

ASSEMBLY HIGHER EDUCATION COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 4164**

**STATE OF NEW JERSEY**

DATED: JUNE 5, 2023

The Assembly Higher Education Committee reports favorably Assembly Bill No. 4164.

This bill directs the Division of Budget and Accounting, also known as the Office of Management and Budget, in the Department of the Treasury to establish a fringe benefit rate for public institutions of higher education that reflects the actual cost of employee fringe benefits.

Currently, the fringe benefit rate used is not specific to employees at the State's public institutions of higher education, but to State employees in general. Many State employees are enrolled in the Public Employees' Retirement System (PERS), while many of the employees employed by State public colleges and universities are enrolled in the less costly Alternative Benefit Plan (ABP) or are not enrolled in a retirement plan. This results in a difference between the actual cost of benefits and the amount paid to the State.