

February 27, 2015

**RE: Weekly Policy Update**

Dear Mayor:

Here's a recap of major policy issues of interest to local governments.

**I. Governor Presents Proposed FY 2016 Budget**

On Tuesday, Governor Christie presented his proposed FY 2016 budget before a joint session of the State Legislature. The Governor presented a \$33.8 Billion State Fiscal Year 2016 budget proposal to the legislature, including \$12.7 Billion in School Aid, \$2.2 Billion in aid to Higher Education and \$1.5 Billion in municipal property tax relief funding.

More analysis of the proposed budget will be forthcoming in the upcoming days and weeks. For more, please see the League's February 24 letter at: <https://nj-njslom.civicplus.com/Archive.aspx?ADID=367>

**Contact:** Jon Moran, [jmoran@njslom.com](mailto:jmoran@njslom.com) or 609-695-3481, ext. 121.

**II. Pension and Health Benefits Task Force Issues Recommendations**

The bulk of the Governor's budget address focused on public employee pension and health benefits. Specifically, he focused on the recommendations released just before the speech began, by the Governor's Pension and Health Benefit Study Commission. (The report can be accessed at <http://www.state.nj.us/treasury/pdf/FinalFebruaryCommissionReport.pdf>.)

Those proposals include the following steps:

- Freeze the existing pension plans; benefits earned to date would not be affected;
- Align future public employee retirement benefits with private-sector levels;
- Align public employee health benefits with private-sector levels;
- Realign State and local responsibility for new and sustainable pension and health benefits;
- Lock in fixed and certain pension funding with a constitutional amendment;
- Transfer the assets, liabilities and risks of the existing pension and new retirement plans to employee entities willing and able to assume this obligation.

The Commission's February 24 report also calls for the creation of a Roadmap to Resolution Implementation Task Force. That Task Force will, most likely, be created by a Governor's Executive Order.

Implementation of the Roadmap will have a crucial impact on local budgets and property taxes this year and for years to come. In developing its conclusions and recommendations, the Study Commission evidently reached out to at least one public sector union. To date, the League of

Municipalities has not been contacted by the Commission. We believe that local government concerns need to be carefully considered, as the State moves toward the June 30 deadline for action this year. Accordingly, we have asked Governor Christie to appoint a municipal representative to the Task Force.

The League is currently reviewing this complex proposal and will provide further details shortly. **Contact:** Lori Buckelew, [lbuckelew@njslom.org](mailto:lbuckelew@njslom.org) or 609-695-3481 x112.

### **III. Division Local Government Services Posts Local Property Tax Relief Certifications**

The Division of Local Government Services has posted the individual municipality tax relief funding certifications. As mentioned in our February 24 review of Governor Christie's budget proposal (available at <https://nj-njslom.civicplus.com/Archive.aspx?ADID=367>), almost all municipalities should be authorized to anticipate the same funding that the State provided last year. Exceptions will be those who have, in the past, received Meadowlands Adjustment Aid.

Individual certifications can be accessed on the Division's website at [http://www.state.nj.us/dca/divisions/dlgs/resources/muni\\_stateaid.html](http://www.state.nj.us/dca/divisions/dlgs/resources/muni_stateaid.html). To see the report for all municipalities, go to <http://www.state.nj.us/dca/divisions/dlgs/resources/stateaidinfo.shtml>. Under "Select the type of report," select "State Aid Certification Excel format. Under "Select the report year," select "CY 2015 SFY 2016" and click the "Get Report" button.

If your municipality's certification is less than it was last year, please let us know. **Contact:** Jon Moran, [jmoran@njslom.com](mailto:jmoran@njslom.com) or 609-695-3481, ext. 121.

### **IV. Potential Impact of Federal Lapse in Appropriations for Municipalities**

The Federal Emergency Management Agency (FEMA) has announced the potential impact of a federal lapse in appropriations for their agency. The impact for municipalities may be the following: No Preliminary Damage Assessments; assistance provided to communities through the Public Assistance program will cease, however, FEMA's Individual Assistance program would continue to provide financial services and resources to support individuals and households that have been deemed eligible for assistance; grantees will have no access to FEMA staff for technical assistance or answers to grant questions; and processing of incoming applications for FY14 Assistance to Firefighters Grants and SAFER awards will be delayed. If you have any questions, please feel free to contact FEMA's Intergovernmental Affairs Division at (202) 6463444 or at [FEMA-IGA@fema.dhs.gov](mailto:FEMA-IGA@fema.dhs.gov).

### **V. Governor Issues Executive Order Advancing Seasonal Liquor Licenses Timeframe**

Earlier this week, Governor Christie issued [Executive Order 174](#), which permits seasonal alcoholic beverage licensees to begin serving alcohol on March 1, two months ahead of the normal date of May 1. For calendar year 2015 the seasonal alcoholic beverage consumption licensee term shall be March 1, 2015 to November 14, 2015, inclusive. The Executive Order prohibits a municipality or county to enact or enforce any order, rule, regulation, ordinance, or

resolution that will or might in any way conflict with the provisions of this Executive Order. The Executive Order took effect on February 25, 2015.

**Contact:** Lori Buckelew, [lbuckelew@njslom.org](mailto:lbuckelew@njslom.org) or 609-695-3481 x112.

## **VI. Transportation Trust Fund Update**

View a video message urging mayors' action on transportation funding from League President Brian Wahler, Mayor, Piscataway: <http://www.njslom.org/Videos/2015-0224-wahler-TTF.html>

**<https://nj-njslom.civicplus.com/577/New-Jersey-Transportation-Trust-Fund>**

Thank you.

Very truly yours,

William G. Dressel, Jr.  
Executive Director