

INTERDEPARTMENTAL ACCOUNTS

INTERDEPARTMENTAL ACCOUNTS

OVERVIEW

The Interdepartmental Accounts provide funds for the cost of certain services which are administered centrally on behalf of all agencies of State government. The programs supported by these funds include property rentals, insurance, utilities, employee benefits such as pensions and health benefits, salary contract funding and a contingency reserve. The fiscal 2000 recommendation totals \$1.8 billion, of which \$1.578 billion is Direct State Services, \$79.7 million is Grants-in-Aid and \$120.5 million is interdepartmental capital.

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 and the Economic Development Authority or private parties is also included in the Rent Account. Properties acquired or built by authorities are not considered as ratable properties and payments for in lieu of taxes are also made available through the Rent Account.

The Property Rentals Budget recommendation is a decrease of \$5.1 million from fiscal 1999. This recommendation provides for an additional \$4.5 million for lease consolidation efforts and essential program space for state agencies. Other increases in fiscal 2000 include \$1.3 million in costs for other debt service leases and tax payments and \$922,000 for debt service for the Economic Development Authority. Offsetting these costs, in the area of leasing, are \$1 million in savings from an initiative to curtail agency office renovations and other special projects in leased facilities. A decrease of \$6.4 million will result from the New Jersey Building Authority's acquisition of the Hughes Justice Complex from the Mercer County Improvement Authority and the use of available balances from fiscal 1999. Other decreases include \$2.5 million for the maintenance of the vacated North Princeton Developmental Center and Marlboro Psychiatric Hospital, and \$2.3 million in debt service costs for the South Jersey Port Corporation.

The Insurance and Other Services Account includes insurance premiums for property, casualty, and special insurance policies for the State of New Jersey. The insurance policies 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 2000 recommendation for Insurance and Other Services is a decrease of \$1.25 million from fiscal 1999. A decrease of \$751,000 is attributable to a reduction in Property premium costs. In addition, a savings of \$500,000 is anticipated in the Workers' Compensation account as a result of decreasing disbursements for occupational claims settlements.

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 2000 recommendation is a decrease of \$339,000 fiscal 1999. The decrease is attributable to energy initiatives which will generate savings in fiscal 2000.

This Budget recommendation also assumes savings from the Green Lights Program which entails the sale of bonds by the Economic Development Authority to provide funding for the installation of energy efficient lighting, fans and motors in State and lease-purchase facilities. Projects eligible for funding under this program must demonstrate pay back of energy savings. Debt service payments to support this bond sale are made through the Property Rentals Budget. The utility companies will provide the State with incentive payments (standard offer payments) in fiscal 2000. These payments will be made available to the utility account through appropriation language.

The Interdepartmental Grants-in-Aid display is new for fiscal 2000. Several items have been shifted from Direct State Services along with their historical data. Consequently, the Grants-in-Aid Budget for Aid to Independent Authorities will increase by \$18.7 million which includes an increase of \$21.7 million for debt service of the Sports and Exposition Authority, and \$6 million for the Liberty Science Center program for educational services. The increase in the Sports Authority debt service will support the construction of the Wildwood Convention Center, the Monmouth Park project, renovations to the East Hall of the old Atlantic City Convention Center and an increased capital program. This Budget also includes a decrease of \$4 million for operations of the Sports and Exposition Authority and \$5 million for the Trenton Hotel Project.

The Employee Benefits Budget of \$1.2 billion funds a variety of pension accounts, health benefits accounts, Social Security Tax, and unemployment and temporary disability insurance accounts. For the seven State retirement systems and other special retirement acts the recommendation is \$232.8 million, or \$22.4 million above the fiscal 1999 appropriation. This growth is due, in part, to increased costs attributable to a relatively stable workforce and reduced surplus offsets available from the fiscal 1997 State Pension Security Plan.

The fiscal 2000 recommendation of \$618.1 million for health benefits includes medical insurance, prescription drugs, dental insurance and vision care. This recommendation represents a \$61.5 million increase over the fiscal 1999 appropriation and reflects continued cost escalation in the health care industry. The recommendation of \$372.2 million for Employer Taxes includes \$356.9 million for Social Security Tax, \$8.6 million for unemployment insurance, and \$6.7 million for temporary disability insurance. The fiscal 2000 budget for employee benefits also includes \$2.3 million in fringe benefit costs relating to various agency initiatives.

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In addition, the State appropriates funds for several other interdepartmental needs. These needs include \$15.4 million for the statewide 911 emergency telephone system, and \$10 million for the Year 2000 changes related to departmental information processing systems, Office of Information Technology maintained systems, telecommunications and building facilities. The remaining interdepartmental needs for fiscal 2000 include \$10.6 million for several smaller programs that cross interdepartmental areas.

Finally, \$38.4 million is recommended to support state employee salary increases, and the bargaining agreements with the employee unions. The recommendation for salary increases and other benefits does not include funding for higher education senior public institutions. This budget also includes funding of \$5.7 million for unused accumulated sick leave payments. Hence, the fiscal 2000 Budget recommends a net of \$44.1 million for employee salary increases and other benefits.

SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 1998						Year Ending June 30, 2000		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		1999 Adjusted Approp.	Requested	Recom- mended
1,481,136	2,657	-103,860	1,379,933	1,347,068	Direct State Services	1,511,226	1,578,353	1,578,353
38,726	---	---	38,726	38,726	Grants-In-Aid	60,964	79,667	79,667
17,005	9,025	-359	25,671	9,171	Capital Construction	66,415	166,245	120,525
1,536,867	11,682	-104,219	1,444,330	1,394,965	Total General Fund	1,638,605	1,824,265	1,778,545
1,536,867	11,682	-104,219	1,444,330	1,394,965	GRAND TOTAL	1,638,605	1,824,265	1,778,545

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SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 1998					Year Ending June 30, 2000			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		1999 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES - GENERAL FUND								
General Government Services								
179,362	2,642	250	182,254	174,736	Property Rentals	208,356	203,293	203,293
51,656	15	---	51,671	51,111	Insurance and Other Services	48,426	47,175	47,175
1,049,820	---	-1,118	1,048,702	1,033,237	Employee Benefits	1,141,195	1,225,395	1,225,395
87,429	---	-16,638	70,791	61,674	Other Inter-Departmental Accounts	66,340	35,978	35,978
91,945	---	-86,104	5,841	5,646	Salary Increases and Other Benefits	24,135	44,077	44,077
20,924	---	-250	20,674	20,664	Utilities and Other Services	22,774	22,435	22,435
<u>1,481,136</u>	<u>2,657</u>	<u>-103,860</u>	<u>1,379,933</u>	<u>1,347,068</u>	<i>Subtotal</i>	<u>1,511,226</u>	<u>1,578,353</u>	<u>1,578,353</u>
1,481,136	2,657	-103,860	1,379,933	1,347,068	Subtotal Direct State Services - General Fund	1,511,226	1,578,353	1,578,353
<u>1,481,136</u>	<u>2,657</u>	<u>-103,860</u>	<u>1,379,933</u>	<u>1,347,068</u>	TOTAL DIRECT STATE SERVICES	<u>1,511,226</u>	<u>1,578,353</u>	<u>1,578,353</u>
GRANTS-IN-AID - GENERAL FUND								
General Government Services								
38,726	---	---	38,726	38,726	Aid to Independent Authorities	60,964	79,667	79,667
<u>38,726</u>	<u>---</u>	<u>---</u>	<u>38,726</u>	<u>38,726</u>	Subtotal Grants-In-Aid - General Fund	<u>60,964</u>	<u>79,667</u>	<u>79,667</u>
<u>38,726</u>	<u>---</u>	<u>---</u>	<u>38,726</u>	<u>38,726</u>	TOTAL GRANTS	<u>60,964</u>	<u>79,667</u>	<u>79,667</u>
<u>1,519,862</u>	<u>2,657</u>	<u>-103,860</u>	<u>1,418,659</u>	<u>1,385,794</u>	TOTAL APPROPRIATIONS DSS, GRANTS AND STATE AID	<u>1,572,190</u>	<u>1,658,020</u>	<u>1,658,020</u>

INTERDEPARTMENTAL ACCOUNTS

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. **Other Interdepartmental.** 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.
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 and unused accumulated sick leave.

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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.

09. **Aid to Independent Authorities.** Provides for payments to Independent Authorities for operating expenses and construction costs of both cultural and sports related facilities.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1998					Year Ending June 30, 2000				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	1999 Adjusted Approp.	Requested	Recom- mended	
Distribution by Program									
179,362	2,642	250	182,254	174,736	01	208,356	203,293	203,293	
51,656	15	---	51,671	51,111	02	48,426	47,175	47,175	
20,924	---	-250	20,674	20,664	06	22,774	22,435	22,435	
<u>38,726</u>	<u>---</u>	<u>---</u>	<u>38,726</u>	<u>38,726</u>					
290,668	2,657	---	293,325	285,237	09	<u>60,964</u>	<u>79,667</u>	<u>79,667</u>	
						340,520	352,570	352,570	
Distribution by Fund and Object									
Direct State Services - General Fund									
Property Rentals:									
142,719						147,317			
5,200 S	2,642	250	150,811	150,444		2,500 S	150,859	150,859	
7,308	---	---	7,308	7,308		7,316	---(b)	---(b)	
3,148									
1,573 S			4,721	4,721		7,500	5,200	5,200	
12,292	---	---	12,292	12,292		12,522	13,444	13,444	
36,370	---	---	36,370	29,219		58,119	59,053	59,053	
13,466	---	---	13,466	13,466		13,668	14,931	14,931	
<u>222,076</u>	<u>2,642</u>	<u>250</u>	<u>224,968</u>	<u>217,450</u>		<u>248,942</u>	<u>243,487</u>	<u>243,487</u>	
-42,714	---	---	-42,714	-42,714					
<u>179,362</u>	<u>2,642</u>	<u>250</u>	<u>182,254</u>	<u>174,736</u>		<u>208,356</u>	<u>203,293</u>	<u>203,293</u>	
Insurance and Other Services:									
2,195	---	-1,000	1,195	1,195		1,565	1,200	1,200	
811	---	-398	413	413		811	450	450	
225	---	-32	193	193		225	200	200	
---	---	49	49	49		---	---	---	
---	---	240	240	240		---	---	---	
9,000	---	-289	8,711	8,627		9,000	9,000	9,000	
23,100						29,000			
10,000 S	4	1,650	34,754	34,396		3,000 S	31,500	31,500	
4,200									
1,500 S	---	155	5,855	5,855		4,200	4,200	4,200	
500	11	-300	211	103		500	500	500	
125	---	-75	50	40		125	125	125	
<u>51,656</u>	<u>15</u>	<u>---</u>	<u>51,671</u>	<u>51,111</u>		<u>48,426</u>	<u>47,175</u>	<u>47,175</u>	
16,125	---	-250	15,875	15,865		17,975	17,636	17,636	
4,799	---	---	4,799	4,799		4,799	4,799	4,799	
<u>20,924</u>	<u>---</u>	<u>-250</u>	<u>20,674</u>	<u>20,664</u>		<u>22,774</u>	<u>22,435</u>	<u>22,435</u>	
251,942	2,657	---	254,599	246,511		279,556	272,903	272,903	
Total Direct State Services - General Fund									

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Year Ending June 30, 1998					Year Ending June 30, 2000				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1999 Adjusted Approp.	Requested	Recommended	
Grants-In-Aid - General Fund (c)									
---	---	---	---	---					
31,678	---	---	31,678	31,678	09	15,000	11,000	11,000	
1,500	---	---	1,500	1,500	09	33,918	55,624	55,624	
5,548	---	---	5,548	5,548	09	1,500	1,500	1,500	
---	---	---	---	---	09	5,546	5,543	5,543	
---	---	---	---	---	09	5,000 ^S	---	---	
---	---	---	---	---	09	---	6,000	6,000	
38,726	---	---	38,726	38,726		60,964	79,667	79,667	
Total Grants-In-Aid - General Fund									

OTHER RELATED APPROPRIATIONS

<u>17,005</u>	<u>9,025</u>	<u>-359</u>	<u>25,671</u>	<u>9,171</u>	Total Capital Construction	<u>66,415</u>	<u>166,245</u>	<u>120,525</u>
307,673	11,682	-359	318,996	294,408	TOTAL STATE APPROPRIATIONS	406,935	518,815	473,095

Notes

- The Fiscal Year 1999 appropriation has been increased to reflect a proposed supplemental appropriation.
- In Fiscal Year 2000, debt service payments for the Richard J. Hughes Justice Complex will be made to the New Jersey Building Authority.
- Fiscal Year 1998 and 1999 appropriations data has been adjusted to reflect the shift of these items from Direct State Services - Interdepartmental Property Rentals and Utilities and Other Services to the Aid to Independent Authorities program classification.

Language Recommendations -- Direct State Services - General Fund

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.

To the extent that sums appropriated for property rental payments are insufficient, there are appropriated such additional sums, not to exceed \$3,000,000 as may be required to pay property rental obligations, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated such additional sums as may be certified to the Governor by the South Jersey Port Corporation as necessary to meet the requirements of the "South Jersey Port Corporation Reserve Fund" under section 14 of P.L. 1968, c.60 (C12:11A-14), the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$2,000,000 shall be appropriated for the costs of security, maintenance, utilities and other operating expenses related to the Marlboro Psychiatric Hospital and North Princeton Developmental Center closure initiatives, 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, 1999 in the New Jersey Building Authority account is appropriated.

The unexpended balance as of June 30, 1999 in the Master Lease Program Fund is appropriated for the same purpose.

There are appropriated such additional sums as may be required to pay tort claims 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 funds appropriated to the Tort Claims Liability Fund are available for the payment of claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.

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The funds appropriated to the Tort Claims Liability Fund are available for the payment of direct costs of legal, administrative, and medical services related to the investigation, mitigation and litigation of tort claims under N.J.S.A. 59:12-1, and claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.

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 Liability 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.

Notwithstanding any other law to the contrary, benefits provided to community work experience participants shall be borne by the Work First New Jersey program funded through the Department of Human Services and any costs related to administration, mitigation, litigation and investigation of claims will be reimbursed to the Bureau of Risk Management by the Work First New Jersey Program funded through the Department of Human Services, 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, 1999 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 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.

In addition to the sums hereinabove for Fuel and Utilities, the Director of the Division of Budget and Accounting shall transfer or credit to this account such sums that accrue from appropriations made to various spending agencies for Fuel and Utilities and Salaries and Wages, to reflect savings associated with electrical deregulation, fuel switch and other energy-conservation initiatives.

Language Recommendations -- Grants-In-Aid - General Fund

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.

INTERDEPARTMENTAL ACCOUNTS

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9410. EMPLOYEE BENEFITS

EVALUATION DATA

	Actual FY 1997	Actual FY 1998	Revised FY 1999	Budget Estimate FY 2000
PROGRAM DATA				
Employee Benefits				
Health Act Pensioners	1	1	1	1
Veterans' Act Pensioners	8	7	7	7
Judicial Retirement System				
Assets	\$306,500,484	\$360,004,848	\$338,758,000	\$348,839,000
Active Members	412	412	419	427
Pensioners	341	338	349	360
Annual Pensions	\$17,496,716	\$18,866,085	\$20,037,858	\$21,282,409
Prison Officers' Pension Fund				
Assets	\$21,296,892	\$20,413,000	\$18,160,000	\$17,168,000
Pensioners	286	280	272	264
Public Employees' Retirement System				
Assets	\$19,654,281,986	\$23,186,758,740	\$21,699,198,000	\$22,882,011,000
Total Members	258,603	259,574	259,508	259,446
State (Active)	75,008	74,407	74,042	73,680
State (Inactive)	6,368	6,443	6,348	6,255
Local	177,227	178,724	179,117	179,511
Pensioners	92,066	95,739	99,913	104,269
Annual Pensions	\$769,936,034	\$831,477,970	\$888,351,063	\$949,114,276
Lump Sum Death Benefits	\$84,084,876	\$81,575,864	\$84,504,437	\$87,538,147
State Police Retirement System				
Assets	\$1,391,560,012	\$1,650,539,763	\$1,599,184,000	\$1,689,989,000
Total Members	2,595	2,644	2,669	2,693
Active	2,574	2,627	2,654	2,680
Inactive	21	17	15	13
Pensioners	1,607	1,665	1,746	1,831
Annual Pensions	\$48,396,302	\$52,617,233	\$58,073,640	\$64,095,876
Police and Firemen's Retirement System				
Assets	\$13,151,203,905	\$15,683,090,266	\$15,703,310,000	\$17,028,321,000
Total Members	41,729	42,344	43,286	44,256
State (Active)	6,862	7,222	7,600	7,997
State (Inactive)	413	102	102	102
Local	34,454	35,020	35,584	36,157
Pensioners	19,902	20,769	21,637	22,542
Annual Pensions	\$525,647,989	\$567,838,462	\$639,783,595	\$720,844,176
Lump Sum Death Benefits	\$19,522,423	\$20,448,696	\$22,522,194	\$24,805,944
Alternate Benefits Program				
Total Active Members	13,981	14,536	14,536	15,524
State	11,264	11,899	12,377	12,875
County	2,717	2,637	2,643	2,649
Teachers' Pension and Annuity Fund				
Assets	\$24,746,484,756	\$29,169,418,485	\$28,180,365,000	\$29,759,464,000
Total Members	121,560	124,861	126,207	127,571
State	492	468	441	415
County	87	87	81	75
Local	120,981	124,306	125,686	127,081
Pensioners	45,009	46,654	48,385	50,180
Annual Pensions	\$881,863,594	\$956,513,397	\$1,053,695,158	\$1,160,750,586
Lump Sum Death Benefits	\$49,878,661	\$48,925,363	\$52,384,386	\$56,087,962
Health Benefits Program				
Covered Members	258,127	266,309	272,116	272,116
State	124,653	121,984	121,905	121,905
Local	133,474	144,325	150,211	150,211

INTERDEPARTMENTAL ACCOUNTS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 1998					Year Ending June 30, 2000			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	1999 Adjusted Approp.	Requested	Recom- mended
<u>1,049,820</u>	---	<u>-1,118</u>	<u>1,048,702</u>	<u>1,033,237</u>	Distribution by Program			
1,049,820	---	-1,118	1,048,702	1,033,237	03	<u>1,141,195</u>	<u>1,225,395</u>	<u>1,225,395</u>
						1,141,195	1,225,395	1,225,395
					Distribution by Fund and Object			
					Direct State Services - General Fund			
					Special Purpose:			
50,027	---	---	50,027	50,026	03	50,942	54,200	54,200
53,659	---	-779	52,880	50,709	03	1,790	35,330	35,330
23,986	---	---	23,986	23,986	03	23,555	27,119	27,119
72,146	---	230	72,376	72,376	03	75,907	81,391	81,391
---	---	---	---	---	03	---	---	---
13,479	---	---	13,479	13,479	03	---	---	---
2,243	---	449	2,692	2,692	03	4,074	2,644	2,644
---	---	---	---	---	03	---	---	---
1,601	---	---	1,601	1,511	03	1,619	1,618	1,618
200	---	---	200	161	03	161	146	146
29	---	---	29	22	03	22	15	15
10	---	---	10	4	03	10	19	19
54,575	---	---	54,575	54,572	03	52,380	30,332	30,332
317,509	---	---	317,509	317,509	03	433,090	473,423	473,423
78,462	---	---	78,462	78,462	03	99,080	118,355	118,355
21,023	---	100	21,123	21,123	03	23,380	25,230	25,230
1,004	---	---	1,004	1,000	03	1,000	1,050	1,050
342,073	---	-1,153	340,920	328,030	03	353,348	356,900	356,900
10,084	---	-1,681	8,403	8,149	03	8,373	6,714	6,714
7,710	---	1,681	9,391	9,391	03	10,869	8,560	8,560
---	---	---	---	---	03	1,595	2,349	2,349
---	---	35	35	35	03	---	---	---
<u>1,049,820</u>	---	<u>-1,118</u>	<u>1,048,702</u>	<u>1,033,237</u>		<u>1,141,195</u>	<u>1,225,395</u>	<u>1,225,395</u>
1,049,820	---	-1,118	1,048,702	1,033,237		1,141,195	1,225,395	1,225,395

Notes

(a) Due to surpluses available as a result of the Pension Security Plan, no contributions are required in fiscal 2000.

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 1998					Year Ending June 30, 2000				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1999 Adjusted Approp.	Requested	Recom- mended	
400									
24,202 ^S	---	---	24,602	17,912	Interest On Short Term Notes	04	400	400	
600									
280 ^S	---	---	880	816	Notes Issuance Expenses - Underwriters Costs	04	600	600	
125	---	5	130	130	Catastrophic Illness in Children Relief Fund - Employer Contributions	04	125	125	
24,562 ^S	---	---	24,562	24,562	Interest on Interfund Borrowing	04	6,000	6,000	
18,760	---	637	19,397	18,254	Statewide 911 Emergency Telephone System	04	15,315	15,353	
15,000	---	-13,780	1,220	---	Year 2000 Data Processing Initiative	04	25,900	10,000	
---	---	---	---	---	Interdepartmental Initiatives	04	6,000 ^S	10,000	
---	---	---	---	---	Statewide Infrastructure Study and Enhancements	04	5,000	---	
---	---	---	---	---	Statewide Infrastructure Study and Enhancements	04	2,000 ^S	---	
<u>87,429</u>	---	<u>-16,638</u>	<u>70,791</u>	<u>61,674</u>	<i>Total Special Purpose</i>		<u>66,340</u>	<u>35,978</u>	
87,429	---	-16,638	70,791	61,674	Total Direct State Services - General Fund		66,340	35,978	

Language Recommendations -- Direct State Services - General Fund

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. The unexpended balance as of June 30, 1999 in the Year 2000 Data Processing Initiative is appropriated for the same purpose.

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 necessity, as a reward for the capture and return of Joanne Chesimard.

In addition to the amount herein above for Data Processing, there is appropriated an amount as determined by the Director of the Division of Budget and Accounting.

In addition to the amount herein above for year 2000 Data Processing, an amount not to exceed \$7,500,000 shall be appropriated to ensure completion of all Year 2000 related data processing projects, subject to the approval of the Director of the Division of Budget and Accounting.

There are appropriated to the Emergency Services Fund such sums as are required to meet the costs of any emergency occasioned by aggression, civil disturbance, sabotage, disaster, or for flood expenses for State owned structures to comply with Federal Insurance Administration requirements, as recommended by the Emergency Services Council and approved by the Governor, and subject to the approval of the Director of the Division of Budget and Accounting.

An amount not to exceed \$5,000,000 shall be appropriated to implement the recommendations of the statewide network infrastructure study, subject to the approval of the Director of the Division of Budget and Accounting.

To the extent that the costs of imaging projects are reduced, funds appropriated to individual departments for imaging related projects may be available for reallocation to a centralized function, as the Director of the Division of Budget and Accounting shall determine.

An amount not to exceed \$500,000 shall be appropriated as state match if required to leverage federal funding that may be obtained for the enhancement or expansion of geographic management systems subject to the approval of the Director of the Division of Budget and Accounting.

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, 1998					Year Ending June 30, 2000				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	1999 Adjusted Approp.	Requested	Recom- mended	
Distribution by Program									
<u>91,945</u>	---	<u>-86,104</u>	<u>5,841</u>	<u>5,646</u>	Salary Increases and Other Benefits	05	<u>24,135</u>	<u>44,077</u>	
91,945	---	-86,104	5,841	5,646	Total Appropriation		24,135	44,077	

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 1998					Year Ending June 30, 2000			
Orig. & (S)Supple-mental	Reapp. & (R)Recpts.	Transfers & (E)Emer-gencies	Total Available	Expended	Prog. Class.	1999 Adjusted Approp.	Requested	Recom-mended
Distribution by Fund and Object								
Direct State Services - General Fund								
Special Purpose:								
87,445	---	-87,240	205	10	Salary Increases and Other Benefits	11,722		
						5,028 ^S	38,377	38,377
4,500	---	1,136	5,636	5,636	Unused Accumulated Sick Leave Payments	4,500		
						1,000 ^S	5,700	5,700
---	---	---	---	---	Funding in Lieu of Privatization			
						1,885	---	---
91,945	---	-86,104	5,841	5,646	Total Special Purpose	24,135	44,077	44,077
91,945	---	-86,104	5,841	5,646	Total Direct State Services - General Fund	24,135	44,077	44,077

Language Recommendations -- Direct State Services - General Fund

The sums herein above 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 2000 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 herein above for Unused Accumulated Sick Leave Payments, there are appropriated such sums as may be necessary for payments of unused accumulated sick leave.

Any sums appropriated for Salary Increases and Other Benefits 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 under the Palisades Interstate Park Commission.

The Director of the Division of Budget and Accounting shall transfer from departmental accounts and credit to the Salary Increases and Other Benefits accounts a sum of \$7,245,000 to reflect savings from a managed attrition program. This additional sum is appropriated for Salary Increases and Other Benefits.

The unexpended balance as of June 30, 1999 in the Salary Increases and Other Benefits account is appropriated for the same purpose.