

SENATE BILL No. 2015

To the Senate:

Pursuant to Article V, Section I, Paragraph 15 of the New Jersey Constitution, I am appending to Senate Bill No. 2015, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

For the fourth time in five years, the Legislature has passed an income tax increase and this year, in a new twist, has included a 15% corporation business tax ("CBT") surtax as well. The Legislature has included the proposed revenue from these misguided initiatives as an essential component of its Fiscal Year 2015 budget bill. Because the foundation of the Legislature's proposal is unsound, I must object.

As I have said before, I strongly believe that punitively raising taxes on our already overtaxed residents and small business owners is not the answer to the State's short- and long-term fiscal challenges. The Legislature's budget, if enacted, would accomplish nothing more than to repeat the failed, irresponsible, and unsustainable policies that were commonplace in Trenton for years before my administration. Simply stated, I do not accept the premise that we can tax our way to prosperity in this manner. Nor do I accept the notion that either a three-year income tax hike or a one-year CBT surtax is an appropriate tool to resolve a fundamental structural budget imbalance or to address legacy pension and health benefit obligations that reflect decades of underfunding, the irresponsible adoption of unfunded benefit enhancements, and investment under-performance during the first decade of the 2000s.

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Rather than enacting responsible policies that will encourage and allow New Jersey's economy and revenues to grow, the Legislature appears to be intent on inhibiting economic growth with crushing taxes. Imposing vindictive taxes on the businesses and highly productive taxpayers we need here in New Jersey to create jobs and grow our economy will only invite these taxpayers to take rational steps to mitigate their exposure to New Jersey's taxes, diverting jobs and investment activity to other states with lower tax burdens. Instead, we should be appropriately and responsibly lowering taxes for all New Jerseyans to stimulate New Jersey's economy, reduce disincentives to invest and create jobs in New Jersey, and improve our already uncompetitive tax climate. It is this approach, not yet another tax increase, that will allow the State's economy and revenues to grow.

Regrettably, the Legislature has attempted to derail our progress toward making New Jersey more competitive; rather than making hard choices in a responsible manner, it has instead imprudently and inappropriately proposed to raise taxes and included hundreds of millions of dollars in new spending that is unsupported by revenue on hand or anticipated to be received during the course of Fiscal Year 2015. Accordingly, keeping faith with my commitment to New Jerseyans and my constitutional obligation to ensure that the State enters the next fiscal year with a balanced budget, I am compelled to make numerous modifications as reflected herein.

The general appropriations law for Fiscal Year 2015, as modified, that I signed today is consistent with my previous four budgets in that it delivers a balanced State budget while maintaining the fiscal discipline that I promised and delivered during these most difficult and trying economic times. New

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Jersey must have a budget that controls direct State government spending; does not raise taxes on New Jersey families, already among the most heavily taxed citizens in the country; works to improve the State's economic competitiveness; and makes difficult decisions on competing public interests, while continuing to allocate scarce resources to fund the critical programs protecting the most vulnerable of our citizens.

New Jersey has experienced, time and again, the ravages of budgets built on the false premise that, in this competitive national and international economy, any state can increase taxes to support profligate spending with impunity. While others are cutting taxes and fighting to lure both corporations and individuals to their states, the New Jersey Legislature continues to cling to the disproven theory that higher taxes will not chase wealth and investment from the State. I simply do not accept that failed strategy and will not fall victim to the lure of false riches from temporary taxes that will make New Jersey less competitive while increasing the already extreme volatility of our State's revenue base. The Legislature's approach undermines our capacity to engage in rational budget planning that supports the programs and services the citizens of our State need and deserve. Those programs and services protect the State's most vulnerable populations, address needs that cannot wait, and encourage the very growth and prosperity the Legislature is intent on squelching. New Jersey needs permanent, stable solutions to cure its structural fiscal imbalance.

As Governor, I take very seriously my constitutional and statutory responsibilities concerning the State's finances, including: making my annual budget recommendations in February as required by N.J.S.A. 42:27B-20; exercising my line-item,

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conditional, and absolute veto powers over taxing and spending decisions as conferred in Article V, Section 1, Paragraphs 14 and 15 of the New Jersey Constitution; overseeing, through the State Treasurer and the Office of Management and Budget, the fiscal affairs of the State throughout each fiscal year to maintain a balanced budget and ensure expenditures do not exceed revenues; and certifying that total revenues, both on hand and anticipated, will be available to meet appropriations as required by Article VIII, Section 2, Paragraph 2 of the State Constitution. Much deliberation and careful study precede the presentation of my budget recommendations to the Legislature each February.

All of my actions in exercising the fiscal powers and responsibilities conferred upon me by the Constitution and laws of the State are made because I conclude they are in the best interests of the State of New Jersey. I exercise these powers solely in furtherance of the significant responsibilities entrusted to me as Governor of the State of New Jersey, cognizant and respectful of the real effects of my decisions on each and every resident of the State. I likewise respect the broad authority and responsibility of the Legislature to introduce and pass an appropriations law each year reflecting its spending priorities and its absolute ability under the State Constitution to override any or all of the vetoes I have signed today.

It is evident that there exists a fundamental disagreement between the Legislature's strongly held opinion that constantly raising taxes is best for the State and my conviction that incentivizing already overtaxed individuals and businesses to avoid or flee our State is foolish and counterproductive. The framers of the New Jersey Constitution wisely established a

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clear and orderly political process for resolving these sorts of policy disputes concerning the State's finances.

Accordingly, I am appending to Senate Bill No. 2015, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

[seal]

Respectfully,
/s/ Chris Christie
Governor

Attest:

/s/ Christopher S. Porrino
Chief Counsel to the Governor

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16 DEPARTMENT OF CHILDREN AND FAMILIES

50 Economic Planning, Development, and Security

55 Social Services Programs

DIRECT STATE SERVICES

"01-1610 Child Protection and Permanency	\$453,518,000."
This item is reduced to \$452,318,000.	
"(From General Fund	\$210,756,000)."
This item is reduced to \$209,556,000.	
"Total Appropriation, State, Federal and All Other Funds	\$557,733,000."
This item is reduced to \$556,533,000.	
"(From General Fund	\$279,395,000)."
This item is reduced to \$278,195,000.	
Less:	
"Total Deductions	\$278,338,000."
"Total Direct State Services Appropriation, Social Services Programs	\$279,395,000."
This item is reduced to \$278,195,000.	

Direct State Services:

29	" 01 Child Collaborative Mental Health Care Pilot Program	(\$2,400,000)."
	This item is reduced to \$1,200,000.	
	"Department of Children and Families, Total State Appropriation	\$1,097,061,000."
	This item is reduced to \$1,095,861,000.	

22 DEPARTMENT OF COMMUNITY AFFAIRS

50 Economic Planning, Development, and Security

55 Social Services Programs

DIRECT STATE SERVICES

Direct State Services:

36	"Notwithstanding the provisions of any law, rule or regulation to the contrary, every household in the State that is eligible to receive benefits under the Supplemental Nutrition Assistance Program (SNAP) established pursuant to the "Food and Nutrition Act of 2008," Pub.L.110-246 (7 U.S.C. s.2011 et seq.) shall receive a minimum annual energy assistance payment of \$21 in order to qualify the household for a heating and cooling standard utility allowance under the SNAP program, in accordance with 7 U.S.C. s.2014(e)(6)(C), unless a standard utility allowance would have been unavailable to the household under the State and federal criteria for SNAP and any applicable energy assistance programs that were in place as of July 1, 2013. This annual payment shall be disbursed in accordance with the provisions of the Low Income Home Energy Assistance Program (LIHEAP), established pursuant to Pub.L. 97-35, Title XXVI (42 U.S.C. s.8621 et seq.) or other energy assistance program for which the household is eligible, as applicable. Any costs associated with increasing LIHEAP payments shall first be charged to the unexpended balance of federal funds available for the LIHEAP program, to the extent permitted by federal law and regulation."
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The quoted language is deleted in its entirety.

70 Government Direction, Management, and Control

75 State Subsidies and Financial Aid

STATE AID

State Aid:

41	"Notwithstanding the provisions of any law or regulation to the contrary, the amount hereinabove appropriated for Transitional Aid to Localities is subject to the following condition: a municipality that has not yet applied for Transitional Aid for 2015 as of the effective date of this act may file an application on the appropriate forms prescribed by the Director of the Division of Local Government Services((on or before August 15, 2014)) and such application shall be considered by the Director for a determination of eligibility for Transitional Aid for the current fiscal year."
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The language within double parentheses is deleted.

42	"The Commissioner of Community Affairs shall report on a quarterly basis to the Joint Budget Oversight Committee detailing all payments to any private vendors with which it has contracted to manage the Reconstruction, Rehabilitation, Elevation and Mitigation Program or any successor thereto funded by the Community Development Block Grant-Disaster Recovery Grant. The first report submitted shall also detail all such payments made prior to the current fiscal year."
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The quoted language is deleted in its entirety.

34 DEPARTMENT OF EDUCATION

30 Educational, Cultural, and Intellectual Development

31 Direct Educational Services and Assistance

STATE AID

"03-5120 Miscellaneous Grants-In-Aid	\$52,700,000."
This item is reduced to \$49,700,000.	
"(From Property Tax Relief Fund	\$52,700,000)."
This item is reduced to \$49,700,000.	
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"Total State Aid Appropriation, Direct Educational Services and Assistance	\$9,556,906,000."
This item is reduced to \$9,553,906,000.	
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"(From Property Tax Relief Fund	\$8,808,114,000)."
This item is reduced to \$8,805,114,000.	

State Aid:

49	" 03 Charter School Adjustment Aid (PTRF)	(\$3,000,000)."
	This item is deleted in its entirety.	

54 "A charter school's allocation of the amount hereinabove appropriated for Charter School Adjustment Aid shall be determined by summing: 1) the product obtained by multiplying \$75 by the number of students enrolled in the charter school who reside in a school district in which the amount of adjustment aid that the school district will receive in the 2014-2015 school year accounts for less than 10%, of the sum of equalization aid, special education categorical aid, security categorical aid, school choice aid, transportation aid, under adequacy aid, supplemental enrollment growth aid, educational adequacy aid, PARCC readiness aid, per pupil growth aid, and adjustment aid that the school district will receive in the 2014-2015 school year, and 2) the product obtained by multiplying \$115 by the number of students enrolled in the charter school who reside in a school district in which adjustment aid represents 10% or more of the sum of equalization aid, special education categorical aid, security categorical aid, school choice aid, transportation aid, under adequacy aid, supplemental enrollment growth aid, educational adequacy aid, PARCC readiness aid, per pupil growth aid, and adjustment aid that the school district will receive in the 2014-2015 school year."

The quoted language is deleted in its entirety.

30 Educational, Cultural, and Intellectual Development

34 Educational Support Services

STATE AID

"39-5094 Teachers' Pension and Annuity Assistance	\$3,349,068,000."
This item is reduced to \$2,411,753,000.	
"(From Property Tax Relief Fund	\$3,349,068,000)."
This item is reduced to \$2,411,753,000.	
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"Total State Aid Appropriation, Educational Support Services	\$3,349,068,000."
This item is reduced to \$2,411,753,000.	
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"(From Property Tax Relief Fund	\$3,349,068,000)."
This item is reduced to \$2,411,753,000.	

State Aid:

57	" 39 Teachers' Pension and Annuity Fund (PTRF)	(\$1,316,529,000)."
	This item is reduced to \$379,214,000.	

"Department of Education, Total State Appropriation	\$12,971,275,000."
This item is reduced to \$12,030,960,000.	

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

40 Community Development and Environmental Management

42 Natural Resource Management

DIRECT STATE SERVICES

"12-4875 Parks Management	\$33,879,000."
This item is reduced to \$33,504,000.	
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"Total Direct State Services Appropriation, Natural Resource Management	\$61,921,000."
This item is reduced to \$61,546,000.	

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Direct State Services:

- 61 " 12 Historic New Bridge Landing Park Commission (\$375,000)."
This item is deleted in its entirety.

40 Community Development and Environmental Management

43 Science and Technical Programs

DIRECT STATE SERVICES

Direct State Services:

- 66 "Notwithstanding the provisions of any law or regulation to the contrary, an amount ((not to exceed \$2,000,000)), as determined by the Director of the Division of Budget and Accounting, is appropriated from the Clean Energy Fund to support the Office of Sustainability and Green Energy in the Department of Environmental Protection subject to the following condition: The Board of Public Utilities and the Office of Sustainability and Green Energy shall enter into a memorandum of understanding providing for the terms and conditions for the expenditure of the funds, including but not limited to the uses of the funds and program coordination between the two agencies."

The language within double parentheses is deleted.

40 Community Development and Environmental Management

44 Site Remediation and Waste Management

CAPITAL CONSTRUCTION

- 69 "Except as otherwise provided in this act and notwithstanding the provisions of any other law or regulation to the contrary, the first \$50,000,000 ((and one-half of any additional amounts)) in natural resource, cost recoveries and other associated damages recovered by the State, along with such additional amounts as may be determined by the Director of the Division of Budget and Accounting, in consultation with the Attorney General, to be necessary to pay for the costs of legal services related to such recoveries, shall be deposited into the Hazardous Discharge Site Cleanup Fund established pursuant to section 1 of P.L.1985, c.247 (C.58:10-23.34), and are appropriated for: direct and indirect costs of remediation, restoration, and clean up; costs for consulting, expert, and legal services incurred in pursuing claims for damages; and grants to local governments and nonprofit organizations to further implement restoration activities of the Office of Natural Resource Restoration. Recoveries in excess of the amounts appropriated pursuant to this paragraph, consistent with the terms and conditions of applicable settlement agreements or court rulings, shall be deposited in the General Fund as general State revenue."

The language within double parentheses is deleted.

"Department of Environmental Protection, Total State Appropriation
This item is reduced to \$334,085,000.

\$334,460,000."

46 DEPARTMENT OF HEALTH

20 Physical and Mental Health

21 Health Services

GRANTS-IN-AID

"02-4220 Family Health Services \$123,620,000."
This item is reduced to \$116,120,000.

"(From General Fund \$123,091,000)."

This item is reduced to \$115,591,000.

"Total Grants-In-Aid Appropriation, Health Services

\$190,152,000."

This item is reduced to \$182,652,000.

"(From General Fund

\$189,623,000)."

This item is reduced to \$182,123,000.

Grants-In-Aid:

- 80 " 02 Family Planning Services (\$7,500,000)."
This item is deleted in its entirety.

- 82 "Of the amounts hereinabove appropriated for Family Planning Services, no monies shall be expended on abortion procedures."

The quoted language is deleted in its entirety.

"Department of Health, Total State Appropriation
This item is reduced to \$361,531,000.

\$369,031,000."

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54 DEPARTMENT OF HUMAN SERVICES

20 Physical and Mental Health

24 Special Health Services

7540 Division of Medical Assistance and Health Services

GRANTS-IN-AID

Grants-In-Aid:

- 104 "Notwithstanding the provisions of any law or regulation to the contrary, there are appropriated such amounts as are necessary to provide health insurance benefits that comply with the Affordable Care Act's requirements to persons previously covered under the FamilyCare Advantage Program. The Commissioner shall take all necessary steps to ensure that persons formerly covered under the FamilyCare Advantage Program are provided health insurance benefits pursuant to this provision."

The quoted language is deleted in its entirety.

30 Educational, Cultural, and Intellectual Development

32 Operation and Support of Educational Institutions

7601 Community Programs

GRANTS-IN-AID

"03-7601 Adult Activities	\$323,400,000."
This item is reduced to \$320,700,000.	
"(From General Fund	\$198,826,000)."
This item is reduced to \$196,126,000.	
"Total Appropriation, State, Federal and All Other Funds	\$1,212,491,000."
This item is reduced to \$1,209,791,000.	
"(From General Fund	\$445,873,000)."
This item is reduced to \$443,173,000.	
Less:	
"Total Deductions	\$546,440,000."
"Total Grants-In-Aid Appropriation, Community Programs	\$666,051,000."
This item is reduced to \$663,351,000.	
"(From General Fund	\$445,873,000)."
This item is reduced to \$443,173,000.	

Grants-In-Aid:

- 119 " 03 Red Ribbon Academy - Medical Special Needs Day Program (\$2,700,000)."
This item is deleted in its entirety.

70 Government Direction, Management, and Control

76 Management and Administration

7500 Division of Management and Budget

GRANTS-IN-AID

"99-7500 Administration and Support Services	\$12,229,000."
This item is reduced to \$8,729,000.	
"Total Grants-In-Aid Appropriation, Division of Management and Budget	\$12,229,000."
This item is reduced to \$8,729,000.	

Grants-In-Aid:

- 127 " 99 Medicaid / NJ Family Care Outreach And Enrollment (\$3,500,000)."
This item is deleted in its entirety.

"Department of Human Services, Total State Appropriation \$6,615,524,000."
This item is reduced to \$6,609,324,000.

- 128 "Notwithstanding the provisions of any law or regulation to the contrary, the amounts hereinabove appropriated from the Medical Day Care Services and the Managed Care Initiative accounts are subject to the following condition: a licensed facility in the adult Medical Day Care program may serve and receive reimbursement for ((more)) participants per day ((than the facility's licensed capacity))provided that the number of participants served ((at any one time))does not exceed the facility's licensed capacity."

The language within double parentheses is deleted.

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74 DEPARTMENT OF STATE

30 Educational, Cultural, and Intellectual Development

36 Higher Educational Services

2405 Higher Education Student Assistance Authority

GRANTS-IN-AID

Grants-In-Aid:

- 156 "Notwithstanding the provisions of any law or regulation to the contrary, a student who is eligible for in-State tuition pursuant P.L.2013, c.170 (C.18A:62-4.4), and is otherwise eligible for a TAG award shall be eligible for TAG."

The quoted language is deleted in its entirety.

2445 Rowan University

GRANTS-IN-AID

Grants-In-Aid:

- 161 "For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Rowan University shall be 1,532((and shall be increased to reflect up to an additional 17 newly filled positions at the School of Osteopathic Medicine during the fiscal year))."

The language within double parentheses is deleted.

Higher Educational Services

- 165 "Funds appropriated to Rutgers University for purposes of medical education ((at New Jersey Medical School and Rutgers Medical School))are authorized to be used as necessary by the Director of Budget and Accounting and the Division of Medical Assistance and Health Services, consistent with CMS guidelines, solely to maximize federal Medicaid payments to faculty physicians and non-physician professionals who are affiliated with the aforementioned respective medical schools."

The language within double parentheses is deleted.

30 Educational, Cultural, and Intellectual Development

37 Cultural and Intellectual Development Services

2541 Division of State Library

STATE AID

"51-2541 Library Services	\$10,975,000."
This item is reduced to \$7,975,000.	

"Total State Aid Appropriation, Division of State Library	\$10,975,000."
This item is reduced to \$7,975,000.	

State Aid:

- | | |
|--------------------------------------|-----------------|
| 166 " 51 Per Capita Library Aid | (\$6,676,000)." |
| This item is reduced to \$3,676,000. | |

"Department of State, Total State Appropriation	\$1,274,586,000."
This item is reduced to \$1,271,586,000.	

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82 DEPARTMENT OF THE TREASURY

30 Educational, Cultural, and Intellectual Development

36 Higher Educational Services

STATE AID

"48-2155 Aid to County Colleges	\$222,905,000."
This item is reduced to \$222,704,000.	
"(From Property Tax Relief Fund	\$204,105,000)."
This item is reduced to \$203,904,000.	
"Total State Aid Appropriation, Higher Educational Services	\$222,905,000."
This item is reduced to \$222,704,000.	
"(From Property Tax Relief Fund	\$204,105,000)."
This item is reduced to \$203,904,000.	
Less:	
"Total Income Deductions	\$18,800,000."
"Total State Appropriation, Higher Educational Services	\$204,105,000."
This item is reduced to \$203,904,000.	
"(From Property Tax Relief Fund	\$204,105,000)."
This item is reduced to \$203,904,000.	

State Aid:

183	" 48 Employer Contributions - Teachers' Pension and Annuity Fund (PTRF)	(\$258,000)."
	This item is reduced to \$57,000.	

70 Government Direction, Management, and Control

72 Governmental Review and Oversight

2066 Office of the State Comptroller

DIRECT STATE SERVICES

Direct State Services:

188	"The appropriations hereinabove for the Office of the State Comptroller are subject to the following condition: notwithstanding the provisions of any law or regulation to the contrary, the State Comptroller shall monitor the execution of grant agreements entered into pursuant to the Building Our Future Bond Act of 2012, P.L.2013, c.41 to ensure that projects are on time, within stated purpose, and within budget, and shall report his findings and conclusions to the Joint Budget Oversight Committee not later than June 1, 2015."
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The quoted language is deleted in its entirety.

70 Government Direction, Management, and Control

75 State Subsidies and Financial Aid

GRANTS-IN-AID

Grants-In-Aid:

193	"The amount hereinabove appropriated for the Homestead Benefit Program shall be available to provide homestead benefits only to eligible homeowners pursuant to the provisions of section 3 of P.L.1990, c.61 (C.54:4-8.59) as amended by P.L.2004, c.40 and by P.L.2007, c.62, as may be amended from time to time except that, notwithstanding the provisions of such laws to the contrary: (i) residents who are 65 years of age or older at the close of the tax year, or residents who are allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, with (a) gross income in excess of \$150,000 for tax year 2012 are excluded from the program; (b) gross income in excess of \$100,000 but not in excess of \$150,000 for tax year 2012 are eligible for a benefit in the amount of 5% of the first \$10,000 of property taxes paid, and (c) gross income not in excess of \$100,000 for tax year 2012 are eligible for a benefit in the amount of 10% of the first \$10,000 of property taxes paid; (ii) residents who are not 65 years of age or older at the close of the tax year, or residents who are not allowed to claim a personal deduction as a blind or disabled taxpayer pursuant to subsection b. of N.J.S.54A:3-1, with (a) gross income in excess of \$75,000 for tax year 2012 are excluded from the program; (b) gross income in excess of \$50,000 but not in excess of \$75,000 for tax year 2012 are eligible for a benefit in the amount of 6.67% of the first \$10,000 of property taxes paid; and (c) gross income not in excess of \$50,000 for tax year 2012 are eligible for a benefit in the amount of 10% of the first \$10,000 of property taxes paid. These benefits listed pursuant to this paragraph will be calculated based on the 2006 property tax amounts assessed or as would have been assessed on the October 1, 2012 principal residence of eligible applicants. The total homestead benefit provided to an eligible applicant in a given State fiscal year shall not exceed the homestead rebate amount paid to such eligible applicant for tax year 2006, absent a change in an applicant's filing characteristics. The homestead benefit shall be paid in ((August. If the amount hereinabove appropriated for the Homestead Benefit Program is not sufficient, there is appropriated from the Property Tax Relief Fund such additional sums as)) may ((be required to provide such homestead benefits)), subject to the approval of the Director of the Division of Budget and Accounting."
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The language within double parentheses is deleted.

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STATE AID

"35-2078 Police and Firemen's Retirement System	\$165,278,000."
This item is reduced to \$129,379,000.	
"(From Property Tax Relief Fund	\$165,278,000)."
This item is reduced to \$129,379,000.	
"	
"Total State Aid Appropriation, State Subsidies and Financial Aid	\$269,352,000."
This item is reduced to \$233,453,000.	
"(From Property Tax Relief Fund	\$234,778,000)."
This item is reduced to \$198,879,000.	

State Aid:

195	" 35 Police and Firemen's Retirement System (PTRF)	(\$60,060,000)."
	This item is reduced to \$28,620,000.	
195	" 35 Police and Firemen's Retirement System (P.L.1979, c.109) (PTRF)	(\$42,062,000)."
	This item is reduced to \$37,603,000.	

80 Special Government Services

82 Protection of Citizens' Rights

2048 State Legal Services Office

GRANTS-IN-AID

"89-2048 Civil Legal Services for the Poor	\$19,900,000."
This item is reduced to \$14,900,000.	
"	
"Total Grants-In-Aid Appropriation, State Legal Services Office	\$19,900,000."
This item is reduced to \$14,900,000.	

Grants-In-Aid:

199	" 89 Legal Services of New Jersey - Legal Assistance in Civil Matters	(\$19,900,000)."
	This item is reduced to \$14,900,000.	
	"Department of the Treasury, Total State Appropriation	\$1,724,634,000."
	This item is reduced to \$1,683,534,000.	

94 INTERDEPARTMENTAL ACCOUNTS

70 Government Direction, Management, and Control

74 General Government Services

9410 Employee Benefits

DIRECT STATE SERVICES

"03-9410 Employee Benefits	\$2,697,756,000."
This item is reduced to \$2,169,883,000.	
"	
"Total Direct State Services Appropriation, Employee Benefits	\$2,697,756,000."
This item is reduced to \$2,169,883,000.	

Direct State Services:

209	" 03 Public Employees' Retirement System	(\$527,441,000)."
	This item is reduced to \$123,586,000.	
209	" 03 Police and Firemen's Retirement System	(\$122,082,000)."
	This item is reduced to \$42,862,000.	
209	" 03 State Police Retirement System	(\$62,232,000)."
	This item is reduced to \$31,491,000.	
209	" 03 Judicial Retirement System	(\$25,334,000)."
	This item is reduced to \$14,118,000.	
209	" 03 Teachers' Pension and Annuity Fund	(\$3,404,000)."
	This item is reduced to \$563,000.	

GRANTS-IN-AID

"03-9410 Employee Benefits	\$1,022,182,000."
This item is reduced to \$954,220,000.	
"	
"Total Grants-In-Aid Appropriation, Employee Benefits	\$1,022,182,000."
This item is reduced to \$954,220,000.	

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Grants-In-Aid:

211	" 03 Public Employees' Retirement System This item is reduced to \$14,565,000.	(\$77,220,000)."
211	" 03 Police and Firemen's Retirement System This item is reduced to \$4,492,000.	(\$9,149,000)."
211	" 03 Teachers' Pension and Annuity Fund This item is reduced to \$63,000.	(\$713,000)."
	"Interdepartmental Accounts, Total State Appropriation This item is reduced to \$3,875,508,000.	\$4,471,343,000."
	Total State Appropriation, All State Funds This item is reduced to \$32,537,765,000.	<u><u>\$34,133,290,000."</u></u>

Respectfully,

[seal]

/s/ Chris Christie

Governor

Attest:

/s/ Christopher S. Porrino

Chief Counsel to the Governor

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GENERAL PROVISIONS

- 263 "2. All dedicated funds are hereby appropriated for their dedicated purposes. There are appropriated, subject to allotment by the Director of the Division of Budget and Accounting and with the approval of the Legislative Budget and Finance Officer, private contributions, revolving funds and dedicated funds received, receivable or estimated to be received for the use of the State or its agencies in excess of those anticipated, unless otherwise provided herein. The unexpended balances at the end of the preceding fiscal year of such funds, or any portion thereof, are appropriated, subject to the approval of the Director of the Division of Budget and Accounting. In the event a person or entity wishes to make a monetary donation to the State for a particular purpose, the head of the State agency or department to which such monetary donation is made is hereby authorized to accept such monetary donation. ((Within 10 days of the receipt of any such monetary donations, the head of the State agency or department accepting the donation shall notify the Joint Budget Oversight Committee of the donation, including the name of the donor, the amount of the donation, the intended use of the donation and any specific limits or criteria imposed by the donor on the use of the funds. The head of the State agency or department accepting the donation shall notify the Joint Budget Oversight Committee once 50% of the monetary donation is expended or committed as to the specific expenditures or commitments for the donation. The head of the State agency or department accepting the donation shall provide a final accounting to the Joint Budget Oversight Committee within 30 days of the end of the fiscal year.))"

The language within double parentheses is deleted.

- 277 "87. Notwithstanding any provision of law to the contrary, the Governor shall direct the State Treasurer to pay the amounts appropriated herein for payment to State-administered defined benefits retirement systems in four equal installments not later than July 15, 2014, October 15, 2014, January 15, 2015, and April 15, 2015."

The quoted language is deleted in its entirety.

- 277 "88. It shall be the duty of the commissioner or the chief executive officer of any State Department or Agency to notify the Presiding Officers of the Legislature in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1) whenever a person provides advising or consulting services on a non-casual basis or discharges the duties or responsibilities of an employee under the commissioner or chief executive officer's direction, but receives compensation directly from a private source not appropriated by this act. The notification shall identify the person by name and title, the advising or consulting services provided or duties and responsibilities assigned to such person, and the private source of funding from which the person was compensated."

The quoted language is deleted in its entirety.

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16 DEPARTMENT OF CHILDREN AND FAMILIES

- 29 This appropriation of \$2,400,000 is reduced. The program intended to be supported by this appropriation is a pilot program with limited scope. The appropriated funding is more than is necessary to operate the Legislature's proposed pilot program and can be reduced.

22 DEPARTMENT OF COMMUNITY AFFAIRS

- 36 Language related to the coordination of LIHEAP and SNAP benefits is deleted in its entirety. This language is the subject of separate legislation and is unnecessary to effectuate the proposed change. Additionally, it would be inappropriate to restrict prematurely and improperly the Administration's ability to administer the underlying programs in the manner proposed in this language.
- 41 The language extending the deadline for application for the Transitional Aid program is modified to clarify that all municipalities, regardless of their fiscal year, will have adequate time to submit an application for aid.
- 42 This language is deleted in its entirety as it would impose burdensome reporting requirements on a program that already is fully transparent. The language also would inappropriately intrude upon the administration of the State's disaster recovery program.

34 DEPARTMENT OF EDUCATION

- 49 This appropriation of \$3,000,000 is eliminated. The Governor's original budget recommendation proposed making sufficient funding available for charter schools. Creating a new category of aid specifically for charter schools is not necessary in order for them to provide a quality education to their students. The associated language on page 54 is also deleted.
- 57 The appropriation of \$1,316,529,000 for Teachers' Pension and Annuity Fund (PTRF) is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

- 61 This appropriation of \$375,000 is eliminated. The Governor's original budget recommendations included funding for parks and historic preservation. It is not appropriate to single out one park commission for enhanced funding at the expense of other similar entities.
- 66 This language is modified to preserve full funding for the Office of Sustainability and Green Energy as presented in the Governor's budget recommendations.
- 69 This language is modified to preserve the original intent of the Governor's budget recommendations.

46 DEPARTMENT OF HEALTH

- 80 The appropriation of \$7,500,000 for Family Planning Services is eliminated. Based on the current fiscal realities and available funding, the elimination is necessary in order to ensure that the budget is balanced. The Governor's original budget provided for an appropriate level of funding to ensure that the Administration's efforts to provide a full range of health services for the citizens of New Jersey are achieved. With the elimination of the appropriation, the corresponding language on page 82 also must be deleted.

54 DEPARTMENT OF HUMAN SERVICES

- 104 This language is deleted as it would misguidedly require the State to establish a program, without any source of funding, that is inconsistent with the principles of federal law.
- 119 The appropriation of \$2,700,000 is eliminated. Based on the current fiscal realities and available funding, the elimination is necessary to ensure that the budget is balanced.
- 127 This appropriation of \$3,500,000 is eliminated because its inclusion would be inconsistent with the Governor's budget recommendations for fiscal year 2015.
- 128 This language is partially deleted to restore consistency with the intent of the Governor's original budget recommendation. This language is intended to improve quality of care and quality assurance, as well as reduce the opportunity for fraud and abuse in the Medicaid reimbursement system, by ensuring that appropriate adult medical day care services are delivered by licensed providers who satisfy all licensure standards and program requirements, including maximum daily capacity requirements. By allowing facilities to serve participants in excess of their licensed capacity per day, some facilities may be inappropriately incentivized to place reimbursement considerations above the needs of their participants.

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74 DEPARTMENT OF STATE

- 156 This language is deleted in its entirety to promote consistency with the Governor's budget recommendations for fiscal year 2015 and the provisions of P.L.2013, c.170.
- 161 This language is modified to effectuate the implementation of the Higher Education Restructuring Act of 2013.
- 165 This language is modified to accomplish the Legislature's goal of assisting two medical schools --- the New Jersey Medical School and the Robert Wood Johnson Medical School, both of Rutgers --- in their efforts to claim Medicaid reimbursement for faculty physicians and other professionals employed by those institutions.
- 166 Per Capita Library Aid is reduced by \$3,000,000 to the level included in the Governor's original budget recommendations. This level of funding is sufficient to support New Jersey's public libraries at an appropriate level.

82 DEPARTMENT OF THE TREASURY

- 183 The appropriation of \$258,000 for Employer Contributions - Teachers' Pension and Annuity Fund (PTRF) is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.
- 188 This language is deleted in its entirety to preserve and protect the independence, discretion, and integrity of the Office of the Comptroller in the exercise of his legal authority.
- 193 This language is modified to maintain consistency with the Administration's plan to issue the credits in May 2015. Specifying the timing of this payment appropriately recognizes the fiscal realities associated with matching the timing of large one-time annual payments with the timing of the actual receipt of State revenues.
- 195 The appropriation of \$60,060,000 for Police and Firemen's Retirement System (PTRF) is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.
- 195 The appropriation of \$42,062,000 for Police and Firemen's Retirement System (P.L.1979, c.109) (PTRF) is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.
- 199 Legal Services is reduced by \$5,000,000 to the level included in the Governor's original budget recommendations. This level of funding is appropriate given the current fiscal reality.

94 INTERDEPARTMENTAL ACCOUNTS

- 209 The appropriation of \$527,441,000 for Public Employees' Retirement System is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.
- 209 The appropriation of \$122,082,000 for Police and Firemen's Retirement System is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.
- 209 The appropriation of \$62,232,000 for State Police Retirement System is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.
- 209 The appropriation of \$25,334,000 for Judicial Retirement System is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.
- 209 The appropriation of \$3,404,000 for Teachers' Pension and Annuity Fund is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.
- 211 The appropriation of \$77,220,000 for Public Employees' Retirement System is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.
- 211 The appropriation of \$9,149,000 for Police and Firemen's Retirement System is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.
- 211 The appropriation of \$713,000 for Teachers' Pension and Annuity Fund is reduced to reflect the adjustments necessary to achieve a balanced budget for fiscal year 2015. For all of the reasons set forth in the other vetoes I have signed today, current economic reality compels this reduction.

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GENERAL PROVISIONS

- 263 This language is deleted to promote the efficient operation of the State government while avoiding an unnecessary and burdensome bureaucratic reporting requirement.
- 277 This language is deleted to restore the historic, annual payment schedule in a manner consistent with the ordinary process by which payments are made by other units of government. The timing of this payment recognizes the fiscal realities associated with matching the timing of large one-time annual payments with the timing of the actual receipt of State revenues.
- 277 This language is deleted to promote the efficient operation of the State government while avoiding an unnecessary and burdensome bureaucratic reporting requirement.

[seal]

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Christopher S. Porrino

Chief Counsel to the Governor