

# ASSEMBLY, No. 3617

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED DECEMBER 17, 2012

**Sponsored by:**

**Assemblyman VINCENT PRIETO**

**District 32 (Bergen and Hudson)**

**Assemblyman PATRICK J. DIEGNAN, JR.**

**District 18 (Middlesex)**

**SYNOPSIS**

Establishes budgetary oversight authority over State government expenditures of private monetary donations and expenditures for advising and consulting services.

**CURRENT VERSION OF TEXT**

As introduced.



1 AN ACT establishing budget oversight authority over State  
2 government expenditures of private monetary donations and  
3 private expenditures for advising and consulting services,  
4 supplementing P.L.1944, c.112 (C.52:27B-1 et seq.).  
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State  
7 of New Jersey:  
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9 1. Within 10 days of the receipt of any private contribution of a  
10 monetary donation for a particular State government purpose, other  
11 than private contributions made to a specifically designated fund  
12 established by law, the head of the State agency or department  
13 accepting the monetary donation shall notify the Joint Budget  
14 Oversight Committee of the donation, including the name of the  
15 donor, the amount of the donation, the intended use of the donation  
16 and any specific limits or criteria imposed by the donor on the use  
17 of the funds. The head of the State agency or department accepting  
18 the donation shall notify the Joint Budget Oversight Committee  
19 within 10 days of an encumbrance or pre-encumbrance, and any  
20 expenditure, of an amount of 50% or more of the funds of the  
21 monetary donation and the use thereof. The head of the State  
22 agency or department accepting a monetary donation shall provide a  
23 final accounting thereof to the Joint Budget Oversight Committee  
24 within 30 days of the end of the fiscal year.  
25

26 2. The head of a State agency or department shall notify the  
27 Presiding Officers of the Legislature in accordance with section 2 of  
28 P.L.1991, c.164 (C.52:14-19.1) if a person provides advising or  
29 consulting services on a non-casual basis or discharges the duties or  
30 responsibilities of an employee under the direction of the head of a  
31 State agency or department, but receives compensation for the  
32 services or discharge of responsibilities directly from a private  
33 source not appropriated in the annual appropriation act or a  
34 supplement thereto. The notice shall identify the person by name  
35 and title, the advising or consulting services provided or duties and  
36 responsibilities assigned to such person, and the private source of  
37 funding from which the person was compensated.  
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39 3. This act shall take effect immediately.  
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42 STATEMENT  
43

44 This bill establishes budgetary oversight authority over State  
45 government expenditures of private monetary donations and  
46 expenditures for advising and consulting services. The first  
47 component of this bill enhances the Legislature's budgetary  
48 oversight of State government spending of private contributions of

1 monetary donations. The bill requires agency and department heads  
2 to provide notice and an accounting of such spending practices to  
3 the Joint Budget Oversight Committee.

4 The second component of the bill enhances budgetary oversight  
5 of spending by State government of private sources of funds used to  
6 provide compensation for advising or consulting services provided  
7 on a non-casual basis, and spending of private funds to compensate  
8 for the discharge of the duties or responsibilities of an agency or  
9 department employee. Notices of the spending of private funds for  
10 these purposes are to be reported to the Senate President and the  
11 Speaker of the General Assembly.

12 The State government spending of donated or other private funds  
13 for these purposes can result in off-budget, non-transparent  
14 commitments made for the delivery of government services or  
15 government reliance upon secret, private sources of support. If  
16 these sources of funds temporarily replace or supplant the  
17 expenditure of recurring State revenue, budget planning based upon  
18 regular, recurring State revenue sources can be subject to  
19 unexpected spending demands. Paying for advising or consulting  
20 services with private sources of funds can also lead to a lack of  
21 government transparency, an appearance of possible conflicts of  
22 interest, and undue influence in acquisition of and performance of  
23 such advisory and consultant services.

24 This bill adds these notice requirements to the existing laws that  
25 have governed the form of the preparation and management of the  
26 annual State budget since 1944. The provisions of this bill track  
27 language proposed to establish these oversight protections for the  
28 Fiscal Year 2013 budget that were line-item vetoed by the Governor  
29 based upon a need "to promote efficiency and to restore consistency  
30 with the Governor's original budget recommendations." Yet the  
31 Governor noted that "[t]he Administration is committed to working  
32 closely and collaboratively with legislative leadership, members of  
33 the Join Budget Oversight Committee, and the Legislative Budget  
34 and Finance Officer concerning all matters currently within the  
35 Joint Budget Oversight Committee's jurisdiction. Expanding that  
36 jurisdiction in the manner proposed by the Legislature, however,  
37 cannot be accepted at this time." The passage of these same  
38 oversight provisions to be included as part of the general statutes on  
39 State budget procedure will provide the Governor with the full 45  
40 day period of time permitted for the executive's review of all other  
41 proposed laws.