TO: David J. Rosen  
Legislative Budget and Finance Officer

FROM: Andrew P. Sidamon-Eristoff  
State Treasurer

DATE: April 14, 2010

SUBJECT: Assembly Budget Committee Follow-up

Chairman Greenwald:

Question: Please submit a revised list of all FY 2010 balances that are placed in reserve in anticipation of a year-end lapse to the General Fund. Please also provide a list of balances that have previously been placed in reserve in anticipation of a year-end lapse to the General Fund but that have since been taken out of reserve and returned to their original accounts.

Answer: The list of balances placed in reserve in anticipation of a year-end lapse remains largely the same. Only the following areas have been reduced:

- Cancer Institute of New Jersey: ($3 million)
- South Jersey Port Corporation: ($4 million)
- Homestead Rebates – trend projecting higher: ($4.3 million)
- NonAligned Employees 25% share health benefits: ($3 million)
- Post Partum Education: ($500,000)
- Restricted Aliens: ($5 million)

Any additional proposed changes to appropriations will be provided to the Committee in conjunction with our final estimates of revenue for FY 2010.

Question: Please delineate by program the aggregate State support for hospitals and the amounts of State support that each hospital is receiving in FY 2010 and is proposed to receive in FY 2011 under the Governor’s spending plan.

Answer: The Department of Health and Senior Services is currently auditing each hospital’s Charity Care claims as submitted on February 28, 2010. The Department anticipates completing the final subsidy allocation in June. The Department determines each hospital’s reimbursed documented charity care, in accordance with N.J.S.A. 26:2H-18.59i, after claims are submitted.
to the Department’s fiscal agent, determined by the fiscal agent to meet the criteria for eligibility, priced by the fiscal agent at the Medicaid rate, and after each hospital’s reported charity care is subjected to audit. The administrative rules governing the audit of charity care claims, the filing and pricing of charity care claims, and the calculation of the charity care subsidy are set forth in N.J.A.C. 10:52-11, 10:52-12 and 10:52-13.

Although we understand the Committee’s interest, it would be premature to provide a hospital by hospital classification prior to completing the audit of the claims detail. Minor calculation adjustments can cause significant distribution differences to the subsidy allocation because the funding distribution to each hospital is relative to the others. We know you will agree with respect to the need to inform important policy decisions of this nature with the best available and accurate information rather than potentially inaccurate or even misleading preliminary data.

Funding for Graduate Medical Education and the Hospital Relief Program and the allocation by hospital of those funds is not planned to change in the FY2011 Budget.

Assemblyman Coutinho:

**Question:** Please submit a list of all the federal funding the State would receive in FY 2011 under the Governor’s spending plan, the amounts the State received in FY 2010, and the amounts the Governor chooses not to pursue.

**Answer:** Schedule 2 in the Budget in Brief provides a complete list federal funds received in FY2009 and estimated to be received in FY2010 and FY2011. That schedule indicates we expect to receive $12.4 billion in FY2010 and $11.3 billion in FY2011. While there are numerous differences between the two years, perhaps the largest is the Department of Education $1.057 billion of federal economic stimulus funds that do not repeat in FY2011.

Decisions were not made for the FY2011 Budget solely on the basis of the benefit of federal funds. For instance, the Medicaid program requires a State-funded match. Therefore, decisions to reduce Medicaid costs in order to reach a balanced budget will also reduce the amount of federal funds brought in to New Jersey.