

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. The Budget for Statewide Capital is discussed in the Capital and Debt Service section.

Budget Highlights

The Fiscal year 2007 Budget for all Interdepartmental Accounts totals \$3.281 billion, an increase of \$399.7 million, or 13.9%, over the fiscal 2006 adjusted appropriation of \$2.881 billion. (The specific highlights are outlined in their respective sections below.)

Salary Increases

The State of New Jersey employs approximately 80,000 full-time workers. The State is covered by the New Jersey Public Employer-Employee Relations Act, as amended, N.J.S.A. 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 2006, unions represented 72,000 full-time State employees, or approximately 90% of the total work force.

In fiscal 2007, \$127.9 million is recommended for Salary Increases and Other Benefits, to cover fiscal 2007 employee increments, progressions, across-the-board raises for all eligible employees, and bonuses according to contractual agreements, along with any related deferred costs. This amount is net of \$50 million savings from statewide management efficiencies and it provides no additional funding for senior public higher education institutions' employee salary increases.

In addition to salary increases, this section of the Budget provides \$7.5 million for payment of unused accumulated sick leave in accordance with N.J.A.C. 4A:6-3.1 et. seq. Employees are permitted to accumulate earned sick days. Upon retirement, retirees are paid for any unused sick days, at 50% of the normal pay rate, up to a maximum amount of \$15,000.

Employee Contract Status

Contracts have been settled with the unions representing 75% of State employees, including CWA (Communications Workers of America), AFSCME (American Federation of State, County, and Municipal Employees), IFPTE (International Federation of Professional and Technical Engineers), and unions representing corrections and non-corrections law enforcement officers employed by the State, which are effective July 1, 2003 to June 30, 2007. All of the above unions have negotiated a cost-of-living (COLA) increase of 2.25% on or about July 1, 2006, and another increase of 2.35% on or about January 1, 2007.

The unions that represent Judicial employees - CWA, Judiciary Council of Affiliated Unions (JCAU), and Probation Association of New Jersey (PANJ), will receive a 2% increase on or about both July 1, 2006 and January 1, 2007, as well as a 4.15% progression on or about July 1, 2006. Additionally, the State Police will receive a 4% increase on or about July 1, 2006. Both the Judicial unions and the State Police contracts are effective July 1, 2004 to June 30, 2008.

Employee Fringe Benefits

For fiscal 2007, a total cost of \$1.7 billion is budgeted to provide fringe benefits to employees of State government, an increase of \$220.3 million, or 14.7%, as compared to fiscal 2006. The fiscal 2007 recommendation for higher education's senior public institutions is \$683.4 million, which, after accounting for reimbursements, is essentially flat compared to fiscal 2006.

Employee Retirement

All State employees, and most employees of counties, municipalities, and school districts, are members of one of the seven State retirement systems: the Public Employees' Retirement System (PERS), the Teachers' Pension and Annuity Fund (TPAF), the Police and Firemen's Retirement System (PFRS), Consolidated Police and Firemen's Pension Fund, State Police Retirement System (SPRS), Judicial Retirement System (JRS), and Prison Officer's Pension Fund. The law provides that all defined benefit pension plans are subject to actuarial valuation every year and actuarial experience studies every three years.

The majority of the fiscal 2007 growth in employee benefits is in pension contributions. The Fiscal 2007 Budget accelerates the phase-in towards full funding, increasing from 40% funding in fiscal 2006 for all systems other than SPRS (which was funded at 30%) to 70% in fiscal 2007.

The recommended amount for State employee pensions in the Fiscal 2007 Budget totals \$629.8 million, including \$263.9 million of post retirement medical costs. The recommended appropriation for debt service payments on the pension obligation bonds for State employees is \$70.7 million in fiscal 2007.

Employee Health Benefits

The projected cost for health benefits, including medical, prescription drug, dental, and vision, for State employees in fiscal 2007 is \$675.2 million. This recommendation includes projected savings from cost containment measures that are being implemented in the Fiscal 2007 Budget. These measures include bulk purchasing of pharmaceuticals, mandatory mail-order for maintenance drugs, mandatory use of generic drugs, improved pharmacy administration, increased cost sharing for noncompetitive, non-aligned employees, and use of available State Prescription Drug Program fund balances.

Employer Payroll Taxes

The fiscal 2007 recommendation of \$340.3 million for employer payroll taxes for State employees represents a decrease of \$5.7 million over fiscal 2006. The recommendation includes \$325 million of employer Social Security tax, \$13 million for Temporary Disability Insurance (TDI), and \$2.3 million for Unemployment Insurance (UI) liability.

Other Interdepartmental Accounts

The Fiscal 2007 Budget for Other Interdepartmental Accounts totals \$92.1 million, a decrease of \$42.2 million, or 32%, from the fiscal 2006 adjusted appropriation of \$134.3 million.

In Direct State Services (DSS), some of the major items funded in fiscal 2007 are: \$46 million for interest on short-term notes, \$17.6 million for Statewide E-911 Emergency Telephone System and \$5.5 million for several smaller programs. Additionally, this Budget provides \$8 million for information technology.

The Fiscal 2007 Grants-in-Aid (GIA) Budget for Other Interdepartmental Accounts totals \$14.9 million, a decrease of \$40 million from the fiscal 2006 appropriations of \$54.9 million. All of the funds are to be used for grants for E-911 Statewide Emergency Telephone System.

Aid To Independent Authorities

The Fiscal 2007 Budget for Aid to Independent Authorities totals \$130.2 million, an increase of \$24 million, or 23% more than the fiscal 2006 adjusted appropriation of \$106.2 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.

INTERDEPARTMENTAL ACCOUNTS

Property Rentals

The Fiscal 2007 Budget for Property Rentals totals \$158.7 million, which is an increase of \$12.4 million, or 8.5%, from the previous year. The Property Rentals account supports existing and anticipated leases of offices and other facilities used by State agencies (\$121.3 million), payments for debt service leases and payments in lieu of property taxes on facilities occupied by State agencies (\$19 million), and debt service payments for various fire sprinkler systems and office furnishings (\$1.3 million). This account also includes \$17.1 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 2007 Budget for Insurance and Other Services totals \$106.7 million, an increase of \$3.7 million over the fiscal 2006 adjusted appropriation of \$103 million. Funding increases by \$3.5 million for tort claims and \$200,000 for Workers' Compensation claims.

Utilities and Other Services

The Utilities and Other Services account provides funding for the heating, electrical, janitorial and trash removal needs for various State-owned buildings, primarily in the Capitol Complex, that house the State workforce. This account also includes funding for State departments that are severely impacted by the recent and dramatic increase in fuel and utility costs. The Fiscal 2007 Budget for Utilities and Other Services of \$50.9 million is \$15.7 million, or 45% higher than the previous year. Of this amount, \$15.2 million is for increased fuel and utility costs and \$550,000 is for contractual increases for janitorial and trash removal services.

The New Jersey Consolidated Energy Savings Program (NJCESP) has reduced the cost of energy for New Jersey State departments and agencies, colleges, universities, NJ Transit, 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.

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

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					GENERAL FUND			
1,838,750	63,189	-132,408	1,769,531	1,686,469	Direct State Services	1,867,233	2,244,943	2,244,943
853,859	1,917	-47,183	808,593	765,514	Grants-In-Aid	834,816	828,479	828,479
168,653	34,358	17,642	220,653	173,889	Capital Construction	179,327	207,636	207,636
2,861,262	99,464	-161,949	2,798,777	2,625,872	Total General Fund	2,881,376	3,281,058	3,281,058
2,861,262	99,464	-161,949	2,798,777	2,625,872	Total Appropriation, Interdepartmental Accounts	2,881,376	3,281,058	3,281,058

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

Year Ending June 30, 2005						Year Ending June 30, 2007		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					DIRECT STATE SERVICES - GENERAL FUND			
					General Government Services			
153,023	134	---	153,157	150,856	Property Rentals	146,320	158,690	158,690
103,911	7,214	-1	111,124	94,206	Insurance and Other Services	103,011	106,711	106,711
1,357,386	19,008	605	1,376,999	1,368,281	Employee Benefits	1,495,797	1,716,124	1,716,124
55,469	761	-6,985	49,245	33,516	Other Inter-Departmental Accounts	79,421	77,142	77,142
137,280	33,860	-126,027	45,113	5,717	Salary Increases and Other Benefits	7,500	135,360	135,360
31,681	2,212	---	33,893	33,893	Utilities and Other Services	35,184	50,916	50,916
1,838,750	63,189	-132,408	1,769,531	1,686,469	Subtotal	1,867,233	2,244,943	2,244,943
1,838,750	63,189	-132,408	1,769,531	1,686,469	Total Direct State Services - General Fund	1,867,233	2,244,943	2,244,943
1,838,750	63,189	-132,408	1,769,531	1,686,469	TOTAL DIRECT STATE SERVICES	1,867,233	2,244,943	2,244,943

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended
					GRANTS-IN-AID - GENERAL FUND			
					General Government Services			
619,292	179	-1,868	617,603	615,500	Employee Benefits	673,658	683,358	683,358
114,198	---	-14,157	100,041	59,326	Other Inter-Departmental Accounts	54,925	14,925	14,925
31,158	---	-31,158	---	---	Salary Increases and Other Benefits	---	---	---
89,211	1,738	---	90,949	90,688	Aid to Independent Authorities	106,233	130,196	130,196
<u>853,859</u>	<u>1,917</u>	<u>-47,183</u>	<u>808,593</u>	<u>765,514</u>	<i>Subtotal</i>	<u>834,816</u>	<u>828,479</u>	<u>828,479</u>
<u>853,859</u>	<u>1,917</u>	<u>-47,183</u>	<u>808,593</u>	<u>765,514</u>	<i>Total Grants-In-Aid - General Fund</i>	<u>834,816</u>	<u>828,479</u>	<u>828,479</u>
<u>853,859</u>	<u>1,917</u>	<u>-47,183</u>	<u>808,593</u>	<u>765,514</u>	TOTAL GRANTS-IN-AID	<u>834,816</u>	<u>828,479</u>	<u>828,479</u>
					CAPITAL CONSTRUCTION			
					General Government Services			
168,653	34,358	17,642	220,653	173,889	Capital Projects - Statewide	179,327	207,636	207,636
<u>168,653</u>	<u>34,358</u>	<u>17,642</u>	<u>220,653</u>	<u>173,889</u>	<i>Subtotal</i>	<u>179,327</u>	<u>207,636</u>	<u>207,636</u>
<u>168,653</u>	<u>34,358</u>	<u>17,642</u>	<u>220,653</u>	<u>173,889</u>	TOTAL CAPITAL CONSTRUCTION	<u>179,327</u>	<u>207,636</u>	<u>207,636</u>
<u>2,861,262</u>	<u>99,464</u>	<u>-161,949</u>	<u>2,798,777</u>	<u>2,625,872</u>	<i>Total Appropriation, Interdepartmental Accounts</i>	<u>2,881,376</u>	<u>3,281,058</u>	<u>3,281,058</u>

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL

74. GENERAL GOVERNMENT SERVICES

OBJECTIVES

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

PROGRAM CLASSIFICATIONS

01. **Property Rentals.** Provides for payment by the Department of 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 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 (R.S. 43:5-1 et seq.), consisting of persons employed by the State as of January, 1921; (2) Veterans' Act pensioners (R.S. 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 (R.S. 43:8-2); (5) Judicial pensioners (C.43:6-6.4 et seq.); (6) Prison officers (C.43:7-7 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 (C.43:15A-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 (C.53:5A-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 (C.43:15A-1 et seq.); the State's share of Social Security Tax (C.43:22-1 et seq.); Pension Adjustment Act (C.3:3B-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 C.52:14-17.25 et seq., the administration of this program was transferred to the Division of Pensions and Benefits.

The Alternate Benefit Program was established (N.J.S. 18A:64C-11.1, N.J.S. 18A:65-74 and C.18A:66-130) for faculty and staff members at the University of Medicine and

INTERDEPARTMENTAL ACCOUNTS

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 (C.52:14-17.25 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 (C.43:21-46). 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 (R.S. 43:21-1 et seq., as amended by P.L. 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 (C.52:14-17.29) 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, as well as some fuel and utility costs for State departments.
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.

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Total Expended	2006 Prog. Class.	2006 Adjusted Approp.	Requested	Recommended
202,700	134	---	202,834	200,533				
103,911	7,214	-1	111,124	94,206				
31,681	2,212	---	33,893	33,893				
202,700	134	---	202,834	200,533				
103,911	7,214	-1	111,124	94,206				
31,681	2,212	---	33,893	33,893				
338,292	9,560	-1	347,851	328,632				
(49,677)	---	---	(49,677)	(49,677)				
(49,677)	---	---	(49,677)	(49,677)				
288,615	9,560	-1	298,174	278,955				
					DIRECT STATE SERVICES			
					Distribution by Fund and Organization			
						231,755	242,043	242,043
						103,011	106,711	106,711
						35,184	50,916	50,916
					Distribution by Fund and Program			
					01	231,755	242,043	242,043
					02	103,011	106,711	106,711
					06	35,184	50,916	50,916
						369,950	399,670	399,670
					Less:			
						(85,435)	(83,353)	(83,353)
						(85,435)	(83,353)	(83,353)
						284,515	316,317	316,317

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom-mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Object									
Property Rentals									
160,242			164,967	164,432	Existing and Anticipated Leases	01	187,587	204,695	204,695
4,591 ^S	134	---					5,500 ^S		
17,491			17,491	17,216	Economic Development Authority	01	16,183	17,051	17,051
<u>16,586</u>	<u>---</u>	<u>---</u>	<u>16,586</u>	<u>16,586</u>	Other Debt Service Leases and Tax Payments	01	<u>17,822</u>	<u>19,015</u>	<u>19,015</u>
<u>198,910</u>	<u>134</u>	<u>---</u>	<u>199,044</u>	<u>198,234</u>	<i>Subtotal Appropriation (Gross)</i>		<u>227,092</u>	<u>240,761</u>	<u>240,761</u>
<i>Less:</i>									
<u>(49,677)</u>	<u>---</u>	<u>---</u>	<u>(49,677)</u>	<u>(49,677)</u>	<i>Direct Charges and Charges to Non-State Fund Sources</i>		<u>(85,435)</u>	<u>(83,353)</u>	<u>(83,353)</u>
<u>149,233</u>	<u>134</u>	<u>---</u>	<u>149,367</u>	<u>148,557</u>	<i>Subtotal Appropriation (Net)</i>		<u>141,657</u>	<u>157,408</u>	<u>157,408</u>
3,790			3,790	2,299	Additions, Improvements and Equipment		4,663	1,282	1,282
Insurance and Other Services									
Tort Claims Liability Fund (C59:12-1)									
11,000			26,500	12,534	Workers' Compensation Self-Insurance Fund	02	11,000	17,500	17,500
15,500 ^S	---	---					3,000 ^S		
41,900			56,910	56,568	Property Insurance Premium Payments	02	55,500	61,700	61,700
8,000 ^S	5,565	1,445			Casualty Insurance Premium Payments	02	6,000 ^S	2,030	2,030
3,636		-112	3,524	3,524	Special Insurance Policy Premium Payment	02	3,636	3,636	3,636
2,030		-1,294	736	736	UMDNJ Self Insurance Reserve Fund	02	2,030	2,030	2,030
220		63	283	283	Vehicle Claims Liability Fund	02	220	220	220
18,000			18,000	17,300	Self-Insurance Deductible Fund	02	18,000	18,000	18,000
2,000			2,000	1,999	Self-Insurance Fund - Foster Parents	02	2,000	2,000	2,000
1,500	1,649		3,149	1,240		02	1,500	1,500	1,500
125		-103	22	22		02	125	125	125
Utilities and Other Services									
23,382	235		27,081	27,081	Fuel and Utilities	06	27,495	42,677	42,677
937 ^S	1,977 ^R	550			Household and Security	06	7,689	8,239	8,239
5,703			6,812	6,812					
1,659 ^S		-550							
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
89,211	1,738	---	90,949	90,688	Aid to Independent Authorities	09	106,233	130,196	130,196
<u>89,211</u>	<u>1,738</u>	<u>---</u>	<u>90,949</u>	<u>90,688</u>	<i>Total Grants-in-Aid</i>		<u>106,233</u>	<u>130,196</u>	<u>130,196</u>
Distribution by Fund and Object									
<i>Grants:</i>									
1,500			1,500	1,500	Camden Aquarium Management Agreement	09	---	---	---
5,555			5,555	5,540	New Jersey Performing Arts Center, EDA	09	5,559	5,557	5,557
15,344			16,320	16,320	Business Employment Incentive Program, EDA-Debt Service	09	28,694	48,443	48,443
976 ^S							2,151 ^S	1,213	1,213
718			718	702	Liberty Science Center - EDA	09	598	14,129	14,129
8,948			9,298	9,298	Municipal Rehabilitation and Economic Recovery, EDA	09	9,314	625	625
350 ^S					Camden Children's Garden	09	625		
625			625	625					

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
CAPITAL CONSTRUCTION									
New Jersey Building Authority Debt Service - General State Projects									
24,289	---	---	24,289	24,289	- Southwoods State Prison	08	20,414	30,248	30,248
15,860	---	---	4,420	4,420	- State House Renovations	08	13,326	19,731	19,731
-11,440 ^S	---	---	7,702	7,702	- Hughes Justice Complex	08	7,461	11,046	11,046
8,880	---	---	21,098	19,239	- Other State Projects	08	18,135	26,872	26,872
-1,178 ^S	1,332	---	1,000	1,000	- 9/11 Memorial	08	864	---	---
21,586	---	---	5,059	5,059	<i>Counter Terrorism Projects</i>				
-1,820 ^S	---	---	717	717	- State Police Multipurpose Building/Troop "C" Headquarters	08	5,122	7,584	7,584
1,000	---	---	2,000	---	- State Police Emergency Operations Center	08	955	1,414	1,414
6,097	---	---	59	---	Enterprise Initiatives				
-1,038 ^S	---	---	2,000	---	Network Infrastructure	08	3,950	416	416
1,137	---	---	---	---	Enterprise Upgrades-Garden State Network	08	---	---	---
-420 ^S	---	---	---	---	Office of Information Technology-Availability and Recovery Site (OARS)	08	1,400	6,500	6,500
---	---	---	---	---	Open Space Preservation Program				
---	---	---	---	---	Garden State Preservation Trust Fund Account	08	98,000	98,000	98,000
<u>98,000</u>	<u>1,819</u>	<u>1,492</u>	<u>101,311</u>	<u>99,492</u>	Grand Total State Appropriation				
<u>546,479</u>	<u>45,656</u>	<u>17,641</u>	<u>609,776</u>	<u>543,532</u>		<u>570,075</u>	<u>654,149</u>	<u>654,149</u>	
OTHER RELATED APPROPRIATIONS									
Federal Funds									
---	1,194	---	1,194	1,194	Utilities and Other Services	06	---	---	---
---	<u>1,194</u>	---	<u>1,194</u>	<u>1,194</u>	Total Federal Funds				
<u>546,479</u>	<u>46,850</u>	<u>17,641</u>	<u>610,970</u>	<u>544,726</u>		<u>570,075</u>	<u>654,149</u>	<u>654,149</u>	

Notes -- Capital Construction

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

Language Recommendations -- Direct State Services - General Fund

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

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.

INTERDEPARTMENTAL ACCOUNTS

- The unexpended balance at the end of the preceding fiscal year in the Master Lease Program Fund is appropriated for the same purpose.
- In order to permit flexibility, amounts may be transferred between various items of appropriation within the Insurance and Other Services program classification, subject to the approval of the Director of the Division of Budget and Accounting. Notice thereof shall be provided to the Legislative Budget and Finance Officer on the effective date of the approved transfer.
- There are appropriated such additional sums as may be required to pay tort claims under N.J.S. 59:12-1, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the payment of claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the payment of direct costs of legal, administrative and medical services related to the investigation, mitigation and litigation of tort claims under N.J.S. 59:12-1, and claims of a tortious nature, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine.
- The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of pool attorneys engaged by the Public Defender for the defense of indigents.
- The funds appropriated to the Tort Claims Liability Fund are available for the indemnification of designated pathologists engaged by the State Medical Examiner.
- Notwithstanding any other law to the contrary, claims paid from the Tort Claims Liability Fund on behalf of entities funded, in whole or in part, from non-State funds, may be reimbursed from such non-State fund sources as determined by the Director of the Division of Budget and Accounting.
- There are appropriated such additional sums as may be required to pay claims not payable from the Tort Claims Liability Fund or payable under the New Jersey Contractual Liability Act, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine. The funds appropriated are available for the payment of direct costs of legal, administrative and medical services related to the investigation, mitigation and litigation of claims not payable from the Tort Claims Liability Fund or payable under the New Jersey Contractual Liability Act, as recommended by the Attorney General and as the Director of the Division of Budget and Accounting shall determine. Notwithstanding any other law to the contrary, claims or costs paid from the monies appropriated under this paragraph on behalf of entities funded, in whole or in part from non-State funds, may be reimbursed from such non-State funds sources as determined by the Director of the Division of Budget and Accounting. Appropriations under this paragraph shall not be available to pay punitive damages and shall not be deemed a waiver of any immunity by the State.
- To the extent that sums appropriated to pay Workers' Compensation claims under R.S.34:15-1 et seq., are insufficient, there are appropriated such additional sums as may be required to pay Workers' Compensation claims, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount appropriated hereinabove for the Workers' Compensation Self-Insurance Fund under R.S. 34:15-1 et seq. is available for the payment of direct costs of legal, investigative, administrative and medical services related to the investigation, mitigation, litigation and administration of claims against the fund, subject to the approval of the Director of the Division of Budget and Accounting.
- Notwithstanding any other law to the contrary, benefits provided to community work experience participants shall be borne by the Work First New Jersey program funded through the Department of Human Services and any costs related to administration, mitigation, litigation and investigation of claims will be reimbursed to the Bureau of Risk Management by the Work First New Jersey Program funded through the Department of Human Services, subject to the approval of the Director of the Division of Budget and Accounting.
- Providing that expenditures during the current fiscal year on workers' compensation claims attributable to the Departments of Human Services, Transportation, Corrections, and Law and Public Safety are less than the respective amounts expended by those departments for claims attributable to the preceding fiscal year, all or a portion of that savings is appropriated to those departments or the Bureau of Risk Management within the Department of the Treasury for the purpose of improving worker safety and reducing workers' compensation costs, subject to the approval of the Director of the Division of Budget and Accounting.
- To the extent that sums appropriated to pay auto insurance claims are insufficient, there are appropriated such additional sums as may be required to pay auto insurance claims, subject to the approval of the Director of the Division of Budget and Accounting.
- The amount appropriated hereinabove for the Vehicle Claims Liability Fund is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.
- The unexpended balance at the end of the preceding fiscal year in the Self-Insurance Deductible Fund is appropriated for the same purposes.
- The amount hereinabove appropriated for the Self-Insurance Fund - Foster Parents is available for the payment of direct costs of legal, investigative and medical services related to the investigation, mitigation and litigation of claims against the fund.
- The sums hereinabove appropriated are available for payment of obligations applicable to prior fiscal years.
- There are appropriated out of revenues received from utility companies such sums as may be required for implementation and administration of the Energy Conservation Initiatives Program, subject to the approval of the Director of the Division of Budget and Accounting.
- In addition to the sums hereinabove appropriated for Fuel and Utilities, the Director of the Division of Budget and Accounting shall transfer or credit to this account such sums that accrue from appropriations made to various spending agencies for Fuel and Utilities and Salaries and Wages, to reflect savings associated with electrical deregulation, fuel switch and other energy-conservation initiatives.
- Of the amount appropriated hereinabove for fuel and utility costs, \$15,182,000 may be transferred to State departments and, in addition to the sums hereinabove appropriated for fuel and utility costs, there are appropriated such additional sums as may be required for transfer to State departments to pay fuel and utility costs, subject to the approval of the Director of the Division of Budget and Accounting.

INTERDEPARTMENTAL ACCOUNTS

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

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

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

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

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

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

The amounts hereinabove appropriated for fiscal year 2007 debt service payments attributable to the New Jersey Performing Arts Center, EDA program and to the Municipal Rehabilitation and Economic Recovery, EDA program may be paid by the New Jersey Economic Development Authority from resources available from unexpended balances, and in such instances the amounts appropriated for the New Jersey Performing Arts Center, EDA program and for the Municipal Rehabilitation and Economic Recovery, EDA program shall be reduced by the same amount. There are appropriated such additional sums as may be necessary to pay debt service and other costs for the Municipal Rehabilitation and Economic Recovery, EDA program, subject to the approval of the Director of the Division of Budget and Accounting.

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

Language Recommendations -- Capital Construction

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

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

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

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

Of the amount hereinabove appropriated for Office of Information Technology-Availability and Recovery Site (OARS), an amount may be transferred to the Office of Information Technology Office of Information Technology-Availability and Recovery Site (OARS) account to cover the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove appropriated for Network Infrastructure, an amount may be transferred to the Office of Information Technology Network Infrastructure account to cover the cost of this program, 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 commencing with the start of this fiscal year is appropriated.

INTERDEPARTMENTAL ACCOUNTS

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

PROGRAM DATA	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Employee Benefits				
Judicial Retirement System				
Assets	\$ 324,619,731	\$ 330,136,054	\$ 344,871,158	\$ 359,402,252
Active Members	432	427	430	433
Pensioners	417	432	450	469
Annual Pensions	\$ 26,576,846	\$ 28,756,368	\$ 30,639,910	\$ 32,646,824
Lump Sum Death Benefits	\$ 487,548	\$ 261,988	\$ 259,326	\$ 256,691
Prison Officers' Pension Fund				
Assets	\$ 16,105,439	\$ 15,019,308	\$ 14,570,175	\$ 14,010,308
Pensioners	200	186	173	161
Public Employees' Retirement System				
Assets	\$ 23,191,446,226	\$ 24,071,909,584	\$ 24,085,463,470	\$ 24,911,896,268
Total Members	314,673	322,985	330,270	336,898
State (Active)	82,462	85,985	88,117	89,480
State (Inactive)	27,487	28,223	29,033	29,866
Local	204,724	208,777	213,120	217,552
Pensioners	115,647	119,174	123,038	127,028
Annual Pensions	\$ 1,506,081,057	\$ 1,605,184,591	\$ 1,709,714,211	\$ 1,821,050,801
Lump Sum Death Benefits	\$ 97,104,220	\$ 103,933,290	\$ 107,679,046	\$ 111,559,799
State Police Retirement System				
Assets	\$ 1,694,769,733	\$ 1,752,407,719	\$ 1,825,915,563	\$ 1,913,368,929
Total Members	2,745	3,074	2,873	2,913
Active	2,710	2,950	2,734	2,757
Inactive	35	124	139	156
Pensioners	2,191	2,299	2,409	2,524
Annual Pensions	\$ 88,550,978	\$ 97,942,622	\$ 107,834,827	\$ 118,726,144
Lump Sum Death Benefits	\$ 721,085	\$ 927,128	\$ 1,057,853	\$ 1,207,010
Police and Firemen's Retirement System				
Assets	\$ 16,439,571,152	\$ 17,502,319,933	\$ 19,189,388,328	\$ 20,514,828,982
Total Members	45,124	45,263	45,462	45,669
State (Active)	7,725	7,860	7,929	7,999
State (Inactive)	477	424	377	335
Local	36,922	36,979	37,156	37,335
Pensioners	27,768	29,183	30,526	31,931
Annual Pensions	\$ 956,173,745	\$ 1,037,521,253	\$ 1,120,512,578	\$ 1,210,142,379
Lump Sum Death Benefits	\$ 30,881,935	\$ 26,941,999	\$ 28,525,111	\$ 30,201,246
Alternate Benefit Program				
Total Active Members	17,431	17,125	17,149	17,172
State	14,446	14,094	14,114	14,133
County	2,985	3,031	3,035	3,039
Teachers' Pension and Annuity Fund				
Assets	\$ 28,894,103,112	\$ 30,114,941,816	\$ 30,640,264,919	\$ 32,196,645,606
Total Members	151,911	154,854	158,007	161,226
State	319	301	294	287
County	52	51	49	48
Local	151,540	154,502	157,664	160,891
Pensioners	61,892	65,260	68,494	71,887
Annual Pensions	\$ 1,821,694,407	\$ 1,998,447,461	\$ 2,206,745,640	\$ 2,436,754,738
Lump Sum Death Benefits	\$ 59,806,846	\$ 62,786,216	\$ 65,899,157	\$ 69,166,437
Consolidated Police & Firemen's Pension Fund				
Assets	\$ 16,723,261	\$ 17,899,099	\$ 19,546,412	\$ 16,319,365
Pensioners	952	831	735	649
Annual Pensions	\$ 16,829,838	\$ 15,137,682	\$ 13,633,602	\$ 12,278,967

INTERDEPARTMENTAL ACCOUNTS

	Actual FY 2004	Actual FY 2005	Revised FY 2006	Budget Estimate FY 2007
Health Benefits Program				
Covered Members	358,609	363,435	371,745	379,433
State	142,342	147,298	151,638	155,284
Local	216,267	216,137	220,107	224,149

APPROPRIATIONS DATA (thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recom- mended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
1,357,386	19,008	605	1,376,999	1,368,281	03	1,495,797	1,716,124	1,716,124	
<u>1,357,386</u>	<u>19,008</u>	<u>605</u>	<u>1,376,999</u>	<u>1,368,281</u>		<u>1,495,797</u>	<u>1,716,124</u>	<u>1,716,124</u>	
Distribution by Fund and Object									
Special Purpose:									
---	---	---	---	---					
					03	---	214,274	214,274	
167,602	---	---	167,602	167,602	03	183,596			
						5,200	194,274	194,274	
---	---	---	---	---	03	22,314	17,697	17,697	
24,814	---	---	24,814	17,711	03	27,719	66,746	66,746	
1,894	---	---	1,894	1,894	03	3,991	4,806	4,806	
2,180	---	---	2,180	1,635	03	2,328	4,064	4,064	
1,084	---	---	1,084	955	03	1,011	1,018	1,018	
157	---	---	157	157	03	221	264	264	
188	---	---	188	188	03	11,210	35,102	35,102	
---	---	---	---	---	03	1,731	1,256	1,256	
6,120	---	42	6,162	6,162	03	7,345	15,415	15,415	
---	---	---	---	---	03	627	722	722	
---	---	---	---	---	03	239	2,636	2,636	
3,292	---	---	3,292	3,038	03	3,148	4,040	4,040	
---	---	---	---	---	03	72	91	91	
1,708	---	-42	1,666	1,649	03	1,689	1,600	1,600	
115	---	-1	114	85	03	74	70	70	
4	---	1	5	5	03	5	---	---	
5	---	---	5	5	03	5	5	5	

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
DIRECT STATE SERVICES									
59,324									
48 ^S	---	---	59,372	59,372					
105	---	---	105	105					
504,445	18,900	---	523,345	523,345					
55,524	---	---	55,524	55,524					
162,810	---	---	162,810	162,810					
16,111	---	---	16,111	16,111					
1,000	---	---	1,000	680					
305,449									
28,600 ^S	108	4,348	338,505	338,504					
8,367	---	---	8,367	8,367					
6,440	---	-3,743	2,697	2,377					
---	---	---	---	---					
GRANTS-IN-AID									
Distribution by Fund and Program									
619,292	179	-1,868	617,603	615,500					
619,292	179	-1,868	617,603	615,500					
Distribution by Fund and Object									
Special Purpose:									
---	---	---	---	---					
24,393	---	---	24,393	24,393					
---	---	---	---	---					
2,184	---	---	2,184	1,621					
67	---	---	67	67					
99,704	---	---	99,704	99,082					
15,186	---	---	15,186	15,186					
---	---	---	---	---					
6,553	---	---	6,553	6,048					
---	---	---	---	---					

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
3,423	---	---	3,423	3,423	Debt Service on Pension Obligation Bonds	03	3,730	4,080	4,080
215,992	---	---	215,992	215,992	State Employees' Health Benefits	03	233,266	268,625	268,625
15,661	---	---	15,661	15,661	Other Pension Systems-Post Retirement Medical	03	17,837	20,233	20,233
66,460	---	---	66,460	66,460	State Employees' Prescription Drug Program	03	78,989	82,379	82,379
6,229	---	---	6,229	6,229	State Employees' Dental Program - Shared Cost	03	10,399	11,406	11,406
144,529	---	---	144,529	144,529	Social Security Tax - State	03	155,622	90,865	90,865
11,500 ^S	179	-440	155,768	155,416			4,000 ^S		
3,796	---	---	3,796	3,796	Temporary Disability Insurance Liability	03	4,540	4,314	4,314
3,615	---	-1,428	2,187	2,126	Unemployment Insurance Liability	03	2,012	1,823	1,823
<u>1,976,678</u>	<u>19,187</u>	<u>-1,263</u>	<u>1,994,602</u>	<u>1,983,781</u>	Grand Total State Appropriation		<u>2,169,455</u>	<u>2,399,482</u>	<u>2,399,482</u>

Notes -- Direct State Services - General Fund

- (a) The fiscal 2006 appropriation has been adjusted to report the non-contributory insurance component.
- (b) The fiscal 2005 data and the fiscal 2006 appropriation have been adjusted to report the non-contributory insurance component.
- (c) The fiscal 2006 appropriation has been adjusted for the reallocation of administrative efficiencies.
- (d) The amount of \$22,000,000 will be transferred from the Securities Enforcement Fund in fiscal 2007.

Notes -- Grants-In-Aid - General Fund

- (a) The fiscal 2006 appropriation has been adjusted to report the non-contributory insurance component.
- (b) The fiscal 2005 data and the fiscal 2006 appropriation have been adjusted to report the non-contributory insurance component.

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.

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

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

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 the provisions of the Pension Adjustment Act, P.L.1958, c.143 (C.43:3B-1 et seq.), pension adjustment benefits for State members and beneficiaries of the Consolidated Police and Firemen's Pension Fund, Prison Officers' Pension Fund, and Central Pension Fund shall be paid by the respective pension funds. The amounts hereinabove appropriated for the Pension Adjustment Program for these benefits as required under the act shall be paid to the Pension Adjustment 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 unexpended balance at the end of the preceding fiscal year in the Debt Service on Pension Obligation Bonds account is appropriated for the same purpose.

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.

INTERDEPARTMENTAL ACCOUNTS

Notwithstanding the provisions of any other law to the contrary, amounts hereinabove appropriated for the State Health Benefits Program are subject to the condition that: (i) increases in co-payments for the prescription drug plan, the co-payment for office visits in the managed care plans, and the deductible for the Traditional Plan agreed to by bargaining units representing State employees and employees of State authorities, State commissions, State colleges and State universities for fiscal 2006 shall continue at the same levels for this fiscal year; and (ii) the following increases implemented by the State Health Benefits Commission for fiscal year 2006 shall continue in this fiscal year for (a) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes; and (b) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations purposes who receive health benefits through the State Health Benefits Program and such health benefits are funded in whole or in part by State appropriations: a \$10 co-payment for NJ PLUS and HMO primary care physician and specialist office visits; co-payments for the Employee Prescription Drug: Retail Pharmacy -\$3 generic and \$10 brand name for up to a 30-day supply, and Mail Order Pharmacy -\$5 generic and \$15 brand name for up to a 90 day supply; and a Traditional Plan deductible of \$250.

Notwithstanding the provisions of any other law to the contrary, amounts hereinabove appropriated for the State Employees' Prescription Drug Program are subject to the condition that a mandatory generic and mandatory mail order requirement for the prescription drug plan shall be implemented by the State Health Benefits Commission as expeditiously as is administratively feasible for: 1) State employees and employees of State authorities, State commissions, State colleges and State universities represented by bargaining units, to the extent permitted by contract; 2) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes; and (3) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations purposes who receive health benefits through the State Health Benefits Program and such health benefits are funded in whole or in part by State appropriations.

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.

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

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

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

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.

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

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.

Notwithstanding the provisions of any other law to the contrary, amounts hereinabove appropriated for the State Health Benefits Program are subject to the condition that: (i) increases in co-payments for the prescription drug plan, the co-payment for office visits in the managed care plans, and the deductible for the Traditional Plan agreed to by bargaining units representing State employees and employees of State authorities, State commissions, State colleges and State universities for fiscal year 2006 shall continue at the same levels for this fiscal year; and (ii) the following increases implemented by the State Health Benefits Commission for Fiscal Year 2006 shall continue in this fiscal year for (a) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes; and (b) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations purposes who receive health benefits through the State Health Benefits Program and such health benefits are funded in whole or in part by State appropriations: a \$10 co-payment for NJ PLUS and HMO primary care physician and specialist office visits; co-payments for the Employee Prescription Drug: Retail Pharmacy -\$3 generic and \$10 brand name for up to a 30-day supply, and Mail Order Pharmacy -\$5 generic and \$15 brand name for up to a 90 day supply; and a Traditional Plan deductible of \$250.

Notwithstanding the provisions of any other law to the contrary, amounts hereinabove appropriated for the State Employees' Prescription Drug Program are subject to the condition that a mandatory generic and mandatory mail order requirement for the prescription drug plan shall be implemented by the State Health Benefits Commission as expeditiously as is administratively feasible for: 1) State employees and employees of State authorities, State commissions, State colleges and State universities represented by bargaining units, to the extent permitted by contract; 2) employees paid through the State centralized payroll for whom there is no majority representative for collective negotiations purposes; and (3) employees of State authorities, State commissions, State colleges and State universities for whom there is no majority representative for collective negotiations purposes who receive health benefits through the State Health Benefits Program and such health benefits are funded in whole or in part by State appropriations.

INTERDEPARTMENTAL ACCOUNTS

70. GOVERNMENT DIRECTION, MANAGEMENT, AND CONTROL
74. GENERAL GOVERNMENT SERVICES
9420. OTHER INTER-DEPARTMENTAL ACCOUNTS

APPROPRIATIONS DATA
(thousands of dollars)

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2006 Adjusted Approp.	Requested	Recom- mended	
					Prog. Class.				
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
55,469	761	-6,985	49,245	33,516	Other Inter-Departmental Accounts	04	79,421	77,142	77,142
55,469	761	-6,985	49,245	33,516	Total Direct State Services		79,421	77,142	77,142
Distribution by Fund and Object									
Special Purpose:									
1,750	411	-1,061	1,100	---	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	875	875
1,250	---	-639	611	---	Contingency Funds	04	1,250	625	625
22,300	---	-400	21,900	19,564	Interest On Short Term Notes	04	46,000	46,000	46,000
1,100	---	---	1,100	329	Debt Issuance-Special Purpose	04	1,100	1,100	1,100
125	---	---	125	125	Catastrophic Illness in Children Relief Fund - Employer Contributions	04	672	125	125
1,000	---	-985	15	7	Interest on Interfund Borrowing	04	---	---	---
350	350	---	700	190	Payment of Military Leave Benefits	04	350	350	350
18,362	---	-2,500	15,862	9,184	Statewide 911 Emergency Telephone System	04	17,567	17,567	17,567
6,800	---	---	6,800	3,649	Network Infrastructure	04	7,200	6,968	6,968
282	---	---	282	282	Garden State Network Infrastructure	04	282	282	282
450	---	---	450	---	Automated Document Factory	04	450	450	450
300	---	---	300	186	Automated Cartridge System Upgrade	04	300	300	300
1,000	---	-1,000	---	---	Information Technology On-Line State Portal	04	1,000	1,000	1,000
400	---	-400	---	---	Accelerated Registration	04	---	---	---
---	---	---	---	---	Office of Emergency Telecommunication Services	04	1,500	1,500	1,500
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
114,198	---	-14,157	100,041	59,326	Other Inter-Departmental Accounts	04	54,925	14,925	14,925
114,198	---	-14,157	100,041	59,326	Total Grants-in-Aid		54,925	14,925	14,925

INTERDEPARTMENTAL ACCOUNTS

Year Ending June 30, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
GRANTS-IN-AID									
Distribution by Fund and Object									
Grants:									
14,925	---	-885	14,040	---	Enhanced 911 Grants	04	14,925	14,925	14,925
88,000	---	-2,000	86,000	59,326	Property Tax Assistance and Community Development Grants	04	---	---	---
11,273	---	-11,272	1	---	Cost of Living Increase for Community Care Providers	04	---	---	---
---	---	---	---	---	Property Tax Assistance and Community Development Grants	04	---	---	---
<u>169,667</u>	<u>761</u>	<u>-21,142</u>	<u>149,286</u>	<u>92,842</u>	Grand Total State Appropriation		<u>40,000</u>	<u>92,067</u>	<u>92,067</u>
							<u>134,346</u>		

Notes -- Grants-In-Aid - General Fund

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

Language Recommendations -- Direct State Services - General Fund

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

Of the amount hereinabove appropriated for the Statewide 911 Emergency Telephone System, an amount may be transferred to the Office of Information Technology 911 Contract Fees account and the Office of Information Technology Geographic Information Systems account to cover the cost of these programs, subject to the approval of the Director of the Division of Budget and Accounting.

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

Of the amount hereinabove appropriated for Information Technology On Line State Portal, an amount may be transferred to the Office of Information Technology New Jersey State Portal account to cover the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

Of the amount hereinabove appropriated for the Office of Emergency Telecommunication Services, an amount may be transferred to the Office of Information Technology Office of Emergency Telecommunication Services account to cover the cost of this program, subject to the approval of a spending plan to be submitted by the Office of Emergency Telecommunication Services to the Director of the Division of Budget and Accounting.

There are appropriated to the Emergency Services Fund such sums as are required to meet the costs of any emergency occasioned by aggression, civil disturbance, sabotage, or disaster as recommended by the Emergency Services Council and approved by the Governor, and subject to the approval of the Director of the Division of Budget and Accounting. In the event that the Emergency Service Council is unable to convene due to any such emergency described above, there shall be appropriated to the Emergency Service Fund such sums as are required to meet the costs of any such emergency described above, and payments from the Fund shall be made by the State Treasurer upon approval of the Governor and the Director of the Division of Budget and Accounting.

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

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

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

Of the amount hereinabove appropriated for Network Infrastructure, an amount may be transferred to the Office of Information Technology Network Infrastructure account to cover the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

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

Grant awards and expenditures supported by the appropriation for Enhanced 911 Grants shall be determined in accordance with the recommendations of an efficiency study prepared by the Rutgers University-Heldrich School as well as grant criteria to be jointly developed by the 911 Commission and the Department of Treasury, the purpose of which will be to create incentives for the regional consolidation of 911 call services and public safety answering points. Of the amount hereinabove appropriated for the Enhanced 911 Grants, an amount may be transferred to the Office of Information Technology Enhanced 911 Grants account to cover the cost of this program, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Enhanced 911 Grants account is appropriated for the same purpose.

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, 2005					Year Ending June 30, 2007				
Orig. & (S) Supplemental	Reapp. & (R) Recpts.	Transfers & (E) Emergencies	Total Available	Expended	Prog. Class.	2006 Adjusted Approp.	Requested	Recommended	
<u>DIRECT STATE SERVICES</u>									
Distribution by Fund and Program									
137,280	33,860	-126,027	45,113	5,717	Salary Increases and Other Benefits	05	7,500	135,360	135,360
<u>137,280</u>	<u>33,860</u>	<u>-126,027</u>	<u>45,113</u>	<u>5,717</u>	Total Direct State Services		<u>7,500</u>	<u>135,360</u>	<u>135,360</u>
Distribution by Fund and Object									
Special Purpose:									
129,780	33,860	-126,027	37,613	---	Salary Increases and Other Benefits	05	--- (a)	177,860	177,860
7,500	---	---	7,500	5,717	Unused Accumulated Sick Leave Payments	05	7,500	7,500	7,500
---	---	---	---	---	Management Efficiencies	05	---	-50,000	-50,000
<u>GRANTS-IN-AID</u>									
Distribution by Fund and Program									
31,158	---	-31,158	---	---	Salary Increases and Other Benefits	05	---	---	---
<u>31,158</u>	<u>---</u>	<u>-31,158</u>	<u>---</u>	<u>---</u>	Total Grants-in-Aid		<u>---</u>	<u>---</u>	<u>---</u>
Distribution by Fund and Object									
Grants:									
31,158	---	-31,158	---	---	Salary Increases and Other Benefits	05	--- (b)	---	---
<u>168,438</u>	<u>33,860</u>	<u>-157,185</u>	<u>45,113</u>	<u>5,717</u>	Grand Total State Appropriation		<u>7,500</u>	<u>135,360</u>	<u>135,360</u>

Notes -- Direct State Services - General Fund

(a) The original fiscal 2006 appropriation for salary program allocation was transferred to the agency budgets.

Notes -- Grants-In-Aid - General Fund

(b) The original fiscal 2006 appropriation for salary program allocation was transferred to the senior public institution budgets.

Language Recommendations -- Direct State Services - General Fund

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

Notwithstanding the provisions of any other law, including R.S.34:15-49 and section 1 of P.L.1981, c.353 (C.34:15-49.1), the State Treasurer, the Commissioner of Personnel, and the Director of the Division of Budget and Accounting shall establish directives governing salary ranges and rates of pay, including salary increases. The implementation of such directives shall be made effective at the first full pay period of the fiscal year 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.

Any sums appropriated for Salary Increases and Other Benefits shall be made available for any person holding State office, position or employment whose compensation is paid directly or indirectly, in whole or in part, from State funds, including any person holding office, position or employment under the Palisades Interstate Park Commission.

The unexpended balance at the end of the preceding fiscal year in the Salary Increases and Other Benefits account is appropriated for the same purposes.

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.