

Under the Dome with DeAngelo

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

As spring house repairs are heard in many of our neighborhoods, let me take a few minutes of your time to share with you the hustle and bustle under the golden dome of the State House that may impact our lives.

With just weeks left until the current state Fiscal Year 2014 budget ends on June 30, 2014, state revenue reports recently showed a shortfall of up approximately \$800 million in it. This estimate is dramatically larger than the \$145 million shortfall previously anticipated as recently as of mid-March. The State Department of Treasury attributes this to the tremendous gap in the gross income taxes that are “notoriously volatile due to (their) extreme reliance on a relative handful of taxpayers.” Corporate business tax as well as sales and use taxes also were lower than anticipated when the current budget was authorized by Governor Christie.

This loophole must be closed by the end of June since deficit spending is not legal in New Jersey. Some of the shortfall may be erased by freezing spending or diverting underutilized funds in some state programs or delaying state payments into the next fiscal year. Governor Christie has stated that he may choose to cut the state’s contribution into the public employee pension system in order to close the gap which would exacerbate the solvency issues already plaguing the fund.

In the meantime, the respective State Senate and General Assembly Budget Committees continue to examine the departmental budget proposed for next year, Fiscal Year 2015, which is constitutionally required to be struck by June 30 each year. The Governor’s proposed \$34.4 billion budget, the largest in state history, will likely need to be trimmed as well given the projected shortfall of \$526 million as indicated by experts from the non-partisan Office of Legislative Services.

Further complicating the fiscal situation, Fitch Ratings downgraded the state’s bond rating from AA- to A+. The agency cited the “scale and belatedness” in the current fiscal year shortfall and likeliness of one-time plugs used by the Administration to close the \$807 million gap. This is the fifth time in the past four years under the Christie Administration that bond ratings for the State have been downgraded by leading credit agencies (Fitch, Standard and Poor’s, and Moody’s Investment Services.) There is no doubt that the state’s fiscal problems will be front and center in the next two months of legislative activity given the domino effect that it could have on state and local services in our communities.

Following up on an issue that I highlighted a few months ago, a compromised has been reached between the State Legislature and Governor Christie on legislation that would allow adoptees full access to their birth certificates and other information such as family medical history. Current law requires an adopted child to obtain a court order for information about their adoption. The newly compromised agreement comes after nearly 34 years of lobbying for open records by adoption rights advocates.

The measure would maintain privacy birth parents by allowing them to file a contact preference form with the State Registrar indicating the level of contact that they would like to have with the child. Contact levels could vary from direct contact to contact through an intermediary to no

contact. Birth parents would be encouraged to update family history once every ten years up until age 40 and then once every five years thereafter to ensure that adoptees have access to medical information.

Once the compromised measure becomes law, birth parents would have up until December 31, 2016 to redact their names from the birth records of their biological children. The redaction can be reversed at any time. Adoptees would be able to access their birth records beginning on January 1, 2017.

For another update on a second topic that I recently shared: lawmakers, including Assembly Majority Leader Lou Greenwald, have introduced legislation that would permit auto manufacturers who engage in direct consumer sales to operate up to four licensed locations in New Jersey. The manufacturers also would be required to operate at least one retail facility in the state to perform vehicle service. The bill comes following regulations enacted by the Christie Administration's Motor Vehicle Commission (MVC) that would force innovative automaker, Tesla, from directly selling their vehicles to customers in New Jersey.

Sponsors of the legislation believe that the measure would create jobs in the auto industry; incentivize entrepreneurship; promote environmental protection through alternative energy vehicles; and address consumer concerns. Opponents of the measure, who largely represent existing auto dealerships and employees in New Jersey, claim that permitting direct sales of cars would cause lay-offs of employees and would economically impact their business.

Tesla, the automotive pioneer that would be the genesis for this legislation, opened dealerships in Paramus and Short Hills. If the regulation enacted by the Christie MVC stands, and the legislation does not pass, customers would be forced to travel out-of-state to purchase one of the Tesla all-electric, luxury vehicles. Local residents can now visit a Tesla charging station that recently opened in Hamilton Marketplace. The station is the 100th of its kind across the country.

Recently, Governor Christie nominated former Attorney General John Degnan to serve as the chairman of the Board of Commissioners for the Port Authority of New York and New Jersey. Degnan, a retired insurance executive, has held various public services posts including New Jersey Attorney General under Governor Brendan Byrne and as a member of the State Police Executive Protection Unit review panel; a judicial appointment advisory panel; and a task force on gun violence. Mr. Degnan's nomination must be vetted and approved by the State Senate before he can officially assume the post. Given the importance of the post at the PANYNJ, expect the confirmation process to be deliberative in the coming months to ensure that appropriate reforms would be put into place under his leadership in order to rectify the agency's shortfalls.

With the abundance of issues expected to be undertaken in May Under the Dome, I look forward to seeing 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.