

## Governor Chris Christie's 2015 State of the State Address

Tuesday, January 13, 2015

Tags: [Other](#)



Trenton, New Jersey  
January 13, 2015

Mr. Speaker...

Mr. Senate President...

Lt. Governor Guadagno...

Members of the legislature...

Friends and citizens of New Jersey:

I come before you, as required by the state constitution, to report on the condition of our state.

The state of our state continues to get better.

New Jersey is better off than it was last year at this time, and it is certainly far better off than it was just five years ago.

While many first years of a second term show a hangover from the campaign and its partisanship, we have fought through that tradition and have real accomplishments to show for that action in 2014.

In a year with plenty of politics from some overly partisan corners of this chamber, New Jersey has made progress -- growing our economy, creating jobs, reforming our criminal justice system, and improving some of our most challenged cities -- like Camden.

We've done it because a majority of us care more about our state and New Jersey's middle class than we do about scoring partisan political points.

Since last January, the total number of people employed in New Jersey has grown by over 90,000, and the number of unemployed has dropped by nearly 30,000.

We recorded our 5th consecutive year of private sector job growth, and the unemployment rate continues to steadily go down.

We have attracted and retained companies -- from Subaru USA to the Philadelphia 76ers to Sandoz.

We have grown our economy and more people are working, supporting their families and knowing the power of going to work every day in New Jersey today than one year ago.

We have done this while holding the line on government spending and government employment.

We also extended the successful cap on a key driver of property tax growth.

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And we passed real criminal justice reform in New Jersey.

This bipartisan reform of the bail system keeps violent offenders off the streets and gives non-violent offenders who often sit in jail because they can't afford bail a chance to reclaim their lives.

This is good for public safety.

This is good for families.

This is good for New Jersey.

Now, despite this progress ... Despite so much evidence of an improving New Jersey ... It has become fashionable in some quarters to run down our state.

I get it: that's politics.

But let's be clear.

Our growth in this past year has been part of a trend.

A trend that began five years ago.

It is easy to forget where we were and how far we have come.

Five years ago, our unemployment rate was 9.7%.

Over 440,000 New Jerseyans were out of work.

Today, the unemployment rate is 6.4%.

We have cut unemployment by over one third in the last 5 years.

And we have created over 150,000 private sector jobs in New Jersey in five short years.

Five years ago, we faced massive consecutive budget deficits --\$2 billion for fiscal year 2010 and a projected \$11 billion the next year, on a budget of only \$29 billion.

We fixed it by making hard choices; the way middle class families in New Jersey have to do it in their homes.

Today, we have balanced five budgets in a row.

And we will balance a sixth this year.

And we didn't do it the Washington way, by raising taxes.

We did it by cutting spending, shrinking government, and fundamentally reforming the way government operates.

This administration believes today -- and has always believed -- that New Jersey and America, will be a better place for middle class families by shrinking the size of government.

Back then, state spending had grown by 56% in the years from 2001 to 2008.

Today discretionary spending in our state's budget is \$2.5 billion below its level in fiscal year 2008.

Back then, the size of government was out of control.

Today, the number of state government employees is 6,000 lower than it was five years ago.

Back then, New Jersey's highest in the nation property taxes had increased more than 70% in ten years.

We averaged a 7% growth in property taxes per year.

Today, we have had four years of less than 2% annual property tax growth.

Now it's because of the property tax cap we passed together in 2011 is working.

This is a bipartisan achievement.

We also came together this year to extend the reforms of interest arbitration awards.

This act has continued to make property tax control possible.

In these past five years, we have delivered needed tax relief to small businesses.

The \$2.3 billion small business tax relief package that we continue to phase in is improving New Jersey's business climate and making our state more competitive.

That approach is explicit in the sweeping, bipartisan changes we've made to New Jersey's economic incentive programs.

I want to congratulate you: we have streamlined these incentives.

And we have better targeted them to areas of our state that need investment most.

And the verdict is in -- and the early returns from the economic opportunity act show that it is working to attract and retain businesses.

In total, our pro-growth policies and streamlined economic development efforts have brought in over \$12 billion dollars of new public and private investment in New Jersey in these last five years.

The fact is that, the deeper they look, the more businesses like what they see.

From Forbes media to VF Sportswear...

From Wenner Bread to Bayer Health Care...

Companies have chosen New Jersey as a home for expansion.

We have assets that many other states just cannot match.

A highly educated work force...

A world class transportation network...

Proximity to large markets...

The shore.

New Jersey has so many attractions.

We are America's number two state in biotechnology...

Number four in per capita income...

Number three in the use of solar power...

And in the top ten in data centers.

The results of this past year's survey by the New Jersey Business & Industry Association said it best.

"Overall", the BIA said, "our members believe the state is continuing to move in the right direction. Things are looking good for small business in 2015."

Now, I know that many of you in this room believe that income tax increases are the way to go.

So yes, sometimes we will simply have to disagree.

I have vetoed four income tax increases passed by this body.

And make no mistake...

I will veto any more income tax increases that come before me.

And I will do it for one simple reason -- the higher our taxes are, the fewer people and businesses will come to New Jersey and the more who will consider leaving.

Raising taxes is the old Trenton way, and it didn't work.

Taxes were raised 115 times in the eight years before 2010.

People and businesses in turn didn't support them and left our state.

Between 2004 and 2008 the departure of wealth, investment, and income was staggering -- some \$70 billion left the

state.

We have begun a new direction and we need to go further, not reverse course.

Because despite all our progress, we have more to do.

We have to open our ears and listen to our people.

Open our eyes and see what is happening around us.

New Jersey just lost Mercedes Benz USA to the state of Georgia.

Mercedes, in New Jersey since the early 1970's, is leaving for a very simple reason -- it costs less to do business in Georgia than it does in New Jersey.

Don't take my word for it -- the leaders of Mercedes said it themselves.

Economic incentive laws help -- but lower taxes are better.

We will not win the fight to keep and create good paying jobs for our middle class families in New Jersey unless we lower taxes.

Yet I cannot make this a reality alone.

It is you, and only you, the State Legislature, who can lower taxes further and make New Jersey more prosperous for our middle class families and their children.

I urge the legislature today to open your eyes and ears to the lessons of Mercedes and to act now to lower taxes and prevent another such departure.

We have also done much in the past five years to reform our education system.

For the first time in 100 years, we came together to reform tenure, so that failing teachers can be removed from the classroom.

For the first time, we brought the concept of performance-based pay to schools in our largest city, Newark -- so that we can pay the best teachers more.

We've reformed and re-energized public education in Camden under the leadership of Paymon Rouhanifard, a cooperative school advisory board and a supportive mayor and council.

We have expanded charter schools.

And together we have enacted urban hope legislation to create renaissance schools in our highest risk districts.

Finally, for four years in a row, we've provided a record amount in aid to our public schools -- over \$11.9 billion in the current fiscal year.

But on this, we cannot and should not rest.

More school reform is needed.

And a great first step would be to pass the opportunity scholarship act, to give parents a choice of a school that meets their child's needs.

Let's give families an alternative to chronically failing neighborhood schools.

Let's keep driving for better outcomes.

Let's give parents and students more choice.

At its heart, education is about realizing the potential of every individual.

In these past two years, you've joined me in applying this principle to those who face special challenges in life, including the disease of drug addiction.

In this last year, we expanded the mandatory drug court program you helped me enact into four new counties, building on those in which courts were established immediately after the law's enactment in 2013.

I have a simple view of this.

Drug addiction is a disease.

It can happen to anyone, from any station in life.

And it can be treated.

Most importantly, every life is an individual gift from god and no life is disposable.

We have an obligation to help people reclaim their lives.

And if we have the tools to help those with this disease to save their own lives, we should use them.

Requiring mandatory treatment instead of prison for non-violent drug offenders is only one step -- but an important one.

Treatment is the path to saving lives, and for as long as I am governor of New Jersey, treatment will be mandatory in our system and I will not yield.

I am proud that in these last two years we've also launched a program to integrate employment services with treatment, so that we can help those with drug addiction not only get clean but get back to work.

I am proud that together we enacted an overdose protection law to provide legal protection to people and especially to health care professionals who are trying to help.

I am proud that we are trying to help non-violent offenders get access to college through the NJ-STEP program.

And today, I would like to announce our next steps in helping those battling the disease of drug addiction by improving the way we deliver these services.

Right now there are numerous federal, state, and county government programs, providers, and nonprofit partners, who fund and deliver some form of adult addiction services.

How to access those services can be difficult and overwhelming when confronted with the unintended bureaucracy of options.

Contacting multiple agencies and trying to identify the right treatment is challenging enough, but even more so for individuals in crisis.

If we are able to make it easier for individuals battling addiction and their loved ones to access the right services at the right time, we can save lives.

This year, our administration will launch the first phase of a reform effort to make all of these services available from a single point of entry.

There is no "wrong door" in this approach.

Those faced with addiction will be able to make one phone call to access available services and resources anywhere in the state.

Just one phone call to provide real time information, assess available treatment options, and connect them to the help they need right then and there.

This is how good government is supposed to work.

By coordinating all of our programs and services across state government that are designed to help those dealing with addiction allows us to maximize our resources, ensure dollars are not going to waste, and get real-time information from our partners across the state.

Just one phone call to connect with someone who can walk an individual through the options that best work for their recovery process.

It's the smart way to make sure we don't have people stuck in a system utilizing services that don't actually work for them.

Once this reform is underway, we will extend this same concept to those adults with mental illness.

Planning for this has already begun.

This coordinated approach builds on our commitment to rethink how government services are delivered so that we are being smarter, more efficient, and more targeted.

Going back to 2010, we put in place a model to better connect populations most in need of assistance with the kind of care they actually need -- whether seniors, people with disabilities, or adults with substance abuse or mental illness.

We reformed the state's Medicaid program and created an innovative system that gives senior citizens and people with disabilities easier access to care and greater choice.

Our whole emphasis has been to deliver the right level of service to the right person, in the right place.

As a result, we've increased and improved the options of assistance and care provided in a home setting and in the community, while reducing our reliance on more traditional institutional care, whether in nursing homes or developmental centers.

This approach has worked under Medicaid, improving services and holding down costs for seniors, those with developmental disabilities, and for all eligible citizens and families.

Under my administration, New Jersey's Medicaid spending growth on these groups has trailed the national average, and has been cited as the second lowest in the region.

We are also taking this model directly to our communities.

Last fall we created the facing addiction task force, a 12-member team chaired by Pastor Joe Carter of Newark's New Hope Baptist Church and co-chaired by former Governor Jim McGreevey to fight drug addiction by ending the stigma and focusing on treatment and prevention.

I thank them for their willingness to step up and lead this fight.

They have come forward with a one-stop model for connecting comprehensive services to ex-offenders battling addiction as they leave incarceration or drug court and reenter society.

This is just smart government.

By helping an individual connect the dots from treatment to temporary housing to employment and training services, we are helping them lay their own foundation for a successful re-entry into society.

In Newark, Paterson, Atlantic City, Toms River, Trenton, and Jersey City, a single physical location will be run by a non-profit organization in coordination with our administration, local officials, and community partners.

By directly connecting those who have suffered from addiction to the services they need at a most critical juncture, we are helping them avoid a cycle of dependency by transitioning them from government services to the workplace.

This doesn't just reduce long-term service costs to the state, but is the best way to ensure they become hopeful, happy, and productive members of our society.

Now, of all the long term challenges we face, one of the largest and most immediate is our obligation to provide pension and health benefits for state and local employees.

This is not just a New Jersey problem.

This is a national problem.

States across the country are struggling to fund critical programs because pension and health costs are eating up taxpayer dollars.

We first took the lead to try and solve this problem in 2011 when a republican governor and a democratic legislature came together to go up against the entrenched special interests.

It was hard.

It was loud.

It was the right thing to do.

Together we defied the conventional wisdom and enacted historic reforms that reduce the cost to taxpayers by over \$120 billion over the next three decades.

This was a huge first step.

Today, the health of the pension system is stronger than it was five years ago.

In fact, gains have totaled over \$35 billion – which is way above projections – thanks to our sound management and smart investment strategy.

But the fact is that while we have been making up ground, the pension fund is underfunded because of poor decisions by governors and legislatures of both parties, over decades, not years.

These sins of the past have made the system unaffordable.

But we do not have the luxury to ignore this problem.

We know this because even as our administration has contributed more money to the system than any in history, it is not enough.

The pension fund's problem is a long-term one.

And it is related to every other program in state government.

Right now the \$90 billion unfunded liability for pensions and health benefits is three times the size of the annual state budget.

Think of this way -- in order to close the current shortfall in just the pension system alone every family in New Jersey would have to write a check for \$12,000.

That is the nature of long-term entitlements which grow faster than the economy, and in that regard our problem here in New Jersey is not that different from Washington's entitlement problem.

For all of these reasons, last summer I appointed a bipartisan commission of experts -- a pension and health benefits task force -- to make recommendations for tackling the twin problems of pension and health benefit costs.

I asked them to think outside the box, and they are hard at work.

I thank the members of the commission -- led by Tom Healy, a former assistant Secretary of the U.S. Treasury -- on their efforts and willingness to tackle this pressing issue.

A long-term solution and sustainable future for our pension and health benefit plans are difficult but worthy things to achieve.

We took a historic first step in 2011.

Let's make 2015 the year we finish the job.

Now coming out of the last recession, America remains a country ill at ease.

America's economy is growing, but it is not growing enough.

New Jersey's economy is growing, but it is not growing enough.

Last week's jobs report was good, but real wages declined.

The economy is simply not as strong as it could be, or as it should be.

We are a nation beset by anxiety.

It is understandable.

Economic growth is low by post-war recovery standards.

America's leadership in the world is called into question because of a pattern of indecision and inconsistency.

During this time of uncertainty it seems our leaders in Washington would rather stoke division for their own political gain.

And this culture of divisiveness and distrust has seeped into our communities and our neighborhoods.

As I traveled the country over the last year, this anxiety was the most palpable emotion I saw and felt.

I saw it on the streets of Chicago and felt it in the suburbs of Maryland.

I heard it from farmers in Kansas and from teachers in Colorado.

I felt it from veterans in Maine and from workers in Arkansas.

But the wisest words came from an 82 year old woman in Florida.

She grabbed my hand and asked me a simple, but powerful question: "What's happened to our country? We used to control events. Now events control us."

But right here, in this great state, we have the tools to get back on track.

We know that, time and again, economic growth has delivered the most good for the most people.

And we know that the policies of lower taxes and less intrusive government have created higher economic growth and better paying jobs for our middle class.

We know that a commitment to education at every level is another key to a better tomorrow.

We just have to have the courage to fix those schools we know aren't working and to empower principals, teachers, parents, and students to reach for the sky; and the wisdom to invest in the schools, colleges, and universities that can take us there.

We know that our ability to make these investments in education, infrastructure, our cities and our communities is dependent on our willingness to control the smothering costs of entitlements.

We know these things as a people, yet too often in the past our leaders have failed to act on them and the result is a sense of drift.

Let me be clear.

We need to address this anxiety head on.

We need to renew the spirit and the hopes of our state, our country and our people.

A renewal of our commitment to the hard-working families who are the backbone of our state.

A renewal of our commitment to the simple belief that our people deserve better than a bloated national government that imposes costs on our states which suffocate our people.

A renewal of our commitment to the ideal -- and the hard work to make it happen --that New Jersey's best days can lie ahead.

That we don't have to accept anything less.

A renewal of our commitment to the belief that New Jersey and its people deserve better from us, those they have chosen to lead.

We need a New Jersey renewal and an American renewal.

I renew my commitment to New Jersey today to make the lives of our citizens more prosperous, more healthy, better educated and truly optimistic.

So that when we stand here in one year, our today will be better than our yesterdays and our tomorrow will be filled with real opportunity.

We may argue from time to time over the best means to get things done.

That's the nature of public debate and I will always be willing to engage in it with you.

But our goal, together, should be to make sure that New Jersey remains one place where a better life is possible -- for us, for our children, and for their children -- through determination, hard work, and a commitment to the greater good.

There is no better example of what we can achieve if we put aside party and pettiness than the results we are seeing in Camden.

A city devoid of hope five years ago...

A city riddled with violent crime five years ago...

A city beset by a corrupt and ineffective government five years ago ...

A school system that failed Camden's families almost every day just five short years ago.

Then an outstanding leader stepped forward for mayor.

A county government stepped in to lead boldly.

And I asked all of you to support a new vision for Camden.

Did we just throw money at the problem as has been done before?

No.

We demanded partnership and accountability and we are getting results.

Through the economic opportunity act of 2013 a city that has suffered from divestment for decades is now seeing a new tomorrow.

\$600 million dollars of private investment in Camden in the last year alone.

In a city suffering from epidemic crime, we acted boldly.

We terminated the city police department and, partnering with the county, put a new metro division on the streets with 400 officers for the same price we were paying for 260.

The results?

Murder down 51%.

Firearm assaults down by 1/3.

All violent crime down 22%.

Police are working with neighborhood groups to bring calm and peace across the city.

In Camden schools, we partnered with the local groups to bring new leadership to the schools and a renewed accountability to the classroom.

The Urban Hope Act has expanded opportunity and new schools are being built once again in Camden in a public/private partnership.

Hope and optimism are up --fear of failure is down.

In Camden's downtown, a new medical school and new investment by Rutgers University is helping to bring bright new citizens to Camden's neighborhoods.

No one could have believed it was possible five years ago.

Today, it is happening because we put action and results ahead of politics, partisanship and a shared failed history.

So this year, let us recommit to action --

To creating the conditions for growth...

To preparing our children for a better future...

To addressing our long-term problems...

And to valuing every life.

That is our job as public servants.

And that should be our common agenda for the year ahead.

I believe in a New Jersey renewal which can help lead to an American renewal both in every individual home and in homes around the world.

I pray today that you will join me in that renewal as so many of you in this chamber and in this state have done before over the last five years.

I am proud to be your governor and I will never stop fighting for our New Jersey renewal.

Thank you,

God bless you, and God bless the great State of New Jersey.

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