**DEPARTMENT OF THE TREASURY**

**FY 2006 DISCUSSION POINT QUESTIONS**

**DISCUSSION POINT**

Included in the Schedule I revenues anticipated in the Governor's Budget Recommendation is $500 million to be realized from the sale of State assets. According to the Recommendation, "the State will examine all of its assets to determine which are still useful and productive and which assets could be sold. The State currently has $19.4 billion in assets, including buildings, infrastructure and land."

In testimony before the Assembly Budget committee (March 31) regarding State revenues, the Treasurer indicated that since the release of the Governor's Budget detail, the department had become aware of various limitations (such as deed, Constitutional or other restrictions) which might inhibit its ability to sell certain assets previously thought to be disposable.

**QUESTION 1A**

Please provide a list, by municipality, of all real assets under consideration for actual sale or transfer in relation to this revenue item.

Given that the department has still not realized the $30 million in revenue anticipated in the FY2004 budget from the sale of certain assets (specifically, the Marlboro Psychiatric Hospital in Marlboro and the former North Princeton Developmental Center in Montgomery), is it realistic to anticipate that asset sales of the magnitude contemplated in the FY2006 budget can be reasonably accomplished within the upcoming fiscal year?

Given additional information that has come to the attention of the department since the Governor's Budget Recommendation was introduced, does the department anticipate this revenue item will need to be revised?

**ANSWER 1A**

A complete list of property under consideration for sales is not yet available. Due to the complex nature of how the land was purchased and how the property is currently used and how it may legally be used in the future the list changes day to day and sometimes even hour to hour. Many properties that were originally on the list have been removed due to deed restrictions, restrictions on the use of the proceeds from the sale and other factors.

In past years, the sale of property proceeded routinely. If the sale was completed that was fine, but we were not under time constraints. Due to the significant amount of revenue assumed in the FY 2006 budget more of an effort will be placed on achieving the amount of proceeds.

Yes, due to the fact that numerous properties that we originally thought were possible sale items that are now not viable, the Administration will be reducing the revenue for FY 2006. The Treasurer will announce the change in his revised revenue estimates that are presented on May 24 and May 25, 2005.

**DISCUSSION POINT**

As outlined in the Background Paper beginning on page xx of this report, the procedures for selling State assets are governed by statute, specifically N.J.S.A.53:31-1.1 et seq. Current statute requires that with the exception of property valued at $100,000 or less, a legislative act is necessary to authorize the sale of real State property, and moreover, that the property shall be sold "upon such terms and conditions as the State House Commission shall determine to be in the best interests of the State."

**QUESTION 1B**

Will the planned sale of State assets anticipated in the FY2006 budget be accomplished in accordance with current statutes, or does the Executive anticipate seeking relief from the current statutory procedures? Please be specific regarding what relief, if any, might be requested.

**ANSWER 1B**

At the present time the Administration does not anticipate requesting any changes to the statutory procedures for disposing of state property.

**DISCUSSION POINT**

Subject to the enactment of enabling legislation, the department's budget includes a line-item appropriation of $2.0 million for the re-establishment of the Public Advocate. Proposed legislation (see S-541/A-1424 of 2004) would transfer certain existing State functions to the new office, including investigative and advocacy services for children, the elderly and mentally ill, and ratepayers, and consolidate various existing ombudsman offices. Executive and Legislative fiscal notes corresponding to this legislation project the total cost of reestablishing and operating the Public Advocate at $10 million annually.

**QUESTION 2**

Please provide a fiscal summary and organizational plan for the operations of the proposed Public Advocate function indicating the total budget and position complement anticipated. Please identify any existing positions and funding, by agency or department, that are expected to be transferred for the support of the Public Advocate. What specific problems or issues are not being addressed, or are being inadequately addressed, that justify the need to re-establish this department? What is the reason(s) these problems or issues cannot be adequately addressed within the existing organizational structure(s)?

**ANSWER 2**

Attachment A is the organizational chart requested. The restoration of the Public Advocate as a principle department in the Executive Branch of State government is a legislative initiative that has not yet been enacted into law. The most recent amendments to the currently pending bills indicate that their provisions will not be effective until January 2006.

Governor Codey's FY 2006 budget provides for a new appropriation of $2 million for the Department of Public Advocate. The currently pending bills also provide that such sums as may be required for the costs of the Department of Public Advocate shall be transferred from existing appropriations, subject to the approval of the Director of the Division of Budget and Accounting and such further approval as required pursuant to the transfer provisions of the annual appropriations act.

The bills also stipulate that the provisions for transfers of offices and functions would be subject to the State Agency Transfer Act, which provides that all staff and appropriations assigned to functions being transferred are transferred along with those functions, with no effect on the term or tenure of staff. Likewise, the files, books, equipment and other property of the office in question are transferred as well. Specifically:

- The bill would transfer all functions of the Office of Dispute Settlement in the Office of the Public Defender to the Division of Citizen Relations under the Office of the Public Advocate.

- The bill would also transfer all functions of the Ombudsman in the Department of Corrections to the Division of Division of Citizen Relations under the Office of the Public Advocate.

- The bill would designate the Division of Mental Health Advocacy in the Department of Public Advocate as the State's mental health protection and advocacy agency. The bill would transfer all functions that had been exercised by a private entity, the New Jersey Protection and Advocacy, Inc. or the Office of the Public Defender, to the Division of Mental Health Advocacy. The transfer from New Jersey Protection and Advocacy to the Division of Mental Health Advocacy would take place only after the State meets the requirements of the Federal Department of Health and Human Services for completing such transfers.

- The bill would designate the Division of Advocacy for the Developmentally Disabled within the Department of Public Advocate as the State's protection and advocacy agency for persons with developmental disabilities. The bill would transfer all functions that had been exercised by the New Jersey Protection and Advocacy, Inc. or the Office of the Public Defender, to the Division of Advocacy for Mentally Disabled. The transfer from New Jersey Protection and Advocacy to the Division of Advocacy for Mentally Disabled would take place only after the State meets the requirements of the Federal Department of Health and Human Services guidelines for completing such transfers.

- The bill would transfer and augment the functions of the current Ratepayer Advocate to the Department of Public Advocate.

- The bill would transfer all duties assigned to the Ombudsman for the Institutionalized Elderly in the Department of Community Affairs or Department of Health and Senior Services, and all duties assigned to the Nursing Home Ombudsman in the Department of Community Affairs, to the Ombudsperson for the Institutionalized Elderly in the Department of the Public Advocate.

The abolition of the Public Advocate and the transfer of some of its functions to various departments have resulted in a diffuse, ineffective representation of the rights of those unable to effectively advocate for themselves.

Consolidating these diffuse functions of ombudspersons, ratepayer advocate, and other functions within a single Department of the Public Advocate will produce cost savings and more effective protection of the public interest and empower the Public Advocate to coordinate an efficient and timely process for evaluation and resolution of problems and disputes that affect consumers and other interested parties. For example, litigation is a costly and oftentimes ineffective means of resolving disputes, and State government must provide leadership and foster an environment for alternative dispute resolution. The public will benefit greatly from a Public Advocate devoted to a cost-effective means to avoid expensive litigation and an amicable way to resolve disputes. The elderly represent an ever-increasing portion of the population that requires special attention, and a Division of Elder Advocacy can effectively meet those needs.

**DISCUSSION POINT**

The Governor's Budget Recommendation includes a $2.5 million appropriation for the establishment of the Office of Inspector General. This office was created pursuant to Executive Order No. 7 and is authorized to investigate the performance of governmental officers, employees, appointees, functions and programs in order to promote efficiency, identify cost savings, and to detect and prevent misconduct with State funded agencies. Proposed budget language would provide the office with additional (supplemental) funds as may be necessary for its operations without further Legislative involvement. A total of 18 positions are budgeted for FY2006.

**QUESTION 3**

Please specify how the recommended appropriation will be allocated. How many of the 18 positions anticipated have been filled to date, and what are the titles and salaries associated with each of these positions? Including supplemental budget authority, what is the anticipated total annual cost of this office?

**ANSWER 3**

Of the eighteen positions allocated to the Office of Inspector General, eight are currently filled. The following summarizes the information requested relative to these positions:

| OFFICIAL TITLE | FUNCTIONAL TITLE | SALARY |
|---|---|---|
| | | |
| Inspector General | Inspector General | $141,000.00 |
| Government Representative 1 | Assistant Inspector General | 98,000.00 |
| Communications Manager | Public Information Officer | 65,000.00 |
| Government Representative 2 | Assistant Inspector General | 67,500.00 |
| Chief of Staff | Chief of Staff | 97,000.00 |
| Government Representative 1 | Assistant Inspector General | 100,000.00* |
| Administrative Assistant 3 | Administrative Assistant 3 | 48,350.00* |
| Government Representative 1 | Assistant Inspector General | 80,000.00* |

* On loan from other departments. Position will be moved to OIG payroll.

The recommended appropriation will be allocated as follows:

| | |
|---|---|
| Salaries | $1,420,000 |
| Non-Salary Operating Costs | $1,080,000 |

The total non-salary operating cost includes funding for forensic accounting services. The allocation of $500,000 for forensic accounting services is anticipated to be sufficient. The supplemental budget authority is available in the event the account for forensic accounting services is insufficient.

**DISCUSSION POINT**

As a result of amendments in FY 2004 to Article VIII, section 11, paragraph 6 of the State Constitution, 4% of annual Corporate Business Tax (CBT) revenues are dedicated for specific environmental purposes, including hazardous substance remediation; underground storage tank remediation, and water resource monitoring and planning. This constitutional dedication prohibits the use of these dedicated funds for other purposes; however, funds may be taken from an allocation category via special legislation or budget transfer if used for similar or related purposes.

Subsequently, the FY 2005 appropriations act included budget language authorizing the reallocation of dedicated CBT revenues to the Brownfield Site Reimbursement Fund in the Department of the Treasury for developer grants. In addition, proposed FY 2006 language (see page D-399) would allow that in addition to any reallocation of CBT resources from DEP, other General Fund revenues may be appropriated to the Brownfield Site Reimbursement Fund to meet its obligations. When statutorily established in 1997, it was contemplated that the Brownfield Site Reimbursement Fund would be funded with revenues from certain new (incremental) tax revenues from redevelopment projects pursuant to N.J.S.A.58:10B-30.

**QUESTION 4**

Please provide a list of all redevelopment agreements entered into with developers pursuant to 58:10B-26 et seq, citing for each agreement the name of the grantee, the location of the redevelopment project, a brief description, the date of the agreement, the total remediation cost, the total approved grant, and the grant payments, by fiscal year, for the duration of the grant. Based on the findings required by law that additional tax revenues generated by the redevelopment project equal or exceed the grant, approximately what percentage of total additional tax revenue is being expended on each grant annually and in total over the life of the grant? Are any grantees also receiving Business Employment Incentive Program grants or Business Retention and Relocation Assistance grants? If so, do either of these grants reduce the amount the grantee is otherwise eligible to receive from the Brownfield Site Reimbursement Fund?

Given the use of CBT revenues for brownfield redevelopment, please comment on the adequacy of funding available and allocated for other environmental projects in the area of hazardous substance remediation, underground storage tank remediation, and water resource monitoring and planning.

**ANSWER 4**

With regard to the Brownfield Site Reimbursement Fund, Attachments B & C summarize the agreements made to date (i.e., Brownfields Data Report for Executed) and project future payments (i.e., Brownfields Projected Payments). The payments made since the inception of the Brownfield Reimbursement program amount to $7.8 million and the related revenue that has been generated by companies pursuing reimbursement is estimated to total $33.1 million. Thus, grant payments to date represent about 23% of the total additional tax revenue collected.

Because the developer of a brownfield site is not always the operator of the site, it is difficult to determine which grantees are receiving brownfield reimbursements as well as BEIP and or BRAG dollars. It appears that only one company (i.e., Snowbird Corporation) is both the developer and the operator of a particular site and thus is eligible for both BEIP benefits and brownfield reimbursement.

With regard to funding available for hazardous substance remediation, underground storage tank remediation, and water resource monitoring and planning, the FY2006 Governor's Budget reflects the fiscal priorities in these areas. The level of appropriation provided is considered to be adequate.

**DISCUSSION POINT**

On January 20, 2005, the State Investment Council adopted policies and procedures governing the "Alternative Investment Program" (AIP) which called for the establishment of a new common trust fund to be known as "Common Pension Fund E." The policy adopted provides that the following funds may invest in Common Pension Fund E: Police and Firemen's Retirement System, Public Employees' Retirement System; State Police Retirement System; Teachers' Pension and Annuity Fund; and Judicial Retirement System of New Jersey. The alternative investments specified in the AIP will be made by the Division of Investment with the assistance of investment consultants, including the "general consultant" engaged by the division to provide advice concerning the overall AIP. The adopted guidelines further indicate the division shall: 1) actively negotiate investment management agreements on behalf of the Common Pension Fund E which "should include a competitive fee structure"; 2) utilize external managers for the AIP; and 3) retain service providers to perform a variety of management and monitoring functions. Moreover, the procedures specified that opportunities for the AIP shall first be evaluated by the division's internal "Head of Alternative Investments" and its alternative investments staff.

**QUESTION 5**

Given the actions of the council, please provide an update regarding the implementation of the AIP, including when the division anticipates the first alternative investments will actually be made. Has the Common Pension Fund E been established and if so, please specify the amount from each pension system that has been invested in this new fund?

Please itemize the positions which comprise the division's alternative investment staff with responsibility for overseeing the AIP, including number of positions, titles, and average current salary by title. What qualifies the individuals in these positions to oversee the AIP, but not to actively manage an alternative investment portfolio?

Please identify all contracts, outside vendors or entities engaged for AIP purposes to date, including the "General Consultant," and specify the amount paid or expected to be paid for the services of each and the terms of each contract.

Have the lawsuits brought against the State (by certain public employee organizations) as a result of this initiative affected the Division's ability to implement the AIP? Is there a risk that they might? When does the division anticipate a resolution to the court proceedings?

**ANSWER 5**

The implementation of the AIP and the creation of Common E are specifically outlined in the Council's rules 69, 90, and 100. These rules went through the typical process of approval through the Office of Administrative Law. The public comment period ended May 3, 2005 and the Division is in the process of answering responses to the comments received. It is not anticipated that any of these comments will result in substantive changes to the rules as originally submitted by the Council. Barring any necessary changes, the rules will become effective on June 20, 2005. At that time, Common E will be established.

Of the five pension funds eligible to invest in securities, each fund will have a pro-rata ownership of the fund based on the total assets of each plan. The specific investments to be made within Common E have not yet been determined; this process will take presumably five to seven years after the establishment of Common E. The total allocation of alternatives of the pension assets under management approved by the Council is thirteen percent, which equates to roughly $9.0 billion across all five pension funds.

At present, there are four members of the alternative investment staff, including the Head of Alternative Investments, and three Alternative Investment Analysts. The salaries for each position are as follows: Head of Alternatives, $130,000, Alternative Investment Analyst #1 & # 2, $90,000, Alternative Investment Analyst #3, $80,000. The reason for the difference in salaries for one analyst is experience within the investment field. The salary for Analyst #3 is lower due to the analyst's slightly less experience within the Alternative Investment field as compared with Analysts #1 and #2.

Each staff member within the Alternatives section has experience in the alternative investment field with the exception of one analyst, who has a vast array of financial experience but has not been involved in investments before working for the Division.

In addition to these positions, the Division is budgeting for three senior level positions to oversee each of the alternative asset classes: private equity, hedge funds, and real estate. The salary for each position is expected to be $115,000.

There is a rather large gap in the differences between the infrastructure needed to monitor outside managers in alternative investments and the infrastructure needed to directly make the investments. Effectively managing alternative investment assets, as opposed to monitoring qualified external managers, requires a depth of staff and investment infrastructure well beyond that currently available to the Division. There is a rather large gap in the differences between the infrastructure needed to monitor outside managers in alternative investments and the infrastructure needed to directly make the investments. In order to create a successful alternatives portfolio, the Division requires staff with alternatives experience in order to monitor and oversee managers. In order to effectively manage these investments internally, build an infrastructure capable of actively managing these investments by state employees, the alternatives section's staff and budget would need to increase exponentially.

To date there are two outside vendors engaged with the Division specifically related to the Alternatives section. Strategic Investment Solutions (SIS) was hired by the Division as its General Consultant. As part of this overall engagement, SIS has worked in a general capacity to create the internal infrastructure specific to the alternatives portfolio. Recently, the scope of services under the contract was expanded to include consulting services for the private equity portfolio within Common E. The second vendor, Townsend Group, is the Division's Real Estate Consultant. Townsend, which was hired this year, to consult to the Division on the real estate portfolio within Common E.

The Division is currently seeking a hedge fund/ or absolute return consultant through an RFP process. The RFP was issued on February 7, 2005, and the Evaluation Committee is in the process of considering the proposals.

The consulting fees for SIS are $525,000 per year for general consulting and $425,000 per year for private equity consulting. The consulting fees for Townsend are $400,000 per year for real estate consulting.

The Division has proceeded with the implementation of the AIP following the advice of legal counsel. The Division is of the opinion that, based upon current laws and regulations governing the Division, that the planned investment strategy of the AIP is within the confines of current law. As with any unresolved litigation, there is a risk that the AIP implementation process will be delayed. It is difficult to precisely assess the level of that risk at the present time. However, the litigation may impact the ability to commit funds to certain partnerships given that general partners may perceive a legal risk to our commitment.

The Division expects a successful resolution of the lawsuits during the next few months.

**DISCUSSION POINT**

As in prior fiscal years, the Budget Recommendation proposes a reduction in funding for certain department activities that are labeled as "non-recurring." However, in practice certain of these costs are restored to the department's budget through supplemental appropriations, authorized by language, only to be eliminated from the subsequent budget recommendation, whereupon the pattern repeats. Foremost among these activities are tax collection and enforcement services through third parties under contract with the department. The FY 2006 Budget Recommendation discontinues about $12 million in FY 2005 funding added to the department's budget via supplemental appropriation for such purposes. Not only does the budget again recommend language by which this funding can be restored through supplemental appropriation, but evaluation data (page D-412) projects third party collection of deficient and delinquent taxes of $100 million in FY 2006, the same level as in FY2005.

**QUESTION 6**

If these "non-recurring" (or similar) expenses are likely to recur again in FY2006, should the needed amounts be included in the line item appropriation? Please explain. Alternatively, given the State's current fiscal situation, would the department support the inclusion of a cap on its supplemental budget authority beginning in FY 2006?

**ANSWER 6**

It has been a position of this and previous administrations that funding for items such as telecollection and delinquency contracts be removed from the budget each year in favor of the Division of Taxation and Revenue re-assessing the cost/benefits of the contracts and the return on investment. Traditionally, these contracts have returned sufficient revenue to warrant restoration through the budget language. However, this approach required the Department to provide adequate and detailed justification rather than simply including the funding in the base budget which assumes that the return on investment will always be adequate.

A "cap" on supplemental authority is not a provision the department would support. The Division of Taxation and Division of Revenue must be in a position to react to revenue opportunities as well as legislative actions which require additional funding. Of course, given the financial condition, all such requests are closely scrutinized and determined to be warranted before any action is taken.

**DISCUSSION POINT**

N.J.S.A. 5:9-17 requires that Lottery prizes not claimed within one year from the date of drawing be forfeited and included in other revenues during the period forfeited. Effective November 21, 1991, the Commission authorized that 70% of forfeited prizes be maintained in a reserve for prize awards. Such funds are available to augment future prize awards or, at the discretion of the State Lottery Director, to augment the Lottery's contribution for aid to education and State institutions. The remaining 30% is unrestricted. According to the most recent (2003) annual report of the commission, for the years ended June 30, 2003 and 2002, unclaimed prizes were $38.5 million and $28.8 million respectively. In addition, according to the most recent audit report, as of June 30, 2004, the amount of unclaimed prizes totaled approximately $43 million.

**QUESTION 7**

For the three most recent fiscal years (2002 - 2004) and estimated for FY 2005, please detail how the Lottery allocated or will allocate both the restricted (70%) and unrestricted (30%) portions of unclaimed prize revenue. Please identify the maximum amount of total forfeited prize monies that could be transferred to the General Fund for the support of State programs in FY2005, and indicate the amount that has or will be transferred.

**ANSWER 7**

Please find below an accounting of unclaimed prizes for the four year period of fiscal years 2002 – 2005:

| | |
|---|---|
| Total Unclaimed Prizes | $140,630,923 |
| 30% unrestricted to State | 42,189,277 |
| 70% restricted to unclaimed reserves | 98,441,646 |
| Less: | |
| Total Reserves to Prize Awards | 10,337,295 |
| Reserves Turned over to State | 84,591,653 |
| Restricted Reserves Used | 94,928,948 |
| Net Increase to Restricted Reserves | $ 3,512,698 |

| | |
|---|---|
| 30% unrestricted to State | $ 42,189,277 |
| Reserves Turned over to State | 84,591,653 |
| Total State Contribution from Unclaimed Prizes | $126,780,930 |

Attachment D provides additional detail.

The Lottery is projecting total unclaimed prizes of $30.3 million in FY 2005. In addition to the $9.1 million unrestricted reserves, an additional $24 million, of restricted reserves, will be turned over to the General Fund.

**DISCUSSION POINT**

The budget recommendation indicates a transfer of $194 million from the Unclaimed Personal Property Trust Fund to the General Fund as State revenue, which is unchanged from the current FY2005 estimated level.

Pursuant to N.J.S.A.46:30B-74, 75% of all funds received as unclaimed property presumed abandoned and deposited into the Unclaimed Personal Property Trust Fund are to be transferred to the General Fund, unless the fund administrator deems it prudent and advisable to do otherwise. The remaining portion, retained in the trust fund and administered and invested by the State Treasurer, is used to pay duly presented claims.

**QUESTION 8A**

For FY 2005 and projected for FY 2006, please provide a current schedule of revenues, expenditures, transfers and fund balances for the Unclaimed Personal Property Trust Fund. Please project for FY 2005 and FY2006, the percentage that the funds transferred to the General Fund as State revenue represent of the funds presumed abandoned and deposited into the trust fund. Has the State ever had to transfer funds from the General Fund to the Unclaimed Personal Property Trust Fund, or transfer less than anticipated from the Unclaimed Personal Property Trust Fund to the General Fund in order to cover duly presented claims? If so, please identify the fiscal year and the amount returned or not transferred.

**ANSWER 8A**

Attachment E summarizes projected FY 2005 & 2006 schedule of revenues, expenditures, transfers and fund balances for the Unclaimed Property Trust fund.

For FY 2005 it is projected that 71% ($194, 075,000) of unclaimed funds collected in FY 2005 ($272,500,000 anticipated) will be transferred. The transfer projected for FY 2006 is again $194,075,000, or 106% of the total expected collections for that year.

The State has never had to transfer money from the General Fund to the Unclaimed Property Trust Fund or transfer less than anticipated to the General Fund to cover duly presented claims.

**DISCUSSION POINT**

P.L.2002, c.35 (C.46:30B-7.2 et. al) clarified and expanded the categories of property which may escheat to the State and reduced the time required for unclaimed property to escheat to the State. At the time of enactment, the department estimated an additional $209 million in escheat revenue attributable to the 2002 legislation.

**QUESTION 8B**

Please discuss how changes to escheat laws enacted under P.L.2002, c.35 have affected the income, outflows and balances of the Unclaimed Personal Property Trust Fund.

**ANSWER 8B**

The Unclaimed Property law had major revisions made to it on July 1, 2002 (FY 2003). The reduction in abandonment periods from five, seven, or ten years to three years resulted in an increase in unclaimed property reported to the State. The changes also facilitated the locating of owners, resulting in an increase in the volume of claims payments.

Historical data shows that for fiscal year 2002, the year before the law change, the Unclaimed Property Office (UPO) received $122,157,556 in total escheated revenue. In fiscal year 2003, the year the Unclaimed Property law was amended, the UPO took in $519,231,408 in total escheated revenue. This represents an increase of over 325% from the previous year.

In order to better understand the affect the law change had on the amount of revenue received by the UPO, we compared the four years before the law change with the three years following the first full year of the change. On average, the UPO received approximately $118.6 million annually in escheated revenue in the four years leading up to the law change (1999-2002). Based on actual data and our projections, the UPO will have received in escheated revenue approximately $224.1 million annually (on average) for FY 2004 thru 2006. This time period also includes the demutualization of certain insurance companies which inflates the post law change numbers.

As a result of the rise in property reported to the UPO, there was a substantial increase in the number of claims filed and paid to owners. During fiscal year 2002, the year before the law change, the UPO paid out $23.1 million in claims. In 2003, the UPO returned $39.2 million to rightful owners. This represents an increase of 70%. The FY 2004 amount returned was $53.0 million On average, the UPO returned approximately $21.4 million annually in fiscal years 2001 and 2002 (before the law change) versus $46.1 million annually in fiscal years 2003 and 2004 (after the law change).

The July 1, 2002 amendments to the Unclaimed Property law increased the awareness of a holders obligation to report unclaimed property, and also increased public awareness of the program. As a result both the amount of abandoned property received by the State and the amount returned to its rightful owners increased significantly. It also clarified and expanded the various types of property covered under the law and added consumer protections by abolishing escheat fees and limiting other fees.

**DISCUSSION POINT**

The Executive seeks to limit FY 2006 spending on the Homestead Property Tax Rebate program to $478.5 million, a $1.21 billion (71.7 percent) decline from the FY 2005 appropriation, through restrictions on program eligibility and rebate amounts. In FY 2005, every homeowner whose gross income did not exceed $200,000 in tax year 2003 and every tenant whose gross income did not exceed $100,000 could claim a homestead rebate. In FY 2006, only residents at least 65 years of age or disabled, or both, with a tax year 2004 gross income of $100,000 or less would be able to do so. Consequently, as stated in the Governor's FY 2006 Budget, the Executive anticipates processing about 600,000 rebate checks in FY 2006. In FY 2005, it issued almost 2.5 million such checks, according to the most recent data provided by the Division of Taxation. In addition, the Executive recommends lowering the maximum rebate amounts. Disabled and senior homeowners would receive no more than $800 in FY 2006 (down from $1,200 in FY 2005) and disabled and senior tenants no more than $775 (down from $825).

**QUESTION 9**

For FY 2005 "FAIR" rebate distributions please provide the following data for the senior and non-senior and the homeowner and tenant populations: 1) distribution of rebates by income brackets; and 2) distribution of rebates by rebate amounts.

Since homestead rebate amounts and income tax property tax deduction amounts are a function, in part, of real estate values, please provide a statewide distribution of the number and the value of residential property by no fewer than eight distinct brackets, broken up in increments of at least $100,000. Please provide the distributional data for Tax Years 2003 and 2004.

Assuming the proposed homestead rebate limitations go into effect, the Department of the Treasury would have to process and mail out fewer rebate checks. What are the anticipated administrative savings associated with the proposal? Where in the Treasury's budget can this cost savings be found?

**ANSWER 9**

Attachment F is a summary of residential properties in increments of $100,000 of equalized value, up to $1 million and then simply over $1 million. However, property values are no longer a direct factor of any property tax relief program administered by the Division. The only time they come into play is in the normal process of determining the tax bill. The verified payment of that tax bill is then a factor in determining eligibility for some programs.

Mailing of checks is only a very small part of the overall administrative costs. Each year where there has been programmatic change, administrative costs are driven higher because the Division of Taxation is required to send additional notices and to handle a significantly increased volume of phone calls, correspondence and e-mails from the confused public. In addition, program changes lead to higher rates of ineligible filers that need to be addressed, higher error rates in application filing, and increased errors related to improper documentation to support application information. Savings cannot be expected until the rebate programs stabilize and filers can become accustomed to the eligibility criteria and filing procedures.

Attachment G provides the requested data for the senior and non-senior and the homeowner and tenant populations.

**DISCUSSION POINT**

The "2004 Homestead Property Tax Rebate Act" recast the homestead rebate program as of FY 2005. The Act integrated the NJ SAVER rebate program into the homestead rebate program and raised rebate amounts. Under the "Municipal Rehabilitation and Economic Recovery Act," P.L.2002, c.43, eligible residents of Camden were to receive New Jersey Saver rebates equal to 150 percent of the amount otherwise owed during the period of rehabilitation and economic recovery, or over the next ten years.

**QUESTION 10**

Please discuss how changes to the NJ SAVER Rebate program have impacted the rebate amount paid to eligible Camden residents in FY2005. How many rebates have been issued annually to Camden residents since FY 2002 and what was the average rebate amount paid? What impact will the proposed changes to the Homestead Rebate program in FY2006 have on the amounts paid to eligible Camden residents?

**ANSWER 10**

The Municipal Rehabilitation and Economic Recovery Act makes specific reference to the NJ SAVER rebate program. The Municipal Rehabilitation and Economic Recovery Act was not amended to provide benefits over and above the increased benefits otherwise provided to all state taxpayers under the 2004 Homestead Property Tax Rebate Act. As a result, residents of Camden received the same benefits under the new FAIR rebate program as every other municipality in the State.

The Division of Taxation conducted an analysis of the impact of the 2004 Homestead Property Tax Rebate Act on eligible Camden residents by comparing the amount of the 2002 NJ SAVER rebates to the estimated 2003 FAIR rebates. It was determined that an extremely high percentage of Camden residents would make out significantly better for tax year 2003 under the FAIR program than for tax year 2002 under the NJ SAVER rebate program. As a result of this analysis it was not necessary to revisit this issue.

| | NUMBER | AMOUNT | AVERAGE |
|---|---|---|---|
| **Fair Homeowner** - 2003 | 6,264 | 4,693,466.65 | 749.28 |
| **Fair Tenant** - 2003 | 10,617 | 1,912,446.03 | 180.13 |
| **Saver** | | | |
| 2002 | 4,190 | 627,787.51 | 149.83 |
| 2001 | 4,810 | 1,554,536.29 | 323.19 |
| **Homestead Rebate** | | | |
| **Homeowner** | | | |
| 2002 | 5,459 | 1,619,465.84 | 296.66 |
| 2001 | 5,233 | 1,529,346.53 | 292.25 |
| **Tenant** | | | |
| 2002 | 10,226 | 1,416,259.19 | 138.50 |
| 2001 | 10,183 | 1,467,497.41 | 144.11 |

Under the proposed changes, eligible Camden residents will receive the same benefits under the FAIR program in FY2006 as every other municipality in the State. Eligible seniors will receive less than last year, but more than for tax year 2002. Unless restored, non-seniors will not receive benefits under the proposed changes.

**DISCUSSION POINT**

The Governor's FY 2006 Budget proposes a State Aid appropriation of $23.7 million to the Police and Firemen's Retirement System (PRFS) to pay for 40 percent of the State's actuarially calculated basic pension contribution for certain local government employees, an increase of $3.8 million (19.3 percent) over the FY 2005 adjusted appropriation. The Budget also recommends a $13.3 million appropriation to the Police and Firemen's Retirement System (P.L.1979, c.109) to pay for 40 percent of the State's actuarially calculated pension contribution pursuant to the provisions of P.L.1979, c.109. This amount represents a $1.2 million (or 8.3 percent) decrease from FY 2005. The law provides enhanced benefits to PFRS members who retire after 25 years of service, granting a retirement allowance of 65 percent of final compensation. The State is liable for this enhanced benefit at a cost of 1.1 percent of covered salary.

## QUESTION 11

Please explain the dynamics or rationale which cause an increase in the appropriation for basic pension benefits but a decrease in the appropriation for enhanced benefits. If the State intends to increase its contribution to 40 percent of its actuarially determined normal contribution and accrued liabilities in FY 2006, what factors make the enhanced benefit appropriation decline over FY 2005? Why is that decline only limited to the enhanced benefits appropriation under State Aid, given that the enhanced benefit PFRS appropriation under Direct State Services in the Interdepartmental Accounts is rising by $148,000 ( or 6.8 percent) to $2.3 million? What aspects make the enhanced benefits State Aid portion differ from the enhanced benefits Interdepartmental Accounts portion?

## ANSWER 11

There has not been a reduction in the State Aid Chapter 109 appropriation between FY 2005 and FY 2006. There are surplus funds in the FY 2005 adjusted appropriation which will not be drawn in the current fiscal year. The actuarially determined Chapter 109 contribution under State Aid for FY 2005 is $9.2 million based on 30% funding. Compared to $13.3 million in FY 2006, this represents a 44.3% increase. Under Direct State Services, the funding requirement for Chapter 109 benefits is increasing by approximately the same percentage between FY 2005 and FY 2006. The funding amount for FY 2005 based on 30% recognition of the actuarially determined contribution is $1.6 million. For FY 2006, the recommended amount based on 40% funding is $2.3 million, an increase of $693,000 (or 42.4%).

The following chart shows the FY 2005 appropriations to the Police and Firemen's Retirement System, the amounts to be paid in the current fiscal year based on 30% funding, and the FY 2006 budget need based on 40% funding.

| Appropriation Account | FY 2005 Adjusted Approp. | FY 2005 Required Payment | FY 2005 Surplus | FY 2006 Recom-mended | Pension Growth | % Inc. |
|---|---|---|---|---|---|---|
| PFRS DSS | 26,708,000 | 19,605,000 | 7,103,000 | 31,710,000 | 12,105,000 | 61.7% |
| Ch. 109 DSS | 2,180,000 | 1,635,000 | 545,000 | 2,328,000 | 693,000 | 42.4% |
| PFRS GIA | 2,251,000 | 1,688,000 | 563,000 | 2,486,000 | 798,000 | 47.3% |
| PFRS State Aid | 19,864,000 | 17,171,000 | 2,693,000 | 23,700,000 | 6,529,000 | 38.0% |
| Ch.109 State Aid | 14,515,000 | 9,228,000 | 5,287,000 | 13,317,000 | 4,089,000 | 44.3% |
| Total | 65,518,000 | 49,327,000 | 16,191,000 | 73,541,000 | 24,214,000 | |

## DISCUSSION POINT

The Governor's FY 2006 Budget recommends maintaining the current State Aid allocation of $3.4 million in Other Distributed Taxes. Under the program, the State distributes a portion of certain insurance tax proceeds to counties hosting domestic insurance companies' principal offices.

## QUESTION 12

For each of the last five fiscal years, please provide information on the counties that have received or will receive disbursements from this account and indicate the amounts distributed per county per year.

## ANSWER 12

**Domestic Insurance Franchise Tax (Other Distributed Taxes)**
**Disbursements by County**
**100-082-2085-012**
**FY05-FY01**

| County | FY05 | FY04 | FY03 | FY02 | FY01 |
|---|---|---|---|---|---|
| Bergen | 29,183.56 | 30,754.87 | 35,077.41 | 26,978.16 | 23,991.17 |
| Essex | 2,423,008.84 | 2,553,468.90 | 2,912,354.60 | 2,239,901.92 | 1,991,902.44 |
| Hudson | 0.00 | 1.43 | 2.44 | 3.76 | 4.46 |
| Mercer | 242,423.23 | 255,475.83 | 291,382.53 | 224,103.30 | 199,290.82 |
| Morris | 366,409.48 | 386,137.76 | 440,408.77 | 338,719.90 | 301,217.22 |
| Sussex | 126,905.48 | 133,738.36 | 152,535.05 | 117,315.23 | 104,326.22 |
| Union | 2,963.34 | 3,122.89 | 3,561.80 | 2,739.40 | 4,569.65 |
| | 3,190,893.93 | 3,362,700.04 | 3,835,322.60 | 2,949,761.67 | 2,625,301.98 |

## DISCUSSION POINT

Since FY 2004, the department's budget has included language, which has been exercised annually, authorizing the appropriation of up to $1.5 million for expenses related to municipal economic recovery efforts as determined by the chair of the Economic Recovery Board for Camden. (The State Treasurer currently serves as the chair of the ERB.) In response to a discussion point in the FY 2005 OLS Department of the Treasury Analysis, the department noted that the language for this purpose was continued in the FY 2005 Budget as a contingency. It further stated that, in FY 2004, $422,000 of the allocation was used to pay the Walter

Rand Institute for the Camden City Capacity Building Project and $235,000 was used to conduct a management study and to publish the 2003 Annual Report for the City of Camden.

**QUESTION 13**

Please list all of the expenditures that have been made under this account since its inception in FY 2004. What, if any, carryforward will be available in this account as of June 20, 2005? For which specific projects has the Economic Recovery Board requested the $1.5 million appropriation in FY 2006? Is this language expected to be on-going, and if so, for how many years beyond FY 2006?

**ANSWER 13**

Attachment H is a summary of expenditures made from the Camden Economic Recovery Account since inception in FY 2004. As referenced on the attachment, there is no carry forward anticipated for FY 06.

The language is included in the FY 06 budget as contingency in the event additional funds are required. The language will continue to be added to provide financial assistance to the Recovery Account subject to approval by the Legislature.

**DISCUSSION POINT**

In March, 2005, the United States Bureau of Alcohol, Tobacco, Firearms, and Explosives; state attorneys general; and major credit card companies reached an agreement under which the credit card companies will no longer accept charges for illegal sales of cigarettes and tobacco products, which include most sales over the Internet in the United States. New Jersey smokers can still buy cigarettes over the Internet, but they would have to use checks, money orders or some other form of payment.

**QUESTION 14**

Please discuss the ways in which the moratorium on the use of credit cards in Internet cigarette and tobacco products sales is expected to affect State cigarette tax collections. Does the FY 2006 budget reflect an expectation of additional cigarette tax revenue from this agreement, and if so, how much? What impact does this policy have on tax enforcement activities?

## ANSWER 14

Although anecdotal information exists that shows less Internet sales in the 1st quarter of 2005 to NJ residents, insufficient data exists to determine the tax collections effect of the credit card moratorium of Internet sales since payment by check or money order is still possible. There is no impact of this written into the FY06 budget projections.

Enforcement of the tax statues on the Internet sale of cigarettes has been successful this year. We have received information from Internet companies disclosing their NJ customer base but only after legal action. This information has resulted in billing NJ residents for cigarette tax and use tax. Further, cooperation of law enforcement agencies has resulted in large seizures in New Jersey of cigarettes purchased over the Internet. Experience has shown that as we employ techniques to put a stop to tax evasion, the evaders then change their methods of evasion. While this moratorium is helpful, we expect that there will still be a strong need for enforcement of the tax statues relating to the Internet sale of cigarettes.

## DISCUSSION POINT

According to Federal Funds Information for the States (FFIS), based on 2003 data, New Jersey ranks last among all states in the so-called "balance of payments" between the State and federal government, or the amount of federal tax dollars sent to Washington by New Jersey taxpayers compared to the federal dollars returned to the State, receiving just 0.57 cents for every tax dollar paid compared to a national average of $1.00.

In addition to the independent efforts of the each of the departments and agencies of State government, in recent years the State, through the Office of the Treasurer, has contracted with several vendors (Maximus, Public Consulting Group, UMass and Deloitte Touche) in an effort to maximize federal revenues.

## QUESTION 15

Please list all contracts entered into by the State over the last six fiscal years which were intended to identify and increase opportunities for additional federal dollars. For each contract, provide the vendor name, the cost of the contract to the State, the terms of the contract, and the amount of additional federal dollars realized by the State as a direct result of the contract.

What current efforts are underway under the auspices of the Treasurer's Office to maximize federal revenues?

**ANSWER 15**

See Attachment I.

**DISCUSSION POINT**

The Budget in Brief (BIB) proposes a savings of $50 million to the General Fund from a revision to one of the incentives offered to eligible businesses under the Urban Enterprise Zone (UEZ) program. Specifically, the Executive proposal would reduce the current sales tax exemption afforded businesses for business purchases from the full 6% rate of tax to a 3% rate, and require businesses to pay the full 6% tax up-front and apply for a 3% rebate. Elsewhere in the BIB, it is also suggested that some current exempt business purchases might be "inappropriate." (See pages 6 and 41 of the BIB).

For at least the two last Legislative sessions whenever a fiscal note has been requested of the Executive in response to legislation establishing a new UEZ, the Divisions of Revenue and/or Taxation have generally estimated the cost to the General Fund from foregone revenues attributable to the various benefits extended to qualifying zone businesses under the UEZ program as matching or even exceeding, the amount of revenue foregone to the State (under the program) from the reduced retail sales tax rate. These additional benefits to eligible zone business include a corporation business tax credit for the hiring of certain new employees and the sales tax exemption for certain purchases by qualifying zone businesses referred to in the BIB.

**QUESTION 16**

For each business incentive offered under the UEZ program, please provide the cost to the State's General Fund by fiscal year for the last five fiscal years, by zone. Please estimate the cost of the abuses or "inappropriate" uses of current business incentives as referenced in the BIB. Since tax preferences offered to businesses in UEZ's are credited with job creation and other economic benefits, what diminution in these benefits should be expected due to the proposed decrease in tax benefits?

**ANSWER 16**

Attachment J details the three major tax incentives, 3% reduced rate, UEZ dedicated fund, and the Qualified Business (QB) 6% purchase exemption by zone for the past 5 fiscal years. In FY04 the 3% reduction cost the state general fund $103.6 million for all 35 zones. An additional $67.4 million was lost to the general fund because part of the 3% Sales & Use tax that was collected went into the UEZ dedicated fund. We estimate that another $107.3 million was lost due to the use of the Qualified Business 6% purchase exemption. For FY04, that's a total of $278.3 million in expenditures from the general fund for economic development in 35 locations within the state. Over the last five years, the UEZ program has cost the general fund $1.25 Billion.

It is difficult to measure the level of "inappropriate" QB purchases because the data collected by the UEZ program on the extent of these purchases is limited and self-reported by the QBs. We do know qualitatively that there have been high-volume or high –priced tax free purchases made by provisional QBs or QBs that leave the program shortly after making major purchases. We know there is also an issue where some QBs claim all purchases made by the unit in the zone, even if the purchases are intended for use in non-zone locations. This clearly violates the statutory language. We also know from the reported claims that $65 million has been paid in claims over the past 10 years where the cost per zone employee ranges from $100,000 to over $1 million. It is hard to argue that eliminating these types of claims will reduce the beneficial impact of the QB incentive on the zones because these claims have no or minimal beneficial impact on the zones. The proposed legislation still provides incentives for true QBs to make legitimate investments in the zones, but it makes it more difficult for businesses to take advantage of the program.

The $50 million savings from reducing the QB exemption by 50% and tightening the administration of these claims represents only about 46% of the estimated total annual cost of the current 6% exemption.

**DISCUSSION POINT**

Under the State's Earned Income Credit (EIC) program, P.L.2000, c.80 (C.54A:4-6 et seq.), New Jersey families with gross incomes of $20,000 or less who receive a federal Earned Income Tax Credit are eligible for a refundable New Jersey EIC equal to 20% percent of a family's federal Earned Income Tax Credit. Presumably, some residents currently eligible for the State EIC will be lifted above the program's income eligibility threshold as a result of the recently enacted increase in the State's minimum wage rate pursuant to P.L.2005, c.70 (C.34:11-

56a4). This newly enacted law raises the minimum wage to $6.15 per hour on October 1, 2005, and on October 1, 2006 increases the minimum wage again to $7.15 per hour.

**QUESTION 17**

For the three most recent tax years, please provide distributional income data, in increments of $5,000 (or less if possible), for households receiving the State EIC as well as the average credit per income strata.

Based on income data available to the Division of Taxation, how many current EIC recipients will be affected as a result of the recently enacted increase in the State's minimum wage rate, and to what extent will they be impacted?

**ANSWER 17**

Attachment K summarizes the distributional income data requested.

The NJ EITC benefit is calculated as 20% of the federal EITC benefit for eligible participants. Increasing the minimum wage has the same effect on a recipient that either working more hours or getting a better paying job would have, i.e., it increases household income and as a result may change the amount of the federal EITC grant (all other things unchanged). How and if it changes the grant depends on how much household income the person currently has. The federal EITC grant increases as income increases until it hits a maximum amount. The grant remains at the maximum level over a small stretch of income and then starts to decline as income increases further. So the impact of the NJ minimum wage increase depends on where a particular recipient is on this scale.

Although these 190,000+ recipients do file a tax return, we don't necessarily have a lot of information about them. We can't determine how many are in minimum wage jobs or jobs with wages below the new minimums so it's impossible to know how individual taxpayers will be affected.

**DISCUSSION POINT**

Approvals for a number of large mergers are currently pending before the Board of Public Utilities, including, in the telecommunications industry, the merger of AT&T with SBC Communications, and of Verizon with MCI, and in the gas/electric industry of PSE&G with Exelon BSC. Recently, in response to a recent NJPIRG filing regarding the proposed merger of Exelon PSE&G, the BPU released the following statement: "The Board will render a decision after a careful and thorough review of the evidence and information placed before it by the companies, its staff and other concerned parties. This review, analysis and evaluation of the filing will involve the commitment of a large amount of time and resources by the Board and its staff ....."

**QUESTION 18**

Given that these mergers could take several years to complete, and that current FY 2005 staff levels for both the BPU and the Rate Payer Advocate are effectively unchanged from FY2003, please discuss the adequacy of staff at both agencies (BPU and Ratepayer Advocate) to handle the current large volume of proposed mergers.

**ANSWER 18**

With respect to the Rater Payer Advovate, the proposed PSE&G/ Exelon merger and the three telecommunications mergers (ATT/SBC, Verizon/MCI and Sprint/Nextel) are creating additional burdens on the already over extended Ratepayer Advocate's legal and paralegal staffs. These proceedings involve not only the petitions pending at the BPU but also federal filings at the Federal Energy Regulatory Commission (FERC) and Federal Communications Commission (FCC), where the Ratepayer Advocate has filed to intervene on behalf of the public interest.

At present, the Ratepayer Advocate is staffing these matters by reassigning attorneys to specific sections of the merger cases adding to the already very heavy workload of its existing managing and staff attorneys and paralegals.

In addition to the merger cases, there are a number of additional proceedings and initiatives that the Ratepayer Advocate is participating in at the state and federal levels, including Clean Energy, Smart Growth and continuing Federal Preemption of State Regulation matters while maintaining an expanded schedule of public education events.

The Ratepayer Advocate is meeting the increased need for technical expertise through the engagement of additional specialized consultants. However, the additional filings, discovery, hearings, appearances, research and review necessitated by these matters should be addressed by additional staff attorneys and paralegals.

In fact, in each fiscal year including in the FY 2006 planning document, the Division of the Ratepayer Advocate reported that it is consistently understaffed due to the increasing complexity of cases and proceedings affecting the rates and services for essential services in New Jersey.

In FY 2006, before the merger petitions were filed, the Division had requested three additional budgeted positions to hire attorneys needed to represent the state's ratepayers' interests in all hearings and proceedings conducted by the Board of Public Utilities; before the State Legislature, Federal Agencies, (FCC, and FTC and FERC); before administrative, state and federal courts; at public and policy meetings; and at public education events throughout the state in all matters concerned with electric, natural gas, telecommunications, cable TV and water/wastewater that affect rates and services pursuant to the Ratepayer Advocate's statutory mission.

The estimated cost for these three additional budgeted positions, (range P33, $4^{th}$ step) in FY 06 would be approximately $257,000 in each fiscal year, subject to COLA and union required increases. As always the Ratepayer Advocate is and will be funded by assessments of all businesses, companies and utilities under the jurisdiction of the BPU pursuant to N.J.S.A. 52:27E-61 to 64.

The request to increase the Division of the Ratepayer Advocate's funded positions in Fiscal Year 06 from 45 to 48 was denied in light of the hiring freeze.

Since the FY 06 Planning Document was submitted the many mergers in which we represent the public interest discussed in the question, were filed, including the merger of AT&T with SBC Communications and Verizon with MCI in the telecommunications industries, and in the natural gas/electric industries, the merger of PSE&G with Exelon BSC.

The Ratepayer Advocate evaluates its caseload throughout the fiscal year. Current evaluation data, before the filing of the merger proceedings, in fact, over the last three fiscal years show Ratepayer Advocate participation in FY '05 in over 1,300 total proceedings. The evaluation data for the Ratepayer Advocate's utility cases in electric, natural gas, telephone, cable TV, water /wastewater, FERC and other utility proceedings has steadily increased and will continue to increase (especially with the pending mergers) because of fast and complex changes in the energy and telecommunications marketplaces.

The additional attorney and paralegal positions that were requested are needed to provide the best possible representation for the public interest during all the merger proceedings and to reduce the burden of case loads, public education appearances, and participation in utility policy standing committees and task forces on the very small professional staff.

As stated above, the Ratepayer Advocate is and will continue to be funded by assessments of all businesses, companies and utilities under the jurisdiction of the BPU pursuant to N.J.S.A. 52:27E-61 to 64. The carryover monies from Fiscal Year 2005 could provide ample funding to support the professional staff increases needed in Fiscal Year 2006 and beyond to address the mergers and other expanded proceedings on the Ratepayer Advocate's docket. No funds would ever be requested or needed from the State's General Fund.

In the case of the BPU, the Board has recognized the need to address each merger in a unique way. The telecommunication mergers (Verizon/MCI and SBC/AT&T) will be retained at the Board and not processed at the Office of Administrative Law. The combination of Commissioner participation, and current technical staff from the Division of Telecommunications, Office of the Economist, Office of the Chief Counsel and the Attorney General's Office is sufficient to complete these reviews.

The PSEG and Exelon merger will result in a company with the most generation capacity in the country that could exert market power within our regional transmission organization (PJM). Hence, this merger will require an unprecedented review by the Board and will primarily focus on the action at the Federal Energy Regulatory Commission (FERC); the reliability of service to be provided by the new company; how synergy savings will be shared between ratepayers and stockholders; and how nuclear operations will be impacted.

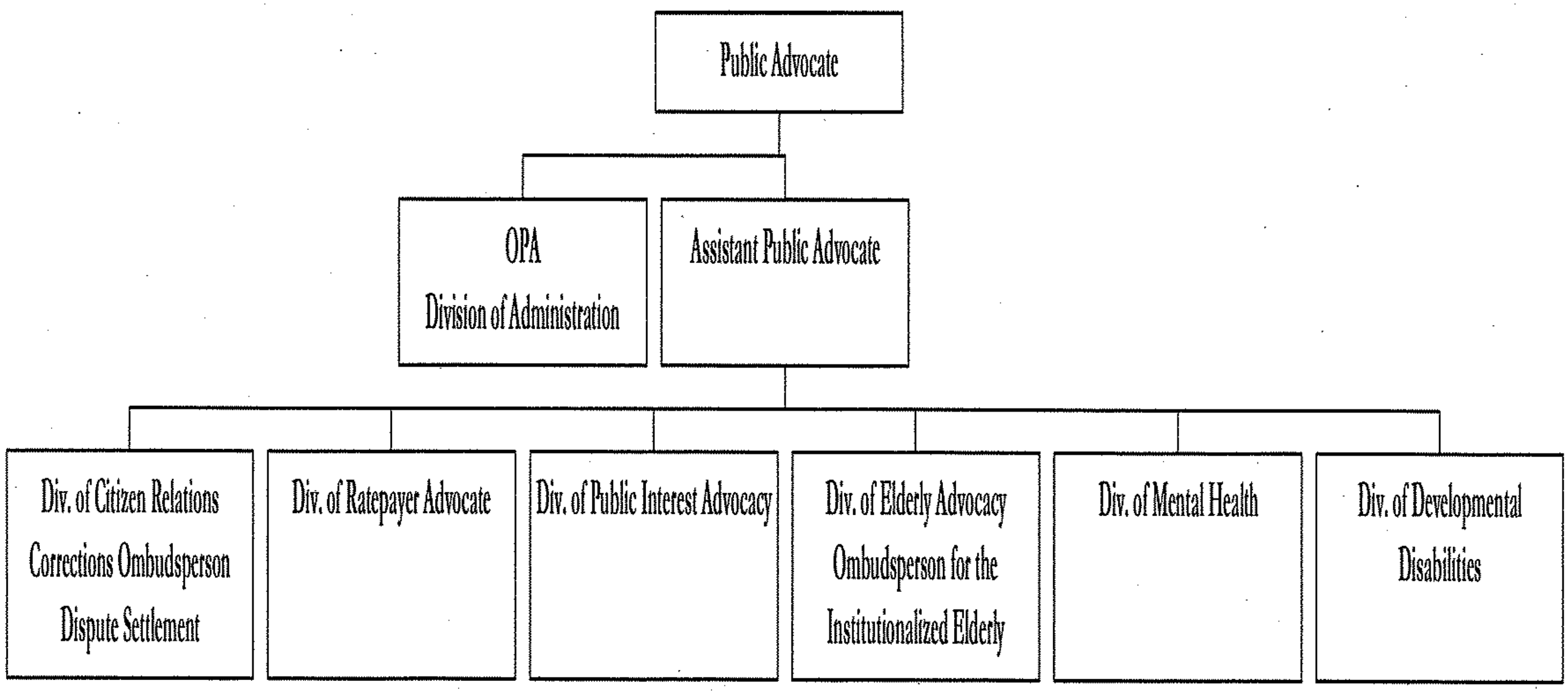
Due to the complexities of these issues and number of parties that have intervened (42 at FERC and 25 with BPU), the Board has transmitted this merger to the Office of Administrative Law (OAL). The Board will be utilizing over 35 staff (>10% of the workforce) from its Division of Energy, Audits Division, Chief Economist's Office, Chief Counsel's Office, and Senior Staff to review the merger. Furthermore, the Board has identified the need for specific specialized experts. As a result, the Board has hired a consultant to address the FERC and other Federal issues and will be hiring three other consultants to help address the synergy, reliability and nuclear issues. The costs of these consultants will be paid by PSE&G shareholders.

Assigning such a large number of staff to these mergers will impact the Board's ability to process the many routine petitions that are received. To help address this situation, and to continue to develop the Board's capability to provide timely responses to citizen inquires and utility petitions a review of current staffing needs is underway. Key activities that will be able to be undertaken with the additional staff include the development of the statutorily required Energy Master

Plan; preparing regulatory standards defining reliability, customer service and corporate governance; performing legislatively mandated management audits; reviewing compliance with security best management practices; and further improving responsiveness to citizen inquires.

ATTACHMENT A

# State of New Jersey – Office of Public Advocate (OPA) Organizational Chart




In But Not Of.....

**OFFICE OF CHILD ADVOCATE**
**(OCA)**

Kevin Ryan – Child Advocate

Assistant Child Advocate

ATTACHMENT B

## *Brownfields/Landfill Data Report for Executed Files*

| EXECUTED REPORT SUMMARY | |
|---|---|
| Total No. of Agreements Executed | |
| From Program Inception | |
| 66 | |
| Total Remediation Dollars Eligible for Reimbursement | |
| From Program Inception | |
| $302,077,595.45 | |
| Average Dollars Per Agreement | |
| From Program Inception | |
| $4,576,933.26 | |

| *Executed* | *ID* | *Name of Project* | *Developer* | *Representative* | *City* | *County* | *Phone Number* | *Estimated Costs* | *Summary* | *Budget Committee Member* | *District* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 4/14/2005 | 111 | Rushton Industries, Inc | Brinkerhoff Environmental Services | Laura Brinkerhoff | Englewood | Bergen | (732) 223-2225 | $825,000.00 | The development of this vacant site will consist of two (2) condos containing approx. 86,400 sq. ft. of living space, one (1) condo containing approx. 79,300 sq. ft.and a recreation building containing 4,800 sq. ft. | Joseph Coniglio (D-Senate) | 38 |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 4/14/2005 | 104 | Walter Kidde Site | Route 21 Associates - Former Walter Kidde & Company | Route 21 Associates, L. P. | Belleville | Essex | (973) 596-4500 | $2,325,000.00 | Former contaminated site that contained underground explosives that was buired by former owner. Commercial project. Planning to build a Wal-Mart on the site. | Sharpe James (D-Senate - Vice Chair)<br>William Payne (D-Assembly - Vice Chair) | 29 |
| 2/18/05 | 118 | Washington - Jersey City | The Athena Group LLC | Kenneth Browne | Jersey City | Hudson | (212) 506-0668 | $614,362.50 | Former P. Lorillard Tobacco Company & New York Iron Roofing & Corrugating Company Facilities | Joan Quigley (D-Assembly) | 32 |
| 11/4/04 | 109 | Port Reading | Catellus Construction Corporation | Lisa Bromberg | Cateret and Woodbridge | Middlesex | (973) 538-4006 | $16,705,520.00 | The site combines two sites, from PSE&G and Beazer East, Inc. and is in tow municipalities. | Joseph Vas (D-Assembly) | 19 |
| 10/28/04 | 95 | Home Depot U. S. A., Inc. | Home Depot U. S. A., Inc. | Michael Stingone (Cole, Schotz, Meisel, Forman & Leonard, P. A.) | Newark | Essex | (201) 525-6313 | $1,124,657.81 | Commercial project. Will build a Home Depot in Newark, NJ (in the UEZ Zone) | Sharpe James (D-Senate - Vice Chair)<br>William Payne (D-Assembly - Vice Chair) | 29 |

| *Executed* | *ID* | *Name of Project* | *Developer* | *Representative* | *City* | *County* | *Phone Number* | *Estimated Costs* | *Summary* | *Budget Committee Member* | *District* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 10/28/04 | 103 | The Autozone Store of North Bergen | Autozone, Inc. | Whitestone Associates, Inc. | Watchung | Hudson | (908) 668-7777 | $225,000.00 | | Tom Kean Jr. (R-Senate) | 21 |
| 10/28/04 | 102 | The Autozone Store of Jersey City | Autozone, Inc. | Christopher Seib - Whitestone Associates, Inc. | Watchung | Hudson | (908) 668-7777 | $415,000.00 | The property is currently underutilized. | Tom Kean Jr. (R-Senate) | 21 |
| 09/29/04 | 110 | Proposed Autozone Site (in Mout Ephraim) | Autozone, Inc. | Stacy Mitchell of Cozen O'Connor | Cherry Hill | Camden | (856) 910-5006 | $138,370.00 | The building is currently being occupied by ABC Discount Parts until 6/30/04. | Lou Greenwald (D-Assembly - Chair) | 6 |
| 07/30/04 | 108 | Proposed Restaurant Complex | Apple Food Services LLC | Whitestone Associates Inc. | Butler, NJ | Morris | (908) 668-7777 | $397,000.00 | The site was vacated prior to 3/04 to allow for redevelopment activities. | N/A | N/A |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 07/09/04 | 96 | Former Reritan Oil Property | LONG's Own Four, LLC | PMK Group | Edison | Middlesex | (609) 882-0600 | $781,668.75 | Commercial Project. The site is proposed to be redeveloped to consist of a new automobile dealership and automotive repair center. | Barbara Buono (D-Senate) | 18 |
| 06/23/04 | 99 | Retail Development Site (Lodi Essex LLC) | Whitestone Associates | Christopher Seib - Whitestone Associates, Inc. | Lodi, NJ | Bergen | (908)668-7777 | $118,453.39 | The developers wish to build retail stores. The site will emcompass 15,275 square feet to better service the communities growing demands. | Joseph Coniglio (D-Senate) | 38 |
| 06/14/04 | 97 | AAA Trucking Company Redevelopment Project | Verdure Asset Corporation | ELM | Hamilton | Mercer | (609) 683-4848 | $1,110,432.00 | Commercial Project. An office building, a self storage facility, a FedEx distribution facility, a trucking terminal and a BMW dealership is to be located. | Frank Blee (R-Assembly)<br>Linda Greenstein (D-Assembly) | 2<br>14 |
| 04/27/04 | 92 | Montgomery Greene Project | MG KOR Companies Dev. Co. LLC | Robert Crespi (WolfSamson) | Jersey City | Hudson | (973) 530-2060 | $564,916.00 | Mixed use Project. 113 Condominiums to be built along with retail use as well. | Joan Quigley (D-Assembly) | 32 |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 04/27/04 | 98 | Merchantville Senior Housing Project | Chestnut Station Urban Renewal Associates | Richard Crossed | Merchantville | Camden | (973) 555-1212 | $245,535.00 | Developers wish to redevelop a former contaminated, industrial site for use as a Senior Housing development in Camden County. | N/A | N/A |
| 04/15/04 | 93 | St. Georges Avenue Redevelopment Project | Roselle Equities, LLC | Mark Fisher, Terri Smith | Roselle | Union | (609) 683-4848 | $425,000.00 | Commercial Project. Will built a viable new commercial center that will include a Commerce Bank and an Eckerd Store. | Joseph Cryan (D-Assembly)<br>Tom Kean, Jr. (R-Senate) | 20<br>21 |
| 03/22/04 | 84 | Reritan Town Center | Reritan Town Center L.L.C. | Neil Yoskin | Reritan Borough | Somerset | (609) 279-0900 | $750,000.00 | Residential Project. The Property will be developed for Multi-Family Housing. | Leonard Lance (R-Senate)<br>Walter Kavanaugh (R-Senate) | 23<br>16 |
| 03/22/04 | 86 | Residential Condominiums (40) | Summit View, LLC | Wolf & Samson | Summit | Union | (973) 530-2060 | $450,000.00 | Residential Project. This project proposes 40 condominiums to be built. This site is the location of the former Stephens-Miller Company, which operated a lumber supply company and a heating oil supplier. | Tom Kean Jr. (R-Senate) | 20 |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 03/22/04 | 49 | Acme Supermarket - Yardville | American Stores Realty Corp | Albertsons, Inc. Doug Kasesang | Hamilton | Mercer | (208) 395-6200 | $388,154.00 | Commercial Project. Proposing an ACME supermarket. | Frank Blee (R-Assembly)<br><br>Linda Greenstein (D-Assembly) | 2<br><br>14 |
| 03/09/04 | 75 | Four Towers for retail and commercial office & residential tenants. | Matrix/Newark City Dock, LLC | Farer Fersko, Richard Ericsson | Newark | Essex | (908) 789-8550 | $3,945,000.00 | Mixed use Project. Constructing 4 towers that will include a total build of apprx 620,000 sq ft, which will house combination of Retail, Commercial/office and residential tenants. | Sharpe James (D-Senate - Vice Chair)<br><br>William Payne (D-Assembly - Vice Chair) | 29<br><br>29 |
| 03/09/04 | 90 | Multiple Projects | Foundry Street, LLC | Patrick Mottola | Newark | Essex | (908) 252-4313 | $1,000,000.00 | Commercial Project. This currently vacant site will be sub-divided into three parcels. A 4-acre parcel will be purchased by Lemcor Inc, which will move its solid waste transfer station to this location. | Sharpe James (Senate - Vice Chair)<br><br>William Payne (Assembly - Vice Chair) | 29<br><br>29 |
| 03/09/04 | 89 | Raceway Petroleum, Inc. | C.P.Building Group, Inc. | Hudson Environmental | North Brunswick | Middlesex | (908) 686-5959 | $200,000.00 | Commercial Project. The site is currently undergoing development for use as a Raceway Petroleum, Inc. retail gasoline station and a convenience store. | N/A | N/A |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 02/26/04 | 61 | Joashlin Construction Company | Joashlin Construction Company | Lowenstein Sandler, Norman Spindel | Passaic | Passaic | (973) 597-2514 | $1,000,000.00 | Commercial Project. To be used as retail distributor of construction material. Former River Oil Terminal located on the East side of the City of Passaic. 3.5 acre site. | Paul Sarlo (D-Senate) | 36 |
| 02/04/04 | 82 | Provina Gas Station | SFC Enterprises, Inc. | Tapash, John Bee | Union Beach | Monmouth | (732) 521-2322 | $129,000.00 | Mixed use Project. 2 Duplex Condominiums over a store front is proposed on this former gas station. | N/A | N/A |
| 10/28/03 | 54 | CVS Store - Clifton | Hook-SupeRx, Inc. | Pitney Hardin Kipp & Szuch | Clifton | Passaic | (973) 966-8135 | $255,000.00 | Commercial Project. The total amount sought to be reimbursed is apprx $191,000 & projected payout period is apprx 1.5 years. | Paul Sarlo (D-Senate) | 36 |
| 10/28/03 | 85 | Hamilton Commons | BWF Development, LLC | Joseph Davis | Hamilton Twp | Atlantic | (973) 564-6594 | $100,000.00 | Mixed use Project. Hamilton Commons, which is partially completed and will ultimately include apprx 385,000 sq ft of retail shopping, restaurants and entertainment. | Frank Blee (R-Assembly)<br>Linda Greenstein (D-Assembly) | 2<br>14 |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 08/13/03 | 81 | Active Adult residential community | 55 Newburgh Road, LLC | Segal and Morel Inc. | Hackettstown | Warren | (908) 722-3131 | $300,000.00 | Residential Project. It is a active adult community project. | Leonard Lance (R-Senate) | 23 |
| 07/21/03 | 74 | Society Hill at Droyers Point | K. Hovnanian at Jersey City III, LLC | Farer Fersko, Susan Karp | Jersey City | Hudson | (908) 789-8550 | $8,170,000.00 | Residential Project. K. Hovananian is building 380 townhouses called "Society hill at Droyer's Point". | Joan Quigley (D-Assembly)<br>Bernard Kenny (D-Senate) | 32<br>33 |
| 07/17/03 | 83 | Port Imperial South at Weehawken | Port Imperial South L.L.C. | Neil Yoskin | Weehawken | Hudson | (609) 279-0900 | $7,000,000.00 | Commercial Project. Port Imperial south will contain151,000 sq feet of retail and a 400-room hotel. | Bernard Kenny (D-Senate) | 33 |
| 06/12/03 | 70 | 31 Sharot LLC | Mr. Bill Butler | Mr. Bill Butler | Carteret | Middlesex | (732) 673-0550 | $230,000.00 | Mixed use Project. Former Carteret Lumber Yard 1.4 acre will house 7 two family and strip mall with apartments on top. | Joseph Vas (D-Assembly) | 19 |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 05/07/03 | 52 | Village West Mixed Use Project | Monroe Center Development, LLC | Farer Fersko | Hoboken | Hudson | (908) 789-8550 | $9,750,000.00 | Commercial project. Will renovate existing buildings into corporate offices & repair shop. Annual sales est. of $800,000.00 that is expected to generate 60K. | Bernard Kenny (D-Senate) | 33 |
| 02/10/03 | 53 | Jayson Oil Company | Jayson Family II, LLC | Porzio Bromberg & Newman | Union | Union | (973) 538-4006 | $400,000.00 | Commercial Project. Former operator Union Steel Corp. Jayson Oil intends to reuse property and structures for its oil business. Est. double gross revenues over the next 5 years. | Leonard Lance (R-Senate)<br>Joseph Cryan (D-Assembly) | 23<br>20 |
| 02/10/03 | 55 | Barszcewski Street, LLC | Russo Development, LLC | Russo Development, LLC | Kearny | Hudson | (201) 487-5657 | $358,000.00 | Commercial Project. This property is also within the Hackensack Meadowlands District. Estimated cost to be $358,000. | Joan Quigley (D-Assembly) | 32 |
| 02/10/03 | 79 | Cintas Corporation | Cintas Corporation | Michael G. Stingone, Esq., and Douglas I Eilender, Esq. Cole, Schotz, Meisel, Forman & Leonard | Union Township | Union | (201) 489-3000 | $1,060,000.00 | Commercial Project. As part of Cintas's business plan, Cintas proposes to develop the property as a garment processing facility. | Joseph Cryan (D-Assembly) | 20 |

| *Executed* | *ID* | *Name of Project* | *Developer* | *Representative* | *City* | *County* | *Phone Number* | *Estimated Costs* | *Summary* | *Budget Committee Member* | *District* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 02/07/03 | 80 | Deutsch Family - Meadow Street | Hydro-Geo Corporation | Stephen Laney | Somerville | Somerset | (908) 904-9022 | $140,000.00 | Commercial Project. A three-story combination office and public storage building will be constructed on the property. | Walter Kavanaugh (R-Senate) | 16 |
| 02/07/03 | 50 | Deutsch Somerville Site | Deutsch Family Associates | Hydro-Geo Corporation | Somerville | Somerset | (908) 904-9022 | $98,600.00 | Commercial Project. The redevelopment consists of remodeling the existing building. The premises will be used for the rental of automobiles. | Walter Kavanaugh (R-Senate) | 16 |
| 02/07/03 | 60 | Edgewater Enterprises, LLC | Edgewater Enterprises, LLC | Wolff & Samson | Edgewater | Bergen | (201) 488-3338 | $10,000,000.00 | Commercial Project. | Joseph Coniglio (D-Senate) | 38 |
| 01/13/03 | 72 | Aviation Plaza at Linden | Starwood Ceruzzi | Cole, Schotz, Meisel, Forman & Leonard | Linden | Union | (201) 489-3000 | $2,200,000.00 | Commercial Project Will house new shopping/hotel complex. Property is appx. 68.8 Acers. Leases with Staples, Home Depot, Old Navy, Modell's, A.C. Moore and Target-sales est. $175 M. | N/A | N/A |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 01/13/03 | 78 | Paterson Home Depot (HDI Realty LLC) | Lieberman & Bleacher, P.C. | Stuart J. Lieberman | Paterson | Passaic | (609) 497-3930 | $1,249,765.00 | Commercial Project. It will become a Home Depot retail store. | N/A | N/A |
| 12/05/02 | 76 | Boonton Investors | Harold & Haines | Anthony Reitano | Boonton | Morris | (908) 647-1022 | $14,140,000.00 | Commercial Project. The project proposes 184,000 sq ft of retail space, also parking spaces, utility and landscaping. | Anthony Bucco (R-Senate) | 25 |
| 11/13/02 | 44 | Passaic Investors Redevelopment Project | Passaic Investors LLC | Harold and Haines, Anthony Reitano | Passaic | Passaic | (908) 647-1022 | $2,191,618.00 | Commercial Project. The project site contains appro. 16.5 acres. Project proposes a Home Depot. The site is currently unused. | N/A | N/A |
| 08/08/02 | 56 | Central Business District Redevelopment Area | City of Rahway | Whitestone Associates | Rahway | Union | (908) 668-7777 | $1,304,000.00 | Commercial Project. 100 room hotel complex with conference / meeting rooms, 12,000 square feet of restaurant, retail space, and parking gar. | N/A | N/A |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 08/06/02 | 58 | Seaview Square Mall | Starwood Heller Seaview LLC | Wolff & Samson | Ocean | Ocean | (973) 740-0500 | $400,000.00 | Commercial Project. This was the former M&T Delissa Landfill That ceased operation in the 1970. The new mall will house a Lowes and Costco and estimated tax generation will be $1,000,000. | N/A | N/A |
| 05/20/02 | 18 | Fairfield Inn & Suites - Newark Airport | Newark Hotel Partners | Valley Forge Investment Corp. | Newark | Essex | (610) 687-2400 | $377,158.00 | Commercial Project. Fairfield Inn & Suites, Near Newark Intnl Airport. Economy class 163-room hotel with conference facilities. The developer acquired the property from the Newark Economic Development Corporation. | Sharpe James (D -Senate - Vice Chair)<br>William Payne (D-Assembly - Vice Chair) | 29<br>29 |
| 04/22/02 | 1 | 1210-1212 White Horse Pike, Oaklyn | Saini Investment, LLC | Saini Investment LLC | Oaklyn | Camden | (302) 983-8059 | $84,866.00 | Commercial Project. This project is apprx 1 acre with 2 buildings. The combined covered area is 9,000 sq ft. The front portion of this property is currently used for retail business but is not being used to its fullest potential. | Lou Greenwald (D-Assembly - Chair) | 6 |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 04/04/02 | 17 | 1101-1125 Hudson Street LLC | Former Maxwell House Site Hoboken | Porzio Bromberg & Newman | Hoboken | Hudson | (973) 538-4006 | $4,150,000.00 | Mixed use Project. Former Maxwell House Site Hoboken.incorporating the following elements: Waterfront walkway, parking facility, apprx 800-1600 new homes, and apprx 150,000 sq. ft. commercial space. | Bernard Kenny (D-Senate) | 33 |
| 03/29/02 | 69 | Town Hall Shoppes | Ninth Venture LLC | Hale and Dorr | Brick Township | Ocean | (609) 750-7600 | $1,060,000.00 | Commercial Project. Expands existing shopping center - dormant site, not a viable economic asset to community. The area expansion is the location of former landfill that operated between 1951 and 1980. | N/A | N/A |
| 02/19/02 | 68 | Trenton Hotel Conference Center | Lafayette Yard Community Development Corporation | Acquest-New Jersey LLC, sterns & weinroth | Trenton | Mercer | (609) 392-2100 | $1,300,000.00 | Commercial Project. Trenton Conference Center, Full-service seven-story Marriott property in the heart of Trenton includes 197 guestrooms, 2 executive suites. The Marriott is connected to a 40,000 square foot conference center. | Shirley Turner ((D-Senate)<br>Bonnie Watson Coleman (D-Assembly) | 15<br>15 |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 01/14/02 | 16 | Camden Baseball Stadium | Cooper's Ferry Development Association | Montgomery, McCracken, Walker & Rhoads | Camden | Camden | (856) 488-7700 | $1,947,000.00 | Commercial Project. Campbell's Field, proud home of the Camden Riversharks minor league baseball team. Campbell's Field is now generating new annual tax revenues of $407,666. | Wayne Bryant (D-Senate - Chair) | 5 |
| 12/19/01 | 15 | Hackensack Meadowlands Redevelopment | EnCap Golf Holdings Inc. | DeCotiis FitzPatrick Gluck & Cole | Lyndhurst, N. Arlington, Rutherford | Bergen | (201) 928-1100 | $138,120,000.00 | Commercial Project. This site was previously utilized by the former owners as a golf driving range. The redeveloped site will be used as an indoor sports complex with the expanded and upgraded golf driving range. | Paul Sarlo (D-Senate) | 36 |
| 08/01/01 | 14 | Salerno Duane Pontiac GMC | CCK&K Realty 3, LLC | Salerno Duane Automotive Group | Summit | Union | (908) 277-6700 | $265,000.00 | Commercial Project. This site was commonly known as the Formachella Property, for approx 100 years. It has consisted of 1½ acres with anywhere from 4-7 buildings at any given time. | Tom Kean Jr. (R-Senate) | 21 |
| 05/31/01 | 10 | Willingboro Town Center | ReNEWal Willingboro,LLC | ReNEWal Realty | Willingboro Township | Burlington | (609) 596-8533 | $950,000.00 | Commercial Project. This property is the former site of the Willingboro Town Center, which presently is a vacant, deteriorated 1950's-style open-air shopping mall. Serve as a "community center" for Willingboro. | N/A | N/A |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 05/31/01 | 13 | Denville Station Plaza | Denville Station LLC | Porzio, Bromberg & Newman | Denville | Morris | (973) 538-4006 | $200,000.00 | Commercial Project. The existing structure comprised of 55,636 sq ft, will be demolished. This will be replaced with two commercial buildings and parking lot. The first unit is leased to CVS Pharmacy. | Anthony Bucco (R-Senate) | 25 |
| 05/31/01 | 12 | Montgomery Greene | Bogota Golf Center | Whitestone Associates | Bogota, Ridgefield Park | Bergen | (908) 668-7777 | $611,000.00 | Commercial Project. This site was previously utilized by the former owners as a golf driving range. The redeveloped site will be used as an indoor sports complex with the expanded and upgraded golf driving range. | Joseph Coniglio (D-Senate) | 38 |
| 05/31/01 | 11 | A&P Shopping Center Ocean City | Great Atlantic & Pacific Tea Company, Inc. | Whitestone Associates | Ocean City | Cape May | (908) 668-7777 | $359,300.00 | Commercial project.The new A+P is projected to earn gross sales of $360,000 / week. | N/A | N/A |
| 04/26/01 | 9 | Arby's Restaurant | Sybra, Inc. | Whitestone Associates | Woodbury | Gloucester | (908) 668-7777 | $152,000.00 | Commercial Project. The property will be constructed into an 84-seat Arby's Restaurant with a drive-up window and 41 parking spaces on an apprx 49,209 sq ft tract. | Wayne Bryant (D-Senate - Chair) | 5 |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 04/06/01 | 5 | Holiday Inn | East Coast Hospitality Group LLC | Greenbaum Rowe Smith Ravin Davis & Himmel | Elizabeth | Union | (732) 549-5600 | $550,000.00 | Commercial Project. This property is formerly known as the Mastic Asphalt Corporation. The applicant proposes to construct an eight-story hotel with 260 rooms. | Joseph Cryan (D-Assembly) | 20 |
| 03/22/01 | 3 | A&P Shopping Center - Woodbridge | BTS Woodbridge, LLC | Whitestone Associates | Woodbridge | Middlesex | (908) 668-7777 | $1,384,719.00 | Commercial Project. The redeveloped site will be anchored by an A&P supermarket. The supermarket, encompassing apprx 57,000 sq ft of retail space, is projected to earn gross sales of $500,000/week. | N/A | N/A |
| 08/11/00 | 2 | A&P Shopping Center - Closter | Great Atlantic & Pacific Tea Company, Inc. | Whitestone Associates | Closter | Bergen | (908) 668-7777 | $557,500.00 | Commercial Project. The new store shall encompass approximately 44,000 square feet, and is now back on the real estate market after years of being vacant; before 1999, it was occupied by A&P. | N/A | N/A |
| 03/24/00 | 4 | Duraport Marine and Rail Terminal Facility | Duraport Marine and Rail Terminals LLC | Whitestone Associates | Bayonne | Hudson | (973) 912-9008 | $8,555,000.00 | Commercial Project. This site was previously utilized by the former owners as a chemical bulk storage and transshipment facility. The redeveloped site shall be used as a dry goods bulk storage and transshipment facility. | N/A | N/A |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 01/06/00 | 67 | Woodbridge Sports Plus Redevelopment Project | Woodbridge Township Landfill | Sills Cummis Radin Tischman Epstein & Gross | Woodbridge Township | Middlesex | (973) 643-7000 | $5,000,000.00 | Commercial Project. NHL regulation size ice rinks, a family entertainment center, and restaurant will be located within the approximate 120,000 square foot structure. | Joseph Vas (D-Assembly) | 19 |
| 09/28/99 | 66 | Rt. 37 West Redevelopment Project | Dover Township Municipal Landfill | 909 Rt. 37 West Associates, LLC | Dover Township (Toms River) | Ocean | (609) 971-1390 | $2,000,000.00 | Commercial Project. The proposed development aligns itself with this existing development strategy by bringing to the area a proposed BJ's Wholesale Club as well as more than 44,000 square feet of proposed retail shops. | Anthony Bucco (R-Senate) | 25 |
| 09/24/99 | 8 | 111 Thomas McGovern Drive Redevelopment | SnowBird Water Corp. | SnowBird Water Corp. | Jersey City | Hudson | (212) 582-8888 | $200,000.00 | Commercial Project. This relocation would involve transferring all of SnowBird's employees, water bottling plant, equipt. refurbishment center, refreshment product warehouse, and truck garaging and computer cntr. | Joan Quigley (D-Assembly)<br>Bernard Kenny (D-Senate) | 32<br>33 |

| Executed | ID | Name of Project | Developer | Representative | City | County | Phone Number | Estimated Costs | Summary | Budget Committee Member | District |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 07/29/99 | 7 | Holmdel Redevelopment Project | Caydenzar Associates, LP | Farer Fersko | Holmdel | Monmouth | (908) 789-8550 | $1,000,000.00 | Mixed use Project. This property will be developed for residential dwelling units, a 230 bed assisted living care facility, and a 100,000-square foot retail mall. | N/A | N/A |
| 05/28/99 | 6 | Edison Crossroads Redevelopment Project | Edison 1 North, LLC | Maraziti Falcon & Healey | Edison | Middlesex | (973) 912-9008 | $1,553,000.00 | Commercial Project. Edison Crossroads: Home Depot, Office Depot, Edwards, McDonald's, Applebee's, Petco, Worldwide Floor Coverings, Ultimate Collision Repair, and Liberty Bank. | Barbara Buono (D-Senate) | 16 |
| 10/09/98 | 64 | Huron North Redevelopment Area | MAC, Corp. | DeCotiis, Fitzpatrick & Gluck | Atlantic City | Atlantic | (201) 928-1100 | $37,400,000.00 | Commercial Project. Known as Le Jardin, consists of a grand conservatory-themed entertainment facility with botanical gardens, 2,000 hotel rooms, 140,000 sq ft of retail space, & other entertainment & public facilities. | Frank Blee (R-Assembly) | 2 |

| *Executed* | *ID* | *Name of Project* | *Developer* | *Representative* | *City* | *County* | *Phone Number* | *Estimated Costs* | *Summary* | *Budget Committee Member* | *District* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 05/18/98 | 65 | Tea Street-Middlebrook Redevelopment Project | Bound Brook Municipal Landfill | The Advance Group, Inc. | Bound Brook | Somerset | (973) 228-5700 | $1,076,000.00 | Commercial Project. The Project will consist of a 104,000-sq. ft. retail center, anchored by a 70,000-sq. ft. supermarket which is anticipated to have annual sales of $50 million. | Walter Kavanaugh (R-Senate) | 16 |

# ATTACHMENT C

## Brownfields Site Reimbursement Fund:
Commitments and Payments Inception to Date

| | Executed Date | Developer | Estimated Payment (75%) | FY00 | FY01 | FY02 | FY03 | FY04 | FY05 | Total Payments Inception to Date | Remaining Payout Due | Definite Remaining |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | *FY98* | | | | | | | | | | | |
| 1 | 5/18/1998 | Bound Brook Municipal Landfill | $807,000 | | | | | | | $0 | $807,000 | |
| | *FY99* | | | | | | | | | | | |
| 2 | 9/3/1998 | MAC, Corp. | $28,050,000 | | | | | | | $0 | $28,050,000 | |
| 3 | 4/15/1999 | Caydenzar Associates, LP | $750,000 | | | | | | | $0 | $750,000 | |
| 4 | 4/15/1999 | Edison 1 North, LLC | **$1,593,702** | $1,083,000 | $510,094 | $0 | $0 | $0 | | **$1,593,094** | **$608** | |
| 5 | 4/30/1999 | Snowbird Water Corp. | **$176,235** | $0 | $16,332 | $35,172 | $39,572 | $0 | $30,808 | **$121,884** | **$54,351** | $54,351 |
| | *FY00* | | | | | | | | | | | |
| 6 | 10/18/1999 | Great Atlantic & Pacific Tea Company, Inc. | **$238,804** | | | | | | $238,000 | **$238,000** | **$804** | |
| 7 | 10/25/1999 | Dover Township Municipal Landfill | $1,500,000 | | | | | | | $0 | $1,500,000 | |
| 8 | 11/24/1999 | Duraport Marine and Rail Terminals LLC | $6,416,250 | | | | | | | $0 | $6,416,250 | |
| 9 | 11/24/1999 | East Coast Hospitality Group LLC | $412,500 | | | | | | | $0 | $412,500 | |
| 10 | 1/6/2000 | Woodbridge Township Landfill | $3,750,000 | | | | | | | $0 | $3,750,000 | |
| 11 | 2/1/2000 | Great Atlantic & Pacific Tea Company, Inc. | $269,475 | - | $0 | $202,000 | $0 | $0 | | **$202,000** | **$67,475** | |
| | *FY01* | | | | | | | | | | | |
| 12 | 7/13/2000 | BTS Woodbridge, LLC | **$1,038,539** | - | - | $218,000 | $197,500 | $161,673 | | **$577,173** | **$461,366** | $461,366 |
| 13 | 7/13/2000 | Passaic Investors LLC | $2,312,573 | | | | | | $2,106,566 | **$2,106,566** | **$206,008** | $206,008 |
| 14 | 7/13/2000 | Sybra, Inc. | **$108,989** | - | - | $74,330 | $7,411 | $0 | | **$81,741** | **$27,248** | $27,248 |
| 15 | 11/15/2000 | Bogota Golf Center | $458,250 | | | | | | | $0 | $458,250 | |
| 16 | 11/15/2000 | Lafayette Yard Community Devel. Corp. | **$912,302** | - | - | $0 | $247,596 | $546,354 | $111,516 | **$905,466** | **$6,836** | $6,836 |
| 17 | 2/8/2001 | ReNEWal Willingboro, LLC | $712,500 | | | | | | | $0 | $712,500 | |
| 18 | 3/26/2001 | Denville Station LLC | $129,667 | - | - | $0 | $129,667 | $0 | | **$129,667** | **$0** | $0 |
| 19 | 4/19/2001 | Former Maxwell House Site Hoboken | $3,112,500 | | | | | | | $0 | $3,112,500 | |
| 20 | 5/24/2001 | CCK&K Realty 3, LLC | **$222,065** | - | - | $132,555 | $0 | $89,500 | | **$222,055** | **$10** | |
| | *FY02* | | | | | | | | | | | |
| 21 | 7/2/2001 | Hydro-Geo Corporation | $105,000 | | | | | | | $0 | $105,000 | |
| 22 | 8/15/2001 | Ninth Venture LLC | $795,000 | | | | | | | $0 | $795,000 | |
| 23 | 10/4/2001 | Saini Investment, LLC | $63,650 | | | | | | | $0 | $63,650 | |
| 24 | 12/19/2001 | EnCap Golf Holdings, Inc. | $103,590,000 | | | | | | | $0 | $103,590,000 | |
| 25 | 1/8/2002 | Cooper's Ferry Development Association | **$1,351,857** | - | - | - | $241,314 | $0 | $171,365 | **$412,679** | **$939,178** | $939,178 |
| 26 | 3/14/2002 | City of Rahway | $978,000 | | | | | | | $0 | $978,000 | |
| 27 | 4/1/2002 | Newark Hotel Partners | $282,869 | | | | | | | $0 | $282,869 | |
| | *FY03* | | | | | | | | | | | |
| 28 | 8/1/2002 | Starwood Heller Seaview LLC (E) | $300,000 | | | | | | | $0 | $300,000 | |
| 29 | 10/2/2002 | Monroe Center Development, LLC | $7,312,500 | | | | | | | $0 | $7,312,500 | |
| 30 | 10/3/2002 | Jayson Family II, LLC | **$300,000** | - | - | - | - | $76,062 | $101,999 | **$178,061** | **$121,939** | $121,939 |
| 31 | 11/14/2002 | Hook-SupeRx | **$191,250** | | | | | | | | | |
| 32 | 11/18/2002 | Starwood Ceruzzi Linden - 75%of $2.3 million -approved for.. | **$1,084,692** | - | - | - | $0 | $610,140 | | **$610,140** | **$474,552** | $474,552 |
| 33 | 11/19/2002 | Herold & Haines | $10,605,000 | | | | | | | $0 | $10,605,000 | |
| 34 | 12/2/2002 | Lieberman & Bleacher, P.C. | $937,324 | | | | | | | $0 | $937,324 | |
| 35 | 12/4/2002 | Cintas Corporation | $795,000 | | | | | | | $0 | $795,000 | |
| 36 | 12/12/2002 | Deutsch Family Associates | $73,950 | | | | | | | $0 | $73,950 | |



As of 5/18/2005

## Brownfields Site Reimbursement Fund:

**Commitments and Payments Inception to Date**

| | Executed Date | Developer | Estimated Payment (75%) | FY00 | FY01 | FY02 | FY03 | FY04 | FY05 | Total Payments Inception to Date | Remaining Payout Due | Definite Remaining |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 37 | 1/6/2003 | Edgewater Enterprises, LLC | $7,500,000 | | | | | | | $0 | $7,500,000 | |
| 38 | 1/6/2003 | Russo Development, LLC | $268,500 | | | | | | | $0 | $268,500 | |
| | *FY04* | | | | | | | | | | | |
| 39 | 7/16/2003 | Port Imperial South L.L.C. (E) | $5,250,000 | | | | | | | $0 | $5,250,000 | |
| 40 | 7/29/2003 | 55 Newburgh Road, LLC -lesser of 50% of cost & $150k | $150,000 | | | | | | | | | |
| 41 | 8/5/2003 | BWF Development, Inc. (E) | $60,150 | | | | | | | $0 | $60,150 | |
| 42 | 11/7/2003 | SFC Enterprises, Inc. | $96,750 | | | | | | | $0 | $96,750 | |
| 43 | 12/17/2003 | C.P. Building Group, Inc. | $150,000 | | | | | | | $0 | $150,000 | |
| 44 | 12/23/2003 | Foundry Street, LLC | $750,000 | | | | | | | $0 | $750,000 | |
| 45 | 2/24/2004 | Matrix/Newark City Dock, LLC (E) | $3,028,500 | | | | | | | $0 | $3,028,500 | |
| 46 | 2/26/2004 | Joashlin Construction Company | $750,000 | | | | | $104,313 | | $104,313 | $645,687 | |
| 47 | 3/18/2004 | Roselle Equities, Inc. | $318,750 | | | | | | | $0 | $318,750 | |
| 48 | 3/18/2004 | Summit View | $375,000 | | | | | | | | | |
| 49 | 3/22/2004 | American Stores Realty Corp. (E) | $365,641 | | | | | | 365,641 | $365,641 | $0 | |
| 50 | 3/22/2004 | Raritan Town Center L.L.C. (E) | $562,500 | | | | | | | $0 | $562,500 | |
| 51 | 4/27/2004 | Conifer Realty, LLC (E) | $80,700 | | | | | | | $0 | $80,700 | |
| 52 | 5/3/2004 | MG KOR Companies | $534,178 | | | | | | | | | |
| 53 | 6/3/2004 | Long's Own Four, LLC | $586,252 | | | | | | | | | |
| 54 | 6/17/2004 | The Verdure Asset Corporation | $832,824 | | | | | | | | | |
| | *FY 05* | | | | | | | | | | | |
| 55 | 7/30/2004 | Apple Food Services | $297,750 | | | | | | | | | |
| 56 | 9/23/2004 | Auto Zone, Inc. | $103,778 | | | | | | | $0 | $103,778 | |
| 57 | 10/1/2004 | Rushton Industries | $825,000 | | | | | | | $0 | $825,000 | |
| 58 | 10/19/2004 | Xanadu Project - Continental Airlines Arena | $2,917,500 | | | | | | | $0 | $2,917,500 | |
| 59 | 10/21/2004 | Auto Zone, Inc. | $311,250 | | | | | | | $0 | $311,250 | |
| 60 | 10/21/2004 | Auto Zone, Inc. | $168,750 | | | | | | | $0 | $168,750 | |
| 61 | 10/21/2004 | Home Depot USA | $843,493 | | | | | | | $0 | $843,493 | |
| 62 | 11/17/2004 | Catellus Construction Corporation | $12,529,140 | | | | | | | | | |
| 63 | 11/17/2004 | Lodi-Essex, LLC | $90,000 | | | | | | | | | |
| 64 | 1/10/2005 | The Athena Group, LLC | $614,363 | | | | | | | | | |
| 65 | 1/10/2005 | The Lyndhurst Residential Communities | $758,550 | | | | | | | | | |
| 66 | 5/5/2005 | Garwood Mews LLC | $187,500 | | | | | | | | | |
| | | **TOTAL PAYMENTS PER YEAR** | | $1,083,000 | $526,426 | $662,057 | $863,060 | $1,588,042 | $3,125,894 | $7,848,480 | | $2,291,478 |
| | | **TOTAL (ESTIMATED PAYMENTS )** | $223,044,261 | | | | | | | | $198,048,975 | |

Note: ***OMB is missing 3 agreements not in this list 3 agreements in this list are still pending - see items highlighted***

ATTACHMENT D

**New Jersey Lottery**
**Analysis of Unclaimed Prize Awards**
**Fiscal year 2002 through 2005**

| Fiscal Year | | Total Unclaimed | - | 30% to State | = | 70% To Reserve | - | Reserve To Prizes | - | Reserve Turnover To State | = | Net To Reserve | Reserve Balance' |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | 3,726,273 |
| 2002 | | 28,842,236 | | 8,652,671 | | 20,189,565 | | 454,006 | | 2,427,326 | | 17,308,233 | 21,034,506 |
| 2003 | | 38,517,867 | | 11,555,360 | | 26,962,507 | | 2,537,582 | | 34,820,551 | | (10,395,626) | 10,638,880 |
| 2004 | | 42,984,774 | | 12,895,432 | | 30,089,342 | | 3,362,897 | | 23,336,438 | | 3,390,007 | 14,028,887 |
| 2005 | ** | 30,286,046 | | 9,085,814 | | 21,200,232 | | 3,982,810 | | 24,007,338 | | (6,789,916) | 7,238,971 |
| Totals | | 140,630,923 | | 42,189,277 | | 98,441,646 | | 10,337,295 | | 84,591,653 | * | 3,512,698 | |
| | | | | 84,591,653 * | | | | | | | | | |
| | | Total Unclaimed to State | | 126,780,930 | | | | | | | | | |

** Projected

ATTACHMENT E

**UNCLAIMED PERSONAL PROPERTY TRUST FUND**
**STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE**
**PROJECTED REVENUE & EXPENDITURE AMOUNTS**

| | FY2005 PROJECTED | FY2006 PROJECTED |
|---|---|---|
| **REVENUES** | | |
| Escheat revenues | 175,000,000 | 150,000,000 |
| Escheated securities | 87,500,000 | 30,000,000 |
| Miscellaneous Revenue | | |
| Investment earnings: | | |
| Realized earnings | 10,000,000 | 2,635,000 |
| Unrealized earnings(loss) | - | - |
| Total Revenues | 272,500,000 | 182,635,000 |
| **EXPENDITURES & OTHER FINANCING USES** | | |
| Claims | 60,000,000 | 60,000,000 |
| Miscellaneous expenditures | - | - |
| Transfer to Unclaimed Utility Fund | - | - |
| Transfers to General Fund: | | |
| Administrative expenses | 6,162,000 | 6,900,000 |
| Escheat | 194,075,000 | 194,075,000 |
| Total Expenditures & Other Financing Uses | 260,237,000 | 260,975,000 |
| **Net increase in fund balance** | 12,263,000 | (78,340,000) |
| **FUND BALANCE JULY 1** | 260,946,784 | 273,209,784 |
| Adjustments to opening fund balance | - | - |
| **FUND BALANCE JUNE 30:** | 273,209,784 | 194,869,784 |

ATTACHMENT F

| Count of Residential Properties by Equalized Value | | |
|---|---|---|
| | 2003 | 2004 |
| **Less than $100,000** | 297,585 | 220,422 |
| **$100,000 - $200,000** | 845,212 | 709,302 |
| **$200,000 - $300,000** | 638,931 | 686,064 |
| **$300,000 - $400,000** | 290,529 | 364,576 |
| **$400,000 - $500,000** | 136,853 | 183,007 |
| **$500,000 - $600,000** | 68,276 | 93,965 |
| **$600,000 - $700,000** | 37,866 | 51,598 |
| **$700,000 - $800,000** | 22,229 | 30,516 |
| **$800,000 - $900,000** | 13,354 | 19,198 |
| **$900,000 - $1,000,000** | 8,841 | 12,331 |
| **Greater than $1,000,000** | 26,341 | 37,159 |

ATTACHMENT G

**Discussion Point 9.**

**For FY 2005 "FAIR" rebate distributions, please provide the following data for the senior and non-senior and the homeowner and tenant populations: 1) distribution of rebates by income brackets; and 2) distribution of rebates by rebate amounts.**

| | Senior Homeowners | | | Non-Senior Homeowners | | |
|---|---|---|---|---|---|---|
| Income Levels | Number | Amount | Average | Number | Amount | Average |
| 0 - 10,000 | 274,902 | 335,035,237.81 | 1,218.74 | 36,844 | 29,145,271.03 | 791.05 |
| 10,000 - 20,000 | 73,052 | 87,550,633.41 | 1,198.47 | 39,338 | 30,680,999.00 | 779.93 |
| 20,000 - 30,000 | 49,059 | 57,288,692.99 | 1,167.75 | 57,882 | 44,118,073.08 | 762.21 |
| 30,000 - 40,000 | 35,863 | 41,517,597.11 | 1,157.67 | 79,967 | 59,578,803.82 | 745.04 |
| 40,000 - 50,000 | 26,971 | 30,955,741.87 | 1,147.74 | 92,720 | 67,889,202.54 | 732.20 |
| 50,000 - 60,000 | 19,822 | 22,544,848.25 | 1,137.36 | 95,086 | 68,587,749.13 | 721.32 |
| 60,000 - 70,000 | 14,667 | 16,519,557.00 | 1,126.31 | 95,839 | 67,892,496.37 | 708.40 |
| 70,000 - 100,000 | 26,500 | 19,262,588.12 | 726.89 | 257,512 | 177,385,726.04 | 688.84 |
| 100,000 - 150,000 | 13,857 | 8,741,438.32 | 630.83 | 223,432 | 135,185,713.23 | 605.04 |
| 150,000 - 200,000 | 5,078 | 2,548,801.49 | 501.93 | 78,142 | 39,123,514.07 | 500.67 |
| TOTAL | 539,771 | 621,965,136.37 | 1,152.28 | 1,056,762 | 719,587,548.31 | 680.94 |

| | Senior Tenants | | | Non-Senior Tenants | | |
|---|---|---|---|---|---|---|
| Income Levels | Number | Amount | Average | Number | Amount | Average |
| 0 - 10,000 | 70,770 | 55,856,993.10 | 789.28 | 109,911 | 16,084,668.38 | 146.34 |
| 10,000 - 20,000 | 13,174 | 7,927,921.66 | 601.79 | 156,481 | 22,905,353.90 | 146.38 |
| 20,000 - 30,000 | 8,030 | 3,327,185.60 | 414.34 | 146,226 | 21,334,564.05 | 145.90 |
| 30,000 - 40,000 | 4,943 | 1,295,264.57 | 262.04 | 113,522 | 16,480,580.08 | 145.18 |
| 40,000 - 50,000 | 3,005 | 589,027.77 | 196.02 | 80,821 | 11,673,810.25 | 144.44 |
| 50,000 - 60,000 | 1,705 | 304,840.77 | 178.79 | 49,843 | 7,195,769.02 | 144.37 |
| 60,000 - 70,000 | 1,010 | 181,183.77 | 179.39 | 32,043 | 4,628,498.25 | 144.45 |
| 70,000 - 100,000 | 1,234 | 182,309.52 | 147.74 | 45,984 | 6,639,672.50 | 144.39 |
| TOTAL | 103,871 | 69,664,726.76 | 670.69 | 734,831 | 106,942,916.43 | 145.53 |

| | Senior Homeowners | | | Non-Senior Homeowners | | |
|---|---|---|---|---|---|---|
| Rebate Amounts | Number | Amount | Average | Number | Amount | Average |
| 0.01 - 150.00 | 1,205 | 70,814.71 | 58.77 | 759 | 90,237.48 | 118.89 |
| 150.01 - 775.00 | 32,986 | 18,128,730.24 | 549.59 | 556,602 | 319,923,367.50 | 574.78 |
| 775.01-825.00 | 21,954 | 17,562,619.17 | 799.97 | 499,084 | 399,206,845.73 | 799.88 |
| 825.01 - 999.99 | 4,406 | 4,015,809.05 | 911.44 | 18 | 16,027.28 | 890.40 |
| 1000 | 26,641 | 26,641,000.00 | 1,000.00 | 40 | 40,000.00 | 1,000.00 |
| 1000.01 - 1199.99 | 14,772 | 16,130,291.51 | 1,091.95 | 19 | 21,100.66 | 1,110.56 |
| 1200 | 155,873 | 187,047,600.00 | 1,200.00 | 199 | 238,800.00 | 1,200.00 |
| > 1200 | 281,934 | 352,368,271.69 | 1,249.83 | 41 | 51,169.63 | 1,248.04 |
| TOTAL | 539,771 | 621,965,136.37 | 1,152.28 | 1,056,762 | 719,587,548.28 | 680.94 |

| | Senior Tenants | | | Non-Senior Tenants | | |
|---|---|---|---|---|---|---|
| Rebate Amounts | Number | Amount | Average | Number | Amount | Average |
| 0.01 - 150.00 | 14,509 | 2,157,489.78 | 148.70 | 734,780 | 106,918,613.05 | 145.51 |
| 150.01 - 775.00 | 26,578 | 13,116,469.20 | 148.70 | 36 | 11,466.71 | 318.52 |
| 775.01-825.00 | 8,343 | 6,815,633.34 | 816.93 | 4 | 3,252.55 | 813.14 |
| 825.01 - 999.99 | 54,421 | 47,551,873.73 | 873.78 | 11 | 9,584.12 | 871.28 |
| 1000 | 0 | 0.00 | 0.00 | 0 | 0.00 | 0.00 |
| 1000.01 - 1199.99 | 10 | 10,838.85 | 1,083.89 | 0 | 0.00 | 0.00 |
| 1200 | 1 | 1,200.00 | 1,200.00 | 0 | 0.00 | 0.00 |
| > 1200 | 9 | 11,221.86 | 1,246.87 | 0 | 0.00 | 0.00 |
| TOTAL | 103,871 | 69,664,726.76 | 670.69 | 734,831 | 106,942,916.43 | 145.53 |

ATTACHMENT H

**CAMDEN ECONOMIC RECOVERY ACCOUNT #100-082-2078-031**

**FY 2004 Expenditure Activity**

| | |
|---|---|
| FY 2004 Appropriation | $1,500,000.00 |

<u>FY 2004 Disbursements</u>

| | |
|---|---|
| City of Camden (Walter Rand Institute) 10/23/03 | $421,335.00 |
| City of Camden (Municipal Management Study) 4/1/04 | $235,000.00 |
| FY 2004 Total Expended | $656,335.00 |
| FY 2004 Unexpended Balance | $843,665.00 |

**FY 2005 Expenditure Activity**

| | |
|---|---|
| Reaappropriation | $843,000.00 |
| FY 2005 Appropriation | $1,500,000.00 |
| FY 2005 Opening Balance | $2,343,000.00 |

<u>FY 2005 Disbursements</u>

| | |
|---|---|
| City of Camden (Legal Expenses of Camden Economic Recovery Initiative) | $11,222.54 |
| Camden Aquarium LLC (State Aquarium Transistional Costs) 10/10/04 | $17,151.36 |
| Camden Aquarium LLC (State Aquarium Transistional Costs) 11/15/04 | $80,836.60 |
| Camden Aquarium LLC (State Aquarium Transistional Costs) 12/2/04 | $127,725.99 |
| Camden Aquarium LLC (State Aquarium Transistional Costs) 1/13/05 | $103,835.81 |
| Camden Aquarium LLC (State Aquarium Transistional Costs) 2/4/05 | $120,598.10 |
| Camden Aquarium LLC (State Aquarium Transistional Costs) 3/1/05 | $115,829.73 |
| Camden Aquarium LLC (State Aquarium Transistional Costs) 4/11/05 | $212,264.12 |
| Camden Redevelopment Agency (Development Projects) 4/19/05 | $744,388.73 |
| Expenditures to Date 5/12/05 | $1,533,852.98 |
| Balance Encumbered for Camden Aquarium LLC (State Aquarium Transistional Costs) | $64,758.29 |
| Balance Encumbered for Camden Redevelopment Agency (Development Projects) | $744,388.73 |
| Total Encumbrances 5/12/05 | $809,147.02 |
| Total Available for Carryforward into FY 2006 | $0.00 |

ATTACHMENT I

# Federal Maximization Contracts

5/19/2005

| Project | Vendor | Contract Period | Terms of Contract | Revenue Collected | Cost To State | Net Savings |
|---|---|---|---|---|---|---|
| NJ Payment of Premium for Medicaid Eligibles | Public Consulting Group | 11/30/05 - 2 annual ext. available | Contingency Fee equal to 5.00% of net recoveries | $ 210,000 | $ 10,500 | $ 199,500 |
| Increased Recoveries for Child Welfare and Adoption Assistance Maintenance and Training | Maximus | 11/30/05 - 2 annual ext. available | Contingency Fee equal to 4.75% of net recoveries | $ 1,250,000 | $ 59,000 | $ 1,191,000 |
| Special Education Medicaid Initiative (SEMI) | DMG (Maximus) | 1998 thru 2001 | Contingency Fee equal to 3.50% of net recoveries, plus monthly fee. | $ 118,500,000 | $ 4,350,000 | $ 114,150,000 |
| Special Education Medicaid Initiative (SEMI) | Maximus | 2001 thru 2005 | Contingency Fee equal to 3.50% of net recoveries, plus monthly fee. | $ 103,000,000 | $ 4,580,000 | $ 98,420,000 |
| Medicaid Administrative Claiming (MAC, formerly EPSDT)* | Deloitte Consulting | 1998 thru 2002 | Contingency Fee equal to 6.00% of net recoveries | $ 145,105,138 | $ 8,706,308 | $ 136,398,830 |
| Medicaid Administrative Claiming (MAC, formerly EPSDT) | Maximus | 2002 thru 2005 | Contingency Fee equal to 4.80% of net recoveries | $ 2,591,897 | $ 125,928 | $ 2,465,969 |
| Disproportionate Share Hospital Claiming * | Deloitte Consulting | 1996 thru 2002 | Contingency Fee equal to 6.00% of net recoveries | $ 367,876,088 | $ 22,072,565 | $ 345,803,522 |
| Intergovernmental Transfer Program | Myers and Stauffer | 2001 thru 2004 | Fixed Fee | $ 901,380,000 | $ 100,000 | $ 901,280,000 |

* Pending litigation regarding the validity of federal claims, and the accountability of contractor make all revenue and payment estimates preliminary.

ATTACHMENT J

**Urban Enterprize Zone General Fund Costs: FY00-04**

| Zone | Sales Tax Collections @ 3% | | | | | **FY00-04** | Dedicated UEZ Fund Costs | | | | | **FY00-04** | | **FY00-04** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY00 actual $000 | FY01 actual $000 | FY02 actual $000 | FY03 actual $000 | FY04 actual $000 | **reduced rate cost $000** | FY00 actual $000 | FY01 actual $000 | FY02 actual $000 | FY03 actual $000 | FY04 actual $000 | **UEZ fund cost $000** | **FY00-04 QB loss $000** | **gen. fund total loss $000** |
| ORIGINAL ZONES (11): | | | | | | | | | | | | | | |
| Bridgeton | 638 | 636 | 547 | 606 | 703 | **3,130** | 212 | 424 | 547 | 606 | 703 | **2,492** | **2,367** | **7,988** |
| Camden | 972 | 1,067 | 1,479 | 1,557 | 2,162 | **7,237** | 324 | 711 | 1,479 | 1,557 | 2,162 | **6,233** | **15,361** | **28,832** |
| Elizabeth | 9,688 | 10,934 | 11,339 | 12,228 | 11,875 | **56,064** | 6,462 | 7,293 | 7,563 | 5,774 | 3,954 | **31,046** | **29,113** | **116,223** |
| Jersey City | 11,893 | 11,225 | 10,802 | 11,037 | 12,366 | **57,323** | 7,933 | 7,487 | 7,205 | 5,211 | 4,118 | **31,954** | **191,466** | **280,743** |
| Kearny | 2,152 | 1,935 | 1,677 | 1,914 | 1,963 | **9,641** | 1,435 | 1,290 | 1,119 | 904 | 654 | **5,402** | **5,808** | **20,851** |
| Millville | 1,818 | 1,843 | 2,180 | 2,318 | 2,610 | **10,770** | 605 | 614 | 726 | 772 | 2,030 | **4,747** | **11,768** | **27,284** |
| Newark | 6,249 | 6,532 | 6,165 | 6,826 | 7,733 | **33,504** | 2,081 | 4,353 | 6,165 | 6,826 | 7,733 | **27,158** | **70,534** | **131,197** |
| Orange | 769 | 897 | 1,076 | 1,316 | 1,473 | **5,531** | 513 | 599 | 718 | 621 | 490 | **2,941** | **1,362** | **9,834** |
| Plainfield | 1,369 | 1,290 | 1,083 | 1,062 | 1,336 | **6,141** | 456 | 860 | 1,083 | 1,062 | 1,336 | **4,798** | **2,111** | **13,049** |
| Trenton | 1,654 | 1,703 | 1,524 | 1,749 | 2,001 | **8,631** | 551 | 1,135 | 1,524 | 1,749 | 2,001 | **6,960** | **5,704** | **21,294** |
| Vineland | 8,557 | 8,024 | 8,556 | 9,369 | 10,352 | **44,859** | 2,849 | 2,672 | 2,849 | 3,120 | 8,050 | **19,541** | **36,717** | **101,117** |
| **subtotal** | 45,759 | 46,086 | 46,430 | 49,982 | 54,574 | **242,831** | 23,421 | 27,438 | 30,978 | 28,202 | 33,231 | **143,271** | **372,311** | **758,413** |
| ave/zone | 4,160 | 4,190 | 4,221 | 4,544 | 4,961 | **22,076** | 2,129 | 2,494 | 2,816 | 2,564 | 3,021 | **13,025** | | **35,100** |
| 1995 EXPANSION (11): | | | | | | | | | | | | | | |
| Asbury Park | 288 | 248 | 328 | 527 | 701 | **2,092** | 208 | 165 | 219 | 352 | 468 | **1,411** | **438** | **3,941** |
| Passaic | 1,507 | 2,512 | 3,363 | 3,690 | 4,284 | **15,356** | 1,047 | 1,675 | 2,243 | 2,461 | 2,858 | **10,284** | **2,860** | **28,500** |
| Paterson | 3,150 | 3,104 | 2,893 | 3,221 | 3,353 | **15,720** | 2,276 | 2,070 | 1,929 | 2,148 | 2,236 | **10,660** | **8,539** | **34,919** |
| Perth Amboy | 2,025 | 1,942 | 2,240 | 2,408 | 2,620 | **11,234** | 1,519 | 1,295 | 1,494 | 1,606 | 1,747 | **7,662** | **7,562** | **26,458** |
| Lakewood | 7,642 | 7,334 | 7,320 | 7,414 | 9,461 | **39,170** | 5,945 | 4,892 | 4,883 | 4,945 | 6,310 | **26,975** | **19,802** | **85,947** |
| Long Branch | 624 | 646 | 628 | 653 | 775 | **3,326** | 485 | 431 | 419 | 435 | 517 | **2,288** | **1,780** | **7,394** |
| Phillipsburg | 504 | 473 | 774 | 983 | 1,167 | **3,902** | 392 | 316 | 516 | 656 | 779 | **2,659** | **2,652** | **9,212** |
| Carteret | 585 | 588 | 738 | 680 | 673 | **3,265** | 520 | 392 | 493 | 454 | 449 | **2,308** | **9,081** | **14,654** |
| Mt. Holly | 1,858 | 1,792 | 1,641 | 1,818 | 1,952 | **9,061** | 1,652 | 1,196 | 1,095 | 1,213 | 1,302 | **6,456** | **484** | **16,002** |
| Pleasantville | 4,557 | 5,212 | 5,666 | 7,231 | 7,969 | **30,634** | 4,051 | 3,476 | 3,779 | 4,823 | 5,315 | **21,445** | **2,577** | **54,656** |
| Union City | 978 | 1,037 | 1,064 | 1,146 | 1,131 | **5,357** | 897 | 692 | 710 | 764 | 755 | **3,817** | **377** | **9,551** |
| **subtotal** | 23,718 | 24,888 | 26,654 | 29,770 | 34,087 | **139,118** | 18,993 | 16,600 | 17,778 | 19,857 | 22,736 | **95,965** | **56,152** | **291,235** |
| ave/zone | 2,156 | 2,263 | 2,423 | 2,706 | 3,099 | **12,647** | 1,727 | 1,509 | 1,616 | 1,805 | 2,067 | **8,724** | | **21,371** |
| 1996 EXPANSION (7): | | | | | | | | | | | | | | |
| East Orange | 672 | 690 | 773 | 841 | 826 | **3,803** | 672 | 671 | 516 | 561 | 551 | **2,971** | **1,071** | **7,845** |

**Urban Enterprize Zone General Fund Costs: FY00-04**

| Zone | Sales Tax Collections @ 3% | | | | | **FY00-04** | Dedicated UEZ Fund Costs | | | | | **FY00-04** | | **FY00-04** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY00 actual $000 | FY01 actual $000 | FY02 actual $000 | FY03 actual $000 | FY04 actual $000 | **reduced rate cost $000** | FY00 actual $000 | FY01 actual $000 | FY02 actual $000 | FY03 actual $000 | FY04 actual $000 | **UEZ fund cost $000** | **FY00-04 QB loss $000** | **gen. fund total loss $000** |
| Guttenburg | 55 | 59 | 60 | 68 | 67 | **309** | 55 | 56 | 40 | 46 | 45 | **241** | **441** | **992** |
| Hillside | 1,463 | 1,334 | 1,145 | 1,254 | 1,302 | **6,497** | 1,463 | 1,260 | 764 | 836 | 868 | **5,191** | **10,016** | **21,704** |
| Irvington | 1,085 | 1,020 | 988 | 1,150 | 1,090 | **5,332** | 1,085 | 963 | 659 | 767 | 727 | **4,201** | **2,073** | **11,605** |
| North Bergen | 2,611 | 3,194 | 3,718 | 4,862 | 5,387 | **19,772** | 2,611 | 3,017 | 2,480 | 3,243 | 3,593 | **14,944** | **4,983** | **39,699** |
| Pemberton | 274 | 249 | 260 | 383 | 413 | **1,579** | 274 | 235 | 174 | 255 | 276 | **1,214** | **793** | **3,586** |
| West New York | 1,011 | 1,047 | 1,506 | 1,318 | 1,440 | **6,322** | 1,011 | 989 | 1,004 | 879 | 960 | **4,844** | **637** | **11,803** |
| **subtotal** | 7,171 | 7,594 | 8,449 | 9,877 | 10,525 | **43,615** | 7,171 | 7,191 | 5,635 | 6,588 | 7,020 | **33,605** | **20,014** | **97,234** |
| ave/zone | 1,024 | 1,085 | 1,207 | 1,411 | 1,504 | **6,231** | 1,024 | 1,027 | 805 | 941 | 1,003 | **4,801** | | **11,031** |
| 2002 EXPANSION (6): | | | | | | | | | | | | | | |
| Bayonne | | | | 661 | 2,094 | **2,754** | | | | 661 | 2,094 | **2,754** | **156** | **5,665** |
| North Wildwood | | | | 77 | 331 | **408** | | | | 77 | 331 | **408** | **254** | **1,070** |
| Roselle | | | | 250 | 768 | **1,018** | | | | 250 | 768 | **1,018** | **40** | **2,076** |
| West Wildwood | | | | 71 | 89 | **160** | | | | 71 | 89 | **160** | **1** | **321** |
| WildWood | | | | 238 | 1,086 | **1,324** | | | | 238 | 1,086 | **1,324** | **478** | **3,126** |
| WildWood Crest | | | | 16 | 50 | **66** | | | | 16 | 50 | **66** | **215** | **348** |
| **subtotal** | | | | 1,313 | 4,418 | **5,731** | 0 | 0 | 0 | 1,313 | 4,418 | **5,731** | **1,144** | **12,606** |
| ave/zone | | | | ,219 | 736 | **955** | 0 | 0 | 0 | 219 | 736 | **955** | | **1,910** |
| **TOTAL ALL ZONES:** | 76,648 | 78,568 | 81,533 | 90,942 | 103,604 | **431,295** | 49,585 | 51,230 | 54,392 | 55,960 | 67,406 | **278,573** | **449,621** | **1,159,488** |

*The FY00-FY04 Qualified Business (QB) loss amount noted above was provided by the Commerce Commission. The remaining information on this chart was interpolated by the Division of Taxation. For year by year detail on the QB purchases by zone see the attached chart entitled "UZ4 and UZ5 Total Expenditures and Tax Savings FY00-FY04."

ATTACHMENT K

**Discussion Point 17.**

**For the three most recent tax years, please provide distributional income data, in increments of $5,000 (or less if possible), for households receiving the State EIC as well as the average credit per income strata.**

| Tax Year | Income | Returns with EITC | Total EITC Amount | Average |
|---|---|---|---|---|
| **2001** | 0 - 5,000 | 28,329 | 5,116,923.82 | 180.62 |
| | 5,000 - 10,000 | 57,015 | 21,634,969.19 | 379.46 |
| | 10,000 - 15,000 | 67,777 | 30,547,015.40 | 450.70 |
| | 15,000 - 20,000 | 64,431 | 21,792,261.92 | 338.23 |
| | TOTAL | 217,552 | 79,091,170.33 | 363.55 |
| **2002** | 0 - 5,000 | 32,227 | 7,067,595.70 | 219.31 |
| | 5,000 - 10,000 | 59,715 | 26,668,644.68 | 446.60 |
| | 10,000 - 15,000 | 69,209 | 37,824,372.50 | 546.52 |
| | 15,000 - 20,000 | 65,537 | 28,401,063.83 | 433.36 |
| | TOTAL | 226,688 | 99,961,676.71 | 440.97 |
| **2003** | 0 - 5,000 | 29,604 | 7,317,385.10 | 247.18 |
| | 5,000 - 10,000 | 57,558 | 29,484,070.79 | 512.25 |
| | 10,000 - 15,000 | 68,161 | 43,461,098.75 | 637.62 |
| | 15,000 - 20,000 | 64,540 | 33,247,850.23 | 515.15 |
| | TOTAL | 219,863 | 113,510,404.87 | 516.28 |
| **2004** | 0 - 5,000 | 21,810 | 5,268,744.92 | 241.57 |
| (AS OF 5/12/05) | 5,000 - 10,000 | 47,800 | 25,084,962.20 | 524.79 |
| | 10,000 - 15,000 | 58,487 | 48,546,372.76 | 830.04 |
| | 15,000 - 20,000 | 56,965 | 30,832,542.40 | 541.25 |
| | TOTAL | 185,062 | 109,732,622.28 | 592.95 |