

INTER-DEPARTMENTAL ACCOUNTS

SUMMARY
(amounts expressed in thousands)

-----Year Ending June 30, 1985-----						Year Ending -----June 30, 1987-----		
Orig. & (S)Supple- mental	Reapp. & (R)Rec	Transfers (E) Emer- gencies	Total Avail able	Expended		1986 Adjusted Approp	Requested	Recom- mended
64,323	---	-535	63,788	58,004	General Government Service			
6,800	3,522	---	10,322	7,259	Property Rentals	81,455	90,372	90,372
486,192	---	2,519	488,711	470,014	Insurance and Other Services	2,350	5,750	5,750
27,125	4,209	-23,864	7,470	3,750	Employee Benefits	526,243	583,943	583,943
130,800	---	-122,906	7,894	4,316	State Contingency Fund	12,540	5,525	5,525
					Salary and Other Benefits	11,400	161,400	161,400
715,240	7,731	-144,786	578,185	543,343	Total Appropriation, Inter- Departmental Accounts	633,988	846,990	846,990

94. INTER-DEPARTMENTAL ACCOUNTS
70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL
74. GENERAL GOVERNMENT SERVICES

OBJECTIVES

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

Program Classifications

01. Property Rentals--Provides for payment by the Department of the Treasury of rents for office space and other premises for State agencies, except the Legislature, whose operations are financed from the General Fund appropriations. This account also functions as a clearing account for payment of rents for agencies financed from other than General Fund sources, which amounts are shown as a deduction from the gross rent recommendation. Amounts shown for the Health-Agriculture Building and the Cultural Center represent the annual payments required to amortize the cost of the buildings, under the terms of contracts with the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund.
02. Insurance and Other Services--Provides funds to cover the State's liability in tort and its statutory duty to indemnify its employees for adverse judgments in all instances where the State does not carry insurance, and to cover the premium for the State's Excess Liability Insurance Master Policy to protect against large losses, and 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 pension funds for the following classes of employees: (1) Health 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 laws of the State 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; 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; 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; benefit payments for non-contributory insurance on a policy of group insurance covering the lives of employees of the State and other participating employers in the employees' retirement system (C43:15A-1 et seq.); State's share of Social Security Tax (C43:22-1 et seq.); Pension Increase Act (C3:38-1 et seq.) provides increases in benefits payable to members of State retirement systems; and pension and the non-contributory group life insurance benefit 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, the Department of Higher Education and by public institutions of higher education in the State. Funds are also provided for 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.

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

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 became 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 \$3.50 co-payment charge for each eligible prescription and prescription refill. All full time State employees are eligible to enroll for coverage in the Program without cost to the employee.

04. State Contingency Fund--Provides funds for allotment by the Director of the Division of Budget and Accounting to various departments or agencies of State government for meeting emergency conditions and for a number of contingencies which cannot be predicted with sufficient certainty to be included within the budget recommendations of individual departments or agencies, including worker's compensation awards, the Governor's Emergency Fund, the premium portion of required payments for overtime compensation, seed money to implement cost saving processes or other productivity improvements and other contingency funds, as appropriate.
05. Salary and Other Benefits--Includes funds to be allotted to various State departments or agencies for the cost of general and special salary adjustments, and other special salary-related benefits.

APPROPRIATION DATA (amounts expressed in thousands)

Orig. & (S) Supplemental	Reapp. & (R) Rec	Transfers (E) Emergencies	Year Ending June 30, 1985		PROGRAM CLASSIFICATIONS	Ref Key	Year Ending June 30, 1987		
			Total Available	Expended			1986 Adjusted Approp	Requested	Recommended
64,323	---	-535	63,788	58,004	Property Rentals	01	81,455	90,372	90,372
6,800	3,522	---	10,322	7,259	Insurance and Other Services	02	2,350	5,750	5,750
71,123	3,522	-535	74,110	65,263	Total Appropriation		83,805(a)	96,122	96,122

94. INTER-DEPARTMENTAL ACCOUNTS--Continued
 70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL
 74. GENERAL GOVERNMENT SERVICES

-----Year Ending June 30, 1985-----					-----Year Ending June 30, 1987-----				
Orig. & (S)Supplemental	Reapp. & (R)Rec	Transfers (E) Emergencies	Total Available	Expended	Ref Key	1986 Adjusted Approp	Requested	Recommended	
<u>Distribution By Object</u> Services Other Than Personal Rent:									
62,895 } 3,300 S }	---	-535	65,660	65,660		73,727 } 7,000 S }	91,587	91,587	
664	---	---	664	664		---	---	---	
541	---	---	541	541		---	---	---	
8,800	---	---	8,800	8,800		---	---	---	
14,023	---	---	14,023	8,239		8,922 } 16,306 }	9,713 } 13,572 }	9,713 } 13,572 }	
90,223	---	-535	89,688	83,904		105,955	114,872	114,872	
(25,900)	---	---	(25,900)	(25,900)		(24,500)	(24,500)	(24,500)	
<u>Special Purpose--</u>									
300	---	---	300	300		---	---	---	
3,000 } 3,000 S }	384	---	6,384	5,079	02	350	3,500	3,500	
---	3,138	---	3,138	1,880	02	2,000	2,000	2,000	
500	---	---	500	---	02	---	---	---	
6,800	3,522	---	10,322	7,259	02	---	250	250	
<u>Total Special Purpose</u>						2,350	5,750	5,750	

It is recommended that the Director of the Division of Budget and Accounting be 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 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 be made out of such other fund.

It is further recommended that receipts derived from direct charges and charges to Non-State Fund sources be appropriated for the rental of property, including the costs of operation and maintenance of such properties.

It is further recommended that, notwithstanding any other provision of law, and except as hereinafter provided, no lease for the rent 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.

It is further recommended that the unexpended balance as of June 30, 1986 in the Tort Claims Liability Fund account created by N.J.S. 59:12-1 be appropriated for the same purpose.

It is further recommended that the unexpended balance as of June 30, 1986 in the Master Lease Program Fund be appropriated for the same purpose.

It is further recommended that there be appropriated such additional sums as may be required to pay tort claims under N.J.S. 59:12-1, subject to the approval of the Director of the Division of Budget and Accounting.

It is further recommended that the amount hereinabove for the Tort Claims Liability Fund under N.J.S. 59:12-1 be available for the payment of direct costs of outside legal and investigative services related to the investigation and litigation of claims against the Fund.

It is further recommended that the unexpended balances as of June 30, 1986 in the Inter-departmental accounts for automobile insurance be appropriated as a reserve for payment of retroactive premiums, or for reallocation to departments based on loss experience.

It is further recommended that the unexpended balance as of June 30, 1986 in the Self-Insurance Deductible Fund be appropriated for the same purpose.

It is further recommended that the unexpended balance as of June 30, 1986 in the Self-Insurance Fund be appropriated for the same purpose.

It is further recommended that the sum hereinabove be available for payment of obligations applicable to prior fiscal years.

(a) Adjusted to reflect the transfer of \$2,305,000 from Treasury State-wide Program 74 as operating funds for the Taxation and Motor Vehicle buildings.

94. INTER-DEPARTMENTAL ACCOUNTS--Continued
 70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL
 74. GENERAL GOVERNMENT SERVICES
 9410. EMPLOYEE BENEFITS

	Actual FY 1984	Actual FY 1985	Budgeted FY 1986	Budget Estimate FY 1987
EVALUATION DATA				
Health Act pensioners.....	6	4	4	4
Veterans' Act pensioners.....	10	11	11	11
Special Act pensioners.....	2	2	2	2
Widows of Governors.....	2	---	---	---
Judicial Retirement System				
Assets.....	\$40,929,601	\$47,445,934	\$54,562,824	\$62,747,248
Active members.....	322	329	336	342
Pensioners.....	210	219	226	232
Annual pensions.....	\$7,011,283	\$7,230,169	\$7,808,583	\$8,433,269
Prison Officers' Pension Fund				
Assets.....	\$745,666	\$921,267	\$1,151,584	\$1,439,480
Active members.....	66	61	54	48
Pensioners.....	385	382	386	390
Public Employees' Retirement System				
Assets.....	\$3,783,525,576	\$4,314,298,731	\$4,875,157,566	\$5,508,928,050
Active members.....	233,306	236,059	242,382	248,879
State.....	75,340	75,916	77,434	78,983
Local.....	157,966	160,143	164,947	169,896
Pensioners.....	47,838	50,939	55,505	58,320
Annual pensions.....	\$202,290,273	\$224,303,735	\$246,734,109	\$271,407,519
Lump sum death benefits.....	\$38,536,698	\$45,503,745	\$49,144,045	\$53,075,568
State Police Retirement System				
Assets.....	\$213,863,874	\$245,999,448	\$277,979,376	\$314,116,695
Active members.....	2,147	2,116	2,158	2,201
Pensioners.....	774	810	851	893
Annual pensions.....	\$10,897,853	\$11,906,045	\$12,739,468	\$13,631,231
Health Benefits Fund				
Covered employees.....	264,192	270,050	270,258	270,522
State.....	96,288	96,948	98,887	100,865
Local.....	169,904	173,102	171,371	169,657
Alternate Benefit Programs				
Participating employees.....	9,160	9,241	9,195	9,149

APPROPRIATION DATA (amounts expressed in thousands)

-----Year Ending June 30, 1985-----					Year Ending -----June 30, 1987-----				
Orig. & (S)Supple- mental	Reapp. & (R)Rec	Transfers (E) Emer- gencies	Total Available	Expended	PROGRAM CLASSIFICATION	Ref Key	1986 Adjusted Approp	Requested	Recom- mended
486,192	---	2,519	488,711	470,014	Employee Benefits	03	526,243	583,943	583,943
486,192	---	2,519	488,711	470,014	Total Appropriation		526,243	583,943	583,943
<u>Distribution By Object</u>									
Special Purpose--									
50	---	---	50	31	Health Act		30	35	35
100	---	---	100	61	Veterans' Act		60	70	70
9	---	---	9	7	Miscellaneous special acts		9	9	9
8	---	---	8	5	Annulity for Governors' widows		8	---	---
7,800	---	---	7,800	7,537	Judicial Retirement System		7,700		
2,320	---	---	2,320	2,269	Prison Officers' Pension Fund		124 S)	7,698	7,698
							2,420	2,460	2,460
106,725	---	---	106,725	106,724	Public Employees' Retirement System		110,086	122,494	122,494
128,300	---	4,200	132,500	131,384	Social security tax		140,000		
17,414	---	---	17,414	17,413	State Police Retirement System		2,086 S)	161,500	161,500
9,200	---	-1,081	8,119	7,465	Dental care program, shared cost		20,400		
123,000	---	-2,853	120,147	108,905	State employees' health benefits		1,683 S)	27,776	27,776
8,400	---	3,500	11,900	11,832	Prescription drug program		9,400	9,500	9,500
29,000	---	-1,200	27,800	27,622	Pension Adjustment Act		127,000	140,000	140,000
1,500 S	---	-1,000	500	220	Minimum Pension Benefit Act		14,100	17,500	17,500
							30,792	32,000	32,000
21,000	---	---	21,000	20,510	Employer contributions, alternate benefit program		2,000	220	220
							22,230	24,391	24,391

94. INTER-DEPARTMENTAL ACCOUNTS--Continued
 70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL
 74. GENERAL GOVERNMENT SERVICES
 9420. STATE CONTINGENCY FUND

APPROPRIATION DATA (amounts expressed in thousands)

-----Year Ending June 30, 1985-----					Year Ending -----June 30, 1987-----				
Orig. & (S)Supple- mental	Reapp. & (R)Rec	Transfers (E) Emer- gencies	Total Available	Expended	PROGRAM CLASSIFICATION	Ref Key	1986 Adjusted Approp	Requested	Recom- mended
27,125	4,209	-23,864	7,470	3,750	State Contingency Fund	04	12,540	5,525	5,525
27,125(a)	4,209	-23,864	7,470	3,750	Total Appropriation		12,540(a)	5,525	5,525
Distribution By Object									
Special Purpose--									
2,000	---	-1,200	800	---	To the Governor, for allotment to the various departments or agencies, to meet any condition of emergency or necessity; provided, however, that a sum not in excess of \$5,000 shall be available for the expense of officially receiving dignitaries and for incidental expenses, including lunches for non-salaried board members and others for whom official reception shall be beneficial to the State		2,000	2,000	2,000
21,100	---	-21,100	---	---	Continuation and expansion of data processing systems		16,085	---	---
1,875	1,875	---	3,750	3,750	Three Mile Island - New Jersey contribution		1,875	1,875	1,875
1,500	---	-1,191	309	---	Contingencies, including fuel, food and services		1,500	1,500	1,500
50	---	---	50	---	Productivity improvements		50	50	50
100	---	-64	36	---	Compensation awards		100	100	100
500	---	---	500	---	Restoration to Emergency Services Fund		2,000	---	---
---	250	---	250	---	Bank Match System		---	---	---
---	775	---	775	---	Check cycling system		---	---	---
---	1,000	---	1,000	---	Legislature word processing/information system		---	---	---
---	309	-309	---	---	Data processing and word processing initiatives		---	---	---
---	---	---	---	---	Telephone buy out		5,015	---	---
27,125	4,209	-23,864	7,470	3,750	Sub-Total		28,625	5,525	5,525
---	---	---	---	---	Less: Tentative allocation for Data Processing Systems		(16,085)	---	---
27,125	4,209	-23,864	7,470	3,750	Total Special Purpose		12,540	5,525	5,525

It is recommended that the unexpended balance as of June 30, 1986 in the productivity improvements account be appropriated for the same purpose.

It is further recommended that the balances resulting from the implementation of cost saving processes or other productivity improvements be transferred to the productivity improvements account as the Director of the Division of Budget and Accounting shall determine.

It is further recommended that revenue in excess of that anticipated resulting from the implementation of a revenue producing improvement be appropriated as determined by the Director of the Division of Budget and Accounting for other productivity improvements.

It is further recommended that the unexpended balance as of June 30, 1986 in the continuation and expansion of data processing systems account be appropriated for the same purpose.

It is further recommended that unless otherwise indicated, the above amounts be allotted by the Director of the Division of Budget and Accounting to the various departments and agencies.

It is further recommended that the unexpended balance as of June 30, 1986 in the telephone buy-out account be appropriated for the same purpose.

(a) Adjusted to reflect the transfer of the Minority Opportunity Enhancement Fund (\$500,000) to Statewide Program 76, Department of the Treasury.

94. INTER-DEPARTMENTAL ACCOUNTS--Continued
 70. GOVERNMENT DIRECTION, MANAGEMENT AND CONTROL
 74. GENERAL GOVERNMENT SERVICES
 9430. SALARY AND OTHER BENEFITS

APPROPRIATION DATA (amounts expressed in thousands)

-----Year Ending June 30, 1985-----					Year Ending -----June 30, 1987-----				
Orig. & (S)Supple- mental	Reapp. & (R)Rec	Transfers (E) Emer- gencies	Total Available	Expended	PROGRAM CLASSIFICATION	Ref Key	1986 Adjusted Approp	Requested	Recom- mended
130,800	---	-122,906	7,894	4,316	Salary and Other Benefits	05	11,400	161,400	161,400
130,800	---	-122,906	7,894	4,316	Total Appropriation		11,400	161,400	161,400
<u>Distribution By Object</u>									
<u>Special Purpose--</u>									
108,000	---	-107,008	992	---	Salary and benefits increases		130,000	---	---
---	---	---	---	---	Salary and benefits increases including deferred costs of increases implemented during fiscal year 1985-86		---	150,000	150,000
18,000 S	---	-16,414	1,586	---	Retroactive 3% salary increase to Dec 24, 1983		---	---	---
---	---	---	---	---	Pay equity		7,000 (S)	7,000	7,000
3,800	---	516	4,316	4,316	Unused accumulated sick leave payments		4,400	4,400	4,400
1,000	---	---	1,000	---	Expanded health benefits, handicapped dependents		---	---	---
130,800	---	-122,906	7,894	4,316	Sub-Total		141,400	161,400	161,400
Less:									
---	---	---	---	---	Tentative allocation for Salary and Other Benefits		(130,000)	---	---
130,800	---	-122,906	7,894	4,316	Total Special Purpose		11,400	161,400	161,400

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

It is further recommended that the State Treasurer, the President of the Civil Service Commission, and the Director of the Division of Budget and Accounting shall establish rules and regulations governing salary ranges and rates of pay. The implementation of such rules and regulations shall be made effective at the beginning of the bi-weekly pay period nearest July 1, 1986 or thereafter as determined by such rules and regulations, with timely notification of such rules and regulations to the Joint Appropriations Committee.

It is further recommended that any sums appropriated for salaries shall be made available for any person holding State office, position or employment, whose compensation is paid directly or indirectly, in whole or in part, from State funds, including any person holding office, position or employment in any educational institution for which appropriations are made to Rutgers, The State University; the University of Medicine and Dentistry of New Jersey or to the State Board of Higher Education for the New Jersey Institute of Technology; or holding office, position or employment under the Delaware River Joint Toll Bridge Commission, the Palisades Interstate Park Commission, and the Interstate Sanitation Commission.

It is further recommended that, in addition to the amount hereinabove for unused accumulated sick leave payments, there be appropriated such additional sums as may be necessary for payments of unused accumulated sick leave.

It is further recommended that, notwithstanding the provisions of Section 1 of P.L. 1974, c. 55, as amended, (C52:14-15.107), the amounts appropriated to the various departments for salaries shall be available to provide for payment of such salaries to the heads of the principal Executive departments and the members of the Board of Public Utility Commissioners as the Governor shall fix and establish, but not to exceed \$95,000 for any individual.

NOTES