

Casino Control Commission Responses to OLS FY 2012 Budget Questions

1. The FY 2011 budget required all departments to cope with reduced appropriations. In some instances these reductions could be handled through improved efficiency and operational adjustments. In other instances less money resulted in programmatic reductions, including both fewer recipients and reduced benefits. Please provide examples of operational improvements in your department that saved money in FY11 and provide examples where less government meant reduction in services.

The Casino Control Commission (CCC) continues to carefully manage the resources appropriated for its purposes in the FY 2011 Appropriations Act. As a result of the recent amendments to the Casino Control Act, and in light of the significant changes in the casino regulatory processes and responsibilities it prescribes, the CCC has completely reorganized and downsized its table of organization from 263 employees to 65. The legislation also made changes in how the state oversees and monitors casino operations.

2. The FY 2011 budget included reductions requiring Federal approvals, waivers or similar actions in order to achieve the projected savings. Please identify each such reduction in your FY 2011 budget, and indicate whether approvals/waivers have been obtained, If not, please explain whether approvals are still expected in this case, and if so, why. If federal approval is not received, what alternative actions may have to be taken to achieve savings of comparable value?

No federal action is required.

3. The revised budget plan for Fiscal Year 2011 requires appropriation lapses of \$605 million to achieve a balanced budget and an ending surplus. Please list all appropriation items and amounts in your agency's chart of accounts that have been identified to contribute to that lapse target. Please describe the impact of each lapse on the nature, breadth or level of service or benefit provided by each appropriation, and identify and quantify the population that may be affected. Please also identify the amount of FY 2012 funding, if any, recommended to restore, in part or in full, the lapsed amount.

Generally, CCC under spending is lapsed to the Casino Control Fund not the general fund.

4. The FY 2011 Appropriation Act assumed savings of \$50 million from privatization initiatives. Please describe all privatization initiatives undertaken/to be undertaken by your department, and specify the effective date, the amount of savings in FY 2011 and FY 2012, respectively, and the reduction in positions, filled and vacant. Please also indicate the private vendor(s) involved in the initiative, and the quantity and quality of services required of the vendor(s) relative to the quantity and quality provided by the department prior to privatization.

The CCC has not undertaken, nor plans to undertake, privatization initiatives.

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5. For each line item reduction in the department's or unit's FY 2012 budget, specify the change, if any, in the nature, breadth or level of service or benefit that will be provided and identify and quantify the population that may be affected.

As a result of the recent amendments to the Casino Control Act, and in light of the significant changes in the casino regulatory processes and responsibilities it prescribes, the CCC has completely reorganized and downsized its table of organization from 263 employees to 65. In developing the FY 2012 Budget, the CCC worked cooperatively with the Governor's Office and Treasury staff to identify core mission areas and, consistently with law, to allocate limited budget resources with reference to those core priorities. Developing the budget in this manner from the bottom up recognizes fiscal realities while focusing available funding on key priorities and mission areas. More specifically, deregulation of the casino industry has resulted in a roughly \$15M reduction in the CCC budget for FY 2012, 98% of which is attributable to reduction in workforce.

7. In his budget address, the Governor stated that "Zero-based budgeting...has finally come to New Jersey." This would mark a change from budget processes used in other years. Please provide examples of how the recommended budget for your department is substantively different than it would have been if the budget had been developed by the procedures used in prior years.

The CCC's expenditure budgeting method has always been similar to zero based budgeting in that approvals are made based on specific expenditure amounts, not previous year's amounts. This ensures that CCC budgets are based on planning, analysis, controls and justification. Casinos are mandated to fund their regulation. Accordingly, casino control fund revenue is projected based on expenditures.

10. Please list any anticipated increase in fees, fares or co-payments that are reflected in the FY 2012 budget recommendation, including the amount of revenue or cost reduction, and the intended effective date.

The fiscal year 2012 proposed budget does not anticipate any new or increased fees, fares or co-payments.

11. Please identify proposed FY 2012 budget reductions which require Federal approvals, waivers or similar actions, and the timetable for seeking and obtaining approvals in order to achieve the projected savings. Please indicate whether approvals/waivers have been previously sought and not obtained, and explain why approvals should be expected in this case. If federal approval is not received, what alternative actions may have to be taken to achieve savings of comparable value? Please also identify proposed budget reductions that may reduce the receipt of federal funds, and the estimated loss of federal funds that would result from such reductions.

No federal action is required.

Please note that answers to questions 6, 8 and 9 were previously provided by OMB.