

INTER-DEPARTMENTAL ACCOUNTS

SUMMARY
(amounts expressed in thousands)

-----Year Ending June 30, 1986-----					Year Ending -----June 30, 1988-----		
Orig. & (S)Supple- mental	Reapp. & (R)Rec	Transfers (E) Emer- gencies	Total Available	Expended	1987 Adjusted Approp	Requested	Recom- mended
79,150	5,169	2,053	86,372	85,376	General Government Service		
10,031	4,286	-7,681	6,636	3,063	Property Rentals	81,944	107,800
526,243	---	-131	526,112	519,479	Insurance and Other Services	3,750	5,900
28,625	3,375	-17,795	14,205	5,814	Employee Benefits	570,763	642,632
141,400	---	-132,021	9,379	3,670	State Contingency Fund	5,525	15,525
					Salary and Other Benefits	13,079	138,500
785,449	12,830	-155,575	642,704	617,402	Total Appropriation, Inter- Departmental Accounts	675,061	910,357

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.
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 (C43:15A-1 et seq.); State's share of Social Security Tax (C43:22-1 et seq.); Pension Increase Act (C3:3B-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 non-generic eligible prescription and prescription refill and \$1.00 for each generic 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)

-----Year Ending June 30, 1986-----					Year Ending -----June 30, 1988-----				
Orig. & (S) Supplemental	Reapp. & (R) Rec	Transfers (E) Emergencies	Total Available	Expended	PROGRAM CLASSIFICATIONS	Ref Key	1987 Adjusted Approp	Requested	Recommended
79,150	5,169	2,053	86,372	85,376	Property Rentals	01	81,944(a)	107,800	107,800
10,031	4,286	-7,681	6,636	3,063	Insurance and Other Services	02	3,750	5,900	5,900
89,181	9,455	-5,628	93,008	88,439	Total Appropriation		85,694	113,700	113,700

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

-----Year Ending June 30, 1986-----					-----Year Ending June 30, 1988-----				
Orig. & (S)Supple- mental	Reapp. & (R)Rec	Transfers (E) Emer- gencies	Total Available	Expended	Ref Key	1987 Adjusted Approp	Requested	Recom- mended	
Distribution By Object Services Other Than Personal Rent:									
71,422 } 7,000 S } 8,922 }	---	2,053	80,475	79,838		87,572	110,824	110,824	
	---	---	8,922	8,922					
16,306	5,169	---	21,475	21,116		9,300	10,900	10,900	
						13,572	13,576	13,576	
103,650	5,169	2,053	110,872	109,876		110,444	135,300	135,300	
(24,500)	---	---	(24,500)	(24,500)					
Less:									
						(24,500)	(27,500)	(27,500)	
						(4,000)			
Special Purpose--									
350	---	---	350	350					
2,000	1,305	---	3,305	2,685	02	1,500(b)	1,500	1,500	
	2,481	---	2,481	---	02	2,000	4,000	4,000	
	500	---	500	28	02	---	---	---	
						250	250	250	
						---	150	150	
600	---	-600	---	---	02	---	---	---	
7,081	---	-7,081	---	---	02	---	---	---	
10,031	4,286	-7,681	6,636	3,063		3,750	5,900	5,900	

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 fund 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, 1987 in the Master Lease Program Fund be appropriated for the same purpose.

It is further recommended that the unexpended balance as of June 30, 1987 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 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, to the extent that sums appropriated to pay auto insurance claims are insufficient, there be 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.

It is further recommended that the unexpended balance as of June 30, 1987 in the Excess Liability Insurance Master Policy account be appropriated for the same purpose.

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

It is further recommended that the unexpended balances as of June 30, 1987 in the Inter-departmental accounts for automobile insurance be appropriated as a reserve for payment of retroactive premiums, payment of vehicular liability claim settlements and judgement or for reallocation to departments based on loss experience.

It is further recommended that the unexpended balance as of June 30, 1987 in the Self-Insurance Deductible Fund be appropriated for the same purpose.

It is further recommended that the unexpended balance as of June 30, 1987 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 a reduction of \$442,000 as a result of State College Autonomy legislation for comparison purposes only. Funding is reflected in State College Budgets. Also, adjusted to reflect a reduction of \$1,486,000 for Taxation Building operating expenses from Inter-Departmental Property Rentals to Physical Plant Operation and Maintenance. Also, this appropriation is supplemented by \$5 million in carryforward balances, and \$4 million from fuel accounts.

(b) Supplemented by \$2,000,000 from surpluses in the Central Motor Pool accounts.

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

	Actual FY 1985	Actual FY 1986	Budgeted FY 1987	Budget Estimate FY 1988
EVALUATION DATA				
Health Act pensioners.....	4	4	4	4
Veterans' Act pensioners.....	11	11	11	11
Special Act pensioners.....	2	2	2	2
Widows of Governors.....	-----	-----	-----	-----
Judicial Retirement System				
Assets.....	\$47,445,934	\$47,554,037	\$54,687,143	\$62,890,214
Active members.....	329	340	347	354
Pensioners.....	219	230	237	244
Annual pensions.....	\$7,230,169	\$7,620,217	\$8,191,733	\$8,806,113
Prison Officers' Pension Fund				
Assets.....	\$921,267	\$1,081,652	\$1,297,982	\$1,557,579
Active members.....	57	45	39	34
Pensioners.....	385	381	385	389
Public Employees' Retirement System				
Assets.....	\$4,314,298,731	\$5,070,165,766	\$5,779,988,973	\$6,589,187,429
Active members.....	199,834	211,320	217,067	222,974
State.....	55,347	59,301	60,487	61,697
Local.....	144,487	152,019	156,580	161,277
Pensioners.....	50,939	53,971	57,209	60,642
Annual pensions.....	\$224,303,735	\$246,186,765	\$270,805,442	\$297,885,986
Lump sum death benefits.....	\$45,503,745	\$44,644,812	\$47,769,949	\$51,113,845
State Police Retirement System				
Assets.....	\$245,999,448	\$294,614,128	\$335,860,106	\$382,880,521
Active members.....	2,082	2,205	2,271	2,339
Pensioners.....	810	921	967	1,015
Annual pensions.....	\$11,906,045	\$14,616,042	\$15,785,325	\$17,048,151
Health Benefits Fund				
Covered employees.....	270,050	278,095	279,734	281,440
State.....	96,948	100,976	103,500	106,088
Local.....	173,102	177,119	176,233	175,352
Alternate Benefit Programs				
Participating employees.....	7,679	7,687	7,649	7,610

APPROPRIATION DATA (amounts expressed in thousands)

-----Year Ending June 30, 1986-----					-----Year Ending June 30, 1988-----				
Orig. & (S)Supple- mental	Reapp. & (R)Rec	Transfers (E) Emer- gencies	Total Available	Expended	PROGRAM CLASSIFICATION	Ref Key	1987 Adjusted Approp	Requested	Recom- mended
526,243	---	-131	526,112	519,479	Employee Benefits	03	570,763	642,632	642,632
526,243	---	-131	526,112	519,479	Total Appropriation		570,763	642,632	642,632

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

-----Year Ending June 30, 1986-----					-----Year Ending June 30, 1988-----			
Orig. & (S)Supple- mental	Reapp. & (R)Rec	Transfers (E) Emer- gencies	Total Available	Expended	Ref Key	1987 Adjusted Approp	Requested	Recom- mended
<u>Distribution By Object</u>								
<u>Special Purpose--</u>								
30	---	---	30	14		35	35	35
60	---	3	63	62		70	70	70
9	---	---	9	7		9	9	9
8	---	-3	5	---		---	---	---
7,700								
124 S)			7,824	7,824		7,698	7,993	7,993
2,420			2,420	2,378		2,460	2,490	2,490
110,086			110,086	110,086				
140,000						122,494	136,419	136,419
2,086 S)		7,000	149,086	147,216		164,500	196,700	196,700
20,400								
1,683 S)			22,083	22,083		22,196	24,786	24,786
9,400		-800	8,600	8,349		9,500	9,900	9,900
127,000		-3,020	123,980	123,420				
14,100		50	14,150	14,134		130,000	160,000	160,000
30,792		-50	30,742	29,533		17,500	20,100	20,100
2,000		-1,001	999	203		31,800	32,769	32,769
22,230		---	22,230	21,967		220	200	200
5,051		---	5,051	5,051		24,391	26,654	26,654
4,352		-2,810	1,542	750		5,322	5,872	5,872
3,050		500	3,550	3,276		1,988	1,000	1,000
6,601		---	13,146	13,146		3,710	2,898	2,898
6,545 S)		---						
8,732		---	9,016	9,016		15,382	---	---
284 S)		---						
1,500		---	1,500	964		10,388	13,337	13,337
						1,100	1,400	1,400
526,243		-131	526,112	519,479		570,763	642,632	642,632
<u>Total Special Purpose</u>								
OTHER RELATED APPROPRIATIONS								
<u>All Other Funds</u>								
---	7	---	7	---		---	---	---
---	7	---	7	---		---	---	---
<u>Total All Other Funds</u>								
526,243	7	-131	526,119	519,479		570,763	642,632	642,632
<u>Grand Total</u>								

It is recommended that there be appropriated a sufficient amount in order that upon application to the Director of the Division of Budget and Accounting, an annuity of \$4,000 may be paid to the widow of any person, now deceased, who was elected and served as Governor of the State; provided such widow was the wife of such person for all or part of the period during which he served as Governor, and; provided, further, that this not apply to any widow receiving a pension granted under RS 43:8-2, and continued by RS 43:7-1 et seq., RS 43:8-1 et seq. and RS 43:8-8 et seq.

It is further recommended that, notwithstanding the provisions of any other law, the sum hereinabove for the Public Employees' Retirement System be paid to the System not later than June 30, 1988 in amounts and at times as determined by the Director of the Division of Budget and Accounting, with interest at the average rate of earnings during the fiscal year from the State's general investments computed from the period beginning July 1, 1987 through the date of such payment.

It is further recommended that any such interest as may be required to be paid on account of delayed payments to the various retirement systems be appropriated from investment earnings.

It is further recommended that such additional sums as may be required for Social security tax, Unemployment compensation liability and/or State employees' health benefits be allotted from the various departmental operating appropriations to this account, as the Director of the Division of Budget and Accounting shall determine.

It is further recommended that the amount hereinabove for the Prescription drug program be based upon a co-payment of \$3.50 for each eligible non-generic prescription/refill and a co-payment of \$1.00 for each eligible generic prescription/refill.

It is further recommended that, of the amounts hereinabove for the Pension Adjustment Act, such sums as are appropriated in advance for increased retirement benefits for local employee members of State-administered retirement systems, be repaid to the General Treasury upon reimbursement from local public employers.

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, 1986-----					Year Ending -----June 30, 1988-----				
Orig. & (S)Supple- mental	Reapp. & (R)Rec	Transfers (E) Emer- gencies	Total Available	Expended	PROGRAM CLASSIFICATION	Ref Key	1987 Adjusted Approp	Requested	Recom- mended
28,625	3,375	-17,795	14,205	5,814	State Contingency Fund	04	5,525	15,525	15,525
28,625	3,375	-17,795	14,205	5,814	Total Appropriation		5,525	15,525	15,525
Distribution By Object									
Special Purpose--									
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	800	-420	2380	---	Continuation and expansion of data processing systems		2,000	2,000	2,000
21,100	---	-20,968	132	---	Three Mile Island - New Jersey contribution		---	---	---
1,875	---	---	1,875	1,875	Contingencies, including fuel, food and services		1,875	1,875	1,875
1,500	---	-327	1173	---	Productivity Improvements		1,500	1,500	1,500
50	50	---	100	---	Compensation awards		50	50	50
100	---	-80	20	---	Restoration to Emergency Services Fund		100	100	100
2,000	500	---	2,500	2,500	Bank Match System		---	---	---
---	250	---	250	---	Check cycling system		---	---	---
---	775	---	775	---	Legislature word processing/information system		---	---	---
---	1,000	-1,000	---	---	Telephone buy out		---	---	---
---	---	5,000	5,000	1,439	For allocation to departments for education, treatment, and law enforcement programs--narcotics and drug abuse--subject to the approval of the Director of the Division of Budget and Accounting		---	10,000	10,000
28,625	3,375	-17,795	14,205	5,814	Total Special Purpose		5,525	15,525	15,525

It is recommended that the unexpended balance as of June 30, 1987 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, 1987 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, 1987 in the telephone buy-out account be appropriated for the same purpose.

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, 1986-----					Year Ending -----June 30, 1988-----				
Orig. & (S)Supple- mental	Reapp. & (R)Rec	Transfers (E) Emer- gencies	Total Available	Expended	PROGRAM CLASSIFICATION	Ref Key	1987 Adjusted Approp	Requested	Recom- mended
141,400	---	-132,021	9,379	3,670	Salary and Other Benefits	05	13,079	138,500	138,500
141,400	---	-132,021	9,379	3,670	Total Appropriation		13,079	138,500	138,500
Distribution By Object									
Special Purpose--									
130,000	---	-127,897	2,103	---	Salary and benefits increases		150,000	133,000	133,000
7,000 S	---	-4,124	2,876	---	Pay equity		5,500	---	---
4,400	---	---	4,400	3,670	Unused accumulated sick leave payments		4,400	5,500	5,500
141,400	---	-132,021	9,379	3,670	Sub-Total		159,900	138,500	138,500
Less:									
---	---	---	---	---	Tentative allocation for Salary and Other Benefits		(146,821)	---	---
141,400	---	-132,021	9,379	3,670	Total Special Purpose		13,079	138,500	138,500

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 Commissioner of Personnel, 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, 1987 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 (C.52:14-15.107), as amended, 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