OFFICE OF LEGISLATIVE SERVICES
ANALYSIS OF THE NEW JERSEY BUDGET
FISCAL YEAR 2011-2012

Budget Questions for Interdepartmental Accounts

Question 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.

Answer 1:

The Interdepartmental Accounts provide funds for the cost of certain mandatory services that are appropriated and administered centrally on behalf of all state agencies primarily by the Department of the Treasury. Responses to these questions were addressed by the Department of the Treasury.

Question 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?

Answer 2:

Not applicable. No Federal action is required.

Question 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.

Answer 3:

The Office of Management and Budget has submitted under separate cover the list of anticipated lapses totaling $605 million. This amount represents under-spending by departments due to their diligence and oversight in managing their budgets. In addition, oversight of discretionary spending and hiring has led to surplus balances. In some cases, funds that were not needed in FY 2011 to fund programs and services will be necessary in fiscal year 2012.

Question 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.

Answer 4:

It has been a top priority of the administration that all state departments and independent authorities carefully explore a variety of opportunities to improve efficiency, reduce the cost of government services, and right-size government's footprint in New Jersey. Among those opportunities are those that would privatize, outsource or otherwise make available a service previously provided by government employees via the private sector – but only if it can be done more efficiently and less expensively.
Following the issuance of the findings contained in the Zimmer commission report, numerous recommendations, either identified in that report or by the administration before and after the release of that report, have been in various degrees of implementation.

While certain initiatives were included in the Interdepartmental section of the Zimmer report, these initiatives were referred to the appropriate departments for consideration. Those initiatives referred to the Department of the Treasury are addressed in Treasury's response.

Question 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.

Answer 5:

Savings in the central rent account are derived from actual initiatives enacted by DPMC to reduce the number of leased facilities presently utilized by State agencies and have backfilled existing state owned or leased space in order to do so. Another savings initiative has been the renegotiation of longer term/larger leases. Through these efforts DPMC has identified savings in the rent account, that in no way will change the nature, level of service or benefit provided by the State agencies involved in these consolidations.

Reductions in employee benefits programs accounts have been taken in anticipation of significant pension and benefit reform as proposed by the Governor.

Reductions in Grant in Aid to Authorities is related to debt service.

Question 6:

For each line item reduction in the department's or unit's FY 2012 budget, please indicate the number of positions (budgeted, funded and filled or unfilled) that will be eliminated and the number of individuals whose employment will be ended. Please also indicate areas where funded and/or filled positions are projected to significantly increase, and the justification (s) for those increases.

Answer 6:

Not applicable (interdepartmental accounts do not have funded positions).

Question 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.

Answer 7:

The Interdepartmental Accounts provide funds for the cost of certain mandatory services that are appropriated and administered centrally on behalf of all state agencies primarily by the Department of the Treasury. Responses to these questions were addressed by the Department of the Treasury.

Question 8:

Please identify any reductions in the department's or unit's FY 2012 budget that constitute one-time savings that are not likely to recur in Fiscal Year 2013.

Answer 8:

OMB will provide the response to this question for all agencies.

Question 9:

Are any of the appropriations recommended for FY 2012 required to compensate for the effects of Fiscal Year 2010 or FY 2011 reductions? If so, please identify and explain.

Answer 9:

OMB will provide the response to this question for all agencies.

Question 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.

Answer 10:

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

Question 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.

Answer 11:

Not applicable. No Federal action is required.

Question 12:

The FY 2011 Budget included $2.5 million in savings from capping contributions to the Alternate Benefit Program (ABP). P.L.2010, c.2 reduced the maximum salary on which the State makes employer contributions for the ABP from $245,000 (federal maximum) to the Executive Branch Commissioner salary ($141,000). The savings estimate of $2.5 million was calculated using actual salaries provided by the colleges for their fiscal 2010 budgets. Please update this savings estimate based on the availability of FY 2011 salary and staffing information.

Answer 12:

Based on the latest available information, the Division of Pension's identified 2,308 ABP members with salary in excess of the $141,000 salary cap. For these participants, total compensation in excess of $141,000 but not exceeding the maximum compensation limit for retirement plan benefits of $245,000 is $102,150,821. Based on the 8% employer contribution rate, this translates to a projected savings of approximately $8.2 million for Fiscal Year 2011.

Question 13:

FY 2011 appropriations for the State employees' prescription drug program reflected estimated savings from the pharmacy benefits management (PBM) contract with Medco that commenced January 1, 2010. At the time the contract was awarded, savings from the contract were projected to total $559 million over five years, with about $114.8 million estimated in FY 2011. Please update the estimated impact on FY 2011 prescription drug program costs resulting from the Medco PBM contract, and explain the methodology by which cost savings attributable to the contract are calculated.

Answer 13:

The updated estimate of the savings from the PBM RFP for FY2011 is $105 million. To calculate this projected savings, Aon used Plan Year 2010 incurred prescription drug claims and applied the Medco guaranteed pricing under the Best and Final Offer (BAFO) (rebates, discounts, dispensing fees, and ASO fees) compared to the guarantees in place prior to the BAFO. This resulted in projected savings of $102 million for Plan Year 2010. Plan Year 2010 claims were projected to Plan Year 2011 using 9% annual trend (4.5% for utilization and 4.5% for cost) and applied the Medco BAFO guarantees compared to prior guarantees, which resulted in Plan Year 2011 projected savings of $108 million. Fiscal Year 2011 savings are the average of Plan Year 2010 and Plan Year 2011 savings.

$105 million is the projected FY 2011 savings for the entire SHBP/SEHBP and is allocated as follows:

	Actives	Retirees	Total
State	$23	$18	$41
Local Education	$10	$38	$48
Local Government	$7	$9	$16
Total	$40	$65	$105

The savings are attributable to increased rebates and discounts, with a small savings due to decreased dispensing fees.

Question 14:

The several FY 2011 appropriations for debt service on NJSEA State contract bonds anticipated $47 million in reduced debt service payments through debt restructuring. Thus far in FY 2011, transfers of appropriations ($49 million) and supplemental appropriations ($4 million) have added $53 million to NJSEA appropriations, suggesting that anticipated restructuring of NJSEA bonds has not occurred. Please provide an update of plans to restructure NJSEA State contract bonds and savings that are expected.

Answer 14:

In response to the question, Treasury did not yet undertake the NJSEA bond restructuring that would have produced the anticipated FY 11 savings. Therefore, the $47million projected savings was added back to this appropriation.

The remaining $6 million is composed of two pieces, a $4 million supplemental appropriation for Authority operations (see question #15), and a $2 million transfer in lieu of supplemental to support debt service on the 1999 A taxable bonds. The debt service shortfall on that particular series was due to lower than anticipated payments from the Casino Reinvestment Development Authority (CRDA), resulting from lower than anticipated casino tax revenues. If the CRDA payments are insufficient, the State supports any amount needed to satisfy the debt service payments, pursuant to the State Contract between the NJSEA and the State Treasurer.

Going forward, Treasury anticipates a bond restructuring to be transacted either late in FY11 or early FY 12 that will yield an estimated $44.3 million in FY 12 debt service savings. Treasury has begun the planning process for that issue, the timing of which will depend on many factors, including the volatility of the bond market.

Question15:

The Executive requested and the Legislature approved revisions to FY 2011 budget language concerning State funding the New Jersey Sports and Exposition Authority (NJSEA) , to allow supplemental appropriations if necessary to "...maintain the core operating functions of the authority...", as well as to meet all necessary debt service obligations. As noted above, transfers and supplemental appropriations have added $53 million to NJSEA appropriations, and nearly all appropriations to the NJSEA have been expended. Please indicate what amount of funding has been provided to the NJSEA to maintain its "core operating functions" and to which NJSEA fiscal year(s) any such funding was credited. Please also indicate whether additional funding is to be provided for NJSEA "core operating functions" from the State FY 2011 Budget.

Answer 15:

NJSEA operates on a calendar year basis. $4 million in supplemental funding was provided to NJSEA to maintain its FY11 core operating functions. The remaining balance of the $53 million referenced in the question above was utilized for debt service.

It is unknown at this point in time whether NJSEA will require additional supplemental funding in State FY11. NJSEA's cash need will be significantly impacted by the potential lease/sale of NJSEA owned and operated racetracks in Meadowlands and Monmouth Park. Cash flow will continue to be closely monitored.

Question 16:

The FY 2011 Appropriations Act includes savings of $5 million due to the renegotiation of new electricity and natural gas contracts. Savings from the renegotiated contracts were expected to be achieved by locking in lower rates, and expanding the list of facilities participating in the agreements. Please provide an update of this savings estimate, and identify any contracts renegotiated and changes in prices that resulted from that renegotiation.

Answer 16:

The $5 million FY11 energy savings is primarily based on the July 2010 electric rate reduction for 295 statewide electric accounts with high annual consumption. To date, July 2010 through January 2011, State electric savings is over $4.1 million despite the summer of 2010 being one of the warmest on record. The total energy savings to date is $3.1 million. The electric savings of $4.1 million is offset by increased charges in chilled water that is used for cooling State Owned facilities.

Barring any significant weather events over the next few months, the continued electrical savings and anticipated savings from a new natural gas contract beginning in January 2011 should allow the State to be in line with the original $5 million target.

Question 17:

The FY 2011 Appropriations Act includes an appropriation $3.498 million to fund utility and household and security costs for the new Public Health, Environmental and Agricultural Laboratory, and also includes utility savings of $1.2 million and household and security savings of $116,000 from the closure of the old health lab. The FY 2011 Appropriations Act expected completion of the lab in April 2010 (2011?). Please provide an update on the status of the new laboratory, the old laboratory and these savings estimates.

Answer 17:

The new laboratory building is complete and DHSS and AG have taken over operational responsibility for the buildings. DHSS and AG have a move-in schedule for the new lab that is dependent on their receiving certification for lab operations through the US Center for Disease Control and USDA. The timetable for that move-in is estimated at up to eighteen months. The disposition of the existing lab and administration buildings in downtown Trenton is the subject of current discussions between Treasury, DHSS and AG.

FY11 utility savings of $1.2 million and household and security savings of $116,000 from the closure of the existing laboratory represented partial year savings, assuming it would be closed by April 2011. Delays in the completion of the new laboratory will necessitate supplemental funding for these planned savings since closure of the existing lab will not occur in FY11. Given the uncertainty over the certification date, the Governor's FY12 Budget Recommendation assumes no savings from the closure of the existing laboratory.

Question 18:

According to the June 30, 2010 and June 30, 2009 Division of Investment's Annual Report (page 15), the Pension Fund "is obligated", under certain private equity, real estate, and absolute return strategy alternative investment agreements to make additional capital contributions up to contractual levels over the investment period specified for each investment. As of June 30, 2010, the Fund had unfunded contributions totaling approximately $5.6 billion." Please explain why the pension fund has unfunded capital contributions totaling $5.6 billion. Please describe the obligations of the pension fund, under these contractual agreements and in accordance with the covenants, to make additional capital contributions for each investment, itemizing each investment under these agreements and describing the pension funds' additional capital contribution obligation for each investment. What are the financial consequences for failing to meet these contractual obligations and what has been the impact on the pension fund?

Answer 18:

The nature of alternative asset class investments differs from the purchase of traditional securities. When a decision is made to purchase a traditional security, the transaction occurs within the same day, where capital is exchanged for ownership of the security. When a decision is made to commit capital to a private equity or private real estate investment fund, a commitment amount is agreed upon and the investments are purchased over time, typically, four to five years. As the General Partner identifies investments for the fund, it requests funds from the Limited Partners known as "capital calls." Over time, as the fund makes investments, the amount contributed to the fund increases, and the unfunded commitment decreases. At the end of the investment period the fund ceases to call capital for new investments. In many cases, the fund does not call the entire initial commitment amount.

Attachment A provides capital contribution detail for the $5.6 billion in this asset class. When entering into a Limited Partnership Agreement (LPA) with a fund, the Pension Fund is then contractually obligated to send funds when capital is called. If the Pension Fund fails to meet its contractual obligation to make capital calls, it becomes a "defaulting partner" and, depending on the terms of the LPA, may lose various rights in the fund, including its investment, as well as be charged penalties. The manner in which the Division of Investment invests in private equity and real estate is the norm amongst both public and private, including corporate, pension funds.

ATTACHMENT A

Schedule 24
As of June 30, 2010
Provided To: New Jersey Common Pension Fund E - Private Equity Portfolio **Provided From:** Credit Suisse CFIG
The Schedule 24 Report presents underlying fund level information including the Portfolio's original commitments, funded amounts to date, remaining commitments and the distributions to date.

Private Equity	SIC Presentation Date	Inception Date	Commitment	Contribution[1]	Distribution[2]	Remaining Commitment[3]
AnaCap Financial Partners II, L.P.	Mar-08	May-08	123,598,246	37,010,013	129,823	86,588,233
Apollo Investment Fund VI, L.P.	Jul-05	Nov-05	100,000,000	87,339,099	4,494,887	12,660,901
Audax Mezzanine Fund II, L.P.	Sep-06	Nov-06	50,000,000	35,755,632	10,544,304	14,244,368
Avenue Asia Special Situations Fund IV, L.P.	Jul-06	Aug-06	30,000,000	26,283,722	4,636,408	3,716,278
Avenue Special Situations Fund IV, L.P.	Oct-05	Nov-05	20,000,000	20,000,000	10,643,485	(0)
Avenue Special Situations Fund V, L.P.	Apr-07	May-07	200,000,000	200,000,000	5,358,464	(0)
BDCM Opportunity Fund II, L.P.	Dec-05	Feb-06	40,000,000	26,315,000	3,614,989	13,685,000
Blackstone Capital Partners V, L.P.	Jul-05	Oct-05	100,000,000	83,023,949	5,264,126	15,927,334
Blackstone Mezzanine Partners II, L.P.	Apr-06	Apr-06	45,000,000	36,980,428	10,719,142	8,019,572
Carlyle Mezzanine Partners II, L.P.	Dec-07	Dec-07	75,000,000	30,023,676	4,782,686	47,457,041
Carlyle Mezzanine Partners, L.P.	Apr-06	May-06	50,000,000	49,668,710	16,720,712	4,276,891
Centerbridge Capital Partners, L.P.	Jun-06	Jun-06	80,000,000	66,204,689	4,148,706	13,795,311
Court Square Capital Partners II, L.P.	Mar-07	May-07	100,000,000	46,877,380	524,717	53,122,620
CS/NJDI Emerging Opportunities Fund, L.P.	Jan-07	Apr-07	200,000,000	95,980,356	5,514,622	120,914,381
CSFB/NJDI Investment Fund, L.P.	Aug-05	Nov-05	650,000,000	290,637,536	8,691,009	385,798,607
DLJ Merchant Banking Partners IV L.P.(Including Overseas)	Jun-06	Jun-06	50,000,000	45,516,204	5,840,333	5,094,057
Fairview Capstone Partners II, L.P.	Jun-08	Sep-08	100,000,000	15,371,287	-	84,628,713
Fairview Capstone Partners, L.P.	Jan-07	May-07	100,000,000	37,615,304	669,423	62,384,696
Gleacher Mezzanine Fund II, L.P.	Aug-06	Nov-06	40,000,000	17,482,927	4,282,116	22,517,073
Goldman Sachs Private Equity Partners (NJ) II, L.P.	Mar-07	Jul-07	193,062,073	60,794,546	284,592	132,267,527
Goldman Sachs Private Equity Partners (NJ), L.P.	Aug-05	Feb-06	200,000,000	136,632,687	2,884,942	63,367,313
GSO Capital Opportunities Fund, L.P.	May-08	Jul-08	100,000,000	54,071,243	12,097,469	45,951,582
GTCR Fund IX/A, L.P.	Jun-06	Sep-06	70,000,000	48,937,098	4,426,675	21,062,902
H.I.G. Bayside Debt & LBO Fund II, L.P.	May-08	May-08	100,000,000	35,166,667	3,246,086	64,833,333
Hellman & Friedman Capital Partners VI, L.P.	Dec-06	Apr-07	100,000,000	74,282,025	3,944,810	25,717,975
InterMedia Partners VII, L.P.	Nov-05	Dec-05	75,000,000	65,974,995	235,622	9,025,005
J.P. Morgan Direct Venture Capital Institutional Investors III LLC	Feb-06	Jun-06	10,000,000	891,300	-	9,605,350
J.P. Morgan Pooled Venture Capital Institutional Investors III LLC	Feb-06	Jun-06	40,000,000	25,762,369	1,826,827	16,353,481
JLL Partners Fund V, L.P.	Nov-05	Dec-05	50,000,000	45,849,331	8,983,013	6,299,599
JLL Partners Fund VI, L.P.	May-08	Jun-08	150,000,000	32,964,759	-	117,035,241
KPS Special Situations Fund III, L.P.	Apr-07	May-07	25,000,000	5,517,251	594,035	19,482,749
Lexington Capital Partners VI, L.P.	May-06	Jun-06	50,000,000	41,373,797	10,397,592	8,626,203
Lindsay Goldberg & Bessemer II, L.P.	May-06	Jul-06	100,000,000	85,901,938	1,118,906	14,115,773
Lindsay Goldberg III, L.P.	Jul-08	Jul-08	200,000,000	15,912,212	172,015	184,087,788
Madison Dearborn Capital Partners V-A, L.P.	Mar-06	May-06	125,000,000	109,713,162	5,194,278	15,286,838
MatlinPatterson Global Opportunities Partners III, L.P.	Apr-07	Jun-07	100,000,000	68,999,955	2,010,368	31,000,045
MHR Institutional Partners III, L.P.	Jun-06	May-07	75,000,000	46,957,684	579,803	28,042,316
NB Crossroads Fund XVIII - Venture Capital LP	Aug-06	Nov-06	50,000,000	34,250,000	1,135,611	15,750,000
NB Secondary Opportunities Fund II LP	Jul-08	Jul-08	100,000,000	27,103,987	2,093,384	72,896,013
NB/NJ Custom Investment Fund LP	Mar-07	Aug-07	100,000,000	42,671,429	-	57,328,571

Schedule 24

As of June 30, 2010

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New Jersey Asia Investors, L.P.	Nov-07	Jan-08	100,000,000	25,669,241	6,557,805	74,330,759
New Mountain Partners III, L.P.	May-07	May-07	100,000,000	32,835,588	2,068,530	67,164,412
Newstone Capital Partners, L.P.	Dec-06	Feb-07	50,000,000	43,962,449	8,650,923	6,037,551
NJHL European Buyout Investment Fund II, L.P. Series B	Nov-06	Apr-07	200,000,000	63,002,684	1,848,445	136,997,316
NJHL European Buyout Investment Fund, L.P. Series A	Aug-05	Feb-06	200,000,000	131,689,181	3,967,749	68,367,414
NJHL European Buyout Investment Fund, L.P. Series C	Mar-08	Mar-08	200,000,000	69,220,341	6,467,697	130,779,659
Oak Hill Capital Partners II, L.P.	Jun-05	Jul-05	75,000,000	72,368,354	11,402,035	4,044,933
Oak Hill Capital Partners III, L.P.	Sep-07	Oct-07	250,000,000	142,466,578	712,059	107,533,422
OCM Mezzanine Fund II, L.P.	Feb-06	Mar-06	50,000,000	44,225,001	7,277,405	5,774,999
Onex Partners II, L.P.	Jul-06	Aug-06	100,000,000	87,895,079	7,445,318	12,104,921
Onex Partners III, L.P.	Nov-08	Dec-08	100,000,000	9,174,926	2,345	90,825,074
Partners Group Secondary 2006, L.P.	May-06	Sep-06	54,218,641	46,840,920	15,698,474	7,377,721
Partners Group Secondary 2008, L.P.	Sep-08	Sep-08	73,727,932	31,435,635	2,110,884	42,292,297
Quadrangle Capital Partners II LP	Jun-05	Aug-05	50,000,000	37,653,950	4,982,688	12,346,050
Sheridan Production Partners I-A, L.P.	Jul-07	Aug-07	50,000,000	40,500,000	4,625,000	9,500,000
Silver Lake Partners III, L.P.	Jan-07	Jan-07	100,000,000	39,615,178	12,251	60,384,822
SONJ Private Opportunities Fund II, L.P.	Nov-07	Nov-07	200,000,000	52,971,481	51,062	147,028,519
SONJ Private Opportunities Fund, L.P.	Oct-05	Sep-06	100,000,000	96,321,490	249,916	3,678,510
SONJ Private Opportunities Sidecar, L.P.	Nov-07	Apr-08	200,000,000	12,068,094	-	187,931,906
The Resolute Fund II, L.P.	Dec-07	Dec-07	100,000,000	33,042,610	652,253	66,957,390
Thomas H. Lee Equity Fund VI, L.P.	Apr-07	Apr-07	75,000,000	38,401,030	564,581	36,598,970
TPF II, L.P.	Feb-08	Sep-08	100,000,000	51,559,942	2,165,917	48,440,058
TPG Financial Partners, L.P.	May-08	May-08	47,807,307	29,160,157	-	18,647,150
TPG Partners V, L.P.	Mar-06	Sep-06	250,000,000	208,324,808	11,732,767	41,675,192
TPG Partners VI, L.P.	May-08	May-08	360,000,000	75,812,848	358,835	284,187,152
TPG Star, L.P.	Feb-07	Mar-07	100,000,000	58,945,049	169,481	41,054,951
Vista Equity Partners Fund III, L.P.	May-07	Jul-07	100,000,000	73,808,561	800,761	26,191,439
Warburg Pincus Private Equity IX, L.P.	Jun-05	Aug-05	200,000,000	200,000,000	37,604,400	(0)
Warburg Pincus Private Equity VIII, L.P.	Jun-06	Jun-06	22,956,634	22,956,634	17,924,262	-
Warburg Pincus Private Equity X, L.P.	Sep-07	Oct-07	400,000,000	209,000,000	1,342,675	191,000,000
Wayzata Opportunities Fund II, L.P.	Nov-07	Dec-07	100,000,000	65,000,000	211,883	35,000,000
Wayzata Opportunities Fund, LLC	Dec-05	Feb-06	40,000,000	32,200,000	48,486	7,800,000
Welsh, Carson, Anderson & Stowe XI, L.P.	Sep-08	Oct-08	100,000,000	16,238,742	-	83,761,258
WLR Recovery Fund IV, L.P.	Oct-07	Oct-07	100,000,000	49,561,283	5,540,539	50,438,717
Private Equity Subtotal			**8,515,370,833**	**4,551,742,182**	**331,053,406**	**4,019,219,240**

Real Estate	**SIC Presentation Date**	**Inception Date**	**Commitment**	**Contribution1**	**Distribution2**	**Remaining Commitment3**
AEW Core Property Trust (U.S.), Inc.	Apr-07	Oct-07	100,000,000	100,149,025	542,069	(0)
Asia Dragon Fund Limited	Jul-07	Sep-07	100,000,000	51,086,000	-	48,914,000
Blackrock Diamond Property Fund, Inc.	Nov-05	Jun-06	50,000,000	50,146,407	245,894	(0)
Blackstone Real Estate Partners V L.P.	Feb-06	Feb-06	75,000,000	57,610,205	10,798,007	11,070,025
Blackstone Real Estate Partners VI, L.P.	Feb-07	Feb-07	100,000,000	47,961,268	725,457	52,070,601
Capri Urban Investors, L.P.	Apr-07	Sep-07	50,000,000	22,296,000	-	27,704,000
Carlyle Realty Partners V, L.P.	Nov-06	Feb-07	100,000,000	81,463,664	1,746,890	20,283,224
CB Richard Ellis Strategic Partners Europe Fund III US - TE, L.P.	Feb-07	May-07	54,444,827	53,781,653	-	663,174

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CB Richard Ellis Strategic Partners US IV, L.P.	Nov-05	Dec-05	50,000,000	50,000,000	-	(0)
CB Richard Ellis Strategic Partners US Opportunity 5, L.P.	Sep-07	Nov-07	75,000,000	20,030,271	257,202	54,969,729
CIM Fund III, L.P.	Apr-07	Jul-07	50,000,000	13,320,872	213,376	39,514,431
CIM Urban REIT, LLC	Apr-06	Jun-06	50,000,000	50,000,000	4,307,405	(0)
CPI Capital Partners Europe, L.P.	Mar-06	Nov-06	80,447,219	57,656,780	2,731,987	22,790,438
Five Mile Capital Partners II, L.P.	Oct-07	Dec-07	100,000,000	70,000,000	69,211	30,000,000
Guggenheim Structured Real Estate II, L.P.	Feb-06	Mar-06	50,000,000	50,000,000	1,165,365	(0)
Guggenheim Structured Real Estate III, L.P.	Sep-07	Sep-07	100,000,000	100,000,000	15,515,040	(0)
Heitman America Real Estate Trust, L.P.	Nov-06	Jan-07	100,000,000	76,193,687	4,593,796	24,041,825
JPMorgan Alternative Property Fund Domestic II, L.P.	Dec-05	Mar-06	50,000,000	50,000,000	-	(0)
L&B Diversified Strategy Partners, L.P.	Sep-07	Mar-08	34,300,000	27,026,977	350,971	7,273,023
LaSalle Asia Opportunity Fund III L.P.	Jul-07	Jul-07	100,000,000	26,833,333	591,959	73,166,667
Lehman Brothers Real Estate Pension Partners III, L.P.	May-08	May-08	100,000,000	39,106,598	-	58,742,947
MacFarlane Urban Real Estate Fund II, L.P.	Jul-06	Nov-06	75,000,000	59,408,230	6,645	15,591,770
NJDOI/ GMAM CT High Grade Partners II, LP	May-08	May-08	500,000,000	275,708,314	9,525,933	224,291,686
NJDOI/ GMAM Opportunistic Real Estate Investment Program, L.P.	Sep-07	May-08	50,000,000	1,515,856	-	48,484,144
NJDOI/GMAM Core Plus Real Estate Investment Program, L.P.	Sep-07	May-08	100,000,000	36,734,754	4,376,008	63,265,246
PLA Residential Fund III, L.P.	Feb-08	Feb-08	50,000,000	36,557,283	-	13,442,717
Prime Property Fund, LLC	Nov-06	Aug-07	150,000,000	150,000,000	3,101,378	-
PRISA II	Dec-06	Jun-07	100,000,000	100,000,000	1,075,672	(0)
PRISA Real Estate Separate Account	Sep-06	Dec-06	300,000,000	300,000,000	6,224,378	-
RLJ Real Estate Fund III, L.P.	Jul-07	Aug-07	75,000,000	13,461,040	-	59,031,399
RLJ Urban Lodging Fund II, L.P.	Jul-06	Sep-06	75,000,000	73,391,671	12,673,470	-
RREEF Global Opportunities Fund II, LLC	Apr-06	Oct-06	100,000,000	100,000,000	55,631	(0)
TA Associates Realty Fund VIII, L.P.	Jul-06	Aug-06	100,000,000	100,000,000	4,361,053	(0)
The Realty Associates Fund IX, L.P.	Aug-08	Aug-08	100,000,000	40,000,000	-	60,000,000
TRECAP Commercial Realty Partners II, L.P.	Feb-06	Mar-06	75,000,000	64,224,413	4,363,201	10,775,587
TRECAP Commercial Realty Partners III, L.P.	Jul-07	Aug-07	50,000,000	36,718,841	203,478	13,281,159
TRECAP UK Realty Partners, L.P.	Dec-06	Mar-07	48,611,204	48,593,055	410,210	18,149
Tucker Development and Acquisition Fund, L.P.	Oct-07	Oct-07	50,000,000	*	-	50,000,000
Walton Street Mexico Fund I, L.P.	Feb-08	Jun-08	25,000,000	6,250,000	-	18,750,000
Walton Street Real Estate Fund Sidecar V, L.P.	Nov-06	Dec-06	25,000,000	25,000,000	-	-
Walton Street Real Estate Fund VI-Q, L.P.	Jul-07	Oct-07	75,000,000	25,500,000	-	49,500,000
Walton Street Real Estate Partners V, L.P.	Mar-06	Jun-06	75,000,000	75,000,000	-	0
Warburg Pincus Real Estate I, L.P.	Jul-06	Sep-06	100,000,000	95,000,000	2,000,000	5,000,000
Westbrook Real Estate Fund VII, L.P.	Nov-06	Jan-07	40,000,000	38,381,976	6,219	1,618,024
Westbrook Real Estate Fund VIII, L.P.	Feb-08	Feb-08	100,000,000	10,980,414	-	89,019,586
Real Estate Subtotal			4,007,803,250	2,807,088,589	92,237,905	1,193,273,550

Hedge Fund	**SIC Presentation Date**	**Inception Date**	**Commitment**	**Contribution[1]**	**Distribution[3]**	**Remaining Commitment[2]**
AG Garden Partners, LP	Jan-06	Mar-06	150,000,000	150,000,000	-	-
Archipelago Partners, LP	Jan-06	Jun-06	150,000,000	150,000,000	-	-
Arden Alternative Advisors	Feb-06	Jun-06	100,000,000	100,000,000	-	-
Ascend Partners Fund II, LP	Apr-07	Jul-07	75,000,000	75,000,000	-	-
Asia Century Quest Capital LCC	May-08	Aug-08	75,000,000	75,000,000	-	-

Schedule 24

As of June 30, 2010

Provided To: New Jersey Common Pension Fund E - Private Equity Portfolio **Provided From:** Credit Suisse CFIG

The Schedule 24 Report presents underlying fund level information including the Portfolio's original commitments, funded amounts to date, remaining commitments and the distributions to date.

Blackstone Emerging Markets Fund	Apr-07	Jun-07	100,000,000	100,000,000	-	-	(R)
Blackstone Pacific Opportunity Fund	Apr-07	Jun-07	100,000,000	100,000,000	-	-	(R)
Canyon Value Realization Fund	Mar-07	Jun-07	75,000,000	75,000,000	-	-	
Centerbridge Partners, LP	Oct-07	Oct-07	100,000,000	100,000,000	-	-	
Davidson Kempner Institutional Partners	Nov-06	Dec-06	100,000,000	100,000,000	-	-	
Farallon Capital Institutional Partner, LP	Apr-07	Jun-07	150,000,000	150,000,000	-	-	
Glenview Institutional Partners, LP	Jul-07	Aug-07	75,000,000	75,000,000	-	-	
Goldman Sachs Multi-Strategy Portfolio (NJ), LLC	Feb-06	Aug-06	550,000,000	550,000,000	-	-	
Golden Tree Partners, LP	Nov-06	Jan-07	100,000,000	45,763,891	54,236,109	-	(R)
Ironbound Partners Overseas LTD.	Jun-08	Aug-08	75,000,000	75,000,000	-	-	
King Street Capital	Nov-06	Feb-07	100,000,000	100,000,000	-	-	
Knight Vinke Institutional Partners II	Mar-08	Jun-08	100,000,000	35,520,536	20,127,750	44,351,714	(R)
Level Global LP	Dec-07	Feb-08	75,000,000	75,000,000	-	-	
Marathon Special Opportunities Fund	Mar-08	Jul-08	100,000,000	100,000,000	-	-	
Omega Overseas Partners Ltd. Class-B	Dec-06	Jan-07	75,000,000	75,000,000	-	-	
OZ Domestic Partners II, Ltd.	Jan-06	Jun-06	150,000,000	150,000,000	-	-	
Pershing Square Capital	Mar-10	Apr-10	100,000,000	100,000,000	-	-	
Pimco Distressed Mortgage Fund, LP	Oct-07	Oct-07	113,000,000	112,800,034	199,966	-	
Protégé Partners, LP	Apr-07	Jun-07	150,000,000	150,000,000	-	-	
RC Woodley Park, LP	Feb-06	Aug-06	500,000,000	490,476,104	2,424,761	-	
Rock Creek Partners Fund I	Jun-07	Jun-07	-	7,099,135	-	-	
Satellite Fund II	Feb-07	Apr-07	100,000,000	37,160,644	62,839,356	-	(R)
York Capital Management, LP	Jan-07	Feb-07	100,000,000	100,000,000	-	-	
Hedge Fund Subtotal			3,638,000,000	3,453,820,345	139,827,941	44,351,714	

Common Pension Fund B	SIC Presentation Date	Inception Date	Commitment	Contribution[1]	Distribution[3]	Remaining Commitment[2]	
AG Diversified Credit Strategies Fund	Sep-07	Oct-07	150,000,000	150,000,000			
BlackRock Credit Investors Co-Invest	Oct-09	Oct-09	144,000,000	83,052,134	109,162,337	48,214,471	
BlackRock Credit Investors Fund	Sep-07	Oct-07	400,000,000	337,610,164	106,447,623	44,057,787	
Canyon Special Opportunities Fund	Sep-07	Sep-07	149,500,000	49,999,557	100,000,000	-	
Golden Tree Credit Opportunities Fund	Sep-07	Sep-07	149,500,000	149,500,000	258,360	-	
Oaktree Liquidating Loan Fund, L.P.	Sep-07	Oct-07	200,000,000	134,200,115	112,362,676	-	(R)
Och-Ziff Capital	Mar-10	Apr-10	300,000,000	136,840,532	-	163,159,468	
TAC 2007, L.P.	Sep-07	Oct-07	128,530,670	104,755,112	43,248,457	23,775,558	
Common Pension Fund B Subtotal			1,621,530,670	1,145,957,614	471,479,453	279,207,284	

Schedule 24

As of June 30, 2010

Provided To: New Jersey Common Pension Fund E - Private Equity Portfolio **Provided From:** Credit Suisse CFIG

The Schedule 24 Report presents underlying fund level information including the Portfolio's original commitments, funded amounts to date, remaining commitments and the distributions to date.

Real Assets	SIC Presentation Date	Inception Date	Commitment	Contribution[1]	Distribution[3]	Remaining Commitment[2]
Barclays Capital Multi S&P Index Note	Mar-10	Jun-10	100,000,000	100,000,000	-	-
Cargrill ProAlpha Index Note	Mar-10	Apr-10	150,000,000	150,000,000	-	-
Gresham Commodity Fund (ETAP)	Sep-07	Feb-08	200,000,000	200,000,000	-	-
Gresham Commodity Fund (TAP)	Sep-07	Nov-07	200,000,000	200,000,000	-	-
JP Morgan Contang Beta ER Index Note	Apr-10	May-10	150,000,000	150,000,000	-	-
Schroeders Commodity Portfolio	Sep-07	Jan-08	500,000,000	450,000,000	-	50,000,000
Real Assets Subtotal			**1,300,000,000**	**1,250,000,000**	**-**	**50,000,000**
Grand Total			**19,082,704,752**	**13,208,608,730**	**1,034,598,705**	**5,586,051,788**

*** Not Yet Funded as of June 30, 2010**
(1) Represents investments made to the underlying funds plus capitalized expenses paid, less recallable returns of capital. A portion of the funded amount may not reduce New Jersey Portfolio's remaining commitment to the underlying funds. **(2)** Represents remaining commitments calculated by subtracting total capital contributions for investments and inside expenses from total commitment and adding back recallable returns of capital. A portion of the funded amount may not reduce New Jersey Portfolio's remaining commitment to the underlying funds (and therefore the commitment less the funded amount may not equal the remaining commitment **(3)** Represents total proceeds returned by underlying funds, excluding recallable returns of capital . **(R)** These funds are being redeem and distribution represents current redemptions.