

INTER-DEPARTMENTAL ACCOUNTS

INTER-DEPARTMENTAL ACCOUNTS

OVERVIEW

The Interdepartmental Accounts provide funding for Property Rentals, Insurance and Other Services, Utilities and Other Services, Employee Benefits, State Contingency Fund, and Salary Increases and Other Benefits.

The Property Rentals account provides for payment of rents for existing and anticipated leases of offices and other facilities used by State agencies. This account also subsumes lease-purchase rental agreements for buildings whose titles will pass to the State upon the final lease payment. The debt service associated with the State's lease-purchase of facilities acquired or built by authorities such as the New Jersey Building Authority, Sports and Exposition Authority, Mercer County Improvement Authority and the Economic Development Authority or private parties are also included in the Rent Account. Properties acquired or built by authorities are not considered as ratable properties, and payments in lieu of taxes are also made available through the Rent Account. The fiscal 1997 recommendation for property rentals shows a decrease of \$7.9 million.

The Property Rentals request identifies a savings of approximately \$4.3 million as a result of recommendations by the consulting firm of C.B. Madison. A total of 19 leases will be affected, with 17 eliminations, and 2 reductions. However, this savings is offset by projected inflationary growth in existing leases of \$1.7 million resulting in an overall lease savings of \$2.6 million.

There are additional savings of \$4 million from the elimination of the Kearny and Secaucus inmate housing arrangements with Hudson County. Also, the debt service schedules for the Sports and Exposition Authority show a decrease of \$2.4 million. The master lease debt service attributable to statewide consolidations funded through the Property Rentals Budget is decreasing by \$2.4 million. Offsetting these decreases is an increase of \$3.5 million attributable primarily to the debt service requirements for the construction of the Newark Performing Arts Center and debt service requirements for the Green Lights Energy Program.

The Insurance and Other Services Account includes funding for insurance premiums for property, casualty, and special insurance policies for the State of New Jersey. The insurance policies provided include various items such as coverage to insure against loss to State-owned real and personal property, boilers and machinery, fine arts and liability. The insurance accounts also provide self-insurance funds to cover claims that may be brought against a State entity as a result of negligence resulting in injury or death to a person or damage to or loss of property (Tort Claims Liability), employees' medical costs (Workers' Compensation), vehicle liability claims for property damage and for injuries resulting from the negligent operation of a State vehicle by its employees (Vehicle Claims Liability), payment of losses within the deductible areas of primary insurance coverage (Self-Insurance Deductible) and payment of claims and expenses arising out of the operation of the Foster Parent Program (Self-Insurance Fund-Foster Parents).

The fiscal 1997 recommendation contains a decrease of \$12.9 million. The majority of this decrease is a result of a Risk Management Task Force Study which identified savings of \$10.0 million attributable to risk management initiatives. These savings which will accrue to the Central Insurance accounts are attributable to improved work related injury case management, implementation of a statewide employee safety program, investigation of fraudulent claims and the maximization of subrogation recoveries due the State. Also, contributing to the decrease is a reduction in Property Insurance by \$1.2 million, and a decrease for the Tort Claims Liability Fund of \$2 million, offset by an increase of \$300,000 in the Vehicle Claims Liability Fund.

The Utilities and Other Services account funds the fuel, utility, janitorial and trash removal costs for the Capitol Complex facilities and the Camden Aquarium. The fiscal 1997 recommendation is increasing by \$1.9 million. This increase is primarily attributable to an amount of \$800,000 required for the cost of the janitorial contract for the Capitol Complex and \$756,000 required for the cost of the management contract (custodial, trash, elevator maintenance, etc.) for the Trenton Office Complex. This Budget increase is offset by savings attributable to energy initiatives. The energy program (Green Lights Program) entails the sale of bonds by the Economic Development Authority to provide funding for energy efficiency initiatives which will have long-term pay back of energy savings. Debt service payments related to this bond sale will be made through the Property Rentals Budget. The utility companies will provide the State with incentive payments (standard offer payments) in fiscal 1997. These payments will be made available to the utility account through appropriation language.

The Employee Benefits Budget of \$1,199.8 million consists of a variety of pension accounts, health benefits accounts, Social Security Tax, and a number of other employment insurance accounts. For the seven State retirement systems, and other special retirement acts, the recommendation is \$371.8 million or \$71 million above the fiscal 1996 appropriation. This Budget increase is offset by health benefit cost savings of \$25.6 million and \$11.2 million in fringe benefit savings relating to agency initiatives. In addition, the fiscal 1997 Budget will reduce the State's share of employee fringe benefit payments on behalf of the higher education senior public institutions by \$33.9 million.

INTER-DEPARTMENTAL ACCOUNTS

In the area of health benefits, the State provides coverage for health insurance, dental insurance, vision care, and a prescription drug program. This Budget provides for the continuation of all programs at a total cost of \$538.7 million. The state employees health benefits account recommendation represents a \$25.6 million or a 4.5% decrease from fiscal 1996 estimated expenditures. The State continues to work toward lower health insurance cost through introduction of premium sharing for traditional coverage, education of the workforce regarding health care options and costs, and implementation of less costly administrative practices.

In addition, the State appropriates contingency funds for unexpected or emergency needs. Other services include the 911 emergency telephone now statewide, with a recommendation of \$12.6 million, appropriations to pay interest on short term notes if the State needs to borrow cash temporarily, and numerous other smaller expenditures.

Finally, \$44.4 million is recommended to support the bargaining agreements with the employee unions. The recommendation for salary and other benefits does not include funding for higher education senior public institutions. This Budget includes continuation funding of \$3.3 million for unused accumulated sick leave payments. An offsetting reduction of \$3 million will be achieved through a furlough program. Hence, the fiscal 1997 Budget recommends a net of \$44.7 million for employee salary increases and other benefits.

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	1996 Adjusted Approp.	Requested	Recom- mended
191,548	4,269	---	195,817	192,694	General Government Services		
52,266	1,060	265	53,591	46,014	221,756	213,847	213,847
1,124,810	267	28,838	1,153,915	1,142,995	53,140	40,281	40,281
43,140	337	-2,500	40,977	39,174	1,209,357	1,199,830	1,199,830
171,325	---	-167,491	3,834	3,832	30,214	17,210	17,210
20,206	---	---	20,206	20,143	3,300	44,742	44,742
					19,200	21,095	21,095
1,603,295	5,933	-140,888	1,468,340	1,444,852	1,536,967	1,537,005	1,537,005
					Total Appropriation		

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

OBJECTIVES

1. To provide pooled funds for the costs of certain services which are managed centrally for or on behalf of all agencies of State government.
2. To provide pooled contingency reserve funds to cover certain emergency situations and probable cost increases for various utilities and common services which cannot be predicted with reasonable certainty.
3. To provide pooled funds for salary adjustments and other salary and compensation benefits for State employees.

PROGRAM CLASSIFICATIONS

01. **Property Rentals.** Provides for payment by the Department of the Treasury of rents for office space and other premises for State agencies, whose operations are financed from the General Fund appropriations. This account also functions as a clearing account for payment of rents for agencies financed from other than General Fund sources, which amounts are shown as a deduction from the gross rent recommendation.
02. **Insurance and Other Services.** Provides funds to pay all central insurance premium costs and to cover the State's liability in tort and its statutory duty to indemnify its employees for adverse judgments in all instances where the State is self insured. This account also provides the self-insurance funds to pay losses which fall within the deductible areas of property insurance coverage and other insurance claims.
03. **Employee Benefits.** Provides funds for the following classes of employees: (1) Heath Act pensioners (RS 43:5-1 et seq.), consisting of persons employed by the State as of January, 1921; (2) Veterans' Act pensioners (RS 43:4-1 et seq.); (3) Miscellaneous Special Pension Acts, in accordance with various State laws authorizing payments to designated individuals; (4) Annuity for Widows of Governors (RS 43:8-2); (5) Judicial pensioners (C43:6-6.4 et seq.); (6) Prison officers (C43:7-7 et seq.) whose funds are administered by a commission of five members including an appointee of the Governor, and the State Treasurer; (7) Public Employees (C43:15A-1 et seq.), whose funds are administered by a board of nine trustees, including municipal and county representation, two appointees of the Governor, and the State Treasurer; (8) State Police (C53:5A-1 et seq.), whose funds are administered by a board of five trustees including two active members of the system, two appointees of the Governor, and the State Treasurer, ex officio; (9) and the pension and the non-contributory group life insurance payments to be made by the State on behalf of those members of the Teachers' Pension and Annuity Fund, not employees of school districts, employed by the State Department of Education, and by the public institutions of higher education in the State. Funds are also provided for the payments for non-contributory group life insurance covering employees of the State and other participating employers in the retirement system (C43:15A-1 et seq.); the State's share of Social Security Tax (C43:22-1 et seq.); Pension Adjustment Act (C3:3B-1 et seq.) providing increases in benefits payable to members of State retirement systems; and the employer's share of health benefits charges for State employees enrolled in the public and school employees' health benefits program. Under C52:14-17.25 et seq., the administration of this program was transferred to the Division of Pensions and Benefits.

The Alternate Benefit Program was established (NJS 18A:64C-11.1, NJS 18A:65-74 and C18A:66-130), for faculty and staff members at the University of Medicine and Dentistry of New Jersey; Rutgers, The State University; the New Jersey Institute of Technology; and the State Colleges. The employer contribution to this retirement program is included in this budget.

The State Employee Health Benefits Program (C52:14-17.25 et seq.) provides health insurance for employees and their dependents, including those employed by State colleges and universities, through a traditional plan or a managed care health plan.

The Division of Pensions and Benefits coordinates payment of temporary disability insurance benefits to State employees (C43:21-46). Temporary cash benefits are provided to eligible State employees covered under Federal law to insure against loss of earnings due to non-occupational sickness or accident.

All individuals in the employ of the State of New Jersey or an instrumentality of the State, with respect to service performed after December 31, 1971 for a hospital or institution of higher education are covered under the Unemployment Compensation Law (RS 43:21-1 et seq., as amended by PL 1971, c. 346). Any political subdivision of the State may elect to cover individuals employed by the subdivision in all of the hospitals and institutions of higher education operated by that political subdivision. Benefits paid based on wages earned in the employ of the State or of a political subdivision are financed by payments in lieu of employer contributions to the Unemployment Compensation Fund. All covered State employees are required to contribute each year to the Fund in accordance with the established rate. Benefits under the unemployment compensation program are payable in accordance with the provisions of the Unemployment Compensation Law.

The New Jersey State Prescription Drug Program (C52:14-17.29) helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes or other institutions. Included are those drugs which, as required by Federal law, can be dispensed only upon a written prescription order by a physician. The program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment charge for each eligible prescription and prescription refill, with no co-pay for mail order. The co-payment charge is dependent upon whether the employee chooses a prescription which is generic or non-generic. All full time State employees are eligible to enroll for coverage in the Program without cost to the employee.

04. **State Contingency Fund.** Provides funds for allotment by the Director of the Division of Budget and Accounting to various departments or agencies of State government for meeting emergency conditions, and for a number of other contingencies which cannot be predicted with sufficient certainty to be included within the budget recommendations of individual departments or agencies. Included are the Governor's Emergency Fund, the premium portion of required payments for short term notes, seed money to implement cost saving processes, the 911 emergency telephone payments, and other productivity improvements as appropriate.

INTER-DEPARTMENTAL ACCOUNTS

05. **Salary Increases and Other Benefits.** Includes funds to be allotted to the various State departments or agencies for the cost of general and special salary adjustments, unused accumulated sick leave, and other special salary-related benefits.

06. **Utilities and Other Services.** Provides for payment of fuel, utilities, janitorial services, and trash removal for State-owned and lease-purchase facilities primarily in the Capitol district.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recommended	
Distribution by Program									
191,548	4,269	---	195,817	192,694	Property Rentals ^(a)	01	221,756	213,847	213,847
52,266	1,060	265	53,591	46,014	Insurance and Other Services	02	53,140	40,281	40,281
20,206	---	---	20,206	20,143	Utilities and Other Services	06	19,200	21,095	21,095
<u>264,020</u>	<u>5,329</u>	<u>265</u>	<u>269,614</u>	<u>258,851</u>	Total Appropriation		<u>294,096</u>	<u>275,223</u>	<u>275,223</u>
Distribution by Account									
Property Rentals:									
153,891	4,269	---	158,160	157,735	Existing and Anticipated Leases		150,198	143,582	143,582
7,298	---	---	7,298	7,298	Mercer County Improvement Authority		7,298	7,298	7,298
12,938	---	---	12,938	12,938	Economic Development Authority		15,000	18,508	18,508
35,290	---	---	35,290	33,808	Sports and Exposition Authority		35,319	32,859	32,859
15,684	---	---	15,684	14,468	New Jersey Building Authority		36,436	36,386	36,386
16,001	---	---	16,001	16,001	Other Debt Service Leases and Tax Payments		16,743	14,452	14,452
-----	-----	-----	-----	-----	Subtotal Appropriation, Rent (Gross)		260,994	253,085	253,085
241,102	4,269	---	245,371	242,248					
-----	-----	-----	-----	-----	Less:				
(49,554)	(---)	(---)	(49,554)	(49,554)	Direct charges and charges to Non-State fund sources		(39,238)	(39,238)	(39,238)
-----	-----	-----	-----	-----	Subtotal Appropriation, Rent (Net)		221,756	213,847	213,847
191,548	4,269	---	195,817	192,694					
-----	-----	-----	-----	-----	Insurance:				
1,440	---	---	1,440	1,416	Property Insurance		3,400	2,195	2,195
977	---	---	977	830	Casualty Insurance		852	811	811
149	---	265	414	123	Special Insurance Policies		188	225	225
---	---	23	23	23	Ellis Island Litigation		---	---	---
6,000	---	---	6,000	6,000	Tort Claims Liability Fund		12,000	10,000	10,000
6,000s	133	-23	12,110	10,639	Workers' Compensation Fund		30,000	30,000	30,000
32,000	---	---	32,000	28,430	Vehicle Claims Liability Fund		5,700	6,000	6,000
3,000	---	---	3,000	3,000	Self-Insurance Deductible Fund		800	900	900
2,000s	559	---	5,559	4,535	Self-Insurance Fund - Foster Parents		200	150	150
500	321	---	821	---	Subtotal Appropriation, Insurance (Gross)		53,140	50,281	50,281
200	47	---	247	18					
-----	-----	-----	-----	-----	Less:				
52,266	1,060	265	53,591	46,014	Risk Management Initiative Savings		(---)	(10,000)	(10,000)
-----	-----	-----	-----	-----	Subtotal Appropriation, Insurance & Other Services (Net)		53,140	40,281	40,281
52,266	1,060	265	53,591	46,014					
-----	-----	-----	-----	-----	Utilities:				
16,814	---	159	16,973	16,923	Fuel and Utilities		16,200	17,832	17,832
3,392	---	-159	3,233	3,220	Household and Security		3,000	4,536	4,536
-----	-----	-----	-----	-----	Subtotal Appropriation, Utilities (Gross)		19,200	22,368	22,368
20,206	---	---	20,206	20,143					

INTER-DEPARTMENTAL ACCOUNTS

(---)	(---)	(---)	(---)	(---)	<i>Less:</i>			
					Energy Savings Initiatives	(---)	(1,273)	(1,273)
20,206	---	---	20,206	20,143	Subtotal Appropriation, Utilities & Other Services (Net)	19,200	21,095	21,095

OTHER RELATED APPROPRIATIONS

<u>18,292</u>	<u>2,074</u>	<u>-10</u>	<u>20,356</u>	<u>7,318</u>	<i>Total Capital Construction</i>	---	<u>50,601</u>	<u>10,900</u>
282,312	7,403	255	289,970	266,169	<i>Total General Fund</i>	294,096	325,824	286,123

Notes: (a) The Fiscal Year 1996 appropriation has been reduced to reflect the transfer of funds to Employee Benefit Accounts as a result of Smarter Procurement Initiatives. The Fiscal Year 1995 appropriation history reflects the movement of Grants-In-Aid funding from the Department of Corrections for inmate housing arrangements with Hudson County.

PROPERTY RENTALS DISTRIBUTION BY AGENCY

	Existing and Approved Leases	Debt Service Leases and Tax Payments	Total Cost
Legislature	817	4,164	4,981
Chief Executive Office	131	---	131
Agriculture	36	614	650
Banking and Insurance	360	1,945	2,305
Commerce and Economic Development	664	4,000	4,664
Community Affairs	966	1,772	2,738
Corrections	2,806	13,709	16,515
Education	3,844	2,569	6,413
Environmental Protection	10,311	4,462	14,773
Health	4,285	---	4,285
Human Services	31,247	439	31,686
Labor	18,991	1,650	20,641
Law and Public Safety	14,478	5,882	20,360
Military and Veterans' Affairs	366	---	366
Personnel	4,675	---	4,675
State	10,493	7,479	17,972
Transportation	8,165	11,668	19,833
Treasury	21,754	7,844	29,598
Judiciary	3,875	4,454	8,329
Interdepartmental	5,237	3,993	9,230
Miscellaneous Commissions	<u>81</u>	---	<u>81</u>
Total Cost of Allocated Space	143,582	76,644	220,226
Sports and Exposition Authority			<u>32,859</u>
Grand Total			253,085

LANGUAGE RECOMMENDATIONS

The Director of the Division of Budget and Accounting is empowered to allocate to any State agency occupying space in any State-owned building, equitable charges for the rental of such space, to include but not be limited to the costs of operation and maintenance thereof, and the amounts so charged shall be credited to the General Fund; and, to the extent that such charges exceed the amounts appropriated for such purposes to any agency financed from any fund other than the General Fund, the required additional appropriation shall be made out of such other fund.

Receipts derived from direct charges and charges to non-State fund sources are appropriated for the rental of property, including the costs of operation and maintenance of such properties.

Notwithstanding any other provision of law, and except for leases negotiated by the Office of Property Management and subject to the approval or disapproval by the State Leasing and Utilization Committee pursuant to P.L. 1992, c.130 (C.52:18A-191.1 et seq.), and except as hereinafter provided, no lease for the rental of any office or building shall be executed without the prior written consent of the State Treasurer, the Director of the Division of Budget and Accounting, the President of the Senate and the Speaker of the General Assembly.

An amount not to exceed \$3,000,000 shall be appropriated to implement the Facilities Master Plan, subject to the approval of the Director of the Division of Budget and Accounting.

INTER-DEPARTMENTAL ACCOUNTS

The amount hereinabove for the Newark Performing Arts Center account shall be used to pay the State's obligations pursuant to a lease with the New Jersey Economic Development Authority for the lease of real property and infrastructure improvements and the Performing Arts Center structure to be constructed thereon purchased by the authority for the State in the city of Newark for the purpose of constructing buildings to comprise a Performing Arts Center. Notwithstanding any other provision of law, the State Treasurer may enter into a lease with the New Jersey Economic Development Authority to lease the real property and improvements thereon purchased or caused to be constructed by the authority for the State in the city of Newark for the Performing Arts Center, subject to the prior written consent of the Director of the Division of Budget and Accounting, the President of the Senate and the Speaker of the General Assembly. Upon the final payment of the State's obligations pursuant to the lease for the real property and infrastructure improvements purchased by the authority, the title to the real property and improvements shall revert to the State. The State may sublease the land and facilities for the purpose of operating, maintaining or financing a Performing Arts Center in Newark. Any sublease for use of land and improvements acquired for the State by the New Jersey Economic Development Authority for the Performing Arts Center shall be subject to the prior written approval of the Director of the Division of Budget and Accounting and the Joint Budget Oversight Committee, or its successor.

There are appropriated such additional sums as may be required to pay court-imposed settlement costs for the housing of State inmates in Hudson County, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated such additional sums as may be required to pay future debt service costs for projects undertaken by the New Jersey Building Authority, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance as of June 30, 1996 in the Master Lease Program Fund is appropriated for the same purpose.

There are appropriated such additional sums as may be required to pay claims of a tortious nature under N.J.S.A. 59:12-1, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.

The amount hereinabove for the Tort Claims Liability Fund is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.

The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of pool attorneys engaged by the Public Defender for the defense of indigents.

The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of designated pathologists engaged by the State Medical Examiner.

Notwithstanding any other law to the contrary, claims paid from the Tort Claims Fund on behalf of entities funded, whole or in part, from non-State funds, may be reimbursed from such non-State fund sources as determined by the Director of the Division of Budget and Accounting.

To the extent that sums appropriated to pay Workers' Compensation claims under R.S.34:15-1 et seq., are insufficient, there are appropriated such additional sums as may be required to pay Workers' Compensation claims, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Workers' Compensation Self-Insurance Fund under R.S. 34:15-1 is available for the payment of direct costs of legal, investigative, administrative and medical services related to the investigation, mitigation, litigation and administration of claims against the fund, subject to the approval of the Director of the Division of Budget and Accounting.

To the extent that sums appropriated to pay auto insurance claims are insufficient, there are appropriated such additional sums as may be required to pay auto insurance claims, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove for the Vehicle Claims Liability Fund is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.

The unexpended balance as of June 30, 1996 in the Self-Insurance Deductible Fund is appropriated for the same purposes.

The amount appropriated for the Self-Insurance Fund-Foster Parents is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.

The sums hereinabove are available for payment of obligations applicable to prior fiscal years.

There are appropriated such additional sums as may be required to pay all insurance costs incurred by the county courts on and after January 1, 1995, at which time these responsibilities pass to the State pursuant to the "State Judicial Unification Act," P.L. 1993, c.275 (C2B:10-1 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated out of revenues received from utility companies such sums as may be required for implementation and administration of the Energy Conservation Initiatives Program, subject to the approval of the Director of the Division of Budget and Accounting.

INTER-DEPARTMENTAL ACCOUNTS

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9410. EMPLOYEE BENEFITS

EVALUATION DATA

	Actual FY 1994	Actual FY 1995	Revised FY 1996	Budget Estimate FY 1997
PROGRAM DATA				
Employee Benefits				
Heath Act Pensioners	2	1	1	1
Veterans' Act Pensioners	10	9	9	9
Judicial Retirement System				
Assets	\$114,763,581	\$122,716,629	\$131,306,793	\$140,498,269
Active Members	406	398	406	414
Pensioners	299	317	330	343
Annual Pensions	\$14,754,966	\$15,638,477	\$16,795,725	\$18,038,608
Prison Officers' Pension Fund				
Assets	\$733,282	\$868,023	\$954,825	\$1,050,308
Pensioners	317	306	294	282
Public Employees' Retirement System				
Assets	\$10,603,436,425	\$11,369,708,706	\$12,279,285,402	\$13,261,628,234
Total Members	281,922	284,015	285,582	287,231
State (Active)	72,581	79,815	78,219	76,654
State (Inactive)	9,377	9,645	9,734	9,825
Local	199,964	194,555	197,629	200,752
Pensioners	81,852	84,781	88,952	93,329
Annual Pensions	\$619,573,873	\$681,932,325	\$765,810,001	\$860,004,631
Lump Sum Death Benefits	\$75,040,407	\$77,913,126	\$81,504,921	\$85,262,298
State Police Retirement System				
Assets	\$672,400,818	\$737,118,136	\$810,829,949	\$891,912,944
Total Members	2,429	2,584	2,582	2,580
Active	2,402	2,549	2,549	2,549
Inactive	27	35	33	31
Pensioners	1,377	1,433	1,490	1,550
Annual Pensions	\$35,823,749	\$38,300,327	\$40,598,347	\$43,034,248
Police and Firemen's Retirement System				
Assets	\$6,637,337,612	\$7,242,634,584	\$7,878,537,901	\$8,570,273,528
Total Members	38,884	39,144	39,929	40,733
State (Active)	5,869	5,699	5,841	5,987
State (Inactive)	362	403	400	400
Local	32,653	33,042	33,688	34,346
Pensioners	16,019	18,366	19,657	21,039
Annual Pensions	\$341,404,377	\$433,027,165	\$495,512,984	\$567,015,508
Lump Sum Death Benefits	\$17,034,993	\$20,765,094	\$24,349,149	\$28,551,812
Alternate Benefits Program				
Total Active Members	12,477	13,723	14,535	15,401
State	9,725	10,970	11,724	12,531
County	2,752	2,753	2,811	2,870
Teachers' Pension and Annuity Fund				
Assets	\$12,757,321,691	\$13,591,048,841	\$14,542,422,260	\$15,560,391,818
Total Members	119,210	120,300	121,654	123,027
State	562	530	504	478
County	109	99	90	83
Local	118,539	119,671	121,060	122,466
Pensioners	39,691	42,174	43,713	45,309
Annual Pensions	\$649,351,270	\$745,200,828	\$821,136,793	\$904,810,632
Lump Sum Death Benefits	\$41,976,457	\$35,820,526	\$37,077,827	\$38,379,259
Health Benefits Program				
Covered Members	311,721	316,502	302,336	302,336
State	115,137	124,352	123,412	123,412
Local	196,584	192,150	178,924	178,924

INTER-DEPARTMENTAL ACCOUNTS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recommended	
<u>1,124,810</u>	<u>267</u>	<u>28,838</u>	<u>1,153,915</u>	<u>1,142,995</u>					
1,124,810	267	28,838	1,153,915	1,142,995					
					Distribution by Program				
					03	1,209,357	1,199,830	1,199,830	
					Employee Benefits				
						1,209,357	1,199,830	1,199,830	
					Total Appropriation				
					Distribution by Object				
					Special Purpose:				
20	---	---	20	12	03	20	10	10	
					Heath Act				
240	---	---	240	161	03	240	200	200	
					Veterans Act				
11,577	---	-292	11,285	11,285	03	15,600	16,926	16,926	
					Judicial Retirement System				
2,291	---	---	2,291	2,291	03	2,800	2,810	2,810	
					Prison Officers Pension Fund				
6,687									
1,275 ^S	---	60,482	68,444	68,443	03	96,646	120,900	120,900	
					Public Employees Retirement System				
300,000									
8,500 ^S	---	7,679	316,179	307,203	03	329,450 ^(a)	326,025	326,025	
					Social Security Tax - State				
30,551	---	-2,589	27,962	27,962	03	29,900	40,814	40,814	
					State Police Retirement System				
17,861	---	906	18,767	18,662	03	19,700	18,600	18,600	
					Dental Care Program-Shared Cost				
461,897									
45,300 ^S	---	-17,956	489,241	487,684	03	453,900	449,089	449,089	
					State Employees Health Benefits				
58,409						24,700 ^S			
					Prescription Drug Program				
3,100 ^S	---	---	61,509	61,472	03	64,300	69,323	69,323	
					Pension Adjustment Act				
1,597	---	---	1,597	1,597	03	1,619	1,631	1,631	
					P.E.R.S. Minimum Pension Benefits Act - Pre-1955 Retirees				
50	---	---	50	45	03	40	35	35	
					Alternate Benefits Program - Employer Contributions				
56,041	---	---	63,041	63,041	03	68,857	72,667	72,667	
					Teachers' Pension and Annuity Fund and Non-contributory Group Life Insurance Benefits-State				
457	---	1,556	2,013	2,013	03	5,806	10,800	10,800	
					Unemployment Insurance Liability				
10,053	---	---	10,324	10,324	03	4,037	1,500	1,500	
					Temporary Disability Insurance				
271 ^S	---	---			03	10,824	10,917	10,917	
					Police and Firemen's Retirement System (P.L. 1979, C. 109)				
8,865	267	454	9,586	9,586	03	20,827	23,091	23,091	
					Police and Firemen's Retirement System (C.43:16A-1)				
17,891	---	1,711	19,602	19,602	03	58,391	81,869	81,869	
					Vision Care				
73,477	---	-23,113	50,364	50,364	03	1,700	1,700	1,700	
					LESS: Savings From Proposed Higher Education Initiatives				
1,400	---	---	1,400	1,248	03	(---)	(33,868)	(33,868)	
					LESS: Savings From Smarter Procurement				
(---)	(---)	(---)	(---)	(---)	03	(---)	(4,000)	(4,000)	
					LESS: Fringe Benefit Savings From Agency Initiatives				
(---)	(---)	(---)	(---)	(---)	03	(---)	(11,209)	(11,209)	
					Total Special Purpose				
1,124,810	267	28,838	1,153,915	1,142,995		1,209,357	1,199,830	1,199,830	

Notes: (a) The fiscal year 1996 appropriation has been adjusted to reflect the transfer of \$3,611,000 to the Division of Motor Vehicles which represents savings from privatization and merger and transfer of \$1,031,000 to the Division of Developmental Disabilities to reflect savings from the privatization of seventeen State-operated adult activity centers.

INTER-DEPARTMENTAL ACCOUNTS

LANGUAGE RECOMMENDATIONS

There is appropriated a sufficient amount in order that upon application to the Director of the Division of Budget and Accounting, an annuity of \$4,000 shall be paid to the widow or widower of any person, now deceased, who was elected and served as Governor of the State; provided such widow or widower was the spouse of such person for all or part of the period during which he or she served as Governor; and provided further, that this shall not apply to any widow or widower receiving a pension granted under R.S. 43:8-2, and continued by R.S.43:7-1 et seq., R.S.43:8-1 et seq., and R.S.43:8-8 et seq.

Such additional sums as may be required for Social Security Tax may be allotted from the various departmental operating appropriations to this account, as the Director of the Division of Budget and Accounting shall determine.

Such additional sums as may be required for State Employees' Health Benefits may be allotted from the various departmental operating appropriations to this account, as the Director of the Division of Budget and Accounting shall determine.

Of the amounts hereinabove for the Pension Adjustment Act, such sums as are appropriated in advance for increased retirement benefits for local employee members of State-administered retirement systems shall be repaid to the General Treasury upon reimbursement from local public employers.

Such additional sums as may be required for Unemployment Insurance liability are appropriated as the Director of Budget and Accounting shall determine.

Notwithstanding the provisions of the Pension Adjustment Act, P.L.1985, c.143 (C.43:3B-1 et seq.), pension adjustment benefits for members and beneficiaries of the Consolidated Police and Firemen's Pension Fund shall be paid by the fund. Employer appropriations for these benefits as required under the act shall be paid to the fund.

In addition to the sums hereinabove, for employee benefits, there are transferred from the appropriations made to the Higher Education Institutions, an amount of \$33,868,000 for a portion of the employee benefit costs, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law to the contrary, as a result of the contracting of the Mid-State Correctional Facility, an amount shall be transferred from the Employee Benefits program classification to the Department of Corrections Contract Services account, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law to the contrary, as a result of the contracting of Correctional Facility Maintenance, an amount shall be transferred from the Employee Benefits program classification to the Department of Corrections Contract Services account, subject to the approval of the Director of the Division of Budget and Accounting.

It is further recommended that in addition to the sums hereinabove for the Employee Benefits program classification, the Director of the Division of Budget and Accounting shall transfer or credit to these accounts the sum of \$4,000,000 from appropriations made to various spending agencies for telephone, motor pool, and other operating accounts, to reflect savings as a result of statewide initiatives for more cost-effective procurement, as determined by the Director. This additional sum shall be appropriated for the Employee Benefits program classification.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9420. STATE CONTINGENCY AND OTHER FUNDS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recom- mended
43,140	337	-2,500	40,977	39,174				
43,140	337	-2,500	40,977	39,174	04	30,214	17,210	17,210
					Distribution by Program			
					State Contingency Fund			
					<i>Total Appropriation</i>			
						30,214	17,210	17,210

INTER-DEPARTMENTAL ACCOUNTS

Year Ending June 30, 1995					Year Ending June 30, 1997			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recommended
2,000	---	-1,303	697	---				
					Distribution by Object			
					Special Purpose:			
					To the Governor, for allotment to the various departments or agencies, to meet any condition of emergency or necessity; provided however, that a sum not in excess of \$5,000 shall be available for the expense of officially receiving dignitaries and for incidental expenses, including lunches for non-salaried board members and others for whom official reception shall be beneficial to the State.			
					04	2,000	2,000	2,000
1,500	---	-1,325	175	---	04	1,500	1,500	1,500
400								
17,775 ^S	---	---	18,175	17,949	04	25,400	25,400	25,400
8,000	---	---	8,000	7,475				
					Contingency Funds			
600	---	---	600	420	04	---	---	---
					Interest On Short Term Notes			
860	---	128	988	988	04	600	600	600
					Local Exam and Discrimination Adjudication Costs			
---	---	---	---	---	04	110	110	110
					Notes Issuance Expenses - Underwriters Costs			
12,005	337	---	12,342	12,342	04	13,000	---	---
					Catastrophic Illness in Children Relief Fund - Employer Contributions			
(---)	(---)	(---)	(---)	(---)	04	12,604	12,600	12,600
43,140	337	-2,500	40,977	39,174	04	(25,000)	(25,000)	(25,000)
					Repayment to the State Disability Benefit Fund for Temporary Disability Insurance Loan			
					Statewide 911 Emergency Telephone System			
					LESS:			
					<i>Interest Earnings</i>			
					<i>Total Special Purpose</i>			

LANGUAGE RECOMMENDATIONS

Unless otherwise indicated, the above amounts may be allotted by the Director of the Division of Budget and Accounting to the various departments and agencies.

There is hereby appropriated, such sums as are required to repay the State Disability Benefit Fund, for part or all of the principal and interest on a loan made to the General Fund, pursuant to P.L. 1994 chapter 112, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of N.J.S. 2A:153-1 et seq., there is allocated at the discretion of the Governor, an amount up to \$50,000, from the Special Purpose amount appropriated hereinabove to meet any condition of emergency or contingency, as a reward for the capture and return of Joanne Chesimard.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9430. SALARY INCREASES AND OTHER BENEFITS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1995					Year Ending June 30, 1997			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	1996 Adjusted Approp.	Requested	Recommended
171,325	---	-167,491	3,834	3,832				
					Distribution by Program			
					Salary Increases and Other Benefits			
					05	58,974	44,742	44,742
171,325	---	-167,491	3,834	3,832		58,974	44,742	44,742
					Subtotal			

INTER-DEPARTMENTAL ACCOUNTS

---	---	---	---	---	<i>LESS:</i>				
					<i>Tentative allocation for Salary Increases and Other Benefits</i>	(55,674)	---	---	
---	---	---	---	---	<i>Total Deductions</i>	(55,674)	---	---	
171,325	---	-167,491	3,834	3,832	<i>Total Appropriation</i>	3,300	44,742	44,742	
					Distribution by Object				
					<i>Special Purpose:</i>				
					<i>Salary and Benefits Increases-Cost of Living Adjustments</i>	05	---	---	---
167,525	---	-167,524	1	---	<i>Salary Increases and Other Benefits</i>	05	55,674	44,442	44,442
3,000					<i>Unused Accumulated Sick Leave Payments</i>	05	3,300	3,300	3,300
800 ^S	---	33	3,833	3,832	<i>Furlough Savings</i>	05	---	-3,000	-3,000
---	---	---	---	---	<i>Total Special Purpose</i>		58,974	44,742	44,742
171,325	---	-167,491	3,834	3,832	<i>Subtotal</i>		58,974	44,742	44,742
171,325	---	-167,491	3,834	3,832	<i>Less Deductions</i>	(55,674)	---	---	
---	---	---	---	---					

LANGUAGE RECOMMENDATIONS

The sums hereinabove appropriated to the various State departments, agencies, commissions, or institutions of higher education for the cost of salaries, wages, or other benefits shall be allotted as the Director of the Division of Budget and Accounting shall determine.

Notwithstanding the provisions of any other laws, including R.S.34:15-49 and section 1 of P.L.1981, c.353 (C.34:15-49.1), the State Treasurer, the Commissioner of Personnel, and the Director of the Division of Budget and Accounting shall establish directives governing salary ranges and rates of pay, including salary increases. The implementation of such directives shall be made effective at the first full pay period of Fiscal Year 1997 as determined by such directives, with timely notification of such directives to the Joint Budget Oversight Committee or its successor. Such directives shall not be considered an "administrative rule" or "rule" within the meaning of subsection (e) of section 2 of P.L.1968, c.410 (C.52:14B-2), but shall be considered exempt under paragraphs (1) and (2) of subsection (e) of section 2 of P.L.1968, c.410 (C.52:14B-2), and shall not be subject to the "Administrative Procedure Act" P.L.1968, c.410 (C.52:14B-1 et seq.). Nothing herein shall be construed as applicable to the Presidents of the State Colleges, Rutgers, The State University, the University of Medicine and Dentistry of New Jersey and the New Jersey Institute of Technology.

No salary range or rate of pay shall be increased or paid in any State department, agency, or commission without the approval of the Director of the Division of Budget and Accounting. Nothing herein shall be construed as applicable to unclassified personnel of the Legislative Branch, or the unclassified personnel of the Judicial Branch.

In addition to the amount hereinabove for Unused Accumulated Sick Leave Payments, there are appropriated such additional sums as may be necessary for payments of unused accumulated sick leave.

Any sums appropriated for salaries shall be made available for any person holding State office, position or employment, whose compensation is paid directly or indirectly, in whole or in part, from State funds, including any person holding office, position or employment in any educational institution for which appropriations are made to Rutgers, The State University; the University of Medicine and Dentistry of New Jersey, the State Colleges or the New Jersey Institute of Technology; or holding office, position or employment under the Palisades Interstate Park Commission or the Pinelands Commission.

Notwithstanding the provisions of any law to the contrary, as a result of the contracting of the Mid-State Correctional Facility, an amount shall be transferred from the Salary Increases and Other Benefits program classification to the Department of Corrections Contract Services account, subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provisions of any law to the contrary, as a result of the contracting of Correctional Facility Maintenance, an amount shall be transferred from the Salary Increases and Other Benefits program classification to the Department of Corrections Contract Services account, subject to the approval of the Director of the Division of Budget and Accounting.

1,603,295	5,933	-140,888	1,468,340	1,444,852	Total Appropriation,			
					Inter-Departmental Accounts	1,536,967	1,537,005	1,537,005