

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 4063

STATE OF NEW JERSEY
219th LEGISLATURE

DATED: DECEMBER 21, 2021

SUMMARY

- Synopsis:** Removes New Jersey Maritime Pilot and Docking Pilot Commission from appropriations act provision that limits compensation and health benefits; clarifies PERS and SHBP eligibility for members of commission.
- Type of Impact:** Annual State expenditure increase; potential annual State revenue increase.
- Agencies Affected:** New Jersey Maritime Pilot and Docking Pilot Commission, in, but not of, the Department of Transportation

Office of Legislative Services Estimate

Fiscal Impact	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Net State Expenditure Increase	\$225,928 plus SHBP costs	Indeterminate	Indeterminate
Potential State Revenue Increase	Indeterminate	Indeterminate	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will result in a net State expenditure increase in FY 2022 of \$225,928 for salary and contributions to the Public Employees’ Retirement System (PERS) for each commissioner, with an additional indeterminate expenditure increase for State Health Benefits Program (SHBP) coverage.
- The State’s contributions to the PERS and SHBP for the commissioners will be a recurring indeterminate cost to the State.
- Current law authorizes the commission to charge a fee for the services it performs. The allowable fee may not exceed 3 percent of the amount maritime pilots charge for their services. The commission’s fee is used to pay for its administrative expenses, including salaries and benefits. Any additional fees generated from a rate increase to cover the costs of this bill would represent a revenue increase to the State. However, the OLS cannot project the revenue needed to cover the increase in expenses from the reinstatement of salary and benefits.

BILL DESCRIPTION

This bill amends a provision of the FY 2022 appropriations act that limits the compensation of members of various State commissions and prohibits the use of State funds for members' participation in the State Health Benefits Program. Under this bill, the provision will not apply to the New Jersey Maritime Pilot and Docking Pilot Commission. Instead, the \$28,000 in annual salary paid to each commissioner pursuant to current statute will be reinstated retroactive to July 1, 2021.

In addition, the bill confirms the commissioners' eligibility for participation in the PERS and for participation in the SHBP, retroactive to July 1, 2021.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None Received.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will result in a net State expenditure increase in FY 2022 of \$225,928 for salary and PERS costs for each commissioner, with an additional indeterminate expenditure increase for SHBP coverage.

The expenditure increase represents the additional payments of \$164,440 the State will make for compensation during FY 2022 to the six commissioners of the New Jersey Maritime Pilot and Docking Pilot Commission. This estimate assumes that the \$100 per month stipend paid to each commissioner under current law was paid for the first six months of FY 2022 only.

The amount also represents the additional \$10,248 the State will contribute to the PERS for each commissioner, for a total of \$61,488. The bill confirms the commissioners' eligibility to participate in the PERS, and the employer contribution for each commissioner in FY 2022 is 36.6 percent of salary. The contributions to the PERS will be a recurring increased cost to the State.

The bill also confirms the commissioners' eligibility for participation in the SHBP. The contributions will be a recurring increased cost to the State. The additional cost to the State depends on the plan selected by each commissioner, the type of coverage (e.g. single, member/spouse, family), the annual premium, and the amount of contribution by each commissioner toward that cost. As an example, the current annual premium for family coverage in the NJDIRECT15 #150 plan under the monthly active chart is \$25,464.

Current law authorizes the commission to charge a fee for the services it performs. The allowable fee may not exceed three percent of the amount maritime pilots charge for their services. The commission's fee is used to pay for its administrative expenses, including salaries and benefits. Any additional fees generated from a rate increase to cover the costs of this bill would represent a revenue increase to the State. However, the OLS cannot project the revenue needed to cover the increase in expenses from the reinstatement of salary and benefits.

Section: State Government

*Analyst: Aggie Szilagyi
Section Chief*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

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.).