

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

SENATE BILL NO. 3000

To the Senate:

Pursuant to Article V, Section I, Paragraph 15 of the New Jersey Constitution, I am appending to Senate Bill No. 3000, 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.

During the past six years, in proposed budgets or in similar messages at the time of signing the State budget, I have noted the great accomplishments which have been reached by the administration and the New Jersey State Legislature. I have, from time to time, noted with great pride our ability to fulfill the promises which we have made to the citizens of New Jersey. In a message and statement similar to this six years ago, I noted that our budget kept promises by cutting taxes and reducing the size of government. Over the past several years, I have continued to propose and report that we have cut taxes, disciplined spending and cultivated an atmosphere and business environment that has helped provide us a robust economy in New Jersey.

As we greet a new century and maintain the promise of continued prosperity, we can be proud that with a focus on responsible spending and record revenues, we can do more for our children, our schools, our communities and our families. This budget reflects both a robust economy and the Legislature's and my administration's shared commitment to invest the citizens' tax dollars wisely.

This budget holds operational spending relatively flat and provides a record surplus. While there is growth in both revenues and spending, three top priorities for New Jersey account for nearly half of our spending increase: delivering well-deserved tax relief to our citizens, providing a world-class education, and preserving our precious open land.

This budget makes history in that it provides a greater amount of direct and indirect tax relief than ever before. Most significant, it funds the first phase of the New Jersey SAVER program, our billion-dollar property tax rebate plan. This budget will enable the State later this year to return an average of \$120 statewide to homeowners,

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keeping our promise to provide meaningful, long-term relief from the burden of rising property taxes.

In addition, this budget provides new relief to more than 200,000 working New Jerseyans whose current incomes will now become exempt from the state income tax. This budget allows seniors to exempt a greater portion of their retirement income from state taxes. And with the new fiscal year, we begin to fund the senior and disabled property tax freeze approved at the end of the last session.

In total, this budget provides \$8.6 billion in property tax relief. This amount includes \$217 million in new, direct tax relief to the people of New Jersey.

With this budget, we continue to provide greater amounts of indirect tax relief as well. Indeed, we are providing more State revenues than ever before to municipalities and school districts to offset local taxes. And through the REAP and REDI programs this budget supports, we are forging a new partnership with local government in pursuit of efficiencies that will save property tax payers even more in the long run.

This budget also makes an unprecedented investment in education. Funding from this budget will help local school districts improve their curricula, hire more teachers, and reduce class sizes. This budget will also enable our colleges and universities to control tuition costs while making timely improvements to their physical and technological infrastructures. And with this budget, New Jersey is prepared to embark on an ambitious and critically needed statewide school construction program.

With this budget we carry out the will of the people, who voted overwhelmingly last November in support of open space, farmland, and historic preservation. This budget sets aside the first annual appropriation of \$98 million toward our goal of preserving for all time 1 million more acres of land within the next 10 years. The benefits this preservation plan will bring to our quality of life – including clean air and clean water, new urban parks and recreational opportunities, protected greenways and preserved historic sites – are immeasurable. The parks that are created, the farms and open fields that are preserved in the coming decade will likely prove the greatest legacy of my administration and of this Legislature.

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Along with tax relief, education, and preservation, this budget improves the quality of life in New Jersey in other ways. Our beaches will continue to sparkle with our \$10 million increase in shore protection funding. Seniors and their families will have more options for long-term care through our Elder Care initiative supported by this budget. And we will commit more dollars than ever before toward helping smokers quit their deadly habit and teaching young people never to start.

Senate President DiFrancesco and Assembly Speaker Collins, along with the Chairmen of the Budget and Appropriations Committees, Senator Robert Littell and Assemblyman Richard Bagger, and the members of the Budget and Appropriations Committees, have worked diligently in achieving a budget that meets our shared goals and points New Jersey toward further opportunity and prosperity for all New Jerseyans. I applaud and commend them for all their efforts in completing this budget.

This budget invests wisely in New Jersey's future. I support the overall spending plan as presented in this bill. However, among the special and other appropriations in this budget, there are several areas in which I believe adjustments to the spending set forth are appropriate. I, therefore, judiciously exercise my line-item veto to further clarify the spending priorities for the coming fiscal year.

In addition, there are a few identifiable trends within the category of special appropriations that I find objectionable. First, this budget includes a large number of special appropriations for individual colleges and universities. Future funding should be pursued through the budget process established in the Higher Education Restructuring Act. Adherence to this process will ensure greater consistency and fairness in allocating state resources to our institutions of higher education. Moreover, the need for special appropriations for capital purposes will be reduced in future years given the recent passage of legislation providing an unprecedented \$550 million in bonding capacity for capital construction at New Jersey's colleges and universities.

Second, I expect the number of special appropriations for libraries to decline in the future with anticipated passage of legislation providing a new source of funding for library construction.

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I am, accordingly, appending to Senate Bill No. 3000, 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.