	308,406	280,479	Total Appropriation	249,969	238,510	238,510
					50. Economic Planning, Development and Security			
3,001	51	719	3,771	2,557	51. Economic Planning and Development	4,229	2,950	2,950
93,958	10,382	854	105,194	93,764	52. Economic Regulation	98,008	96,738	96,738
53,354	28,510	5,545	87,409	74,273	53. Economic Assistance and Security	73,956	65,475	65,475
20,023	6,370	52	26,445	25,804	54. Manpower and Employment Services	21,543	20,295	20,295
65,952	---	12,782	78,734	77,027	55. Social Services Programs	75,177	89,796	89,796
236,288	45,313	19,952	301,553	273,425	Total Appropriation	272,913	275,254	275,254
					60. Transportation Programs			
94,526	4,550	1,274	100,350	94,751	61. State and Local Highway Facilities	94,068	80,548	80,548
12,401	39	528	12,968	12,012	64. Regulation and General Management	7,856	6,665	6,665
106,927	4,589	1,802	113,318	106,763	Total Appropriation	101,924	87,213	87,213
					70. Government Direction, Management and Control			
54,770	10,299	-838	64,231	58,777	71. Legislative Activities	59,427	56,035	56,035
24,064	16,048	-5,919	34,193	33,857	72. Governmental Review and Oversight	21,119	20,063	20,063
177,865	14,787	3,395	196,047	168,257	73. Financial Administration	164,241	147,736	147,736
1,364,610	80,160	-6,056	1,438,714	1,254,504	74. General Government Services	1,450,282	1,859,011	1,669,475
8,277	521	-672	8,126	5,099	75. State Subsidies and Financial Aid	5,829	4,634	4,634
58,589	7,742	10,113	76,444	70,223	76. Management and Administration	51,838	51,498	51,498
12,906	3,702	131	16,739	12,467	77. Legislative Commissions and Committees	15,144	14,744	14,744
1,701,081	133,259	154	1,834,494	1,603,184	Total Appropriation	1,767,880	2,153,721	1,964,185
					80. Special Government Services			
120,044	90,189	-117	210,116	147,150	82. Protection of Citizens' Rights	122,562	119,591	119,591
55,328	1,373	624	57,325	56,845	83. Services to Veterans	56,748	55,719	55,719
175,372	91,562	507	267,441	203,995	Total Appropriation	179,310	175,310	175,310
4,728,765	405,838	159,591	5,294,194	4,843,150	Total Direct State Services	5,015,984	5,284,290	5,093,786

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended		2003 Adjusted Approp.	Requested	Recommended
					Grants-in-Aid			
					10. Public Safety and Criminal Justice			
4,732	3,500	---	8,232	2,915	12. Law Enforcement	1,565	565	565
6,000	11,327	256	17,583	14,327	13. Special Law Enforcement Activities	---	---	---
35	---	---	35	35	14. Military Services	35	35	35
90	---	---	90	90	15. Judicial Services	---	---	---
90,105	25,371	-1,100	114,376	103,090	16. Detention and Rehabilitation	81,935	81,377	81,377
509	---	1,100	1,609	969	17. Parole	695	5,736	5,736
19,033	---	---	19,033	17,881	18. Juvenile Services	18,257	18,257	18,257
120,504	40,198	256	160,958	139,307	Total Appropriation	102,487	105,970	105,970
					20. Physical and Mental Health			
72,717	6,341	1,232	80,290	78,822	21. Health Services	87,698	76,759	76,759
166,390	---	---	166,390	27,966	22. Health Planning and Evaluation	28,116	43,316	43,316
233,125	259	9,079	242,463	229,124	23. Mental Health Services	230,314	234,751	234,751
1,716,984	193,319	-7,320	1,902,983	1,534,999	24. Special Health Services	1,890,146	1,907,592	1,907,592
411,561	228,851	-7,889	632,523	563,415	26. Senior Services	763,198	347,075	347,075
128,154	698	-2,733	126,119	124,119	27. Disability Services	148,257	75,672	75,672
2,728,931	429,468	-7,631	3,150,768	2,558,445	Total Appropriation	3,147,729	2,685,165	2,685,165
					30. Educational, Cultural and Intellectual Development			
396,730	2,282	-17,698	381,314	353,241	32. Operation and Support of Educational Institutions	393,826	393,156	393,156
7,324	---	47	7,371	4,293	33. Supplemental Education and Training Programs	4,456	4,178	4,178
7,326	344	-679	6,991	4,055	34. Educational Support Services	4,415	2,623	2,623
1,270,582	10,369	-57,035	1,223,916	1,113,231	36. Higher Educational Services	1,202,830	1,383,763	1,103,799
28,672	518	26	29,216	27,046	37. Cultural and Intellectual Development Services	22,902	800	800
1,710,634	13,513	-75,339	1,648,808	1,501,866	Total Appropriation	1,628,429	1,784,520	1,504,556
					40. Community Development and Environmental Management			
30,450	10,187	1,683	42,320	29,901	41. Community Development Management	16,950	15,450	15,450
4,075	5,597	2,000	11,672	9,604	42. Natural Resource Management	5,500	---	---
6,535	3,250	---	9,785	35	43. Science and Technical Programs	---	---	---
350	1	---	351	200	46. Environmental Planning and Administration	---	---	---
3,904	2,961	846	7,711	5,047	49. Agricultural Resources, Planning, and Regulation	1,909	436	436
45,314	21,996	4,529	71,839	44,787	Total Appropriation	24,359	15,886	15,886
					50. Economic Planning, Development and Security			
64,009	6,714	92	70,815	51,753	51. Economic Planning and Development	59,746	14,941	14,941
36,171	28,000	---	64,171	24,171	52. Economic Regulation	11,171	70,840	70,840
277,616	59,420	-32,635	304,401	232,825	53. Economic Assistance and Security	287,154	261,498	261,498
30,624	535	7,249	38,408	37,842	54. Manpower and Employment Services	32,779	31,279	31,279
213,457	2,796	17,250	233,503	211,860	55. Social Services Programs	245,320	241,812	241,812
621,877	97,465	-8,044	711,298	558,451	Total Appropriation	636,170	620,370	620,370

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2003 Adjusted Approp.	Requested	Recom- mended
					60. Transportation Programs			
---	---	---	---	---	61. State and Local Highway Facilities	9,000	---	---
260,027	---	---	260,027	254,427	62. Public Transportation	260,027	260,027	260,027
---	2,078	39	2,117	119	64. Regulation and General Management	---	---	---
260,027	2,078	39	262,144	254,546	Total Appropriation	269,027	260,027	260,027
					70. Government Direction, Management and Control			
548,708	---	-13,888	534,820	500,649	74. General Government Services	559,712	640,334	623,239
47,463	675	---	48,138	42,173	75. State Subsidies and Financial Aid	4,876	---	---
39,063	5,735	-2,462	42,336	39,577	76. Management and Administration	19,350	13,738	13,738
635,234	6,410	-16,350	625,294	582,399	Total Appropriation	583,938	654,072	636,977
					80. Special Government Services			
12,000	---	---	12,000	12,000	82. Protection of Citizens' Rights	12,000	12,000	12,000
1,284	55	---	1,339	1,194	83. Services to Veterans	1,009	1,009	1,009
13,284	55	---	13,339	13,194	Total Appropriation	13,009	13,009	13,009
6,135,805	611,183	-102,540	6,644,448	5,652,995	Total Grants-in-Aid	6,405,148	6,139,019	5,841,960
					State Aid			
					10. Public Safety and Criminal Justice			
3,690	746	---	4,436	4,346	12. Law Enforcement	10,090	1,090	1,090
6,374	---	---	6,374	5,905	13. Special Law Enforcement Activities	6,982	3,730	3,730
10,064	746	---	10,810	10,251	Total Appropriation	17,072	4,820	4,820
					20. Physical and Mental Health			
31,952	---	189	32,141	32,133	21. Health Services	46,026	42,946	42,946
91,710	4,083	2,698	98,491	92,291	23. Mental Health Services	94,510	93,510	93,510
6,533	---	---	6,533	5,408	26. Senior Services	7,108	7,108	7,108
130,195	4,083	2,887	137,165	129,832	Total Appropriation	147,644	143,564	143,564
					30. Educational, Cultural and Intellectual Development			
884,203	650	-170	884,683	870,274	31. Direct Educational Services and Assistance	1,537,684	1,274,934	1,274,934
1,422	---	---	1,422	1,422	33. Supplemental Education and Training Programs	5,460	5,460	5,460
181,993	68,854	-130,995	119,852	20,505	34. Educational Support Services	1,157,278	1,930,748	1,448,872
176,549	---	---	176,549	172,047	36. Higher Educational Services	163,798	193,822	175,471
18,612	---	---	18,612	18,302	37. Cultural and Intellectual Development Services	19,631	24,185	16,827
1,262,779	69,504	-131,165	1,201,118	1,082,550	Total Appropriation	2,883,851	3,429,149	2,921,564

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2003 Adjusted Approp.	Requested	Recom- mended
					40. Community Development and Environmental Management			
17,471	56,895	-1,113	73,253	41,066	41. Community Development Management	16,971	16,575	16,575
---	479	---	479	469	42. Natural Resource Management	---	---	---
35	---	---	35	35	43. Science and Technical Programs	---	---	---
13,681	---	---	13,681	---	44. Site Remediation and Waste Management	---	---	---
2,510	---	---	2,510	---	45. Environmental Regulation	---	---	---
6,220	5	---	6,225	5,538	46. Environmental Planning and Administration	4,420	4,255	4,255
---	12	---	12	12	47. Compliance and Enforcement	---	---	---
9,642	876	-4	10,514	8,860	49. Agricultural Resources, Planning, and Regulation	8,642	8,642	8,642
49,559	58,267	-1,117	106,709	55,980	Total Appropriation	30,033	29,472	29,472
					50. Economic Planning, Development and Security			
170,085	11,031	492	181,608	179,796	53. Economic Assistance and Security	188,842	195,735	195,735
170,085	11,031	492	181,608	179,796	Total Appropriation	188,842	195,735	195,735
					70. Government Direction, Management and Control			
39,484	698	599	40,781	39,862	75. State Subsidies and Financial Aid	70,150	120,480	78,792
39,484	698	599	40,781	39,862	Total Appropriation	70,150	120,480	78,792
1,662,166	144,329	-128,304	1,678,191	1,498,271	Total State Aid	3,337,592	3,923,220	3,373,947
					Capital Construction			
					10. Public Safety and Criminal Justice			
5,990	385	---	6,375	242	11. Vehicular Safety	---	---	---
5,847	14,484	---	20,331	4,743	12. Law Enforcement	6,000	3,846	3,846
2,136	3,451	-7	5,580	1,215	14. Military Services	779	165	165
400	12,167	204	12,771	6,228	16. Detention and Rehabilitation	---	---	---
8,260	18,057	---	26,317	4,223	18. Juvenile Services	1,828	500	500
18,777	27,731	-203	46,305	10,386	19. Central Planning, Direction and Management	2,900	---	---
41,410	76,275	-6	117,679	27,037	Total Appropriation	11,507	4,511	4,511
					20. Physical and Mental Health			
2,079	754	---	2,833	1,218	21. Health Services	650	620	620
500	11,031	---	11,531	1,105	23. Mental Health Services	3,000	---	---
---	139	---	139	---	25. Health Administration	---	---	---
2,579	11,924	---	14,503	2,323	Total Appropriation	3,650	620	620

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2003 Adjusted Approp.	Requested	Recom- mended
					30. Educational, Cultural and Intellectual Development			
3,080	12,616	---	15,696	4,122	32. Operation and Support of Educational Institutions	400	---	---
---	---	---	---	---	33. Supplemental Education and Training Programs	1,200	---	---
1,550	3,197	---	4,747	869	35. Education Administration and Management	---	---	---
6,500	8,433	---	14,933	12,410	36. Higher Educational Services	---	---	---
1,041	6,528	8	7,577	3,392	37. Cultural and Intellectual Development Services	---	---	---
12,171	30,774	8	42,953	20,793	Total Appropriation	1,600	---	---
					40. Community Development and Environmental Management			
64,830	57,691	-169	122,352	47,790	42. Natural Resource Management	30,500	25,000	25,000
8,285	1,459	---	9,744	8,816	43. Science and Technical Programs	8,650	---	---
46,290	24,533	---	70,823	39,853	44. Site Remediation and Waste Management	41,470	55,680	55,680
---	3	---	3	---	45. Environmental Regulation	---	---	---
810	706	---	1,516	256	46. Environmental Planning and Administration	125	---	---
50	10,552	---	10,602	5,236	49. Agricultural Resources, Planning, and Regulation	---	---	---
120,265	94,944	-169	215,040	101,951	Total Appropriation	80,745	80,680	80,680
					50. Economic Planning, Development and Security			
---	238	---	238	238	51. Economic Planning and Development	---	---	---
---	30	---	30	9	52. Economic Regulation	---	---	---
---	268	---	268	247	Total Appropriation	---	---	---
					60. Transportation Programs			
709,500	122	---	709,622	685,000	61. State and Local Highway Facilities	745,000	738,800	738,800
---	2,500	---	2,500	2,500	64. Regulation and General Management	---	---	---
709,500	2,622	---	712,122	687,500	Total Appropriation	745,000	738,800	738,800
					70. Government Direction, Management and Control			
---	2,536	2,500	5,036	4,644	71. Legislative Activities	---	---	---
181,819	69,531	-2,579	248,771	163,334	74. General Government Services	175,149	194,233	194,233
3,000	11,778	550	15,328	4,079	76. Management and Administration	3,300	5,600	5,600
184,819	83,845	471	269,135	172,057	Total Appropriation	178,449	199,833	199,833
					80. Special Government Services			
4,818	9,871	7	14,696	273	83. Services to Veterans	1,000	---	---
4,818	9,871	7	14,696	273	Total Appropriation	1,000	---	---
1,075,562	310,523	311	1,386,396	1,012,181	Total Capital Construction	1,021,951	1,024,444	1,024,444

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2003 Adjusted Approp.	Requested	Recom- mended	
					Debt Service			
					40. Community Development and Environmental Management			
81,407	---	-16,280	65,127	54,279	46. Environmental Planning and Administration	76,833	68,053	68,053
81,407	---	-16,280	65,127	54,279	Total Appropriation	76,833	68,053	68,053
					70. Government Direction, Management and Control			
387,808	---	16,280	404,088	396,897	76. Management and Administration	393,842	365,875	365,875
387,808	---	16,280	404,088	396,897	Total Appropriation	393,842	365,875	365,875
469,215	---	---	469,215	451,176	Total Debt Service	470,675	433,928	433,928
14,071,513	1,471,873	-70,942	15,472,444	13,457,773	Total General Fund	16,251,350	16,804,901	15,768,065
					PROPERTY TAX RELIEF FUND			
					Property Tax Relief Fund - Grants-in-Aid			
					70. Government Direction, Management and Control			
1,235,627	---	---	1,235,627	1,227,353	75. State Subsidies and Financial Aid	1,217,563	992,883	992,883
1,235,627	---	---	1,235,627	1,227,353	Total Appropriation	1,217,563	992,883	992,883
1,235,627	---	---	1,235,627	1,227,353	Total Property Tax Relief Fund - Grants-in-Aid	1,217,563	992,883	992,883
					Property Tax Relief Fund - State Aid			
					30. Educational, Cultural and Intellectual Development			
4,961,322	9,397	100,033	5,070,752	5,059,976	31. Direct Educational Services and Assistance	4,655,189	5,006,121	5,006,121
42,986	---	---	42,986	42,803	33. Supplemental Education and Training Programs	38,948	38,948	38,948
1,369,425	29	28,300	1,397,754	1,142,952	34. Educational Support Services	331,974	326,023	326,023
27,205	---	---	27,205	21,474	36. Higher Educational Services	17,462	24,862	24,862
6,400,938	9,426	128,333	6,538,697	6,267,205	Total Appropriation	5,043,573	5,395,954	5,395,954
					40. Community Development and Environmental Management			
7,370	---	---	7,370	7,233	46. Environmental Planning and Administration	8,000	8,000	8,000
2,453	---	---	2,453	2,453	47. Compliance and Enforcement	2,453	2,453	2,453
9,823	---	---	9,823	9,686	Total Appropriation	10,453	10,453	10,453

SUMMARIES OF APPROPRIATIONS

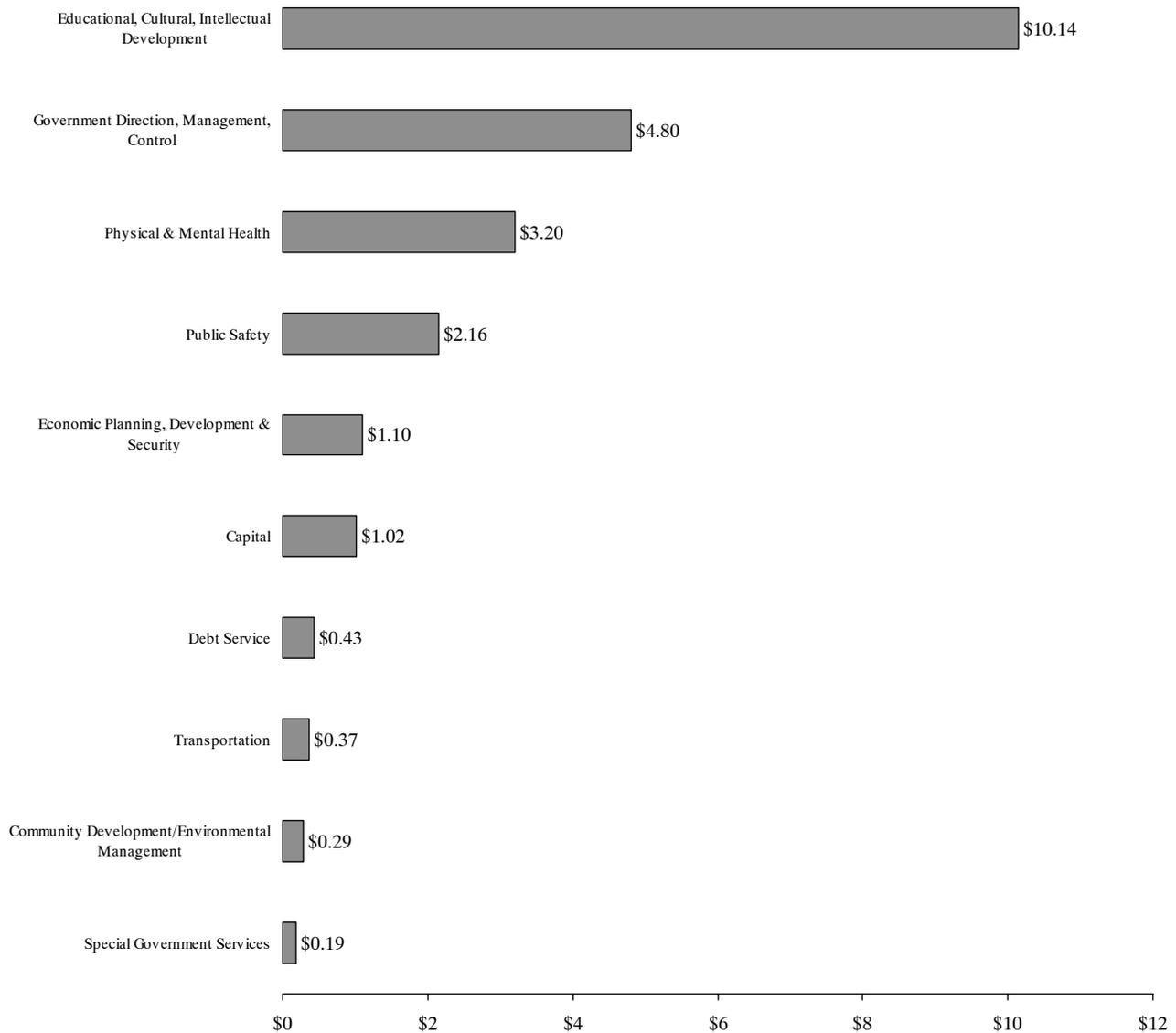
Year Ending June 30, 2002					Year Ending June 30, 2004		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2003 Adjusted Approp.	Requested	Recom- mended
70. Government Direction, Management and Control							
1,066,128	1,500	-2,245	1,065,383	1,034,803			
1,066,128	1,500	-2,245	1,065,383	1,034,803			
7,476,889	10,926	126,088	7,613,903	7,311,694			
8,712,516	10,926	126,088	8,849,530	8,539,047			
					70. Government Direction, Management and Control		
					75. State Subsidies and Financial Aid	1,092,124	1,094,530
					Total Appropriation	1,092,124	1,094,530
					<i>Total Property Tax Relief Fund - State Aid</i>	<i>6,146,150</i>	<i>6,500,937</i>
					Total Property Tax Relief Fund	7,363,713	7,493,820
					CASINO CONTROL FUND		
					Casino Control Fund - Direct State Services		
					10. Public Safety and Criminal Justice		
35,799	321	---	36,120	34,822	12. Law Enforcement	35,799	35,799
35,799	321	---	36,120	34,822	Total Appropriation	35,799	35,799
					70. Government Direction, Management and Control		
25,245	809	1	26,055	24,740	73. Financial Administration	26,938	26,938
25,245	809	1	26,055	24,740	Total Appropriation	26,938	26,938
61,044	1,130	1	62,175	59,562	Total Casino Control Fund	62,737	62,737
					CASINO REVENUE FUND		
					Casino Revenue Fund - Direct State Services		
					20. Physical and Mental Health		
871	2	50	923	890	26. Senior Services	871	871
871	2	50	923	890	Total Appropriation	871	871
					80. Special Government Services		
92	1	---	93	88	82. Protection of Citizens' Rights	92	92
92	1	---	93	88	Total Appropriation	92	92
963	3	50	1,016	978	<i>Total Casino Revenue Fund - Direct State Services</i>	<i>963</i>	<i>963</i>
					Casino Revenue Fund - Grants-in-Aid		
					20. Physical and Mental Health		
500	---	---	500	500	21. Health Services	500	500
275,592	66,133	-50	341,675	341,290	26. Senior Services	278,093	252,076
3,734	---	---	3,734	3,734	27. Disability Services	3,734	76,128
279,826	66,133	-50	345,909	345,524	Total Appropriation	282,327	328,704
					30. Educational, Cultural and Intellectual Development		
19,635	---	---	19,635	19,589	32. Operation and Support of Educational Institutions	19,635	19,635
19,635	---	---	19,635	19,589	Total Appropriation	19,635	19,635

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2003 Adjusted Approp.	Requested	Recom- mended
34,669	---	---	34,669	34,669	50. Economic Planning, Development and Security			
2,440	---	---	2,440	2,440	52. Economic Regulation	34,669	---	---
					54. Manpower and Employment Services	2,440	2,440	2,440
37,109	---	---	37,109	37,109	Total Appropriation	37,109	2,440	2,440
336,570	66,133	-50	402,653	402,222	<i>Total Casino Revenue Fund - Grants-in-Aid</i>	339,071	350,779	350,779
					Casino Revenue Fund - State Aid			
24,821	---	---	24,821	24,821	60. Transportation Programs			
24,821	---	---	24,821	24,821	62. Public Transportation	24,934	25,458	25,458
24,821	---	---	24,821	24,821	Total Appropriation	24,934	25,458	25,458
362,354	66,136	---	428,490	428,021	<i>Total Casino Revenue Fund - State Aid</i>	24,934	25,458	25,458
					Total Casino Revenue Fund	364,968	377,200	377,200
					GUBERNATORIAL ELECTIONS FUND			
					Gubernatorial Elections Fund - Direct State Services			
11,200	---	---	11,200	11,200	10. Public Safety and Criminal Justice			
11,200	---	---	11,200	11,200	13. Special Law Enforcement Activities	---	---	---
11,200	---	---	11,200	11,200	Total Appropriation	---	---	---
23,218,627	1,550,065	55,147	24,823,839	22,495,603	Total Gubernatorial Elections Fund	---	---	---
					GRAND TOTAL STATE APPROPRIATIONS	24,042,768	24,738,658	23,701,822

Fiscal 2004

Summary of Recommendations by Statewide Program (In Billions)



SUMMARIES OF APPROPRIATIONS

DEDICATED FUNDS

Summary of Appropriations by Department (thousands of dollars)

Year Ending June 30, 2002					Year Ending June 30, 2004		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2003 Adjusted Approp.	Requested	Recom- mended
Property Tax Relief Fund - Grants-in-Aid							
Department of the Treasury							
508,199	---	---	508,199	502,967	537,329	522,663	522,663
727,428	---	---	727,428	724,386	680,234	470,220	470,220
1,235,627	---	---	1,235,627	1,227,353	1,217,563	992,883	992,883
<i>Total Department of the Treasury</i>							
1,235,627	---	---	1,235,627	1,227,353	1,217,563	992,883	992,883
Total Property Tax Relief Fund - Grants-in-Aid							
Property Tax Relief Fund - State Aid							
Department of Community Affairs							
962,122	1,500	-2,245	961,377	934,724	967,769	959,269	959,269
962,122	1,500	-2,245	961,377	934,724	967,769	959,269	959,269
<i>Total Department of Community Affairs</i>							
Department of Education							
3,676,449	3,397	100,054	3,779,900	3,771,415	3,372,316	3,795,322	3,795,322
108,363	6,000	-100	114,263	111,973	106,363	34,289	34,289
65,578	---	---	65,578	65,578	65,578	65,578	65,578
199,512	---	---	199,512	199,512	199,512	199,512	199,512
911,420	---	79	911,499	911,498	911,420	911,420	911,420
42,986	---	---	42,986	42,803	38,948	38,948	38,948
13,545	---	-157	13,388	11,234	23,855	20,837	20,837
303,787	---	270	304,057	303,596	303,587	303,587	303,587
146,357	---	28,187	174,544	174,528			
905,736	29	---	905,765	653,594	4,532	1,599	1,599
6,373,733	9,426	128,333	6,511,492	6,245,731	5,026,111	5,371,092	5,371,092
<i>Total Department of Education</i>							
Department of Environmental Protection							
7,370	---	---	7,370	7,233	8,000	8,000	8,000
2,453	---	---	2,453	2,453	2,453	2,453	2,453
9,823	---	---	9,823	9,686	10,453	10,453	10,453
<i>Total Department of Environmental Protection</i>							
Department of the Treasury							
27,205	---	---	27,205	21,474	17,462	24,862	24,862
776	---	---	776	776	---	---	---
81,378	---	---	81,378	77,451	95,719	109,000	109,000
21,852	---	---	21,852	21,852	28,636	26,261	26,261
131,211	---	---	131,211	121,553	141,817	160,123	160,123
<i>Total Department of the Treasury</i>							
7,476,889	10,926	126,088	7,613,903	7,311,694	6,146,150	6,500,937	6,500,937
Total Property Tax Relief Fund - State Aid							
8,712,516	10,926	126,088	8,849,530	8,539,047	7,363,713	7,493,820	7,493,820
Total Property Tax Relief Fund							

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2003 Adjusted Approp.	Requested	Recom- mended
					Casino Control Fund - Direct State Services			
					Department of Law and Public Safety			
35,799	321	---	36,120	34,822	Gaming Enforcement	35,799	35,799	35,799
35,799	321	---	36,120	34,822	<i>Total Department of Law and Public Safety</i>	35,799	35,799	35,799
					Department of the Treasury			
25,245	809	1	26,055	24,740	Administration of Casino Gambling	26,938	26,938	26,938
25,245	809	1	26,055	24,740	<i>Total Department of the Treasury</i>	26,938	26,938	26,938
61,044	1,130	1	62,175	59,562	Total Casino Control Fund	62,737	62,737	62,737
					Casino Revenue Fund - Direct State Services			
					Department of Health and Senior Services			
871	2	50	923	890	Programs for the Aged	871	871	871
871	2	50	923	890	<i>Total Department of Health and Senior Services</i>	871	871	871
					Department of Law and Public Safety			
92	1	---	93	88	Operation of State Professional Boards	92	92	92
92	1	---	93	88	<i>Total Department of Law and Public Safety</i>	92	92	92
963	3	50	1,016	978	Total Casino Revenue Fund - Direct State Services	963	963	963
					Casino Revenue Fund - Grants-in-Aid			
					Department of Health and Senior Services			
500	---	---	500	500	Family Health Services	500	500	500
3,857	---	---	3,857	3,477	Medical Services for the Aged	3,857	31,058	31,058
257,928	64,374	---	322,302	322,300	Pharmaceutical Assistance to the Aged and Disabled	259,874	209,728	209,728
13,807	1,759	-50	15,516	15,513	Programs for the Aged	14,362	11,290	11,290
276,092	66,133	-50	342,175	341,790	<i>Total Department of Health and Senior Services</i>	278,593	252,576	252,576
					Department of Human Services			
3,734	---	---	3,734	3,734	Division of Disabilities Services	3,734	76,128	76,128
10,053	---	---	10,053	10,007	Purchased Residential Care	10,053	10,053	10,053
2,208	---	---	2,208	2,208	Social Supervision and Consultation	2,208	2,208	2,208
7,374	---	---	7,374	7,374	Adult Activities	7,374	7,374	7,374
23,369	---	---	23,369	23,323	<i>Total Department of Human Services</i>	23,369	95,763	95,763
					Department of Labor			
2,440	---	---	2,440	2,440	Vocational Rehabilitation Services	2,440	2,440	2,440
2,440	---	---	2,440	2,440	<i>Total Department of Labor</i>	2,440	2,440	2,440
					Department of the Treasury			
34,669	---	---	34,669	34,669	Energy Assistance Programs	34,669	---	---
34,669	---	---	34,669	34,669	<i>Total Department of the Treasury</i>	34,669	---	---
336,570	66,133	-50	402,653	402,222	Total Casino Revenue Fund - Grants-in-Aid	339,071	350,779	350,779

SUMMARIES OF APPROPRIATIONS

Year Ending June 30, 2002					Year Ending June 30, 2004			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2003 Adjusted Approp.	Requested	Recom- mended	
					Casino Revenue Fund - State Aid			
					Department of Transportation			
24,821	---	---	24,821	24,821	Railroad and Bus Operations	24,934	25,458	25,458
24,821	---	---	24,821	24,821	<i>Total Department of Transportation</i>	24,934	25,458	25,458
24,821	---	---	24,821	24,821	Total Casino Revenue Fund - State Aid	24,934	25,458	25,458
362,354	66,136	---	428,490	428,021	Total Casino Revenue Fund	364,968	377,200	377,200
					Gubernatorial Elections Fund - Direct State Services			
					Department of Law and Public Safety			
11,200	---	---	11,200	11,200	Election Law Enforcement	---	---	---
11,200	---	---	11,200	11,200	<i>Total Department of Law and Public Safety</i>	---	---	---
11,200	---	---	11,200	11,200	Total Gubernatorial Elections Fund	---	---	---
9,147,114	78,192	126,089	9,351,395	9,037,830	Total Appropriation	7,791,418	7,933,757	7,933,757

SUMMARIES OF APPROPRIATIONS

MAJOR INCREASES AND DECREASES

This table summarizes the major increases and decreases in the fiscal 2004 Budget and is organized by category.

Categories of appropriations are defined as follows:

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

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

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

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

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

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
State Operations			
Post Retirement Medical - State Employees	\$ 102.265		
Employee Health Benefits	84.581		
Contracted Salary Increases	82.304		
Employer Taxes	25.484		
Prison Operating Costs	20.143		
DYFS Reform Initiative	14.312		
Employer Pension Contributions - PFRS	6.274		
Central Rent	5.211		
Line of Credit - Equipment	5.058		
Corporate Business Tax (CBT) Dedication - Hazardous Waste/Watershed	4.910		
Reduction of Federal Funding - State Criminal Alien Assistance	3.000		
Civilly Committed Sex Offender Unit	2.892		
Bioterrorism Laboratory Rent	2.025		
Student Registration and Record System	1.500		
Department of Corrections Shift Change	1.460		
Child Welfare Unit - Division of Law	1.430		
Statewide 911 Emergency System	1.343		
Office of Government Integrity	1.000		
Teacher Preparation	0.850		
Annualization of DYFS District Office Hiring Initiative	0.754		
Smart Growth Enforcement	<u>0.250</u>		
<i>Subtotal - State Operations Increases</i>	<u>\$ 367.046</u>		

SUMMARIES OF APPROPRIATIONS

MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Wireless Communication/Cell Tower Assessment		\$ (46.098)	
Short Term Borrowing		(37.000)	
Tobacco Control Programs		(20.000)	
One-time Component - Sergeants and Lieutenants Contracts		(16.150)	
Early Retirement Sick Leave		(13.231)	
Early Retirement Incentive Extensions		(12.468)	
Debt Service On Pension Bonds		(12.376)	
Annualized Attrition		(8.569)	
Work First New Jersey - Technology		(7.345)	
Replace Deteriorated Modular Prison Units		(5.338)	
Department of Transportation Efficiencies		(5.264)	
Emergency Medical Technicians Fund - Medprep Offset		(5.000)	
Office of Information Technology Efficiencies		(4.537)	
Maximize CBT for Watershed Protection Programs		(3.389)	
Newborn Screening, Shift to Hospital Charges		(3.252)	
Eliminate Expansion of Cancer Initiatives		(3.250)	
Department of Health and Senior Services Efficiencies		(3.105)	
Student Statewide Testing Program		(2.963)	
Department of Corrections Efficiencies		(2.797)	
Division of Revenue Technology Upgrades		(2.503)	
State Police Recruit Class		(2.500)	
Public Advocate		(2.500)	
Parks Efficiencies/Increase Park Fee Revenues		(2.300)	
Department of Environmental Protection Efficiencies		(1.839)	
Increase Highway Occupancy Permit Fees		(1.700)	
Reduce Juvenile Justice Non-mandatory Staff Training		(1.400)	
Department of Military and Veterans Affairs Efficiencies		(1.305)	
Eliminate Office of Neighborhood Empowerment		(1.291)	
Dam Safety Administration from Shore Protection		(1.254)	
HMFA Balances - Boarding Home Regulation Assistance		(1.053)	
Public Health Protection Services Promotion		(1.000)	
Governor's Literacy Initiative		(1.000)	
Promoting Awareness and Participation in State Programs		(1.000)	
Close Springfield Rest Area		(1.000)	
Eliminate Local School Contracting Oversight and Assistance		(0.930)	
Eliminate Personal Responsibility Program		(0.850)	
Labor Standards and Safety - Wage and Hour Penalties		(0.750)	
Department of Education Efficiencies		(0.708)	
Inmate Clothing		(0.700)	
Eliminate Council on the Arts		(0.581)	
New Jersey Network Efficiencies		(0.577)	
Commission on Higher Education		(0.558)	
Department of Military and Veterans Affairs - Shift State to Federal		(0.553)	
Division of Insurance Efficiencies		(0.527)	
Eliminate Historic Site Management		(0.500)	
Electronic Benefits Transfer		(0.500)	
Emergency Allowances to Parolees Shifted to Non-Profit Organizations		(0.500)	
Eliminate Historical Commission		(0.500)	

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Contingency Funds		(0.500)	
Woman's Assessment Center		(0.489)	
Juvenile Justice State Match		(0.476)	
Eliminate Garden State Preservation Trust Office		(0.468)	
Division of Investments Study		(0.425)	
Eliminate Motion Picture & TV Development Commission		(0.409)	
Chief Executive Efficiencies		(0.405)	
Eliminate Cultural Trust		(0.385)	
Casualty Insurance Policy Premiums		(0.350)	
Department of Personnel Efficiencies		(0.350)	
Eliminate Taxation Advertising Funds		(0.300)	
War Memorial Operations		(0.285)	
Eliminate Office of Volunteerism		(0.259)	
Eliminate BEST Commission		(0.245)	
Board of Public Utilities Efficiencies		(0.241)	
Eliminate Support of Delaware and Raritan Canal Commission		(0.232)	
Office of Smart Growth Efficiencies		(0.205)	
Agriculture Promotion/Market Development		(0.200)	
Architect and Contractor Fee - Division of Property Management		(0.200)	
Youth Challenge Program Reduction		(0.200)	
Main Street New Jersey		(0.200)	
Eliminate Italian American Heritage Commission		(0.135)	
Holocaust Education		(0.122)	
Eliminate Plant Pest Detection Program		(0.100)	
Ratepayer Advocate Efficiencies		(0.086)	
Eliminate Office of Cultural Affairs		(0.085)	
Department of Agriculture Efficiencies		(0.085)	
Eliminate Local Finance Board Members' Salaries		(0.084)	
Eliminate Wine Promotion Program		(0.060)	
Governmental Accounting Standards Board		(0.032)	
Department of Personnel Merit System Board		(0.028)	
Eliminate Advisory Council to Promote the Profession of Nursing		(0.025)	
Executive Commission Efficiencies		(0.022)	
Martin Luther King, Jr. Commemorative Commission		(0.020)	
Eliminate Newark Drum and Bugle Corps - Armory Rental Subsidy		(0.020)	
Other (Net)		<u>(37.008)</u>	
<i>Subtotal - State Operations Decreases</i>		<u>\$ (289.247)</u>	
<i>Net Change (State Operations)</i>			<u>\$ 77.799</u>
 Grants-in-Aid			
Medicaid/General Assistance Health Care Growth	\$ 215.883		
Employee Health Benefits - Higher Education	41.754		
Nursing Homes and Alternatives	40.668		
General Fund Contribution to Health Care Subsidy Fund	25.200		
Replace HMFA Funds in Lifeline	25.000		
Post Retirement Medical - Higher Education	15.307		
Municipal Rehabilitation and Economic Recovery Act - EDA	10.939		
Employer Pension Contributions, Higher Education - PFRS/ABP	10.816		

SUMMARIES OF APPROPRIATIONS

MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Greystone Redirection II	10.000		
Corrections Community Programs	9.435		
General Assistance Support Services	6.300		
Tuition Aid Grants	5.801		
Higher Education Capital Improvement Program	5.667		
Developmental Disabilities Waiting List Placements	5.646		
Higher Education Equipment Leasing Fund	5.125		
Employer Taxes - Higher Education	3.162		
Children's System of Care Initiative (CSOCI)	3.000		
Horse Racing Litigation Settlement	2.500		
Senior Gold	1.817		
Replace One-time Funds in Substance Abuse	1.700		
Higher Education Dormitory Safety Trust Fund	1.470		
State Match - Increase Halfway Back and Day Reporting	0.730		
Kinship Child Care	0.500		
Sports and Exposition Authority Debt Service	0.360		
Technology Infrastructure Bond Fund	<u>\$ 0.026</u>		
<i>Subtotal - Grants-in-Aid Increases</i>	<u>\$ 448.806</u>		
Federal Revenue Maximization - IGT/Stimulus/Other Initiatives		\$ (330.000)	
NJ SAVER - \$100K Income Threshold		(170.670)	
Senior Public Colleges and Universities		(101.335)	
Pharmaceutical Assistance for the Aged & Disabled Waiver		(83.373)	
Family Care: Eliminate All but Non-Alien Parents Below 133%		(75.814)	
NJ SAVER - Recalculated Program Participation		(39.344)	
Implement a Preferred Drug List/Medicaid and PAAD		(31.500)	
Freeze Medicaid Outpatient Hospital Rates		(24.030)	
Business Employment Incentive Program Moratorium		(23.500)	
Family Development Programs Shifted to Federal		(21.916)	
Average Wholesale Price Discount - Medicaid/PAAD/Senior Gold		(20.959)	
Nursing Homes Provider Assessment		(18.500)	
Eliminate Council on the Arts Grants		(18.000)	
Implement \$3 Co-payment for Medicaid Prescription Drugs		(17.098)	
Eliminate Optional Medicaid Services: Dental and Chiropractic		(15.044)	
Homestead Rebate Adjustment		(14.666)	
Personal Care Attendants		(12.690)	
Mandatory Generic Substitution - Medicaid and PAAD		(11.948)	
Eliminate Research and Development - Science and Technology		(11.825)	
Eliminate Cultural Trust		(10.000)	
Maximize DYFS and Mental Health Federal Revenues		(9.745)	
Eliminate Annual Recalculation of Nursing Home Rates		(9.375)	
Eliminate Statewide Livable Communities		(9.000)	
Eliminate Hospital Assistance Grants		(7.000)	
Abbott Preschool Recalculation - Department of Human Services		(6.500)	
HMFA Balances - Community Service Waiting List, Congregate Housing and Senior Housing		(6.388)	
Delaney Hall Drug Treatment Program		(6.000)	
Alternative Parole Programs		(5.960)	

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Reduce Reimbursement for Nursing Home Bedholds		(5.200)	
Eliminate Statewide Livable Communities		(5.000)	
Sports and Exposition Authority Operating Subsidy		(5.000)	
Aid to Independent Colleges		(4.485)	
Maximize Federal Funds in ElderCare		(4.277)	
January 2004 Assets Test for PAAD Eligibility - Net of Senior Gold Increase		(4.243)	
Eliminate Historical Grants		(4.102)	
Outpatient Hospital Ambulatory Payment Groups		(3.750)	
Liberty Science Center Educational Services		(3.550)	
Eliminate Freshmen Class Outstanding Scholars Recruitment Program		(3.436)	
Eliminate Bound Brook Borough and Manville Flood Aid		(3.320)	
Family Friendly Centers and School Based Youth Services		(3.312)	
Department of Human Services Contract Reform		(3.293)	
Commerce - Nanotechnology		(3.000)	
Cooper Children's Hospital		(3.000)	
Eliminate Higher Education Non-Recurring Teacher Preparation		(3.000)	
Reduce Higher Education Incentive Endowment Fund and Eliminate Scholarly Chair		(2.575)	
Eliminate Business Assistance Grants		(2.044)	
Statewide Cultural Enrichment Grants		(2.000)	
Cancer Institute of New Jersey		(2.000)	
Shift AIDS Grants to Federal Funds		(2.000)	
Eliminate Human Services' Social Services Emergency Grants		(2.000)	
Developmental Disabilities Adult Activities		(2.000)	
Eliminate Drug Utilization Review Council		(1.959)	
Commerce - Travel and Tourism Cooperative Marketing		(1.850)	
Implement Co-payments for Medicaid Non-emergent Services Provided In Outpatient Setting		(1.800)	
Eliminate Life Skills Academy		(1.500)	
Statewide Local ADA Compliance		(1.500)	
Qualified Municipality Economic Opportunity Fund		(1.500)	
Eliminate Statewide Local Tourism Development		(1.500)	
Reduce Pharmacy Costs at State Psychiatric Hospitals		(1.500)	
Breaking The Cycle		(1.500)	
50% Center for Hispanic Policy		(1.365)	
Kinship Subsidy		(1.250)	
Clinical Review for Polypharmacy - PAAD		(1.250)	
Commerce and Economic Growth Commission Efficiencies		(1.040)	
Eliminate Brownfields Redevelopment Grants - Community Affairs		(1.000)	
ElderCare Advisory Commission Efficiencies		(1.000)	
Faith Based Grants		(1.000)	
Eliminate Community Justice Grant		(1.000)	
Shift Portion of Soil and Water Conservation Grants to Garden State Preservation Trust		(0.819)	
Scholarly Chairs and Other Support to Independent Institutions		(0.815)	
Jones Farm Prison Opening		(0.686)	
General Assistance Work Activities		(0.650)	
Department of Community Affairs Efficiencies		(0.578)	
50% Grants to Displaced Homemaker Centers		(0.500)	
Eliminate Garden State Cancer Center		(0.500)	

SUMMARIES OF APPROPRIATIONS

MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Eliminate Kinship Care Navigator		(0.500)	
Eliminate Statewide Community Forestry		(0.500)	
Coordinated Garden State Scholarship Programs		(0.500)	
NJ Performing Arts Center Debt Service, EDA		(0.434)	
Asthma Nebulizers		(0.318)	
Implement Licensing Fees for Mental Health Programs Licensed by DMHS		(0.316)	
New Jersey Youth Corps Reduction		(0.300)	
Projected Bond Premiums - Equipment Leasing Fund		(0.300)	
Projected Bond Premiums - Dormitory Safety Trust Fund		(0.300)	
Eliminate Dover Free Clinic		(0.250)	
Eliminate St. Barnabas Hospital - Neurology Institute		(0.250)	
Research Under Contract with the Institute of Medical Research		(0.250)	
Camden Optometric Eye Center		(0.250)	
Teacher Recruitment		(0.249)	
50% Arthritis Quality of Life Initiative Act		(0.232)	
Professional Development Training Centers		(0.225)	
Eliminate Drugs are Ugly and Uncool		(0.211)	
Family Planning Services		(0.200)	
Grants to Hispanic Women's Resource Centers		(0.200)	
Prevention Related Activities Earmarked for Consumers Under Age 21		(0.150)	
Earned Income Tax Credit Marketing		(0.140)	
50% Huntington's Disease		(0.138)	
Testing for Specific Hereditary Diseases		(0.133)	
Home Care Expansion		(0.119)	
Hemophilia Services		(0.104)	
Vocational Adjustments Centers		(0.104)	
50% Tourette's Syndrome		(0.100)	
Marine Science Consortium		(0.100)	
Governor's School		(0.100)	
Eliminate New Jersey Museum of Agriculture		(0.090)	
50% SIDS Assistance Act		(0.087)	
Low Vision Equipment Reduction		(0.080)	
Cleft Palate Programs		(0.061)	
Emergency Medical Services Grants		(0.058)	
Eliminate Hamilton Township Scrap Tire Removal		(0.056)	
50% ASPIRA Grants		(0.050)	
Hearing Aid Assistance		(0.050)	
Eliminate Trenton Urban Gardening		(0.050)	
Eliminate Camden Urban Gardening		(0.050)	
Shift Commission for the Blind Services to Federal		(0.048)	
Eliminate Council of Economic Advisors		(0.045)	
Chronic Renal Disease Services		(0.041)	
Farm Management & Training Initiative		(0.024)	
Survivor Tuition Benefits		(0.015)	
Miss New Jersey Scholarship Program		(0.009)	
Other (Net)		(0.347)	
<i>Subtotal - Grants-In-Aid Decreases</i>		<u>\$ (1,224.963)</u>	
<i>Net Change (Grants-In-Aid)</i>			<u>\$ (776.157)</u>

SUMMARIES OF APPROPRIATIONS

APPROPRIATIONS MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
State Aid			
Post Retirement Medical - Teachers' Pension and Annuity Fund	\$ 140.053		
School Aid CEIFA/Supplemental Programs	100.000		
School Construction	96.511		
Local School Districts - Teacher Social Security Payments	34.593		
Post Retirement Medical, Local School Districts - Non-TPAF	19.389		
Aid to County Colleges - Replace Supplemental Workforce Fund	15.000		
State Reimbursement for Veterans' Property Tax Deductions	13.281		
Local Police and Firemen's Pension Contribution	9.658		
General Assistance	8.875		
Debt Service - Higher Education, Chapter 12	7.400		
Post Retirement Medical - Local Police and Firemen	4.970		
Supplementary Security Income	4.130		
Post Retirement Medical - County Colleges	3.058		
Teacher Mentoring Program	2.000		
Alternate Benefits Program Employer Contributions - County Colleges	1.606		
Early Childhood Intervention Program	1.500		
Public Library Project Fund	0.566		
Elderly/Handicapped Transportation - Casino Revenue Fund Dedication	0.524		
Other (Net)	<u>2.469</u>		
Subtotal - State Aid Increases	<u>\$ 465.583</u>		
Eliminate Statewide Local Domestic Preparedness Equipment		\$ (9.000)	
Aid to County Colleges - Operational Aid		(8.000)	
Other Education Aid		(7.093)	
HMFA Balances - General Assistance/Emergency Assistance		(6.112)	
Extraordinary Aid		(5.500)	
Charter School Aid		(5.500)	
School Aid Growth Savings - Payment Change		(5.000)	
Eliminate Public Health Priority Funding		(4.100)	
Nonpublic Additional School Aid From Prior Year Receipts		(4.000)	
Extended Polling Hours		(3.252)	
Special Municipal Aid		(3.000)	
Additional School Building Aid		(2.933)	
Eliminate Newark Museum		(2.700)	
Nonpublic Technology Initiative		(2.000)	
Eliminate Department of Education District Reorganization Initiatives		(2.000)	
South Jersey Port Corporation Debt Service Reserve Fund		(1.016)	
County Psychiatric Hospitals		(1.000)	
State Library Development Aid		(0.570)	
LINCS - Local Information Network and Communications System		(0.480)	
Neighborhood Preservation		(0.350)	
Eliminate Local Environmental Commissions Funding		(0.165)	
State Library - Emergency Aid/Incentive Grants		(0.100)	
Municipal Membership - Building Codes Association		<u>(0.046)</u>	
Subtotal - State Aid Decreases		<u>\$ (73.917)</u>	
Net Change (State Aid)			<u>\$ 391.666</u>

SUMMARIES OF APPROPRIATIONS

MAJOR INCREASES AND DECREASES (\$ In Millions)

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Capital Construction			
New Jersey Building Authority Debt Service Including State Police Emergency Operations Center and State Museum	\$ 21.862		
CBT Dedication - Site Remediation and Underground Storage Tanks	14.210		
Statewide Fire, Life Safety, Security and Renovation Projects	9.695		
Youth and Family Services - Technology	5.600		
State Trooper Hamilton Facility	5.031		
Department of Environmental Protection Fire Alarm Upgrade	<u>0.922</u>		
Subtotal - Capital Construction Increases	<u>\$ 57.320</u>		
Department of Environmental Protection Projects		\$ (14.275)	
Human Services Projects		(7.500)	
Transportation Trust Fund - Debt Issuance Delay/Refunding Savings		(6.200)	
Law and Public Safety Projects		(6.000)	
New Jersey Building Authority - State Police Training Center		(5.000)	
State House Security Upgrade/Lease Renovations		(4.080)	
Other (Net)		<u>(11.772)</u>	
Subtotal - Capital Construction Decreases		<u>\$ (54.827)</u>	
Net Change (Capital Construction)			<u>\$ 2.493</u>
Debt Service			
HMFA Balances - General Obligation Debt Service		\$ (11.434)	
Other (Net)		<u>(25.313)</u>	
Subtotal - Debt Service Decreases		<u>\$ (36.747)</u>	
Net Change (Debt Service)			<u>\$ (36.747)</u>
GRAND TOTAL	<u>\$1,338.755</u>	<u>\$(1,679.701)</u>	<u>\$(340.946)</u>

NOTES

SUMMARIES OF APPROPRIATIONS

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

---Recommended Fiscal Year 2004---

	Expended Fiscal 2002	Adjusted Appropriation Fiscal 2003	Requested Fiscal 2004	General Fund	Property Tax Relief Fund	Total
Formula Aid Programs:						
Core Curriculum Standards Aid	3,076,068	3,080,318	3,080,318	1,176,530	1,903,788	3,080,318
Abbott v. Burke Parity Remedy	405,264	512,656	512,656	-	512,656	512,656
Supplemental Core Curriculum Standards Aid	251,768	251,768	251,768	-	251,768	251,768
Early Childhood Aid	330,630	330,630	330,630	-	330,630	330,630
Instructional Supplement	15,621	15,621	15,621	-	15,621	15,621
Demonstrably Effective Program Aid	199,512	199,512	199,512	-	199,512	199,512
Rewards and Recognition	9,957	9,957	-	-	-	-
Stabilization Aid	111,626	111,626	111,626	-	111,626	111,626
Stabilization Aid 2	2,491	2,491	2,491	-	2,491	2,491
Stabilization Aid 3	11,402	11,402	11,402	-	11,402	11,402
Additional Supplemental Stabilization Aid:						
Large Efficient Districts	5,250	5,250	5,250	-	5,250	5,250
High Senior Citizen Concentrations	1,231	1,231	1,231	-	1,231	1,231
Regionalization Incentive Aid	18,295	18,295	18,295	-	18,295	18,295
Categorical Aids:						
Distance Learning Network	59,162	59,162	-	-	-	-
Adult Education Grants	28,721	28,721	10,322	-	10,322	10,322
Bilingual Education	65,578	65,578	65,578	-	65,578	65,578
Special Education	896,420	896,420	896,420	-	896,420	896,420
County Vocational Education	38,948	38,948	38,948	-	38,948	38,948
Pupil Transportation Aid	303,456	303,187	303,187	-	303,187	303,187
School Choice	1,945	3,755	6,537	-	6,537	6,537
Aid for Enrollment Adjustments	16,456	16,456	16,456	-	16,456	16,456
Consolidated Aid	-	-	148,526	-	148,526	148,526
Less:						
Stabilization Aid Growth Limitation	(73,576)	(73,576)	(73,576)	-	(73,576)	(73,576)
Growth Savings - Payment Change	-	-	(5,000)	-	(5,000)	(5,000)
Subtotal, Net T&E Budget	5,776,225	5,889,408	5,948,198	1,176,530	4,771,668	5,948,198
School Construction and Renovation Fund	20,505	15,017	111,528	111,528	-	111,528
Debt Service Aid	169,053	137,858	129,101	129,101	-	129,101
Subtotal, School Building Aid	189,558	152,875	240,629	240,629	-	240,629
TOTAL FORMULA AID	5,965,783	6,042,283	6,188,827	1,417,159	4,771,668	6,188,827

SUMMARIES OF APPROPRIATIONS

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

---Recommended Fiscal Year 2004---

	Expended Fiscal 2002	Adjusted Appropriation Fiscal 2003	Requested Fiscal 2004	General Fund	Property Tax Relief Fund	Total
Other Aid to Education:						
Nonpublic School Aid	87,489	100,899	95,276	95,276	-	95,276
Additional Abbott v. Burke State Aid	367,613	365,548	401,758	-	401,758	401,758
Abbott Preschool Expansion Aid	-	142,400	142,400	-	142,400	142,400
Payment for Children with Unknown District of Residence	13,610	13,610	17,217	-	17,217	17,217
Extraordinary Special Education Costs Aid	15,078	15,000	15,000	-	15,000	15,000
General Vocational Aid	5,277	5,460	5,460	5,460	-	5,460
Additional School Building Aid (Debt Service)	5,475	4,532	1,599	-	1,599	1,599
Educational Information & Resource Center	450	450	450	450	-	450
Charter School Aid	5,058	14,500	9,000	-	9,000	9,000
Charter Schools - Council on Local Mandates Decision Offset Aid	4,231	5,600	5,300	-	5,300	5,300
Character Education	4,691	4,750	4,750	-	4,750	4,750
Teacher Quality Mentoring	5,769	-	2,000	-	2,000	2,000
Other Aid	3,814	7,098	3,078	2,678	400	3,078
Subtotal, Other Aid to Education	518,555	679,847	703,288	103,864	599,424	703,288
Subtotal, Department of Education	6,484,338	6,722,130	6,892,115	1,521,023	5,371,092	6,892,115
Direct State Payments for Education:						
Teachers' Pension and Annuity Fund - Post Retirement Medical	-	302,605	442,658	442,658	-	442,658
Debt Service on Pension Obligation Bonds	72,665	76,899	86,704	86,704	-	86,704
Post Retirement Medical Other Than TPAF	36,057	48,349	67,738	67,738	-	67,738
Teachers' Social Security Assistance	544,872	576,550	611,143	611,143	-	611,143
TOTAL	7,137,932	7,726,533	8,100,358	2,729,266	5,371,092	8,100,358