

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3001

# STATE OF NEW JERSEY

DATED: JUNE 24, 2010

The Assembly Budget Committee reports favorably Assembly Bill No. 3001.

The bill amends and supplements the Fiscal Year 2009-2010 appropriations act, making State and federal supplemental appropriations totaling \$454,509,000, reducing enacted appropriations by \$727,892,000, and amending and supplementing various language provisions affecting appropriations.

The supplemental appropriations of State funds are as follows:

***Department of Health and Senior Services:*** The bill appropriates a total of \$83,279,000 in Grants-in-Aid funding for the following purposes: 1) \$20,498,000 appropriation for Medical Day Care Services for higher than expected caseloads and lower than projected savings from anti-fraud initiatives; 2) \$43,972,000 appropriation for Payment for Medical Assistance Recipients – Nursing Homes to offset lower than expected federal resources from the American Recovery and Reinvestment Act of 2009; 3) \$15,112,000 appropriation for Global Budget for Long Term Care for higher than expected caseloads; and 4) \$3,697,000 appropriation for Senior Gold Prescription Discount Program for higher than expected caseloads.

***Department of Human Services:*** The bill appropriates a total of \$282,441,000 in State funds for the following purposes: 1) \$11,062,000 in Direct State Services appropriations for Patient Care and Health Services to five psychiatric hospitals to provide funding for salary and fuel and utilities shortfalls at the various institutions; 2) \$26,626,000 State Aid for Support of Patients in County Psychiatric Hospitals due to increased caseloads and unrealized savings from a federal waiver that was not approved; 3) \$24,209,000 grant appropriation for Managed Care Initiative for a projected shortfall due to higher than expected caseloads and a capitation rate increase that was higher than budgeted; 4) \$93,750,000 grant appropriation for Payments for Medical Assistance Recipients – Medicare Premiums for anticipated federal reimbursements for incorrect Medicaid billings that were not received; 5) \$100,541,000 grant appropriation for General Assistance Medical Services for delayed implementation of an initiative to receive federal Medicaid match on payments to General Assistance beneficiaries (\$78,175,000) and increased caseloads

(\$22,366,000); 6) \$11,932,000 grant appropriation for Payments for Medical Assistance Recipients – Personal Care for increased caseloads; and 7) \$14,321,000 in State Aid appropriations for four Income Maintenance Management State aid accounts for increased caseloads.

***Department of Law and Public Safety:*** This bill appropriates \$3,750,000 in Direct State Services funding for State Police Operations to offset a shortfall in Vehicle Rental Surcharge collections used to support Salaries and Wages.

***Department of State:*** This bill appropriates a total of \$3,411,000 in Grants-in-Aid to support scholarships for county college students due to increased applications from eligible students for Part-Time Tuition Aid Grants for County Colleges (\$2,496,000) and New Jersey Tuition Assistance Reward Scholarship (NJSTARS I and II) (\$915,000).

***Department of Transportation:*** This bill appropriates \$29,503,000 in Direct State Services funding to support incurred snow removal costs.

***Department of Treasury:*** This bill appropriates \$125,000 for State Aid to County Boards of Taxation to provide for increased appointments to the boards.

***Inter-Departmental Accounts:*** The bill appropriates Direct State Services funding of \$20,000,000 for Property Rentals to offset anticipated savings from lease negotiations that were not achieved.

The supplemental appropriation of federal funds is as follows:

***Department of Children and Families:*** The bill appropriates a \$32 million increase in fiscal 2009 federal spending authorization for Title IV-E Foster Care beyond the amount anticipated in P.L.2008, c.35, the Fiscal Year 2009 appropriations act.

The supplements or amendments to various language provisions are as follows:

***Department of Education:*** A language provision clarifies that the decreased appropriation for State school aid included in this bill will not necessitate any adjustment to a school aid withholding made by the Department of Education pursuant to Executive Order #14.

***Department of Environmental Protection:***

1) A language provision appropriates \$10,000,000 from the Shade Tree and Community Forest Preservation License Plate Fund for operation and maintenance of State parks and forests.

2) A language provision permits transfer of 4% Corporation Business Tax dedication balances from the Stormwater Management Grants and the Watershed Restoration Projects Grants-in-Aid accounts to the Water Resources Monitoring and Planning – Constitutional Dedication special purpose account.

***General Language Provisions affecting Appropriations and Revenues:***

- 1) Authorizes the Director of the Division of Budget and Accounting to deappropriate, at any time during the fiscal year, any unexpended balances (also known as carry forward balances) from the end of the preceding fiscal year.
- 2) Deappropriates a total of \$201,166,000 from various dedicated accounts and makes the deappropriated amounts available to the General Fund for appropriation for any other purpose.
- 3) Permits transfer of surplus balances up to \$158,000,000 from the Clean Energy Fund to the General Fund.
- 4) Permits transfer of surplus balances up to \$5,150,000 from the New Jersey Spinal Cord Research Fund to the General Fund.
- 5) Permits transfer of surplus balances up to \$78,117,512 from the Enterprise Zone Assistance Fund to the General Fund.
- 6) Permits transfer of \$103,730,332 from surplus balances in the Long Term Obligation and Capital Expenditure Fund to the General Fund.
- 7) Permits transfer of \$25,000,000 from surplus balances in the State Disability Benefits Fund to the General Fund.

The reductions in enacted appropriations are as follows:

***Department of Children and Families:*** Grants in Aid totaling: \$19,452,000.

***Department of Corrections:*** Direct State Services totaling: \$9,716,000.

***Department of Education:*** State Aid totaling: \$544,011,000.

***Department of the Treasury:*** State Aid and Grants-in-Aid totaling: \$129,687,000.

***Inter-Departmental Accounts:*** Direct State Services totaling: \$18,026,000

***The Judiciary:*** Direct State Services totaling: \$7,000,000.

FISCAL IMPACT:

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