

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.

The Fiscal 2005 Budget for all Interdepartmental Accounts totals \$2.69 billion, an increase of \$315.9 million, or 13.3%, over the fiscal 2004 adjusted appropriation of \$2.37 billion.

Salary Increases

The State of New Jersey, excluding higher education's senior public institutions, employs approximately 76,000 full-time and part-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 2004 unions represented 66,200 full-time and part-time State employees, or approximately 87% of the total.

In Fiscal 2005, \$157.8 million is recommended for Salary Increases and Other Benefits to cover fiscal 2005 employee increments, progressions, across-the-board raises for all eligible employees, and bonuses according to contractual agreements, along with any deferred costs for the same contracts.

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

The two unions that represent Judicial employees - Communications Workers Of America (CWA) professional and the Judiciary Council of Affiliated Unions (JCAU) - will receive a 2.5% increase across the board in January, 2005. Additionally, members will receive a 4.15% salary progression in January, 2005.

Unions representing 64% of the State employees, including the American Federation of State, County, and Municipal Employees (AFSCME); International Federation of Professional and Technical Engineers (IFPTE); and the Communication Workers of America (CWA), have negotiated a cost-of-living increase of 2.9% for fiscal 2005.

Employee Fringe Benefits

For fiscal 2005, a total cost of \$1.92 billion is budgeted to provide fringe benefits to employees of State government and higher education institutions, an increase of \$139.1 million, or 7.8%, compared to fiscal 2004.

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, Judicial Retirement System, 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 2005 is largely due to depletion of surplus assets of the pension systems and depletion of the PERS and TPAF post-retirement medical reserves. Additionally, there are substantial increases in health care costs for retired employees.

The Fiscal 2005 pension recommended amount for State PERS and TPAF is \$412.4 million, which includes \$192.0 million of post-retirement medical costs for PERS; \$9.8 million of post-retirement medical costs for TPAF; \$21.9 million of pension contribution costs for PFRS; \$116.1 million of pension contribution costs for the Alternate Benefits Program; and \$6.1 million of pension contribution costs for the Judicial Retirement System. Another \$3.8 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 \$62.7 million in fiscal 2005.

Employee Health Benefits

The cost for health benefits, including medical, prescription drug, dental, and vision, for State and higher education employees in Fiscal 2005 is projected at \$964.9 million. This is a net increase of \$64.4 million, or approximately 7.2%, above the Fiscal 2004 adjusted appropriation of \$900.5 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 2005 recommendation of \$476.2 million for employer payroll taxes (\$481.5 million reduced by \$5.3 million in fringe reimbursements) represents an increase of \$25.5 million, or 5.7%, over Fiscal 2004. This includes \$454.0 million for the State's portion of the Social Security tax, \$12.2 million for Temporary Disability Insurance (TDI), and \$10.1 million for Unemployment Insurance (UI) liability.

Other Interdepartmental Accounts

The Fiscal 2005 Budget for Other Interdepartmental Accounts totals \$70.4 million, an increase of \$17.4 million, or 32.8%, more than the fiscal 2004 adjusted appropriation of \$53.0 million.

In Direct State Services (DSS), some of the major items funded in fiscal 2005 is \$22.3 million for interest on short-term notes, \$18.4 million for Statewide E-911 Emergency Telephone System and \$5.6 million for several smaller programs. Additionally, this Budget provides \$9.2 million for information technology.

The Fiscal 2005 Grants-in-Aid for Other Interdepartmental Account (GIA), Budget for Other Interdepartmental Accounts totals \$14.9 million, an increase of \$14.7 million from the fiscal 2004 appropriations of \$0.2 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 2005 GIA Budget for Aid to Independent Authorities totals \$86.0 million, an increase of \$20.9 million, or 32.1%, more than the fiscal 2004 adjusted appropriation of \$65.1 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 2005 Budget for Statewide Capital projects totals \$185.5 million, a decrease of \$8.7 million, or 4.5% over the Fiscal 2004 adjusted appropriation of \$194.2 million. This reduction is primarily

INTERDEPARTMENTAL ACCOUNTS

the result of shifting funding fiscal 2005 Statewide Fire, Life Safety and Renovations, from State to other sources. Funding for these types of projects will increase by \$7.3 million in fiscal 2005, from \$9.7 million in fiscal 2004 to \$16.9 million in fiscal 2005. In addition, funding is provided for compliance with the Americans With Disabilities Act (\$2.0 million); Statewide Hazardous Materials Removal (\$1 million); New Jersey Building Authority Projects (\$78.8 million); Open Space Preservation (\$98 million) and Renovations to State Buildings (\$2.7 million). In fiscal 2005 an increase of \$3 million in non-State funding sources will be used to fund Statewide Security Projects.

Property Rentals

The Fiscal 2005 Budget for Property Rentals totals \$148.4 million which is a decrease of \$1.8 million from the previous year. The Property Rentals account supports existing and anticipated leases of offices and other facilities used by State agencies (\$110.5 million), payments for debt service leases and payments in lieu of property taxes on facilities occupied by State agencies (\$16.6 million) and debt service payments for various fire sprinkler systems and office furnishings (\$3.8 million). This account also includes \$17.5 million for debt service payments associated with the State's lease-purchase of facilities acquired or built by the Economic Development Authority.

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 2005 Budget for Insurance and Other Services totals \$80.4 million, a decrease of \$2.6 million from Fiscal 2004 that is primarily due to the elimination of supplemental appropriations for tort claims, workers' compensation and vehicle liability claims (\$10.2 million). These needs are partially offset by increased funding needs for the UMDNJ Self-Insurance Reserve Fund (\$6.0 million) and other insurance premium and self-insurance fund increases (\$1.6 million).

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 Capital Complex, that house the state workforce. The Fiscal 2005 Budget for Utilities and Other Services of \$29.1 million is \$0.3 million higher than the previous year due primarily to contractual increases for janitorial and trash removal services and the annualization of an electrical rate increase that became effective in August, 2003.

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, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2004 Adjusted Approp.	Requested	Recom- mended
1,394,458	39,890	-22,988	1,411,360	1,340,768	Direct State Services	1,557,152	1,773,213	1,773,213
542,692	2	2,210	544,904	542,600	Grants-In-Aid	619,812	731,231	731,231
169,649	58,577	-26,319	201,907	172,272	Capital Construction	194,233	185,549	185,549
2,106,799	98,469	-47,097	2,158,171	2,055,640	Total General Fund	2,371,197	2,689,993	2,689,993
2,106,799	98,469	-47,097	2,158,171	2,055,640	GRAND TOTAL	2,371,197	2,689,993	2,689,993

INTERDEPARTMENTAL ACCOUNTS

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	2004 Adjusted Approp.	Requested	Recom- mended	
DIRECT STATE SERVICES - GENERAL FUND					General Government Services			
147,226	5,011	---	152,237	148,296	Property Rentals	150,226	148,432	148,432
63,855	5,567	---	69,422	69,051	Insurance and Other Services	82,990	80,411	80,411
963,154	1,707	65,030	1,029,891	1,029,212	Employee Benefits	1,231,298	1,325,736	1,325,736
87,078	---	-35,645	51,433	37,047	Other Inter-Departmental Accounts	52,820	55,469	55,469
106,729	25,496	-52,373	79,852	29,728	Salary Increases and Other Benefits	11,000	134,080	134,080
26,416	2,109	---	28,525	27,434	Utilities and Other Services	28,818	29,085	29,085
1,394,458	39,890	-22,988	1,411,360	1,340,768	<i>Subtotal</i>	1,557,152	1,773,213	1,773,213
1,394,458	39,890	-22,988	1,411,360	1,340,768	<i>Subtotal Direct State Services - General Fund</i>	1,557,152	1,773,213	1,773,213
1,394,458	39,890	-22,988	1,411,360	1,340,768	TOTAL DIRECT STATE SERVICES	1,557,152	1,773,213	1,773,213
GRANTS-IN-AID - GENERAL FUND					General Government Services			
480,739	2	3,410	484,151	482,053	Employee Benefits	554,517	599,129	599,129
200	---	-200	---	---	Other Inter-Departmental Accounts	200	14,925	14,925
---	---	---	---	---	Salary Increases and Other Benefits	---	31,158	31,158
61,753	---	-1,000	60,753	60,547	Aid to Independent Authorities	65,095	86,019	86,019
542,692	2	2,210	544,904	542,600	<i>Subtotal</i>	619,812	731,231	731,231
542,692	2	2,210	544,904	542,600	<i>Subtotal Grants-In-Aid - General Fund</i>	619,812	731,231	731,231
542,692	2	2,210	544,904	542,600	TOTAL GRANTS-IN-AID	619,812	731,231	731,231
CAPITAL CONSTRUCTION					General Government Services			
169,649	58,577	-26,319	201,907	172,272	Capital Projects - Statewide	194,233	185,549	185,549
169,649	58,577	-26,319	201,907	172,272	<i>Subtotal Capital Construction</i>	194,233	185,549	185,549
2,106,799	98,469	-47,097	2,158,171	2,055,640	TOTAL APPROPRIATION	2,371,197	2,689,993	2,689,993

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

INTERDEPARTMENTAL ACCOUNTS

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.

INTERDEPARTMENTAL ACCOUNTS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2003					Year Ending June 30, 2005				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2004 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
147,226	5,011	---	152,237	148,296	Property Rentals	01	150,226	148,432	148,432
63,855	5,567	---	69,422	69,051	Insurance and Other Services	02	82,990	80,411	80,411
26,416	2,109	---	28,525	27,434	Utilities and Other Services	06	28,818	29,085	29,085
237,497	12,687	---	250,184	244,781	Total Direct State Services (a)		262,034	257,928	257,928
Distribution by Fund and Object									
Property Rentals:									
152,652						159,008			
5,000 ^S	5,011	---	162,663	158,988	Existing and Anticipated Leases (b)	01	2,500 ^S	160,242	160,242
17,283	---	---	17,283	17,017	Economic Development Authority	01	17,446	17,491	17,491
					Other Debt Service Leases and Tax Payments	01	16,755	16,586	16,586
21,566	---	---	21,566	21,566					
196,501	5,011	---	201,512	197,571	Subtotal Appropriation, Rent (Gross)		195,709	194,319	194,319
(49,275)	---	---	(49,275)	(49,275)	Less: Direct Charges and Charges to Non-State Fund Sources		(48,609)	(49,677)	(49,677)
147,226	5,011	---	152,237	148,296	Rent (Net)		147,100	144,642	144,642
---	---	---	---	---	Additions, Improvements and Equipment	01	3,126	3,790	3,790
147,226	5,011	---	152,237	148,296	Subtotal Appropriations, Property Rentals		150,226	148,432	148,432
Insurance and Other Services:									
3,000	---	62	3,062	3,059	Property Insurance	02	3,000	3,636	3,636
2,380	---	-882	1,498	1,396	Casualty Insurance	02	2,030	2,030	2,030
220	---	24	244	244	Special Insurance Policies	02	220	220	220
11,000					Tort Claims Liability Fund (b)	02	11,000		
3,000 ^S	4,634	---	18,634	18,634			6,000 ^S	11,000	11,000
34,900					Workers' Compensation Fund (b)	02	34,900		
5,800 ^S	---	306	41,006	40,890	UMDNJ Self-Insurance Reserve Fund (b)	02	8,000 ^S	41,900	41,900
---	---	---	---	---			12,000 ^S	18,000	18,000
2,000					Vehicle Claims Liability Fund (b)	02	2,000	2,000	2,000
930 ^S	---	750	3,680	3,678	Self-Insurance Deductible Fund	02	3,215 ^S	2,000	2,000
500	933	-150	1,283	1,145	Self-Insurance Fund - Foster Parents	02	500	1,500	1,500
125	---	-110	15	5			125	125	125
63,855	5,567	---	69,422	69,051	Subtotal Appropriation, Insurance & Other Services		82,990	80,411	80,411
Utilities and Other Services:									
20,513	2,109	416	23,038	21,950	Fuel and Utilities	06	23,290	23,382	23,382
5,903	---	-416	5,487	5,484	Household and Security (c)	06	5,528	5,703	5,703
26,416	2,109	---	28,525	27,434	Subtotal Appropriation, Utilities & Other Services		28,818	29,085	29,085

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2003					Year Ending June 30, 2005				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2004 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Program									
61,753	---	-1,000	60,753	60,547	Aid to Independent Authorities	09	65,095	86,019	86,019
61,753	---	-1,000	60,753	60,547	Total Grants-in-Aid (d)		65,095	86,019	86,019
Distribution by Fund and Object									
Grants:									
5,000	---	---	5,000	5,000	Sports and Exposition Authority Operations	09	---	---	---
24,100	---	---	24,100	24,100	Sports and Exposition Authority Operations - Debt Service				
2,000 ^S	---	-1,000	25,100	24,894	Sports Complex	09	26,060	26,060	26,060
15,025	---	---	15,025	15,025	Atlantic City Projects	09	15,025	15,025	15,025
3,417	---	---	3,417	3,417	Higher Education and Other Projects	09	3,417	3,417	3,417
4,668	---	---	4,668	4,668	Wildwood Convention Center	09	1,668	1,668	1,668
2,000	---	---	2,000	2,000	Camden Aquarium Management Agreement	09	1,500	1,500	1,500
5,543	---	---	5,543	5,543	New Jersey Performing Arts Center, EDA	09	5,559 ^S	5,555	5,555
---	---	---	---	---	Business Employment Incentive Program, EDA-Debt Service	09	---	12,230	12,230
---	---	---	---	---	Liberty Science Center - EDA	09	---	718	718
---	---	---	---	---	Municipal Rehabilitation and Economic Recovery, EDA	09	8,741 ^S	8,948	8,948
---	---	---	---	---	Horse Racing Litigation Settlement	09	2,500	---	---
---	---	---	---	---	Camden Children's Garden	09	625	625	625
---	---	---	---	---	Designated Industries Economic Growth & Development-EDA	09	---	9,883	9,883
---	---	---	---	---	Battleship New Jersey Utilities	09	---	390	390
CAPITAL CONSTRUCTION									
Distribution by Fund and Program									
169,649	58,577	-26,319	201,907	172,272	Capital Projects - Statewide	08	194,233	185,549	185,549
169,649	58,577	-26,319	201,907	172,272	Total Capital Construction		194,233	185,549	185,549
Distribution by Fund and Object									
Statewide Capital Projects									
---	2,849	590	3,439	1,696	Capital Improvements, Capitol Complex	08	---	---	---
---	---	---	---	---	Statewide Fire, Life Safety and Renovation Projects	08	9,695	---	---(e)
---	4,376	-590	3,786	53	Fire Detection/Security - Central Station Upgrade	08	---	---	---
---	---	---	---	---	DEP Building Fire Alarm Upgrade	08	922	---	---
200	375	---	575	42	Life Safety and Emergency Projects - Statewide	08	---	---	---
2,000	1,863	---	3,863	1,543	Americans with Disabilities Act Compliance Projects - Statewide	08	2,000	2,000	2,000
---	11,962	---	11,962	3,960	Fuel Distribution Systems/Underground Storage Tank Replacements - Statewide	08	---	---	---

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2003					Year Ending June 30, 2005				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2004 Adjusted Approp.	Requested	Recommended	
CAPITAL CONSTRUCTION									
2,000	2,812	---	4,812	1,053	Hazardous Materials Removal Projects - Statewide	08	2,000	1,000	1,000
3,000	---	---	3,000	1,221	Statewide Security Projects	08	3,000	---	---
---	500	---	500	134	Energy Efficiency Projects	08	---	---	---
New Jersey Building Authority Debt Service									
General State Projects									
21,767	---	---	21,767	21,767	- Southwoods State Prison	08	24,217	24,289	24,289
15,376	---	---	15,376	15,376	- State House Renovations	08	15,813	15,860	15,860
8,792	---	---	8,792	8,792	- Hughes Justice Complex	08	8,854	8,880	8,880
9,784	20,175	(15,775)	14,184	14,006	- Other State Projects	08	22,519	22,586	22,586
Counter-terrorism Projects									
4,850	---	---	4,850	4,850	- State Police Multipurpose Building/Troop "C" Headquarters	08	6,079	6,097	6,097
---	---	---	---	---	- State Police Emergency Operations Center	08	1,134	1,137	1,137
2,700	2,794	-1,400	4,094	1,378	Renovation Projects, Existing and Anticipated Leases	08	---	2,700	2,700
---	516	---	516	510	Complex-wide Security System Design	08	---	---	---
---	531	---	531	521	Cooler/Freezer Repair - State Distribution Center	08	---	---	---
---	500	---	500	5	Facility Assessment	08	---	---	---
---	288	---	288	---	Replace/Relocate Motor Control Center	08	---	---	---
---	709	---	709	677	Agriculture Building Retaining Wall	08	---	---	---
---	47	---	47	47	Repair State House Annex Roof Slab	08	---	---	---
---	130	---	130	130	DEP Infrastructure Wiring	08	---	---	---
1,180	---	---	1,180	13	Statehouse Security Modifications	08	---	---	---
---	1,289	---	1,289	1,050	South Jersey Port Corporation Capital Program	08	---	---	---
Enterprise Initiatives									
---	4,494	-4,044	450	---	Network Infrastructure	08	---	---	---
---	548	-548	---	---	Information Technology On-line State Portal	08	---	---	---
---	---	---	---	---	Enterprise Upgrades-Garden State Network	08	---	3,000	3,000
Open Space Preservation Program									
98,000	1,819	-4,552	95,267	93,448	Garden State Preservation Trust Fund Account	08	98,000	98,000	98,000
468,899	71,264	-27,319	512,844	477,600	Grand Total State Appropriation		521,362	529,496	529,496
OTHER RELATED APPROPRIATIONS									
Federal Funds									
---	461	---	461	461	Utilities and Other Services	06	---	---	---
---	461	---	461	461	Total Federal Funds		---	---	---
All Other Funds									
---	---	---	---	---	Capital Projects - Statewide	08	---	3,000	3,000
---	---	---	---	---	Total All Other Funds		---	3,000	3,000
468,899	71,725	-27,319	513,305	478,061	GRAND TOTAL ALL FUNDS		521,362	532,496	532,496

Notes -- Direct State Services - General Fund

(a) Pursuant to the provisions of P.L. 2003, c.13 (C.39:2A-1 et seq.) and effective in fiscal year 2004, the appropriation for the New Jersey Motor Vehicle Commission, which is in but not of the Department of Transportation and is a successor agency to the Division of

INTERDEPARTMENTAL ACCOUNTS

Motor Vehicles, is authorized as dedicated revenue in lieu of State appropriations from the General Fund. This change affects the Direct State Services budgets for the Commission and Interdepartmental accounts, as well as anticipated revenue in Schedule 1.

- (b) The Fiscal Year 2004 appropriation has been increased to reflect a proposed supplemental appropriation.
- (c) Operating costs in the amount of \$375,000 were moved from the Interdepartmental Accounts to the Department of Law and Public Safety in fiscal 2004 for the new Hamilton Headquarters facility.

Notes -- Grants-In-Aid - General Fund

- (d) The fiscal year 2003 appropriation has been adjusted to reflect the transfer of Liberty Science Center - Education Services from the Interdepartmental Accounts to the Department of Education.

Notes -- Capital Construction

- (e) For fiscal 2005 a total of \$16,947,000 will be made available for Statewide Fire, Life Safety and Renovation Projects from non-State funding sources.
- (f) Network Infrastructure will be funded through short term financing.

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 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 as of June 30, 2004 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

INTERDEPARTMENTAL ACCOUNTS

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 2005 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 for fiscal year 2004, the Director of the Division of Budget and Accounting is authorized to transfer all or a portion of that savings 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.

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 as of June 30, 2004 in the Self-Insurance Deductible Fund is appropriated for the same purposes.

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 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.

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 as of June 30, 2004 in the Global Energy Statewide Account is appropriated for the same purpose.

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 Aquarium Management Agreement shall be subject to the execution of an agreement between the State Treasurer and the operator of the Camden Aquarium to effectuate the development and expansion of the Aquarium.

The amount hereinabove 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 2005 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

INTERDEPARTMENTAL ACCOUNTS

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.

From the amounts hereinabove, there is available such sums as may be required to pay for the utility expenses of the Battleship New Jersey as substantiated and submitted by the Home Port Alliance and subject to the approval of the State Treasurer and the Director of the Division of Budget and Accounting.

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.

Prior to the unexpended balance as of June 30, 2004 in the Network Infrastructure Account intended for the development of the server farm initiative being expended, any participating department shall enter into a Memorandum of Understanding with the Chief Information Officer that no enterprise, data warehousing, application or database servers will be purchased by these departments but that they will participate in the implementation of the server farm.

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.

In addition to the amount appropriated hereinabove for the Garden State Preservation Trust Fund Account, interest earned and accumulated from July 1, 2004 to June 30, 2005 is appropriated.

Receipts derived from the agency surcharge on vehicle rentals pursuant to 54 of P.L. 2002, c34 (C.App.A:9-78), not to exceed \$3,000,000 for Statewide Security Projects related to Statewide security services, are appropriated for those purposes and shall be deposited into a dedicated account, the expenditure of which shall be subject to the approval of the Director of the Division of Budget and Accounting

In addition to the amount appropriated hereinabove for Enterprise Upgrades-Garden State Network, \$175,000 from administrative savings from the Office of Information Technology (OIT) will be allocated for this purpose. Spending of all funds will be subject to the approval of the OIT oversight board and subject to the approval of Director of Budget and Accounting.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9410. EMPLOYEE BENEFITS

EVALUATION DATA

PROGRAM DATA	Actual FY 2002	Actual FY 2003	Revised FY 2004	Budget Estimate FY 2005
Employee Benefits				
Judicial Retirement System				
Assets	\$308,154,530	\$301,503,713	\$307,912,695	\$311,807,742
Active Members	436	436	442	448
Pensioners	379	399	416	434
Annual Pensions	\$23,778,160	\$25,310,177	\$27,412,816	\$29,410,297
Lump Sum Death Benefits	\$808,064	\$240,883	\$240,455	\$240,029
Prison Officers' Pension Fund				
Assets	\$18,163,534	\$17,505,077	\$16,977,824	\$16,466,452
Pensioners	230	210	198	186
Public Employees' Retirement System				
Assets	\$21,697,795,836	\$21,103,328,107	\$21,374,707,997	\$21,943,589,856
Total Members	296,895	307,474	313,842	320,366
State (Active)	79,963	79,085	80,063	83,246
State (Inactive)	20,656	26,671	29,295	32,178
Local	196,276	201,718	207,108	212,642
Pensioners	107,671	115,427	119,926	124,600
Annual Pensions	\$1,183,490,252	\$1,414,899,860	\$1,611,952,964	\$1,836,449,653
Lump Sum Death Benefits	\$88,632,011	\$96,314,762	\$100,776,543	\$105,445,017

INTERDEPARTMENTAL ACCOUNTS

	Actual FY 2002	Actual FY 2003	Revised FY 2004	Budget Estimate FY 2005
State Police Retirement System				
Assets	\$1,572,156,596	\$1,552,704,181	\$1,612,137,640	\$1,682,433,284
Total Members	2,838	2,896	2,933	2,974
Active	2,775	2,792	2,814	2,974
Inactive	63	104	119	137
Pensioners	1,987	2,080	2,177	2,279
Annual Pensions	\$73,387,921	\$80,407,522	\$87,835,569	\$95,949,819
Lump Sum Death Benefits	\$1,420,692	\$1,664,797	\$2,123,532	\$2,708,671
Police and Firemen's Retirement System				
Assets	\$15,282,378,766	\$14,960,120,605	\$16,149,744,658	\$17,155,560,029
Total Members	44,479	44,848	45,302	45,762
State (Active)	7,656	7,737	7,845	7,955
State (Inactive)	374	304	281	260
Local	36,449	36,807	37,175	37,548
Pensioners	25,517	26,642	28,005	29,439
Annual Pensions	\$823,657,277	\$887,223,507	\$972,512,303	\$1,065,999,910
Lump Sum Death Benefits	\$18,394,304	\$29,658,967	\$32,467,671	\$35,542,360
Alternate Benefits Program				
Total Active Members	17,081	16,941	17,312	17,692
State	14,329	14,133	14,453	14,780
County	2,752	2,807	2,859	2,912
Teachers' Pension and Annuity Fund				
Assets	\$27,409,269,452	\$26,703,636,553	\$27,129,584,765	\$27,858,603,832
Total Members	145,818	148,915	153,965	159,880
State	325	298	288	279
County	56	51	46	41
Local	145,437	148,566	153,965	159,560
Pensioners	56,102	59,290	62,235	65,327
Annual Pensions	\$1,484,867,590	\$1,676,566,493	\$1,899,683,962	\$2,152,493,904
Lump Sum Death Benefits	\$53,719,595	\$46,568,761	\$46,834,203	\$47,101,158
Health Benefits Program				
Covered Members	339,716	350,667	363,457	376,775
State	135,011	138,671	141,476	144,338
Local	204,705	211,996	221,981	232,436

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2003					Year Ending June 30, 2005				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2004 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
963,154	1,707	65,030	1,029,891	1,029,212	Employee Benefits	03	1,231,298	1,325,736	1,325,736
963,154	1,707	65,030	1,029,891	1,029,212	Total Direct State Services		1,231,298	1,325,736	1,325,736
Distribution by Fund and Object									
Special Purpose:									
31,898	---	20,215	52,113	52,113	Public Employees' Retirement System - Post Retirement Medical	03	152,908	167,602	167,602
---	---	---	---	---	Police and Firemen's Retirement System	03	9,987	20,251	20,251
---	---	---	---	---	Police and Firemen's Retirement System (P.L. 1979, C. 109)	03	1,036	1,635	1,635
971	---	138	1,109	1,083	Alternate Benefits Program - Employer Contributions	03	1,211	1,241	1,241

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2003					Year Ending June 30, 2005				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2004 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES									
---	---	---	---	---	State Police Retirement System	03	---	188	188
8,468	---	-1	8,467	8,467	Judicial Retirement System	03	3,481	6,120	6,120
1,832	---	---	1,832	1,832	Teachers' Pension and Annuity Fund Post Retirement Medical - State	03	2,659	3,292	3,292
1,819	---	-49	1,770	1,770	Pension Adjustment Program	03	1,813	1,708	1,708
108	---	6	114	114	Veterans Act Pensions	03	115	115	115
7	---	-2	5	5	PERS Minimum Pension Benefit Act - Pre-1955 Retirees	03	4	4	4
5	---	-1	4	4	Heath Act Pensions	03	5	5	5
57,140	282	-2,417	55,005	55,005	Debt Service on Pension Obligation Bonds	03	62,099	59,324	59,324
---	---	---	---	---	Volunteer Emergency Survivor Benefit	03	---	105	105
408,346	---	---	---	---	State Employees' Health Benefits	03	477,508	504,445	504,445
9,852 ^S	---	8,416	426,614	426,614	Other Pension Systems Post-Retirement Medical	03	44,376	55,524	55,524
27,056	---	---	27,056	27,056	State Employees' Prescription Drug Program	03	144,628	162,810	162,810
138,219	---	-3,974	134,245	134,245	State Employees' Dental Program - Shared Cost	03	21,129	16,111	16,111
20,956	---	-2,203	18,753	18,753	State Employees' Vision Care Program	03	1,000	1,000	1,000
1,000	---	---	1,000	732	Social Security Tax - State	03	279,224	314,719	314,719
229,576	1,389	45,246	288,111	287,933	Temporary Disability Insurance Liability	03	20,030 ^S	8,367	8,367
11,900 ^S	---	-339	5,464	5,459	Unemployment Insurance Liability	03	7,028	6,440	6,440
5,803	---	-5	8,229	8,027	Less: Reimbursements from Agency Accounts	03	-5,270	-5,270	-5,270
6,044	36	---	---	---	GRANTS-IN-AID				
2,154 ^S	---	---	---	---	Distribution by Fund and Program				
---	---	---	---	---	Employee Benefits	03	554,517	599,129	599,129
480,739	2	3,410	484,151	482,053	Total Grants-in-Aid		554,517	599,129	599,129
480,739	2	3,410	484,151	482,053	Distribution by Fund and Object				
Special Purpose:									
4,809	---	2,980	7,789	7,789	Public Employees' Retirement System - Post Retirement Medical	03	22,546	24,393	24,393
---	---	---	---	---	Police and Firemen's Retirement System	03	771	1,688	1,688
94,720	---	-138	100,043	98,396	Alternate Benefits Program - Employer Contributions	03	110,182	114,890	114,890
5,461 ^S	---	---	3,647	3,647	Teachers' Pension and Annuity Fund Post Retirement Medical - State	03	5,293	6,553	6,553
3,647	---	---	---	---	Debt Service on Pension Obligation Bonds	03	3,583	3,423	3,423
3,297	---	-134	3,163	3,163	State Employees' Health Benefits	03	182,902	207,892	207,892
153,793	---	573	157,123	157,123	Other Pension Systems Post-Retirement Medical	03	12,516	15,661	15,661
2,757 ^S	---	---	10,148	10,148	State Employees' Prescription Drug Program	03	64,848	66,460	66,460
10,148	---	---	---	---					
55,073	---	563	55,636	55,636					

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2003					Year Ending June 30, 2005			
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available Expended		Prog. Class.	2004 Adjusted Approp.	Requested	Recommended
7,981	---	-364	7,617	7,617				
132,459	2	---	132,461	132,047				
2,650	---	-75	2,575	2,538				
3,232								
712 ^S	---	5	3,949	3,949				
<u>1,443,893</u>	<u>1,709</u>	<u>68,440</u>	<u>1,514,042</u>	<u>1,511,265</u>				
					GRANTS-IN-AID			
					State Employees' Dental Program - Shared Cost			
					03	8,483	6,229	6,229
					Social Security Tax - State			
					03	136,799	144,529	144,529
					Temporary Disability Insurance Liability			
					03	2,836	3,796	3,796
					Unemployment Insurance Liability			
					03	3,758	3,615	3,615
					Grand Total State Appropriation			
						<u>1,785,815</u>	<u>1,924,865</u>	<u>1,924,865</u>

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.

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 System 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 for Employee Benefits may be transferred to the Grants-In-Aid accounts for the same purposes.

The unexpended balance as of June 30, 2004 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 created pursuant to P.L. 2001, c. 133, section 1.

Notwithstanding any provision of law to the contrary, in addition to the amount hereinabove appropriated for the Teachers' Pension and Annuity Fund - 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 Teachers' Pension and Annuity Fund, payment for which shall be credited against amounts on deposit in the Benefit Enhancement Fund created pursuant to P.L. 2001, c. 133, section 1.

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 System 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 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 as of June 30, 2004 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 - 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 Teachers' Pension and Annuity Fund, payment for which shall be credited against amounts on deposit in the Benefit Enhancement Fund created pursuant to P.L. 2001, c. 133, section 1.

70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL

74. GENERAL GOVERNMENT SERVICES

9420. OTHER INTER-DEPARTMENTAL ACCOUNTS

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2003					Year Ending June 30, 2005				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	Prog. Class.	2004 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
87,078	---	-35,645	51,433	37,047	Other Inter-Departmental Accounts	04	52,820	55,469	55,469
<u>87,078</u>	<u>---</u>	<u>-35,645</u>	<u>51,433</u>	<u>37,047</u>	Total Direct State Services		<u>52,820</u>	<u>55,469</u>	<u>55,469</u>
Distribution by Fund and Object									
Special Purpose:									
2,000	---	-100	1,900	---	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
1,500	---	-579	921	---	Contingency Funds	04	1,250	1,250	1,250
65,000	---	-37,000	28,000	25,035	Interest On Short Term Notes	04	23,000	22,300	22,300
1,100	---	---	1,100	513	Debt Issuance -Special Purpose	04	1,100	1,100	1,100
125	---	---	125	---	Catastrophic Illness in Children Relief Fund - Employer Contributions	04	125	125	125
3,200	---	---	3,200	48	Interest on Interfund Borrowing	04	3,200	1,000	1,000
350	---	---	350	---	Payment of Military Leave Benefits	04	350	350	350
8,085	---	3,385	11,470	11,451	Statewide 911 Emergency Telephone System	04	12,813	18,362	18,362
3,600	---	---	3,600	---	Network Infrastructure	04	7,200	7,200	7,200

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2003					Year Ending June 30, 2005				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2004 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
705	---	-564	141	---	Garden State Network Infrastructure	04	282	282	282
225	---	---	225	---	Automated Document Factory	04	450	450	450
150	---	---	150	---	Automated Cartridge System Upgrade	04	300	300	300
1,000	---	-758	242	---	Information Technology On-Line State Portal	04	1,000	1,000	1,000
38	---	-29	9	---	Enterprise Contingency Planning and Disaster Recovery	04	---	---	---
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
200	---	-200	---	---	Other Inter-Departmental Accounts	04	200	14,925	14,925
<u>200</u>	<u>---</u>	<u>-200</u>	<u>---</u>	<u>---</u>	Total Grants-in-Aid		<u>200</u>	<u>14,925</u>	<u>14,925</u>
Distribution by Fund and Object									
Grants:									
200	---	-200	---	---	Enhanced 911 County Grants	04	200	14,925	14,925
<u>87,278</u>	<u>---</u>	<u>-35,845</u>	<u>51,433</u>	<u>37,047</u>	Grand Total State Appropriation		<u>53,020</u>	<u>70,394</u>	<u>70,394</u>

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.

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. 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 as of June 30, 2004 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.

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

Of the amount appropriated hereinabove for the Statewide Emergency Telephone System, \$9,428,000 is chargeable to receipts derived from the Wireless Communication and Cell Tower Assessment, pursuant to the passage of enabling legislation.

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

The amount appropriated hereinabove for the Enhanced E-911 County Grants is chargeable to receipts derived from the Wireless Communication and Cell Tower Assessment, pursuant to the passage of enabling legislation. 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

INTERDEPARTMENTAL ACCOUNTS

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, 2003					Year Ending June 30, 2005						
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Total Expended	Prog. Class.	2004 Adjusted Approp.	Requested	Recommended			
<u>DIRECT STATE SERVICES</u>											
Distribution by Fund and Program											
106,729	25,496	-52,373	79,852	29,728							
						Salary Increases and Other Benefits	05	11,000	134,080	134,080	
<u>106,729</u>	<u>25,496</u>	<u>-52,373</u>	<u>79,852</u>	<u>29,728</u>		Total Direct State Services		<u>11,000</u>	<u>134,080</u>	<u>134,080</u>	
Distribution by Fund and Object											
Special Purpose:											
99,729	25,496	-75,128	50,097	---		Salary Increases and Other Benefits	05	---	(a)	126,580	126,580
7,000	---	22,755	29,755	29,728		Unused Accumulated Sick Leave Payments	05	11,000	7,500	7,500	
GRANTS-IN-AID											
Distribution by Fund and Program											
---	---	---	---	---		Salary Increases and Other Benefits	05	---	31,158	31,158	
<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>		Total Grants-in-Aid		<u>---</u>	<u>31,158</u>	<u>31,158</u>	
Distribution by Fund and Object											
Grants:											
---	---	---	---	---		Salary Increases and Other Benefits	05	---	31,158	31,158	
<u>106,729</u>	<u>25,496</u>	<u>-52,373</u>	<u>79,852</u>	<u>29,728</u>		Grand Total State Appropriation		<u>11,000</u>	<u>165,238</u>	<u>165,238</u>	

Notes -- Direct State Services - General Fund

(a) The original fiscal 2004 appropriation for salary program allocation was transferred to the agency 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, and salary increases including a 2.9% cost of living adjustment for public sector managers. The implementation of such directives shall be made effective at the first full pay period of Fiscal Year 2005 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 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 as of June 30, 2004 in the Salary Increases and Other Benefits account is appropriated for the same purposes.