

SENATE BILL NO. 17

To the Senate:

Pursuant to Article V, Section I, Paragraph 15 of the New Jersey Constitution, I am appending to Senate Bill No. 17, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

Once again, for Fiscal Year 2017, the legislative majority has presented me with an irresponsible spending plan. Their unrealistic budget makes no hard choices, relying instead on gimmicks and assumptions to fund hundreds of millions of dollars in new spending while confirming beyond all doubt that they are untrustworthy stewards of the State's finances. It anticipates \$129 million more in additional State revenue collections than my revised May budget recommendations and \$301 million more than the May revenue projections prepared by their own Office of Legislative Services. Because the Legislature's proposal is unsound, I must again object.

Rather than enacting common-sense reforms and prioritizing spending needs, the Legislature has abandoned even the appearance of responsibility by spending down the State's surplus and exaggerating likely revenues beyond reasonable levels. The budget recommendations I submitted to the Legislature in February, and updated in May, included a responsible surplus as well as a modest assumption for health benefits reforms that called for the achievement of \$250 million in savings to offset anticipated growth. This call for feasible and overdue reforms represented a small down payment on the \$2 billion "roadmap" recently detailed by the bipartisan New Jersey Pension and Health Benefit Study Commission. Unfortunately, but unsurprisingly, the legislative majority chose to once again be

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

2

servants to their public union masters. This proves, once again, that the tens of millions of dollars in campaign contributions by the public sector unions to Legislative Democratic committees and Super PACs have bought the blind loyalty of Democratic members along with their votes.

Not only do they refuse to mandate the \$250 million in reforms we requested, but in their budget they assume \$250 million in savings while at the same time refusing to give us the clear legal tools to achieve it. I will deal with the ramifications for that hypocrisy in a separate Executive Order.

Rather than enacting responsible policies to continue New Jersey's economic recovery, the Legislature remains content to continue on an unsustainable spending spree designed by special interests. We cannot afford it. It is time to reform school funding and provide real property tax relief. It is time to adopt a transportation spending plan that protects our infrastructure without continuing to overburden our overtaxed residents.

I will not allow the Legislature to ignore the real issues facing our State and return to its playbook of pursuing failed, unsustainable, and counterproductive fiscal policies. I am left with no choice but to return this bill with significant reductions in spending in order restore a responsible surplus.

In contrast to the legislative majority's fiscal irresponsibility, my budget framework provides stability for New Jersey's economy. It accommodates reasonable spending, while responsibly meeting the State's fiscal obligations. The Fiscal Year 2017 pension contribution is the largest in State history and continues the strong foundation for the State moving forward. Moreover, my budget ensures funding for our students, protects the public safety, provides property tax relief for our

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

3

citizens, and preserves vital programs for our most needy and vulnerable populations. The general appropriations law for Fiscal Year 2017, as modified, that I sign today once again delivers a truly balanced State budget that funds our State's most important priorities without raising taxes on the citizens of New Jersey.

But there is much more work to do. If we are to continue New Jersey's economic recovery, the Legislature must join me in enacting real, responsible reforms for our citizens. Accordingly, I am appending to Senate Bill No. 17, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

[seal]

Respectfully,
/s/ Chris Christie
Governor

Attest:

/s/ Thomas P. Scrivo
Chief Counsel to the Governor