

Treasurer discusses details of early retirement program

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The Corzine administration's plan to lure some state workers into early retirement cannot reap its full \$136 million in savings unless lawmakers approve it by May 15 -- and that's a long shot, state Treasurer David Rousseau said yesterday.

He told the Assembly Budget Committee that the administration is carefully trying to design a plan that won't hurt essential state services. He said he hopes to be able to unveil the details within 10 days and present a bill to the Legislature in early May.

Unless a retirement plan is in place and accepting applications by May 15, Rousseau said, the retiring workers will not be off the state payroll when the new budget year opens July 1, and the state will not achieve the full savings proposed in the state budget.

"I have doubts that's going to happen now," Rousseau said. For every month the plan is delayed, he said, the budget savings will drop by about \$11 million.

Gov. Jon Corzine announced the early retirement incentive plan during his budget address to lawmakers in February.

According to Rousseau, the plan hopes to save \$136 million in the upcoming state budget and another \$161 million the following year by encouraging at least 3,000 state workers to step down. Corzine has pledged to replace no more than one of every 10 workers who retire.

Those savings would be offset in the long run by a \$517 million increase in retirement costs for the departing employees, Rousseau said.

Officials have spent weeks grappling with details of the retirement plan, hoping to ensure that state workers in sensitive "direct care" positions are excluded from the program.

For example, Rousseau told lawmakers the current plan is to exclude employees in the Department of Human Services, the Department of Children and Families, the Department of Military and Veterans' Affairs, and the Juvenile Justice Commission.

"We're now looking within those departments to see if there are areas that are not direct care," he said.

During yesterday's hearing on the Treasury Department budget, Rousseau also was asked about the cost of developing Corzine's plan for raising tens of billions in cash backed by future highway toll increases. As The Star-Ledger reported Feb. 2, the state spent more than \$7 million on consulting and legal fees for the plan, which has stalled for lack of support in the Legislature.

Responding to questions from Assemblyman Joe Malone (R-Burlington), Rousseau said that if the governor and lawmakers decide to pursue a new version of that plan, some of the paid-for consulting work could be applied to it but "we will probably have to spend money on different aspects, different studies, different things that we need done."

Malone suggested the Legislature should set a limit on any such spending ahead of time.

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