

SENATE BILL NO. 2005

To the Senate:

Pursuant to Article V, Section I, Paragraph 15 of the New Jersey Constitution, I am appending to Senate Bill No. 2005, 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.

Following two of the most of challenging years in New Jersey history, this budget reflects the dividends from an improved fiscal outlook and provides increased fiscal resources for the priorities of education, children, property tax relief, health and public safety. At the same time, it remains consistent with our funding priorities while maintaining a vigilant watch over spending on the operations of State government.

I support the overall plan presented in this bill. However, there are several areas in which I believe that technical modifications are appropriate. I am, therefore, exercising my Line Item Veto power in a judicious manner. Specific explanations for these adjustments are set forth below.

I am, accordingly, appending to Senate Bill No. 2005, at the time of my signing it, the statement of objections to the items, or parts thereof, to which I object and which shall not take effect.

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, 2005.

GENERAL FUND

Undesignated Fund Balance, July 1, 2004	\$ 533,999,000
Major Taxes:	
All Major Taxes—same as S. 2005	12,379,794,000

Miscellaneous Taxes, Fees and Revenues:	
All Other Miscellaneous Revenue—same as S. 2005	\$4,489,660,000
Except for: Cigarette Tax Securitization	(1,190,000,000)
Motor Vehicle Securitization	(740,000,000)
Mutual Workers' Compensation Security Fund	(5,000,000)
Total Miscellaneous Taxes, Fees and Revenues	<u>2,554,660,000</u>

Interfund Transfers:

All Interfund Transfers— same as S. 2005	\$1,334,266,000
Including: Cigarette Tax Securitization	1,190,000,000
Motor Vehicle Securitization	740,000,000
Mutual Workers' Compensation Security Fund	<u>5,000,000</u>
Total Interfund Transfers	<u>3,269,266,000</u>

In addition the following text changes are hereby made, whereas the line "Garden State Historic Preservation Fund" should read "Garden State Historic Preservation Trust Fund". Whereas the line "New Jersey Green Acres Trust Fund (Act of 1992)" should read "New Jersey Green Trust Fund (Act of 1992)". Whereas the line "New Jersey Green Acres Trust Fund (Act of 1995)" should read "New Jersey Green Trust Fund (Act of 1995)". Whereas the line "Public Purpose Buildings and Community-Based Facilities" should read "Public Purpose Buildings and Community-Based Facilities Construction Fund".

Total General Fund Revenues	<u>18,203,720,000</u>
Total Resources, General Fund	<u>\$ 18,737,719,000</u>

PROPERTY TAX RELIEF FUND

Undesignated Fund Balance, July 1, 2004	\$
All Revenues—same as S. 2005	<u>8,855,000,000</u>
Total Resources, Property Tax Relief Fund	<u>\$ 8,855,000,000</u>

GUBERNATORIAL ELECTIONS FUND

Undesignated Fund Balance, July 1, 2004	\$ 2,206,000
All Revenues—same as S. 2005	<u>1,500,000</u>
Total Resources, Gubernatorial Elections Fund	<u>\$ 3,706,000</u>

CASINO REVENUE FUND

All Resources—same as S. 2005

\$ 474,880,000

CASINO CONTROL FUND

Undesignated Fund Balance, July 1, 2004	\$ 2,339,000
All Revenues—same as S. 2005	<u>65,600,000</u>
Total Resources, Casino Control Fund	<u>\$ 67,939,000</u>

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SURPLUS REVENUE FUND

Undesignated Fund Balance, July 1, 2004
Total Resources, Surplus Revenue Fund

\$ 288,017,000
\$ 288,017,000

GRAND TOTAL, ALL STATE FUNDS

\$ 28,427,261,000

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 N.J.S.A. 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,

/s/ James E. McGreevey

Governor

[seal]

Attest:

/s/ Michael R. DeCotiis

Chief Counsel to the Governor

14 DEPARTMENT OF BANKING AND INSURANCE
50 Economic Planning, Development and Security
52 Economic Regulation

DIRECT STATE SERVICES

27 "Notwithstanding the provisions of any other law to the contrary, such sums as the Director of the Division of Budget and Accounting determines are necessary for the administrative costs associated with the "New Jersey Medical Care Access and Responsibility and Patients First Act," P. L. 2004, c. 17 are appropriated from the Medical Malpractice Liability Insurance Premium Assistance Fund ((subject to the approval of the Joint Budget Oversight Committee)). Such other sums as the Director of the Division of Budget and Accounting shall determine as necessary on behalf of State employees are appropriated to the Inter-Departmental Accounts, Unemployment Insurance Liability account for deposit in the Medical Malpractice Liability Insurance Premium Assistance Fund. If annual receipts deposited in the Medical Malpractice Liability Insurance Premium Assistance Fund are higher or lower than the amounts projected for specific spending categories in the "New Jersey Medical Care Access and Responsibility and Patients First Act," the difference shall be pro-rated among those categories in the same proportion as established in P. L. 2004, c. 17."

The language within double-parenthesis is deleted.

34 DEPARTMENT OF EDUCATION
30 Educational, Cultural and Intellectual Development
31 Direct Educational Services and Assistance

STATE AID

48 "The amount hereinabove for Above Average Enrollment Growth Aid shall be distributed to school districts ((, other than county vocational school districts,)) whose projected enrollment for the 2004-05 school year exceeds its enrollment for the 2003-04 school year by at least 3.5 percent, as determined by the commissioner. Each such school district shall receive an amount equal to \$765 multiplied by its projected increase in enrollment if its projected increase is less than 7.5 percent, and an amount equal to \$1,600 multiplied by its projected increase in enrollment if its projected increase is equal to or greater than 7.5 percent. Any amount remaining in this account after distribution is made pursuant to these criteria shall be distributed by the commissioner to school districts meeting substantially similar circumstances."

The language within double-parenthesis is deleted.

49 "The amount hereinabove for Above Average Enrollment Growth Aid shall be distributed to school districts, other than county vocational school districts, whose projected enrollment for the 2004-05 school year exceeds its enrollment for the 2003-04 school year by at least 3.5 percent, as determined by the commissioner. Each such school district shall receive an amount equal to \$765 multiplied by its projected increase in enrollment if its projected increase is less than 7.5 percent, and an amount equal to \$1,600 multiplied by its projected increase in enrollment if its projected increase is equal to or greater than 7.5 percent."

The quoted language is deleted in its entirety.

30 Educational, Cultural and Intellectual Development
34 Educational Support Services

STATE AID

56 "Notwithstanding the provisions of section 2 of P.L. 1981, c.57 (C.18A:39-1a) and any other law or provision to the contrary, the maximum amount of nonpublic school transportation costs per pupil provided for in N.J.S.18A:39-1 shall equal \$751."

The quoted language is deleted in its entirety.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES

- 20 *Physical and Mental Health*
- 21 *Health Services*

GRANTS-IN-AID

75 "Notwithstanding any law to the contrary, the Commissioner of the Department of Health and Senior Services shall establish guidelines to develop a formulary for the AIDS Drug Distribution Program ((Furthermore, each prescription shall require a \$5.00 co-payment. Both provisions are)) subject to the requirements of the federal Ryan White Care Act and its amendments."

The language within double-parenthesis is deleted.

- 54 DEPARTMENT OF HUMAN SERVICES
- 50 *Economic Planning, Development and Security*
- 55 *Social Services Programs*

7570 *Division Of Youth And Family Services*

DIRECT STATE SERVICES

120 "Of the amount appropriated hereinabove for Child Welfare Reform, \$1,000,000 is allocated for the programs administered under the "New Jersey Homeless Youth Act," P.L.1999, c.224 (C.9:12A-2 et seq.), and the Division of Youth and Family Services shall prioritize the expenditure of this allocation to address transitional living services in the division's region that is experiencing the most severe over-capacity problem ((in its transitional living center))."

The language within double-parenthesis is deleted.

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

GRANTS-IN-AID

192 "In addition to the amount hereinabove, there are appropriated from the Property Tax Relief Fund such additional sums as may be required for payments to homeowners and tenants qualifying for homestead property tax rebates ((subject to the limitations and conditions provided in this act))."

The language within double-parenthesis is deleted.

GENERAL PROVISIONS

269 "69. For nonprofit community care providers that provide at least 50% of the costs of employees' health benefits, 50% of the Cost of Living Increase shall be dedicated to salaries of employees who work for the nonprofit. The remaining 50% shall be available for the nonprofit to use as it determines. For nonprofit community care providers that provide less than 50% of the costs of employees' health benefits, 70% of the Cost of Living Increase shall be dedicated to salaries of employees who work for the nonprofit. The remaining 30% shall be available for the nonprofit to use as it determines. ((Under no circumstances shall any of these moneys be used to increase the salary of an employee who earns an annual salary in excess of \$75,000.)) Departments with appropriations for cost of living increases for nonprofit community care providers may transfer funds available from other appropriations made to those departments, subject to the approval of the Director of the Division of Budget and Accounting, to provide an additional 1/2% cost of living increased to those providers which shall also be subject to other provisions of this section."

The language within double-parenthesis is deleted.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SUMMARY

14 DEPARTMENT OF BANKING AND INSURANCE

27 The determination and approval of the administrative costs for the Medical Malpractice Liability Insurance Premium Assistance Fund is within the authority of the Executive Branch.

34 DEPARTMENT OF EDUCATION

48 The language for exclusion of county vocational school districts from eligibility for Above Average Enrollment Growth Aid is deleted, making county vocational school districts defined as having high enrollment growth eligible for this category of State school aid.

49 Language for the calculation of Above Average Enrollment Growth Aid is deleted as duplicative of the language on page 48, line 26.

56 Language capping the per pupil transportation aid-in-lieu-of amount at \$751 is deleted to allow for a cost of living adjustment in this component of State school aid.

46 DEPARTMENT OF HEALTH AND SENIOR SERVICES

75 This removes language related to the imposition of a \$5.00 co-payment on each prescription related to the AIDS Drug Distribution Program. The co-payment will not be implemented.

54 DEPARTMENT OF HUMAN SERVICES

120 The reference to a severe over-capacity problem in transitional living centers is incorrect. There is no such thing as a transitional living center. The intent of the language is to prioritize spending on "transitional living services" in the region or regions that are experiencing the most severe over-capacity in "juvenile detention centers."

82 DEPARTMENT OF THE TREASURY

192 The bracketed material is obsolete as there are not any limits or conditions provided in the Fiscal Year 2005 Appropriations Act on homestead property tax rebates. This clause should be removed so as not to suggest there are such conditions.

GENERAL PROVISIONS

269 Deleting this language would give community providers flexibility in distributing the cost of living adjustment.

Respectfully,

/s/ James E. McGreevey

Governor

[seal]

Attest:

/s/ Michael R. Decotilis

Chief Counsel to the Governor