

**LEGISLATIVE FISCAL ESTIMATE**  
**ASSEMBLY, No. 5910**  
**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

DATED: JANUARY 11, 2024

**SUMMARY**

**Synopsis:** Increases annual salary of certain public employees and officers.

**Type of Impact:** Annual expenditure increase to the State General Fund and local government units.

**Agencies Affected:** The Judiciary; Legislature; all State departments; counties.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<u><b>CY 2024 &amp; 2025</b></u>	<u><b>CY 2026</b></u>	<u><b>CY 2027 &amp; Forward</b></u>
<b>Minimum State Expenditure Increase</b>	\$3.1 million	\$9.6 million	\$12.4 million
<b>Minimum Local Expenditure Increase</b>	\$0	\$176,000	\$355,000

- The Office of Legislative Services (OLS) estimates that increasing the annual salary of certain public employees and officers will result in expenditure increases to the State of at least \$3.1 million in CY 2024 and CY 2025, at least \$9.6 million in CY 2026, and at least \$12.4 million in CY 2027 and thereafter when compared to current law.
- Local governments will incur expenditure increases of at least \$176,000 for CY 2026 and at least \$355,000 in CY 2027 and thereafter due to statutory linkages between the salaries of certain local government officials and certain judges.
- The Executive and Legislative Branch salary increases are likely to result in cascading salary increases for other personnel. While such ripple effects depend on discretionary salary decisions that the OLS cannot anticipate with a reasonable degree of certainty, any secondary salary increases could add several millions to the cost of the bill.
- Any salary increases will increase State and local employer contributions to State-administered retirement systems by an indeterminate amount.

## **BILL DESCRIPTION**

This bill increases the annual salary of certain public employees and officers.

The bill extends the annual two-percent salary adjustment for justices and judges, which is effective through January 1, 2025 under current law, for an additional two years and increases the salary for Presiding Judges of the Superior Court and Presiding Judges of the Tax Court by \$3,000. Presiding judges currently receive the same compensation as other Superior Court judges. Under current law, the annual salary for workers' compensation judges, administrative law judges, surrogates, county clerks, registers of deeds and mortgages, and sheriffs are linked to the annual salary for a Superior Court judge.

The bill also increases the annual salary for members of the Legislature by \$33,000, from \$49,000 to \$82,000, commencing in 2026. By law, the Senate President and the Speaker of the General Assembly receive an additional salary allowance equal to 1/3 of a legislator's salary. Additionally, the bill increases the annual allowance provided to each member of the Senate and General Assembly for member staff services by \$15,000 to \$150,000.

In addition, the cap on the annual salary that is paid to the executive director of each full-time legislative staff operating under the direction of the Senate President, the Speaker of the General Assembly, and the Minority Leaders of each House of the Legislature increases by \$35,000, from \$175,000 to \$210,000 commencing in 2024. The bill also requires that the executive director of the Office of Legislative receive a salary consistent with the other executive directors.

The bill also increases the annual salary that is paid to the Governor and certain members of the Governor's cabinet by \$35,000, from \$175,000 to \$210,000, and adds seven officers to the list of cabinet members receiving a statutorily designated salary and removing two of these officers from the list of officers whose salary is determined by the Civil Service Commission. The salary increase for the Governor and the Lieutenant Governor is due to take effect in 2026 and the salary increase for the Governor's cabinet members is due to take effect in 2024.

Lastly, the annual State salary for the Superintendent of State Police will be supplemented by amounts received by the State from the federal Emergency Management Performance Grant Program allowable for the salary costs of the Superintendent of the State Police.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS estimates that increasing the annual salary of certain public employees and officers will result in expenditure increases to the State of at least \$3.1 million in CY 2024 and CY 2025, at least \$9.6 million in CY 2026, and at least \$12.4 million in CY 2027 and thereafter when compared to current law. The cost increases for the Judiciary, the Legislature, and the Executive Branch in each of these calendar years can be seen in the table below.

	CY 2024	CY 2025	CY 2026	CY 2027 & Thereafter
Judiciary	\$183,000	\$187,000	\$2,387,000	\$4,821,000
Legislature	\$1,975,000	\$1,975,000	\$5,957,000	\$5,957,000
Executive	\$910,000	\$910,000	\$1,295,000	\$1,616,000
Total	\$3,068,000	\$3,072,000	\$9,638,000	\$12,394,000

The annual salary adjustment for certain justices and judges, which provides for annual increases up to 2 percent and is effective through January 1, 2025, is extended for an additional two years. Presiding judges of the Superior Court and the Tax Court will also receive a pay increase of \$3,000 in 2024.

The bill also increases the statutory salary for members of the Legislature by \$33,000, from \$49,000 to \$82,000, commencing in 2026. By law, the Senate President and the Speaker of the General Assembly receive an additional salary allowance equal to 1/3 of a legislator's salary. The bill also codifies the annual allowance provided to each member of the Legislature for member staff services and increases the allowance by \$15,000 to \$150,000. The cap on the annual salary that is paid to the executive director of each full time legislative staff operating under the direction of the Senate President, the Speaker of the General Assembly, and the Minority Leaders of each House of the Legislature also increases by \$35,000, from \$175,000 to \$210,000 commencing in 2024. The bill also requires that the executive director of the Office of Legislative Services receive a salary consistent with the other executive directors.

Additionally, the bill increases the annual salary that is paid to the Governor and certain members of the Governor's cabinet by \$35,000, from \$175,000 to \$210,000. The salary increase for the Governor and the Lieutenant Governor takes effect in 2026 and the salary increase for the Governor's cabinet members takes effect in 2024.

The Executive and Legislative Branch salary increases are likely to result in cascading salary increases for other personnel. While such ripple effects depend on discretionary salary decisions that the OLS cannot anticipate with a reasonable degree of certainty, any secondary salary increases could add several millions to the cost of the bill. Moreover, any salary increases will increase annual State and local employer contributions to State-administered retirement systems by an indeterminate amount.

Lastly, local governments will incur expenditure increases of at least \$176,000 for CY 2026 and at least \$355,000 in CY 2027 and thereafter due to statutory linkages between the salaries of certain local government officials and certain judges.

*Section: State Government*

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).