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Probation Association of New Jersey

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An affiliate of the American Probation and Parole Association

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Presidential Newsletter

March, 2008

Update on the State Budget and Early Retirement Proposal

As anticipated, Governor Jon Corzine's state budget proposal for Fiscal Year 2009 was recently presented to the Legislature with significant proposed cuts in spending included as a result of a state deficit. The proposed \$32.97 billion budget is nearly a half a billion dollars below last year and cut year-to-year spending by an estimated \$1.7 billion while stopping budget growth by \$1.5 billion.

The budget, as proposed, includes cutting all state departmental spending; consolidating or eliminating state functions; and trimming spending on programs. While the Department of Personnel is slated to be consolidated, the majority of the department will be trimmed down and moved into the Department of Treasury as a division. ***Personnel functions including administration of the civil service test and related functions will remain in tact under the Department of Treasury.***

The Judiciary Budget appears to be roughly stable at \$636 million, which is the equivalent of the FY 2008 \$629 million budget plus an additional \$7 million for drug courts and intensive supervision programs this year. (Legislation expanding the drug court system is awaiting the Governor's signature and would require such a budget appropriation to cover the supervision of additional offenders.) We have no reason to suspect at this time that probation officers will be laid off in the coming year. As is customary, the Judiciary and all other state departments will appear before both the Senate Budget and Appropriations Committee and the Assembly Budget Committee to defend and explain their budgets to the Legislature. We will keep you informed of the Judiciary's appearance and provide an update on relative information.

With respect to a potential early retirement incentive program and attrition plans, there is really very little information available to the public. Governor Corzine has stated publicly that he has a targeted goal of reducing the state workforce by 3,000 to 5,000 employees through a combination of early retirement, attrition and lay-offs. The vast majority of this reduction will be achieved through an early retirement incentive program. He also has stated that only 10 percent of the workforce at most will be replaced so as to have a true financial benefit to the state under the program. It is estimated that the early retirement program could save the state \$136 million.

We have reached out to the Administrative Office of the Courts, the Department of Treasury, the Department of Personnel and the Governor's Office to get you the most information as possibly. Please know that those unions (AFSCME, IFPTE and CWA) with tens of thousands of members who likely have hundreds of their members who will be most affected by the plans were briefed about the plan. It is our understanding, however, that like PANJ, unions representing the corrections officers and state troopers were not briefed since the early retirement program will only impact a small number of members.

From sources we have spoken with in the Department of Personnel, it is our understanding that solely those individuals who are currently eligible for retirement will be eligible under this program. Simply put, the program is aimed at providing an incentive to those who are eligible to retire but have chosen to not do so. It is estimated that 7,500 to 8,000 state employees are eligible for the program but only 45 percent of those will take it because of various personal choices.

For those PANJ members who are considering retirement in the immediate future or are currently eligible, it may be in your best interest to wait on moving forward with retirement paperwork for a couple of months while details of the plan are ironed out. If you are not currently eligible to retire, or will not be eligible in the next few months, the plan will not impact you at all.

According to sources speaking to the *Star-Ledger*, the proposal may be as follows:

Eligible Employees	Benefit
At least 50 years old with 25 years of services	Given credit for 3 additional years; increase retirement bonus by 12 percent
60 years old or older with 20 to 24 years of service	Lifetime health benefits normally only given to those at 25 years of service
At least 60 years old with 10 to 20 years of services	Given an additional \$500 per month in retirement pay for two years

Please note, however, that ultimately the early retirement plan must be authorized through legislation with the support of the majority of the Legislature and ultimately signed into law by the Governor. This process could result in a much different proposal than above. We will monitor the plan as it evolves in the Legislature and media sources and keep you up-to-date as possible.

If you have any questions about the budget or early retirement plan, feel free to contact the PANJ office and we will get you an answer as soon as feasibly possible.