

## INTERDEPARTMENTAL ACCOUNTS

### OVERVIEW

The Interdepartmental Accounts provide funds for the cost of certain services that are administered centrally on behalf of all agencies of State government.

This section focuses on State employees' salary contracts, employee benefits, and other obligations and initiatives that benefit all State departments ranging from short-term borrowing costs to major investments in technology. Other Interdepartmental Accounts include property rentals, utilities, insurance, and capital, and are discussed in the Capital and Debt Service section.

#### Budget Highlights

The Fiscal 2006 Budget for all Interdepartmental Accounts totals \$2.9 billion, an increase of \$181.8 million, or 6.8%, over the fiscal 2005 adjusted appropriation of \$2.7 billion. (The specific highlights are outlined in their respective sections below.)

#### Salary Increases

The State of New Jersey, excluding higher education's senior public institutions, employs approximately 78,500 full-time workers. The State is covered by the New Jersey Public Employer-Employee Relations Act, as amended, NJSA 34:13A-1, et seq. This Act guarantees public employees the right to negotiate collectively through employee organizations certified or recognized as the exclusive collective negotiation representatives for units of public employees. As of February 2005 unions represented 70,500 full-time State employees, or approximately 90% of the total.

In fiscal 2006, \$107.9 million is recommended for Salary Increases and Other Benefits to cover fiscal 2006 employee increments, progressions, across-the-board raises for all eligible employees, and bonuses according to contractual agreements, along with any related deferred costs. This amount is net of \$50 million for statewide employee savings including a 10% reduction to the commissioners' offices and other administrative accounts.

In addition to salary increases, this section of the Budget provides \$7.5 million for payment of unused accumulated sick leave. Employees are permitted to accumulate earned sick days. Upon retirement, the retiree is paid for unused sick days at 50% of the normal pay rate, up to a maximum amount of \$15,000.

#### Employee Contract Status

Contracts have been settled with the unions representing 74% of the State employees, including CWA (Communications Workers of America), AFSCME (American Federation of State, County, and Municipal Employees), IFPTE (International Federation of Professional and Technical Engineers), and FOP (Fraternal Order of Police), which are effective July 1, 2003 to June 30, 2007. All of the above unions have negotiated a cost-of-living (COLA) increase of 2.0% on July 1, 2005 and another 2.0% on January 1, 2006.

The unions that represent Judicial employees—CWA, Judiciary Council of Affiliated Unions (JCAU), and Probation Association of New Jersey (PANJ), will receive a 0.9% increase with a 4.15% salary progression on July 1, 2005. Additionally, the State Police will receive a 4.00% increase on July 1, 2005. Both Judicial unions and State Police contracts are effective July 1, 2004 to June 30, 2008.

#### Employee Fringe Benefits

For fiscal 2006, a total cost of \$2.1 billion is budgeted to provide fringe benefits to employees of State government and higher education institutions, an increase of \$161.1 million, or 8.1%, compared to fiscal 2005.

#### Employee Retirement

All State employees and most employees of counties, municipalities, and school districts are members of one of the seven State retirement systems: the Public Employees' Retirement System (PERS), the Teachers' Pension and Annuity Fund (TPAF), the Police and

Firemen's Retirement System (PFRS), Consolidated Police and Firemen's Pension Fund, State Police Retirement System (SPRS), Judicial Retirement System (JRS), and Prison Officer's Pension Fund. The law provides that all defined benefit pension plans are subject to actuarial valuation every year and actuarial experience studies every three years.

Growth in employee retirement costs in fiscal 2006 is largely due to increases in pension liabilities and substantial increases in health care costs for retired employees.

The recommended amount for State and higher education employee pensions in the Fiscal 2006 Budget totals \$475.7 million, including \$295.3 million of post retirement medical costs, \$36.5 million of pension contribution costs for PFRS, \$120.7 million of pension contribution costs for the Alternate Benefits Program, \$8.0 million of pension contribution costs for the JRS, and \$12.9 million of pension contribution costs for the SPRS. Also, \$2.2 million is appropriated for pension funds and other specially legislated retirement provisions. Recommended appropriations for debt service payments on the pension obligation bonds for State and higher education employees total \$68.4 million in fiscal 2006.

#### Employee Health Benefits

The projected cost for health benefits, including medical, prescription drug, dental, and vision, for State and higher education employees in fiscal 2006 is \$1.1 billion. This represents a net increase of \$117.9 million, or approximately 12.1%, above the fiscal 2005 adjusted appropriation of \$973.0 million. This growth is a result of anticipated rate increases for all State health plans, reflecting continued cost escalation in the health care industry.

#### Employer Payroll Taxes

The fiscal 2006 recommendation of \$500.2 million for employer payroll taxes (\$512.2 million reduced by \$12.0 million provided from the Cash Management Fund) represents a decrease of \$9.6 million, over fiscal 2005. The full need is composed of \$492.9 million for the State's portion of the Social Security tax, \$14.5 million for Temporary Disability Insurance (TDI), and \$4.8 million for Unemployment Insurance (UI) liability.

#### Other Interdepartmental Accounts

The Fiscal 2006 Budget for Other Interdepartmental Accounts totals \$70.6 million, a decrease of \$89.3 million, or 55.8%, from the fiscal 2005 adjusted appropriation of \$159.9 million.

In Direct State Services (DSS), some of the major items funded in fiscal 2006 are: \$22.3 million for interest on short-term notes, \$17.6 million for Statewide E-911 Emergency Telephone System and \$6.6 million for several smaller programs. Additionally, this Budget provides \$9.2 million for information technology.

The Fiscal 2006 Grants-in-Aid (GIA) Budget for Other Interdepartmental Accounts totals \$14.9 million, a decrease of \$88 million from the fiscal 2005 appropriations of \$102.9 million. All of the funds are to be used for county grants for E-911 Statewide Emergency Telephone System.

#### Aid To Independent Authorities

The Fiscal 2006 GIA Budget for Aid to Independent Authorities totals \$101.6 million, an increase of \$15 million, or 17.3%, more than the fiscal 2005 adjusted appropriation of \$86.6 million. This budget supports the New Jersey Sports and Exposition Authority, Business Employment Incentive Programs, New Jersey Performing Arts Center, Municipal Rehabilitation and Economic Recovery, and other authorities.

#### Statewide Capital

The Fiscal 2006 Budget for Statewide Capital projects totals \$179.3 million, a decrease of \$5.2 million or 2.8% from the fiscal 2005 adjusted appropriation of \$184.5 million. Funding is provided for

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compliance with the Americans With Disabilities Act (\$2 million); Statewide Hazardous Materials Removal (\$2 million); New Jersey Building Authority Projects (\$66.2 million); Statewide Security Projects (\$3 million); Open Space Preservation (\$98 million) and Renovations to State Buildings (\$2.7 million). Funding is also provided for Enterprise Initiatives – Garden State Network Infrastructure (\$4 million); Office of Information Technology–Availability and Recovery Site –OARS (\$1.4 million).

## Property Rentals

The Fiscal 2006 Budget for Property Rentals totals \$141.9 million which is a decrease of \$12.0 million, or 7.8%, from the previous year. The Property Rentals account supports existing and anticipated leases of offices and other facilities used by State agencies (\$103.2 million), payments for debt service leases and payments in lieu of property taxes on facilities occupied by State agencies (\$17.8 million) and debt service payments for various fire sprinkler systems and office furnishings (\$4.7 million). This account also includes \$16.2 million for debt service payments associated with the State’s lease–purchase of facilities acquired or built by the Economic Development Authority.

Working in cooperation with the Division of Archives and Records Management in the Department of State, Treasury’s Division of Property Management and Construction will generate rent and lease savings of \$400,000 in fiscal 2006 by consolidating record storage and warehousing space across State agencies. Seven leased sites will be eliminated in fiscal 2006 due to this centralization, and savings are expected to double in fiscal 2007 as first year start up costs diminish.

## Insurance and Other Services

The Insurance and Other Services account includes insurance premiums for property, casualty and special insurance policies for coverage against loss to State–owned real property, boilers and other machinery and fine art objects owned by the State. This account also provides self–insurance funds for various claims against the State,

including tort claims for personal injury or property damage, workers’ compensation for State employees, vehicle liability claims for property damage and injury resulting from the operation of State vehicles and claims arising from the Foster Parents Program and the UMDNJ Self–Insurance Reserve Fund.

The Fiscal 2006 Budget for Insurance and Other Services totals \$94.0 million, an increase of \$600,000 over the fiscal 2005 adjusted appropriation of \$93.4 million. This change is directly related to the elimination of supplemental appropriations for tort claims (\$5 million) and the continuing rise in workers’ compensation claims (\$5.6 million). Workers’ compensation costs are estimated at \$55.5 million for fiscal 2006.

## Utilities and Other Services

The Utilities and Other Services account provides funding for the heating, electrical, janitorial and trash removal needs for various state–owned buildings, primarily in the Capitol Complex, that house the state workforce. The Fiscal 2006 Budget for Utilities and Other Services of \$32.9 million is \$3.8 million or 13% higher than the previous year. This increase is primarily due to contractual increases for janitorial and trash removal services and a projected 10% rate increase in cost of utilities due to the global pressures affecting the cost of electric and natural gas.

The New Jersey Consolidated Energy Savings Program (NJCESP) has reduced the cost of energy for New Jersey State departments and agencies, colleges, NJ Transit, universities and authorities. As part of this effort, approximately 12% of the total electrical load will be procured from renewable, or “green power” sources. The green power procurement helps New Jersey satisfy federal environmental regulations and aids in the development of clean energy markets. The State has received federal government approval to reimburse the cost premium for green power from the Petroleum Overcharge Reimbursement Fund.

## INTERDEPARTMENTAL ACCOUNTS SUMMARY OF APPROPRIATIONS BY FUND (thousands of dollars)

Year Ending June 30, 2004						Year Ending June 30, 2006		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2005 Adjusted Approp.	Requested	Recom- mended
1,642,077	59,175	-79,603	1,621,649	1,549,786	Direct State Services	1,696,541	1,895,613	1,895,613
622,902	1,647	-10,495	614,054	610,580	Grants–In–Aid	808,030	796,023	796,023
194,233	28,211	-6,254	216,190	181,059	Capital Construction	184,549	179,327	179,327
2,459,212	89,033	-96,352	2,451,893	2,341,425	Total General Fund	2,689,120	2,870,963	2,870,963
<b>2,459,212</b>	<b>89,033</b>	<b>-96,352</b>	<b>2,451,893</b>	<b>2,341,425</b>	<b>GRAND TOTAL</b>	<b>2,689,120</b>	<b>2,870,963</b>	<b>2,870,963</b>

# INTERDEPARTMENTAL ACCOUNTS

## SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2004					Year Ending June 30, 2006			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2005 Adjusted Approp.	Requested	Recom- mended
					<b>DIRECT STATE SERVICES – GENERAL FUND</b>			
					<b>General Government Services</b>			
147,726	4,596	–2,639	149,683	149,221	Property Rentals	153,932	141,920	141,920
100,575	325	—	100,900	93,614	Insurance and Other Services	93,411	94,011	94,011
1,247,359	380	14,951	1,262,690	1,242,587	Employee Benefits	1,355,644	1,473,483	1,473,483
52,820	1,900	–20,220	34,500	26,122	Other Inter-Departmental Accounts	56,969	55,721	55,721
64,404	50,098	–72,142	42,360	6,941	Salary Increases and Other Benefits	7,500	97,624	97,624
29,193	1,876	447	31,516	31,301	Utilities and Other Services	29,085	32,854	32,854
<u>1,642,077</u>	<u>59,175</u>	<u>–79,603</u>	<u>1,621,649</u>	<u>1,549,786</u>	<i>Subtotal</i>	<u>1,696,541</u>	<u>1,895,613</u>	<u>1,895,613</u>
<u>1,642,077</u>	<u>59,175</u>	<u>–79,603</u>	<u>1,621,649</u>	<u>1,549,786</u>	<i>Subtotal Direct State Services – General Fund</i>	<u>1,696,541</u>	<u>1,895,613</u>	<u>1,895,613</u>
<u>1,642,077</u>	<u>59,175</u>	<u>–79,603</u>	<u>1,621,649</u>	<u>1,549,786</u>	<b>TOTAL DIRECT STATE SERVICES</b>	<u>1,696,541</u>	<u>1,895,613</u>	<u>1,895,613</u>
					<b>GRANTS-IN-AID – GENERAL FUND</b>			
					<b>General Government Services</b>			
555,207	1,646	–9,695	547,158	545,447	Employee Benefits	618,535	661,772	661,772
200	—	–200	—	—	Other Inter-Departmental Accounts	102,925	14,925	14,925
—	—	—	—	—	Salary Increases and Other Benefits	—	17,773	17,773
67,495	1	–600	66,896	65,133	Aid to Independent Authorities	86,570	101,553	101,553
<u>622,902</u>	<u>1,647</u>	<u>–10,495</u>	<u>614,054</u>	<u>610,580</u>	<i>Subtotal</i>	<u>808,030</u>	<u>796,023</u>	<u>796,023</u>
<u>622,902</u>	<u>1,647</u>	<u>–10,495</u>	<u>614,054</u>	<u>610,580</u>	<i>Subtotal Grants-In-Aid – General Fund</i>	<u>808,030</u>	<u>796,023</u>	<u>796,023</u>
<u>622,902</u>	<u>1,647</u>	<u>–10,495</u>	<u>614,054</u>	<u>610,580</u>	<b>TOTAL GRANTS-IN-AID</b>	<u>808,030</u>	<u>796,023</u>	<u>796,023</u>
					<b>CAPITAL CONSTRUCTION</b>			
					<b>General Government Services</b>			
194,233	28,211	–6,254	216,190	181,059	Capital Projects – Statewide	184,549	179,327	179,327
<u>194,233</u>	<u>28,211</u>	<u>–6,254</u>	<u>216,190</u>	<u>181,059</u>	<i>Subtotal Capital Construction</i>	<u>184,549</u>	<u>179,327</u>	<u>179,327</u>
<u>2,459,212</u>	<u>89,033</u>	<u>–96,352</u>	<u>2,451,893</u>	<u>2,341,425</u>	<b>TOTAL APPROPRIATION</b>	<u>2,689,120</u>	<u>2,870,963</u>	<u>2,870,963</u>

### 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 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 tort liability and its statutory duty to indemnify its employees for adverse judgments in all instances where the State is

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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 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. 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 Inter-Departmental.** 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.
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.
08. **Capital Projects - Statewide.** Provides for statewide programs and capital projects administered by the Department of Treasury on behalf of state agencies. Statewide programs include the removal of underground storage tanks, hazardous material removal and Americans with Disabilities Act compliance. Also, included is funding for the purchase of open space through the Garden State Preservation Trust Fund. Other items include network upgrades and agency information technology systems.
09. **Aid to Independent Authorities.** Provides for payments to Independent Authorities for operating expenses and construction costs of both cultural and sports related facilities.

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## APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2004					Year Ending June 30, 2006				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2005 Adjusted Approp.	Requested	Recom- mended	
<b><u>DIRECT STATE SERVICES</u></b>									
<b>Distribution by Fund and Organization</b>									
196,335	4,596	-2,639	198,292	197,830		203,609	227,355	227,355	
100,575	325	—	100,900	93,614		93,411	94,011	94,011	
29,193	1,876	447	31,516	31,301		29,085	32,854	32,854	
<b>Distribution by Fund and Program</b>									
196,335	4,596	-2,639	198,292	197,830	01	203,609	227,355	227,355	
100,575	325	—	100,900	93,614	02	93,411	94,011	94,011	
29,193	1,876	447	31,516	31,301	06	29,085	32,854	32,854	
<b>326,103</b>	<b>6,797</b>	<b>-2,192</b>	<b>330,708</b>	<b>322,745</b>		<b>326,105</b>	<b>354,220</b>	<b>354,220</b>	
<b>Less:</b>									
(48,609)	—	—	(48,609)	(48,609)					
<b>(48,609)</b>	<b>—</b>	<b>—</b>	<b>(48,609)</b>	<b>(48,609)</b>		<b>(49,677)</b>	<b>(85,435)</b>	<b>(85,435)</b>	
<b>Total State Appropriation</b>									
<b>277,494</b>	<b>6,797</b>	<b>-2,192</b>	<b>282,099</b>	<b>274,136</b>		<b>276,428</b>	<b>268,785</b>	<b>268,785</b>	
<b>Distribution by Fund and Object</b>									
<b>Property Rentals</b>									
162,134	4,596	-2,192	164,538	164,076	01	160,242			
						5,500 <sup>S</sup>	188,687	188,687	
17,446	—	-447	16,999	16,999	01	17,491	16,183	16,183	
<u>16,755</u>	<u>—</u>	<u>—</u>	<u>16,755</u>	<u>16,755</u>	01	<u>16,586</u>	<u>17,822</u>	<u>17,822</u>	
<u>196,335</u>	<u>4,596</u>	<u>(2,639)</u>	<u>198,292</u>	<u>197,830</u>		<u>199,819</u>	<u>222,692</u>	<u>222,692</u>	
<b>Less:</b>									
(48,609)	—	—	(48,609)	(48,609)		(49,677)	(85,435)	(85,435)	
<u>147,726</u>	<u>4,596</u>	<u>(2,639)</u>	<u>149,683</u>	<u>149,221</u>		<u>150,142</u>	<u>137,257</u>	<u>137,257</u>	
<b>Subtotal Appropriation (Gross)</b>									
<b>Less:</b>									
<b>Direct Charges and Charges to Non-State Fund Sources</b>									
						3,790	4,663	4,663	
<b>Subtotal Appropriation (Net)</b>									
<b>Insurance and Other Services</b>									
11,000	—	—	14,500	14,500	02	11,000			
3,500 <sup>S</sup>						5,000 <sup>S</sup>	11,000	11,000	
34,900	162	316	58,378	52,813	02	41,900			
23,000 <sup>S</sup>						8,000 <sup>S</sup>	55,500	55,500	
3,000	—	851	3,851	3,843	02	3,636	3,636	3,636	
2,030	—	-1,106	924	917	02	2,030	2,030	2,030	
220	—	27	247	247	02	220	220	220	
17,200 <sup>S</sup>	—	—	17,200	17,200	02	18,000	18,000	18,000	
2,000	—	—	3,600	3,555	02	2,000	2,000	2,000	
1,600 <sup>S</sup>									
500									
1,500 <sup>S</sup>	163	—	2,163	514	02	1,500	1,500	1,500	
125	—	-88	37	25	02	125	125	125	
<b>Utilities and Other Services</b>									
23,290	1,087	525	25,691	25,476	06	23,382	26,795	26,795	
5,903	789 <sup>R</sup>	-78	5,825	5,825	06	5,703	6,059	6,059	

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Year Ending June 30, 2004					Year Ending June 30, 2006				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2005 Adjusted Approp.	Requested	Recommended	
<b>GRANTS-IN-AID</b>									
<b>Distribution by Fund and Program</b>									
67,495	1	-600	66,896	65,133	Aid to Independent Authorities	09	86,570	101,553	101,553
<b>67,495</b>	<b>1</b>	<b>-600</b>	<b>66,896</b>	<b>65,133</b>	<b>Total Grants-in-Aid</b>		<b>86,570</b>	<b>101,553</b>	<b>101,553</b>
<b>Distribution by Fund and Object</b>									
Grants:									
Sports and Exposition Authority Operations – Debt Service									
26,060	—	-600	25,460	25,460	Sports Complex	09	26,060	25,724	25,724
15,025	1 <sup>R</sup>	—	15,026	15,025	Atlantic City Projects	09	15,025	15,440	15,440
3,417	—	—	4,267	4,079	Higher Education and Other Projects	09	3,417	2,818	2,818
850 <sup>S</sup>	—	—	1,668	1,668	Wildwood Convention Center	09	1,668	4,795	4,795
1,668	—	—	1,500	1,500	Camden Aquarium Management Agreement	09	1,500	—	—
5,559 <sup>S</sup>	—	—	5,559	5,544	New Jersey Performing Arts Center, EDA	09	5,555	5,559	5,559
—	—	—	—	—	Business Employment Incentive Program, EDA-Debt Service	09	16,413	28,694	28,694
—	—	—	—	—	Liberty Science Center – EDA	09	718	598	598
8,741 <sup>S</sup>	—	—	8,741	8,732	Municipal Rehabilitation and Economic Recovery, EDA	09	9,314	9,314	9,314
2,500	—	—	2,500	2,500	Horse Racing Litigation Settlement	09	—	—	—
625	—	—	625	625	Camden Children's Garden	09	625	625	625
—	—	—	—	—	Designated Industries Economic Growth & Development-EDA	09	5,885	7,596	7,596
—	—	—	—	—	Battleship New Jersey Utilities	09	390	390	390
1,550 <sup>S</sup>	—	—	1,550	—	Camden Riverfront Parking Lot	09	—	—	—
<b>CAPITAL CONSTRUCTION</b>									
<b>Distribution by Fund and Program</b>									
194,233	28,211	-6,254	216,190	181,059	Capital Projects – Statewide	08	184,549	179,327	179,327
<b>194,233</b>	<b>28,211</b>	<b>-6,254</b>	<b>216,190</b>	<b>181,059</b>	<b>Total Capital Construction</b>		<b>184,549</b>	<b>179,327</b>	<b>179,327</b>
<b>Distribution by Fund and Object</b>									
<b>Statewide Capital Projects</b>									
—	1,758	1,520	3,278	975	Capital Improvements, Capitol Complex	08	—	700	700
9,695	—	-500	9,195	3,995	Statewide Fire, Life Safety and Renovation Projects (a)	08	—	—	—
—	1,733	-700	1,033	1	Fire Detection/Security – Central Station Upgrade	08	—	—	—
922	—	—	922	—	DEP Building Fire Alarm Upgrade	08	—	—	—
—	533	-150	383	4	Life Safety and Emergency Projects – Statewide	08	—	—	—
2,000	2,328	—	4,328	1,451	Americans with Disabilities Act Compliance Projects – Statewide	08	2,000	2,000	2,000
—	8,406	150	8,556	1,154	Fuel Distribution Systems/Underground Storage Tank Replacements – Statewide	08	—	—	—
2,000	3,759	-1,500	4,259	780	Hazardous Materials Removal Projects – Statewide	08	1,000	2,000	2,000
3,000	1,792	—	4,792	1,086	Statewide Security Projects	08	—	3,000	3,000

# INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2004					Year Ending June 30, 2006				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2005 Adjusted Approp.	Requested	Recommended	
<b>CAPITAL CONSTRUCTION</b>									
—	374	—	374	162	Energy Efficiency Projects	08	—	—	—
					New Jersey Building Authority Debt Service				
					General State Projects				
24,217	—	—	24,217	24,217	– Southwoods State Prison	08	24,289	20,414	20,414
15,813	—	—	15,813	15,813	– State House Renovations	08	15,860	13,326	13,326
8,854	—	—	8,854	8,854	– Hughes Justice Complex	08	8,880	7,461	7,461
22,519	178	(5,000)	17,697	15,426	– Other State Projects	08	21,586	18,135	18,135
					– 9/11 Memorial	08	1,000	864	864
					Counter–terrorism Projects				
6,079	—	—	6,079	6,079	– State Police Multipurpose Building/Troop “C” Headquarters	08	6,097	5,122	5,122
1,134	—	—	1,134	1,134	– State Police Emergency Operations Center	08	1,137	955	955
—	2,716	—	2,716	1,041	Renovation Projects, Existing and Anticipated Leases	08	2,700	2,000	2,000
—	144	–1	143	—	Complex–wide Security System Design	08	—	—	—
—	9	—	9	9	Cooler/Freezer Repair – State Distribution Center	08	—	—	—
—	496	–496	—	—	Facility Assessment	08	—	—	—
—	288	—	288	—	Replace/Relocate Motor Control Center	08	—	—	—
—	32	—	32	—	Agriculture Building Retaining Wall	08	—	—	—
—	12	–12	—	—	DEP Infrastructure Wiring	08	—	—	—
—	1,167	—	1,167	74	Statehouse Security Modifications	08	—	—	—
—	239	—	239	—	South Jersey Port Corporation Capital Program	08	—	—	—
<b>Enterprise Initiatives</b>									
—	428	–369	59	—	Network Infrastructure	08	—	3,950	3,950
—	—	—	—	—	Enterprise Upgrades–Garden State Network	08	2,000	—	—
—	—	—	—	—	Office of Information Technology–Availability and Recovery Site (OARS)	08	—	1,400	1,400
<b>Open Space Preservation Program</b>									
98,000	1,819	804	100,623	98,804	Garden State Preservation Trust Fund Account	08	98,000	98,000	98,000
<b>539,222</b>	<b>35,009</b>	<b>–9,046</b>	<b>565,185</b>	<b>520,328</b>	<b>Grand Total State Appropriation</b>		<b>547,547</b>	<b>549,665</b>	<b>549,665</b>
<b>OTHER RELATED APPROPRIATIONS</b>									
<b>All Other Funds</b>									
—	—	—	—	—	Capital Projects – Statewide	08	3,000	—	—
—	—	—	—	—	<b>Total All Other Funds</b>		<b>3,000</b>	—	—
<b>539,222</b>	<b>35,009</b>	<b>–9,046</b>	<b>565,185</b>	<b>520,328</b>	<b>GRAND TOTAL ALL FUNDS</b>		<b>550,547</b>	<b>549,665</b>	<b>549,665</b>

**Notes — Capital Construction**

(a) For fiscal 2006 a total of \$16,992,000 will be made available for Statewide Fire, Life Safety and Renovation Projects from non–State funding sources.

**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.

## INTERDEPARTMENTAL ACCOUNTS

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- 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 Division of Property Management and Construction and subject to the approval or disapproval by the State Leasing and Space 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.
- An amount not to exceed \$2,500,000 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 debt service costs for the Greystone Park Psychiatric Hospital Project, subject to the approval of the Director of the Division of Budget and Accounting.
- The unexpended balance at the end of the preceding fiscal year in the Master Lease Program Fund is appropriated for the same purpose.
- In order to permit flexibility, amounts may be transferred between various items of appropriation within the Insurance and Other Services program classification, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.
- There are appropriated such additional sums as may be required to pay tort claims under N.J.S. 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.
- 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. 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, in 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.
- There are appropriated such additional sums as may be required to pay claims not payable from the Tort Claims Liability Fund or payable under the New Jersey Contractual Liability Act, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine. The funds appropriated are available for the payment of direct costs of legal, administrative and medical services related to the investigation, mitigation and litigation of claims not payable from the Tort Claims Liability Fund or payable under the New Jersey Contractual Liability Act, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine. Notwithstanding any other law to the contrary, claims or costs paid from the monies appropriated under this paragraph on behalf of entities funded, in whole or in part from non-State funds, may be reimbursed from such non-State funds sources as determined by the Director of the Division of Budget and Accounting. Appropriations under this paragraph shall not be available to pay punitive damages and shall not be deemed a waiver of any immunity by the State.
- 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 appropriated hereinabove for the Workers' Compensation Self-Insurance Fund under R.S. 34:15-1 et seq. 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.
- Providing that expenditures during fiscal year 2006 on workers compensation claims attributable to the Departments of Human Services, Transportation, Corrections, and Law and Public Safety are less than the respective amounts expended by those departments for claims attributable to the preceding fiscal year, all or a portion of that savings is appropriated to those departments or the Bureau of Risk Management within the Department of the Treasury for the purpose of improving worker safety and reducing workers compensation costs, 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 appropriated 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 at the end of the preceding fiscal year in the Self-Insurance Deductible Fund is appropriated for the same purposes.



## INTERDEPARTMENTAL ACCOUNTS

The amount appropriated hereinabove 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 appropriated 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 appropriated 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.

Of the unexpended balances in the Petroleum Overcharge Reimbursement Fund available for "Green Power", such sums shall be transferred to the various departments and agencies participating in the State electricity contract, as applicable, to reimburse additional costs associated with "Green Power" sources, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Global Energy Statewide Account is appropriated for the same purpose.

Notwithstanding any law to the contrary, the Division of Property Management and Construction is empowered to renegotiate lease terms, provided that such renegotiations result in cost savings to the State for State fiscal year 2006 and for the term of the lease. Any lease amendments made as a result of these renegotiations are subject to the review and approval of the State Leasing and Space Utilization Committee.

### Language Recommendations — Grants-In-Aid – General Fund

In addition to the amounts appropriated hereinabove for the Sports and Exposition Authority – Debt Service there are appropriated such additional sums as may be necessary, subject to the approval of the Director of the Division of Budget and Accounting.

The amount for the New Jersey 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 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 necessary to pay debt service for the New Jersey Performing Arts Center.

The amount hereinabove appropriated for the Camden Children's Garden shall be subject to the execution of an agreement between the State Treasurer and the operator of the Camden Children's Garden.

Fiscal year 2006 debt service payments attributable to the New Jersey Performing Arts Center, EDA program and to the Municipal Rehabilitation and Economic Recovery, EDA program shall be paid by the New Jersey Economic Development Authority from resources available from unexpended balances. There are appropriated such additional sums as may be necessary to pay debt service and other costs for the Municipal Rehabilitation and Economic Recovery, EDA program, subject to the approval of the Director of the Division of Budget and Accounting.

The amount hereinabove appropriated for the Battleship New Jersey Utilities shall be used for the utility expenses of the Battleship New Jersey as shall be substantiated by the Home Port Alliance in a submission to the Director of the Division of Budget and Accounting, and shall not be expended without the approval of the Director and the State Treasurer.

### Language Recommendations — Capital Construction

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.

Notwithstanding the provisions of P.L. 1997, c.258 (C.30:4 –177.53 et seq.) or the provisions of any other law or regulation to the contrary, the amounts hereinabove appropriated to the New Jersey Building Authority Debt Service General State Projects shall be payable in part from monies derived from the sale or conveyance of the former North Princeton Developmental Center, Montgomery, New Jersey, and the former Marlboro Psychiatric Hospital, Marlboro, New Jersey.

In addition to the amounts appropriated under P.L.2004, c.71, donations for the 9/11 Memorial Design Costs from public and private sources, including those collected from the Port Authority of New York and New Jersey, for the purposes of planning, designing, maintaining and constructing a memorial to the victims of the terrorist attacks of September 11, 2001, on the World Trade Center in New York City, the Pentagon in Washington, D.C., and United Airlines Flight 93 in Somerset County, Pennsylvania, shall be deposited by the State Treasurer in a dedicated account established for this purpose and are appropriated for the purposes set forth under P.L.2004, c.71.

Notwithstanding the provisions of any other law to the contrary, in order to provide flexibility in administering the amounts provided for Statewide Fire, Life Safety and Renovations Projects, such sums as may be necessary may be transferred to individual project line items within various departments, subject to the approval of the Director of the Division of Budget and Accounting.

# INTERDEPARTMENTAL ACCOUNTS

The unexpended balances at the end of the preceding fiscal year of appropriations from the "1996 Economic Development Site Fund," established pursuant to section 20 of the "Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development Bond Act of 1996," c. 70 are appropriated.

In addition to the amount appropriated hereinabove for the Garden State Preservation Trust Fund Account, interest earned and accumulated commencing with the start of this fiscal year is appropriated.

## 70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL 74. GENERAL GOVERNMENT SERVICES 9410. EMPLOYEE BENEFITS

### EVALUATION DATA

	Actual FY 2003	Actual FY 2004	Revised FY 2005	Budget Estimate FY 2006
<b>PROGRAM DATA</b>				
<b>Employee Benefits</b>				
Judicial Retirement System				
Assets .....	\$ 301,503,713	\$ 324,619,731	\$ 338,090,820	\$ 355,046,765
Active Members .....	436	432	437	442
Pensioners .....	399	417	434	452
Annual Pensions .....	\$ 25,310,177	\$ 26,576,846	\$ 28,221,421	\$ 29,967,763
Lump Sum Death Benefits .....	\$240,883	\$487,548	\$586,706	\$706,030
Prison Officers' Pension Fund				
Assets .....	\$17,505,077	\$16,105,439	\$16,020,403	\$15,483,620
Pensioners .....	210	200	188	176
Public Employees' Retirement System				
Assets .....	\$21,103,328,107	\$23,191,446,226	\$23,248,011,140	\$24,253,634,676
Total Members .....	307,474	314,673	324,059	333,891
State (Active) .....	79,085	82,462	84,016	85,600
State (Inactive) .....	26,671	27,487	30,332	33,471
Local .....	201,718	204,724	209,711	214,820
Pensioners .....	115,427	115,647	119,261	122,988
Annual Pensions .....	\$1,414,899,860	\$1,506,081,057	\$1,709,462,243	\$1,940,308,025
Lump Sum Death Benefits .....	\$96,314,762	\$97,104,220	\$100,862,153	\$104,765,519
State Police Retirement System				
Assets .....	\$1,552,704,181	\$1,694,769,733	\$1,768,274,946	\$1,861,008,468
Total Members .....	2,896	2,745	2,773	2,968
Active .....	2,792	2,710	2,734	2,924
Inactive .....	104	35	39	44
Pensioners .....	2,080	2,191	2,293	2,401
Annual Pensions .....	\$80,407,522	\$88,550,978	\$96,494,001	\$105,149,513
Lump Sum Death Benefits .....	\$1,664,797	\$721,085	\$798,284	\$883,749
Police and Firemen's Retirement System				
Assets .....	\$14,960,120,605	\$16,439,571,152	\$17,883,670,980	\$19,109,185,757
Total Members .....	44,848	45,124	45,551	45,986
State (Active) .....	7,737	7,725	7,818	7,913
State (Inactive) .....	304	477	441	408
Local .....	36,807	36,922	37,292	37,665
Pensioners .....	26,642	27,768	29,058	30,408
Annual Pensions .....	\$887,223,507	\$956,173,745	\$1,039,226,996	\$1,129,494,253
Lump Sum Death Benefits .....	\$29,658,967	\$30,881,935	\$33,476,018	\$36,288,003
Alternate Benefits Program				
Total Active Members .....	16,941	17,431	17,822	18,222
State .....	14,133	14,446	14,770	15,101
County .....	2,807	2,985	3,052	3,120
Teachers' Pension and Annuity Fund				
Assets .....	\$26,703,636,553	\$28,894,103,112	\$29,826,398,317	\$31,548,287,676
Total Members .....	148,915	151,911	157,113	162,494
State .....	298	319	315	311
County .....	51	52	48	44
Local .....	148,566	151,540	156,750	162,139
Pensioners .....	59,290	61,892	64,867	67,986
Annual Pensions .....	\$1,676,566,493	\$1,821,694,407	\$2,052,557,739	\$2,312,678,382
Lump Sum Death Benefits .....	\$46,568,761	\$59,806,846	\$63,480,182	\$67,379,135

# INTERDEPARTMENTAL ACCOUNTS

	Actual FY 2003	Actual FY 2004	Revised FY 2005	Budget Estimate FY 2006
Health Benefits Program				
Covered Members .....	350,667	358,609	370,023	381,821
State .....	138,671	142,342	144,907	147,717
Local .....	211,996	216,267	224,507	233,060

## APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2004					Year Ending June 30, 2006				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2005 Adjusted Approp.	Requested	Recom- mended	
<b><u>DIRECT STATE SERVICES</u></b>									
<b>Distribution by Fund and Program</b>									
1,247,359	380	14,951	1,262,690	1,242,587	03	1,355,644	1,473,483	1,473,483	
<b>1,247,359</b>	<b>380</b>	<b>14,951</b>	<b>1,262,690</b>	<b>1,242,587</b>		<b>1,355,644</b>	<b>1,473,483</b>	<b>1,473,483</b>	
<b>Distribution by Fund and Object</b>									
Special Purpose:									
152,908	—	-5,921	146,987	146,987					
					03	167,602	183,596	183,596	
9,987	—	—	9,987	9,987	03	26,708	31,710	31,710	
1,036	—	—	1,036	1,036	03	2,180	2,328	2,328	
1,211	—	—	1,211	1,074	03	1,241	1,232	1,232	
—	—	—	—	—	03	188	12,941	12,941	
3,481	—	—	3,481	3,355	03	6,120	7,972	7,972	
—	—	—	—	—	03	—	311	311	
2,659	—	-3	2,656	2,633	03	3,292	3,148	3,148	
1,813	—	-45	1,768	1,667	03	1,708	1,689	1,689	
115	—	45	160	160	03	115	74	74	
4	—	—	4	4	03	4	5	5	
5	—	—	5	5	03	5	5	5	
62,099	—	—	62,210	62,210	03	59,324	64,651	64,651	
111 <sup>S</sup>	—	—	—	—	03	105	135	135	
477,508	—	4,480	500,888	486,702	03	504,445	552,126	552,126	
18,900 <sup>S</sup>	—	—	44,376	39,662	03	55,524	57,367	57,367	
44,376	—	11,839	156,467	156,467	03	162,810	189,721	189,721	
144,628	—	—	21,129	21,129	03	16,111	25,423	25,423	
21,129	—	—	1,000	706	03	1,000	1,000	1,000	
1,000	—	—	1,000	706	03	1,000	1,000	1,000	
279,224	—	5,106	301,588	301,481	03	305,449	337,295	337,295	
17,080 <sup>S</sup>	178	5,106	301,588	301,481	03	26,906 <sup>S</sup>	337,295	337,295	
6,327	—	—	6,327	6,327	03	8,367	9,968	9,968	
7,028	202	-550	6,680	6,265	03	6,440	2,786	2,786	

# INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2004					Year Ending June 30, 2006			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2005 Adjusted Approp.	Requested	Recommended
-5,270	—	—	-5,270	-5,270				
—	—	—	—	—				
<b>DIRECT STATE SERVICES</b>								
					03	—	—	—
					03	—	-12,000	-12,000
<b>GRANTS-IN-AID</b>								
<b>Distribution by Fund and Program</b>								
555,207	1,646	-9,695	547,158	545,447	03	618,535	661,772	661,772
<b>555,207</b>	<b>1,646</b>	<b>-9,695</b>	<b>547,158</b>	<b>545,447</b>		<b>618,535</b>	<b>661,772</b>	<b>661,772</b>
<b>Distribution by Fund and Object</b>								
Special Purpose:								
22,546	—	-873	21,673	21,673	03	24,393	26,767	26,767
771	—	—	771	771	03	2,251	2,486	2,486
110,182	1,646	-5,700	106,128	104,568	03	114,890	119,482	119,482
—	—	—	—	—	03	—	66	66
5,293	—	3	5,296	5,295	03	6,553	6,576	6,576
3,583	—	—	3,583	3,583	03	3,423	3,730	3,730
182,902	—	-4,480	178,422	178,309	03	215,992	233,266	233,266
12,516	—	—	12,516	12,516	03	15,661	17,837	17,837
64,848	—	—	64,848	64,835	03	66,460	78,989	78,989
8,483	—	655	9,138	9,138	03	6,229	10,399	10,399
136,799	—	150	137,639	137,630	03	144,529	155,622	155,622
690 <sup>S</sup>	—	—	—	—		10,743 <sup>S</sup>	—	—
2,836	—	—	2,836	2,836	03	3,796	4,540	4,540
3,758	—	550	4,308	4,293	03	3,615	2,012	2,012
<b>1,802,566</b>	<b>2,026</b>	<b>5,256</b>	<b>1,809,848</b>	<b>1,788,034</b>		<b>1,974,179</b>	<b>2,135,255</b>	<b>2,135,255</b>

## Language Recommendations — Direct State Services – General Fund

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 – State 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 Program, 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.

## INTERDEPARTMENTAL ACCOUNTS

Such additional sums as may be required for Public Employees' Retirement System – Post Retirement Medical, Alternate Benefits Program – Employer Contributions, Teachers' Pension and Annuity Fund Post Retirement Medical – State, State Employees' Health Benefits, Other Pension Systems Post-Retirement Medical, State Employees' Prescription Drug Program, State Employees' Dental Program – Shared Cost, State Employees' Vision Care Program, Social Security Tax – State, Temporary Disability Insurance Liability, and Unemployment Insurance Liability are appropriated, as the Director of the Division of Budget and Accounting shall determine.

Notwithstanding the provisions of the Pension Adjustment Act, P.L.1958, 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 sum hereinabove appropriated for Debt Service on Pension Obligation Bonds to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L.1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

The amounts hereinabove appropriated for Employee Benefits may be transferred to the Grants-In-Aid accounts for the same purposes.

The unexpended balance at the end of the preceding fiscal year in the Debt Service on Pension Obligation Bonds account is appropriated for the same purpose.

No monies appropriated herein shall be used to provide additional health insurance coverage to a State or local elected official when that official receives health insurance coverage as a result of holding other public office or employment.

Notwithstanding any provision of law to the contrary, in addition to the amount hereinabove appropriated for the Public Employees' Retirement System – Post Retirement Medical, there is hereby appropriated an amount as determined by the State Treasurer to fund the pension cost contribution by the State to the Public Employees' Retirement System, payment for which shall be credited against amounts on deposit in the Benefit Enhancement Fund established in section 22 of P.L.1954, c.84 (C.43:15A-22).

Notwithstanding any provision of law to the contrary, in addition to the amount hereinabove appropriated for the Teachers' Pension and Annuity Fund, there is hereby appropriated an amount as determined by the State Treasurer to fund the pension cost contribution by the State to the Teachers' Pension and Annuity Fund, payment for which shall be credited against amounts on deposit in the Benefit Enhancement Fund created pursuant to N.J.S.18A:66-16.

Notwithstanding the provisions of any other law to the contrary, amounts herein above appropriated for the State Health Benefits Program are subject to the condition that: (i) increases in co-payments for the prescription drug plan, the co-payment for office visits in the managed care plans, and the deductible for the Traditional Plan agreed to by bargaining units representing State employees and employees of State authorities, State commissions, State colleges and State universities for Fiscal Year 2005 shall continue at the same levels for this fiscal year; and (ii) the following increases implemented by the State Health Benefits Commission for Fiscal Year 2005 shall continue in this fiscal year for (a) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes; and (b) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations purposes who receive health benefits through the State Health Benefits Program and such health benefits are funded in whole or in part by State appropriations: a \$10 co-payment for NJ PLUS and HMO primary care physician and specialist office visits; co-payments for the Employee Prescription Drug: Retail Pharmacy –\$3 generic and \$10 brand name for up to a 30-day supply, and Mail Order Pharmacy –\$5 generic and \$15 brand name for up to a 90 day supply; and a Traditional Plan deductible of \$250.

Notwithstanding the provisions of any other law to the contrary, the amounts herein appropriated for State Employees' Health Benefits are subject to the condition that: as expeditiously as is administratively feasible to elect health care coverage by the affected groups, as determined by the State Health Benefits Commission, no such amounts shall be used to pay the State share of the cost of the Traditional Plan coverage as agreed to by bargaining units listed below representing employees in the following bargaining units and employees in such units who retire after July 1, 2005: 1. New Jersey State Corrections Association Inc.(NJSCA), affiliated with Fraternal Order of Police Lodge 200; 2. New Jersey Law Enforcement Supervisors Association Inc. (NJLESA), affiliated with Fraternal Order of Police Lodge 185; 3. New Jersey Superior Officers Law Enforcement Association, Inc. (NJSOLEA), affiliated with Fraternal Order of Police Lodge 183; 4. New Jersey Superior Officers Association, Captains, Inc. (NJSOA), affiliated with Fraternal Order of Police Lodge 187; 5. New Jersey Investigators Association Inc. (NJIA), affiliated with Fraternal Order of Police Lodge 174; 6. State Troopers Fraternal Association of New Jersey (STFA); 7. State Troopers Non-Commissioned Officers Association of New Jersey (STNCOA) (Trooper Sergeants); and 8. State Troopers Superior Officers Association of New Jersey (STSOA).

From the amounts appropriated in this act that are designated as State aid or grants-in-aid to be distributed by the State to governmental units that participate in the State of New Jersey Cash Management Fund reserve fund, there shall be a corresponding reduction in such payments from those appropriations amounts, as the Director of the Division of Budget and Accounting shall determine, up to the amount of the funds returned from the reserve fund to those participating governmental units. The Director of the Division of Budget and Accounting shall provide notice of the payment reductions to the Legislative Budget and Finance Officer on the effective date of any payment reductions. An amount up to the total reduced payments shall be transferred by the Director of the Division of Budget and Accounting from such appropriations to the appropriations made in the Employee Benefits program classification accounts in the Inter-Departmental accounts for the purposes of those accounts, which transferred amounts shall be deemed a "Base Year Appropriation" for the purposes of the "State Appropriations Limitation Act", P.L. 1990, c.94 (C.52:9H-24 et seq.).

### **Language Recommendations — Grants-In-Aid – General Fund**

Such additional sums as may be required for Public Employees' Retirement System – Post Retirement Medical, Alternate Benefits Program – Employer Contributions, Teachers' Pension and Annuity Fund Post Retirement Medical – State, State Employees' Health Benefits, Other Pension Systems Post-Retirement Medical, State Employees' Prescription Drug Program, State Employees' Dental Program – Shared Cost, Social Security Tax – State, Temporary Disability Insurance Liability, and Unemployment Insurance Liability are appropriated, as the Director of the Division of Budget and Accounting shall determine.

# INTERDEPARTMENTAL ACCOUNTS

The amounts hereinabove appropriated for Employee Benefits may be transferred to the Direct State Services accounts for the same purposes.

In addition to the sum hereinabove appropriated to make payments under the State Treasurer's contracts authorized pursuant to section 6 of P.L.1997, c.114 (C.34:1B-7.50), there are appropriated such other sums as the Director of the Division of Budget and Accounting shall determine are required to pay all amounts due from the State pursuant to such contracts.

No monies appropriated herein shall be used to provide additional health insurance coverage to a State or local elected official when that official receives health insurance coverage as a result of holding other public office or employment.

Notwithstanding any provision of law to the contrary, in addition to the amount appropriated hereinabove for the Public Employees' Retirement System - Post Retirement Medical, an amount as determined by the State Treasurer, from amounts in the Benefit Enhancement Fund established in section 22 of P.L.1954, c.84 (C.43:15A-22), shall be applied to pay the pension contribution by the State for the Public Employees' Retirement System.

The unexpended balance at the end of the preceding fiscal year in the Debt Service on Pension Obligation Bonds account is appropriated for the same purpose.

Notwithstanding any provision of law to the contrary, in addition to the amount hereinabove appropriated for the Teachers' Pension and Annuity Fund, there is hereby appropriated an amount as determined by the State Treasurer to fund the pension cost contribution by the State to the Teachers' Pension and Annuity Fund, payment for which shall be credited against amounts on deposit in the Benefit Enhancement Fund created pursuant to N.J.S.18A:66-16.

Notwithstanding the provisions of any other law to the contrary, amounts herein above appropriated for the State Health Benefits Program are subject to the condition that: (i) increases in co-payments for the prescription drug plan, the co-payment for office visits in the managed care plans, and the deductible for the Traditional Plan agreed to by bargaining units representing State employees and employees of State authorities, State commissions, State colleges and State universities for Fiscal Year 2005 shall continue at the same levels for this fiscal year; and (ii) the following increases implemented by the State Health Benefits Commission for Fiscal Year 2005 shall continue in this fiscal year for (a) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes; and (b) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations purposes who receive health benefits through the State Health Benefits Program and such health benefits are funded in whole or in part by State appropriations: a \$10 co-payment for NJ PLUS and HMO primary care physician and specialist office visits; co-payments for the Employee Prescription Drug: Retail Pharmacy -\$3 generic and \$10 brand name for up to a 30-day supply, and Mail Order Pharmacy -\$5 generic and \$15 brand name for up to a 90 day supply; and a Traditional Plan deductible of \$250.

## 70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

### 74. GENERAL GOVERNMENT SERVICES

#### 9420. OTHER INTER-DEPARTMENTAL ACCOUNTS

#### APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2004					Year Ending June 30, 2006				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2005 Adjusted Approp.	Requested	Recommended	
<b>DIRECT STATE SERVICES</b>									
<b>Distribution by Fund and Program</b>									
52,820	1,900	-20,220	34,500	26,122	Other Inter-Departmental Accounts	04	56,969	55,721	55,721
<b>52,820</b>	<b>1,900</b>	<b>-20,220</b>	<b>34,500</b>	<b>26,122</b>	<b>Total Direct State Services</b>		<b>56,969</b>	<b>55,721</b>	<b>55,721</b>
<b>Distribution by Fund and Object</b>									
Special Purpose:									
1,750	1,900	-3,239	411	—	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 expenses 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	1,750	1,750	1,750
1,250	—	-667	583	—	Contingency Funds	04	1,250	1,250	1,250

# INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2004					Year Ending June 30, 2006				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2005 Adjusted Approp.	Requested	Recommended	
<b><u>DIRECT STATE SERVICES</u></b>									
23,000	---	-9,689	13,311	13,311	Interest On Short Term Notes	04	22,300	22,300	22,300
1,100	---	---	1,100	558	Debt Issuance-Special Purpose	04	1,100	1,100	1,100
125	---	---	125	125	Catastrophic Illness in Children Relief Fund - Employer Contributions	04	125	672	672
3,200	---	-2,500	700	---	Interest on Interfund Borrowing	04	1,000	---	---
350	---	---	350	---	Payment of Military Leave Benefits	04	350	350	350
12,813	---	75	12,888	10,583	Statewide 911 Emergency Telephone System	04	18,362	17,567	17,567
7,200	---	-3,200	4,000	1,033	Network Infrastructure	04	6,800	7,200	7,200
282	---	---	282	282	Garden State Network Infrastructure	04	282	282	282
450	---	---	450	---	Automated Document Factory	04	450	450	450
300	---	---	300	230	Automated Cartridge System Upgrade	04	300	300	300
1,000	---	-1,000	---	---	Information Technology On-Line State Portal	04	1,000	1,000	1,000
---	---	---	---	---	Accelerated Registration	04	400	---	---
---	---	---	---	---	Office of Emergency Telecommunication Services	04	1,500	1,500	1,500
<b><u>GRANTS-IN-AID</u></b>									
<b>Distribution by Fund and Program</b>									
200	---	-200	---	---	Other Inter-Departmental Accounts	04	102,925	14,925	14,925
<u>200</u>	<u>---</u>	<u>-200</u>	<u>---</u>	<u>---</u>	<b>Total Grants-in-Aid</b>		<u>102,925</u>	<u>14,925</u>	<u>14,925</u>
<b>Distribution by Fund and Object</b>									
Grants:									
200	---	-200	---	---	Enhanced 911 County Grants	04	14,925	14,925	14,925
---	---	---	---	---	Property Tax Assistance and Community Development Grants	04	88,000	---	---
---	---	---	---	---	Cost of Living Increase for Community Care Providers	04	---	---	---
<u>53,020</u>	<u>1,900</u>	<u>-20,420</u>	<u>34,500</u>	<u>26,122</u>	<b>Grand Total State Appropriation</b>		<u>159,894</u>	<u>70,646</u>	<u>70,646</u>

**Notes -- Grants-In-Aid - General Fund**

(a) The appropriation of \$11,273,000 for Cost of Living Increases for Community Care Providers has been transferred to the Community Care Providers accounts in the various departments.

**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.

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.

The amount hereinabove appropriated for the Office of Emergency Telecommunication Services is subject to the approval of a spending plan to be submitted to 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, or disaster 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. In the event that the Emergency Service Council is unable to convene due to any such emergency described above, there shall be appropriated to the Emergency Service Fund such sums as are required to meet the costs of any such emergency described above, and payments from the Fund shall be made by the State Treasurer upon approval of the Governor and the Director of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Governor's Contingency Fund is appropriated for the same purpose. Such sums as may be necessary for payment of expenses incurred by issuing officials appointed under the several bond acts of the State are appropriated for the purposes and from the sources defined in those acts.

# INTERDEPARTMENTAL ACCOUNTS

There are appropriated such sums for Geographic Information System (GIS) Integration as may be received from federal, county, municipal governments or agencies and nonprofit organizations for orthoimagery and parcel data mapping.

The unexpended balance at the end of the preceding fiscal year in Payment of Military Leave Benefits is appropriated for the same purpose.

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

Grant awards and expenditures supported by the appropriation for Enhanced E-911 County Grants shall be determined in accordance with grant criteria to be jointly developed by the 911 Commission and the Departments of Treasury, Community Affairs, and the Attorney General's Office, the purpose of which will be to create incentives for the regional consolidation of 911 call services and public safety answering points.

## 70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL 74. GENERAL GOVERNMENT SERVICES 9430. SALARY INCREASES AND OTHER BENEFITS

### APPROPRIATIONS DATA (thousands of dollars)

Orig. & (S)Supplemental	Year Ending June 30, 2004			Total Available	Expended	Prog. Class.	2005 Adjusted Approp.	Year Ending June 30, 2006	
	Reapp. & (R)Recpts.	Transfers & (E)Emergencies						Requested	Recommended
<b><u>DIRECT STATE SERVICES</u></b>									
<b>Distribution by Fund and Program</b>									
64,404	50,098	-72,142	42,360	6,941	Salary Increases and Other Benefits	05	7,500	97,624	97,624
<u>64,404</u>	<u>50,098</u>	<u>-72,142</u>	<u>42,360</u>	<u>6,941</u>	<b>Total Direct State Services</b>		<u>7,500</u>	<u>97,624</u>	<u>97,624</u>
<b>Distribution by Fund and Object</b>									
Special Purpose:									
53,404	50,098	-69,642	33,860	---	Salary Increases and Other Benefits	05	--- (a)	140,124	140,124
11,000	---	-2,500	8,500	6,941	Unused Accumulated Sick Leave Payments	05	7,500	7,500	7,500
---	---	---	---	---	Employee Actions	05	---	-50,000	-50,000
<b><u>GRANTS-IN-AID</u></b>									
<b>Distribution by Fund and Program</b>									
---	---	---	---	---	Salary Increases and Other Benefits	05	---	17,773	17,773
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<b>Total Grants-in-Aid</b>		<u>---</u>	<u>17,773</u>	<u>17,773</u>
<b>Distribution by Fund and Object</b>									
Grants:									
---	---	---	---	---	Salary Increases and Other Benefits	05	--- (b)	17,773	17,773
<u>64,404</u>	<u>50,098</u>	<u>-72,142</u>	<u>42,360</u>	<u>6,941</u>	<b>Grand Total State Appropriation</b>		<u>7,500</u>	<u>115,397</u>	<u>115,397</u>

### Notes -- Direct State Services - General Fund

(a) The original fiscal 2005 appropriation for salary program allocation was transferred to the agency budgets.

### Notes -- Grants-In-Aid - General Fund

(b) The original fiscal 2005 appropriation for salary program allocation was transferred to the senior public institution budgets.

### Language Recommendations -- Direct State Services - General Fund

The sums hereinabove appropriated to the various State departments, agencies or commissions 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 law, 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 2006 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.



## **INTERDEPARTMENTAL ACCOUNTS**

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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 unclassified personnel of the Judicial Branch.

In addition to the amount hereinabove 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 unexpended balance at the end of the preceding fiscal year in the Salary Increases and Other Benefits account is appropriated for the same purposes.