

State of New Jersey

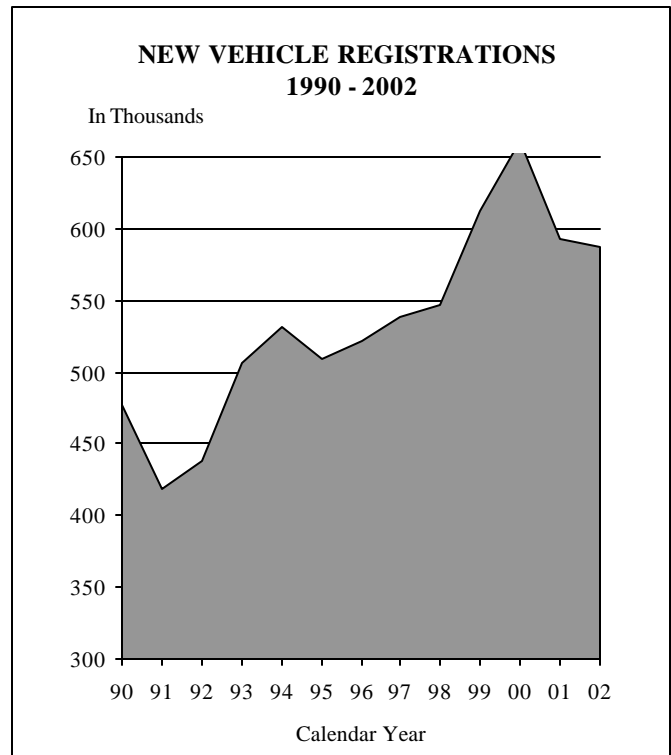
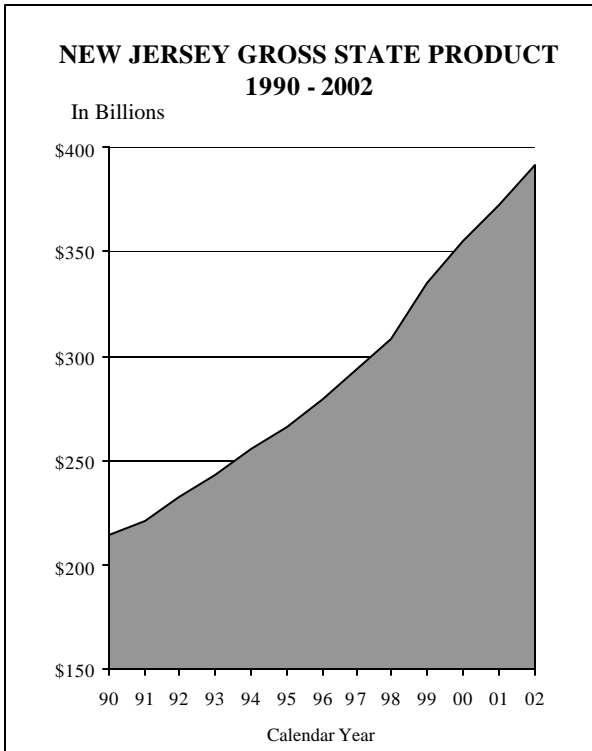
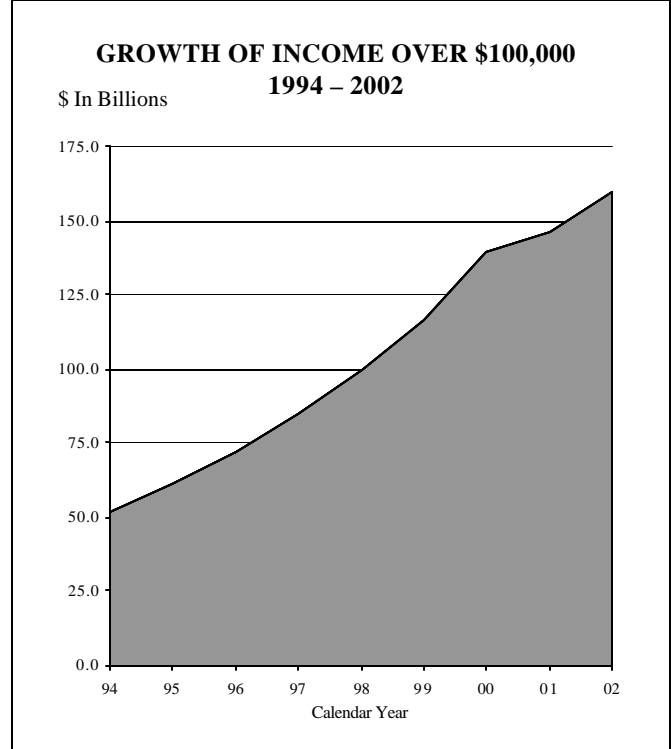
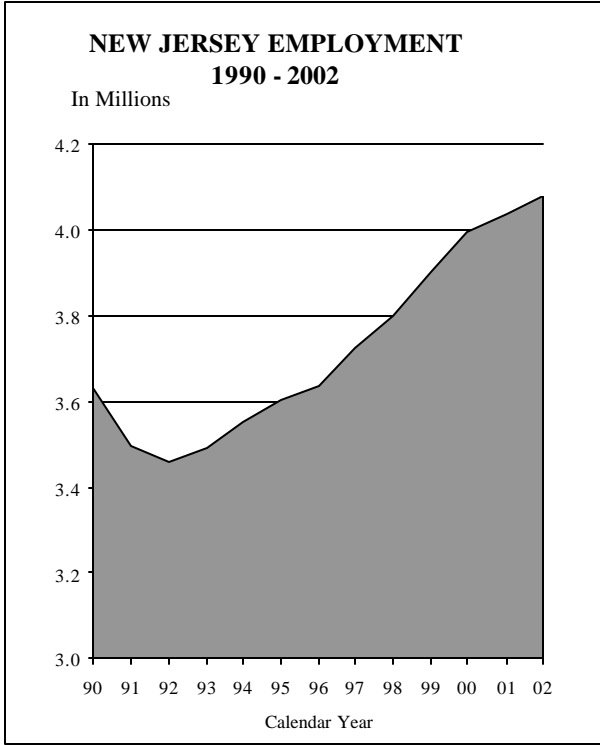
Fiscal Year 2002



Appropriations Act

Economic Growth Stays Strong

(1990 - 2002)



The Fiscal 2002 Appropriations Act
Proposed Spending is Reduced
by \$232 Million & a Record Surplus is Provided

(In Millions)

| | FY 2001 Adjusted Approp. | FY 2002 Budget Message | FY 2002 Approp. Bill | % Change to Adjusted Approp. |
|----------------------|---|---------------------------------------|---------------------------------|---|
| Opening Surplus | \$ 1,285 | \$ 1,279 | \$ 1,068 | (16.9)% |
| Revenues | | | | |
| Income | 7,970 | 8,916 | 8,545 | 7.2% |
| Sales | 5,779 | 6,247 | 6,137 | 6.2% |
| Corporate | 1,335 | 1,513 | 1,823 | 36.6% |
| Other | 5,877 | 6,198 | 6,367 | 8.3% |
| Total Revenues | \$ 20,961 | \$ 22,874 | \$ 22,872 | 9.1% |
| Lapses | 619 | --- | --- | |
| Total Resources | \$ 22,865 | \$ 24,153 | \$ 23,940 | 4.7% |
| Appropriations | | | | |
| Original | \$ 21,431 | \$ 23,153 | \$ 22,921 | 7.0% |
| Supplemental | 366 | --- | --- | |
| Total Appropriations | \$ 21,797 | \$ 23,153 | \$ 22,921 | 5.2% |
| Fund Balance | \$ 1,068 | \$ 1,000 | \$ 1,019 | |

*Acting Governor Donald T. DiFrancesco's
Priorities
Promises Made, Promises Kept*

(In Millions)

| | <u>FY 2002 Approp. Bill</u> |
|---|---------------------------------|
| Property Tax Relief | |
| Increase Homestead Rebate to \$750 | \$ 118.0 |
| Increase Tenants' Rebate to \$100 | \$ 26.0 |
| Accelerate NJSaver to Average of \$500 | \$ 150.0 |
| Subtotal | <u>\$ 294.0</u> |
| Health Care | |
| Senior Gold | \$ 50.0 |
| Increase Medicaid Hospital Rates + Charity Care | \$ 55.0 |
| Expand Family Care | \$ 25.1 |
| Medicaid Physician Fee Increase | \$ 35.0 |
| Spousal Impoverishment | \$ 24.4 |
| ER Physician Payments | \$ 5.0 |
| Newborn Screening | \$ 3.1 |
| Managed Care Oversight + Consumer Awareness | \$ 1.4 |
| Expansion of Minority Health Services | \$ 1.5 |
| Subtotal | <u>\$ 200.5</u> |
| Kidsneeds | \$ 13.0 |
| DYFS Staffing | \$ 12.0 |
| Protecting New Jersey's Drinking Water | \$ 21.0 |
| Education - School Aid Hold Harmless | \$ 11.4 |
| Total | <u><u>\$ 551.9</u></u> |

Direct Property Tax Relief Grows by 42.7%

(In Millions)

| | FY 2001 Adjusted Approp. | FY 2002 Approp. Bill | \$ Change | % Change |
|---|---|---------------------------------|-------------------------------|----------------------------|
| NJ Saver | \$ 336.7 | \$ 607.4 | \$ 270.7 | 80.4% |
| Homestead Rebates | 335.1 | 482.6 | 147.5 | 44.0% |
| Veterans & Senior/Disabled Citizens Property Tax Deduction | 77.3 | 92.0 | 14.7 | 19.0% |
| Property Tax Deduction Act | <u>301.0</u> | <u>316.0</u> | <u>15.0</u> | <u>5.0%</u> |
| Total Direct Property Tax Relief | <u><u>\$1,050.1</u></u> | <u><u>\$ 1,498.0</u></u> | <u><u>\$ 447.9</u></u> | <u><u>42.7%</u></u> |

Record Funding for Property Tax Relief

(In Millions)

| Programs | FY 2001 Adjusted Approp. | FY2002 Budget Message | FY 2002 Approp. Bill | Change | |
|-------------------------------------|---|--------------------------------------|---------------------------------|-------------------------|---------------------|
| | | | | \$ | % |
| School Aid | \$ 6,837.1 | \$ 7,451.3 | \$ 7,441.1 | \$ 604.0 | 8.8% |
| Municipal Aid | 1,667.7 | 1,741.8 | 1,723.5 | 55.8 | 3.3% |
| Other Local Aid | 593.7 | 593.3 | 622.6 | 28.9 | 4.9% |
| Direct Property Tax Relief | <u>1,050.1</u> | <u>1,358.5</u> | <u>1,498.0</u> | <u>447.9</u> | <u>42.7%</u> |
| Subtotal Direct Aid | \$10,148.6 | \$11,144.9 | \$ 11,285.2 | \$1,136.6 | 11.2% |
| Police and Firemens' Retirement | | | | | |
| Local Savings | 150.0 | 247.8 | 247.8 | 97.8 | 65.2% |
| Pension Security Program Savings | <u>48.7</u> | <u>48.7</u> | <u>48.7</u> | <u>---</u> | <u>----</u> |
| Grand Totals | <u>\$10,347.3</u> | <u>\$11,441.4</u> | <u>\$ 11,581.7</u> | <u>\$1,234.4</u> | <u>11.9%</u> |

*State Aid & Services are Increased by
\$1,351 Million*

| | FY 2001 | FY 2002 | FY 2002 | Change | |
|---------------------------------|-----------------------------|---------------------------|-------------------------|------------------------|-------------|
| | Adjusted Approp. | Budget Message | Approp. Bill | \$ | % |
| State-Aid | \$ 8,492 | \$ 9,151 | \$ 9,148 | \$ 656 | 7.7% |
| Grants-in-Aid | 6,769 | 7,396 | 7,464 | 695 | 10.3% |
| Operations | 4,821 | 4,900 | 4,751 | (70) | (1.5)% |
| Capital | 1,185 | 1,177 | 1,064 | (121) | (10.2)% |
| Debt Service | <u>530</u> | <u>529</u> | <u>494</u> | <u>(36)</u> | (6.8)% |
| Grand Total -- State | <u>\$ 21,797</u> | <u>\$ 23,153</u> | <u>\$ 22,921</u> | <u>\$ 1,124</u> | 5.2% |

Record School Aid Meets Local Needs

(In Millions)

| | FY 2001 Adjusted Approp. | FY 2002 Budget Message | FY 2002 Approp. Bill | Change from FY 2001 |
|---|---|---------------------------------------|---------------------------------|------------------------------------|
| CEIFA/Supplemental Programs | \$5,735.8 | \$ 6,193.0 | \$ 6,191.6 | \$ 455.8 |
| Other Aid | <u>178.9</u> | <u>172.3</u> | <u>161.8</u> | <u>(17.1)</u> |
| Total Direct School Aid | \$5,914.7 | \$ 6,365.3 | \$ 6,353.4 | \$ 438.7 |
| Post Retirement Medical, Debt Service and Social Security | 792.5 | 904.0 | 905.7 | 113.2 |
| School Construction and Renovation | <u>129.9</u> | <u>182.0</u> | <u>182.0</u> | <u>52.1</u> |
| Total School Aid | \$6,837.1 | \$ 7,451.3 | \$ 7,441.1 | \$ 604.0 |
| Local Pension Security Program Savings | <u>10.6</u> | <u>10.6</u> | <u>10.6</u> | <u>-</u> |
| Total School Aid and Related Items | <u>\$6,847.7</u> | <u>\$ 7,461.9</u> | <u>\$ 7,451.7</u> | <u>\$ 604.0</u> |

Municipal Aid is Increased

(In Millions)

| | FY 2001 Adjusted Approp. | FY 2002 Approp. Bill | \$ Change |
|---|---|---------------------------------|-----------------------|
| Consolidated Municipal Property Tax Relief Aid (CMPTRA) | \$ 787.8 | \$ 818.5 | \$ 30.7 |
| Energy Receipts Property Tax Relief Aid | 750.0 | 755.0 | 5.0 |
| Special Municipal Aid | - | 38.7 | 38.7 |
| Regional Efficiency Aid Program | 16.8 | 20.0 | 3.2 |
| Regional Efficiency Dev. Incentive Program | 10.0 | 5.0 | (5.0) |
| Legislative Initiative Block Grant Program | 33.8 | 33.8 | - |
| Extraordinary Aid | 25.0 | 25.0 | - |
| Watershed Moratorium Offset Aid | 3.3 | 3.4 | 0.1 |
| Open Space - Payment In Lieu of Taxes (PILOT) | 7.1 | 7.4 | 0.3 |
| Business Personal Property Tax Depreciation | <u>33.9</u> | <u>16.7</u> | <u>(17.2)</u> |
| Subtotal Direct Municipal Aid | \$ 1,667.7 | \$ 1,723.5 | \$ 55.8 |
| Local Pension Security Program Savings | <u>12.8</u> | <u>12.8</u> | <u>---</u> |
| Total Municipal Aid and Budget Savings | <u>\$ 1,680.5</u> | <u>\$ 1,736.3</u> | <u>\$ 55.8</u> |

Higher Education Commitment Grows by Over \$108 Million

(In Millions)

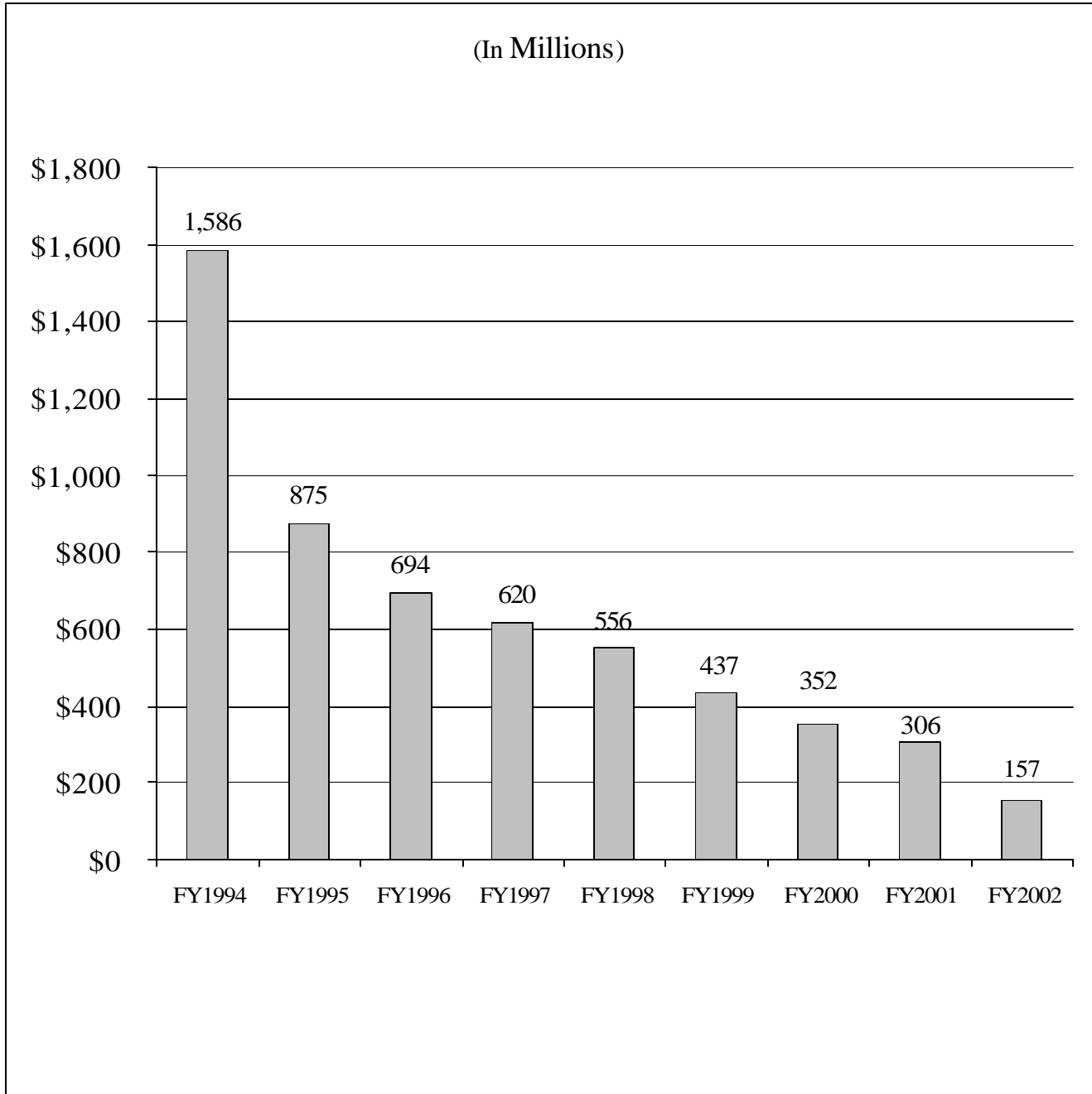
| | <u>FY 2001 Adjusted Approp.</u> | <u>FY 2002 Approp. Bill</u> | <u>\$ Change</u> |
|--|---|---------------------------------|------------------------|
| COLLEGES AND UNIVERSITIES | | | |
| Senior Public Colleges and Universities | \$ 1,157.2 | \$ 1,239.2 | \$ 82.0 |
| County Colleges | 191.1 | 203.8 | 12.7 |
| Independent Colleges and Universities | 26.2 | 24.5 | (1.7) |
| STUDENT FINANCIAL ASSISTANCE | 216.6 | 222.9 | 6.3 |
| HIGH-TECH INITIATIVES | | | |
| Excellence in High Technology Workforce | 15.0 | 15.0 | - |
| Biomedical and Other Technology Research | 10.0 | 5.0 | (5.0) |
| Bioengineering and Genetics Building | - | 2.0 | 2.0 |
| TEACHER QUALITY | | | |
| Teacher Preparation | - | 10.0 | 10.0 |
| OTHER PROGRAMS | <u>92.8</u> | <u>95.0</u> | <u>2.2</u> |
| Grand Total | <u><u>\$ 1,708.9</u></u> | <u><u>\$ 1,817.4</u></u> | <u><u>\$ 108.5</u></u> |

***Tax Reform & Economic Growth
Provides \$1.9 Billion in
New Revenues***

(In Millions)

| | FY 2001 Adjusted Revenues | FY 2002 Budget Message | FY 2002 Approp. Bill |
|--------------|--|---------------------------------------|-------------------------------------|
| Sales | \$ 5,779 | \$ 6,247 | \$ 6,137 |
| Corporate | 1,335 | 1,513 | 1,823 |
| Income | 7,970 | 8,916 | 8,545 |
| Other | <u>5,877</u> | <u>6,198</u> | <u>6,368</u> |
| Total | <u>\$ 20,961</u> | <u>\$ 22,874</u> | <u>\$ 22,873</u> |

The Structural Deficit Declines

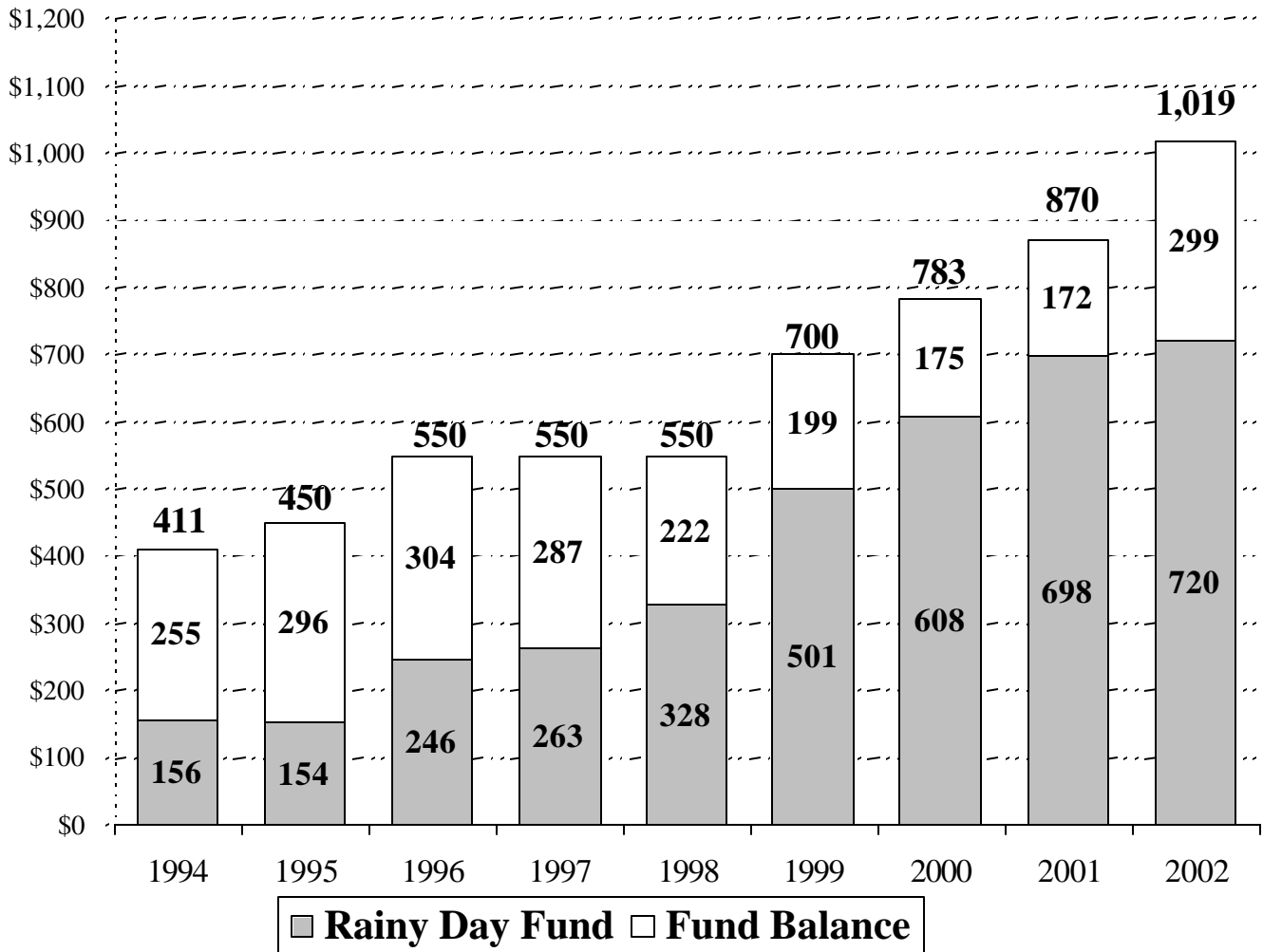


The structural deficit is the total of one-shot revenues and one-shot spending reductions plus the drawdown of prior year balances.

Based upon projections at enactment of Appropriations Act for that fiscal year.

Total Fund Balance at Record High

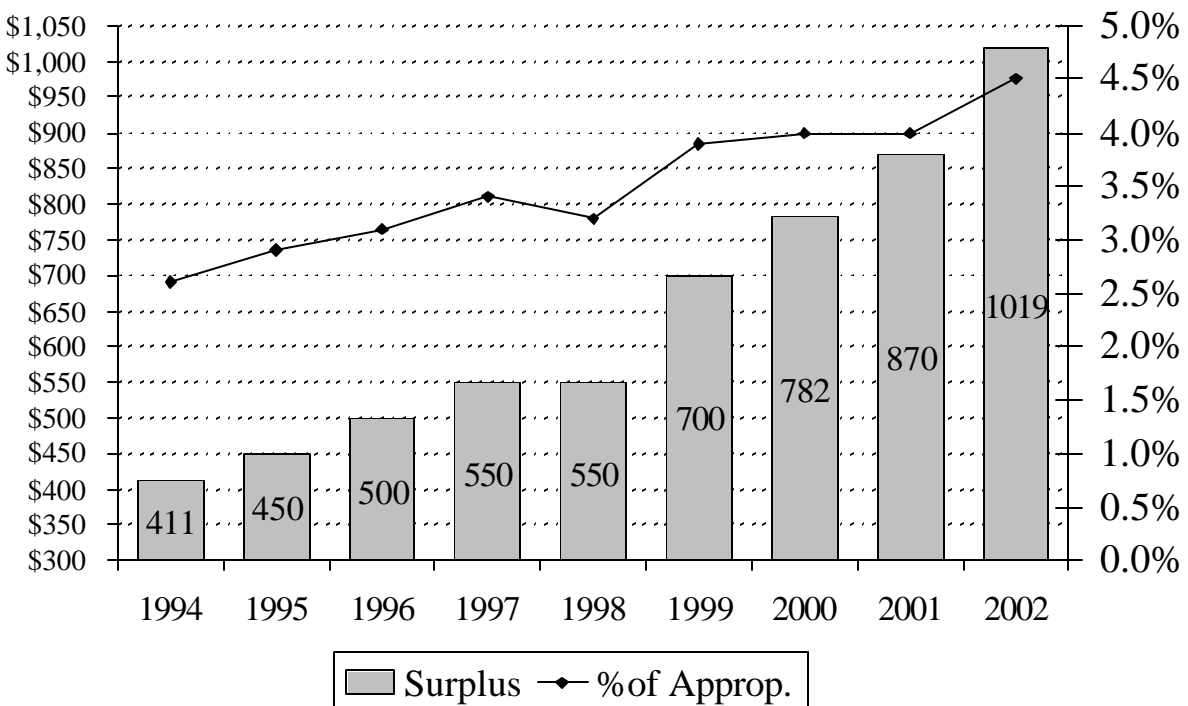
(In Millions)



Fund Balances projected at Appropriation Act.

Surplus at Record High

As a Percentage of the Budget



Fund Balances projected at Appropriations Act.