
THIS WEEK IN TRENTON



PUBLIC STRATEGIES IMPACT
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Budget Moves Out of Budget Committees

The Senate Budget and Appropriations Committee and the Assembly Budget Committee released S3000/A3000, the Fiscal Year 2011 State budget, putting it in position for a floor vote in both houses of the Legislature on Monday, June 28. The budget bill was sponsored in the Senate by Republican budget officer Anthony Bucco and in the Assembly by Republican budget officer Joseph Malone. All Republicans on both committees voted for the budget, with Democrats providing the votes needed for the bills to move forward. The legislation, which is supported by Governor Christie, calls for spending \$29.38 billion and leaving a surplus of over \$300 million. Several revisions were made as a result of negotiations between the Governor and legislators. The following programs were re-instated or received additional funding:

Funding For General Assistance: \$21,995,000
Supplemental Security Income / Personal Needs Allowance For Community-Based
Developmental Disabilities Clients: \$10,282,000
Personal Assistance Home Care: \$9,669,000
Education Services For Blind Children: \$20,000
Adult Medical Day Care: \$2,379,000
Sheltered Workshops for People with Disabilities: \$3,000,000
Respite Care: \$800,000
Hagedorn Psychiatric Hospital: \$6,370,000
NJ After 3 Program: \$3,000,000
NJ STARS Tuition Scholarships: \$1,000,000
Educational Opportunity Fund (EOF) Opportunity Program: \$1,300,000
New Jersey Cultural Trust: \$4,000,000 (for Battleship NJ, Newark Museum and Old Barracks)
Center for Hispanic Policy: \$1,400,000
State Commission of Investigation: \$3,539,000.
Approved, shovel-ready UEZ projects in urban centers: \$48,000,000

Governor Conditionally Vetoes Unemployment Reform Legislation

Governor Chris Christie conditionally vetoed **Senate bill 1813**, legislation that reduces the unemployment insurance (UI) tax rates which will be imposed on employers during fiscal year 2011. Governor Christie proposed reforms to the unemployment system in February. S1813, which was significantly different than the Governor's proposal, was passed by the Legislature in May. The conditional veto maintains the most time-critical aspect of the Governor's proposal and those of the sponsors of S1813: averting an automatic, per-employee tax increase on July 1 of up

to \$683 that would have been needed to fund an insolvent Unemployment Insurance Trust Fund. Instead, the average increase will be reduced to \$130 per employee.

The Governor's conditional veto also reforms unemployment insurance benefits for employees who lose their jobs due to misconduct – reforms which will result in estimated annual savings of between \$150 and \$175 million. The proposed revisions create a three-tiered structure (misconduct, severe misconduct and gross misconduct) which either prohibit payment of unemployment benefits or extend the waiting period before benefits can be paid.

Finally, the conditional veto calls for an Unemployment Insurance Fund Task Force to study and assess the current unemployment insurance crisis and recommend how the state can restore the trust fund to solvency in a way that balances the interests of workers, employers and the overall economy. The task force would replace the Employment Security Council, a group which has not met in over a five years. The task force would also conduct a comprehensive review of all eligibility standards, benefit levels, definitions in the unemployment compensation law, statutory payroll tax triggers, contributions and experience rating tables.

Both the Senate and Assembly must concur in the Governor's conditional veto. Senate President Sweeney said he expects the Senate to do so on Monday. Assembly Speaker Oliver did not make a statement.

Senate Confirms Cabinet Appointments

The Senate yesterday confirmed Governor Christie's nominations of Allison Blake to serve as Commissioner of the Department of Children and Families and Garret Komjathy to serve as Director of the Division of Banking in the Department of Banking and Insurance.

Sweeney Property Tax Proposal Released by Budget Committee

The Senate Budget and Appropriations Committee released **Senate bill 29**, legislation limiting annual property tax increases to 2.9%. The bill was released on a party-line vote with all Democrats voting in the affirmative and all Republicans voting in the negative. S29 is sponsored by Senate President Stephen Sweeney, who told the Committee that his legislation is a more reasonable alternative to Governor Christie's proposal to amend the Constitution to impose a 2.5% cap. The Sweeney proposal allows exceptions for items such as health care costs, pension costs and energy costs, while the Governor's proposal only allows the cap to be exceeded for towns' debt payments or if 60% of voters in a town approve.

The Assembly Budget Committee is scheduled to consider A3065, sponsored by Assemblyman John McKeon, which is identical to S29.

Bodman to Appear on NJN

Public Strategies Impact Senior Partner Roger Bodman will appear on New Jersey Network's news program on Wednesday, June 30, 2010. The NJN news airs live at 5:30 p.m. and is replayed at 6:00 p.m. and 11:00 p.m.

Legislative Calendar

This week the Senate and Assembly held voting sessions and the Budget Committees in both the Senate and Assembly met. Next week, the Senate and Assembly will hold voting sessions on June 28.