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Governor Christie: The Looming Crisis Is Clear

Tuesday, February 25, 2014

Tags: [Budget and Spending](#)

Governor Christie: The Looming Crisis Is Clear


<http://www.youtube.com/watch?v=h1PoucDm0d4>

Transcript:

Governor Christie: Even though this \$34.4 billion budget represents an increase of 3.5 percent over what we spent last year, 94 percent of that increase – virtually all of it, 94 percent – is taken up by three things: pensions, health benefits, and debt service. Nine out of every 10 dollars of new spending this year goes to fund these three entitlements. Just these three things eating up 94 percent of the new spending. The looming crisis is clear. Due to our pension, health benefit, and debt obligations, only 6 percent of new spending can be focused on the areas where our constituents really want us to dedicate their money: education, tax relief, public safety, higher education, drug rehabilitation, health care. Now, we're in danger of having these costs overwhelm our budget, monopolize our resources, and threaten our ability to continue to fund the priorities that are citizens care the most about...We chose to do what was hard and politically unsafe by putting the future of our state and the prosperity of our people first. Together, we worked to achieve a sweeping, bipartisan plan to deal with our state's pension and benefit system. We raised the ages of early and regular retirement for the pension systems; we increased employee contributions; we ended mandated cost-of-living adjustments until funds are healthy and are better managing the individual pension systems while mandating a healthy level of funding for each system that should not be violated once it's reached. We did this while still keeping our promise to the people – making the largest state payment to the pension fund in history this year. Remember, in the ten years before we arrived in office, governors of both parties put a total of \$2.4 billion into the pension program. A total of \$2.4 billion. In our five years in office, half the time, we've put more than double that in the pension program – \$5.3 billion. The reforms we enacted together are going to save New Jersey's state and local

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governments \$122 billion in the 30 years from 2011 to 2041. So together, we've begun to clean up the mess of the past. But this simply is not enough.

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