

SENATE, No. 2152

STATE OF NEW JERSEY

INTRODUCED JUNE 5, 1997

By Senator EWING

1 A SUPPLEMENT to "An Act making appropriations for the support of
2 the 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).

5
6 BE IT ENACTED by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. In addition to the amounts appropriated under P.L.1996, c.42,
10 there are appropriated out of the General Fund the following sums for
11 the purposes specified:

12
13 DIRECT STATE SERVICES

14 26 DEPARTMENT OF CORRECTIONS

15 10 Public Safety and Criminal Justice

16 16 Detention and Rehabilitation

17 7025 System-Wide Program Support

18 13-7025 Institutional Program Support \$35,757,000

19 Total Appropriation, System-Wide Program Support \$35,757,000

20 Special Purpose:

21 Increased Operating Costs (\$35,757,000)

22
23 Total Appropriations, Department of Corrections \$35,757,000

24 From the amount appropriated hereinabove for Increased Operating Costs, such
25 sums as shall be determined by the Commissioner of Corrections shall be
26 transferred to other accounts within the Department of Corrections.

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29 66 DEPARTMENT OF LAW AND PUBLIC SAFETY

30 10 Public Safety and Criminal Justice

31 12 Law Enforcement

32 99-1200 Management and Administrative Services \$1,254,000

33 Total Appropriation, Law Enforcement \$1,254,000

34 Special Purpose:

35 Increased Operating Costs (\$254,000)

36 STFA Grievance Settlement (1,000,000)

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2			
3		10 Public Safety and Criminal Justice	
4		18 Juvenile Services	
5		1500 Division of Juvenile Services	
6	99-1500	Management and Administrative Services	<u>\$771,000</u>
7		Total Appropriation, Division of Juvenile Services	<u>\$771,000</u>
8		Special Purpose:	
9		Increased Operating Costs	(\$771,000)
10		Total Appropriations, Department of Law and Public Safety	<u>\$2,025,000</u>
11		From the amounts appropriated hereinabove for Increased Operating Costs, such sums as shall be	
12		determined by the Attorney General shall be transferred to other accounts within the	
13		Department of Law and Public Safety.	
14			
15		Total Appropriations, Direct State Services	<u>\$37,782,000</u>
16			

GRANTS-IN-AID

17			
18		26 DEPARTMENT OF CORRECTIONS	
19		10 Public Safety and Criminal Justice	
20		16 Detention and Rehabilitation	
21		7025 System-Wide Program Support--Grants-In-Aid	
22	13-7025	Institutional Program Support	<u>\$4,462,000</u>
23		Total Appropriation, System-Wide Program Support	<u>\$4,462,000</u>
24		Grants:	
25		Purchase of Services for Inmates Incarcerated	
26		In County Penal Facilities	(\$4,462,000)
27			
28		Total Appropriations, Department of Corrections	<u>\$4,462,000</u>
29			

30		54 DEPARTMENT OF HUMAN SERVICES	
31		20 Physical and Mental Health	
32		24 Special Health Services	
33		7540 Division of Medical Assistance and Health Services--Grants-In-Aid	
34	22-7540	General Medical Services	<u>\$80,000,000</u>
35		Total Appropriation, Division of Medical Assistance and	
36		Health Services	<u>\$80,000,000</u>
37		Grants:	
38		Payments for Medical Assistance Recipients--	
39		Outpatient Hospital	(\$53,000,000)
40		Payments for Medical Assistance Recipients--	
41		Physician	(\$15,067,000)
42		Community Care Programs for the Elderly	
43		and Disabled	(\$11,933,000)
44			
45		Total Appropriations, Department of Human Services	<u>\$80,000,000</u>
46			
47		Total Appropriations, Grants-In-Aid	<u>\$84,462,000</u>
48			
49		Total Appropriations, State Funds	<u>\$122,244,000</u>
50			

1 2. Upon certification by the Director of the Division of Budget and
 2 Accounting in the Department of the Treasury that federal funds to
 3 support the expenditures listed below are available, the following sums
 4 are appropriated:
 5

FEDERAL FUNDS

54 DEPARTMENT OF HUMAN SERVICES

20 Physical and Mental Health

24 Special Health Services

7540 Division of Medical Assistance and Health Services

11	22-7540 General Medical Services	<u>\$76,550,000</u>
12	Total Appropriation, Division of Medical Assistance and	
13	Health Services	<u>\$76,550,000</u>
14	Grants:	
15	Payments for Medical Assistance Recipients--	
16	Outpatient Hospital	(\$50,314,000)
17	Payments for Medical Assistance Recipients--	
18	Physician	(\$14,303,000)
19	Community Care Programs for the Elderly	
20	and Disabled	(\$11,933,000)
21		
22	Total Appropriations, Department of Human Services	<u><u>\$76,550,000</u></u>
23		

66 DEPARTMENT OF LAW AND PUBLIC SAFETY

10 Public Safety and Criminal Justice

12 Law Enforcement

1200 Division of State Police

28	24-1200 Marine Police Operations	<u>\$267,000</u>
29	Total Appropriation, Division of State Police	<u>\$267,000</u>
30	Grants:	
31	Recreational Boating Safety	
32	Financial Assistance	(\$267,000)
33		
34	Total Appropriation, Department of Law and Public Safety	<u><u>\$267,000</u></u>
35		
36	Total Appropriation, Federal Funds	<u><u>\$76,817,000</u></u>
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38 3. This act shall take effect immediately.

STATEMENT

43 This bill makes fiscal year 1997 General Fund supplemental
 44 appropriations of \$40,219,000 for the Department of Corrections,
 45 \$2,025,000 for the Department of Law and Public Safety, \$80,000,000 for
 46 the Department of Human Services and \$76,817,000 in federal funds for
 47 the Department of Human Services and the Department of Law and Public
 48 Safety.

49 The Department of Corrections appropriations consist of \$35,757,000
 50 in Direct State Services funding and \$4,462,000 in Grants-in-Aid funding.

1 The Direct State Services appropriations are composed of \$11,940,000
2 in unbudgeted costs related to the recent settlement of the Police
3 Benevolent Association (PBA) union contract and an operating deficit of
4 \$23,800,000 that is primarily due to custody overtime costs in excess of
5 the amount budgeted.

6 The Direct State Services appropriation for the Department of Law
7 and Public Safety is related to the fiscal year 1996 and fiscal year 1997
8 costs of the recently settled contract negotiations with the PBA union and
9 a recent grievance settlement with the State Trooper's Fraternal
10 Association (STFA). The Juvenile Services appropriation of \$771,000
11 reflects the contract costs for corrections officers at the two juvenile
12 correctional facilities. An additional \$254,000 is needed to fund the
13 contract costs for the Weights and Measures inspectors, Alcoholic
14 Beverage Control inspectors, and Capital Police and Marine Police. The
15 STFA and the State have reached a tentative settlement on a grievance
16 filed on behalf of enlisted personnel who were required to maintain certain
17 physical fitness standards as part of a practice instituted by State Police
18 over ten years ago. The estimated costs for this settlement is \$1,000,000
19 and will be paid out to the approximately 1,700 enlisted personnel prior
20 to the close of the fiscal year.

21 The Department of Corrections Grants-In-Aid appropriation is
22 required due to inmate population increases that have been higher than
23 anticipated. The fiscal year 1997 budget for the county reimbursement
24 account was based on a net monthly increase of 175 inmates. In the fall
25 of 1996 revised data indicated that a net monthly increase of 100 inmates
26 per month was more realistic which would produce a surplus of \$2 million
27 which was utilized to reduce the Direct State Services deficit. However,
28 the February actual increase was 200 inmates over budget which will
29 cause a significant increase in county reimbursement costs. Also, the High
30 Point satellite unit will close and the State will lose approximately 250
31 bedspaces; this will result in additional costs.

32 The supplemental appropriation of \$80,000,000 in the General Fund
33 for the Department of Human Services is to support the continued
34 provisions of medical and health services to eligible populations. The
35 need for this supplemental appropriation has been realized for months, and
36 was anticipated when the Governor's Budget Message for fiscal year 1998
37 was presented.

38 Expenditures for Outpatient Hospital, Community Care Programs, and
39 several smaller accounts are coming in higher than originally projected.
40 Current projections for the Outpatient Hospital account suggest that an
41 additional \$53,000,000 will be needed. Part of the underestimate was
42 technical and results from the effect that certain retrospective financial
43 transactions had on forecasting models. Also, certain kinds of clinic
44 expenditures are being routed through outpatient hospital departments to
45 gain larger reimbursements. The Division of Medical Assistance and
46 Health Services is working on revised regulations that will clarify when

1 free-standing clinics may and may not be considered as hospital-
2 associated.

3 The \$11,933,000 needed for Community Care programs are the result
4 of program growth, especially for Personal Care services and expenditure
5 levels that are higher than originally projected.

6 The remaining \$15,067,000 represents the net need in the Physician
7 account and several other smaller accounts. It represents the net need
8 after offsetting small projected surpluses in some accounts against
9 projected deficits in other accounts. The reason is that expenditures have
10 been somewhat higher than were originally projected.

11 The additional federal funds appropriation of \$76,550,000 for the
12 Department of Human Services is needed to match the State funding for
13 fiscal year 1997: \$50,314,000 for Outpatient Hospital, \$14,303,000 for
14 Physician Services, and \$11,933,000 for Community Care programs
15 administered by the Division of Medical Assistance and Health Services.

16 In fiscal year 1997 the Division of State Police Marine Police
17 Operations Bureau has been awarded an additional \$517,000 in federal
18 funds from the United States Coast Guard as part of the Recreational
19 Boating Safety Financial Assistance program. The amount previously
20 appropriated for this purpose in fiscal year 1997 is \$1 million. According
21 to a language provision in the fiscal year 1997 Appropriations Act,
22 agencies are permitted to receive unanticipated increases in federal funds
23 up to 25 percent of the current appropriation. In this case the Bureau has
24 already been appropriated by Directory Letter from the Director of the
25 Division of Budget and Accounting \$250,000 (25 percent of \$1.0 million
26 per the language provision) of the \$517,000. This supplemental
27 appropriation of \$267,000 is necessary to make available the balance of
28 additional funding for which the Bureau is eligible.

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33 Makes fiscal year 1997 General Fund supplemental appropriations of
34 \$122,244,000 in State funds and \$76,817,000 in federal funds.