



February 22, 2010

You can't tell the players without a program

This Monday Minute will link you to online resources about the state budget and explain what information is available. The two most important websites are the executive branch [Office of Management and Budget](#) (OMB) and the legislature's [Office of Legislative Services](#) (OLS).

The simplest way to understand the budget is to look at the Governor's budget proposal and the Budget in Brief. [This link](#) contains six important documents covering FY 2009-10, but you can also find prior year budget information on this OMB site.

All of the documents below are prepared by OMB except for the Budget Bill, which is prepared by OLS under the direction of the Senate Budget and Appropriations Committee Chairman (currently Paul Sarlo) and the Assembly Budget Committee Chairman (currently Louis Greenwald).

- **The State Budget** is the governor's budget. It is typically introduced as a speech to the Legislature and the public in March. It is a detailed account of what New Jersey spent in two years earlier, what it is spending in the current fiscal year and what the Governor proposes for the fiscal year beginning July 1. It is the only document that provides a three year analysis of revenues and spending and shows all state revenues and all state expenditures. Ultimately revenues must be equal or greater than expenditures.

Governor Christie will present his FY 2011 budget in an address to the Legislature on March 16th this year. This presentation is televised by NJN and can be viewed live on the Legislature's [website](#). The Governor's budget documents will be available online shortly after the speech.

- **Budget in Brief** is a summarized version of the budget and is usually available before the actual budget is. It pulls together revenue and spending highlights in a narrative form. It is probably the easiest way to get an understanding of the year's budget basics.
- **Budget Bill** (more commonly known as the Appropriations Act) is prepared by OLS for the Legislature and becomes the actual state budget once it is signed by the governor. The Appropriations Act must be passed by both the Assembly and the Senate and signed by the governor before June 30. It takes the form of a very large piece of legislation. It is generally introduced in both houses simultaneously after the Governor's budget has been defended by each department's commissioner, reviewed by legislative staff and debated by legislators.
- **Appropriations Handbook**, prepared by OMB, is a formal reprint of the budget bill.
- **Citizen's Guide**, prepared by OMB, is an easy to read analysis of the final budget. It highlights the major decisions and policy initiatives that occurred between the time the governor presents his proposal in March and when the final budget is enacted. An initiative by the Corzine Administration in 2008, it was touted as a reform and a way to increase public

accountability and transparency. The Citizen's Guide, along with the Budget in Brief, are perhaps the most useful documents for a general understanding of how the state raises and spends its money.

- **NJ Comprehensive Annual Financial Report (CAFR)**, also prepared by OMB, is the final accounting of all revenues, costs, assets and liabilities of the state for a given fiscal year. Because it accounts for actual revenues, expenditures, assets and liabilities, there is a lag in its availability. The statistical section at the end of the report presents a lot of information over time about taxes, long term debt, the largest employers in NJ, population trends, property tax valuations and state employees. This is a very good resource in a state where information is scarce.

Note: The most recent CAFR available is for FY 2008.

Next week's Monday Minute will begin the discussion of what is actually in the state budget - starting with the state's three largest sources of tax revenue. March 1 will look at income taxes; March 8 will look at sales taxes; and March 15 will look at the corporate business taxes.



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