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OFFICE OF
LEGISLATIVE
SERVICES

April 23, 2008

Mr. David J. Rosen
Legislative Budget and Finance Officer
State House Annex
PO Box 068
Trenton, New Jersey 08625-0068

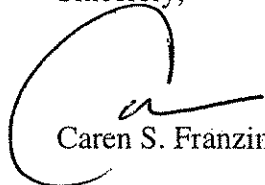
Dear Mr. Rosen:

In response to the request of Assembly Budget Committee Chairman Louis D. Greenwald dated April 16, 2008, please find attached information compiled by the Commerce Commission, which is responsible for the administration of the Urban Enterprise Zone Program and the Business Retention and Relocation Assistance Grant Program (BRRAG).

If you have any questions regarding the enclosed information please contact Commerce Commission Acting Executive Director Angie McGuire; and, for inquiries regarding the activities and programs administered by the Economic Development Authority, please contact me at (609)777-4471.

Thank you for your assistance.

Sincerely,



Caren S. Franzini

Encl.

c. David Rousseau
Patricia McGuire
David York
Angie McGuire



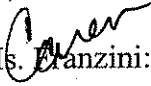
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JON S. CORZINE
Governor

KEVIN J. DRENNAN
Executive Director

April 21, 2008

Ms. Caren S. Franzini
Chief Executive Officer
New Jersey Economic Development Authority
P.O. Box 990
Trenton, New Jersey 08625

Dear Ms.  Franzini:

The Assembly Budget Committee has asked the New Jersey Economic Development Authority to follow up on questions from the April 15, 2008 testimony with the State Treasurer. The following are responses from the New Jersey Commerce Commission to the appropriate inquiries.

- **Please explain to the committee why New Jersey Economic Development Authority (EDA) estimates a decrease of 4,000 in the number of jobs created in FY2009, as compared to the actual number of jobs created in FY2007, attributable to the Urban Enterprise Zone program, given increased funding for the same time period (page D-411).**

The Urban Enterprise Zone Program measures participating businesses by aggregating "active" and "inactive" businesses. Active businesses are those currently certified in the UEZ program while inactive businesses were once, but are no longer registered in the program. While the number of total businesses has increased, the total active UEZ businesses has steadily declined. In FY2007, new legislation was passed that negatively effected the number of UEZ businesses and as a result, there has been a decline of 300 businesses certified in the program.

While FY2007 saw the creation of 16,033 full-time jobs, UEZ businesses in FY2008-to-date have created 9,129 full-time jobs. This slower pace of jobs creation was beginning to present itself during the development of FY2009 Budget data and was reflected in the estimates.

- **Please explain to the committee why the EDA estimates that there will be 4,375 more jobs created as a result of the Business Retention, Expansion and Attraction program in FY2009 versus the actual number of jobs created in FY2007, as referenced in the evaluation data (page D-411) of the proposed budget.**

As a result of the reconfiguration of the Business Advocacy unit in the New Jersey Commerce Commission, the Commission now uses a system of actual numbers based on BRRAG activity to define retained jobs. Actual activity for the BRRAG programs for FY2008-to-date accounts for 1,655 retained jobs spread over five applications. This is only a partial reflection of total retention efforts of the unit. When these figures include subjective retention numbers as we have in the past, such as taking retention credit jobs that would have left the State if the Commission had not provided business advocacy assistance, the retention number would be 7,425 (5,770+1,655). This number compares to the 13,897 estimate from FY2007.

Thank you for the opportunity to address the outstanding issues remaining from the Budget testimony. Please notify the Commerce Commission if there are any further questions.

Sincerely,



Angie McGuire
Acting Executive Director