Issues Update:

Budget Update

Gov. Phil Murphy signed a $38.7 billion state budget on June 3rd, using his line-item veto power to cut $48.5 million in spending items and promising to freeze up to $235 million in other costs until he is convinced the state will have enough revenue to support the added expenses. Delivering the news in a bizarre and raucous press conferences in Trenton, the governor continued to complain that he had to accept a plan that doesn’t include his proposed millionaire’s tax and cuts to several items he had asked for in March. He also secured nearly all of the other proposals he laid out in his original budget — plus $50 million more for NJ Transit — and said he was left with a bittersweet taste in his mouth.

The final budget, which Murphy said he signed before the press conference began, includes an $875 million undesignated surplus and an additional $401 million deposit into the state’s rainy-day fund. Murphy slashed the Legislature’s revenue estimates by a net $213 million, taking into account some adjustments the state treasury made to its predictions based on June revenue collections. Much of that is accounted for by a boost in assumptions about the corporate business tax. Murphy’s line-item vetoes include $38 million that was dedicated to support shared services and school district consolidation, leaving $10 million for the cause.

Murphy also cut a $5 million line item that would have provided a vulnerable communities access-to-care grant to Cooper University Hospital in Camden, which is chaired by South Jersey Democratic power broker George Norcross. A senior administration official said the Legislature had not provided a ‘clear justification for the funding, nor is there a program description associated with it.”

Minimum Wage

The minimum Wage increase to $10 on July 1st with more than 200,000 New Jersey employees impacted. This is the first in the state's multi-year move toward a $15-an-hour minimum wage. The Democratic-controlled Legislature passed and Gov. Phil Murphy signed the new wage into law five months ago as a way to provide all workers with a ‘living’ wage in one of the highest-cost states in the nation. The minimum wage for most hourly employees will reach $15 by 2024, making New Jersey one of only five states plus the District of Columbia to have enacted a $15 minimum. DC will be the first to reach that mark, next July 1, followed by California in 2022.

Medical Marijuana

Gov. Phil Murphy left open the possibility that New Jersey would decriminalize marijuana possession moments before signing legislation that makes sweeping changes to the state’s medical cannabis program. In May, Senate President Steve Sweeney pulled the plug on legislation that would have legalized cannabis for recreational use in New Jersey, effectively killing one of Murphy’s top legislative priorities. Instead, the Democrat-controlled Legislature will work on bills that would put the legalization question before voters in 2020.

Questions?

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