

ASSEMBLY, No. 5812

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 1, 2021

Sponsored by:

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

SYNOPSIS

Requires Governor to include multi-year baseline budget funding projections in annual budget message.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT modifying the executive State budget presentation to
2 include multi-year baseline budget funding projections,
3 supplementing Title 52 of the Revised Statutes.

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5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. The Governor shall, together with the Governor's budget
9 recommendations and budget message required pursuant to section
10 11 of article 3 of P.L.1944, c.112 (C.52:27B-20), provide a
11 projected baseline budget for all recommended appropriations
12 pursuant to item (2) of subsection C. of section 11 of article 3 of
13 P.L.1944, c.112 (C.52:27B-20). The baseline budget shall utilize
14 the baseline budget accounting method and cover the ensuing three
15 fiscal years. In calculating the projected baseline budget amounts,
16 the following factors shall be taken into consideration: program
17 specific inflation, previously enacted policy and program
18 expansions and eliminations relevant to each fiscal year, caseload or
19 population changes, and changes to levels of funding for employee
20 salaries and benefits according to statute. Statements of underlying
21 assumptions and methods used to calculate all projected baseline
22 budget amounts shall accompany the baseline budget.

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24 2. This act shall take effect immediately and apply to each
25 fiscal year beginning on or after July 1, 2022.

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28 STATEMENT

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30 This bill reforms certain aspects of the annual State budget
31 process by altering the executive presentation of budget
32 recommendations.

33 The bill requires an analysis of current budgetary policies
34 utilizing the baseline budget accounting method, also known as
35 current services budgeting. A baseline budget indicates what the
36 State would have to spend on a given program in order to maintain
37 the program at its current level, in the absence of any proposed
38 policy changes. It reflects the impact of factors that cause year-to-
39 year variations in the cost of providing a given service and the
40 number of people who use it, as well as enacted policy changes that
41 have yet to take effect.

42 The baseline budget projection would cover the next three
43 ensuing fiscal years. Statements of underlying assumptions and
44 methods used to calculate all baseline budget amounts are required
45 to be included with the baseline budget.