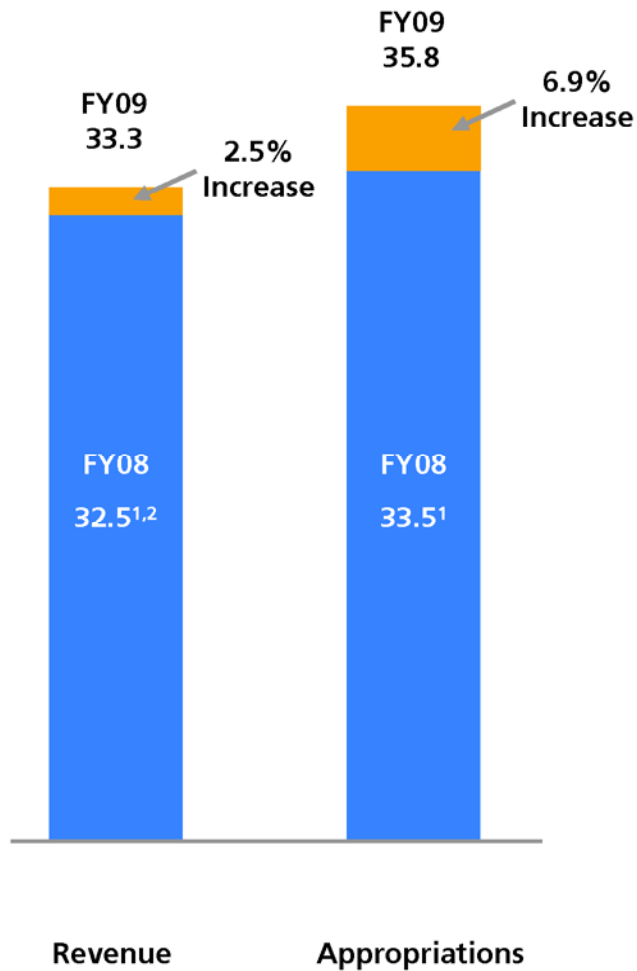


Challenges to Balancing New Jersey's General Fund Budget

FY09 Projected Structural Deficit: (\$2.5) billion

(\$ in Billions)



The structural deficit is caused by the State's present inability to match recurring revenues to recurring expenditures.

Notes:

- 1 The FY08 Budget was balanced through the use of a combination of \$0.7 billion in sales tax carry forwards and \$1.2 billion in other carry forwards leaving \$0.6 billion as the projected fund balance carry forward for FY09
- 2 Reflects current estimate of FY08 revenue