

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2152

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 16, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2152 with amendments.

Senate Bill No. 2152, as amended, makes a fiscal year 1997 General Fund supplemental appropriations of \$40,219,000 for the Department of Corrections, \$7,325,000 for the Department of Law and Public Safety, \$80,000,000 for the Department of Human Services and \$76,817,000 in federal funds for the Department of Human Services and the Department of Law and Public Safety.

The Department of Corrections appropriations consist of \$35,757,000 in Direct State Services funding and \$4,462,000 in Grants-in-Aid funding. The Direct State Services appropriations are composed of \$11,940,000 in unbudgeted costs related to the recent settlement of the Police Benevolent Association (PBA) union contract and an operating deficit of \$23,800,000 that is primarily due to custody overtime costs in excess of the amount budgeted.

The Direct State Services appropriation for the Department of Law and Public Safety is for salary costs and for the fiscal year 1996 and fiscal year 1997 costs of the recently settled contract negotiations with the PBA union and a recent grievance settlement with the State Trooper's Fraternal Association (STFA). The Juvenile Services appropriation of \$771,000 reflects the contract costs for corrections officers at the two juvenile correctional facilities. An additional \$254,000 is needed to fund the contract costs for the Weights and Measures inspectors, Alcoholic Beverage Control inspectors, and Capital Police and Marine Police and an additional \$5.3 million is needed for salary costs.

The Department of Corrections Grants-In-Aid appropriation is required due to inmate population increases that have been higher than anticipated. Also, the High Point satellite unit will close and the State will lose approximately 250 bedspaces; this will result in additional costs.

The supplemental appropriation of \$80,000,000 in the General Fund for the Department of Human Services is to support the continued provisions of medical and health services to eligible

populations. Expenditures for Outpatient Hospital, Community Care Programs, and several smaller accounts are coming in higher than originally projected. The \$11,933,000 needed for Community Care programs are the result of program growth, especially for Personal Care services and expenditure levels that are higher than originally projected. The remaining \$15,067,000 represents the net need in the Physician account and several other smaller accounts. It represents the net need after offsetting small projected surpluses in some accounts against projected deficits in other accounts. The reason is that expenditures have been somewhat higher than were originally projected.

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

In fiscal year 1997, the Division of State Police Marine Police Operations Bureau has been awarded an additional \$517,000 in federal funds from the United States Coast Guard as part of the Recreational Boating Safety Financial Assistance program. The amount previously appropriated for this purpose in fiscal year 1997 is \$1 million. In this case, the Bureau has already been appropriated by Directory Letter from the Director of the Division of Budget and Accounting \$250,000 (25 percent of \$1.0 million per the language provision) of the \$517,000. This supplemental appropriation of \$267,000 is necessary to make available the balance of additional funding for which the Bureau is eligible.

COMMITTEE AMENDMENTS:

The committee amended the bill with the approval of the sponsor to provide an additional \$5.3 million for the Department of Law and Public Safety for salary costs.

FISCAL IMPACT:

This bill makes a General Fund supplemental appropriation for fiscal year 1997 of \$127,544,000 in State funds and \$76,817,000 in federal funds.