

Fiscal Year 2019

Citizens' Guide to the Budget



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Elizabeth Maher Muoio
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Message from Elizabeth Maher Muoio, Treasurer of the State of New Jersey

The foundation for a strong and engaged citizenry is built on transparency and access to information. The Citizens' Guide to the Budget is a critical building block in that foundation as it offers a user-friendly window into New Jersey's multi-billion dollar budget for Fiscal Year 2019.

Within this guide you will find details on the final spending plan approved by the legislature and signed into law by Governor Murphy. The guiding principle behind this year's budget is to build a stronger and fairer New Jersey and this document illustrates how your tax dollars are administered to effectuate that goal.

Our employees at the Office of Management and Budget spared no effort in organizing this data in a manner that clearly articulates the state's budget changes, fiscal condition, revenue levels, and performance targets. I want to not only thank the hard-working employees who made this guide possible, but also the concerned citizens who take the time to read it.

We sincerely hope that this guide provides you with a greater understanding of our state government and how public resources are allocated.

Sincerely,

Elizabeth Maher Muoio

Fiscal Year 2019

Citizens' Guide to the Budget

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The Fiscal Year 2019 Citizens' Guide to the Budget: A Summary of the Appropriations Act

The Citizens' Guide to the Budget is designed to provide a transparent view of the Fiscal Year 2019 budget, allowing the people of New Jersey to understand how public resources are allocated. It continues Governor Murphy's commitment to public accountability by providing a more easily understandable description of the details of the Fiscal Year 2019 Appropriations Act, which implements the budget and directs state spending.

Fiscal Year 2019 marks the first state budget presented by Governor Murphy. The spending plan reflects the Governor's commitment to building a stronger and fairer New Jersey through the responsible management of state resources while making the difficult choices to prioritize and fund the essential services on which New Jersey's residents rely.

Members of the Governor's staff, the Treasurer's Office, the Office of Management and Budget, and department managers collaborate throughout the year to ensure the state fulfills key commitments while maintaining fiscal balance. In doing so, key performance indicators are continuously monitored.

Significant milestones in developing and implementing the budget include:

- In March 2018, Governor Murphy unveiled his proposed budget along with the Budget Summary, a document outlining the state's fiscal condition and summarizing the Governor's policy initiatives and budget proposals.
- The Legislature crafted legislation, modifying the Governor's budget, and submitted it for approval by the Governor. Senate Bill 2019, the Appropriations Act, was passed by the Legislature on June 21, 2018. Senate Bill 2824, which amended and supplemented the Appropriations Act, was passed on July 1, 2018.
- On July 1, 2018, the Governor used his line-item veto authority and signed the Appropriations Act and the supplemental bill, both with an accompanying veto message.
- The Appropriations Handbook was released shortly afterward, providing detailed information about the enacted budget.

This publication, the Citizens' Guide to the Budget, provides the citizens of New Jersey with a summary of the changes in the enacted budget and also details the state's certified revenue levels. The Citizens' Guide includes charts and graphs that help explain the state's fiscal condition, along with specific budgetary information about the fiscal year 2019 budget.

All of the above documents are available electronically at: <http://www.state.nj.us/treasury/omb/> .

Chapter 1: Budget Highlights



CHAPTER 1: BUDGET HIGHLIGHTS

The Fiscal Year 2019 Budget:

Under Governor Murphy’s first budget, New Jersey will operate under a responsible, balanced spending plan, funding key priorities while ensuring New Jersey has the resources available for unforeseen circumstances. The fiscal year 2019 budget is a balanced \$37.3 billion plan which allows for a responsible surplus of \$765 million. This budget directs resources to create a stronger and fairer New Jersey. It acknowledges the critical investments that must be made to the infrastructure and talent to make New Jersey a compelling place to live and work. This is done by protecting critical services and investments such as funding for schools, transportation, colleges and universities, veterans, seniors, individuals with disabilities and other safety net programs that impact the quality of life of New Jersey citizens.

Budget Highlights

The Budget:

- Includes \$3.2 billion in combined contributions to New Jersey’s pension funds from the state budget and net lottery proceeds, the largest contribution in state history.
- Commits a historic \$440 million in state assistance for New Jersey Transit’s operations to address years of chronic underfunding.
- Contains a “Mega-Millionaires” Tax on income greater than \$5 million, which is projected to impact roughly 1,800 resident and 6,200 non-resident taxpayers and generate approximately \$280 million.
- Increases the Property Tax Deduction Cap on state income taxes from \$10,000 to \$15,000, assisting approximately 540,000 taxpayers.
- Implements a three-year plan to increase the Earned Income Tax Credit (EITC) from 35% to 40%. The increase to 37% in 2019 will provide a projected 510,000 taxpayers with an overall estimated savings of \$27.2 million.
- Executes a new Child and Dependent Care Tax Credit based on the federal credit that will save an estimated 72,000 taxpayers with income below \$60,000 a projected \$14 million.
- Delivers \$1.2 billion in direct property tax relief to New Jersey homeowners, seniors, veterans and disabled residents.

- Distributes \$17.9 billion in direct and indirect property tax relief, including \$805.8 million from net lottery proceeds.
- Includes \$204.4 million for the senior and disabled citizens' property tax freeze, benefitting 141,000 current beneficiaries and an expected 23,100 new beneficiaries.
- Provides relief to property taxpayers with an average Homestead Benefit of \$532 for seniors and disabled homeowners with incomes up to \$150,000 and an average benefit of \$404 for all other homeowners with incomes up to \$75,000.
- Provides \$14.9 billion in combined contributions for pre-K through grade 12 public education from the state budget and net lottery proceeds, the largest contribution in state history.
- Invests \$57 million in new funding to continue supporting pre-K expansion.
- Appropriates \$2 million for the Secondary School Computer Science Education program for the expansion and support of advanced computer science course offerings.
- Continues to invest in higher education with total support of nearly \$2.5 billion, including approximately \$126.4 million from net lottery proceeds.
- Commits \$25 million to fund the first phase of the Community College Opportunity Grant program.
- Provides \$1 million for the College Readiness Now program to help students prepare for college level course work before they graduate high school.
- Commits to the Governor's belief that no life is disposable by including almost \$64 million in funding for New Jersey's mandatory drug court operations and treatment services to help nonviolent offenders reclaim their lives.
- Budgets \$6 million for prison re-entry and recidivism programs to aid individuals with their transition back into the community.
- Continues the commitment to helping all individuals with substance use disorders by investing \$4 million in the Mid-State Correctional Facility, which re-opened in April 2017 as an institution dedicated to the treatment of inmates.
- Invests \$100 million in state funding for Expanded Addiction Initiatives in order to provide a coordinated strategy that prioritizes data-driven policy and integrated behavioral care, as well as addressing social risk factors including unemployment and homelessness.
- Provides an additional \$10 million in Charity Care funding to help New Jersey hospitals provide uncompensated care to uninsured residents.
- Expands autism services by including \$8.5 million towards implementing comprehensive Autism Spectrum Disorder services for Medicaid-eligible youth.
- Provides \$34.5 million for the Workforce Development Partnership Program, geared towards creating a New Jersey Career Network, revamping apprenticeship and on-the-job-training options, and enhancing workers' skills.

Where Does the Money Go?

The Programs and Services Behind the Fiscal Year 2019 Numbers

People Served/Items Purchased **Helping Those in Need**



116,000,000	Subsidized School Lunches
9,000,000	Hunger Initiative - Food Purchased (lbs.)
2,414,951	Subsidized Drugs for Seniors and Disabled - PAAD/PAA Annual Prescriptions
1,581,783	Persons Receiving Health Care through NJ FamilyCare (Excludes CHIP)
328,279	Individuals Receiving Mental Health Services (Community Programs)
284,465	Energy Assistance - Tenants and Homeowners Served
262,753	Subsidized Drugs for Seniors and Disabled - Senior Gold Annual Prescriptions
204,732	Children Receiving Health Care through the Children's Health Insurance Program (CHIP)
178,798	Children Receiving Services from Division of Child Protection and Permanency (DCP&P)
94,721	Clients Receiving Addiction Services
37,246	Temporary Assistance to Needy Families - Recipients
26,513	Adults with Developmental Disabilities Served (Community Programs)
21,618	Adoption Subsidies /Foster Care - Average Daily Populations
4,300	State Rental Assistance - Families Served

Protecting the Public's Safety



912,500	State Police Investigations (Criminal, Accident and General)
218,569	Fire, Housing and Construction Code Inspections
102,000	State Police - Instances of Aid to Motorists
17,525	Inmates Supervised (Annual Average - Excludes Community Programs)
15,827	Parolees Supervised
1,485	State-owned Bridge Safety Inspections
1,400	Forest Fire Responses
722	Criminal Indictments Obtained - Criminal Justice

Preserving the Environment



17,500,000	Parks Visitors Served
10,100	Acres of Open Space Preserved: <ul style="list-style-type: none"> • 5,100 Via Farmland Acres • 5,000 Via Green Acres
6,400	Air and Water Pollution Inspections

People Served/Items Purchased **Protecting the Public's Health**



246,410	Women, Infants, and Children – Health Care Recipients
206,000	Children Screened for Lead Poisoning
93,440	Number of Licensed Long Term Care Beds /Slots
81,000	HIV/AIDS Clients Tested and Counseled
66,000	Homes Tested for Radon
18,200	Breast Cancer and Cervical Cancer Screenings
2,840	Helicopter Response Missions for Traumatic Injuries
855	Long Term Care Facilities Licensed

Transportation Services



443,581	Average Daily Mass Transit Ridership
13,191	Miles of Roads Maintained
7,500	Emergency and After-Hour Call Responses
3,016	Traffic Signals Maintained
925	Highway Lanes Under Construction
810	Lane Miles Resurfaced

Serving Businesses



598,603	State Professional Boards - Total Regulated Licenses
111,411	Business Formations Initiated
100,000	Insurance Licenses Issued
84,000	Real Estate Brokers and Salespersons Licensed
5,800	Banking Licenses Issued

Educating Our Children



1,394,633	Total Enrollment (Public School System)
1,274,749	Standardized Tests Administered
770,349	Pupils Transported - Public/Nonpublic
207,398	Special Education Enrollment
139,633	Kindergarten/Preschool Enrollment
49,411	Charter School Enrollment
29,513	County Vocational Education Enrollment

People Served/Items Purchased **Higher Education Student Assistance**



136,055	New Jersey College Loans to State Students (NJCLASS)
76,337	Tuition Aid Grants (TAG, Full and Part-Time)
2,360	NJ Student Tuition Assistance Reward Scholarship (NJSTARS I & II) Grants



Direct Property Tax Relief

619,900	Homestead Benefit Program (Recipients)
178,900	Veterans Claiming a Property Tax Deduction
164,100	Senior and Disabled Property Tax Freeze (Recipients)
35,000	Seniors and Disabled Claiming a Property Tax Deduction



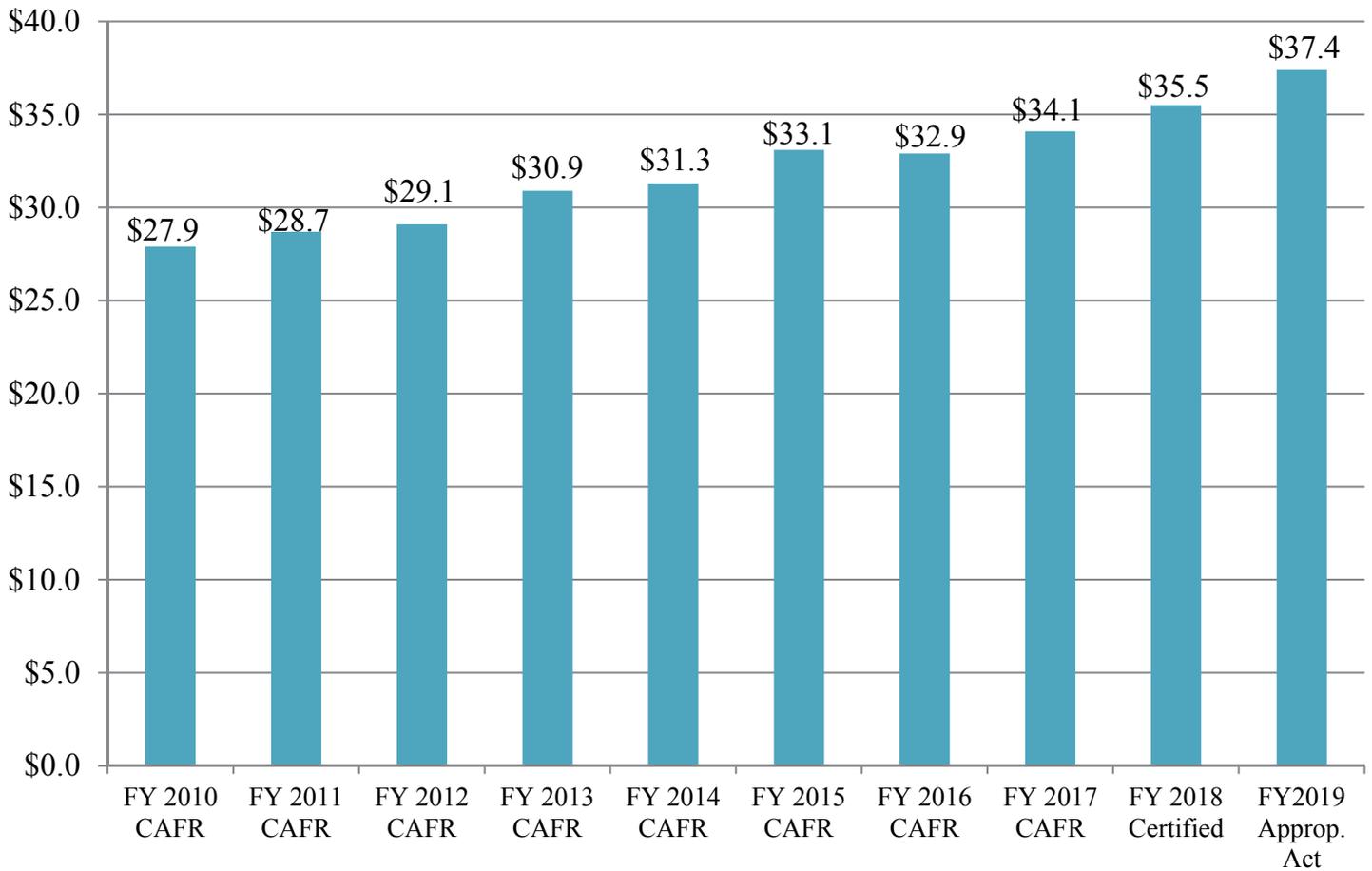
Protecting our Residents

31,235	Mental Health Advocacy - Representation of Individuals at Civil Commitment Hearings - New Cases
7,805	Nursing Home/Boarding Home/Other Facility Visits
7,500	On-Site Investigations Regarding Elderly Care/Abuse/Neglect or Patient Funds
1,467	Rate Counsel - Representation of Ratepayers on Cases Involving Utilities and Cable Television

Chapter 2: Charts and Graphs

History of Total Revenues*

(In Billions)



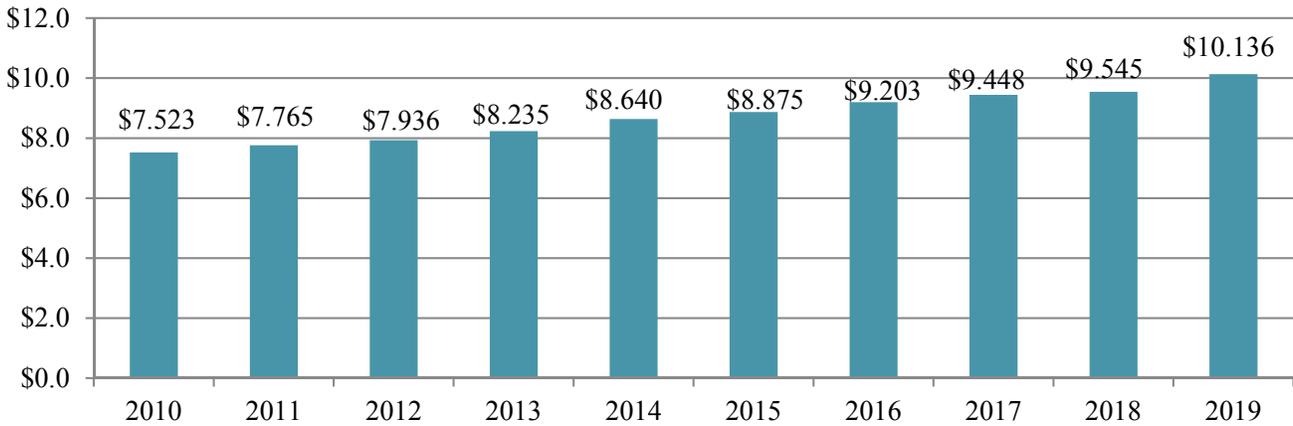
* Not including federal stimulus aid.

CAFR – Comprehensive Annual Financial Report

Income Tax (In Billions)



Sales Tax (In Billions)



Corporation Business Tax (In Billions)



FY 2010 – FY 2017 revenue are as of CAFR, FY 2018 is Certified, and FY 2019 is as of the Approp. Act. Sales Tax and Corporation Business Tax exclude the tax on energy.

FY 2019 Appropriations Act

(In Millions)

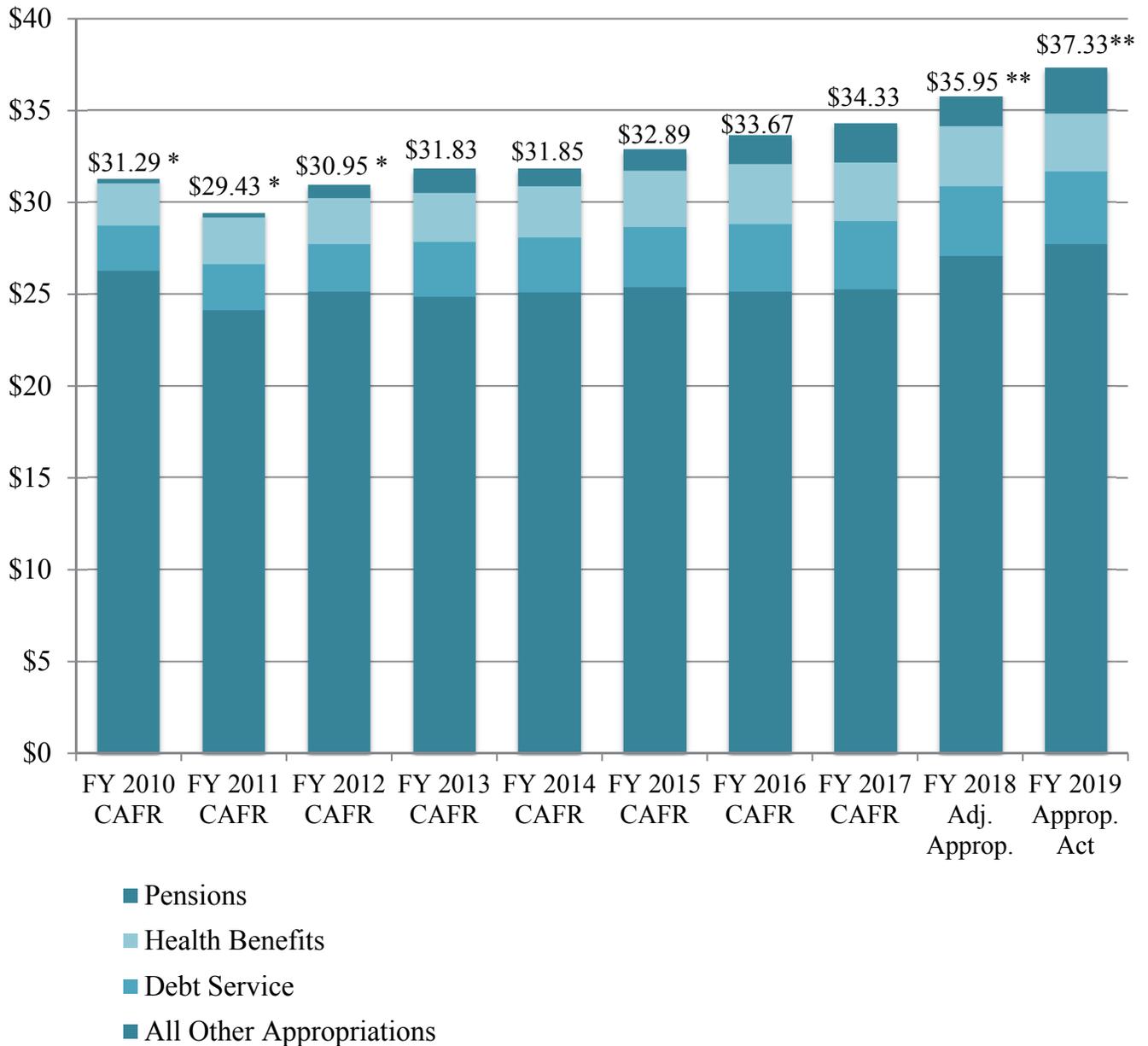
	FY 2018	FY 2019		
	Certified	Budget	May Testimony	Approp. Act
Opening Budgetary Surplus	\$ 786	\$ 738	\$ 773	\$ 773
Open Space Reserve*	73	49	44	44
Revenues				
Income	\$ 15,153	\$ 16,232	\$ 16,422	\$ 15,977
Sales	9,545	10,459	10,393	10,136
Corporate	2,069	2,437	2,266	3,046
Other	8,738	8,369	8,392	8,251
Total Revenues	\$ 35,505	\$ 37,497	\$ 37,473	\$ 37,410
Lapses/Deappropriations **	441	-	-	-
Total Resources	<u>\$ 36,805</u>	<u>\$ 38,284</u>	<u>\$ 38,290</u>	<u>\$ 38,227</u>
Appropriations				
Original	\$ 34,670	\$ 37,418	\$ 37,426	\$ 37,326
Supplemental	1,318	-	-	-
Total Appropriations	<u>\$ 35,988</u>	<u>\$ 37,418</u>	<u>\$ 37,426</u>	<u>\$ 37,326</u>
Open Space Reserve*	(44)	(123)	(113)	(136)
Budgetary Fund Balance	<u>\$ 773</u>	<u>\$ 743</u>	<u>\$ 751</u>	<u>\$ 765</u>

*Open Space funding from the constitutional dedication of Corporate Business Tax revenues is not part of the annual Appropriations Act and is separately appropriated by the Legislature. Appropriated amounts will be moved from reserve and reflected as a supplemental appropriation.

** Includes \$35.6 million in deappropriations.

Murphy Administration Provides Unprecedented Investment for Vital State Programs

(In Billions)

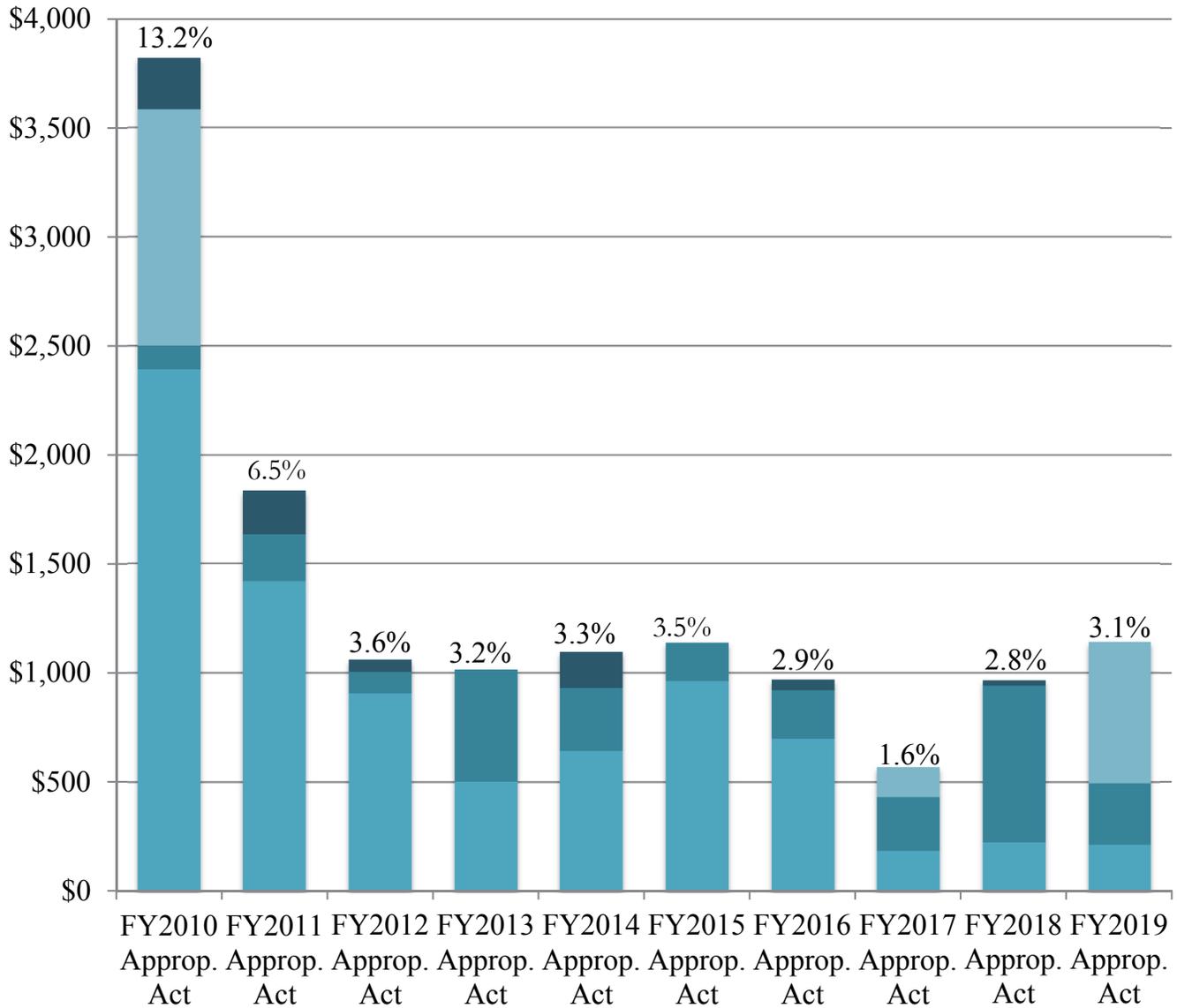


* Includes federal stimulus-supported expenditures that would have otherwise been State-supported expenditures.

** FY 2018 includes \$35.6 million in deappropriations. FY 2018 and FY 2019 include \$788 million of Energy Tax Receipts moved on-budget and exclude \$1 billion in pension payments funded from the Lottery Enterprise Contribution Act.

Reliance on Non-Recurring Resources

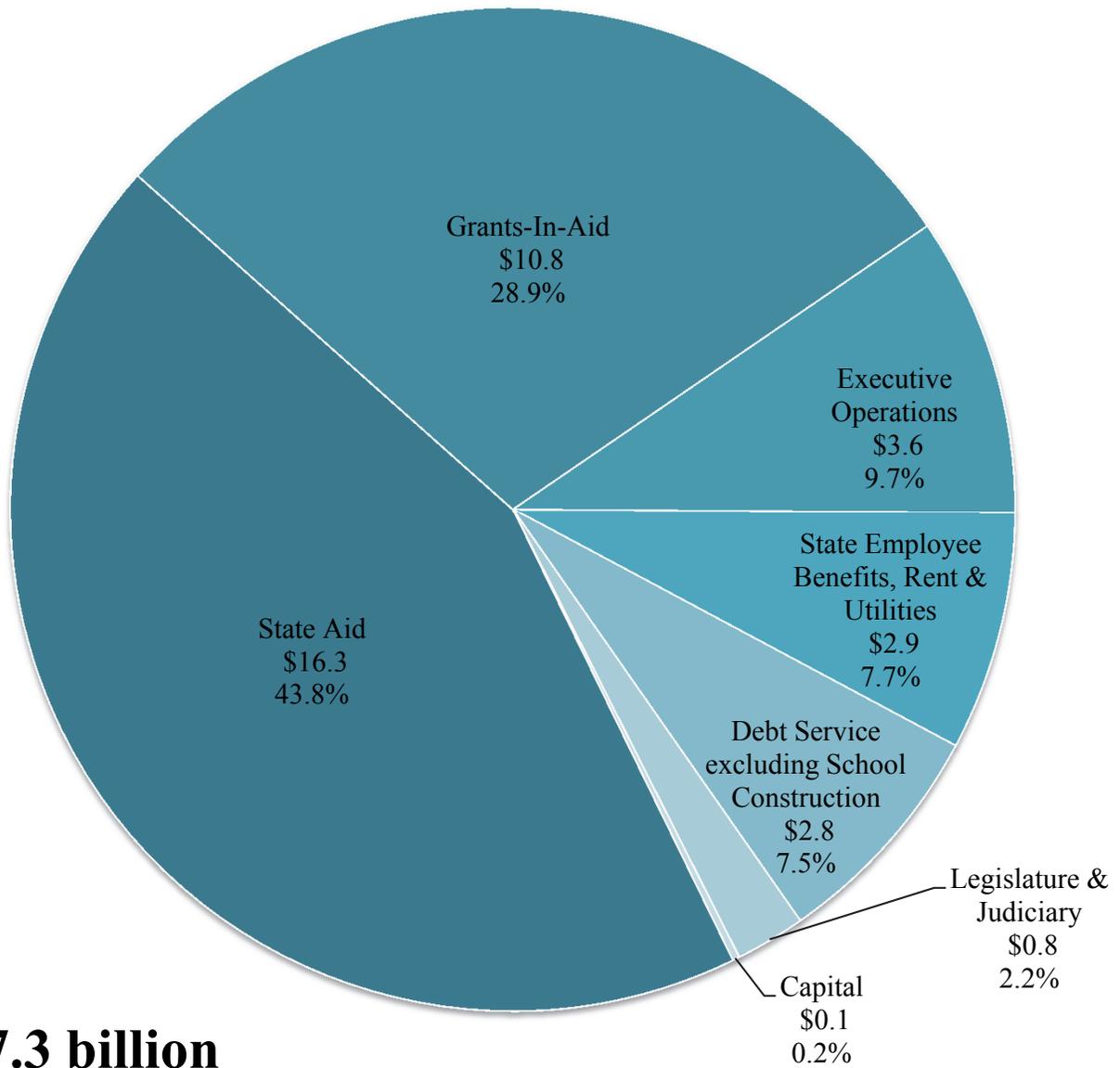
(In Millions)



- Spend Down Opening Surplus
- Tax Policy Changes
- Revenue Initiatives
- Appropriations Offsets

Building the FY 2019 Budget *

(In Billions)



\$37.3 billion

Executive Operations: includes adult prison and juvenile facilities, State Police and law enforcement, children and families, human services and mental health institutions, and veterans' homes.

Grants-In-Aid: includes property tax relief programs, NJ FamilyCare, PAAD, nursing home and long-term services and supports, and support for higher education.

State Aid: includes education aid programs, school construction debt, municipal aid, general assistance, and aid to county colleges.

* Represents the FY 2019 Appropriations Act, as supplemented by P.L.2018, c.54.

FY 2019 Appropriations Act Details *

(In Thousands)

Department	FY 2018		FY 2019	Change	
	Adjusted Approp.		Approp. Act	\$	%
Chief Executive	\$ 6,736		\$ 6,736	-	-
Agriculture	70,311 **		25,342	(44,969)	(64.0)
Banking and Insurance	64,013		64,013	-	-
Children and Families	1,189,042		1,160,438	(28,604)	(2.4)
Community Affairs	850,499 **		865,786	15,287	1.8
Corrections	1,072,126		1,062,226	(9,900)	(0.9)
Education	11,397,381		11,905,590	508,209	4.5
Environmental Protection	321,083 **		277,801 **	(43,282)	(13.5)
Health	1,525,541		1,559,453	33,912	2.2
Human Services	5,715,950 ***		5,877,596	161,646	2.8
Labor and Workforce Development	168,520		169,749	1,229	0.7
Law and Public Safety	620,117		593,987	(26,130)	(4.2)
Military and Veterans' Affairs	96,678		95,928	(750)	(0.8)
State	1,325,227		1,365,324	40,097	3.0
Transportation	1,593,377 ***		1,719,020	125,643	7.9
Treasury	2,188,185		2,276,204	88,019	4.0
Miscellaneous Commissions	776		776	-	-
Total Executive Branch	\$ 28,205,562		\$ 29,025,969	820,407	2.9
Interdepartmental	4,393,237		4,537,922	144,685	3.3
Local Pensions and Health Benefits - Education and Treasury	2,170,272		2,595,869	425,597	19.6
General Obligation Debt Service - Environmental Protection and Treasury	326,370		324,562	(1,808)	(0.6)
Legislature	85,384		79,336	(6,048)	(7.1)
Judiciary	772,255		762,255	(10,000)	(1.3)
Total Appropriations	\$ 35,953,080		\$ 37,325,913 ****	1,372,833	3.8

* Represents the FY 2019 Appropriations Act, as supplemented by P.L.2018, c.54.

** FY 2018 includes constitutionally-dedicated Corporate Business Tax (CBT) funds for open space purposes as follows: \$50.3m in Agriculture, \$37.7m in Environmental Protection and \$2m in Community Affairs. FY 2019 does not include open space funds, as they will be appropriated at a later date via standalone legislation.

*** FY 2018 reflects the deappropriation of \$17.8m in Human Services and \$17.8m Transportation.

**** FY 2019 excludes \$1 billion in pension contributions funded from the Lottery Enterprise Contribution Act.

Direct State Services By Department

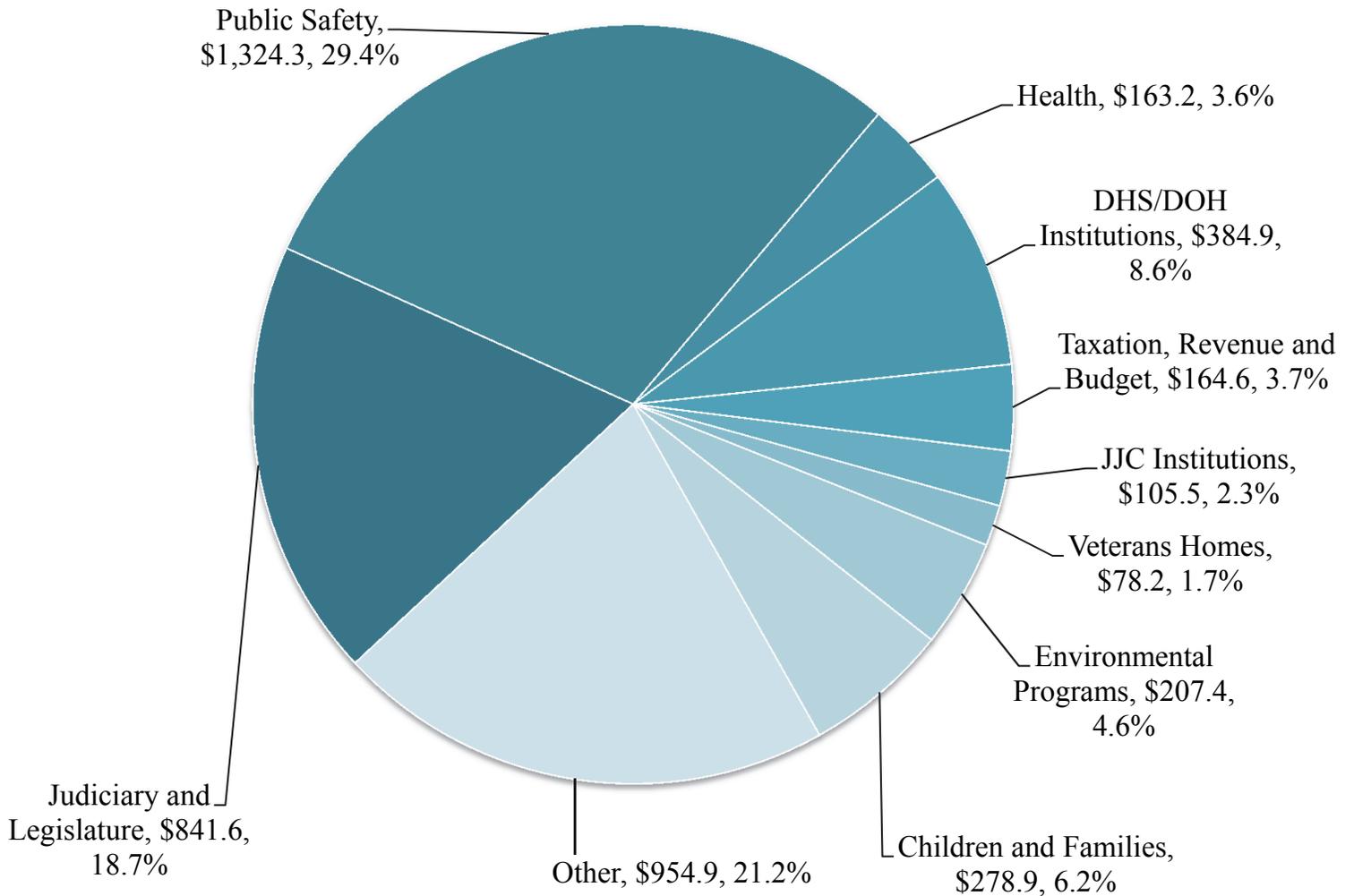
(In Thousands)

Department	FY 2018	FY 2019	Change	
	Adjusted Approp.	Approp. Act	\$	%
Chief Executive	\$ 6,736	\$ 6,736	-	-
Agriculture	7,558	7,908	350	4.6
Banking and Insurance	64,013	64,013	-	-
Children and Families	275,931	278,871	2,940	1.1
Community Affairs	41,899	42,399	500	1.2
Corrections	936,465	933,265	(3,200)	(0.3)
Education	92,259	83,565	(8,694)	(9.4)
Environmental Protection	213,810	207,387	(6,423)	(3.0)
Health	392,148	460,837	68,689	17.5
Human Services	264,238	245,558	(18,680)	(7.1)
Labor and Workforce Development	94,978	95,207	229	0.2
Law and Public Safety	580,073	572,623	(7,450)	(1.3)
Military and Veterans' Affairs	94,264	93,264	(1,000)	(1.1)
State	33,527	32,627	(900)	(2.7)
Transportation	122,272	43,788	(78,484)	(64.2)
Treasury	534,324	493,056	(41,268)	(7.7)
Miscellaneous Commissions	776	776	-	-
Total Executive Branch	\$ 3,755,271	\$ 3,661,880	(93,391)	(2.5)
Interdepartmental *	3,088,243	3,215,841	127,598	4.1
Legislature	85,384	79,336	(6,048)	(7.1)
Judiciary	772,255	762,255	(10,000)	(1.3)
Total Direct State Services	\$ 7,701,153	\$ 7,719,312	\$ 18,159	0.2

* FY 2018 and FY 2019 exclude \$123.2 million and \$105.0 million, respectively in pension contributions funded from the Lottery Enterprise Contribution Act. Including that component, the total pension contributions for State Employees represents 26% and 32% of the FY 2018 and FY 2019 Interdepartmental Direct State Services budget, respectively.

FY 2019 State Operating Budget

(In Millions)



Total State Operating Budget is \$4.5 billion

The State Operating Budget excludes fringe benefits and other centrally budgeted costs.

Funding for Property Tax Relief

(In Millions)

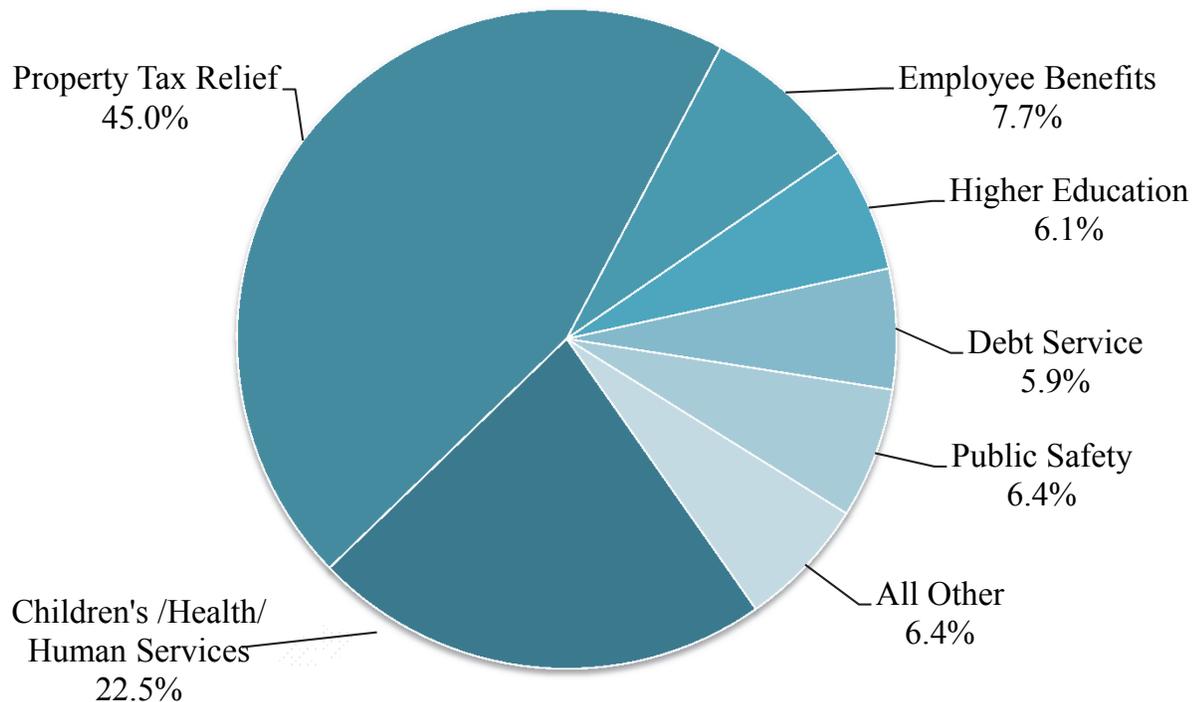
<u>Programs</u>	<u>FY 2018 Adjusted Approp.</u>	<u>FY 2019 Approp. Act</u>	<u>Change</u>
School Aid	\$ 13,129.6	\$ 14,063.3	\$ 933.7
Municipal Aid (a)	1,528.9	1,204.7	(324.2)
Other Local Aid	893.3	954.6	61.3
Property Taxpayer Relief Programs (b)	422.0	557.3	135.3
Total Property Tax Relief (c)	\$ 15,973.8	\$ 16,779.9	\$ 806.1

(a) Excludes \$335.5 million of Energy Tax Receipts appropriated from the General Fund.

(b) FY 2019 includes \$154.7 million for Tax Year 2015 Benefits and \$143.5 million for Tax Year 2016 Benefits.

(c) FY2018 and FY2019 excludes \$776.5 million and \$805.8 million, respectively, in contributions funded from the Lottery Enterprise Contribution Act.

Property Tax Relief is Almost Half the Total Budget*



*FY 2018 and FY 2019 excludes \$1 billion in contributions funded from the Lottery Enterprise Contribution Act.

School Aid

(In Millions)

	FY 2018 Adjusted Approp.	FY 2019 Approp. Act	Change
	<u> </u>	<u> </u>	<u> </u>
Aid to Schools			
Formula Aid	\$ 8,134.5	\$ 8,485.8	\$ 351.3
Preschool Education Aid	655.5	688.1	32.6
Preschool Education Expansion Aid	25.0	50.0	25.0
Commercial Valuation Stabilization Aid	32.0	32.0	-
Extraordinary Special Education Aid	195.0	195.0	-
School Building Aid	40.6	33.7	(6.9)
Debt Service Aid	89.9	95.1	5.2
Other Aid	226.1	150.7	(75.4)
Total Aid to Schools	<u>\$ 9,398.6</u>	<u>\$ 9,730.4</u>	<u>\$ 331.8</u>
 Direct State Payments for Education			
Teachers' Pension and Annuity Fund	\$ 758.2	\$ 1,150.7	\$ 392.5
Post Retirement Medical	1,196.3	1,205.2	8.9
Debt Service on Pension Obligation Bonds	226.2	243.8	17.6
Teachers' Social Security	758.4	774.7	16.3
Total Direct State Payments for Education	<u>\$ 2,939.1</u>	<u>\$ 3,374.4</u>	<u>\$ 435.3</u>
 School Construction Debt Service	<u>\$ 918.8</u>	<u>\$ 1,067.1</u>	<u>\$ 148.3</u>
 Total School Aid (included in Appropriations Act)	<u>\$ 13,256.5</u>	<u>\$ 14,171.9</u>	<u>\$ 915.4</u>
 Additional Support from Lottery Enterprise Contribution Act	<u>\$ 776.6</u>	<u>\$ 805.8</u>	<u>\$ 29.2</u>
 Grand Total School Aid	<u><u>\$ 14,033.1</u></u>	<u><u>\$ 14,977.7</u></u>	<u><u>\$ 944.6</u></u>

Property Taxpayer Relief Programs

(In Millions)

	FY 2018 Adjusted Approp.	FY 2019 Approp. Act	Change
Property Tax Deduction Act	\$ 559.3	\$ 593.1	\$ 33.8
Senior/Disabled Citizens' Property Tax Freeze	207.6	204.4	(3.2)
Homestead Benefit Program	156.0	298.2 *	142.2
Veterans' Property Tax Deductions	48.5	45.7	(2.8)
Senior/Disabled Citizens' Property Tax Deductions	9.9	9.0	(0.9)
Total Property Taxpayer Relief Programs	\$ 981.3	\$ 1,150.4	\$ 169.1

*FY 2019 includes \$154.7 million for Tax Year 2015 Benefits and \$143.5 million for Tax Year 2016 Benefits.

Municipal Aid

(In Millions)

	FY 2018 Adjusted Approp.	FY 2019 Approp. Act	Change
	<u> </u>	<u> </u>	<u> </u>
Consolidated Municipal Property Tax Relief Aid (CMPTRA) / Energy Tax Receipts	\$ 1,427.7	\$ 1,427.7	\$ -
Transitional Aid to Localities	91.7	102.0	10.3
Open Space Payments In Lieu of Taxes (PILOT)	6.5	6.5	-
Highlands Protection Fund Aid	4.4	4.4	
Meadowlands Tax-Sharing Payments	<u>3.0</u>	<u>4.0</u>	<u>1.0</u>
Total Municipal Aid	<u><u>\$ 1,533.3</u></u>	<u><u>\$ 1,544.6</u></u>	<u><u>\$ 11.3</u></u>

Higher Education

(In Thousands)

	FY 2018	FY 2019	Change	
	Adj. Approp.	Approp. Act	\$	%
Senior Public Institutions				
Rutgers University	\$ 398,984	\$ 404,171	5,187	1.3
New Jersey Institute of Technology	45,440	39,140	(6,300)	(13.9)
Thomas Edison State University	4,292	4,292	-	-
Rowan University	87,883	92,883	5,000	5.7
New Jersey City University	24,154	24,954	800	3.3
Kean University	30,469	30,469	-	-
William Paterson University	30,357	30,357	-	-
Montclair State University	35,859	35,859	-	-
College of New Jersey	27,177	27,177	-	-
Ramapo College of New Jersey	14,953	14,953	-	-
Stockton University	18,391	18,391	-	-
Subtotal Senior Publics Direct Aid	\$ 717,959	\$ 722,646	4,687	0.7
Senior Publics Net Fringe Benefits	759,485	805,672	46,187	6.1
Total Senior Public Institutions	\$ 1,477,444	\$ 1,528,318	50,874	3.4
County Colleges				
Operating Support ^(a)	\$ 134,123	\$ 134,123	-	-
Fringe Benefits	53,855	54,407	552	1.0
Chapter 12 Debt Service	35,630	34,286	(1,344)	(3.8)
Total County Colleges	\$ 223,608	\$ 222,816	(792)	(0.4)
Total Independent Colleges & Universities	\$ 1,000	\$ 1,000	-	-
Student Financial Assistance				
Tuition Aid Grants	\$ 425,859	\$ 432,859	7,000	1.6
Part-Time Tuition Aid Grants for County Colleges	8,737	8,737	-	-
NJSTARS I & II	6,907	6,907	-	-
EOF Grants and Scholarships	43,822	45,322	1,500	3.4
Governor's Urban Scholarship Program	945	945	-	-
Community College Tuition Aid Grant	-	25,000	25,000	-
Other Student Aid Programs	2,260	2,260	-	-
Total Student Financial Assistance	\$ 488,530	\$ 522,030	33,500	6.9
Other Programs				
Debt Service	\$ 106,790	\$ 106,293	(497)	(0.5)
All other programs ^(b)	22,898	7,691	(15,207)	(66.4)
Total Other Programs	\$ 129,688	\$ 113,984	(15,704)	(12.1)
Total Higher Education Support (included in Appropriations Act)	\$ 2,320,270	\$ 2,388,148	67,878	2.9
Additional Support from Lottery Enterprise Contribution Act ^(c)	\$ 101,175	\$ 126,389	25,214	-
Grand Total Higher Education	\$ 2,421,445	\$ 2,514,537	93,092	3.8

Notes:

(a) Includes funding from the Supplemental Workforce Fund for Basic Skills of \$23.8 million in FY 2018 and \$18.8 million in FY 2019.

(b) FY 2018 includes one-time funding for longitudinal and economic databases, Seton Hall University School of Health and Medical Sciences and Seton Hall Re-entry services. FY 2019 includes new funding of \$2 million for the Center on Gun Violence Research.

(c) Supports fringe benefits of State-supported employees at Senior Public Institutions and County Colleges.

Hospital Funding

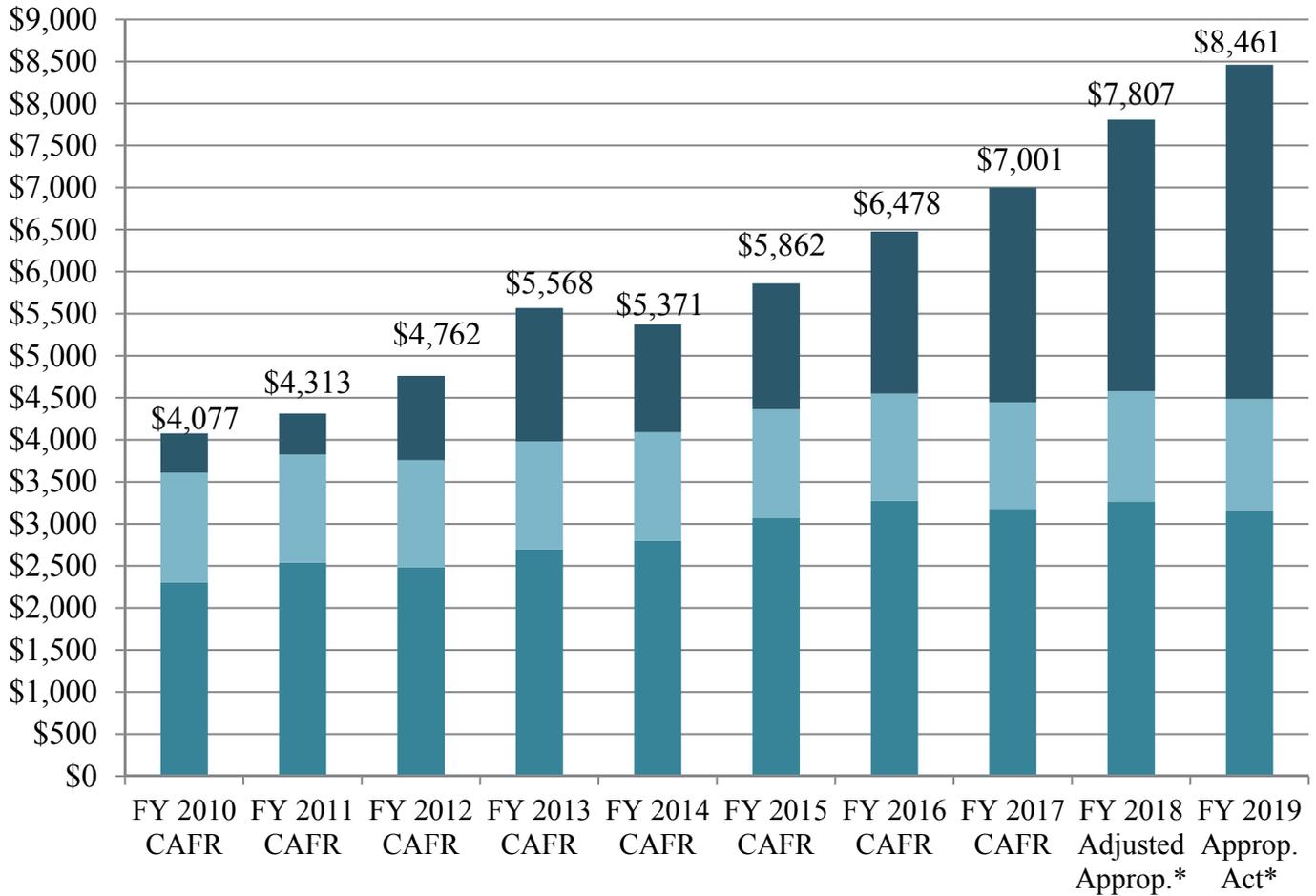
State and Federal

(In Millions)

	FY 2018	FY 2019
	Adjusted	Approp.
	Approp.	Act
Charity Care	\$ 252.0	\$ 262.0
Graduate Medical Education	218.0	218.0
Delivery System Reform Incentive Payments	166.6	166.6
Hospital Mental Health Offset Payments	24.7	24.7
University Hospital	43.8	43.8
Total Hospital Funding	\$ 705.1	\$ 715.1

Employee Benefit Costs

(In Millions)

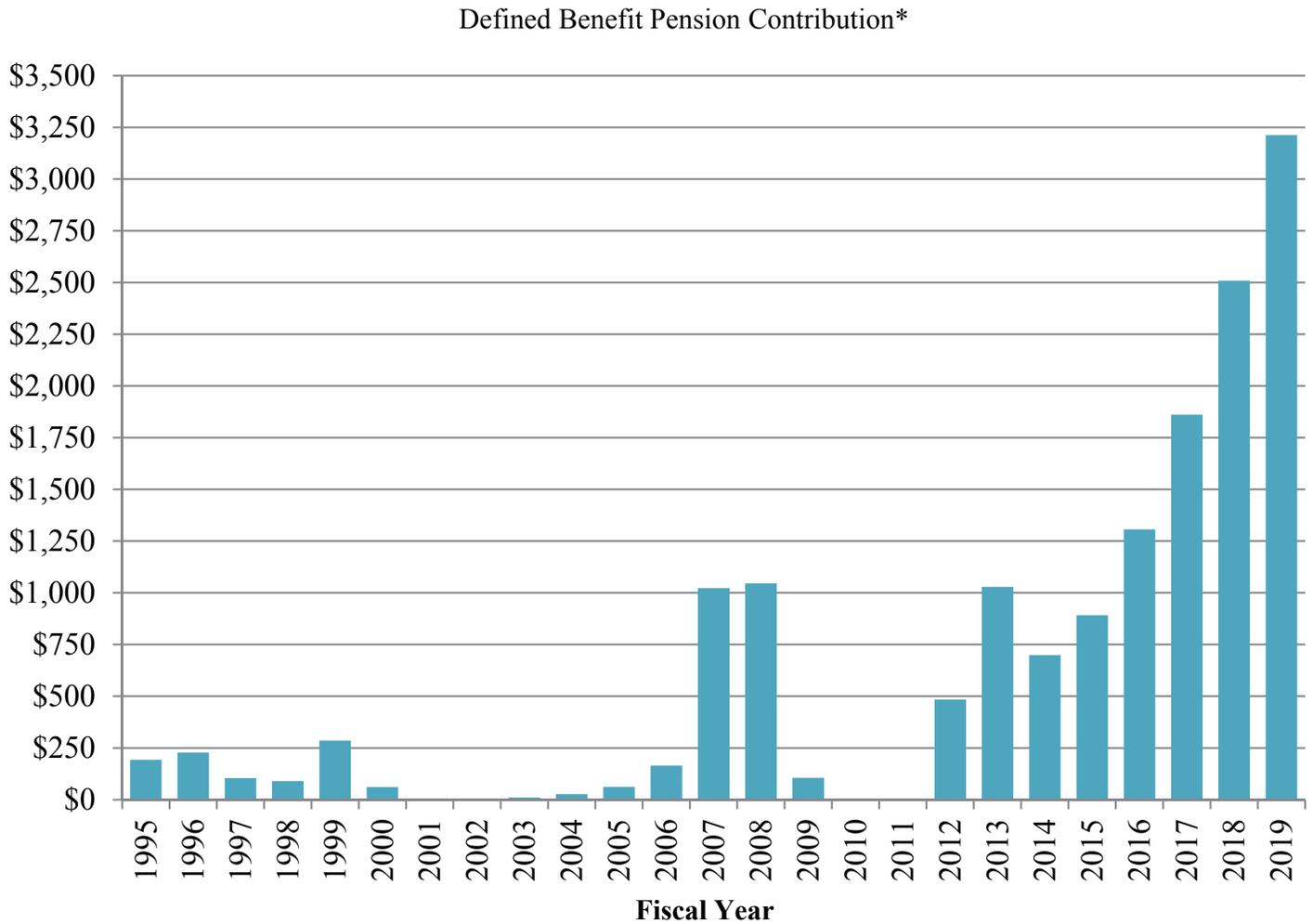


- Pensions/Debt Service on Pension Bonds
- Employer Taxes
- Health Benefits/Post Retirement Medical

* The FY 2018 and FY 2019 amounts above include \$1 billion in pension contributions from the Lottery Enterprise Contribution Act.

Historical Pension Contributions

(In Millions)



* Pension contribution amounts from FY 1995 to FY 2005 include funding for non-contributory life insurance; life insurance costs are not included thereafter.

The FY 2019 defined benefit pension contribution funds 6/10ths of the actuarially determined contribution (ADC), including \$1 billion in contributions from the Lottery Enterprise Contribution Act, for a total \$3.213 billion contribution.

Pension Contribution History

(In Thousands)

<u>Governor</u>	<u>Fiscal Year</u>	<u>Defined Benefit Pension Contribution (a)</u>
Whitman	1995	\$ 193,342
Whitman	1996	227,916
Whitman	1997 (b)	104,616
Whitman	1998	90,194
Whitman	1999	286,203
Whitman	2000	61,663
Whitman	2001	-
	Cumulative Totals	<u>\$ 963,934</u>
DiFrancesco	2002	\$ 563
	Cumulative Totals	<u>\$ 563</u>
McGreevey	2003	\$ 11,181
McGreevey	2004 (c)	27,520
McGreevey	2005	62,723
	Cumulative Totals	<u>\$ 101,424</u>
Codey	2006	\$ 165,026
	Cumulative Totals	<u>\$ 165,026</u>
Corzine	2007	\$ 1,023,192
Corzine	2008	1,046,136
Corzine	2009	106,268
Corzine	2010	-
	Cumulative Totals	<u>\$ 2,175,596</u>
Christie	2011	\$ -
Christie	2012	484,484
Christie	2013	1,029,296
Christie	2014	699,379
Christie	2015	892,634
Christie	2016	1,307,104
Christie	2017	1,861,608
Christie	2018 (d)	2,509,100
	Cumulative Totals	<u>\$ 8,783,605</u>
Murphy	2019 (d)	\$ 3,213,067
	Cumulative Totals	<u>\$ 3,213,067</u>

(a) Pension contribution amounts from FY 1995 to FY 2005 include funding for non-contributory life insurance; life insurance costs are not included thereafter.

(b) As of June 30, 1997, \$2.75 billion in proceeds from the issuance of Pension Obligation Bonds was contributed to the State funded pension systems. Additionally, corresponding legislation enacted authorized the use of excess assets in the systems to fund any contribution requirements going forward.

(c) Between FY 1997 and FY 2003 excess assets were used to offset pension contributions. Beginning in FY 2004, after excess assets were exhausted in most pension funds, the State was to resume making full pension contributions. For FY 2004, FY 2005 and FY 2006 funds accumulated to support enhanced benefits were diverted to cover a phase-in of contributions for PERS and TPAF.

(d) FY 2018 and FY 2019 include \$1 billion in contributions from the Lottery Enterprise Contribution Act. FY 2019 funds 6/10ths of the actuarially determined contribution (ADC).

Funding Sources for Defined Benefit Pension Payments

(In Thousands)

Retirement System	FY 2019 Budget Contribution	FY 2019 Lottery Enterprise Act	FY 2019 Total Contribution
Public Employees' Retirement System	\$ 628,000	\$ 218,008	846,008
Teachers' Pension and Annuity Fund	1,114,920	806,694	1,921,614
Police and Firemen's Retirement System	307,999	12,446	320,445
State Police Retirement System	96,000	-	96,000
Judicial Retirement System	29,000	-	29,000
Total Contribution:	\$ 2,175,919	\$ 1,037,148	\$ 3,213,067

Fiscal Year 2018 Update

FY 2018 Revenues

(In Millions)

	FY 2017 CAFR	-----FY 2018-----		Certified vs. Approp. Act Change		
		Approp. Act	Feb. Revised	Certified	\$	%
Income	\$ 13,958	\$ 14,382	\$ 14,980	\$ 15,153	\$ 771	5.4
Sales	9,448	9,705	9,545	9,545	(160)	(1.6)
Corporate	2,141	2,375	2,200	2,069	(306)	(12.9)
Other*	<u>8,573</u>	<u>8,256</u>	<u>8,752</u>	<u>8,738</u>	<u>482</u>	5.8
Total	<u>\$ 34,120</u>	<u>\$ 34,718</u>	<u>\$ 35,477</u>	<u>\$ 35,505</u>	<u>\$ 787</u>	2.3

* All Sales Tax and Corporation Taxes on Energy are included in Other.

Fiscal 2018 Fund Balance

(In Millions)

	-----FY 2018-----		
	Approp. Act	Feb. Revised	June Certified
Opening Surplus	\$ 434	\$ 786	\$ 786
CBT Open Space Reserve *	73	73	73
Revenues			
Income	\$ 14,382	\$ 14,980	\$ 15,153
Sales	9,705	9,545	9,545
Corporate	2,375	2,200	2,069
Other	8,256	8,752	8,738
Total Revenues	\$ 34,718	\$ 35,477	\$ 35,505
Lapses/Deappropriations	-	368	441 **
Total Resources	\$ 35,225	\$ 36,704	\$ 36,805
Appropriations			
Original	\$ 34,670	\$ 34,670	\$ 34,670
Supplemental	-	1,247	1,318
Total Appropriations	\$ 34,670	\$ 35,917	\$ 35,988
CBT Open Space Reserve	(146)	(49)	(44)
Budgetary Fund Balance	\$ 409	\$ 738	\$ 773

* Open Space funding from the constitutional dedication of Corporate Business Tax revenues is not part of the annual Appropriations Act and is separately appropriated by the Legislature. Appropriated amounts will be moved from reserve and reflected as a supplemental appropriation.

** Includes \$35.6 million in deappropriations.

Fiscal 2018 Supplemental Needs

(In Thousands)

The amounts below represent spending that ultimately exceeded amounts initially appropriated, largely due to the movement of the Energy Tax Receipts on-budget, as well as trends in program costs that were not foreseen at the time of budget adoption.

Energy Tax Receipts	\$ 788,492	*
Preserve NJ Corporation Business Tax	90,014	**
Winter Operations	78,484	
Opioid Initiatives	66,160	
Salary Program	55,000	
Casino Revenue/Property Tax Relief Flip	35,602	***
Lottery Transaction	35,165	
Emergency Aid	21,413	
Nonpublic School Aid	11,741	*
Division of Law - Legal Fees	10,000	
Interest on Short-Term Notes	9,384	
ABP - Higher Education	8,969	
NJ SMART	8,885	*
Homestead Benefit Program	8,700	
Supports Program Federal Revenue Shortfall	7,925	
Early Intervention Program (EIP) Trend	7,578	
Family Planning Services	7,453	
Health Care Subsidy Fund	7,426	
Senior Freeze Trend	7,300	
SEMI/MAC Administration	6,577	*
Child Protection and Permanency Trend	5,477	
Other (\$5 million and below)	40,624	
Total Supplemental Needs	\$ 1,318,369	

* Offset by revenue.

** Supported with constitutionally dedicated Corporation Business Tax revenues.

*** Offset by amounts deappropriated in FY 2018.

Fiscal 2018 Surplus Balances

(In Thousands)

The amounts below represent line-items in the FY 2018 Appropriations Act where more funds were appropriated than necessary to fully fund programs. Balances available were generally attributable to overestimates of funding needs and not changes in policy.

Normal Lapse	\$	50,000	
Children's System of Care - Trend		35,624	
Casino Revenue / Property Tax Relief Flip		35,602	*
Prior Year Lapse		32,824	
Higher Education Capital Improvement Fund		23,432	**
FICA - Trend		20,030	
Mental Health and Addiction Services - Trend		20,000	
State Health Benefits		20,000	
Developmental Center Operations Surplus		15,550	
Next Generation 911 - Shift to FY 2019		14,450	
Lead-Safe Home Renovation Pilot		9,800	
School Construction & Renovation Fund - Surplus		9,205	
Office of Information Technology - Line of Credit		8,763	
Tuition Aid Grant		8,287	
Pharmaceutical Assistance to the Aged and Disabled - Trend		7,984	
Drug Court		7,400	
Corporation Business Tax Dedication - True-Up		7,214	
CMPTRA - Qualified Bond Debt Service Savings		6,719	
Board of Public Utilities		6,630	**
Gubernatorial Elections Fund Surplus		6,055	
Tenants' Assistance and Lifeline Trend		5,605	
State Office Buildings - Debt Service Savings		5,271	
Other (\$5 million and below)		84,606	
Total Surplus Balances	\$	441,051	

* Amounts indicated as surplus were deappropriated in FY 2018; supplemental funding of the same amount was appropriated from a different fund.

** Offset by revenue.

Chapter 3: Economic Overview & Revenue Forecast



CHAPTER 3: ECONOMIC OVERVIEW AND REVENUE FORECAST

New Jersey Economic Overview

The New Jersey economy continues to perform well nine years after the end of the Great Recession.

- Real gross domestic product grew at a 1.6% annual rate in the first quarter of 2018.
- Personal income grew at a 3.5% annual rate in the first quarter of 2018.

Labor Market:

- Payroll employment has increased by an average of 7,700 jobs per month through July 2018.
- The unemployment rate was 4.2% in July 2018, down 0.5 percentage points from the start of the year.
- The labor force participation rate was 62.3% in July, below the national average of 62.9%.

Housing Market:

- Single-family home sales through July 2018 were 0.9% higher than a year ago.
- Townhouse-condo sales through July 2018 were 1.5% higher than a year ago.

Fiscal Year 2019 Revenue Projections

The fiscal year 2019 forecast of \$37.4 billion consists of \$35.9 billion in baseline revenues and \$1.5 billion in tax policy changes.

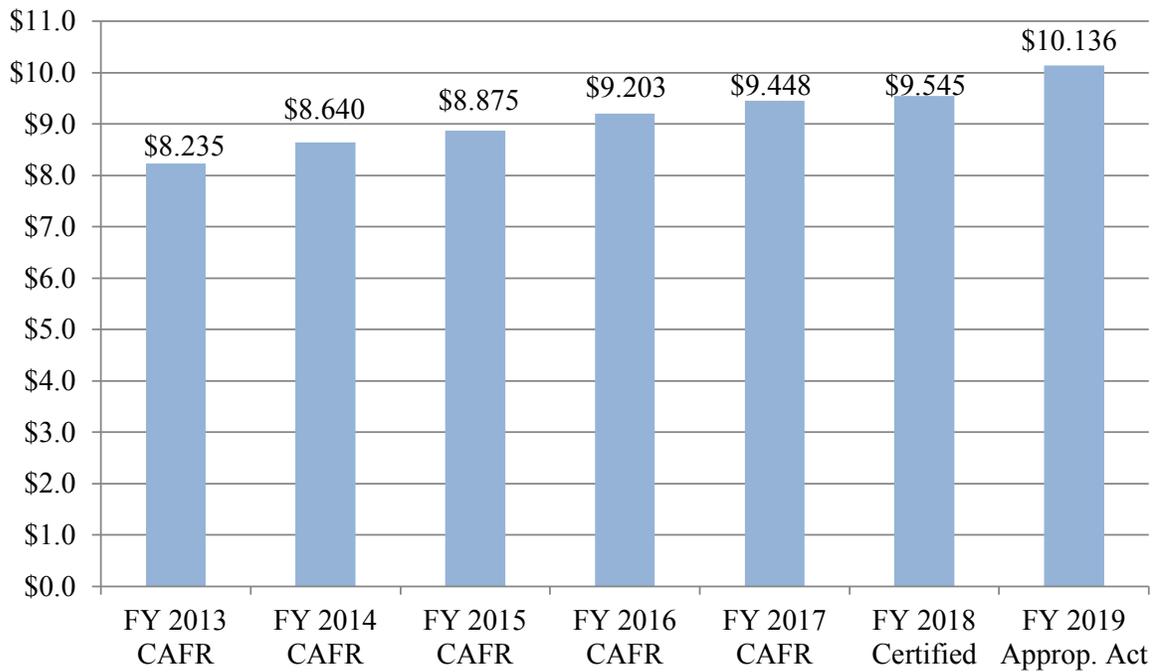
Fiscal 2019 Revenues (In Millions)

	FY 2018	FY 2018	FY 2019	Change from Certified	
	Approp. Act	Certified	Approp Act	\$	%
Income	\$ 14,382	\$ 15,153	\$ 15,977	824	5.4
Sales	9,705	9,545	10,136	591	6.2
Corporation	2,375	2,069	3,046	977	47.2
Other	8,256	8,738	8,251	(487)	(5.6)
Total	\$ 34,718	\$ 35,505	\$ 37,410	1,905	5.4

Sales Tax

The fiscal year 2019 forecast of \$10.1 billion is a 6.2% increase over fiscal 2018. This forecast consists of approximately \$9.8 billion in baseline revenues and \$322.0 million in new tax policies that broaden the Sales Tax base. Baseline revenues, which exclude the new tax policies, are projected to grow 2.8% in fiscal 2019.

Sales Tax (In Billions)

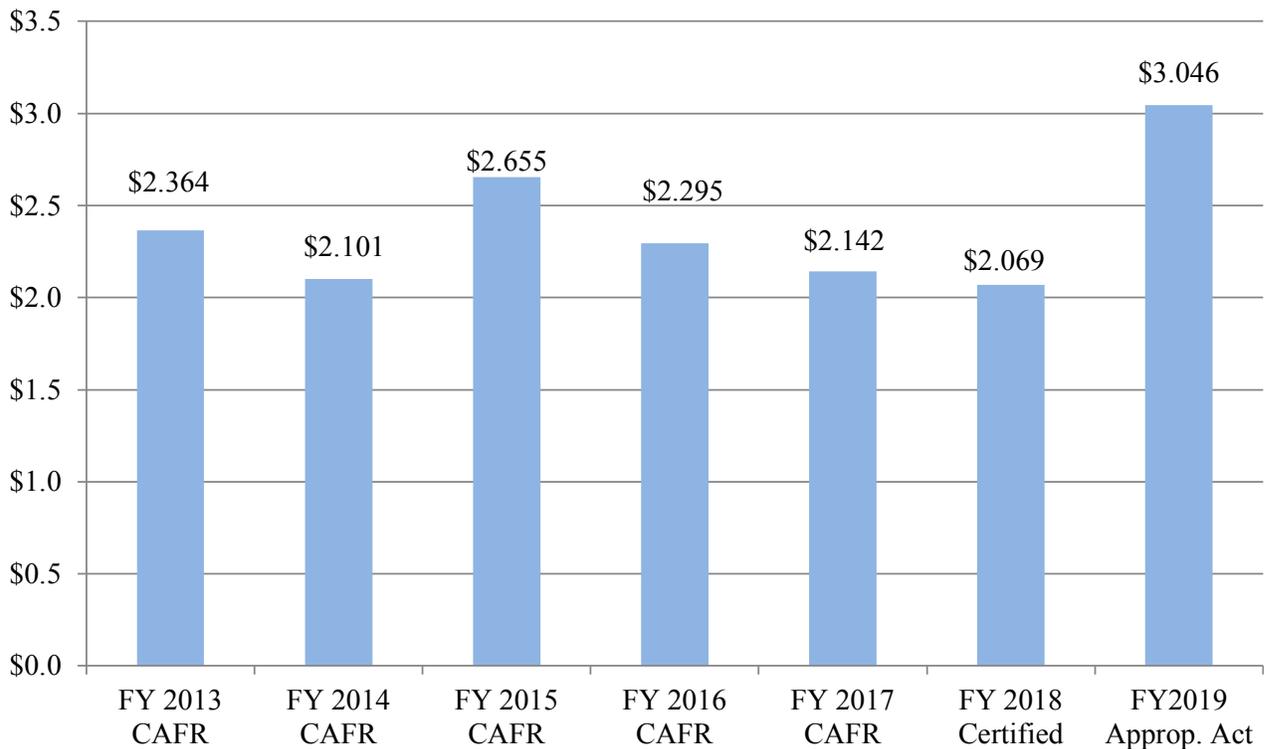


Sales Tax excludes the tax on energy.

Corporation Business Tax

The fiscal year 2019 forecast of approximately \$3.0 billion reflects an increase of 47.2%, and consists of \$2.2 billion in baseline revenues plus \$890 million in tax policy changes. The tax policy changes include a temporary surcharge on corporations, as well as changes to the New Jersey tax code to broaden the base. Corporation Business Tax (CBT) revenues will also grow as a result of certain federal tax law changes. The CBT tax code has been revised to hold New Jersey “harmless” for certain other federal tax law changes that would otherwise be revenue negative.

Corporation Business Tax (In Billions)

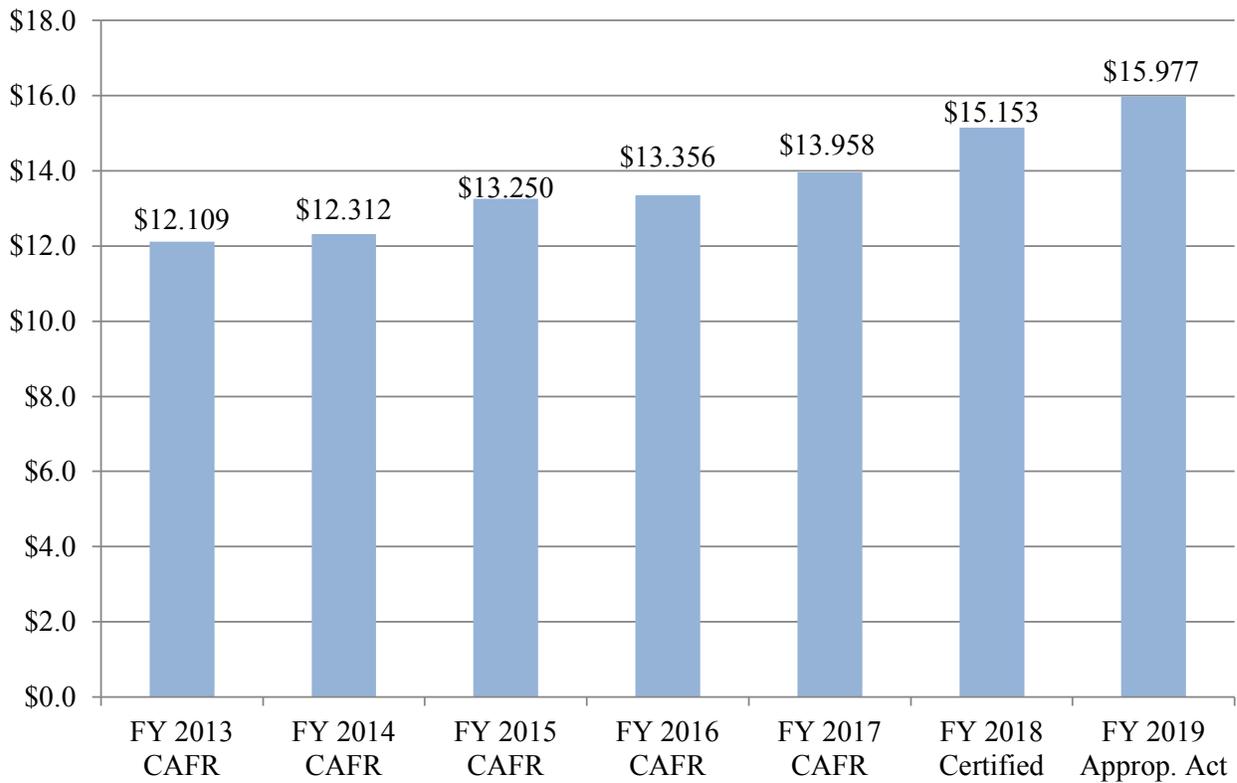


Corporation Business Tax excludes the tax on energy.

Gross Income Tax

The fiscal year 2019 forecast of approximately \$16.0 billion is 5.4% above fiscal 2018. It consists of \$15.8 billion in baseline revenues and \$206.8 million in tax policy changes. The tax policy changes include higher taxes on mega-millionaires. However, this is offset by either new or an expansion of existing credits and deductions for low and middle-income families such as the Earned Income Tax Credit and the Child and Dependent Care Credit. Baseline revenues are projected to grow 4.1%.

Gross Income Tax (In Billions)



Total Other Revenues

The fiscal year 2019 forecast of approximately \$8.3 billion for Other Revenues is a decrease of \$487.0 million over certified fiscal 2018 levels. Total Miscellaneous Revenues are down \$414.0 million, while Total Other Major Taxes are down \$73.0 million. The primary drivers of the decline in Total Other Major Taxes is the reduction in the Estate Tax rate to 0% and lower Motor Vehicle Fees because of an adjustment to the dedication schedule. Cigarette revenues are also expected to decline in line with its secular trend. The reduction in total miscellaneous revenues is largely attributable to one-time revenue in fiscal year 2018 of \$321.8 million from the sale of assets by the New Jersey Public Broadcasting Authority in the Federal Communications Commission spectrum incentive auction.

Other Revenues

(In Millions)

	FY 2013 CAFR	FY 2014 CAFR	FY 2015 CAFR	FY 2016 CAFR	FY 2017 CAFR	FY 2018 Cert.	FY 2019 Approp. Act
Casino Revenue Fund	\$ 215	\$ 221	\$ 206	\$ 209	\$ 219	\$ 221	\$ 233
State Lottery Fund*	1,085	965	960	987	996	-	-
Motor Fuels	525	530	536	554	533	501	501
Motor Vehicle Fees	450	430	437	474	522	500	462
Transfer Inheritance/Estate Tax **	624	687	794	770	748	603	457
Insurance Premium	563	578	643	598	575	597	597
Cigarette	247	224	184	167	171	121	88
Petroleum Products Gross Receipts***	206	217	215	215	531	599	635
Public Utility Excise (Reform)	15	15	16	17	18	19	20
Corp. Banks and Financial Institutions	164	186	127	178	200	146	203
Alcoholic Beverage Excise	103	104	106	106	105	106	108
Realty Transfer	212	249	272	314	346	361	379
Tobacco Products Wholesale Sales	22	22	23	24	25	21	39
Total Other Major Taxes	\$ 4,431	\$ 4,428	\$ 4,519	\$ 4,613	\$ 4,989	\$ 3,795	\$ 3,722
Total Miscellaneous Revenues	\$ 3,785	\$ 3,867	\$ 3,798	\$ 3,406	\$ 3,584	\$ 4,943	\$ 4,529
Total Other Revenues	\$ 8,216	\$ 8,295	\$ 8,317	\$ 8,019	\$ 8,573	\$ 8,738	\$ 8,251

*Beginning in fiscal year 2018, all revenues from the Lottery Enterprise Contribution Act are dedicated to pension payments.

** FY2018 and FY2019 decline is due to the phase-out of the estate tax,

***Excludes the portion of the Petroleum Products Gross Receipts Tax (PPGRT) deposited into the Transportation Trust Fund Subaccount for Capital Reserves, which began in FY 2017. Effective November 1, 2016, the tax imposed under the PPGRT increased in three major components: 1) a 12.85% increase in the tax rate on motor fuels with a phase-in of the diesel component; 2) a 4.25% increase in the tax rate on non-motor fuels; and 3) an additional four cent per gallon tax on diesel fuels that began in FY 2018. New Jerseyans also voted in favor of a constitutional amendment to dedicate all gas tax revenues to the state transportation system during the 2016 General Election.

Chapter 4: Budget Details

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

REVENUE CERTIFICATION

In accordance with the provisions of Article VIII, Section II, Paragraph 2 of the State Constitution, I hereby certify that the resources listed below are available to support appropriations for the fiscal year ending June 30, 2019.

GENERAL FUND

Undesignated Fund Balance, July 1, 2018	\$ 772,197,000
All Revenues--same as S-2019	19,671,320,000
Except for: Sales	312,353,000
Sales - Energy	(28,728,000)
Corporation Business	(300,000,000)
Corporation Banks and Financial Institutions	46,000,000
Marijuana Tax	(49,000,000)
Affordable Housing and Neighborhood Preservation - Fair Housing	15,000,000
Single-Use Carryout Bag Fee	(23,400,000)
Fringe Benefit Recoveries from Colleges and and Universities/University Hospital	(36,000,000)
Fringe Benefit Recoveries from Federal and Other Funds	(17,000,000)
Enterprise Zone Assistance Fund	(32,225,000)
Total Resources, General Fund	<u>\$ 20,330,517,000</u>

PROPERTY TAX RELIEF FUND

Undesignated Fund Balance, July 1, 2018	\$ -
All Revenues--same as S-2019	16,533,937,000
Except for: Gross Income Tax	246,000,000
Total Resources, Property Tax Relief Fund	<u>\$ 16,779,937,000</u>

GUBERNATORIAL ELECTIONS FUND

Undesignated Fund Balance, July 1, 2018	\$ -
All Revenues--same as S-2019	700,000
Total Resources, Gubernatorial Elections Fund	<u>\$ 700,000</u>

CASINO REVENUE FUND

Undesignated Fund Balance, July 1, 2018	\$ -
All Revenues--same as S-2019	233,085,000
Total Resources, Casino Revenue Fund	<u>\$ 233,085,000</u>

CASINO CONTROL FUND

Undesignated Fund Balance, July 1, 2018	\$ -
All Revenues--same as S-2019	49,849,000
Total Resources, Casino Control Fund	<u>\$ 49,849,000</u>

SURPLUS REVENUE FUND

Undesignated Fund Balance, July 1, 2018	\$ -
Total Resources, Surplus Revenue Fund	<u>\$ -</u>

GRAND TOTAL, ALL STATE FUNDS \$ 37,394,088,000

FEDERAL FUNDS

Uncertainty over the amount of federal aid which may be available to the State prevents me from making a like certification in the case of federal funds. Federal monies specified in the appropriations bill cannot be regarded as immediately available for expenditure. Pursuant to NJSA 52:27B-26, I direct that expenditures be permitted under these appropriations only upon determination by the Director of the Division of Budget and Accounting that federal funds to support any expenditure are receivable or have been received by the State.

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attested:

/s/ Matthew Platkin

Chief Counsel to the Governor

SUMMARY OF FISCAL YEAR 2018-19 APPROPRIATION RECOMMENDATIONS

(In Thousands)

*This table is a summary of appropriations of all State fund sources.
It highlights the percent change in appropriations between fiscal years.*

	2018 Adjusted Approp.	2019 Approp Act	----- Change -----	
			Dollar	Percent
GENERAL FUND AND PROPERTY TAX RELIEF FUND				
State Aid and Grants	26,018,465	27,445,668	1,427,203	5.5 %
State Operations				
Executive Branch	3,704,265	3,611,068	(93,197)	(2.5)
Legislature	85,384	79,336	(6,048)	(7.1)
Judiciary	772,255	762,255	(10,000)	(1.3)
Interdepartmental	3,088,243	3,215,841	127,598	4.1
Total State Operations	7,650,147	7,668,500	18,353	0.2 %
Capital Construction	1,663,349	1,604,249	(59,100)	(3.6)
Debt Service	326,370	324,562	(1,808)	(0.6)
TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND	35,658,331	37,042,979	1,384,648	3.9 %
CASINO CONTROL FUND	50,043	49,849	(194)	(0.4)
CASINO REVENUE FUND	225,026	233,085	8,059	3.6
GUBERNATORIAL ELECTIONS FUND	19,680	---	(19,680)	
GRAND TOTAL STATE APPROPRIATIONS	35,953,080	37,325,913	1,372,833	3.8 %

APPROPRIATIONS
MAJOR INCREASES AND DECREASES
Fiscal 2019 Budget to Appropriation
(\$ In Millions)

This table summarizes the major increases and decreases in the Fiscal 2019 Appropriations Act since the Governor's recommended Fiscal 2019 Budget and is organized by category.

Categories of recommended appropriations are defined as follows:

State Operations consists of programs and services operated directly by the State government. The largest single component is for the salary and benefits of State employees. This portion of the Budget is subject to the spending limitations imposed by the State Appropriations Limitation Act (P.L.1990, c.94), commonly known as 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 NJ FamilyCare program, Tuition Aid Grant Program, Homestead Benefit Program and funding for New Jersey Transit and State colleges and universities fall into this category.

State Aid consists of payments to or on behalf of counties, municipalities and school districts to assist them in carrying out their local responsibilities. This category of expenditure includes school aid and municipal aid. It also includes funding for county colleges, local public assistance and county psychiatric hospital costs.

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

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

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
State Operations			
Judicial Branch Salary Increase.....	\$ 5.614		
State Police DNA Laboratory Enhancement.....	3.700		
Executive Branch Salary Increase.....	2.020		
New Jersey State Commission on Cancer Research.....	2.000		
Accountable Care Organizations.....	1.500		
Office of Legislative Services Salary Increase.....	1.000		
Public Health Laboratory Trend.....	0.650		
Leveling the Playing Field Early Intervention Program.....	0.550		
Complete Count Commission.....	0.500		
Division of Wage and Hour Compliance, Prevailing Wage Act Enforcement.....	0.500		
New Jersey Historical Commission - Celebration of America.....	0.500		
Smoking Cessation and Prevention.....	0.500		
Nourishing Young Minds Fund (P.L.2017, c.132).....	0.250		
Broadcast Technology Improvements.....	0.200		

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
New Jersey 2-1-1 Partnership.....	0.200		
New Jersey National Guard Support Services Base Realignment and Closing.....	0.200		
NJ Elder Index.....	0.200		
Jersey Fresh Program.....	0.100		
Trenton War Memorial - Information Technology Upgrades.....	0.100		
Unified Sports Program.....	0.025		
<i>Subtotal - State Operations Increases</i>	<u>\$ 20.309</u>		
State Employees' Prescription Drug Program.....		\$ (150.000)	
State Employees' Prescription Drug Program (Drug Price List Update Savings).....		(50.000)	
Economic Development Authority (Statehouse Project Debt Service).....		(13.196)	
Corrections - Non-Enactment of Minimum Wage Increase.....		(6.238)	
Civilly Committed Sexual Offender Program - Non-Enactment of Minimum Wage Increase.....		(0.646)	
<i>Subtotal - State Operations Decreases</i>		<u>\$ (220.080)</u>	
<i>Net Change (State Operations)</i>			<u>\$ (199.771)</u>
Grants-In-Aid			
Homestead Benefit Program - Tax Year 2015 Benefits.....	\$ 154.700		
Direct Support Professional Wage Increase.....	20.000		
Charity Care.....	10.000		
South Jersey Cancer Program - Camden.....	10.000		
Care Management Organizations.....	7.000		
Child Advocacy Center - Multidisciplinary Team Fund (P.L.2017, c.90).....	5.000		
Community Food Bank of New Jersey.....	5.000		
Cooper Medical School - Cooper University Hospital Support.....	5.000		
Pharmaceutical Assistance to the Aged and Disabled - Claims (shift from CRF).....	4.469		
Essex County Park System - Watsessing Park ADA Improvements.....	4.000		
Hackensack Meridian School of Medicine at Seton Hall University.....	4.000		
New Jersey Re-entry Corporation - One-Stop Offender Re-entry Services.....	4.000		
Volunteers of America - Re-entry Services.....	4.000		
Medical Devices Innovation Cluster.....	3.700		
Anti-Violence Out-of-School Youth Summer Program - Newark, Trenton, Paterson.....	3.000		
Holy Name Hospital, Teaneck - Palliative Care Pilot Program.....	3.000		
Nursing Home Residents - Personal Needs Allowance.....	3.000		
Proprietary House Association, Perth Amboy.....	3.000		
Rowan University - Rutgers Camden Board of Governors, Rutgers - Camden School of Business Facilities Development.....	3.000		
Devoe Lake, Spotswood Borough - Remediation and Restoration Project.....	2.500		
Engineering/Information Technology Expansion Initiative.....	2.500		
Legal Services of New Jersey - Legal Assistance in Civil Matters.....	2.500		

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
New Jersey Agricultural Experiment Station.....	2.500		
New Jersey Hall of Fame Foundation.....	2.500		
Cancer Institute of New Jersey - Colorectal and Lung Cancer, Service Expansion.....	2.000		
Center for Research and Education in Advanced Transportation Engineering Systems.....	2.000		
New Jersey Performing Arts Center - Capital Improvements.....	1.700		
Woodbridge Township - Recreational Facilities Special Needs Improvements.....	1.500		
Court Appointed Special Advocates.....	1.350		
Scholarship and Transformative Education in Prison Program.....	1.250		
Battleship New Jersey Museum.....	1.000		
Cancer Institute of New Jersey - University Hospital Cancer Center Services.....	1.000		
Carteret Arts Center.....	1.000		
Liberty Science Center - Operations.....	1.000		
Mid-Atlantic States Career and Education Center.....	1.000		
National Guard Tuition Waiver Reimbursement.....	1.000		
New Jersey Commission on Science, Innovation & Technology.....	1.000		
New Jersey Nonprofit Security Grant Pilot Program (P.L.2017, c.246).....	1.000		
REED Next Autism Services Program.....	1.000		
College Bound/GEAR UP Program.....	0.800		
High Poverty School District Minority Teacher Recruitment Program.....	0.750		
Newark Alliance - N2020 Hire Goal Project.....	0.750		
Sayreville Borough - Water Treatment Facility Security Costs.....	0.750		
South Amboy Ferry Project Development.....	0.750		
Camden Coalition of Health Care Providers Housing First Pilot Program.....	0.500		
Camden Opioid Research Initiative.....	0.500		
City of Newark Emergency Medical Services.....	0.500		
Incarcerated Veterans Initiative Pilot Program.....	0.500		
Integrated Care Pilot Program for Military, Veterans, and First Responders.....	0.500		
Mental Health Provider Safety Net.....	0.500		
Rutgers, Camden - Planning for Future Growth.....	0.500		
Sexual Violence Prevention and Intervention Services.....	0.500		
Newark Public Library - Newark City of Learning Collaborative.....	0.400		
NJ Center for Tourette Syndrome and Associated Disorders.....	0.400		
State Government Science and Engineering Fellowship Program, Eagleton Institute.....	0.267		
ALS Association.....	0.250		
Latino Action Network Hispanic Women's Resource Center.....	0.250		
Small Business Bonding Readiness Assistance Fund, EDA.....	0.250		
Vietnam Veterans Memorial Foundation.....	0.250		
Adler Aphasia Center.....	0.200		
Joseph's House, Camden - Facility Expansion.....	0.200		
Focus on Student Mental Health and Wellbeing.....	0.170		

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Mental Health Association of Essex and Morris, Inc. - Riskin			
Children's Center.....	0.150		
Project S.A.R.A.H.....	0.150		
Boys and Girls Clubs of New Jersey - At Risk Youth.....	0.145		
Governor's Literacy Initiative.....	0.125		
CAMcare Health Corporation - Facility Improvements.....	0.100		
Historic New Bridge Landing Park Commission.....	0.100		
Princeton Healthcare System - CHOP New Jersey Transition to Adulthood Comprehensive Care Program.....	0.100		
Bayshore Senior Center, Keansburg.....	0.075		
Count Basie Center for the Arts - Arts Education Outreach Initiatives.....	0.050		
Community-Based Long Term Care Recipients - Personal Care.....			
Rate Increase.....	0.046		
Garden to Nurture Human Understanding, Teaneck.....	0.015		
<i>Subtotal - Grants-In-Aid Increases</i>	<u>\$ 298.662</u>		
NJ Transit - Railroad and Bus Operations (Shift to Subaccount for Capital Reserves).....		\$ (50.000)	
Provider Settlements and Adjustments, Enhanced Drug Rebates.....		(29.664)	
Medical Coverage - ACA Expansion Population.....		(29.000)	
Community College Opportunity Grant.....		(25.000)	
NJ Transit - Railroad and Bus Operations (Increased NJ Turnpike Authority Contribution).....		(25.000)	
State Employees' Prescription Drug Program.....		(25.000)	
Medical Coverage - Community-Based Long Term Care Recipients Trend.....		(20.000)	
Medicare Part D.....		(19.588)	
Pharmaceutical Assistance to the Aged and Disabled - Claims (CRF) (shift to GF).....		(4.469)	
Purchase of Community Programs - Non-Enactment of Minimum Wage Increase.....		(2.540)	
Re-Entry Substance Abuse Program - Non-Enactment of Minimum Wage Increase.....		(1.392)	
Higher Education Facilities Trust Fund - Debt Service.....		(0.270)	
<i>Subtotal - Grants-In-Aid Decreases</i>		<u>\$ (231.923)</u>	
<i>Net Change (Grants-In-Aid)</i>			<u>\$ 66.739</u>
State Aid			
Equalization Aid (PTRF).....	\$ 50.366		
Special Education Categorical Aid (PTRF).....	32.207		
Security Aid (PTRF).....	21.156		
Work First New Jersey - Client Benefits.....	4.850		
Meadowlands Tax-Sharing Payments Arrears.....	4.000		
Payments for Cost of General Assistance (\$10 benefit increase).....	3.000		
Union County - Inmate Rehabilitation Services (PTRF).....	2.500		
Nonpublic Technology Initiative.....	2.400		

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Nonpublic Nursing Services Aid.....	1.400		
Essex Crime Prevention.....	1.000		
Hillsborough Township School District - Building Maintenance and HVAC Rehabilitation.....	1.000		
KEYS Academy, Matawan - Aberdeen Regional School District.....	1.000		
County Prosecutors and Officials Salary Increase (P.L.2007, c.350).....	0.161		
<i>Subtotal - State Aid Increases</i>	<u>\$ 125.040</u>		
Teachers' Pension and Annuity Fund - Post Retirement Medical Plan Design Changes.....		\$ (43.000)	
Adjustment Aid (PTRF).....		(34.750)	
Growth Savings - Payment Changes.....		(6.770)	
Transportation Aid (PTRF).....		(1.282)	
<i>Subtotal - State Aid Decreases</i>		<u>\$ (85.802)</u>	
<i>Net Change (State Aid)</i>			<u>\$ 39.238</u>
Capital Construction			
Northeast Corridor Overpass Reconstruction Costs - Perth Amboy.....	\$ 1.000		
<i>Subtotal - Capital Construction Increases</i>	<u>\$ 1.000</u>		
<i>Net Change (Capital Construction)</i>			<u>\$ 1.000</u>
GRAND TOTAL	<u>\$ 445.011</u>	<u>\$ (537.805)</u>	<u>\$ (92.794)</u>

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Legislature	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	85,384
Department		
DSS	General Assembly - Operations - FY18 Supplemental Not Continued	(2,000)
DSS	Senate - Operations - FY18 Supplemental Not Continued	(2,000)
DSS	Office of Legislative Services - Information Systems Upgrade - FY18 Supplemental Not Continued	(1,958)
DSS	Office of Legislative Services - Line of Credit - FY18 Supplemental Not Continued	(290)
DSS	Broadcast Technology Improvements	200
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		(6,048)
FISCAL 2019 APPROPRIATION		79,336

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Chief Executive	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	6,736
	FISCAL 2019 APPROPRIATION	6,736

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Agriculture	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	70,311
Department		
DSS	Jersey Fresh Program	100
DSS	Nourishing Young Minds Fund (P.L.2017, c.132)	250
GIA	Community Food Bank of New Jersey	5,000
Agriculture		
P	CBT Dedication - Preserve New Jersey Farmland Preservation Fund - FY18 Supplemental Not Continued	(50,319)
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		(44,969)
FISCAL 2019 APPROPRIATION		25,342

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Banking and Insurance	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	64,013
	FISCAL 2019 APPROPRIATION	64,013

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Children and Families	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	1,185,862
Department		
GIA	Keeping Families Together - FY18 Supplemental Not Continued	(12,000)
P	Children's System of Care Grant Trend	(6,390)
GIA	Medicaid Accreditation for Treatment Homes - Enhanced Federal Match	(5,550)
GIA	Family Support Services - Children's System of Care	(2,500)
GIA	Peer Recovery Support Services - FY18 Supplemental Not Continued	(2,500)
GIA	Displaced Homemaker Program - Shift to Non-State Funds	(1,800)
GIA	Substance Use Navigators for Youth - FY18 Supplemental Not Continued	(1,000)
DSS	Substance Use Disorder Training Certificate Program - FY18 Supplemental Not Continued	(60)
P	Project S.A.R.A.H.	25
GIA	Mental Health Association of Essex and Morris, Inc. - Riskin Children's Center	150
GIA	Sexual Violence Prevention and Intervention Services	500
P	Court Appointed Special Advocates	500
GIA	Child Protection and Permanency Grant Trend	2,201
DSS	Vehicle Fleet Stability	3,000
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		(25,424)
FISCAL 2019 APPROPRIATION		1,160,438

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Community Affairs	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	845,801
Department		
GIA	New Jersey Housing Assistance for Veterans - FY18 Supplemental Not Continued	(5,000)
PTRF	County Prosecutor Funding Initiative Pilot Program (PTRF)	(4,000)
GIA	Preserve New Jersey Historic Preservation Fund - FY18 Supplemental Not Continued	(2,017)
PTRF	Consolidation Implementation	(999)
GIA	Dismal Swamp Preservation Commission	(200)
GIA	Garden to Nurture Human Understanding, Teaneck	15
GIA	Bayshore Senior Center, Keansburg	75
GIA	CAMcare Health Corporation - Facility Improvements	100
SA	County Prosecutors and Officials Salary Increase (P.L.2007, c.350)	161
GIA	Joseph's House, Camden - Facility Expansion	200
GIA	Newark Public Library - Newark City of Learning Collaborative	400
DSS	Main Street New Jersey	500
GIA	Sayreville Borough - Water Treatment Facility Security Costs	750
GIA	Newark Alliance - N2020 Hire Goal Project	750
GIA	South Amboy Ferry Project Development	750
GIA	Woodbridge Township - Recreational Facilities Special Needs Improvements	1,500
GIA	New Jersey Hall of Fame Foundation	2,500
SA	Neighborhood Preservation (P.L.1975, c.248 and c.249)	2,500
GIA	Proprietary House Association, Perth Amboy	3,000
GIA	Essex County Park System - Watsessing Park ADA Improvements	4,000
PTRF	Transitional Aid to Localities	15,000
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		19,985
FISCAL 2019 APPROPRIATION		865,786

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Corrections	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	1,072,126
Department		
GIA	County Jail Medication-Assisted Treatment (MAT) Grants - FY18 Supplemental Not Continued	(4,000)
DSS	Substance Use Disorder Staff Training - FY18 Supplemental Not Continued	(2,000)
DSS	Narcan Administration and Training - FY18 Supplemental Not Continued	(1,200)
DSS	Medication-Assisted Treatment for State Inmates - FY18 Supplemental Not Continued	(1,200)
GIA	Purchase of Community Services Trend	(1,000)
DSS	Navigators for High-Risk Inmate Releases - FY18 Supplemental Not Continued	(800)
GIA	Purchase of Service for Inmates Incarcerated In County Penal Facilities Trend	(200)
GIA	Incarcerated Veterans Initiative Pilot Program	500
DSS	Inmate Healthcare Contract	2,000
Parole Board		
GIA	Parolee Employment Placement Program – Shift to Non-State Funds	(2,000)
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		(9,900)
FISCAL 2019 APPROPRIATION		1,062,226

P = Parent Record

SUMMARY OF CHANGES

Major Agencies

(In Thousands)

IPB Fund	Education	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	13,331,229
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Department		
PTRF	Growth Savings - Payment Changes	(30,167)
P	Emergency Fund - FY18 Supplemental Not Continued	(21,413)
PTRF	Lead Testing for Schools	(7,000)
SA	Adult Education Programs	(4,000)
SA	County Vocational School District Partnership Grant Program	(3,000)
PTRF	Recovery High School Access Project - FY18 Supplemental Not Continued	(2,700)
P	School Facilities Aid Trend	(1,632)
GIA	Governor's Literacy Initiative	(145)
GIA	Institute of Italian and Italian American Heritage Studies	(100)
GIA	Community Relations Committee of the United Jewish Federation of Metrowest	(30)
DSS	Unified Sports Program	25
GIA	STEM Dual Enrollment and Early College High Schools	400
PTRF	Payments for Institutionalized Children - Unknown District of Residence	500
GIA	High Poverty School District Minority Teacher Recruitment Program	750
PTRF	KEYS Academy, Matawan - Aberdeen Regional School District	1,000
PTRF	Hillsborough Township School District - Building Maintenance and HVAC Rehabilitation	1,000
GIA	Secondary School Computer Science Education Initiative	2,000
P	Charter School Aid	2,255
PTRF	Preschool Education Expansion Aid	25,000
PTRF	Preschool Education Aid	32,569
PTRF	School Construction & Renovation Fund - Debt Service	148,325
P	Formula Aid to School Districts	351,264
Teachers Pensions/Social Sec.		
PTRF	Teachers' Pension and Annuity Fund - Post Retirement Medical Plan Design Changes	(43,000)
P	Health Benefits Reform Savings - Teachers	(19,652)
PTRF	Teachers' Social Security Tax	16,345
P	Pension Bonds - Debt Service	17,592
P	Teachers' Post-Retirement Medical	71,489
P	Pensions and Insurance	392,568
<hr/>		
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		930,243

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Education	Amount
		<hr/>
FISCAL 2019 APPROPRIATION		14,261,472 <hr/> <hr/>

****P** = Parent Record**

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Environmental Protection	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	360,113
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Department		
DSS	Salary Savings	(2,000)
DSS	Compliance and Enforcement - Excess Penalty Collections - FY18 Supplemental Not Continued	(1,500)
DSS	Shellfish and Marine Fisheries Management	(1,200)
DSS	Nuclear Emergency Response - FY18 Supplemental Not Continued	(1,120)
DSS	Hunting and Fishing Licenses for National Guard and Disabled Veterans - FY18 Supplemental Not Continued	(619)
DSS	CBT Dedication	(328)
GIA	Lake Hopatcong Commission - Weed Harvesting	(105)
DSS	Climate Change Initiative - Regional Resilience Planning	120
DSS	Clean Energy Initiative - Regional Greenhouse Gas Initiative Implementation	120
DSS	Environmental Justice Initiative - Diesel Emission Compliance	120
GIA	Devoe Lake, Spotswood Borough - Remediation and Restoration Project	2,500
Environmental Protection		
P	CBT Dedication - Preserve New Jersey Green Acres Fund - FY18 Supplemental Not Continued	(37,678)
CC	CBT Dedication Capital	(1,576)
Department		
DS	General Obligation - Debt Service	3,569
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		<hr/> (39,697)
FISCAL 2019 APPROPRIATION		<hr/> 320,416 <hr/>

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Health	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	1,517,289
Department		
GIA	Community Care Trend	(20,000)
DSS	Expansion of Opioid Overdose Recovery Program - FY18 Supplemental Not Continued	(16,600)
DSS	On-Campus Recovery Programs, Substance-Free Housing and Supportive Services - FY18 Supplemental Not Continued	(8,000)
P	Psychiatric Hospitals' Operations Trend	(7,518)
GIA	Hospital Asset Transformation Program	(6,953)
GIA	Residential Treatment for Pregnant Women and New Mothers - FY18 Supplemental Not Continued	(5,000)
GIA	Level 1 Trauma Center Security Grants	(3,000)
GIA	Syringe Access Program - FY18 Supplemental Not Continued	(2,100)
GIA	Federally Qualified Health Centers	(2,000)
P	Holy Name Hospital, Teaneck - Palliative Care Pilot Program	(2,000)
DSS	Certified Alcohol and Drug Counselors in Prenatal Health Care Settings - FY18 Supplemental Not Continued	(1,000)
GIA	Opioid Education Campaign For Obstetricians - FY18 Supplemental Not Continued	(1,000)
DSS	Decreasing Incidence of Substance-Exposed Infants - FY18 Supplemental Not Continued	(1,000)
DSS	Expansion of Consumer Helpline - FY18 Supplemental Not Continued	(1,000)
DSS	New Jersey Stroke Registry and Stroke Centers Reporting System	(750)
GIA	Mental Health Provider Safety Net	500
P	Early Childhood Intervention Program Trend	1,028
P	Reorganization of the Division of Mental Health and Addiction Services	1,942
P	Salary Increase	2,615
GIA	Hackensack Meridian School of Medicine at Seton Hall University	4,000
GIA	Charity Care	10,000
DSS	Expanded Addiction Initiatives	100,000
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		42,164
FISCAL 2019 APPROPRIATION		1,559,453

P = Parent Record

SUMMARY OF CHANGES

Major Agencies

(In Thousands)

IPB Fund	Human Services	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	5,742,372
Division of Aging Services		
GIA	Pharmaceutical Assistance to the Aged and Disabled/Senior Gold Prescription Discount Program Trend	(9,529)
DSS	NJ Elder Index	200
Family Development		
SA	General Assistance (GA) Trend	(15,675)
P	Supplemental Security Income (SSI) Trend	(2,058)
SA	Work First New Jersey - Client Benefits (Repeals Family Cap)	1,100
P	Work First New Jersey - Client Benefits Trend	2,500
SA	Payments for Cost of General Assistance (\$10 benefit increase)	3,000
SA	Work First New Jersey - Client Benefits (\$10 benefit increase)	3,750
PTRF	Social Services Block Grant/Temporary Assistance for Needy Families Technical Adjustment	7,561
Central Office		
P	Reorganization of the Division of Mental Health and Addiction Services	(1,942)
DSS	New Jersey 2-1-1 Partnership	200
DSS	Human Resources FTE Reallocation	352
Developmental Disabilities		
DSS	Developmental Centers' Operations Trend	(17,273)
DSS	Community Non-Salary Trend - FY18 Supplemental Not Continued	(5,049)
DSS	Human Resources FTE Reallocation	(352)
GIA	Debt Service	(116)
GIA	FY18/FY19 Community Placements	19,831
Deaf and Hard of Hearing		
DSS	Leveling the Playing Field Early Intervention Program	550
Medical Assistance & Health Services		
GIA	Legislative Program Efficiencies	(98,252)
GIA	Family Planning Population Expansion	2,344
GIA	Federal Autism Initiatives	8,500
P	Personal Care Assistance Reimbursement Rates	16,951

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Human Services	Amount
GIA	Reduced Federal Match on Affordable Care Act Expansion	29,497
GIA	ACA Health Insurance Providers Fee	92,272
P	NJ FamilyCare Health Care Trend	96,862
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		135,224
FISCAL 2019 APPROPRIATION		5,877,596

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Labor and Workforce Development	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	168,520
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Department		
DSS	Division of Wage and Hour Compliance, Prevailing Wage Act Enforcement	(250)
DSS	Salary Increase	500
GIA	Mid-Atlantic States Career and Education Center	1,000
PERC		
DSS	Line of Credit	(21)
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TOTAL FISCAL 2019 REDUCTIONS/INCREASES		1,229
FISCAL 2019 APPROPRIATION		169,749
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P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Law & Public Safety	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	620,117
Department		
DSS	Division of Law Contingency and Legal Fees - FY18 Supplemental Not Continued	(10,000)
P	State Police - Shift to Non-State Funds	(5,400)
DSS	Board of Nursing - Home Health Aide Application Backlog Reduction	(250)
DSS	Division of Consumer Affairs - Prescription Drug Monitoring Program	500
DSS	State Medical Examiner's Office	500
PTRF	State Police - Essex Crime Prevention	1,000
DSS	State Police - Line of Credit	1,600
P	State Police - Restoration for Loss of Non-Recurring Resources	5,600
Election Law Enforcement		
GEF	Gubernatorial Elections Fund - General	(19,680)
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		(26,130)
FISCAL 2019 APPROPRIATION		593,987

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Military & Veterans Affairs	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	96,678
Department		
DSS	Veterans' Memorial Home - Transportation Services - FY18 Supplemental Not Continued	(1,000)
GIA	Vietnam Veterans Memorial Foundation	250
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		(750)
FISCAL 2019 APPROPRIATION		95,928

****P** = Parent Record**

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	State	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	1,325,227
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Agricul Exper Stat-Rutgers		
GIA	New Jersey Agricultural Experiment Station	2,500
Higher Ed Student Assistance Auth.		
P	Tuition Aid Grants	7,000
P	Community College Opportunity Grant	25,000
New Jersey City University		
GIA	College Bound/GEAR UP Program	800
NJ Institute of Technology		
GIA	Operating Support for the NJIT Engineering Makerspace	(10,000)
GIA	Medical Devices Innovation Cluster	3,700
Office of the Secretary of Higher Education		
DSS	Database for Economic Development - FY18 Supplemental Not Continued	(1,500)
DSS	Statewide Longitudinal Data System - FY18 Supplemental Not Continued	(500)
GIA	Center on Gun Violence Research	2,000
OSHE - Educational Opportunity Fund		
GIA	Opportunity Program Grants	1,500
Rowan University		
GIA	Population Health Research Institute, Rowan University - Rutgers-Camden Board of Governors	(500)
GIA	Camden Opioid Research Initiative	500
GIA	Cooper Medical School - Cooper University Hospital Support	5,000
Rutgers, Camden		
P	Rowan University - Rutgers-Camden Board of Governors, Rutgers-Camden School of Business Facilities Development	(2,000)
GIA	Focus on Student Mental Health and Wellbeing	170
GIA	Planning for Future Growth	500
Rutgers, Newark		
GIA	Scholarship and Transformative Education in Prison Program	1,250

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	State	Amount
Rutgers, The State University		
GIA	State Government Science and Engineering Fellowship Program, Eagleton Institute	267
GIA	Engineering/Information Technology Expansion Initiative	2,500
University Hospital		
GIA	City of Newark Emergency Medical Services	500
Department		
GIA	Battleship New Jersey Museum	(740)
GIA	Count Basie Center for the Arts - Arts Education Outreach Initiatives	50
DSS	Trenton War Memorial - Information Technology Upgrades	100
DSS	New Jersey Historical Commission - Celebration of America	500
DSS	Complete Count Commission	500
GIA	Carteret Arts Center	1,000
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		40,097
FISCAL 2019 APPROPRIATION		1,365,324

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Transportation	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	1,580,978
NJ Transit		
PTRF	Transportation Assistance for Senior Citizens and Disabled Residents	785
P	New Jersey Transit Corporation	166,610
Department		
DSS	Winter Operations/Snow Removal - FY18 Supplemental Not Continued	(67,000)
Transportation - Proper		
CC	Northeast Corridor Overpass Reconstruction Costs - Perth Amboy	1,000
P	Transportation Trust Fund - Debt Service	36,647
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		138,042
FISCAL 2019 APPROPRIATION		1,719,020

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Treasury	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	2,684,727
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Department		
DSS	Administrative Costs - Lottery Enterprise Contribution Act - FY18 Supplemental Not Continued	(35,165)
P	General Obligation - Debt Service	(5,377)
DSS	Rowan University Opioid Research - FY18 Supplemental Not Continued	(3,000)
DSS	Salary Savings	(2,000)
DSS	Line of Credit	(975)
DSS	Gubernatorial Transition	(600)
DSS	Division of Revenue and Enterprise Services - Collection Services	9,000
Treasury - Casino Control Fund		
CCF	Salary Savings	(194)
State Legal Services		
GIA	Legal Services of New Jersey - Legal Assistance in Civil Matters	2,500
Treasury-Direct Property Relief		
PTRG	Homestead Benefit Program - FY18 Supplemental Not Continued	(8,700)
PTRG	Homestead Benefit Program Trend	(3,800)
PTRF	Senior and Disabled Citizens' and Veterans' Property Tax Deductions Trend	(3,700)
PTRG	Senior and Disabled Citizens' Property Tax Freeze Trend	(3,200)
PTRG	Homestead Benefit Program - Tax Year 2015 Benefits	154,700
Treasury-Municipal & County Aid		
SA	South Jersey Port Corporation Debt Service Reserve Fund	(214)
SA	Public Library Project Fund - Debt Service	(3)
P	Meadowlands Tax-Sharing Payments Arrears	1,000
P	Pension Bonds - Debt Service	1,735
P	Municipal Retired Employees' Health Benefits (PRM)	2,637
P	Pensions	21,020
Economic Development Authority		
GIA	New Jersey Commission on Science, Innovation & Technology	1,000

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Treasury	Amount
Higher Ed - County Colleges		
PTRF	Chapter 12 Debt Service	(1,344)
P	Pensions and Insurance	(723)
P	Health Benefit Reform Savings - County College Retirees	(448)
P	Pension Bonds - Debt Service	17
P	County College Retired Employees' Health Benefits (PRM)	1,706
PTRF	Aid to County Colleges	5,000
Higher Ed - Indepen. Colleges & Oth		
P	Seton Hall University School of Health and Medical Sciences Support	(15,000)
GIA	Seton Hall Law Clinic Re-entry Services	(207)
Miscellaneous Higher Ed.		
GIA	Equipment Leasing Fund - Debt Service	(1,911)
GIA	Dormitory Safety Trust Fund - Debt Service	(365)
P	Higher Education Facilities Trust Fund - Debt Service	(4)
GIA	Higher Education Capital Improvement Program - Debt Service	1,783
Public Defender		
DSS	Salary Savings	(1,000)
DSS	Dispute Settlement	(406)
DSS	Line of Credit	(351)
TOTAL FISCAL 2019 REDUCTIONS/INCREASES		113,411
FISCAL 2019 APPROPRIATION		2,798,138

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Misc. Exec. Comm.	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	776
	FISCAL 2019 APPROPRIATION	<hr style="border: none; border-top: 1px solid black;"/> 776 <hr style="border: none; border-top: 1px solid black;"/>

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Inter-departmental	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	4,387,420
<hr/>		
Employee Benefits		
DSS	State Employees' Prescription Drug Program	(175,000)
P	Health Benefits Reforms Savings - State and Higher Education	(98,600)
DSS	Public Employees' Retirement System - Post Retirement Medical	(50,000)
P	Employer Taxes	9,328
P	Pension Bonds - Debt Service	13,837
P	Employee Health Benefits	196,217
P	Pensions and Insurance - State and Higher Education Employees	262,044
Inter-departmental		
CC	New Jersey Building Authority - Debt Service	(11,502)
CC	Reduction of One-Time FY18 Capital Appropriation	(9,760)
CC	Garden State Preservation Trust - Debt Service	3
CC	State Facilities Energy Efficiency Projects	5,000
CC	Life Safety, Emergency and IT Projects - Statewide	10,000
Other Inter-departmental Accounts		
DSS	Interest On Short Term Notes - FY18 Supplemental Not Continued	(7,244)
P	Liberty Science Center - Operations	(2,561)
GIA	New Jersey Sports and Exposition Authority - Debt Service	(528)
GIA	Biomedical Research Bonds, EDA	(2)
PTRG	Municipal Rehabilitation and Economic Recovery, EDA	1
GIA	Liberty Science Center - Debt Service	60
Rentals and Utilities		
P	Insurance Premiums	366
P	Economic Development Authority - Debt Service	33,709
Salary & Other Benefits (Adjustments)		
DSS	Restoration of Legislative Cut - FY18 Supplemental Not Continued	(55,000)
DSS	Unused Accumulated Sick Leave Payments Trend - FY18 Supplemental Not Continued	(500)
DSS	Judicial Branch	5,614
DSS	Executive Branch	25,020

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Inter-departmental	Amount
		<hr/>
	TOTAL FISCAL 2019 REDUCTIONS/INCREASES	150,502
	FISCAL 2019 APPROPRIATION	4,537,922
		<hr/> <hr/>

****P** = Parent Record**

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Judiciary	Amount
**	2018 Adjusted Appropriations (as reported in the Governor's Budget)	772,255
Department		
DSS	Salary Savings	(10,000)
	TOTAL FISCAL 2019 REDUCTIONS/INCREASES	(10,000)
	FISCAL 2019 APPROPRIATION	762,255
	GRAND TOTAL -- FISCAL 2019 APPROPRIATION (Excludes Federal Funds)	37,325,913

****P** = Parent Record**

Appendix

SENATE BILL NO. 2019

To the Senate:

Pursuant to Article V, Section I, Paragraph 15 of the New Jersey State Constitution, I am appending to Senate Bill No. 2019, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

I am very pleased to have reached a deal with my partners in the Legislature concerning the Fiscal Year 2019 State budget and supporting revenue bills. This deal implements almost all of the investments in New Jersey's future that I recommended to the Legislature in March. I thank the Legislature for including these important priorities in our spending plan for Fiscal Year 2019. With the budget I signed today, we are truly building a stronger and fairer New Jersey.

As I noted publicly and in meetings with legislative leadership, I had some problems with the revenue side of the Legislature's original Fiscal Year 2019 budget. In particular I questioned whether the legislative revenue plan was adequate to support and sustain the investments that we all want for the people of New Jersey, including investments in schools, in mass transit, and in pension and property tax relief and other core programs to assist individuals and families. These long-term commitments require real, reliable, sustainable, long-term revenues. Because of magnanimous concessions on all sides, I am satisfied that the plan we agreed to today, which includes a version of the millionaire's tax as well as a temporary but declining corporation business tax surcharge, will appropriately begin the multi-year process of fixing New Jersey's fiscal woes in a fair and responsible manner.

I would like to express special thanks to the Senate President and the Speaker of the General Assembly for their key roles in this process.

Accordingly, I am appending to Senate Bill No. 2019, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor

State of New Jersey
Executive Department

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42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

- 75 "Notwithstanding the provisions of any law or regulation to the contrary, the amounts hereinabove appropriated to the Department of Environmental Protection, to the extent not already appropriated from specific revenues, shall first be charged to the revenue collected from the single-use carryout bag fee."

The quoted language is deleted in its entirety.

46 DEPARTMENT OF HEALTH

20 Physical and Mental Health

23 Mental Health and Addiction Services

4290 Division of Mental Health and Addiction Services

DIRECT STATE SERVICES

Direct State Services:

- 87 "Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Expanded Addiction Initiatives shall be used to develop, support, and expand programs and services, including providing grants to entities providing such programs and services, that the Commissioner of Health, the Commissioner of Human Services, and the Commissioner of Children and Families determine to be most effective in directly addressing the Statewide public health crisis associated with substance use disorders, including opioid use disorder, subject to the approval of the Director of the Division of Budget and Accounting. Such programs and services may include, but shall not be limited to, efforts to improve access to community-based behavioral health care, develop the State's anti-addiction infrastructure, support enhanced integration of care, and address relevant social and economic factors; ((provided, however, that not more than two percent of the amount appropriated shall be used for State administrative expenses. None of))the amount appropriated may be expended or transferred ((without approval by the Joint Budget Oversight Committee))."

The language within double parentheses is deleted.

54 DEPARTMENT OF HUMAN SERVICES

30 Educational, Cultural, and Intellectual Development

32 Operation and Support of Educational Institutions

7601 Community Programs

GRANTS-IN-AID

Grants-in-Aid:

- 115 "In addition to the amount hereinabove appropriated for the Purchased Residential Care, Social Supervision and Consultation and Adult Activities program classifications, such additional amounts as may be necessary are appropriated for the same purpose, subject to the approval of the Director of the Division of Budget and Accounting((and the Joint Budget Oversight Committee))."

The language within double parentheses is deleted.

62 DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

50 Economic Planning, Development, and Security

54 Manpower and Employment Services

GRANTS-IN-AID

Grants-in-Aid:

- 129 "In addition to the amount hereinabove appropriated for Employment and Training Services, an amount not to exceed \$34,500,000 is appropriated from the Workforce Development Partnership Fund, section 9 of P.L.1992, c.43 (C.34:15D-9), for the purpose of funding additional workforce initiatives at the discretion of the Commissioner of Labor and Workforce Development, subject to the approval of the Director of the Division of Budget and Accounting. ((The appropriation for each workforce initiative shall be subject to the approval or disapproval of the Joint Budget Oversight Committee (JBOC). If JBOC does not disapprove the appropriation within ten days of notification, the appropriation shall be deemed approved.))"

The language within double parentheses is deleted.

78 DEPARTMENT OF TRANSPORTATION

60 Transportation Programs

61 State and Local Highway Facilities

CAPITAL CONSTRUCTION

State of New Jersey
Executive Department

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Capital Projects:

- 173 "Notwithstanding the provision of P.L.1984, c.73 (C.27:1B-1 et al.) or any law or regulation to the contrary, there is appropriated the sum of \$100,000,000 from the revenues and other funds of the New Jersey Transportation Trust Fund Authority, and from the amounts on deposit in the Transportation Trust Fund Subaccount for Capital Reserves, for Local County Aid and Local Municipal Aid, which shall be allocated in the same proportion as such aid is herein appropriated; provided, further, that this sum shall be distributed to counties and municipalities by the commissioner through the Local Municipal Aid program and Local County Aid program in the same manner as provided for pursuant to section 25 of P.L.1984, c.73 (C.27:1B-25)."

The quoted language is deleted in its entirety.

60 Transportation Programs
62 Public Transportation
GRANTS-IN-AID

Grants-in-Aid:

- 174 "The amount hereinabove appropriated to the NJ Transit Corporation for railroad and bus operations is conditioned upon the following: no amounts in excess of \$140,856,000 shall be expended until the Corporation's executive director certifies attainment of federal benchmarks for implementing positive train control technology."

The quoted language is deleted in its entirety.

82 DEPARTMENT OF THE TREASURY
70 Government Direction, Management, and Control
75 State Subsidies and Financial Aid
GRANTS-IN-AID

Grants-in-Aid:

- 188 "The amount hereinabove appropriated for the Homestead Benefit Program - Tax Year 2015 Benefits shall be paid through electronic funds transfer made by the director to the local tax collector on or before July 31 and credited to the local property tax account maintained by the local tax collector for the homestead of the claimant in one-half of the amount of the homestead benefit approved pursuant to P.L.2017, c.99. The local tax collector shall reflect the amount credited in the tax bill due and payable by the claimant on ((August 1, 2018, and any amount due to the claimant in excess of that tax bill shall be credited to the tax bill due and payable on))November 1, 2018. If the amount hereinabove appropriated for the Homestead Benefit Program - Tax Year 2015 Benefits is not sufficient, there are appropriated from the Property Tax Relief Fund such additional amounts as may be required to provide such homestead benefits, subject to the approval of the Director of the Division of Budget and Accounting."

The language within double parentheses is deleted.

GENERAL PROVISIONS

- 263 "97. Notwithstanding the provisions of any law or regulation to the contrary, in addition to the amounts hereinabove appropriated for the Department of the Treasury, there are appropriated such additional amounts as are necessary to establish the Office of the Ombudsman for Individuals with Intellectual or Developmental Disabilities and their Families established pursuant to P.L.2017, c.269 (C.30:1AA-9.1 et seq.), subject to the approval of the Director of the Division of Budget and Accounting((and the approval or disapproval of the Joint Budget Oversight Committee (JBOC). If JBOC does not disapprove the appropriation within ten days of notification, the appropriation shall be deemed approved))."

The language within double parentheses is deleted.

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42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

- 75 The language related to the single-use carryout bag fee is deleted consistent with the terms of the Fiscal Year 2019 budget agreement with legislative leadership.

46 DEPARTMENT OF HEALTH

- 87 The language requiring approval by the Joint Budget Oversight Committee is modified to avoid delay and promote efficiency and flexibility in the operations of State government.

54 DEPARTMENT OF HUMAN SERVICES

- 115 The language requiring approval by the Joint Budget Oversight Committee is modified to avoid delay and promote efficiency and flexibility in the operations of State government.

62 DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

- 129 The language requiring approval by the Joint Budget Oversight Committee is modified to avoid delay and promote efficiency and flexibility in the operations of State government.

78 DEPARTMENT OF TRANSPORTATION

- 173 The language related to the Transportation Capital Program is deleted in order to maintain consistency with the terms of the Fiscal Year 2019 budget agreement with legislative leadership.

- 174 The language requiring certification by the executive director as a condition of spending appropriated dollars is deleted to promote efficiency and continuity of operations and to ensure availability of necessary funds for their intended purposes.

82 DEPARTMENT OF THE TREASURY

- 188 The language related to the Homestead Benefits program is modified to improve the ability of the Division of Taxation to appropriately support and administer the program.

GENERAL PROVISIONS

- 263 The language requiring approval by the Joint Budget Oversight Committee is modified to avoid delay and promote efficiency and flexibility in the operations of State government.

Respectfully,

[seal]

/s/ **Philip D. Murphy**
Governor

Attested,

/s/ **Matthew Platkin**
Chief Counsel

PHILIP MURPHY
GOVERNOR OF NEW JERSEY
TRANSMITTED TO THE FIRST ANNUAL SESSION
OF THE TWO HUNDRED AND NINETEENTH LEGISLATURE
March 13, 2018

Lieutenant Governor Oliver,

Senate President Sweeney, Speaker Coughlin, Majority Leaders Weinberg and Greenwald, Minority Leaders Kean and Bramnick, and members of the 218th Legislature,

Former Governors,

Members of the Supreme Court,

Members of the Cabinet,

Reverend clergy,

Honored guests,

My fellow New Jerseyans,

I must begin by acknowledging the continued perseverance of the hundreds of thousands of residents impacted by the recent storms. Rest assured, we will not stop until every home is restored power, and we will get to the root of the problem. And, we thank the thousands of workers – including those from out-of-state – who have put in countless and tireless hours to fix downed wires.

Eight weeks ago today, I pledged to be a different type of governor. I pledged to create a stronger and fairer New Jersey that measured success not by what we could do for the few, but by what we could accomplish for all nine million of our residents.

I invited you to join me in this journey.

And, today, I present to you my first budget. As promised, this is a budget that is balanced both fiscally and morally. Our Constitution requires the former, but our conscience demands the latter.

This budget meets the standards by which we will build a stronger and fairer New Jersey that works for all of our residents. It will responsibly invest in our future to drive our economic growth and resurgence. It will ensure we meet our obligations fairly and honestly. And, it will protect our New Jersey values.

It represents a sharp break from the direction we had been taken over the past eight years and turns our state's trajectory to one of opportunity and fairness for all.

It's no secret that we face real challenges. But I am more confident than ever that we have what it takes to build a stronger, fairer New Jersey and offer every family in New Jersey their share of the American Dream.

We will make decisions based on what's best for everyone, not just the powerful few. We will make decisions for the next generation, not the next election. We will make decisions based on evidence, not politics.

If we do these things, New Jersey can lead our nation's economy in the creation of new businesses and good, family-supporting jobs. New Jersey can be where no one who works full time lives in poverty; where every child – no matter what neighborhood they live in – is guaranteed the education they need to succeed; where a college education is within reach of anyone willing to work for it; where hard work is rewarded, innovation is nurtured, communities are supported, and everyone pays their fair share; and, where opportunity, equal treatment, and justice are the rights of everyone.

This is the New Jersey I am working for and that this budget is designed to support.

In just eight weeks, we have already made important progress toward our goals.

We began by naming a talented and diverse leadership team – a Cabinet whose appointees, for the first time in New Jersey's 242-year history, are majority women.

GOVERNOR'S MESSAGE

On our first day, we took action to support equal pay for women, and sent a clear message that the only things that should determine a worker's wages are her talents and responsibilities. That's just a start. I look forward to getting back together with all of you to make equal pay for equal work the law for every New Jersey woman and her family.

We restored funding for women's health care and expanded access to family planning services for thousands of New Jersey women – after the previous administration had left women's health care on the chopping block.

One person stood at the center of these efforts: Majority Leader Loretta Weinberg. I was so honored to have her, and so many others in this room, by my side for these historic signings. We did these together, and we will do so much more.

We have begun the long effort to fix New Jersey Transit and restore sanity and dependability for hundreds of thousands of commuters. We installed strong, capable, and experienced leadership and began a comprehensive review of NJ Transit to uncover how farepayers' hard-earned dollars were spent – or misspent. And we announced short-term efforts that are already alleviating overcrowding and headaches.

We made investing in clean energy and combating climate change priorities. New Jersey will once again be a proud member of the Regional Greenhouse Gas Initiative, and we will join with our neighbors to protect the Delaware River, and the drinking water of millions of our residents, from the dangers of fracking.

And, we have begun the work to make the winds off our shores a significant source of clean and renewable energy, as well as good-paying, new, union jobs. And, by the way, and as a general matter, we will rebuild this state on the shoulders of our union brothers and sisters.

Eight years ago, Senate President Sweeney and Minority Leader Kean worked together to make New Jersey a leader in offshore wind energy production. This administration will see that through.

And, I am confident that everyone here is on the same side – the Jersey side – on this: We will never let our Shore be threatened by oil drilling off our coast.

We stood up for our consumers by defending net neutrality, and we promised those suffering from chronic and debilitating illnesses – New Jerseyans fighting cancer, or our veterans suffering from PTSD – that our medical marijuana program will support them.

We took action to ensure as many people as possible have access to affordable, comprehensive health insurance, and directed our state agencies to educate more New Jerseyans on the options available to them under the Affordable Care Act. I look forward to working with all of you to fight against continued assaults from Washington.

And, I look forward to partnering with you to make health care work for all residents. I know Speaker Coughlin is at the forefront of the effort, along with Senator Vitale, to close the out-of-network loophole, and I commit to getting this done.

In the days following the tragedy at Marjory Stoneman Douglas High School in Parkland, Florida, I joined with three of my fellow governors – Governor Cuomo of New York, Governor Malloy of Connecticut, and Governor Raimondo of Rhode Island – to form States for Gun Safety, a partnership to combat gun violence and protect our own communities in the face of inexplicable and continued inaction from Washington.

So far, two more states and Puerto Rico – with more to come, I hope – have joined us in saying, "Enough is enough." We are working closely with these states now to coordinate efforts to stop the trafficking of illegal firearms and to keep guns out of the hands of dangerous individuals. And once again, New Jersey is leading the charge.

But more must be done.

The day before Parkland, I attended a roundtable on gun violence in Cherry Hill with Majority Leader Greenwald. Lou, I look forward to working with you, and with everyone in this chamber, to pass and enact long-overdue gun safety bills – including "red flag" legislation, reducing magazine ammunition capacity, and requiring background checks for private gun sales.

We cannot ignore the scourge of gun violence in our own communities. Both Tammy and I have met families across our state who have lost loved ones to gun violence – in fact, last year, Tammy visited some of those families at a church not far from the State House.

We will act not just in the name of Parkland, but in the name of every neighborhood and every family.

On these, and on all the critical issues New Jersey faces, we have been aggressive and we plan to stay aggressive, because our state and our people deserve a government that supports their values and their futures.

This budget is a down payment on that future. It puts families ahead of the special interests and sound policy before soundbites. It reflects our shared priorities and has a sound strategy for economic opportunity that grows from the middle class out, not from the top down.

This budget is based on realistic and achievable numbers, and it recognizes that we will not solve our deep challenges with more of the short-term gimmicks that have held us back, or by acting timidly and thinking small.

We are climbing out of the deep hole that our state has been stuck in for too long, and which President Trump and some in Congress seem intent on pushing us back into.

Putting together this budget required a ladder as much as it did a calculator.

The people gave us a mandate to begin a new era of fiscal responsibility and accountability. They understand our challenges because they live them, and they know that we must invest in our state if we are to grow once again. They want real and workable solutions that come in complete thoughts and sentences, not bumper stickers.

They get it. We must, too.

Let's turn to the budget.

First, this budget is realistic and responsible.

This budget totals \$37.4 billion and includes a projected surplus of \$743 million. It meets our responsibilities for this year and leaves us on a stronger footing for the next. And, I am proud to say, this budget relies less on one-shots than any other in recent memory – less than 1 percent of this budget is non-recurring revenues.

I am also directing my Cabinet to do deep dives into their own departments and agencies to find operational efficiencies that can further improve our fiscal standing and the delivery of services.

Everything in this budget is built around restoring New Jersey as the “good value for money” state we had been for decades. Whether you were born here, or moved here later in life, you knew New Jersey was never an inexpensive place. But you knew that by living here, or putting your business here, you had a better shot to make it than if you had gone anywhere else.

But for eight years, costs increased while services declined – the opposite of providing value. Property taxes rose nearly 19 percent as public schools were underfunded by \$9 billion. Fares for commuters went up 36 percent and customer service deteriorated as New Jersey Transit was effectively starved through draconian budget cuts. Our infrastructure continued to crumble from neglect, and the critical ARC Tunnel, which should have been opening this year, was cancelled.

Not long ago, we proudly invested in education, in reliable mass transit, and in our communities – and we all benefited from the dividends. This budget makes those investments once again so we will reap those benefits once again, and it does so responsibly.

Second, it makes the critical investments we need for our future.

This budget increases our current investment in public school classrooms by \$341 million and begins a four-year phase-up to fully funding our public schools.

Even with these investments, we know our current school funding formula, enacted in 2008, needs to be modernized, and I ask you to work with me to make these changes so we can reach this goal of full, fair funding by the 2021-2022 school year. Together, we can fulfill the promises made a decade ago while ensuring that our dollars are spent according to the needs of students and districts today.

This budget starts New Jersey down a four-year path to expanding pre-K statewide. We will add an additional \$57.6 million to build upon the \$25 million in new funding the Legislature ensured for this current year for a total investment of nearly \$83 million.

Decades of studies tell us that pre-K builds a strong foundation for a child's educational future. We know it has profound effects on closing the achievement gap. We know it has positive benefits that continue even into adulthood – that every dollar we put into pre-K pays us back many times over throughout that child's life.

GOVERNOR'S MESSAGE

In 2008, the state made a promise to expand pre-K statewide. That promise to our next generation remains unfulfilled. This investment moves us closer to fulfilling it.

Renewing New Jersey's leadership in the innovation economy starts in our public schools. We will invest in a Computer Science for All initiative to ensure that every high school will have a computer science program. And, by fostering partnerships among K-12 educators, college and university educators, and private-sector practitioners, we will grow innovative, STEM-focused high school programs that will prepare students for the jobs of the future.

And for those who are willing to work toward a college degree, this budget invests in them, putting the dream of higher education within reach of more students and families.

We will increase investment in our community colleges by \$50 million, the first step in making community college tuition-free for all over the course of the next three years. From the new high school graduate to the adult returning to school for a new skill, we will make sure that cost is not a roadblock to a good, or better, job.

We will increase funding to the Educational Opportunity Fund, and we will create 3,500 new Tuition Aid Grant awards for students at our four-year colleges and universities. And, to grow the innovation economy, we will establish a student-loan-forgiveness program that rewards those who graduate in a STEM field, get a job in a STEM field, and all the while stay in New Jersey.

Think about this – when we have achieved these objectives, New Jersey will set a standard for the nation by providing free access to an education for everyone from pre-K to an Associate's Degree.

But tomorrow's economy requires life-long learning. And so, we are investing in workforce development. To help our state's long-term unemployed, many of whom are older workers, we will inaugurate the New Jersey Career Network through the Department of Labor to provide them the tools they need to compete for jobs in the new economy. This program is based upon the New Start Career Network that Tammy and I were honored to found in partnership with the Heldrich Center at Rutgers University, and which has already helped many residents – including many veterans – get back to work.

Third, this budget will drive New Jersey's economic growth and ensure that everyone can benefit from its progress.

Each of us knows that New Jersey's future depends on the strength of our infrastructure.

To help residents get to school or work, we will restore the funding that New Jersey Transit needs to once again be a reliable and respected service. The prior administration slashed NJ Transit funding by 90 percent, forcing the agency to pull from its long-term capital programs to pay daily expenses. And we know where that got us – waiting for too many trains and buses that never came.

This budget will nearly triple funding to NJ Transit – an additional \$242 million investment to get the agency back on its feet. Like so many of our challenges, fixing New Jersey Transit will not happen overnight, but we are sending a strong signal to our commuters that a better day, and better service, is coming.

Yet, as we seek to make these investments, our task is made tougher by the fact that the prior administration gave away in excess of \$8 billion in corporate tax credits. These massive giveaways – in many cases imprecisely directed – will ultimately deprive us of the full revenues we desperately need to build a stronger and fairer economic future.

We were told these tax breaks would nurse New Jersey back to health, and, yet, our economy still lags.

Now, I have been clear that I do not oppose the concept of tax incentives on its face, but they must be distributed responsibly and as part of a broader package of incentives and investments that the state can make to better the climate for all businesses, not just a few favored actors. It needs to be done with precision and accountability, and in alignment with our future aims.

This is one reason why I have directed the State Comptroller to undertake a comprehensive audit of our tax incentive programs. We need to see what we've actually gotten in return for our \$8 billion. We need to know, what future investments have we missed?

Let there be no doubt, I am excited about the prospect of Amazon coming to Newark, and I am committed to working with you, with Mayor Baraka, and the business community to make this happen. This would be a transformative moment for our state. It could spur billions of dollars in new investments in infrastructure, in communities, and in people. This isn't about just one company, but about rebuilding an entire economy.

That broad thinking has been lacking. We have been giving out tax credits that amount to more than \$160,000 per job created, with little to show in return. Even with these heralded gifts, our economic growth has trailed almost every other competitor state in the nation, in almost every category.

We don't have to look very far to find a better example. We only need to look at Massachusetts, which awards tax incentives at an average of only \$22,000 per job created. And, yet, they have grown jobs at a rate seven times greater than we have. How?

Massachusetts, and our other competitor states, are providing businesses a better value for money, and with that value in-hand they are cleaning our clock. This isn't about taxes. It's about fiscal responsibility. And, it's about investments in education, workforce development, and infrastructure – the things businesses need to succeed. We used to do that. We will again.

Our current incentive programs expire in 2019. I invite you to join me, now, a full year in advance, to develop a new program and a new way that generates true investment in, and value throughout, our entire economy, and doesn't just rely on cash handouts. We can build a program that supports entrepreneurship and stimulates investment in incubators and the start-up economy.

We must once again promote our talented residents, our infrastructure, our schools, our location, and our diversity – everything that makes New Jersey a world-class place for business.

I know we can do this together. I know we can create a climate that is fair to middle-class taxpayers and small businesses, that strengthens our entrepreneurial spirit and gives residents renewed hope for a good job.

By starting this process early, we can be thoughtful. We can see what has worked and what hasn't. Let us for once take a long view and have a solution in-hand far before this becomes yet another rush to the finish.

And as we make New Jersey's economy stronger we will make it fairer for working families.

This budget will also invest in our working families by increasing, over three years, the state Earned Income Tax Credit from 35 percent to 40 percent of the federal benefit. We know the EITC works. Now, it will provide even more relief for the New Jersey families who rely upon it for tax fairness.

We must do more. Let's finish the job to raise our state's minimum wage and put us on a stable and predictable path to \$15 an hour. We can no longer tolerate poverty-level wages, not in New Jersey, and not in 2018.

While we may have our own opinions on the matter, we're going to do this based on fact. And the fact is that increasing the wage is not a social handout – it's an economic stimulus. Raising the minimum wage will lead to stronger families, greater economic freedom, increased revenues, and decreased costs in the administration of programs for those in poverty, because working families should not earn poverty wages, and neither should veterans.

Raising the minimum wage to \$15 an hour will boost the incomes of 1.2 million New Jerseyans, and allow them to participate in the economy with dignity. After all, we know what hard-working families do when they have more money – they spend it in the real economy. Maybe they will be able to take their family out to dinner. Maybe they'll be able to afford a summer afternoon on the boardwalk.

Maybe, a single mother working two jobs to secure a future for her children can afford to work just one, and spend more time with her kids.

Or, maybe, in a state with a poverty rate that is still more than 20 percent higher than it was in 2007, they'll be able to go home at night without fear of not being able to pay the bills, or the rent.

We will also lead by example by preparing for a statewide increase in the minimum wage to \$15 an hour, including an increase to \$11 an hour in Fiscal 2019.

In one of my first public events after my election, I was proud to stand with Senate President Sweeney, Speaker Coughlin, and Congressman Donald Norcross to pledge our support for a \$15 an hour minimum wage. I thanked you both then for your leadership and I do so again, and I remain committed to working with you, and with all who similarly believe in fairness, throughout this spring to give New Jersey's working families the raise they deserve, and which they have earned.

I am equally committed to working with you to enact paid sick leave protections for all New Jersey workers – something 1.2 million New Jerseyans lack. I applaud Assemblywoman Lampitt for her leadership.

GOVERNOR'S MESSAGE

A restaurant worker should not have to choose between getting a day's wages, or taking a day off from work to look after a sick family member. A childcare worker should not have to choose between a paycheck, or not giving the kids in her care the flu.

A higher minimum wage, and earned sick leave are direct investments in fairness that will strengthen our working families.

We are also proposing raising the state property tax deduction from its current limit of \$10,000 to \$15,000, an idea which has support from both Democrats and Republicans. I commend Senators Pennacchio and Van Drew, Leader Bramnick, and Assembly members Handlin and Bucco for moving this idea forward.

In that vein, I also congratulate the Senate, under Senator Sarlo's leadership, for passing legislation that would allow municipalities to create charitable funds through which residents can make donations to offset their property tax liabilities, and therefore preserving more federal deductibility. To my friends in the Assembly, and to the Speaker, I know this remains a priority for you, as well.

I look forward to signing this legislation. We're not asking for special treatment for New Jersey's property taxpayers – we're simply asking to be given the same courtesies the IRS already gives taxpayers in 33 other states.

Both of these – increasing the property tax deduction and creating charitable funds – are important steps to making New Jersey fairer. Our communities must remain affordable for the middle-class, where small businesses want to open, where young families can set their roots, where veterans are welcomed home, and where seniors can remain after retirement.

Now, this budget ensures we honestly meet our obligations.

To make these investments requires us to make the right choices to ensure fairness. For too long, middle-class and working families, college students, and seniors have borne the burden of a weak and unjust economy. They watched millionaires and big corporations do just fine while income inequality worsened. The average New Jersey family actually saw their incomes decline – a truly remarkable and disheartening fact.

We must embrace the immediacy of the problems before us by recognizing that we have a means to begin pulling ourselves back to fiscal responsibility and respectability, and to build a stronger and fairer future.

We must remain mindful of the need to restore that “good value for money” equation. If we enact another budget like the one our administration inherited, our middle class will continue to be the ones shouldering the burden, while seeing little in return.

Yes, a millionaire's tax is the right thing to do – and now is the time to do it.

Let's be perfectly clear as to what it is we're talking about. This budget will not raise income taxes on a family earning \$50,000 a year. Or, a family making \$75,000 a year. Or, a family making \$100,000 or \$250,000 a year. Or, a family making \$500,000 a year. There is no change on a family earning even \$1,000,000 a year.

We are standing for fairness and fiscal responsibility by asking those with taxable incomes in excess of \$1 million to pay a little more. The irrefutable fact is that we have a thousand more millionaires today than we did at our pre-recession peak, and I'm sure none of them are here for the low taxes. They are here because we can offer an unmatched quality of life.

We know the numbers, and they show the importance of our actions. This will raise approximately \$765 million for the investments we must make in all our residents. And, we will work to close the unfair carried-interest loophole that benefits only billionaire hedge fund managers, and that will generate an additional \$100 million.

Just as we will do for our middle class and working families, we will extend this notion of fairness to our small businesses, as well. It is no secret that our state corporate tax law allows large companies with multi-state operations to park their New Jersey profits elsewhere to avoid paying their fair share of taxes. This is a huge write-off that small businesses can't get.

This budget proposes a combined reporting requirement that will ensure fairness for our small businesses. Many other states already do this. It's time we did, too.

These revenues will allow us to invest in our state's unmatched – but underutilized – assets. They will make New Jersey more – not less – competitive. They will make us fairer – and stronger.

So, too, will shouldering our responsibility to our public employees. For too long, our public workers have been blamed for every problem under the sun. Our pension crisis was decades in the making, and exacerbated by the failures of governors and legislatures of both parties over the years to pay the state's share.

I do not have a magic wand capable of making everything whole again in one budget. But, I am committed to continuing to ramp up our payments until we get there – in this budget, a total of \$3.2 billion – an all-time high. We will make this payment honestly and in good faith.

And, we will work with our public-sector leaders on other ways to speed this process along. We will find savings within the pension system by divesting of hedge funds and reinvesting the money that would have been lost in exorbitant fees. We will find long-term health care savings that can be reinvested into pensions.

This budget will also undo the unsound decisions of past years that were made more for politics than actual positive effect, and which further drained our ability to invest in New Jersey. This budget proposes resetting the state sales tax at an even seven percent. Let's be honest, the impact of the three-eighths of one percent sales tax decrease has been nearly imperceptible to the average family, but has directly impacted our ability to provide better services to, and greater future investment in, that family.

These are the steps we must take if we are serious about getting our finances back on an even keel, if we are serious about ending the year-after-year haggling over how we meet our most basic obligations, and if we are serious about restocking New Jersey's competitive fires.

I support the Senate President's initiative to undertake a bipartisan and comprehensive look at our entire tax code, and his acknowledgement that the Trump tax law has created huge windfalls. I do not believe that there is anyone in this chamber – on either side of the aisle – who does not share the commitment to doing things smarter and more efficiently.

We can, and must, encourage more municipalities to pursue shared services, for example. And, to do that, I will soon be appointing a Shared Services "Czar" to lead this effort.

But here is our inescapable reality – we need this revenue to set things right.

We cannot afford to remain stuck, uncompetitive, and unfair. This is the time for us to make our state stronger while we forge ahead with long-term solutions and investments that ensure fairness.

The people of New Jersey are with us on the millionaire's tax, as they want us to restore the value they get out of the tax dollars they entrust to our care.

Finally, this budget affirms New Jersey's values.

We will create a new Child and Dependent Care Tax Credit for middle-class and working families. I have heard too many stories of both young families overburdened by the escalating costs of child care and middle-aged couples who have taken on the responsibility of being the primary caretaker for an aging parent or even grandparent. This will give them greater peace of mind and a greater sense of fairness.

We will live up to our promise of providing \$7.5 million for women's health care. Cutting access to primary care, critical health screenings, and family planning services to tens of thousands wasn't fair and it certainly didn't make us stronger. We reversed this, and we will keep our word.

And, we will substantially invest in both preventative and treatment programs that will combat an opioid epidemic that has ravaged communities across our state.

This budget also provides \$2 million to establish a new Gun Violence Research Center to be based at one of our state universities. Congress has refused to fund such necessary research for over two decades. It is now up to the states to lead. This investment will start this long-overdue process. When we formed States for Gun Safety, I recognized the critical need for the data-driven research we need to enact better public policy. Working together with our partner states, we're taking that approach.

We must also make sure we are investing not just in individuals, but also in entire communities – particularly our long-overlooked urban neighborhoods. We must recommit to opening the doors to economic opportunity for the thousands of young men and women – especially young men and women of color – jailed for non-violent drug-related offenses. Our current system has failed them, and put a mark on them that they will carry for their entire lives, preventing them from furthering their educations or getting jobs.

GOVERNOR'S MESSAGE

It's the principal reason I advocate for legalizing adult-use marijuana. According to research, New Jersey spends upwards of \$140 million per year adjudicating low-level marijuana possession offenses. And, marijuana-related arrest rates are tilted three-to-one against African-Americans, even though rates of marijuana use are similar among races.

These resources must have a better use, whether to tackle the trafficking of illegal guns, provide stronger community policing, or to crack the back of our opioid epidemic, which was devastating our urban centers long before it made headlines.

I greatly respect those in this chamber who have proposed decriminalizing possession of small amounts of marijuana, and I thank them for recognizing the importance of doing what's right and just for those who carry criminal records for past possession arrests. But decriminalization alone will not put the corner dealer out of business, it will not help us protect our kids, and it will not end the racial disparities we see.

If these are our goals – as they must be – then the only sensible option is the careful legalization, regulation, and taxation of marijuana sales to adults.

Legalization will allow us to reinvest directly in our communities – especially the urban neighborhoods hardest hit by the misguided War on Drugs – in their economic development, in health care and housing, child care and after-school programs, and other critical areas. These investments will pay dividends far greater than the cost of mass incarceration.

I did not come to this overnight, myself. After all, we are the parents of four children under the age of 21. But from the standpoint of social justice, and from the standpoint of protecting our kids and lifting up our communities, I could not arrive at any other conclusion.

I commend Senator Scutari, and Assemblymen Gusciora, Eustace, and Kennedy for their efforts to change this conversation. I thank Senate President Sweeney, too, for his support. I am committed to working with you to get this passed this year.

This budget makes the case for New Jersey.

For too long we've let others – including our own leaders – put us down. They've fed a national narrative that has both hurt our pride and dampened some of our prospects. No more.

I am as optimistic as ever about our economic future. New Jersey is blessed with tremendous economic advantages – among the most educated workforces in the world, a location 49 other states would gladly trade-in for, and top-tier public schools, colleges and universities, just to name a few.

We could fill a book with all that we offer.

But we must invest in our state and in this vision of a fairer and stronger New Jersey – a vision rooted in a growing and thriving middle class, new businesses working at the cutting edges of innovation, and modern infrastructure – or else we risk letting these advantages slip away. This budget will not let that happen.

Restoring our leadership in innovation speaks to who we are. Restoring our leadership in infrastructure speaks to where we are.

At the same time, we will stand up for the values which have long-defined us. For everyone who cares about commonsense gun safety laws, a 100-percent clean energy future, women's health care, the rights of our LGBTQ brothers and sisters, or immigration policies that allow diverse and safe cities to flourish, the pull of New Jersey will become inescapable.

Make no mistake, these values – our New Jersey values – resonate not just in living rooms, but in corporate board rooms. They are an untapped weapon for economic development which we will aggressively deploy.

Our future rests in restoring the proper balance between financial value and our shared values. We cannot be a state that, to paraphrase Oscar Wilde, “knows the price of everything and the value of nothing.”

This budget knows what we value most.

We can be both pro-growth and progressive at the same time and with equal effectiveness.

It is through these many efforts that we can, and will, build the stronger and fairer New Jersey we need for our future success.

It will not be easy. But, as I said, I am an optimist. I see our glass as half-full, not half-empty. Our future is limitless if we commit to investing in our people and their future.

The pride New Jerseyans take in our home state is infectious. But, that pride has also been tested over the past many years. This budget is what we need to prove to our people that we have their backs, and that we will invest in them.

Good jobs. Great schools. Safer communities. A cleaner environment. Reliable mass transit. Fairer taxes. More justice. Less division. A commitment to a future filled with opportunity and optimism, where New Jersey leads the way.

That's what a stronger and fairer New Jersey looks like. This budget is the vehicle to get us there.

This is what New Jerseyans want to see. Let's prove to them that their government can be both responsive and responsible, and efficient and effective.

Together, let us build a stronger and fairer New Jersey that works for all our families.

Thank you, God bless you, and may God continue to bless the Great State of New Jersey and the United States of America.



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SESSION OF 2018-2019**

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Carol A. Murphy (D), 7th District (Part of Burlington)
Edward H. Thomson (R), 30th District (Parts of Monmouth and Ocean)
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