

LEGISLATIVE FISCAL ESTIMATE TO

SENATE, No. 2205

STATE OF NEW JERSEY

DATED: JANUARY 2, 1998

Senate Bill No. 2205 of 1997 would, if enacted, revise, reform, and repeal certain mandates, requirements, and procedures in the operations of municipalities, counties, and school districts, which could allow these entities more flexible, practical, and efficient administration in order to effectuate cost savings or cost avoidance that will benefit property taxpayers.

I. The bill revises or eliminates local requirements by:

- a. Reducing fees for certain regulations, permits, and licenses pertaining to the Department of Environmental Protection.
- b. Allowing local units to enter into contracts with private entities to recover outstanding fines, surcharges, delinquent fees, and other financial penalties.
- c. For financial management purposes, allowing local units to exercise added discretionary fiscal options.
- d. Increasing flexibility of managers in areas of personnel administration and employee benefits.

II. The bill would facilitate local reforms by:

- a. Modifying record reproduction fees, reporting requirements under certain acts, as well as instituting computer guidelines with software for local police providing State narcotics action plan reports (SNAP). The bill would also establish a Police Paperwork Reduction Task Force to study and recommend steps for reducing State requirements for information collection, reporting, and retention by local police forces.
- b. Providing increased flexibility for management and control of housing stock under the Fair Housing Act.
- c. Making evening voter registration before primary and general elections the discretionary option of the county commissioner.
- d. Allowing officials elected after January 1 to fix dates for annual organization and reorganization meetings.
- e. Permitting respective local subdivisions to establish self-funded contributory and non-contributory health insurance plans, to provide benefits for employees and their dependents.
- f. Permitting biennial notice of property owner's current assessment and preceding year's real property taxes.

III. Removal of Current Mandates

Finally, the bill would allow school districts the option of membership in the New Jersey School Boards Association without statutory requirements to do so.

The Office of Legislative Services (OLS) notes that S-2205 contains some 72 separate provisions. Due to the permissive nature of many of these provisions and a lack of available information, it is not possible to estimate the overall fiscal impact upon local municipalities, counties, and or school districts.

With regard to the local option to offer retirement incentives in certain circumstances, A. Foster Higgins and Co., a benefit consulting firm, has estimated the cost of offering early retirement incentives generally range between \$20,000 and \$100,000 per employee. The OLS notes that the average cost per employee for the early retirement incentive program for State employees was approximately \$73,500. This program included State employees enrolled in the PERS, the TPAF and the ABP. The OLS notes that the cost of an early retirement program for law enforcement officers enrolled in the PFRS would be higher because the average salary of PFRS members is higher than the average salary of State employees enrolled in PERS. In addition, PFRS members are eligible to retire earlier than PERS employees.

Furthermore, removing the mandatory requirement for membership of school districts in the New Jersey School Boards Association, would reduce the amount of dues payable from local school boards exercising the option of non-membership. In FY 1997, total dues were paid in excess of \$7 million dollars by local school districts.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.