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**Susan Gouveia**

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**From:** Lashway, Lisa  
**Sent:** Thursday, February 27, 2014 3:35 PM  
**To:** Canning, Sean  
**Cc:** Susan Gouveia  
**Subject:** FW: NJCM Mayors Information Bulletin: Brief Summary of Governor Christie's Budget Address FY 2015

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**From:** New Jersey Conference of Mayors [mailto:njcm@njcm.org]  
**Sent:** Thursday, February 27, 2014 3:03 PM  
**To:** Lashway, Lisa  
**Subject:** NJCM Mayors Information Bulletin: Brief Summary of Governor Christie's Budget Address FY 2015

**NEW JERSEY CONFERENCE OF MAYORS  
INFORMATION BULLETIN**



**Information Bulletin: A Brief Summary of Governor Christie's  
February 25, 2014 Budget Address for FY 2015.**

- This budget will be \$34.5 billion and is a 3.5% increase over the previous year.
- It includes a surplus of \$300 million.
- Excluding the costs of pensions, healthcare and debt service, this budget would be \$2.2 billion smaller than FY 2008.
- A pension payment of \$2.25 billion is being made.
- K through 12 education funding going to over \$12.9 billion. This includes:
  - \$9 billion in direct aid to schools (a \$40 million increase over last budget).
  - \$5 million for a new "Education Innovation Fund" which will be a "Race to the Top" like program to encourage school districts to put forward plans to increase student learning time (length of school day and school year). The intention would be to scale the most effective approaches on a state wide basis.
  - \$653 million for Preschool Education (an increase of \$5 million) which provides preschool education to approximately 53,000 students in 143 districts.
  - \$54 million for Interdistrict Public School Choice Program (an increase of \$4.8 million).
  - \$12 million for Charter School funding.
- Higher Education funding will go to \$2.3 billion (an increase of \$159 million).
  - The majority of this increase will go to debt service for the "Building our Future" bonds (which was for \$750 million) that was approved in 2012 for building, equipping and expansion of NJ Colleges and Universities.
  - Tuition Aid Grants will see an increase of \$14 million.

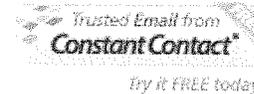
- The budget includes \$1.2 billion in direct property tax relief for home owners, seniors and the disabled.
- Certain unspecified corporate loop holes will be closed to promote fairness.
- An increase of \$600 million in tax relief for NJ businesses. This represents the fourth year of a phased in business tax cut.
- An increase of \$4.5 million to expand NJ Drug Courts and innovative substance abuse programs that integrate treatment with employment.
- 94% (or 9 out of 10 dollars) of the 3.5% increase over the last budget is dedicated to pensions, healthcare and debt service costs.
  - The Governor feels that additional reforms in these three areas are needed.
  - Raising taxes is not a solution.
  - He is calling for greater consolidation and shared services among the more than 600 units of local and county government to increase efficiencies and pass those savings onto the tax payers.
  - He is proposing \$8.5 million in this budget to reimburse local governments engaged in consolidation and shared services.
  - He is calling on the legislature to pass the remaining 14 bills of his 20 bill "property tax" tool kit proposal.
- Another area the Governor is looking to "innovate" is healthcare, specifically Medicaid and Family Care.
  - He is proud of his decision to expand Medicaid in NJ but feels the greater access necessitates larger reforms.
  - \$12 billion in State and Federal funding will cover 1.4 million NJ residents.
  - He is pushing a philosophy of allowing older residents to receive care in their communities before transitioning to nursing home facilities.
  - The highest costs to Medicaid and Family Care come from individuals with chronic emergency room visits, repeat inpatient stays, and complex medical conditions.
    - 16,000 Medicaid recipients visited emergency rooms six or more times last year.
    - 5% of Medicaid recipients accounted for 50% of the costs.

- Calling on Rutgers to join with Medicaid managed care organizations to help devise a program to innovate and improve health care delivery to Medicaid and FamilyCare recipients.
- Looking to improve access to care by increasing funding for children in Family Care by \$21 million.
- Looking to advance prevention by increased funding for cancer screening and newborn screening under "Emma's" Law.

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