

State of New Jersey

The Governor's FY 2012 Budget Detailed Budget



**Chris Christie, Governor
Kim Guadagno, Lieutenant Governor**

**Andrew P. Sidamon-Eristoff
State Treasurer**

**Charlene M. Holzbaur
Director**

**Robert L. Peden
Deputy Director**

**Jacki L. Stevens
Assistant Director**

**Office of Management and Budget
February 22, 2011**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

State of New Jersey

For the Fiscal Year Beginning

July 1, 2010

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of New Jersey, for the Annual Budget beginning July 01, 2010.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

TABLE OF CONTENTS

	Page
Governor’s Message	i
Readers Guide	A-1
Summaries of Appropriations:	
The Budget in Brief	B-1
Resources and Recommendations for Fiscal Year 2012 (All State Funds)	B-2
Summary of Appropriations - Major Increases and Decreases	B-3
Summary of Fiscal Year 2011-2012 Recommendations	B-8
Summary of Appropriations, by Fund.	B-8
Summary of Appropriations, by Organization	B-9
Summary of Appropriations, by Category or Purpose	B-13
Summary of Appropriations, Dedicated Funds by Program	B-15
Summaries of Revenues:	
Summaries of Revenues, Expenditures and Fund Balances:	C-1
Summary of Estimated Revenues, Expenditures, and Fund Balances	C-2
Statement of Estimated Revenues and Expenditures	C-3
Revenue Schedule I State Revenues	C-4
Revenue Schedule II Other Revenues (Dedicated, Federal, Revolving, STTF)	C-10
Revenue Schedule III Expenditures Budgeted	C-26
Revenue Schedule IV Expenditures Not Budgeted	C-28
Summary, Estimated Revenues, Expenditures, and Fund Balances	C-29
Budget Recommendations	
Department and Branch Recommendations:	
Legislature	D-1
Chief Executive	D-9
Agriculture	D-13
Banking and Insurance	D-21
Children and Families	D-27
Community Affairs	D-39
Corrections	D-59
Education	D-79
Environmental Protection	D-103
Health and Senior Services	D-133
Human Services	D-163
Labor and Workforce Development	D-215
Law and Public Safety	D-233
Military and Veterans’ Affairs	D-265
State	D-279
Transportation	D-335
Treasury	D-353
Miscellaneous Commissions	D-405
Interdepartmental Accounts	D-409
The Judiciary	D-425
Capital and Debt Service:	
Capital Construction	E-1
Debt Service	E-2
Language Provisions:	
Federal Funds Provisions	F-1
General Fund Provisions	F-3
Revolving Funds	G-1

Appendices:

State Aid for Local School Districts	H-1
Funding for Property Tax Relief	H-2
State Lottery Fund Schedule	H-3
Casino Revenue Fund Schedule and Projection	H-4
911 System and Emergency Response Fee	H-7
New Jersey Transportation Capital Plan	H-8
Statement of General Long-Term Debt	H-9
State Appropriations Limitation Act (CAP Law)	H-10
State & Non-State Workforce Summary	H-12
New Jersey Total Spending	H-15
Debt Service Paid from State Appropriations	H-20
Index	I-1



Governor's Message

CHRIS CHRISTIE
GOVERNOR OF NEW JERSEY
TRANSMITTED TO THE SECOND ANNUAL SESSION
OF THE TWO HUNDRED AND FOURTEENTH LEGISLATURE
FEBRUARY 22, 2011

Madam Speaker, Mr. President, members of the Legislature, people of the State of New Jersey:

It is my pleasure, and my duty, to present to you my budget for the year ending June 30, 2012.

Early last year, I took my first major budget actions in two separate budget presentations to the legislature and the people of this state.

First, we had to stop the hemorrhaging and close the \$2 billion budget gap that existed last February for FY 2010, with only five months to go in the fiscal year. We did it – without raising taxes.

Second, in March, we proposed to attack the much larger projected deficit, some \$11 billion, for FY 2011. By June, together we had closed that gap too – again, without raising taxes on the people of New Jersey, their first real relief in eight years.

One key to changing direction has been changing our approach to the budget process. Every year, the Office of Legislative Services puts out a projected deficit. The only problem is that this number assumes no one is actually managing the budget or setting priorities. That is yesterday's New Jersey.

The old projection is a result of the old way of budgeting - assuming you cannot control the budget and guide it to a more sustainable place, but instead must just let it take its own course. To run away from hard choices, just because they are hard. To put the government on autopilot, with no strong leadership setting priorities. No more. For too many years, our government has operated under the belief that the baseline – the place you begin – is to continue to fund every program in the budget: regardless of the fiscal climate, regardless of the economy, and regardless of the effectiveness of the program. Not anymore.

Our process is based on the belief that to survive and to grow, you need to build a realistic budget from the bottom up. You fund what you need – this year – to succeed, not every relic from two decades ago that is still on the books. The baseline is zero. Zero-based budgeting, which I promised in the campaign, has finally come to New Jersey.

You see, last year we were faced with two major problems. As I stood before you early last year, the good people of our state had been battered. We had lost 108,500 jobs in 2008 and another 121,000 in 2009. The unemployment rate was the highest in 33 years. Taxes were up, but revenues were down. And even in that environment, government had made matters worse by spending too much. Contributing to our \$11 billion projected deficit were commitments that were made over many years and never revisited, never reduced, and never reformed.

Working together, we made some very difficult decisions. We took the first steps toward reform, and made some very painful spending cuts. There are more difficult decisions this year, to be sure, and in the years ahead. We must continue to cut government spending to restore a chance at prosperity for New Jersey's families.

But as a result of the decisions we started with a year ago, we have changed the paradigm. We have established a "New Normal."

In the New Normal, we will shape the budget to make it more sustainable each year, and address priorities that will make New Jersey more successful each year. We will no longer blindly fund commitments that prior legislators and governors have made - regardless of whether they were wise, and regardless of whether they yielded programs that even work.

In the New Normal, we can and will stop old commitments, so we can set new priorities to meet New Jersey's 21st century challenges. Last year's budget, fiscal year 2011, was the beginning of this change. We set priorities and we funded them, in amounts we could afford. We reformed many programs that needed reforming. And we began to refuse to fund what wasn't an absolute priority.

This year's budget continues that model. It is not a budget that funds each and every program at the same level as last year. Instead, we've done something novel. We've actually identified key priorities and put together a budget that funds them.

Now, here's what's crazy about this new bottom-up approach to budgeting: We are simply doing what most people assumed state government had been doing all along. This is the New Normal in Trenton. The old way of budgeting is over. Today marks the line in the sand that separates the way things used to be, and the way they are going to be. And we will not be going back.

So this year's budget does what I promised we would do:

First, it continues to reduce government spending – below last year's level in absolute dollar terms, for the second year in a row.

Second, it makes a down payment on growth by providing \$200 million in job creating tax cuts and business incentives.

GOVERNOR'S MESSAGE

Third, we can make a contribution to our pension system early and get that money working immediately, if we adopt real reform of our pension system.

Fourth, we can double the property tax rebates for New Jersey's hard working middle class and seniors, if we adopt real reforms in health benefits.

And fifth, we will increase education aid to every school district in the state.

We are not out of harm's way yet. So we must continue on the path to reform, and continue to make the hard choices, in order to fund these key priorities. Today's fiscal mess has been 20 years in the making, and while our spending cuts have helped us make real progress, letting up now and returning to the easy path will inevitably lead us back to job killing tax increases and deficits. The people of New Jersey recognized that we needed a change in direction. In fact, they demanded it. And I believe they recognize that the steps we took last year, although they were only first steps, and even though they were hard, have begun to put New Jersey on the path toward fiscal health and recovery.

As I promised you last year, if we did the hard things, New Jersey would be a national leader in fiscal discipline. This year, look at how other states are following New Jersey. All across the country, Democratic and Republican governors are grappling with inherited budget deficits, skyrocketing pension and benefit costs, and state government cultures which embrace the status quo – no matter how destructive. They are just now coming to terms with the gravity of the situation we understood and responded to last year.

Today, they are standing up and saying just as I did last March, "the problems we have hidden for decades are evident for all to see. The day of reckoning has arrived."

In New York, a Democratic governor has proposed dramatic reforms to Medicaid, because that program left on autopilot will lead both state and federal governments straight into a crash. In California, a new Democratic governor has proposed to cut the number and pay of all state employees. And in Wisconsin and Ohio, they have decided there can no longer be two classes of citizens: one that receives rich health and pension benefits, and all the rest who are left to pay for them.

Democrat or Republican, it doesn't matter. We are all facing the same problems. These problems are bigger than either political party. The promises of the past are too expensive, and the prospects of the future are too important to stay on the old, failed course. Across the country, we have come to a moment – the moment for real change and the return to fiscal discipline, which will create real jobs for all New Jerseyans who need them. Some thought the change might come from the federal government. But that hasn't been the case. It is spending more than ever. The change is coming from the states, and the charge is being led by New Jersey.

Across the Hudson River, Governor Andrew Cuomo's budget also cuts the actual dollars spent by the state – for the first time in 14 years. Why? The reason Governor Cuomo gave is simple. He said, "New York is at a crossroads, and we must seize this opportunity, make hard choices, and set our state on a new path toward prosperity." The challenge, the change, and even the choice of words are similar to where New Jersey was one year ago.

In Michigan, Republican Governor Rick Snyder has framed the issue the same way. He said, "This is our opportunity to say let's stop living in the past and start looking toward the future. Many of us are going to have to sacrifice in the short term, but by making these sacrifices, we can all win together in the long term." Michigan is taking the road to fiscal discipline paved by New Jersey.

And even in California, Governor Jerry Brown proposed to cut take-home pay for state employees by 8 to 10%, because, in his words, "we have no choice," and for years, California has had "gimmicks." Now, he said, California must "return to fiscal responsibility and get our state on the road to economic recovery and job growth."

Sound familiar? These ideas are not red or blue; they are the black and white of truth.

One year ago, I stood in this Chamber and promised the people of New Jersey that if we worked together to make the sacrifices necessary to put us back on the path to financial responsibility, that the progress would be obvious, and the nation would follow our success. Today, states as diverse as California and Wisconsin, Ohio and Florida, New York and New Mexico are following the New Jersey model we fought for last year. Democratic governors and Republican governors now look to New Jersey as a beacon of hope for what can happen when leaders lead and a people sacrifice as one for the future of our children. I thank the people of New Jersey for standing with me in turning our state into a national model.

I said to you last month that we should focus on the big things – and the biggest thing of all today for this state is getting our fiscal house in order, once and for all. So my budget proposes total state spending of \$29.4 billion, a reduction in actual dollars spent versus last year. We are reducing the size of the budget – in actual dollars, not against "projections" – two years in a row.

Also, we are balancing the budget without the one-shot gimmicks that Trenton had become known for before this Administration arrived in town. In the last budget of Governor Corzine, FY 2010, a full 13% of revenue was based on one-shot money. I railed against it during the campaign and we've now changed that culture as well. Last year, we cut that number in half, to 6%. In the budget I am I proposing today, we cut it by another two-thirds to 2%. That's an 85% cut in the use of one-shot, non-recurring revenue. We promised to put an end to this practice in Trenton and, in one year, we are nearly there.

Frankly, because of the hard choices we made last year and the seriousness of the reforms we've proposed, we are finally bringing the budget process under control. And because of the hard choices we've made together, because of the shared sacrifice by all of New Jersey, our economy is turning. The tone at the top has encouraged business to stay in New Jersey, and our unemployment rate is down nearly one full point in a year. Still too high, but moving in the right direction.

In addition, we have demanded that each and every department in government manage its budget responsibly throughout the year. With performance based budgeting, instituted by our state Treasurer, we are now keeping a sharp eye on each agency's mission and budget priorities every day of the year, not just at the end of the year. It is a simple and common-sense approach, but one that has been overlooked for too long. Budget decisions should be linked to performance. Every program, every department, and every employee should be accountable. If they do not perform, they do not get the people's tax dollars.

And to balance the budget for the coming year, we have continued to cut, where cutting made sense. In total, spending will be down by 2.6% versus last year. Down for the second year in a row. Many departments, indeed most departments, will have a cut.

- Department of Community Affairs, down 1.6%
- Department of Agriculture, down 1%
- Department of Corrections, down 2%
- Department of Environmental Protection, down 10%
- Department of Health and Senior Services, down 15%
- Department of Human Services, down 3%, and
- Department of Children and Families, down 2%

But here, as elsewhere, we propose real reform to put us on a sounder footing for the future, and we have worked to preserve priorities and provide a safety net for those most challenged by the economy. For example: We will continue to fund the increase that was made in last year's budget to P.A.A.D. and Senior Gold Prescription Assistance Programs. There will be no changes – no co-pay increases and no eligibility changes. This level of funding means New Jersey will still have some of the most generous prescription assistance programs in the nation for our seniors. And funding for hospitals will be increased by \$20 million from last year's budget.

But at the same time, to make room for these priorities, we must reform Medicaid, a federal program simply running out of control. In this budget, we propose to move our aged, blind, and disabled recipients into modern managed care, and move their pharmacy benefit to modern managed care as well – saving a total of \$41 million while still providing vital services. Additional enforcement efforts by the Comptroller's Office will save another \$35 million.

We must do these things, not only to fill the hole created by the loss of over a billion dollars of federal stimulus money since 2010, but because it is the right thing to do. Medicaid's growth is out of control. We must manage it better. Even with \$250 million of Medicaid savings in this budget, and additional projected savings from a \$300 million global waiver to reform Medicaid, spending will grow by nearly \$1 billion over last year. That is the definition of an out of control program. Worse yet, we cannot make meaningful reforms because of the restrictions on New Jersey from Obamacare. States desperately need relief from that unfunded federal mandate.

Now, as I said in the State of the State, we are not cutting spending just for cutting's sake. We are cutting spending so we can reduce the tax burden on the people of New Jersey. We are cutting so we can make New Jersey a home for growth. We are cutting taxes to create new jobs. So in this budget, I am proposing a down payment on a better tax environment – a better environment for individuals, and a better environment in which to start and grow a business. The budget includes \$200 million in tax reductions.

Now, as you know, last Friday I vetoed a package of tax bills put forward by the Legislature. The reason was simple – we cannot enact tax cuts that we do not pay for. Our tax policy needs to be part of our long term planning, and it needs to fit within the context of a constitutionally balanced budget.

This tax cut package, every dollar of it, is paid for with spending cuts. Responsibly changing New Jersey's tax climate does not mean running deficits to cut taxes – it means cutting taxes in a balanced budget to create job growth. The package I am proposing will provide almost \$2.5 billion in job-creating tax relief and incentives over the next five years. These reforms will be phased in carefully and are paid for as part of the state budget. A few of the tax provisions are similar to those approved by the legislature. As I have said before, I agree with some of what was in that package. But we cannot have tax cuts that we do not pay for. Creating jobs is the top priority of this Administration, which is why tax cuts that help businesses grow and expand are a priority in the budget.

So here are my tax cut proposals:

We will double our State Research and Development Tax credit to encourage High Tech and Bio-Tech entrepreneurs to create their next great discovery, and the jobs that go with it, right here in New Jersey.

We will allow loss-netting and loss carry-forward relief, to be phased in over five years. Our current policy of restricting loss carry-forwards hurts small business, hurts entrepreneurship, and hurts New Jersey.

We will stop penalizing our corporations for adding jobs and investing in New Jersey by joining 28 other states in using a single sales factor.

GOVERNOR'S MESSAGE

We will cut the minimum S-corporation business tax by 25%. Again, this will make us more competitive in the region and encourage small businesses and entrepreneurs.

We will exempt from the sales and use tax installation and support of electronically delivered business software. Taxing such software is a burden on high tech innovation.

The death tax in New Jersey is too high and too burdensome on small businesses and the middle class. We must begin to reform it. Only three states have both an inheritance tax and a death tax, and New Jersey is one of them. My budget would provide a first step in relief by raising the death tax exemption for families and small businesses. Again, this will put us more in line with other States in the region.

Some long-term problems are not just a current year budget problem. They will be with us for years to come – indeed they will get worse – unless we act today. Such is the case for New Jersey – and for many other States – with respect to health and pension benefits for state and local employees. This is the second big thing we must take on if we are truly to have a better future. Almost all states face a major issue in financing employee pensions. New Jersey is far from alone here. This is not a Republican or a Democratic issue. This is a responsibility issue. And we must solve it.

I did not wait to act. In September of last year, I proposed a series of reforms that put New Jersey taxpayers first and asked the special interests to pay their fair share. The reforms are simple and common sense. We are living longer than when these programs were established, so we should raise the retirement age. Inflation is low, so we should eliminate cost of living adjustments. Most importantly, whether it is early retirement benefits that aren't paid for or employee contributions that are too low, we simply cannot afford the system we have and the promises that have been made. As things stand today, our pension system has an estimated deficit of \$54 billion. Without action, 30 years from now the difference between our assets and liabilities will be a staggering \$183 billion. The burden on the budget and the taxpayer will be unsustainable. The annual state contribution would grow to \$13 billion per year.

The greatest risk of inaction is to our public employees. On the current course, the day will come, mark my words, when the pensioner will retire and there will be no pension. I am worried. I am worried for the police officer. I am worried for the firefighter. I am worried for the school teacher. They have earned a pension. We must act now to make sure a pension is there for them after their years of service are completed.

Since I made my reform proposal, I have traveled across the state, beating the drum about the urgent need to pass pension and benefit reform. The bottom line is simple – these reforms are the only way to solve our long-term fiscal problems. They are the only way to keep the system solvent. Most important, they are the only way to keep faith with the public employees who have earned these pensions.

So today, in this budget, I am once again calling on the Legislature to pass pension and benefit reform. In our negotiations on the interest arbitration cap, Mr. President and Madam Speaker, you promised me and committed to the people of New Jersey to bring a real reform package forward and make it law. And I am pleased that it remains a priority for both of you. President Sweeney, I heard you loud and clear when you were quoted recently as saying: "I want this thing done by the middle of March. That's my goal, to get the pension bill done. But I want to get this stuff finished because it has to be finished. This is what's killing the state of New Jersey. The cost of the pension and health care are destroying the State's economy."

You were right. And I know that Speaker Oliver agrees with you, when she said, "Our system has become unsustainable for taxpayers and public workers alike, so changing this system is a priority." I am asking you both, and the members of this legislature, to make good on the promise to pass comprehensive pension and benefit reform on Senator Sweeney's timetable, by the middle of March.

And as I am asking the Democratic Leadership to make good on their promise, I am offering a powerful incentive to sweeten the pot. If you pass real reform, along Senator Sweeney's timetable, I will make a \$500 million payment to the pension fund immediately, not wait until sometime in Fiscal Year 2012, which is all that the law we passed last year requires. This would be the first payment made since fiscal year 2009, by anyone, Democrat or Republican. Let's not wait – real reform on Senator Sweeney's timetable – real money into the pension fund immediately.

Next, enacting reform of our public employee health insurance program now will enable us to take another vital step – providing critical property tax relief to those who need it most: hard working, middle-class New Jerseyans and seniors. I am proposing today to double the property tax rebate for middle class families and our seniors, to ease the transition to the 2% property tax cap we are faithfully implementing this year. Under my plan, in FY 2012 senior and disabled homeowners with incomes up to \$150,000 would receive double the benefits they will receive in the current fiscal year – which, by the way, they are receiving directly as a credit on their property tax bill. Non-senior homeowners with incomes up to \$75,000 will also see their property tax relief double over what they will receive this fiscal year.

And also in the context of property taxes, this year's budget continues to provide municipalities with steady aid. That's right, mayors – at the exact same level as last year. So there is no excuse for this relief to be eaten up with higher local taxes, between receiving no further cut in municipal aid, and implementing a 2% cap on property taxes. But let me be clear: the chance for middle class taxpayers and seniors to receive double the property tax relief without raising taxes on anyone else is solely up to you, the Legislature. The ability

to provide doubled property tax rebates involves a tradeoff and requires real reform to pay for it. I have advocated health benefit reform, and earlier this month the Senate President laid out his proposal, and I applaud his courage for doing so. We are in a position to make progress. Let's seize the moment and do so.

The situation with health benefits is even more dire than that with pensions. The current liability is greater – at \$67 billion. The burden on the budget to fund these benefits is growing – from 3.3% of the state budget as recently as fiscal year 2002 to 9% today – a near tripling of the burden on taxpayers to pay for these rich benefits for a privileged few, at an annual cost of \$4.3 billion. And the budget cost of these benefits is projected to grow another 40% in the next four years.

The problem with health benefits is the same as with pensions: the current plan is not sustainable, and our employees do not contribute enough. The average New Jersey public employee contributes only 8% of the cost of his or her health benefits. By contrast, the average federal employee contributes 34%. Private sector New Jerseyans typically pay even more than that, while also paying high taxes to support the rich benefits of public employees. Meanwhile, New Jersey public employees are offered far less choice: 3 plans, versus a choice of 269 for federal employees. More competition; more choice; lower cost to taxpayers – that is my plan.

The time to change this system is now. We must bring this system into line with comparable public systems. I propose that by 2014, the state should pay 70% of the cost of employee health benefits, and the employee should pay 30%. The choice is straight forward: without real health benefit reform, we will not be able to provide New Jerseyans with a doubled property tax rebate. By passing health benefit reform, we will be able to provide the larger property tax rebate. It is that simple: we can only afford this increase if health reform is passed. So, let's pass real reform this spring and use the proceeds to double the property tax relief for middle class New Jerseyans and seniors. Please, let's not pick the special interests over our overburdened taxpayers.

This is the reality across the budget – we need to undertake fundamental reforms and reduce spending in order to fund key priorities and provide real relief to the taxpayers. There is no other way.

I have not commented yet on education because it is a special case. I agonized over making cuts to education aid last year, they were the very last cuts I approved. It was not a decision I took lightly. It was not something I wanted to do. However, in a year where shared sacrifice was required from everyone, it was a necessary choice. Last year school districts saw cuts in their funding because our state was facing a fiscal emergency. Today, because of the hard and necessary choices we have made, I am pleased to report we are able to provide an increase of \$250 million in school aid. This will allow every district in the state to receive increased aid.

The need for reform, of course, is more urgent than ever. This is the third big challenge we must address this year. We need to reward excellent teachers, put an end to automatic tenure, and give parents trapped in failing schools a choice for a better future for their children. Once and for all, we must reward excellence and there must be consequences for failure. This is the way it is all across America – we must finally bring it to all of New Jersey's classrooms.

Money alone is not the answer. If it was we would not be spending over \$17,600 per pupil in New Jersey and still have over 100,000 students trapped in 200 failing schools. If money was the answer, we would not have former Abbott Districts like Asbury Park spending over \$33,000 per student and Newark spending \$23,500 and have barely half the students in these districts be proficient in math. We need reform, and we need to create choices for families who can't afford to wait for their local schools to get better while their children's lives are being wasted in failing classrooms, one year tragically on top of the next.

Last month, our administration announced the approval of 23 new public charter schools – the largest number of approvals in one cycle since charter schools were authorized in New Jersey in 1995. By this fall, 97 public charter schools will be operating in New Jersey – serving over 25,000 students. In further support of reform, my budget proposes to more than double school choice aid and to increase funding for charter schools by more than 50%. And beyond money, I propose we increase our capacity to authorize Charter Schools. I propose that all of New Jersey's 31 public colleges become eligible to be authorizers, and that we streamline the process of getting authorized. And I propose that we allow charter school conversion and a greater range of types of charter schools.

It has been over a quarter century since a Presidential Commission warned that our public schools were threatened by “a rising tide of mediocrity.” Acting Commissioner Cerf laid out our vision for accountability and responsibility at Princeton University last week. Let me ask you, how many more children's futures are we willing to waste in order to support a failed status quo demanded by the monied special interests that stalk the halls of this building? Haven't we waited long enough to act? The time to fix our schools is now.

I propose to keep funding steady for higher education. After several years of cuts to operating support to colleges and universities, there will be no further reductions in this year's budget. At the same time, I propose to increase support for student aid programs by \$20 million.

So this is the New Normal. We are not in flush times, not by a long shot. But if we make the tough choices and stand with our taxpayers against the special interests, we can fund priorities – even in challenging fiscal times. If we are willing to cut certain programs that have not worked in the past, we can put greater emphasis on those things that hold the promise of a better future.

Many in this chamber know that I am a big sports fan. It was on this day, February 22, 31 years ago – when I was still back at Livingston High School – that a band of American college kids beat what was then the Soviet Union to put the U.S.A. on a path to win the gold medal in ice hockey at the Winter Olympics in Lake Placid. They called it the “Miracle on Ice.”

GOVERNOR'S MESSAGE

Back then, many thought the Soviet Union to be invincible, not only in their approach to hockey, but in their stolid, statist approach to government. We know what happened next. The free people of the world offered a better, more hopeful long-term vision of the world. That vision of freedom had costs, but those who embraced it did not back down. And by the way, neither did those college kids with the red, white and blue “U.S.A.” emblazoned on their sweaters. They fought and won – and they inspired a weary nation. In that long cold war, over the long run, the better alternative, difficult in the short-term as it was, won out.

And not everyone can have everything they want. But we are going to stick to the course of making ready for a brighter future for New Jersey. I am not going to back down. And I am not going to slow the pace. We have only just begun to change the tide in New Jersey. And we cannot turn back now. And look around, much like that band of hard charging, take no prisoners college kids did in Lake Placid 31 years ago, New Jersey is inspiring the Nation.

Last year was the beginning of the New Normal in Trenton. This year's budget continues to build on what we started. But the people expect us to continue. They demand it. They know that the old way involved decades of bad decisions. Now they expect us to make a few good ones – a few important, urgent and responsible decisions.

The author William James once said, “Act as if what you do makes a difference. It does.”

The decisions we make here do matter to the people of New Jersey. What we do affects their lives. It affects their families. It affects their prospects, and their hope for the future. So I ask you to join me in making a difference. Pass this budget. Continue on our path of fiscal discipline and reform. And help me chart a path for growth again in New Jersey. There is no turning back – New Jersey is in the lead and victory is in sight – for all of us.

God bless you, God bless America, and God bless our great State of New Jersey.