


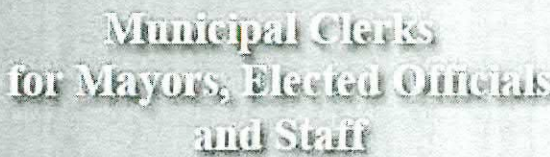

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Masser, Michelle

From: Lashway, Lisa
Sent: Friday, May 28, 2010 11:24 AM
To: Masser, Michelle; Sohl, Bill
Subject: FW: State Revenue Updates Force State Budget Adjustments

Lisa Lashway
Township Clerk
Township of Mount Olive
P.O. Box 450
Budd Lake, NJ 07828
973-691-0900 Ext. 7290

From: NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]
Sent: Friday, May 28, 2010 11:16 AM
To: Lashway, Lisa
Subject: State Revenue Updates Force State Budget Adjustments



May 28, 2010

RE: State Revenue Updates Force State Budget Adjustments

Dear Mayor:

On Tuesday and Wednesday of this week, the Senate Budget and Appropriations Committee and the Assembly Budget Committee were formally apprized of the latest revenue collection estimates for the State's current fiscal year. Those estimates were accompanied by new projections

for State revenues in the fiscal year beginning on July 1, FY 2011.

With revenues below expectations, adjustments will need to be made in the State's current budget. And those changes will force further adjustments to the Governor's proposed FY 2011 spending plan.

The non-partisan Office of Legislative Services (OLS) estimates current year revenues will be \$402 million less than was projected by the Administration earlier this year. OLS projects FY 2011 revenues will be \$365 million less than the amount assumed to be available in the Governor's budget proposal. You can view the OLS estimates and the testimony of David Rosen, the Legislative Budget and Finance Officer, on our website at:
http://www.njslom.com/testimony/Rosen_testimony_04072010.pdf.

State Treasurer Andrew P. Sidamon-Eristoff advised the Legislature that his Department and its Division of Taxation now project current year revenues to be \$325 million less than assumed earlier this year. To account for this shortfall, the Administration has identified a net \$232 million in lapses (resources appropriated, but not expended, for a specific purpose) and \$92 million in net reductions to projected supplemental spending.

For FY 2011, Treasury estimates revenues will be \$115 million less than previously projected. If no other adjustments are made and these, and all other assumptions, are correct, the State could get through FY 2011 with a balanced budget. But the ending balance – the surplus – would be \$305 million, rather than the \$501 million envisioned originally. You can access the [Treasurer's testimony and estimates on our website at:](http://www.njslom.com/testimony/treasurer_testimony_04072010.pdf)
http://www.njslom.com/testimony/treasurer_testimony_04072010.pdf.

We will keep you advised of all future developments affecting the State's Budget. If you have any questions, contact Jon Moran at 609-695-3481, ext. 121.

Very truly yours,

William G. Dressel, Jr.
Executive Director

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