SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4063

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 6, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 4063, with committee amendments.

This bill amends a provision of the Fiscal Year 2022 appropriations act (P.L.2021, c.133) (the act). General provision 75 of the act overrides current law for State Fiscal Year 2022 to prohibit the payment of certain compensation or benefits to members of various State commissions, boards, and committees, including the New Jersey Maritime Pilot and Docking Pilot Commission.

The bill amends this provision of the act, allowing statutory law to take effect, which requires the payment of $28,000 in annual compensation to each commissioner of the New Jersey Maritime Pilot and Docking Pilot Commission for the period of July 1, 2021 through June 30, 2022, as provided for by current law (R.S.12:8-4).

Existing law (R.S.12-8-1) requires that each commissioner be enrolled in the Public Employees' Retirement System and be eligible to participate in the State Health Benefits Program .

The bill amends several parts of the statutory law to allow commissioners appointed to the New Jersey Maritime Pilot and Docking Pilot Commission to enroll in the Public Employees' Retirement System and be eligible to participate in the State Health Benefits Program, in order to give effect to R.S.12:8-1. Under the bill as amended, these commissioners would no longer be eligible for participation in the Defined Contribution Retirement Program.

This bill, as amended, will allow the salary, pension, and health care benefits provisions of existing law to be effective for Fiscal Year 2022 and thereafter.

COMMITTEE AMENDMENTS:

The committee amended the bill to: (1) allow commissioners appointed to the New Jersey Maritime Pilot and Docking Pilot Commission to enroll in the Public Employees' Retirement System and be eligible to participate in the State Health Benefits Program; and (2) make these commissioners ineligible for participation in the Defined Contribution Retirement Program.

FISCAL IMPACT:

The Office of Legislative Services estimates that this bill will result in a net State expenditure increase to the New Jersey Maritime Pilot and Docking Pilot Commission of at least $164,400 in FY 2022, plus retirement and health benefits costs. This amount represents the additional payments made by the commission for compensation to its six commissioners, including $28,000 each for salary. This estimate assumes that the $100 per month stipend paid to each commissioner under current law will not be paid for the final six months of the fiscal year.

In addition, the commission will incur costs as an employer to be paid to the Public Employees' Retirement System (PERS) and the State Health Benefits Program (SHBP) for FY 2022. The PERS cost to the employer would be approximately 36.6 percent of payroll. The cost to the commission for enrollment of a commissioner in the SHBP for FY 2022 would depend on the plan selected by the 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 biweekly active rate chart is $23,442.

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 total increase in expenses from the reinstatement of salary and benefits.