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Governor Christie Signs 8th and Final Balanced Budget

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Governor Christie today signed his eighth and final balanced budget, continuing his unprecedented support for New Jersey's pension system and overdue transparency and accountability reforms of the state's largest health insurer.

The Fiscal Year 2018 state budget includes the largest pension payment in state history, \$2.5 billion, bringing Governor Christie's total contributions to \$8.8 billion more than 2.5 times the total contributions of all governors combined since 1995. This will be the first year that pension payments will be made quarterly, allowing the fund to grow more quickly toward solvency.

This is also the first year that lottery revenues will also be dedicated to the state's pension system, under a policy proposed by the Governor during his February state budget address. The Governor today signed into law his measure, Senate Bill 3312, implementing the Lottery Enterprise Contribution that will generate \$37 billion in pension funding over 30 years, provide an immediate reduction in the state's long-term retiree obligations by \$13.5 billion and reduce pressure on the state budget from ever-increasing pension costs.

This new law will immediately elevate the system's Funded Ratio from 45 percent to 59 percent, while reducing the General Fund obligation to the system. It is projected to elevate the entire Retirement System's Funded Ratio to approximately 90 percent by Fiscal Year 2047, years earlier than immediate full-funding of the actuarially determined contributions. It should lower the state's borrowing costs.

These pension solvency actions for generations of current and future public employees and taxpayers build upon the Governor's bipartisan reforms of 2011 that are providing \$120 billion in 30-year savings to the pension and health benefits systems. Without debate, Governor Christie has resurrected the state's pension system and done more to ensure its future solvency than any other governor.

Governor Christie's Fiscal Year 2018 Budget:

Governor Christie's budget includes \$34.7 billion in State appropriations, a slight increase from the Fiscal Year 2017 Appropriations Act. It implements the first broad-based tax relief for all New Jerseyans since 1994, without any new taxes.

This will accommodate the reasonable spending necessary to provide stability for New Jersey's economy while meeting the state's fiscal obligations.

Two terms of Governor Christie's leadership and economic stewardship, after inheriting a \$13-billion, two-year deficit in 2010, have instilled fiscal sanity in Trenton, even during unforeseen challenges, such as Superstorm Sandy.

Through targeted tax cuts for the State's small business community, removal of unnecessary and burdensome red tape, and spending cuts, the Christie Administration charted the State back on a course of economic sensibility and prosperity.

This year's budget:

Contains nearly \$2 **billion less in discretionary spending** than the Fiscal Year 2008 budget and no new taxes or tax increases.

Includes the largest pension payment in New Jersey history with a **\$2.5 billion** in combined contributions to the State's defined benefit funds from the State budget and net lottery proceeds.

This will bring total contributions by the Christie Administration to **\$8.8 billion**.

That will be more than two and half times the total contributions of every other governor combined since 1995.

This will be the first fiscal year in which the pension payment will be made quarterly rather than annually.

Governor	Total Pension Contributions
Whitman	\$963.9 Million
DiFrancesco	\$563,000
McGreevey	\$101.4 Million
Codey	\$165 Million
Corzine	\$2.17 Billion
Christie	\$8.8 Billion

Includes a seventh-consecutive year of the highest amount of School Aid supporting Pre-K to 12 education in New Jersey history. Fiscal Year 2018 spending including lottery revenues totals nearly **\$14 billion** on education, an increase of **\$683.1 million** from Fiscal Year 2017.

Continues the Governor's commitment to higher education in New Jersey. Overall, higher education funding is maintained at a total of **\$2.3 billion** in Fiscal Year 2018.

Provides nearly **\$900 million** for direct property taxpayer relief programs including:

423,300 seniors and citizens with disabilities will receive an average Homestead Benefit of \$256, while 169,500 other homeowners earning up to \$75,000 will receive an average Homestead Benefit of \$199.

138,200 seniors and citizens with disabilities will continue receiving Property Tax Freeze benefits averaging \$1,401, while 25,100 new beneficiaries will receive their first year of benefits averaging \$219.

Providing Broad-Based Tax Relief For All New Jerseyans. Governor Christie has fought for and won tax relief that is making New Jersey more competitive as a place to live and work.

On Oct. 14, 2016, Governor Christie enacted significant broad-based tax relief for all New Jerseyans, as part of a program to guarantee dedicated, record-high funding for road, bridge and mass transportation infrastructure improvements and maintenance. The average resident will save several hundred dollars per year from the following tax relief plus vehicle maintenance costs:

Sales Tax Cut – As of January 1, 2017, the state sales tax was reduced from 7 percent to 6.875 percent, and next January 1 it will be cut to 6.625 percent. This .375 percent decrease in the sales tax is the first statewide tax cut since 1994.

Tax Relief for Working Poor – The Earned Income Tax Credit for the working poor was increased from 30 percent to 35 percent of the federal benefit amount beginning in Tax Year 2016. Approximately 588,000 Garden State households will benefit from this tax relief, with the credit for an average working family rising by over 21 percent from approximately \$660 to \$800. The Governor's Fiscal Year 2018 Budget continues this critical tax relief for working families at this expanded level.

Tax Savings for Retirees – New Jersey's gross income tax exclusion on pension and retirement income was increased over four years to \$100,000 for joint filers, \$75,000 for individuals and \$50,000 for married/filing separately.

Estate Tax Elimination – Come next year, New Jersey will no longer be one of two U.S. states with a pair of death taxes that take a cut of already taxed money and assets away from generations of diverse families. As of January 1, 2017, New Jersey's estate tax exclusion was increased from \$675,000 to \$2 million, and the estate tax will be completely eliminated as of January 1, 2018.

Tax Savings for Veterans - A personal exemption on state income taxes was created for all New Jersey veterans honorably discharged from active service in the military or the National Guard.

As a result of that legislation, Governor Christie's Fiscal Year 2018 budget provides a record **\$2 billion** State Transportation Capital Program. The Program includes over **\$1.3 billion** for state and local highway and bridge projects, and another **\$676 million** for mass transportation projects.

Aside from the 2016 broad-based tax relief package, Governor Christie has also enacted significant reforms affecting New Jersey businesses:

Over \$3 Billion in Business Tax Cuts and Reforms – Beginning with the fiscal 2012 budget, Governor Christie tackled New Jersey's business tax climate with tax cuts and reforms that had stalled in Trenton for years. Among the tax reforms included were: long-awaited changes to a single sales factor formula that incentivizes businesses to invest in New Jersey; income/loss netting and loss carry-forward reform; a 25 percent reduction in the minimum tax on S-corporations, which is how many small businesses file their taxes; research and development incentives; and elimination of the Transitional Energy Facility Assessment.

The Governor's Fiscal Year 2018 Budget continues to provide this essential tax relief for New Jersey businesses of all sizes, fully phased in and unchanged.

Historic Higher Education Funding. Maintains the Governor's commitment to higher education in New Jersey. Overall, higher education funding is maintained at a total of **\$2.3 billion** in Fiscal Year 2018. Among Governor Christie's highest priorities has been strengthening New Jersey's higher education community.

Tuition Assistance Grant Program (TAG) – To ensure an affordable in-state college education is available to all, TAG grants are available at 56 public and private institutions across New Jersey. Since taking office, Governor Christie has increased State funding for the TAG program by over 71 percent, to a total of **\$425.9 million** in Fiscal Year 2018. More than 68,000 full-time undergraduate students attending school in New Jersey will receive support from TAG.

Governor's Urban Scholarship – The Governor's Urban Scholarship program will add a sixth class, and will now support an estimated 600 scholars in targeted school districts.

College Readiness Now – Funded at \$1 million in Fiscal Year 2018, this program will help students prepare for college level course work before they graduate high school. Funding will fully support partnerships between the county colleges and at least 135 high schools throughout the state, with at least one in each county.

A Firm Commitment To Our State's Most Vulnerable Citizens. Advances the Governor's efforts to take a smarter and more effective approach to how the State supports individuals with mental health and substance use disorders. Governor Christie has consistently advocated for the need to change the way society views drug addiction and the misconceptions about who it impacts, how it affects lives, and how we deal with it. With the Fiscal Year 2018 budget, Governor Christie continues his efforts to take a smarter and more effective approach to how the State supports individuals with substance use disorders.

\$136 Million Investment In Substance Use & Mental Health Treatment – The Governor is making a historic financial commitment to raise reimbursement rates and increase access to substance use and mental health treatment. A combined state and federal investment in Fiscal Year 2018 of more than **\$136 million**, will expand access to high quality health care providers for individuals with substance use and behavioral health needs.

Inmate Drug Treatment Program – Continuing his commitment to help all individuals with substance use disorders, Governor Christie is investing an additional **\$2 million** for substance use disorder treatment services at Mid-State Correctional Facility. The former traditional prison re-opened earlier this year as an institution dedicated to the treatment of inmates. The new Mid-State Correctional Facility treatment program is licensed by the Division of Mental Health and Addiction Services (DMHAS).

Focusing On Treatment – Governor Christie has followed through on his commitment to take a smarter and more effective approach focused on treating drug-addicted offenders by signing into law landmark legislation to put in place a statewide, mandatory Drug Court Program. The Fiscal Year 2018 budget includes nearly **\$64 million** in funding to support the Drug Court program.

Opioid Overdose Recovery Program (OORP) – As a direct result of the Facing Addiction Task Force's work, the OORP program launched in Monmouth, Ocean, Camden, Essex and Passaic counties. In Fiscal Year 2018, the budget provides \$6.3 million in State and federal funding to expand these services Statewide. OORP, formerly known as the Recovery Coach Program, reaches and connects drug overdose survivors with treatment, counseling and support services in the immediate aftermath of their overdose. The coaches engage individuals saved from an opioid overdose to provide non-clinical assistance, recovery supports and appropriate referrals for assessment and substance use disorder treatment.

Recovery Dorms – To further support New Jersey's college students who have been caught in the addiction epidemic, Governor Christie announced the expansion of funding for recovery housing on college campuses. The Fiscal Year 2018 budget provides **\$1.5 million** in funding for on-campus housing for college students in recovery. This program provides students with a sober environment, counseling and additional supports, all of which are useful tools in the life-long battle to maintain sobriety.

Continued Emphasis On Community-Based Care And Services. Governor Christie has been committed to moving away from a system that has historically focused on institutionalization to one that emphasizes home and community-based services and supports. To this end, resources have been refocused to provide people with intellectual and developmental disabilities with the ability to live as independently as possible with the proper supports. Governor

Christie's determination to provide services in the community includes funds to develop additional community placements and services that divert admissions to developmental centers.

The Fiscal Year 2018 budget provides **\$89.7 million** of new state and federal funding to create community placements and services, including Olmstead placements.

By the end of Fiscal Year 2018, the Department expects to have placed a total of 737 individuals, well exceeding the requirements of the Olmstead agreement due in large part to the acceleration of placements from the closure of North Jersey Developmental Center and Woodbridge Developmental Center in Fiscal Year 2015.

Giving Families The Tools To Succeed. The Fiscal Year 2018 budget continues and enhances the Christie Administration's commitment to providing a wide array of services to children and families throughout New Jersey through Department of Children and Families (DCF) programs.

Child Protection and Permanency (CP&P) -- The Fiscal Year 2018 budget includes a total of **\$994.1 million** in state and federal funds for the operations and services provided by this DCF Division that is responsible for investigating allegations of child abuse and neglect

Children's System of Care (CSOC) -- This program helps more youth remain at home, in school and in their own communities, while still receiving the full scope of services they require, and provides coordinated care for more than 61,000 children and adolescents. The Fiscal Year 2018 budget includes a total of **\$626.5 million** in state and federal funds for the operations and services provided by this Division, an increase of **\$58.3 million** over the fiscal 2017 Appropriations Act.

Family Success Centers --The Governor's proposed budget protects funding for these centers which are community-based organizations that provide a wide array of services ranging from day care, resume writing and parenting classes to domestic violence prevention and substance use disorder services. The number of Family Success Centers in New Jersey will increase to a total of 58 in Fiscal Year 2018.

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