

## **Under the Dome with DeAngelo**

*An Update on the New Jersey State Government by Assemblyman Wayne DeAngelo  
(July 2015)*

With the dog days of summer across New Jersey, comes summer recess for most of the business of the State Legislature Under the Dome.

However, the end of June saw the annual flurry of legislation with an estimated more than 100 bills considered and passed by the Legislature. These bills ran the gamut from considering taxes and spending to implementing computer science curriculum in elementary schools to prohibiting the sale of powdered alcohol to studying rates of sexual assault on college campuses.

The key act of the Legislature and Governor was passing the Fiscal Year 2016 State Budget before the constitutionally set deadline of June 30. The most contentious part of the budget, as anticipated, was the amount that the State would contribute to the state pension system. The Legislature passed the budget with a \$3.1 billion pension payment; however, the Governor slashed the payment to \$1.3 billion. An additional \$220 million for the close of Fiscal Year 2015 was put into the fund immediately. The pension system still maintains a growing unfunded liability that must be addressed to bring about solvency for the fund and stability for future state budgets.

Other highlights of the State Budget for Fiscal Year 2016 include:

- Direct property tax relief through the Homestead Benefit of an estimated \$515 for seniors and disabled taxpayers whose income is below \$150,000; and an average benefit of \$404 for other homeowners whose income is below \$75,000.
- Continued funding of \$218.7 million for the Property Tax Reimbursement Program (Senior Freeze) for senior and citizens with disabilities (note: the deadline for applying for this program has been extended to October 1, 2015. For an application or information, please contact my office).
- Expanded access to health care for our veterans through an appropriation of \$8 million committed to such services.
- Funding for higher education institutions and students that totals more than \$2.2 billion. In addition, Tuition Aid Grants (TAG) grants will increase by two percent to provide support to more than 66,000 for students.
- An increase of \$45 million in NJ FamilyCare physician reimbursements to ensure access to appropriate health care services and an increase of \$27 million in investments in future doctors through Graduate Medical Education funding.
- An additional \$106 million for community placements and related services for individuals with developmental disabilities or mental health issues.

To help lower income families, a law was enacted to increase the state Earned Income Tax Credit (EITC) for families to 30 percent of the federal credit. The EITC program was created in 1975 under President Reagan as an anti-poverty program to reduce child poverty and to increase work incentives. Beginning in 2010, however, the Governor Christie cut the EITC to 20 percent thereby affecting more than 500,000 New Jersey families. An estimated 528,000 taxpayers received a state EITC benefit of approximately \$430 in fiscal year 2010 data. As the economy in New Jersey continues to rebound providing tax relief to hard-working taxpayers is critical.

Despite aggressive opposition by lawmakers, like myself, and consumer advocacy groups, New Jersey Transit's Board voted unanimously this month to increase transit fares by nine percent. The last fare hike was five years ago and increased prices by 22 percent. While this latest round of increase will be lesser, many riders have complained about the impact that this increase will have on the affordability of using mass transit.

NJ Transit officials have claimed that the fare hike is necessary to fill a \$56 million agency budget shortfall. They contend that without the revenue increase there would need to be drastic service cuts and employee layoffs. Even with the fare hike, three service cuts will be implemented. The most local service change will be the elimination of Bus Route 655 which travels from Princeton to the University Medical Center of Princeton in Plainsboro. The fare hikes will go into effect on October 1, 2015.

To ensure that consumers have more of a voice in any such fare increases, the General Assembly recently passed a bill that I wrote to require the input of the state's Ratepayer Advocate. The measure, Assembly Bill 2587 (A-2587), expands the powers of the Rate Counsel to evaluate a proposed fare increase and determine within 90 days if a proposed increase would be fair to the ridership. While NJ Transit does hold public hearings on fare proposals, the average rider may not be able to attend and express their viewpoints. The Ratepayer Advocate would be their voice in the proceedings and provide a much-needed independent evaluation of the impact of any fare increase to those who rely on mass transit in their daily lives.

The State Senate will have a limited summer session, but the General Assembly will likely remain in recess for the summer as is customary. Rest assured though that these summer months are typically used to craft legislation and connect with constituents in our individual districts. I look forward to seeing you back here next month Under the Dome.

***Editor's Note:*** Assemblyman Wayne DeAngelo (D-Hamilton) represents the 14<sup>th</sup> Legislative District which includes parts of Mercer and Middlesex counties. He can be reached at [AsmDeAngelo@njleg.org](mailto:AsmDeAngelo@njleg.org); phone (609) 631-7501; [www.WayneDeAngelo.org](http://www.WayneDeAngelo.org); Facebook: Assemblyman Wayne DeAngelo; or Twitter: @DeAngeloLD14.