

Under the Dome with DeAngelo

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

The fall frenzy of school sports and long work days are upon our neighbors just as a very busy legislative calendar has kept New Jersey lawmakers very busy under the dome in the last month. Both houses of the Legislature have been meeting in earnest hearing dozens of pieces of legislation and public policy every week ranging from paid sick leave to genetically modified foods to cyber security to preventing the unemployment insurance fraud.

Last month, Governor Christie signed into law a measure that I sponsored that would provide hiring preference for veterans when seeking to join the ranks of the New Jersey State Police. Veterans are uniquely trained to protect and defend our homeland and American interests abroad which makes them eminently qualified to defend our State. Given that such a hiring preference exists in executive branch agencies, including those jobs that are largely administrative, it seemed logical that we extend the same to potential state troopers. In addition, it provides an enhance opportunity for veterans beginning their civilian careers which is critical for these men and women returning home.

Another significant measure became law that would overhaul the alimony system in New Jersey. Under the new law, in future divorces, judges would be able to lower alimony payments if the payer is out-of-work for more than 90 days and could end payments if the recipient is living with a partner even though they are not married. In divorces where the couple is married less than 20 years, alimony payments would not exceed the duration of the marriage unless “exceptional circumstances” exist. The most significant changes under the law will be replacing “permanent alimony” with “open durational alimony” and allows for “rebuttable presumption” that the alimony payments will stop once the former spouse responsible for paying them reaches the full retirement age of 67.

Alimony reform is a result of a statewide grassroots effort during recent years from divorcees struggling to meet their obligations since the economic downturn. The reforms are intended to modernize the alimony system to bring about fairness to both parties in the divorce while acknowledging the financial impact on both as well.

In turning to the state’s finances, the “New Jersey Pension and Health Benefit Study Commission” -- created to devise suggestions on ways in which to protect the solvency of the state pension system -- released their 30-day initial findings report. The report confirmed the \$90 billion unfunded pension system (\$37 billion) and health benefits (\$53 billion) liabilities which is the fourth worst gap faced by any state in the nation.

This unfunded liability continues to grow faster than the four percent projected growth of state revenue despite Christie’s widespread changes several years ago to the pension and health benefits system that included requiring public employees to pay more into the system. The report found that the pension system has been underfunded since 1996. Since then, governors of both political parties have deferred payments to plug state budget gaps. Governor Christie

similarly failed to pay the amount that the state was obligated to pay solely this year in order to begin addressing the liability gap. Instead, he paid the portion necessary to cover payments for current enrollees but did nothing to address the unfunded liability of the system. The initial report did not propose solutions to the pension and health benefits system. The Commission continues to work on final recommendations in the coming weeks.

A separate report issued by New Jersey Policy Perspective (NJPP) and the Keystone Research Center stated that converting the pension system to a 401k system would cost \$42 billion. Taxpayers, workers, and retirees would be accountable for this cost over three decades. An alternative option of creating a hybrid pension – 401k system was not studied in the NJPP report but there is speculation that the Christie Administration may move toward such an option after a statement by the State Treasurer during the Fiscal Year 2015 budget process.

In other executive branch news, Governor Christie made several key cabinet appointments recently. First, Mr. Jamie Fox has been nominated to serve as commissioner at the Department of Transportation. Mr. Fox served in the same role during the McGreevey Administration prior to becoming the then-Governor's chief of staff. His experience in transportation includes serving as the NJ Transit Board Chair and the Deputy Executive Director of the Port Authority of New York and New Jersey. His wealth of experience will undoubtedly be beneficial as the state must address the solvency of the Transportation Trust Fund in order to fund repairs of failing roads and bridges and improve the state's infrastructure.

The Governor also nominated Mr. Rick Mroz to serve as the chairman of the Board of Public Utilities (BPU); nominated (now) Assemblyman Upendra Chivukula (D-Somerset) to serve as a commissioner; and re-nominated current Commissioner Joseph Fiordiliso to continue to serve on the five-member board.

Chairman Mroz previously served as chief counsel; special counsel; and authorities unit director for Governor Whitman. He also has a wealth of experience in the financial services arena and as a lawyer and public affairs consultant. Assemblyman Chivukula served in the General Assembly since 2002 having served as chairman of the Assembly Telecommunications and Utilities Committee from 2007 until his appointment to the BPU. An engineer, he worked for several technology-based companies including Bell Laboratories. As a lawmaker, he focused on alternative energy including solar and wind energy. Mr. Fiordiliso has served on the Board since 2005 with his focus predominantly on the energy field. He came to the BPU after serving as deputy chief of staff for Governor Codey and as an elected official in Essex County.

Fiordiliso's renomination needs to be confirmed by the Senate. However, both Mr. Mroz and Assemblyman Chivukula has been confirmed by the State Senate and have begun their work at the BPU to oversee the state's utilities, telecommunications, cable and other regulated industries. The combination and varied professional backgrounds of these three individuals, along with the current two BPU commissioners, will bring a wealth of knowledge to the agency whose actions so greatly impact the residents of New Jersey.

Finally, a reminder that this year's Election Day is quickly approaching. The last day to register to vote this year is October 14, 2014. Voters can request mail-in ballots from their County

Clerk's office before October 28 with the deadline of 3:00 pm, November 3 for the ballots to be returned in order to be counted. If you need to locate your local polling place, log on to www.njelections.org for more information.

October will continue the fall legislative frenzy of public policy and legislative proposals so I will see you back here Under the Dome next month to catch you up on all of the highlights.

***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; www.WayneDeAngelo.org or Facebook: Assemblyman Wayne DeAngelo.*