

New Jersey State Budget FY 2018

Gov. Chris Christie unveiled his final budget plan for New Jersey on February 28. Christie proposed a \$35.5 billion budget for fiscal 2018, which would be \$1 billion, or 2.95, larger than the spending plan he signed last year.

With his term ending in January 2018, Gov. Christie's budget address before the Legislature was his last big chance to draw a fiscal road map for New Jersey. The budget will be debated in the state Legislature over the next few months and a final budget must be adopted by June 30. Changes could occur during that time.

The state constitution gives lawmakers the power to draw up the final version of the spending bill. But it also gives the governor broad powers, including the authority to certify the official revenue forecast upon which to base spending. The governor also has line-item veto authority, meaning specific spending items approved by the Legislature can be removed by the governor at the last minute. In addition to requiring a new spending plan by July 1, the state constitution also requires every state budget to be balanced, which means deficit spending is strictly prohibited.

We will keep you updated as more information becomes available. Here is what we know so far:

Pre-K Funding

While some previous budget proposals have included increased funding for districts with state-supported preschool programs, the FY 2018 recommendation does not. Preschool funding remains at the same level as FY 2016 and FY 2017: \$655.5 million.

K-12 Basic Education

The Governor recommended a small increase (0.2%) for direct state aid for schools bringing the total amount to \$9.2 billion. Direct school aid represents approximately 26% of the \$35.5 billion proposed budget. Formula aid remains at the FY 2017 level (\$7.9 billion). While Gov. Christie did not recommend any direct changes to the formula at this time, he strongly urged the legislature to work with him to create a new funding formula within 100 days.

Earned Income Tax Credit

The governor's budget provides for an increase in the EITC from 30% to 35% of the federal benefit amount beginning in tax year 2016. This increase follows an increase from 20% to 30% in 2015. The credit for an average working family is projected to rise to approximately \$800.

NJ FamilyCare

The proposed budget continues the expansion of Medicaid for certain parents/caretakers and single adults without children, ages 19 to 64 under NJ FamilyCare. Since the expansion took effect on January 1, 2014, 487,000 low-income residents have gained health insurance through NJ FamilyCare (including Medicaid enrollment). The FY 2018 budget estimates monthly enrollment (adults and children) at 1,804,507 – a 2% increase over FY 2017 average monthly enrollment (1,770,366). The budget assumes no reductions in federal health care funding.

Click here for the FY 2018 Budget Summary -

<http://www.nj.gov/treasury/omb/publications/18bib/BIB.pdf>

What's next?

Now is the time for you to submit feedback on the Governor's budget to the Appropriations Committees and your elected officials. The Governor and Legislature have a difficult job to do, and United Way appreciates their support for programs and services that change lives and strengthen communities – once child, one adult and one family at a time.