

# Governor Sherrill Signs FY 2027 Appropriations Act

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*Budget Includes Record Property Tax Relief and Education Investment, Focuses on Children’s Mental Health, Increases Child Tax Credit*

*Appropriations Act Maintains \$7.3 Billion Pension Payment, Halves the Structural Deficit, and Brings Surplus Over \$6 Billion*

**TRENTON** – Governor Mikie Sherrill today signed into law the FY 2027 Appropriations Act, delivering on the Administration’s mandate to make New Jersey more affordable, protect children and families, and increase accountability and transparency in state government.

The \$60.7 billion budget mirrors the amount of total spending proposed in the Governor’s Budget Message, fulfilling the Sherrill Administration’s mission to rein in spending without raising taxes on individual New Jerseyans. The budget provides record property tax relief, including a revamped Stay NJ program that supports higher benefits for middle and lower-income seniors; makes historic investments in schools; boosts the Child Tax Credit; and delivers a full pension payment, making Governor Sherrill the first governor to fully fund the pension system in the first year of an Administration in decades.

The Appropriations Act includes a surplus of \$6.084 billion, as well as a structural deficit of \$1.35 billion – down from the over \$3 billion structural deficit projected when Governor Sherrill took office in January.

“When I took office, I promised New Jersey families that affordability would be the north star of every decision we made. With the passage of our first budget, we are delivering on that promise,” **said Governor Mikie Sherrill**. “It is an affordability budget that takes on the rising costs of housing, health care, and property taxes while standing up to Trump’s chaos and cuts. It is the most fiscally responsible budget in years. It cuts our structural deficit in half and puts us in a stronger position for the future without raising taxes on individual New Jerseyans. This budget reflects our values, protects our future, and ensures doors to opportunity remain open in New Jersey.”

“This budget demonstrates a steadfast commitment to fiscal discipline, maintaining a full pension payment, responsible surplus, and support for shared priorities like property tax relief and school funding,” **said State Treasurer Aaron Binder**. “I’d like to thank all who’ve been engaged in the process of crafting this budget, including legislators on both sides of the aisle for their partnership and careful consideration of our proposals; stakeholders and members of the public who shared ideas that helped shape the final budget; and staffs of the Department of the Treasury and Office of Legislative Services for their integral work behind the scenes to ready and deliver the budget for the people of New Jersey.”

“I want to thank Governor Sherrill, Speaker Coughlin and my Senate colleagues for working together to produce a budget that maintains our emphasis on affordability and continues our commitment to fiscal responsibility,” **said Senate President Nick Scutari**. “While our residents are forced to contend with cost increases due to economic policies in Washington, we made affordability our top priority by delivering record property tax relief, expanding the Child Tax Credit for working families, and strengthening support for children's mental health services. Even with difficult fiscal choices, we remained focused on preserving the investments that improve quality of life, strengthen our communities, and create greater opportunity for residents across the state. This budget reflects our commitment to responsible governing while ensuring New Jersey remains a place where families can succeed and our economy can continue to grow.”

“The Fiscal Year 2027 budget delivers for New Jersey families and carries forward the progress we’ve made in the Legislature to make New Jersey a more affordable place to call home while being responsible stewards of the people’s money. I’m especially pleased to pass a budget that includes another year of record property tax relief for New Jerseyans, including our decision to make StayNJ sustainable for retirees, so that homeowners can count on that benefit being there for them,” **said Assembly Speaker Craig J. Coughlin**. “The budget maintains a healthy surplus while cutting the structural deficit by half, and safeguards the State against an anticipated loss in federal funding, and we did this without raising taxes on New Jersey families. We’re proud of the way this budget sticks up for our neighbors, our communities, and our families.”

“With the challenges before us, I am proud of the work the Legislature accomplished in partnership with Governor Sherrill to deliver a budget that invests in our greatest asset – the people who strengthen our communities,” **said Senate Majority Leader M. Teresa Ruiz**. “After months of



collaboration and public feedback, we’ve delivered another full pension payment, the largest property tax relief program in state history, and significantly increased the child tax credit to help working families build greater financial stability. We’ve also stood up for our most vulnerable residents in the face of escalating attacks from Washington by expanding the Detention Deportation Defense Initiative, directing additional funding to programs that support survivors of domestic violence and abuse, and identifying cost savings to help offset federal cuts. As we look ahead, this spending plan lays the foundation for a stronger future rooted in fiscal discipline, expanded opportunity, and the belief that every New Jerseyan can thrive.”

“I’m proud that New Jersey has once again delivered a responsible budget for the hardworking families we serve, with meaningful property tax relief and the preservation of the Stay NJ program,” **said Majority Leader Lou Greenwald.** “At a time when dangerous, shortsighted federal cuts to Medicaid, SNAP, and Affordable Care Act subsidies are shifting billions of dollars in costs onto states and pulling critical support away from families, New Jersey has stepped up to protect the services our residents rely on.”

“This is a budget that will move New Jersey forward in the face of difficult fiscal conditions,” **said Senator Paul Sarlo, Chair of the Senate Budget Committee.** “Working in collaboration with Governor Sherrill, the Assembly and my colleagues in the Senate, we kept the budget at \$60.7 billion, the same level as proposed by the Governor. We continued our emphasis on affordability with the largest amount of property tax relief in state history and a substantial increase in child tax credits to help working families. We are also maintaining our commitment to fiscal responsibility with another full pension payment, the continued reduction in the structural deficit and a surplus of more than \$6 billion that v help contend with economic consequences of federal cutbacks. This is a fiscal plan that positions New Jersey to meet these challenges an continue to advance the quality of life for our residents.”

“This budget reflects what responsible governing looks like. We reduced the structural deficit, maintained a budget of \$60.7 billion, kept a surplus of more than \$6 billion, fully funded our \$7.3 billion pension payment, and continued our commitment to funding our schools with another record-breaking amount. We proved once again that fiscal discipline and keeping our promises to New Jersey families go hand in hand,” **said Assemblywoman Eliana Pintor Marin, Chair of the Assembly Budget Committee.** “This budget expands the Child Tax Credit by 2 percent, continues historic property tax relief, invests in supporting children's mental health, strengthens child advocacy centers across the state, and provides critical support to organizations and many nonprofits that people rely on every day. Behind every number is a family, a child, a senior, a veteran, a neighborhood, or an organization that someone is counting on and this budget never loses sight of that."

MAKING NEW JERSEY MORE AFFORDABLE

As part of Governor Sherrill’s focus on affordability, the FY 2027 budget includes record property tax relief totaling over \$4.1 billion. This includes \$2.186 billion for ANCHOR, \$345 million for Senior Freeze, and \$756 million for Stay NJ.

Modifications to Stay NJ will ensure seniors with middle and lower household incomes receive the highest benefit through a modified tiered benefit system. Qualifying taxpayers would receive benefits totaling half their property tax bill, up to certain thresholds determined by their income. Those with an annual household income from over \$150,000 to \$200,000 would receive up to \$4,000 on a tax year basis; those earning more than \$100,000 up to \$150,000 would receive up to \$5,000 on a tax year basis; and those earning \$100,000 or less would receive the maximum benefit of up to \$6,500 on a tax year basis. The income eligibility threshold would be capped at \$200,000.

New Jersey’s Child Tax Credit will be increased by 25 percent, boosting this critical benefit claimed by 217,000 tax filers with children. The increase, which will be in place for three tax years (TY 2026 through TY 2028), provides a 25 percent bump for each tier of the CTC, meaning a household which previously received the highest tier of \$1,000 will now receive \$1,250; a household that previously received \$800 will now receive \$1,000; and so forth.

The FY 2027 budget also includes \$7.3 billion for the State’s pension system, marking the sixth consecutive full payment. This one-year contribution is already more than the total combined contributions of former Governors Whitman, DiFrancesco, McGreevey, Codey, and Corzine, and amounts to more than double the initial payment by former Governor Murphy.

To fulfill the Governor’s goal of easing the financial burden for New Jersey residents purchasing their first home, this budget increases the State’s Down Payment Assistance Program allocation by \$5 million. It also appropriates nearly \$80 million from the General Fund for housing programs to make room for more construction spending from the Affordable Housing Trust Fund.

This budget includes \$11 million for the existing Bringing Veterans Home initiative, which has successfully adopted strategies to transition homeless veterans from temporary housing placements to stable, permanent housing solutions. Also included is \$35 million for the Department of Community Affairs’ Homelessness Response program, which aims to expand rapid re-housing programs for vulnerable households in imminent risk of homelessness.

Additionally, the budget restores \$20 million in funding for the Summer Tuition Aid Grant (TAG) program, which provides financial support to qualifying undergraduate college students.

PROTECTING NEW JERSEY’S CHILDREN

This budget includes a record \$12.4 billion for K-12 schools in FY 2027, a more than \$370 million increase over last year’s funding and the most

in state history.

Also included is a record \$1.4 billion for Preschool Education Aid.

To reinforce Governor Sherrill’s commitment to youth mental health, the budget includes \$125,000 for the Office of Youth Online Mental Health Safety and Awareness in the Department of Health. This newly created office will research and make recommendations to guide responsible use of social media platforms among youth. The budget also includes \$500,000 for a new Social Media Research Center at one of New Jersey’s higher education institutions.

An allocation of \$15 million for high-impact tutoring – double the amount from FY 2026 – will help nearly 100 more districts and 13,500 more students, with the goal to address academic achievement gaps in literacy and mathematics. The budget includes initial funding for the School-based Partnerships for Access and Resilience for Kids initiative, or SPARK, which will provide critical mental health services to students with complex, high-acuity needs and maintains support for the New Jersey Statewide Student Support Services (NJ4S) while strengthening oversight measures.

Keeping children’s health and wellness a top priority, the budget includes \$6.9 billion in state funding for NJ FamilyCare, New Jersey’s Medicaid program, which provides comprehensive health care benefits to over 1.8 million New Jerseyans, including nearly half of New Jersey’s children. The budget also provides 21,000 schoolchildren with free meals through the Working-Class Families Anti-Hunger Act.

Additionally, the budget includes wide-ranging support for families and children. This includes a statewide expansion of Family Connects NJ, New Jersey’s nation-leading universal nurse home visiting program; allocating \$582 million for childcare assistance to ensure the full reopening of the Child Care Assistance Program application process; and maintaining or increasing support for New Jersey’s Earned Income Tax Credit and Child Tax Credit.

**MAKING STATE GOVERNMENT MORE ACCOUNTABLE**

Governor Sherrill is committed to making state government more accountable to the people it serves.

To that end, this budget includes an additional \$13.3 million in state funding for the New Jersey Innovation Authority to support major operating initiatives like the Permitting Dashboard and the New Jersey Report Card; supports technology upgrades across state government, including \$3 million for the Division of Consumer Affairs to upgrade its licensing system and complaint database; and reduces business registration fees and improves procurement assistance for minority and women-owned businesses.

The Governor already has delivered on her promise to make New Jersey more transparent with the launch of the Budget Report Card, which tracks state spending, and the Permitting Dashboard Pilot, which provides project applicants and state agencies with a shared view of project status and permitting timelines, creating greater visibility into how selected projects move through the review process. The dashboard allows businesses to track a project’s permits across agencies in one place.

The budget also funds new oversight initiatives to save resources long-term – including adding additional resources to the Division of Pensions and Benefits to improve contract compliance, and additional experts at the Department of Education to enhance school district monitoring and prevent sudden financial challenges.

Governor Sherrill is committed to improving transportation across the state so that commuters spend less time on their commutes, and more time enjoying all New Jersey has to offer. The FY 2027 budget includes nearly \$1.1 billion in state operating support for NJ TRANSIT, an increase of \$235 million or 28 percent from the support provided in FY 2026. This includes NJ Transit’s General Fund subsidy of \$302.2 million and \$765.6 million in dedicated revenue from the Corporate Transit Fee.

The budget also includes approximately \$2.1 billion for the State Transportation Capital Program. This includes \$1.3 billion for critical investments in state, local highway, and bridge projects, and another \$782 million for NJ TRANSIT capital projects, which include bus, locomotive, and track acquisition and improvements.

Read the text of the FY 2027 Appropriations Act [here](#), and view the New Jersey Budget Report Card [here](#).

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