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Governor Christie delivered his sixth annual budget address today in Trenton. The address was delivered in the wake of a judicial bombshell: a Superior Court judge's ruling yesterday requiring New Jersey to make nearly \$1.6 billion in promised payments to its public pension and benefit system. This ruling threw the state into a surprise fiscal crisis just hours before the Governor was to introduce his latest budget proposal.

The Superior Court ruling would force the State to find \$1.6 billion in the remaining four months of the current fiscal year and make plans to include another \$1.6 billion in the coming year's budget. The Christie Administration has criticized the ruling and promised to appeal.

Governor Christie devoted the overwhelming majority of his budget address to the pension issue and indirectly responded to yesterday's ruling. While the pension system affects all of New Jersey's public sector workers, the New Jersey Education Association (NJEA) has been at the front of this issue for several years. The Governor used today's address to announce that a pension & benefits review commission he established had reached a tentative agreement with NJEA on proposed reforms to the pension system.

Governor Christie touched on several other highlights in his speech, touting his sixth straight balanced budget and one delivered without any new taxes. The Governor stated that his budget includes \$2.3 billion less in discretionary spending than in 2008. The Governor also briefly touched on several highlights in his budget, including investments in elementary and secondary education and \$20 million in higher education tuition assistance, and funding to establish a single entry point for drug addiction treatment services.

Notably absent from today's speech was any discussion or mention of the State's beleaguered Transportation Trust Fund (TTF), which will go bankrupt in June without action by the Governor and Legislature. While we understand that behind the scenes discussions on possible solutions are ongoing, many transportation stakeholders today reacted with dismay at the lack of a TTF discussion in the speech.