
THIS WEEK IN TRENTON



PUBLIC STRATEGIES IMPACT
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Christie Requests State Budget Actions

Governor-elect Christopher J. Christie, along with Richard Bagger and Robert Grady, the co-chairs of his transition task force on budget and taxes, said yesterday that the state's budget outlook has become even more dire than they expected. At a press conference held yesterday afternoon Grady said an \$8 billion deficit projection that has been attributed to the nonpartisan Office of Legislature Services "is at the low end of the range" and the structural deficit will be "clearly larger" than that.

After meeting with Treasury Department officials, Christie hand-delivered a letter to Governor Jon Corzine, asking him to take the following steps, "in order to prevent the crisis from worsening and budget hole we are in from deepening during this critical transition period."

- 1) Place all discretionary grant and state aid accounts, including, but not limited to, Special Municipal Aid and Extraordinary Aid, in reserve.
- 2) Freeze all new paid appointments and re-appointments to boards and commissions.
- 3) Line item veto any legislation with a fiscal impact on the State budget.
- 4) Veto all discretionary spending items in authority minutes.
- 5) Freeze all professional service, public relations, and consulting contracts.
- 6) Freeze all pending regulations that would incur additional spending.
- 7) Freeze all nonessential hires, promotions and raises.
- 8) Freeze all non-contractual personnel actions, including title changes and transfers.
- 9) Freeze all transfers of funds and directory letter appropriations.
- 10) Freeze all new leases, long term purchasing contracts and other long term obligations including certificates of participation.
- 11) Freeze the retention of all new outside professionals, manager selections, and new contracts for managing alternative investments with respect to New Jersey's pension funds.
- 12) Advise and provide advance notice to transition staff and major financial transactions.

- 13) Strictly enforce, and refrain from relaxing, any existing spending constraints and financial controls.
- 14) Hold 50% of all operating accounts in reserve to ensure that agencies are not spending more than half of their operating budgets prior to the commencement of the second half of the year.