

Under the Dome with DeAngelo

*An Update on the New Jersey State Government by Assemblyman Wayne DeAngelo
(June 2014)*

June may be the end of school year for children and the beginning of summer vacations for families, but state government under the State House dome it's all about finalizing and balancing the annual State Budget before the constitutionally mandated deadline of June 30. However, meeting that obligation will be extraordinarily difficult given the deep financial deficits facing the state this year.

As previously indicated, the current state Fiscal Year 2014 budget has a shortfall of approximately \$800 million largely caused by corporate business and sales and use taxes being lower than anticipated when the current budget was authorized by Governor Christie. On May 20, 2014, Governor Christie signed Executive Order 156 that enacts significant cuts and diversions in order to close the budget gap.

The main way that the governor has planned to close the deficit is by slashing and deferring needed payments to the state's pension system. The payment for Fiscal Year 2014 will be slashed to \$696 million from the necessary \$1.6 billion while the Fiscal Year 2015 payment will be reduced to \$681 million down from the necessary \$2.25 billion. Both payments will not be completed by June 30 of the respective fiscal years. Rather, the payments will occur in July of the following year.

This drastic reduction will only cover the state's share of pension payments for current enrollees and will do nothing to address the extraordinarily large unfunded liability in the state's pension system. I am deeply troubling that a large portion of the Governor's plan to plug his budget loophole is to slash and postpone pension payments for working-class public employees. After more than four years in office, we cannot continue to blame the pension problem on the past nor should the problem be compounded simply by kicking the can down the road.

The pension system for retirees and active employees must be made solvent to ensure that those who serve the people of New Jersey and pay their fair share into it are provided with their retirement benefits that they have earned. Failing to pay the unfunded liability of the pension system will only compound the existing problem. Dramatically cutting payments and pushing them off only makes the problem worse, not just for the financial stability of the pension system, but particularly for the families of these workers.

Along with the thousands of public employees in my district, I anxiously await the Governor's plan he has said he will put forth regarding pension and health benefits and hope that it is responsible and fair proposal that respects the middle-class workers.

The Administration's plan for closing the budget gap also will include pushing off Homestead Rebates payments to middle-class homeowners. As a result, rebates that homeowners would have received in June 2014 will not be provided until May 2015. These rebates also were previously delayed in the last fiscal year which means that homeowners who have not received

the tax benefit since August 2013 will wait approximately 22 months for their next rebate. For many families, this significant delay will be the equivalent of a property tax increase.

After more than year of a stalemate between Governor Christie and State Senate President Steve Sweeney, an agreement has finally been reached regarding justices on the New Jersey Supreme Court. As such, Chief Justice Stuart Rabner was re-nominated to the bench for tenure and will continue to serve as Chief. Prior to joining the court in 2007, Rabner served New Jersey Attorney General, chief counsel in the governor's office, and as an assistant United States Attorney.

Governor Christie also has nominated Superior Court Judge Lee Solomon as an associate justice of the state Supreme Court. In addition to his current service as the Assignment Judge of the Superior Court of New Jersey, Camden County, Solomon was a Superior Court judge and Camden County prosecutor. More recently, Solomon was appointed as president of the state Board of Public Utilities to oversee the state's utility services and regulations. He also served five years in the New Jersey General Assembly.

Both Rabner and Solomon must be interviewed by the Senate Judiciary Committee and then considered for a vote by the entire State Senate. Another vacancy for an associate justice remains occupied (temporarily) by Judge Mary Catherine Cuff, Justice of the Appellate Division Temporarily Assigned to the Supreme Court who could remain on the bench until August 2017 when she reaches the mandatory retirement age of 70. Should an agreement be reached on a permanent associate justice, Judge Cuff would be replaced once that individual is confirmed.

Finally, as a result of a report commissioned and presented by the Council on Armed Forces and Veterans Affairs, on which I serve as a member, Lieutenant Governor Kim Guadagno recently launched the New Jersey Military Growth and Development Task Force. The group, which participated in a recent visit to the Joint Base McGuire-Dix-Lakehurst is assigned the responsibility of creating a blueprint to foster long-term growth, sustainability, and viability for our state's military bases and U.S. Coast Guards installations.

The task force appointees as well as the council members both are fully committed to supporting these military facilities that contribute an estimated \$9.6 billion in total economic activity and 73,000 jobs. The joint base alone is the state's second largest employer generating 40,000 job on the base and approximately 65,000 off-base jobs. It is clearly evident that protecting these jobs will be critical to the overall economic well-being of our state. I am encouraged by the first steps of this task force and will be following their activities and outcomes closely for the benefit of my district.

There will undoubtedly be a whirlwind of activity Under the Dome this month, so I will see you back here next month.

Editor's Note: Assemblyman Wayne DeAngelo (D-Hamilton) represents the 14th Legislative District which includes parts of Mercer and Middlesex counties. He can be reached at AsmDeAngelo@njleg.org; phone (609) 631-7501; Facebook: Assemblyman Wayne DeAngelo.