



NEW JERSEY

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Treasury Releases Nearly Half of Spending Placed in Reserve Under Governor Murphy's Executive Order

October 17, 2019

The Department of Treasury on Thursday, October 17, released \$114 million of the \$235 million in spending that had been placed into reserve in July to help maintain a balanced budget and a responsible surplus pursuant to [Executive Order No. 73](#) signed by Governor Murphy.

The Executive Order (EO) was deemed necessary after the Fiscal Year 2020 (FY 2020) budget sent to the Governor included up to \$235 million in unassured savings items and additional spending initiatives outside the budget that were not adequately funded.

Consequently, the EO authorized the Director of Treasury's Office of Management and Budget (OMB) to place items of appropriation into reserve in an amount sufficient to ensure that the state budget remains in balance while maintaining a responsible surplus balance and protecting the state's Rainy-Day Fund deposit.

Additionally, the EO authorized the OMB Director to release items of appropriation from reserve upon notification from the Treasurer that amounts in excess of the targeted fund balance are anticipated to be available for expenditure.

After careful review of the first quarter of FY 2020, it has been determined that \$114 million in spending is appropriate for release based on a number of factors, including an improved year end fund balance for FY 2019; and the expectation that approximately \$50 million of the \$235 million that the Legislature booked in the budget will be achieved through the Administration's efforts, such as the recent announcement of \$13 million in savings through the consolidation of Department of Correction youth facilities.

As a result, the OMB Director has authorized the release of the following funds today:

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*The College of New Jersey
Kean University
New Jersey City University*

*Ramapo College of New Jersey
Stockton University*

*Thomas Edison State University
William Paterson University*

EO #73 - Releases, October 2019

	(in thousands)
Transitional Aid to Localities	\$53,712
Essex County - County Jail Substance Use Disorder Programs	\$20,000
Cooper Medical School of Rowan University	\$7,000
Essex County SNAP Administration	\$7,000
Essex County Recidivism Pilot Program	\$6,000
Rowan/Cooper Medical School Operations Support	\$5,000
Essex Crime Prevention	\$3,000
NJ Agricultural Experiment Station	\$3,000
Union County Inmate Rehabilitation Services	\$1,752
South Jersey Cancer Program - Camden	\$1,350
NJ Hall of Fame Foundation	\$1,250
Carteret Arts Center	\$1,000
NJSHARES S.M.A.R.T Program	\$1,000
College Bound	\$800
Battleship NJ Museum	\$500
NJ Hemp Farming Fund	\$500
Holy Name Hospital, Teaneck - Palliative Care Pilot Program	\$396
Rutgers University - Camden-Mental Health and Well Being	\$170
NJ Historic Commission - Celebration of America	\$150
Governor's Literacy Initiative	\$125
Hunters Helping the Hungry	\$100
Jersey Fresh	\$100
Rutgers Equine Science Center Operating Support	\$95

Grand Total	\$114,000
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"I am pleased that we are able to release a significant portion of the funding that had been placed into reserve this summer," said State Treasurer Elizabeth Maher Muoio. "We will continue to closely monitor revenue collections and additional savings initiatives booked in the budget and hope to be able to release additional funds as expeditiously as possible. In the interim, we have asked all state departments to continue to keep apprised of any potential financial hardships on the horizon in relation to spending items placed in reserve."

The funds being released were selected using the same criteria laid out in the Governor's EO, which include, but are not limited to:

- ◆ The amount of the item of appropriation;
- ◆ The likely statewide or localized impact of the item;
- ◆ The history of state support for the item;
- ◆ The timing during the fiscal year of any payment(s) in support of the item; and
- ◆ The ability to delay payment until later in the fiscal year while monitoring overall budget performance.

Pursuant to the EO, the Treasurer will continue to monitor whether other savings initiatives materialize, and take into consideration monthly revenue collections and other factors, in order to ensure a responsible Fiscal Year 2020 fund balance.

The Treasurer and OMB Director are also authorized to place additional appropriation items in reserve throughout the fiscal year if the conditions that necessitated the EO persist.