

June 16, 2017

RE: WEEKLY UPDATE

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I. State Policy Issues

a. State Budget Deadline Approaching; School Funding Agreement by Legislative Leadership

June 30 marks the constitutional deadline for a balanced state budget. As you know, the weeks leading up to the budget deadline are hectic, often with significant horse trading in exchange for support for particular items. The dominant issue since the Governor's budget address has been an attempt to address school funding. On Thursday morning, the Senate President and the Assembly Speaker announced an agreement on school funding, which they intend to include as part of the balanced budget, to be presented to the Governor by the June 30 deadline.

Here are the basics of their agreement, as we understand them.

- An additional \$146 million to go to underfunded school districts (those receiving less than they should, pursuant to the statutory formula), in part by redistributing \$46 million from school systems that are overfunded (pursuant to the formula) by the state.
- Cuts to those overfunded districts would be capped at 1.5 percent.
- Eliminates the cap on new dollars that districts with growing enrollments can receive
An extra \$25 million for Pre-K expansion.

The Senate President and Speaker both expressed support for a "millionaire's tax" in 2018, as a school funding revenue source.

The Governor provided only limited comments, indicating a willingness to work with Legislative Leadership but that he has concerns with the proposal.

Contact: Michael Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481 x120.

b. "New Jersey Library Construction Bond Act" Advances

The League **supports** [A-222](#) and [S-2171](#), the "New Jersey Library Construction Bond Act" This legislation would, upon voter approval, authorize the issuance of \$125 million in bonds for the purpose of the construction, reconstruction, development, extension, improvement and furnishing of New Jersey's public libraries. Both bills are scheduled for respective hearings on Monday and could both advance to their respective floors before the end of the month.

Please contact your Legislators and ask for their support for these two bills. **Contact:** Michael Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481 x120.

c. 2% Interest Arbitration Cap to Expire At End of Year

In June 2014, the Legislature unanimously approved and the Governor enacted an extension on the 2% cap on Interest Arbitration awards. That extension is set to expire on December 31, 2017. While the 2% property tax levy cap will continue, the cap on Interest Arbitration awards will expire on the same day that the final report and recommendations of the Police and Fire Public Interest Arbitration Impact Task Force is due, unless the Legislature and Governor act.

The temporary 2% cap on police and fire arbitration contract awards has been an effective tool to control increasing salary costs and provide a solution to assist local governments in keeping property taxes down and cost under control. However, we recognize that this change in arbitration reform needs a longer time to mature in order to see the benefits of the legislation and its actual impact on the cost of local government budgets and the impact on taxpayers.

We urge you to pass a resolution ([pdf](#)) urging the State Legislature and Governor to extend the 2% cap on Police and Fire Arbitration Contract Awards for an additional five years, at which time the Legislature will have hard data to examine and then make a final decision as to whether this law should be made permanent.

If the cap on interest arbitration expires, while the 2% property tax levy cap remains in effect, municipalities will be forced to reduce or eliminate municipal services in order to fund interest arbitration awards.

Contacts: Michael Cerra, Assistant Executive Director, mcerra@njslom.org, 609-695-3481 x120;

Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org 609-695-3481 x112.

II. Federal Policy Issues

a. Federal Fiscal Considerations

The federal budget process can have a tremendous impact on vital programs that make our State and our municipalities strong and stable. Staying aware of the impacts of the Fiscal Year 2018 budget and working with your League and Federal representatives to respond to the proposals can ensure the best possible outcome for municipalities. The League will post analysis and information throughout the Federal budget cycle at <https://nj-njslom.civicplus.com/351/Federal-Issues>

III. Annual League Conference

a. Don't Use Unauthorized Hotel Reservation Services

Every year there are unauthorized firms soliciting housing and hotel reservations from attendees at the Annual League Conference. We assure you that the only firm authorized to handle our conference housing reservations is A.C. Central Reservations. This information is on the top of the official conference housing form sent to all municipal clerks and posted on our web site: <http://nj-njslom.civicplus.com/302/2017-Conference>

IV. Also of Interest

a. Application for 2017 Governor's Environmental Excellence Awards Available

The New Jersey Department of Environmental Protection (DEP) is accepting applications for the 2017 Governor's Environmental Excellence Awards (GEEA). The Governor's Environmental Excellence Awards Program is New Jersey's premier awards program for recognizing outstanding environmental performance, programs and projects throughout the state. These awards recognize individuals, businesses, institutions, communities, organizations, educators, youth and others who have made significant contributions to environmental protection in New Jersey. Since the awards program was established in 2000, 160 winners have been recognized.

Nominations can be submitted for seven different categories. In addition, the category for "Environmental Education" has been divided into two awards: one for adult-led educational initiatives and one for projects that are student-led or have succeeded due to a high level of student involvement.

The GEEA Program is sponsored by the New Jersey Department of Environmental Protection, the New Jersey Environmental Infrastructure Trust and the New Jersey Corporation for Advanced Technology, in partnership with the New Jersey State League of Municipalities.

Award winners will be honored at a ceremony in December, to be held in Trenton. The 2017 application and other awards information is available at www.nj.gov/dep/eeawards . Completed applications must be received at DEP by September 29.

Questions – Contact Tanya Oznowich at DEP (609) 984-9802 or Tanya.Oznowich@dep.nj.gov

Sincerely,

Michael J. Darcy, CAE
Executive Director