



Governor Chris Christie's Fiscal Year 2015 Budget Address:

An Attitude of Choice

Governor Christie Lays Out The Challenge Before New Jersey: Making The Choice To Protect What Matters Most

"We need to understand the impact of our decisions and find a path to a better future. To do that, we must create an attitude of choice. Due to these exploding entitlement costs, we are failing our taxpayers when we refuse to honestly address these problems and try to fool them into believing that choices do not need to be made. We are better than that. New Jersey is clearly better than that."

– Governor Chris Christie, New Jersey State Budget Address, February 25, 2014

The Governor's Proposed Fiscal Year 2015 Budget:

- Fifth consecutive balanced budget, which also maintains a responsible surplus of \$313 million.
- Spends over \$2.2 billion less in discretionary spending than in fiscal year 2008.
- Makes the largest State pension payment ever for the second consecutive year, at \$2.25 billion this year.
- Delivers more than \$1.2 billion in direct property tax relief to New Jersey homeowners, seniors, and disabled residents.
- Provides the most funding in New Jersey history for education for a fourth year in a row at more than \$12.9 billion.
- Continues to invest in higher education with an additional \$159 million in aid to colleges and students.
- Funds New Jersey's hospitals with \$985 million in support.
- Expands access to quality health care through Medicaid, and increases support for uninsured children through FamilyCare with \$21 million in increased funding.
- Commits to the Governor's belief that no life is disposable by providing an additional \$4.5 million in funding to expand New Jersey's mandatory drug court program to help nonviolent offenders reclaim their lives.
- Helps reclaim even more lives with up to \$1 million for an innovative substance abuse treatment program that integrates employment services with treatment.

Choosing Not to Sacrifice What Matters Most On The Altar Of Entitlements:

Governor Christie is once again calling on the Legislature to join him in addressing the looming crisis posed by New Jersey's out-of-control pension, health benefits, and debt service costs. Though the historic, bipartisan reforms enacted in 2011 reduced New Jersey's unfunded pension liabilities, New Jersey's long-term fiscal health continues to be seriously threatened:

- **78 Percent** of this year's \$2.25 billion pension payment – the largest in state history – goes to paying off the legacy of decades of irresponsibility rather than strengthening the fund for future generations.
- **94 Percent** of the total increase in State spending this year is not going to schools, infrastructure, or higher education. It's going to cover the growth in pension, health benefits, and debt service costs.
- **Over \$3.2 Billion** of the \$5.4 billion in increased revenue the state has seen since fiscal year 2012 is being eaten up by pension, health benefits, and debt service obligations.

New Jersey is at a crossroads and the choice is simple to either reform the system to bring these costs under control or forego, and perhaps reverse, investments in other priorities essential to our state's future.

5th Balanced Budget Without Raising Taxes That Makes The Largest Pension Payment Ever:

In the fiscal year 2015 budget, Governor Christie continues to take the lead in creating an attitude of choice by responsibly managing government and making the choice to prioritize and fund investments that are crucial to New Jersey's future.

- **A Balanced Budget with a Responsible Surplus.** For the fifth consecutive year, Governor Christie is putting forward a responsible budget that funds key priorities while ensuring New Jersey has the resources available for unforeseen circumstances.
- **Holding Discretionary Spending Nearly \$2.2 Billion Below Fiscal Year 2008 Levels.** Governor Christie's budget reinforces his commitment never to return to the reckless spending and fiscal irresponsibility in Trenton that brought New Jersey to the brink of catastrophe, holding discretionary spending more than 2.2 billion below 2008 levels.
- **The Largest Pension Payment in State History.** Adding to the sweeping, bipartisan pension and benefit reforms and Governor Christie's commitment to restoring solvency to New Jersey's pension funds, the fiscal year 2015 budget will make a **\$2.25 billion** payment to the State's pension funds.
- **A Smaller, More Efficient State Government.** The Governor's responsible management has resulted in a more efficient and streamlined state government. There are more than 6,000 fewer state government employees than when the Governor took office.
- **Direct Property Tax Relief for New Jersey Families.** Governor Christie is providing relief to property taxpayers with an average Homestead Benefit of *\$516 for seniors and disabled homeowners* with incomes up to \$150,000, and an average benefit of *\$402 for all other homeowners* with incomes up to \$75,000.
- **Delivering Additional Pension Savings to Local Property Taxpayers.** Governor Christie's aggressive record of reform and responsible management of government continues to get results for taxpayers. Forthcoming actuarial reports reduced local governments' pension bills by **\$135 million** in 2014.

Choosing To Invest In What Matters Most:

New Jersey's Schools, Our Students, and Our Higher Education Institutions

- **Most School Aid in History for Four Years in a Row.** For the fourth year in a row, Governor Christie is increasing State spending for education. The Governor's proposed increase of **\$36.8 million** in direct aid would bring total State aid to schools to over **\$12.9 billion**, marking the fourth year in a row of setting a historic high.
- **Funding Innovation Through Extended Learning Time.** As part of Governor Christie's commitment to enact big, bold reforms to ensure children are getting the quality education they need to be ready for college or a career, Governor Christie is providing **\$5 million** for the Education Innovation Fund. A major priority will be to support districts that develop approaches to extend learning time, including extended school days or the school year.
- **Increasing Resources for Higher Education Institutions and Students.** Under the Governor's proposal, total State support is proposed to increase by \$159.3 million to **\$2.32 billion**, funding the pension and fringe benefits for 22,675 educators at New Jersey's college and universities and supporting an increase in funding for student assistance.
- **An Increase in Funding For Tuition Aid Grants.** After increasing funding by nearly \$47 million in the last two years for Tuition Aid Grants (TAG), the fiscal year 2015 budget continues to expand resources for the neediest students with an additional **\$14million** to support a 2% across the board increase in award amounts for TAG recipients.

Investing in New Jersey's Competitiveness While Fighting for Tax Fairness

- **Closing Tax Loopholes to Level the Playing Field.** Governor Christie is taking action to level the playing field and promote tax fairness by closing corporate tax loopholes, removing inconsistencies, and modernizing enforcement for tax delinquents. These commonsense reforms will promote tax fairness for taxpaying families who play by the rules, while generating an estimated \$200 million in revenue to support those investments that matter most.

- **Job-Creating Business Tax Cuts.** The fiscal year 2015 budget provides an additional **\$616.5 million** in business tax relief for a cumulative total of more than \$1.6 billion in the fifth year of phase in for these bipartisan, job-creating business tax cuts to help businesses remain and grow in New Jersey.
 - Since Governor Christie took office, New Jersey has added over **122,000 private-sector jobs**, and the state has experienced positive overall job growth every year the Governor has been in office.

Protecting Our State's Most Vulnerable and Innovating for Higher Quality Care

- **Reclaiming Lives by Integrating Substance Abuse Treatment with Employment Services.** Going even further with the Governor's commitment to help nonviolent offenders reclaim their lives through addiction treatment, the Christie Administration is devoting **\$1 million** to support the integration of substance abuse treatment with employment services. This approach has a proven track record of increasing the success of treatment efforts.
 - Governor Christie further acts on his commitment by proposing to increase funding by **\$4.5 million** to continue the expansion of drug court treatment services.
- **Reforming Charity Care Funding to Align With Need.** The Christie Administration continues to transition to a new formula for the distribution of Charity Care that focuses on predictability, equitability, transparency and accountability. Hospitals will receive **\$650 million** in Charity Care payments in fiscal year 2015.
- **Investing in Managed Community-Based Care to Give Seniors Excellent Care Options.** The Governor's fiscal year 2015 budget includes **\$125 million** to deliver high quality care through a new Managed Long Term Supports and Services system, allowing seniors to stay in their homes and communities rather than nursing homes.
- **Medicaid Expansion to Broaden Access to Quality Health Care.** Governor Christie's expansion of health care for New Jersey's most vulnerable is already having a positive impact on coverage for our state. The continued expansion of Medicaid will mean that more New Jerseyans at or near the poverty line will have access to critical health services, while saving New Jersey taxpayers approximately **\$175 million** in fiscal year 2015 alone.
- **Increasing Support for Uninsured Children.** The Christie Administration has demonstrated its commitment to providing subsidized health coverage for uninsured children and has even been recognized for performance excellence in enrolling children in the FamilyCare program. Proposed funding for children in FamilyCare is increased by **\$21 million** to over \$143 million, and will support coverage for over 182,000 children.
- **Building on Commitment to Individuals with Developmental Disabilities or Mental Health Issues.** Governor Christie has long spoken of the State's moral imperative to recognize the individuality and unique needs of every New Jerseyans with a developmental disability or mental health issue. The Governor's budget increases funding by **\$101.9 million** of combined State and federal funding for community placements and related services, increasing the Governor's commitment to \$197.7 million in new funding for these programs since fiscal year 2013.
- **Continued Funding for the Senior and Disabled Citizens' Property Tax Freeze.** The **\$203.1 million** included in the fiscal year 2015 budget proposal will continue to allow benefits to grow for over 152,000 current beneficiaries. It will also allow an expected 32,500 new seniors and citizens with disabilities to claim their first year of benefits.