

## Video & Transcript: Governor Christie: This Is Our Roadmap For Reform

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Governor Christie: This Is Our Roadmap For Reform

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### Transcript:

**Governor Christie:** I am pleased to announce today that the Commission, with my support, has reached an unprecedented accord with the NJEA on a "Roadmap for Reform" to solve our long-term problems with the pension and health benefit systems. While this Roadmap is with the NJEA only today, I hope other unions will consider it and follow suit soon. The recommendations by the Commission that make up the Roadmap are far-reaching and groundbreaking. At their core they seek to bring fairness to a system that has long been unjust and to create parity between public and private sector employees. For example, the State has been paying for the pension costs and retiree health care costs for local employees who have never worked one day in their lives for the State of New Jersey. In addition, the level of health care benefits enjoyed by public employees and retirees has been significantly more attractive than what the average worker in the private sector receives. Simply unfair. The Commission has proposed ways to fix this. The Roadmap calls for the existing pension plan to be frozen and to be replaced by a new plan. Both the existing plan and the new plan would be transferred from State ownership to a Trust overseen by the NJEA. But the Roadmap also requires the State to make periodic contributions each fiscal year to the Trust in order to pay off the unfunded liability of the existing plan over a period of 40 years. To ensure the State meets this obligation and the payment is enforced, a Constitutional Amendment would be voted on this November. The payment amounts and percentages of annual increases are subject to further discussion and negotiation. The Roadmap also recognizes that the State must achieve sufficient savings in health care costs if we are going to be able to pay off the unfunded pension liability and to make required contributions to the new plan. It is expected that the unions will work with representatives from the State and from the Commission to attain the required savings in health care costs from a variety of sources - embracing innovative plan-design initiatives, wellness programs and other ways of providing incentives to participants to stay healthy. Now, if those savings are not identified by June 2015, the Roadmap provides

that the State Legislature will not be asked to put a Constitutional Amendment on the November 2015 ballot. Now imagine, imagine if I had told you this five years ago, that five years later after years of disagreement and, at times, acrimony - we would come together, one week before this budget address on a negotiated and signed, by both parties, Roadmap to fix the largest hurdle to New Jersey's long-term fiscal stability. After months of hard work behind the scenes, and with months more to come, we are on the verge of providing evidence to our citizens once again that we can make government work for them - the people who actually pay the bills.

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