

Governor Phil Murphy

Governor Murphy Presents Fiscal Year 2024 Budget – “Building the Next New Jersey: Affordability, Opportunity, Responsibility”

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*Budget Increases Robust Property Tax Relief, Provides Another Record Investment in School Funding**Increased Investments in Affordable Housing, Higher Education, and Economic Growth**Continues Path of Fiscal Responsibility with Another Full Pension Payment of \$7.1 Billion, Additional \$2.4 Billion to Reduce Debt**Proposed Surplus Climbs to Record Heights at Just Over \$10 Billion*

TRENTON – Governor Phil Murphy delivered his sixth annual budget address on Tuesday, outlining a spending proposal for Fiscal Year 2024 (FY2024) that builds on the historic progress made over the last five years with new investments centered around expanding affordability, promoting fiscal responsibility, and creating world-class opportunities for everyone to succeed in the *Next New Jersey*. The Governor’s proposed budget continues to increase direct property tax relief to new heights; once again provides the highest level of school funding in history; delivers a third consecutive full pension payment; and supports significant investments in the economy, workforce development, and public safety.

“This is a budget focused on the pocketbooks of our families. For the third year in a row, it has no new taxes and more middle-class tax relief. It will help hardworking families by expanding free pre-K. It will lower prescription-drug costs for seniors. And, with this budget, we will have cut taxes for our working and middle-class families, and our seniors, a total of 18 times since we began working together in 2018,” said **Governor Murphy**. “This budget is purpose-built to help our residents find their place in the Next New Jersey by securing their place in the New Jersey of right now. This budget is also designed to build even greater confidence in our financial direction and in our ability to honestly meet our obligations.”

“This budget is built on a strong financial foundation that proves we can meet our obligations while preparing for the future,” continued **Governor Murphy**. “It will make the third consecutive full payment into our State pension funds. It will set aside more than \$2.3 billion to either pay down existing debt or keep us from taking on new debt entirely. “And, it will better prepare New Jersey for any national or global economic uncertainty for the next year with a surplus of more than \$10 billion.”

“With this budget, we have continued down the path of greater affordability for our residents, offering middle class tax relief, aid to families, and reductions in property taxes and prescription drug costs for seniors,” said **New Jersey State Treasurer Elizabeth Muiolo**. “We’ve been able to provide this financial relief for New Jerseyans while at the same time continuing our commitment to fiscal responsibility that will ensure the Next New Jersey is even stronger and more resilient than the New Jersey of today.”

The \$53.1 billion spending plan includes a record proposed surplus of \$10.1 billion, while redirecting nearly 74 percent of the total budget back out in the form of grants-in-aid for property tax relief, social services, and higher education, as well as State aid to schools, community colleges, municipalities, and counties.

Increasing Affordability

Governor Murphy’s proposed budget brings the total number of tax cuts instituted since he took office to 18 by building on the 14 tax cuts enacted in his first term, maintaining ANCHOR and the back-to-school sales tax holiday enacted last year, and proposing two new expansions.

For working- and middle-class families, the most significant new relief is the Governor’s proposed doubling of the Child Tax Credit that was enacted last year, delivering up to \$1,000 per child for families with young children.

The proposed FY2024 budget also continues the historic ANCHOR property tax relief program, proposing another \$2 billion in direct relief to homeowners and renters. With this proposed allocation, Governor Murphy will have provided nearly \$2 billion more in direct property tax relief in the first two years of his second term than the prior administration did during its entire second term.

Governor Murphy is also proposing additional relief for seniors by expanding eligibility for the Senior Freeze property tax relief program to those with incomes up to \$150,000. To further help boost affordability for seniors, the proposed budget increases eligibility for the State’s senior prescription drug and hearing aid programs to help make New Jersey more affordable for individuals of all ages.

Additionally, for the sixth straight year, the Governor has also promised no fare increases for NJ TRANSIT commuters.

As part of the Governor’s commitment to the State’s best-in-the-nation public education system and the future of New Jersey students, the budget provides an increase of \$832 million in direct K-12 aid for public schools, for a total of almost \$11 billion. With this latest proposal, the State will have increased overall K-12 support to New Jersey public schools by more than \$2.6 billion over six years, a more than 30 percent increase, all of which helps offset local property taxes.

In order to advance the Governor’s goal of universal pre-K, an additional \$109 million for pre-school education aid is being proposed, \$40 million of which will go towards expanding programs in new districts as well as other critical needs for further expansion. Since FY2018, the State has already increased pre-K funding by over \$310 million.

Additionally, the Governor is working to shore up the ranks of teachers, budgeting over \$20 million in new investments and other supports to help ensure New Jersey has the trained and dedicated workforce to provide a top-quality education for public school students years into the future. This includes \$10 million for student teacher stipends to help future educators meet the costs of living while working and studying for their credentials, \$5 million to waive teacher certification fees, \$2 million for Culture and Climate Innovation Grants to help improve educator quality of life, \$1 million to develop local partnerships for para-professional training, \$800,000 for a teacher apprenticeship program, and \$500,000 to expand the Teacher Leader Network. The proposed budget also maintains funding for Men of Color Hope Achievers (MOCHA) and the Minority Teacher Development Programs to support a diverse educator workforce.

This year, the Governor is also proposing to strengthen his “College Promise” programs – the Community College Opportunity Grant and the Garden State Guarantee. The budget proposal increases the eligibility threshold for both programs so that students with family incomes up to \$100,000 can benefit and it increases the value of Tuition Aid Grants for over 20,000 students. It also expands the Some College, No Degree program, so that former students with some credit receive the support they need to complete school.

Promoting Fiscal Responsibility

This year, the Governor has continued his focus on fiscally responsible governance, presenting a structurally balanced budget, and increasing the State’s surplus by nearly \$500 million. The additional surplus brings the total proposed to over \$10 billion, 25 times larger than the surplus the Murphy Administration inherited, and 19 percent of the overall budget.

The FY2024 budget also makes good on the Administration’s commitment to public sector employees, proposing the third full pension payment in as many years. The \$7.1 billion payment, which includes contributions from the State Lottery, brings the total contribution to the pension fund under Governor Murphy to \$32.6 billion, nearly triple the \$12.2 billion paid under the previous six administrations combined. This payment will mark the first time in a quarter of a century that the State will have made payments equal to 100 percent of the Actuarially Determined



Contribution (ADC) three years in a row.

As in past years, the Governor is continuing his pledge to reduce the State’s debt with a \$2.35 billion deposit in the Debt Defeasance and Prevention Fund. This deposit brings the total allocation to the fund to \$11 billion. The fund is used to retire existing debt, while setting aside money to pay for upcoming projects that might otherwise be bonded. Over a two-year period, \$3.5 billion from the fund has already been used to defease \$4.7 billion in State debt service through FY2042, saving the State’s taxpayers \$1.2 billion.

Governor Murphy’s fiscally responsible budgeting has not only saved taxpayers money, but it also has drawn the attention of the three major ratings agencies, each of which have upgraded the State’s bond rating in the past year.

The Governor is also proposing relief to help local governments address rising health benefit costs by allocating \$200 million in federal funds for Plan Year 2024 to be enacted alongside long-term savings reforms.

Continuing his drive for a more fiscally responsible New Jersey that supports and encourages economic development, the proposed budget anticipates the planned sunset of the temporary 2.5 percent Corporation Business Tax surcharge, boosting the State’s business climate and encouraging companies to grow and thrive in New Jersey.

Continuing the effort to expand job opportunities for New Jerseyans, the Governor’s proposed budget will increase by \$5 million, to \$27.5 million, the allocation from the Workforce Development Partnership Fund (WDPF), which invests in apprenticeships, pre-apprenticeships, on-the-job training, and other programs that develop skills while focusing on bringing more women and minorities into job training opportunities.

Addressing what has become a national crisis, the governor has proposed \$86 million for a one-time program at the Department of Human Services to subsidize training and recruitment for mental health, substance use, and developmental disabilities service providers.

As part of Governor Murphy’s national leadership on youth mental health, the budget proposal includes \$43 million to launch the New Jersey Statewide Student Support Services (NJ4S) network, which will deliver wellness and prevention supports from regional hubs. The proposed budget also includes \$40 million more to support providers across multiple divisions in the Department of Children and Families, including the Children’s System of Care.

To accelerate learning outcomes, the Governor also plans to dedicate nearly \$30 million this year in federal funds for high-impact tutoring and other recovery programs. The budget proposal will also allow for the expansion of community schools, which are created through partnerships between school districts and local providers to deliver critical non-academic services to students.

The proposed budget will continue to leverage State and federal funding to make health care more affordable through the Get Covered New Jersey exchange, which experienced record enrollment this year. The budget proposal also includes additional support for New Jersey’s hospitals, advances Cover All Kids, and includes a pilot program to eliminate personal medical debt.

Recognizing the need to continually upgrade the State’s infrastructure and ensure the efficient delivery of essential services to taxpayers, the Governor is proposing to dedicate more than \$40 million to continue improving the unemployment insurance system, digitizing more services at the Motor Vehicle Commission, and expanding the ANCHOR property tax relief call center.

Expanding Opportunity and Promoting Economic Growth

Governor Murphy’s dedication to expanding opportunity for New Jerseyans has been a hallmark of his time in office.

The proposed FY2024 budget includes several initiatives to further that goal, including using federal dollars to create an Urban Investment Fund to work alongside current and proposed business incentive programs. The fund would aid in the revitalization of urban areas where shifting patterns of work and commuting since the pandemic have reduced foot traffic and created ongoing challenges to community vitality.

Grants from the fund would be flexible and responsive to the needs of cities, and could include arts and cultural investments, beautification projects, public safety and streetscape improvements, investments in the pedestrian environment and new open space, and funding to reimagine the use of now-underutilized office space. The Governor is also proposing a specific set-aside for Atlantic City to improve public safety, rebuild distressed housing, and provide other social services.

In order to ensure that the boardwalks vital to our shore towns remain intact, Governor Murphy proposes the creation of a \$100 million Boardwalk Fund that would help repair and renovate the seaside attractions that are so emblematic of the Jersey Shore.

The Governor is also proposing over \$50 million in new resources to grow the green economy, including \$12 million more for the Clean Energy Program that previously went to NJ TRANSIT and a \$40 million Green Fund that can leverage both private capital and federal funds.

The Governor is also proposing to reduce NJ TRANSIT’s Capital to Operating Transfer to its lowest level in 21 years while expanding the Department of Transportation’s innovative Simple Fix Safety program.

Drawing on the work of the Wealth Disparity Task Force, the budget proposes an additional \$15 million for enhanced benefits for first-generation homebuyers, to help families who have been excluded for homeownership for generations.

To address affordability in New Jersey cities and enhance urban vitality, the budget builds upon last year’s investment of \$300 million to create the Affordable Housing Production Fund by proposing an additional \$100 million in federal ARP funds for the preservation of affordable units and development of new workforce housing units.

The FY2024 budget also continues Governor Murphy’s vision for economic development and support for small businesses, allocating \$50 million in continued support for the Main Street Recovery Program, a small business support program that funds multiple financial assistance products aimed at supporting the growth and success of small businesses in New Jersey.

The Governor’s budget continues to support initiatives that keep communities safe, including supporting law enforcement personnel and community-led prevention programs. As part of the Governor’s efforts to reduce violent crime in the State, the budget makes significant investments in the Division of Criminal Justice to staff new units and expand existing units with a focus on reducing gun violence, auto thefts, and exploitation, such as human trafficking and labor cases.

The budget also makes significant investments to strengthen the ranks of the New Jersey State Police, allocating \$120 million to begin building a new training center for the next generation of New Jersey State Police and proposing an additional \$5 million for the 166th State Trooper recruit class.

In an effort to ensure that the State’s first responders and law enforcement professionals receive the training and equipment necessary to protect and serve the State’s nine million residents, the Governor has proposed doubling the successful Firefighters Grant Program, bringing the total to \$20 million.

The Governor is also recommending over \$8 million in increased State funds for the first-in-the-nation statewide expansion of the Alternative Responses to Reduce Instances of Violence and Escalation – the ARRIVE Together program – which pairs police officers and State Troopers with mental health professionals when responding to a person who is experiencing a mental health crisis.

For more information on the Governor’s proposed FY2024 budget, please see the Budget in Brief online (https://urldefense.com/v3/_https://t.e2ma.net/click/raz561/fd1rbrm/zwdie2_!!J30X0ZmC1oQtbAIPISbRju7eCZQ_e8WvuqTH6rOf6QRZaq2ZdPor3z7dnkF1pBsOfclknDRscpijHkzrtC) An additional one-page policy paper on the central commitments outlined in this budget proposal can be found online here (https://urldefense.com/v3/_https://t.e2ma.net/click/raz561/fd1rbrm/fpeie2_!!J30X0ZmC1oQtbAIPISbRju7eCZQ_e8WvuqTH6rOf6QRZaq2ZdPor3z7dnkF1pBsOfclknDRscpijHkzrtC)

Governor Phil Murphy

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