

## **Under the Dome with DeAngelo**

*An Update on the New Jersey State Government by Assemblyman Wayne DeAngelo  
(February 2016)*

Welcome back Under the Dome where the normal wheels of state government are in motion as the Legislature has resumed its traditional session calendar. At the core of the activity for the next few months will be examining the state's financial house while planning for the coming year to lay out spending priorities and revenue streams.

As such, Governor Christie recently presented his Fiscal Year 2017 Budget Address to put forth his blueprint for the spending and revenues plan for the coming year. The Governor's overall plan increases the state budget by 2.2 percent to \$34.8 billion.

Key elements of the Governor's budget proposal include:

- Funding for pre-k through education at \$13.3 billion on public education - an increase of \$548 million from the current fiscal year.
- An investment of \$127 million in federal and state funding expand health care for substance abuse, mental health and behavioral health treatment needs.
- Creation of additional community placement for individuals with developmental disabilities through state and federal funding of \$48.8 million to provide housing and services.
- Furthering the success of the Drug Court Program by dedicating almost \$64 million to this more effective rehabilitative approach to drug-addicted offenders.
- Providing Tuition Assistance Grants (TAG) of \$403.6 million for an estimated 68,000 college students -- approximately one-third of undergraduate college students in New Jersey.
- A decrease in state charity care funding by \$150 million that is attributed to fewer patients needing this form of care since the Affordable Care Act took affect in 2014 with 434,000 individuals previously uninsured individuals now having health coverage.

One of the most significant spending items in the budget is the required contribution to the state public employee pension program. The pension system remains approximately \$54 billion underfunded with \$40 million being the State's financial responsibility. The proposed Christie budget would make a \$1.9 billion contribution to the state pension system. The amount is compounded as a result of several years of pushing off payments in order to close budget loopholes. The State's payment must be made in order to pay toward liability in the fund, which public employees continue to pay their fair share in to through their paychecks.

The Governor's budget address called for first-round changes to the public employee health benefits program in an effort to save the state \$250 million and local governments \$200 million. The proposal allegedly could achieve these savings through the use of generic drugs when available, increases in doctor visit co-pays, and a change in delivery for primary care services. The proposal also includes \$100 million in reduced premium savings. Further details of the plan would need to be hashed out through enabling legislation. But, greater specifics were not provided during the Budget Address. I will continue to provide updates on this critically important matter that impacts families directly.

In addition to the State Budget, the Legislature and Governor's office also must determine a solution to the state's Transportation Trust Fund (TTF) that is anticipated to be depleted by the end of the year, if not sooner. Some estimates claim that the Fund will go broke by July 1, 2016.

The nearly \$3 billion fund per year was created to literally pave roadways, build bridges, and maintain transportation infrastructure. There is a major discord among leaders in the Legislature and the Governor as to the lack of a solution in the past year with no new proposal included in the Budget Address. While no solution was offered during Governor Christie's budget address, time is of the essence in refueling the TTF.

The Fund has evolved from the initial 50-50 split between pay-as-you-go funding and bonding. In more recent years, however, bonding and debt payments have absorbed more and more of the tax revenues. This has made it more difficult for the Fund to undertake the necessary roadway improvements and construction. For a while now, there have been calls for changing the way the toll highways are managed and the rates for usage. Many have called for an increase in gas tax. It is important to note that the current 14.5 cents per gallon is the second lowest state gas tax in the country. In addition, the current price of gas continues to fall on a national level. We need to make sure that our roadways do not fall apart while there is such a deep divide on establishing a solution.

As you can see, matters of dollars and cents will dominate state government activity for the coming months Under the Dome.

**Editor's Note:** Assemblyman Wayne DeAngelo (D-Hamilton) represents the 14<sup>th</sup> Legislative District which includes parts of Mercer and Middlesex counties. He can be reached at [AsmDeAngelo@njleg.org](mailto:AsmDeAngelo@njleg.org); phone (609) 631-7501; [www.WayneDeAngelo.com](http://www.WayneDeAngelo.com); Facebook: Assemblyman Wayne DeAngelo; or Twitter: @DeAngeloLD14.