

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SENATE BILL NO. 2000

To the Senate:

Pursuant to Article V, Section I, Paragraph 15 of the New Jersey Constitution, I am appending to Senate Bill No. 2000, at the time of signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

This budget embodies an historic bipartisan consensus about our State's priorities. In the past six months, on issues ranging from charity care to automobile insurance, we have demonstrated that politicians can rise above politics to serve the best interests of the public. This budget is premised on our shared conviction that, working together, we can take advantage of today's abundance to secure our future.

The message of this budget is that New Jersey, while diverse, is not divided. We are unified -- Democrat and Republican, city and suburb, rich and poor -- in our determination to address compelling social needs. Accordingly, the budget provides for urban redevelopment as well as open space preservation. The budget provides record levels of state aid for education for all of our children in accordance with the high standards embraced now by our State's highest court. The budget provides record levels of support for our most vulnerable populations: children, the sick, the frail, and the elderly. The budget provides record levels of support for the environment we all share.

At the same time, the budget keeps operational spending relatively flat and returns a record surplus of over \$700 million. State revenue growth continues to soar to record levels, reflecting the vigor of an economy in which job creation stands at nearly 300,000 since this administration began.

This budget, in short, reflects our shared abundance and expresses our shared goals. I commend Senate President DiFrancesco, Assembly Speaker Collins, Minority Leaders Senator Richard Codey and Assemblyman Joseph Doria, the Chairmen of the Budget and Appropriations Committees, Senator Robert Littell and Assemblyman Richard Bagger, and the members of the Budget and Appropriations committees from

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both parties for working tirelessly to achieve this historic consensus while respecting the programmatic priorities and spending limits I outlined in February.

Notwithstanding my agreement with the overall spending plan, I must strike a note of caution with respect to the increased number of special appropriations contained in the budget. The increase in special appropriations reflects the availability of revenues generated by our robust economy. During such times, it is appropriate to support worthy causes and to meet unaddressed needs. The recipients of such special appropriations should not, however, become reliant on State support since such support is, by its nature, temporary. Recipients should use these funds to address particular capital needs or to plan for self-sufficiency. This administration will make certain that these special grants are used appropriately.

In addition, there are a few identifiable trends within the category of special appropriations that I find disturbing. First, there are a growing number of organizations and groups in the arts community which are seeking funds outside the Arts Council process. While I am sure that all can make a valid case for some level of support, failure to work through the Arts Council will, if this trend continues, undermine the Council. Such a result is not in the long-term interest of the arts in New Jersey. While in general I am supporting the appropriations made this year, I suggest strongly that members of the arts community reverse this trend and work through the Arts Council.

Another trend is the increase in the number of school districts receiving aid outside the CEIFA formula. While I am always open to assisting those districts that have experienced a unique and quantifiable hardship, I caution school districts to view these appropriations as one-time revenues on which they should not rely in the future. Education aid is funded through the CEIFA formula because, by its nature, that legislatively endorsed formula provides the most equitable distribution of aid. I expect the number of special appropriations for education aid to decline as districts become accustomed to the workings of the formula.

Finally, there are a growing number of special appropriations for open space acquisition or improvements. I note this trend simply to highlight the need for the

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proposed Garden State Trust. Once established, the Trust will provide a stable source of funding for such open space projects, and will thus eliminate the need for such special appropriations in future years.

Among the special and other appropriations in this budget, there are a few areas where I believe adjustments to the spending set forth are appropriate. Therefore, I am exercising my line-item veto power in a judicious manner to clarify State government's priorities for the coming fiscal year and to improve the fiscal integrity of this budget. Specific explanations for these adjustments are set forth below.

I am, accordingly, appending to Senate Bill No. 2000, at the time of signing it, this statement of objections to the items, or parts thereof, to which I object and which shall not take effect.