

**LEGISLATIVE HISTORY CHECKLIST**  
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(Alternate benefits program--  
 extend benefits)

**NJSA:** 52:14-17.32

**LAWS OF:** 1993 **CHAPTER:** 28

**BILL NO:** A878

**SPONSOR(S)** Catania and Zecker

**DATE INTRODUCED:** February 13, 1992

**COMMITTEE:** **ASSEMBLY:** State Government  
**SENATE:** State Government

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:** **ASSEMBLY:** October 8, 1992  
**SENATE:** December 17, 1992

**DATE OF APPROVAL:** January 27, 1993

**FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:**

**SPONSOR STATEMENT:** Yes

**COMMITTEE STATEMENT:** **ASSEMBLY:** Yes  
**SENATE:** Yes

**FISCAL NOTE:** Yes

**VETO MESSAGE:** No

**MESSAGE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

**REPORTS:** No

**HEARINGS:** No

KBG:pp

**ASSEMBLY, No. 878**  
**STATE OF NEW JERSEY**

Introduced Pending Technical Review by Legislative Counsel  
PRE-FILED FOR INTRODUCTION IN THE 1994 SESSION

By Assemblymen LANCE and RUSSO

1 AN ACT concerning the investment of proceeds from the sale of  
2 an obligation by a State public issuer, and supplementing Title  
3 49 of the Revised Statutes.

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

7 1. As used in this act:

8 "Obligation" means a bond, debenture, note, certificate or  
9 other evidence of indebtedness issued by a State public issuer; and

10 "State public issuer" means the State of New Jersey and any  
11 department, division, board, bureau, office, commission or  
12 instrumentality of the State of New Jersey, including any  
13 independent State authority, commission, instrumentality or  
14 agency, having legal authority to issue obligations.

15 2. To the extent not otherwise provided for pursuant to law  
16 heretofore enacted, all proceeds derived by a State public issuer  
17 from the sale of an obligation shall be invested, until the  
18 proceeds are applied to the purpose for which the obligation was  
19 sold, in interest bearing accounts that are selected through a  
20 competitive bidding process which shall be established by the  
21 State Treasurer.

22 3. This act shall take effect immediately.

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STATEMENT

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27 To insure that a State public issuer invests the proceeds  
28 derived from the sale of an obligation, pending their application  
29 to the purpose for which they were sold, in the most  
30 advantageous manner and without an appearance of impropriety,  
31 a competitive bidding process must be used.

32 This bill directs the State Treasurer to establish a competitive  
33 bidding process that is to be used by all State public issuers of  
34 obligations when investing the proceeds from such obligations.

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39 Directs State public issuer of obligations to use competitive  
40 bidding process when investing proceeds from such obligations.

1 defined in section 2 of P.L.1982, c.16 (C.18A:64-27), at a State or  
2 county college who has service credited in a private defined  
3 contribution retirement plan and who, without a break in service,  
4 becomes an employee of the State or county college may  
5 participate in the alternate benefit program if the employee  
6 enrolls in the program within 10 days from the effective date of  
7 this act or within 10 days from commencement of employment,  
8 whichever date is later.

9 3. This act shall take effect immediately.

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12 *Sponsors:* STATEMENT  
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14 This bill provides continued retirement benefit coverage under  
15 a defined contribution plan for certain employees of public  
16 college auxiliary organizations. Under the Public College  
17 Auxiliary Organization Act, N.J.S.A.18A:64-26 et seq., State and  
18 county colleges may establish one or more auxiliary organizations  
19 to perform selected functions, such as the operation of a student  
20 center or a book store, while maintaining an identity distinct  
21 from that of the college. Some such auxiliary organizations  
22 disband and the employees thereof assume positions with their  
23 respective public colleges. Those positions are covered by the  
24 Public Employees' Retirement System, which is a defined benefit  
25 system. As employees of a public college auxiliary organization,  
26 however, these people participate in a defined contribution  
27 retirement system under private contract.

28 To preserve continuity in retirement benefits, this bill permits  
29 an employee of a public college auxiliary organization who,  
30 without a break in service, becomes an employee of a State or  
31 county college to enroll in the Alternate Benefit Program. The  
32 alternate benefit program is a defined contribution program  
33 whose participants, for the most part, are college faculty. The  
34 bill also provides that service in a public college auxiliary  
35 organization counts toward the 25 years of service required for  
36 the State-paid health insurance coverage extended to State  
37 employees who retire with 25 years of service credit under a  
38 State retirement system.

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43 Extends alternate benefit program to certain public college  
44 employees.

ASSEMBLY STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 878

STATE OF NEW JERSEY

DATED: MARCH 30, 1992

The Assembly State Government Committee reports favorably Assembly, No. 878.

This bill provides continued retirement benefit coverage under a defined contribution plan for certain employees of public college auxiliary organizations who become State or county college employees. In addition, it would allow service with such an organization to be counted for the purpose of qualifying those employees for post-retirement health insurance coverage.

Under the "Public College Auxiliary Organization Act," N.J.S.A.18A:64-26 et seq., State and county colleges may establish one or more auxiliary organizations to perform selected functions, such as the operation of a student center or a college book store, while maintaining an identity distinct from that of the college. When such auxiliary organizations are dissolved, their employees may assume positions with their respective public colleges. Those positions are covered by the Public Employees' Retirement System, which is a defined benefit system. As employees of a public college auxiliary organization, however, these people participate in a defined contribution retirement system under private contract.

To preserve continuity in retirement benefits, this bill permits an employee of a public college auxiliary organization who, without a break in service, becomes an employee of a State or county college to enroll in the Alternate Benefit Program. The alternate benefit program is a defined contribution program whose participants, for the most part, are college faculty.

The bill also provides that service in a public college auxiliary organization shall count toward the 25 years of service required to qualify an employee for the State-paid health insurance coverage extended to State employees who retire with 25 years of service credit under a State-administered retirement system.

SENATE STATE GOVERNMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 878

STATE OF NEW JERSEY

DATED: DECEMBER 3, 1992

The Senate State Government Committee reports favorably Assembly Bill No. 878.

This bill provides continued retirement benefit coverage under a defined contribution plan for certain employees of public college auxiliary organizations who become State or county college employees. In addition, it would allow service with such an organization to be counted for the purpose of qualifying those employees for post-retirement health insurance coverage.

Under the "Public College Auxiliary Organization Act," N.J.S.A.18A:64-26 et seq., State and county colleges may establish one or more auxiliary organizations to perform selected functions, such as the operation of a student center or a college book store, while maintaining an identity distinct from that of the college. When such auxiliary organizations are dissolved, their employees may assume positions with their respective public colleges. Those positions are covered by the Public Employees' Retirement System, which is a defined benefit system. As employees of a public college auxiliary organization, however, these people participate in a defined contribution retirement system under private contract.

To preserve continuity in retirement benefits, this bill permits an employee of a public college auxiliary organization who, without a break in service, becomes an employee of a State or county college to enroll in the Alternate Benefit Program. The alternate benefit program is a defined contribution program whose participants, for the most part, are college faculty.

The bill also provides that service in a public college auxiliary organization shall count toward the 25 years of service required to qualify an employee for the State-paid health insurance coverage extended to State employees who retire with 25 years of service credit under a State-administered retirement system.

LEGISLATIVE FISCAL ESTIMATE TO

ASSEMBLY, No. 878

STATE OF NEW JERSEY

DATED: August 17, 1992

Assembly Bill No. 878 of 1992 provides continued retirement benefit coverage under a defined contribution plan for certain employees of public college auxiliary organizations who become State or county college employees. In addition, it would allow service with such an organization to be counted for the purpose of qualifying those employees for post-retirement health insurance coverage.

Under the Public College Auxiliary Organization Act, N.J.S.A.18A-64-26 et seq., State and county colleges may establish one or more auxiliary organizations to perform selected functions, such as the operation of a student center or a book store, while maintaining an identity distinct from that of the college. When such auxiliary organizations are dissolved, their employees may assume positions with their respective public colleges. Those positions are covered by the Public Employees' Retirement System (PERS), which is a defined benefit retirement system. As employees of a public college auxiliary organization, however, these people participate in a defined contribution retirement system under private contract.

To preserve continuity in retirement benefits, this bill permits an employee of a public college auxiliary organization who, without a break in service, becomes an employee of a State or county college to enroll in the Alternate Benefit Program. The Alternate Benefit Program (ABP) is a defined contribution program whose participants, for the most part, are college faculty.

The bill also provides that service in a public college auxiliary organization shall count toward the 25 years of service required to qualify an employee for the State-paid health insurance coverage extended to State employees who retire with 25 or more years of service credit under a State-administered retirement system.

The Office of Legislative Services (OLS) notes that there should be no additional cost to the State of enacting this legislation because the cost of providing retirement benefits for these individuals would be paid for from the revenues generated by the entities the auxiliary organizations were created to maintain, the student center or book store. The OLS further notes that only existing employees participating in a defined contribution retirement system would be eligible to participate in the ABP and all new employees would be enrolled in PERS. The OLS also notes that these individuals would have received post-retirement medical benefits, after 25 years of service, under existing law.

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.