

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3770
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JUNE 5, 2019

SUMMARY

Synopsis: Establishes the “New Jersey Economic and Fiscal Policy Review Commission” to provide ongoing review of State and local tax structure, economic conditions, and related fiscal issues.

Type of Impact: Permanent expenditure increase to the State General Fund.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Cost		Indeterminate	

- The Office of Legislative Services (OLS) cannot assess the annual cost of the New Jersey Economic and Fiscal Policy Review Commission, since the bill does not explicitly stipulate the commission’s staffing level and plan of operation. A hypothetical example of eight employees, however, yields, an estimated annual budgetary outlay of about \$1 million.

BILL DESCRIPTION

The bill establishes a permanent “New Jersey Economic and Fiscal Policy Review Commission in but not of the Department of the Treasury to continuously study significant economic and fiscal policy issues facing New Jersey. Composed of 12 members – six members of the Legislature and six public appointees – serving without compensation, the commission may employ and executive director and staff, and contract for legal professional, and consulting services.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS cannot assess the annual cost of the New Jersey Economic and Fiscal Policy Study Commission, since the bill does not explicitly stipulate the commission's staffing level and plan of operation. The bill does not make an appropriation to support the commission's staff and operations. A hypothetical example of eight employees, however, yields an estimated annual budgetary outlay of approximately \$1 million.

This hypothetical New Jersey Economic and Fiscal Policy Study Commission comprises eight employees: an executive director, a deputy director, four professional employees, and two clerical employees. Assuming that the executive director and the deputy director make a combined salary of \$200,000, that the average professional salary is \$60,000, that the average clerical employees earn \$30,000 each, and that the fringe benefits and federal employer taxes (FICA and Medicare) constitute 49.05 percent of an employee's base salary (the rate for State employees in Fiscal Year 2019), the commission would have annual personnel expenditures of \$834,680. Assuming further that outlays for materials and supplies, contracted services, maintenance, and capital improvements comprise 25 percent of the commission's total expenses, the commission will need an annual appropriation of about \$1 million.

Section: Revenue, Finance, and Appropriations

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).