

SENATE, No. 1580

STATE OF NEW JERSEY

INTRODUCED OCTOBER 3, 1996

By Senators KENNY and Casey

1 AN ACT to amend "An act making appropriations for the support of
2 State Government and the several public purposes for the fiscal
3 year ending June 30, 1997 and regulating the disbursement
4 thereof," approved June 28, 1996 (P.L.1996, c.42).

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6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

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9 1. Section 1 of P.L.1996, c.42, on pages 109 and 110, is amended
10 to read as follows:

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GENERAL FUND
DIRECT STATE SERVICES
94 INTERDEPARTMENTAL ACCOUNT
74 General Government Services
9430 Salary Increases and Other Benefits

18 The Director of the Division of Budget and Accounting shall transfer
19 from departmental accounts, excluding the accounts of public
20 institutions of higher education, and credit to the Salary Increases and
21 Other Benefits accounts a sum of \$40,900,000 to reflect savings from
22 a managed attrition program and additional savings from other
23 operating accounts. This additional sum is appropriated for Salary
24 Increases and Other Benefits.

25 In addition to the amount appropriated hereinabove for the Salary
26 Increases and Other Benefits account, the Director of the Division of
27 Budget and Accounting shall transfer from departmental non-salary
28 accounts placed in reserve, except for the non-salary accounts of
29 public institutions of higher education, the sum of \$25,500,000 to the
30 Salary Increases and Other Benefits account and allocate from this
31 sum \$19,000,000 among the public institutions of higher education to
32 cover the fiscal year 1997 State share of the public higher education
33 institutional salary program. The receipt of these funds by a public
34 institution of higher education shall be contingent upon the institution

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 reducing its student tuition charges for the second semester of the
2 1996-97 academic year. In addition, \$1,500,000 of the \$25,500,000
3 shall be allocated to independent institutions of higher education
4 eligible to receive State aid and \$5,000,000 of the \$25,500,000 shall
5 be allocated to the county colleges to begin the phase-in of a 33%
6 State funding level of county college operations as recommended by
7 the Commission on Higher Education. The sum of \$25,500,000
8 transferred to the Salary Increases and Other Benefits account shall be
9 derived from a portion of appropriations accounts subject to the 25%
10 reserve placed on departmental non-salary accounts pursuant to the
11 State Treasurer's fiscal year 1997 directive.

12 (cf: P.L.1996, c.42, s.1)

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14 2. This act shall take effect immediately.

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STATEMENT

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18 This bill restores a total of \$25,500,000 to public and private
19 institutions of higher education to be allocated as follows:
20 \$19,000,000 is to be allocated to the Interdepartmental Account--
21 Salary Increases and Other Benefits for the State's share of the FY
22 1997 salary program at the public institutions of higher education, the
23 receipt of which is contingent upon the institution reducing its student
24 tuition charges for the second semester of the 1996-97 academic year;
25 \$1,500,000 is to be allocated to independent institutions of higher
26 education that receive State aid; and \$5,000,000 is to be allocated to
27 the county college sector in order to phase-in the Commission on
28 Higher Education's recommendation that the State support a funding
29 level of 33% for the county colleges. The \$25,500,000 is to be
30 derived through the transfer of a portion of the 25% reserve imposed
31 on departmental non-salary accounts, excluding the accounts of
32 higher education institutions, pursuant to the Treasurer's directive.
33 Although the State negotiates the salary increases for the State
34 colleges no funding was recommended or appropriated for the State's
35 share of the negotiated salary increases at public institutions of higher
36 education estimated at \$19 million for FY 1997.

37 The bill also amends existing budget language concerning the
38 transfer of \$40,900,000 from departmental accounts to the Salary
39 Increases and Other Benefits account to exclude the accounts of public
40 institutions of higher education. This will save the public colleges and
41 universities \$6.78 million.

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45 Restores funding in the amount of \$25.5 million to public and
46 independent institutions of higher education for FY 1997.