WHEREAS, a contributing factor to the recent budget shortfall has been a $1.4 billion increase in mandatory funding needs, including nearly a $1 billion increase in employee benefits; and

WHEREAS, continuing increases in employee benefits costs contribute to the structural deficit that New Jersey faces every year; and

WHEREAS, over the last four years growth in benefits has helped drive budget spending increases; and

WHEREAS, the total cost of health care benefits for current State employees has risen by 50 percent over the last four years; the total cost of health care benefits for retired State and college employees has more than doubled; and the total cost of health benefits provided free of charge to retired teachers and other school personnel has doubled; and

WHEREAS, employee benefit costs are projected to be 14 percent of the State’s overall FY 2006 Budget as compared to 8.8 percent four years ago, and by the year 2010, it is projected that benefit costs will constitute 20 percent of the State budget; and

WHEREAS, controlling growth in employee benefit programs cannot occur overnight, but it is critical that the process to review and recommend ways in which the costs of health benefits and pensions for public employees can be managed begin now, while still maintaining fair benefits for those employees;

NOW, THEREFORE, I, RICHARD J. CODEY, Acting Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. There is hereby established a Benefits Review Task Force (hereinafter “Task Force”). The Task Force shall consist of eight members, including the State Treasurer, the Commissioner of Labor, and six public members appointed by the Governor. The public members shall be selected from among individuals with knowledge or experience in the areas of employee benefits, pensions, management, finance or economics in the academic, corporate or government setting. The Governor shall appoint the Chair of the Task Force.

2. The Task Force shall (1) examine the current laws, regulations, procedures and agreements governing the provision of employee benefits to State and local government workers, (2) analyze the current and future costs of the benefits, (3) compare the level of benefits provided to government employees in this State to the benefits provided to other workers, and (4) recommend changes to the laws, regulations, procedures and agreements designed to control the costs of such benefits to the State’s taxpayers, while ensuring the State’s public employees a fair and equitable benefit system.

3. The Task Force shall issue its report to the Governor within six months of the effective date of this Executive Order.

4. The Task Force is authorized to call upon any department, office, division or agency of this State to supply it with records and other information, personnel or assistance that it deems necessary to discharge its duties under this Order. Each department, officer, division or agency of this State is hereby required, to the extent not inconsistent with law, to cooperate with the Task Force and to furnish it with such records, information, personnel and assistance as is necessary to accomplish the
purposes of this Order.

5. This Order shall take effect immediately.

GIVEN, under my hand and seal this 25th day of May in the Year of Our Lord, Two Thousand and Five, and of the Independence of the United States, the Two Hundred and Twenty-Ninth.

/s/ Richard J. Codey
Acting Governor

[seal]

Attest:

/s/ Mark J. Fleming
Deputy Chief Counsel to the Governor