

## REPUBLICAN BUDGET CHANGES

### **\$1.32 BILLION IN SAVINGS TO:**

- 1) PREVENT HIGHER PROPERTY TAXES
- 2) FUND TRANSPORTATION PROJECTS WITHOUT NEW GAS TAXES
- 3) RECONSIDER UNFAIR CUTS
- 4) SMALLER SMARTER BUDGET

#### **Savings**

**\$1.32 billion**

*After two years of dramatic spending increases and taxes and a proposal to issue massive debt to be paid off with an 800% increase in tolls, Governor Corzine has started talking about fiscal restraint. Governor Corzine's budget reductions have disproportionately focused on cutting property tax relief, state assistance to small towns, aid to hospitals and higher education, and other programs that serve the public. At the same time, the Governor proposes dramatic spending increases in areas where past experience indicates the money will be misspent. He has failed to significantly scale back many programs where there has been documented mismanagement. Republicans are offering \$1.32 billion in savings for the purpose of: making State government more accountable; heading off property tax and gas tax increases; and allowing for the reconsideration of some of the spending cuts that impact the quality of life of the state's residents.*

#### **Property Tax Relief**

**\$525 million**

Reduce Property Tax Burden By Providing Homeowners With Property Tax Relief Identical to Last Year's Level (\$375 million)

*Governor Corzine is proposing to balance the FY 2009 budget on the backs of property tax payers. His current plan eliminates rebates for homeowners with a gross income over \$150,000 compared to last year's top income level of \$250,000. It also reduces rebates for homeowners with gross income between \$100,000 and \$150,000. Tenant rebates also are reduced. This option would restore rebate amounts to last year's levels.*

Reduce Local Tax Burden By Restoring Municipal Aid (\$150 million)

*The Corzine budget proposes a reduction in state aid to all municipalities, with the most significant cuts targeted to municipalities with populations under 10,000. In his effort to claim a reduction in state spending, the Governor is doing nothing more than shifting costs onto the local taxpayer. The \$150 million will provide full restoration of formula aid and the restoration of State police funding for rural patrols.*

**Fund Transportation Projects Without New Gas Taxes****\$500 million**

*Governor Corzine has indicated that he would like to see the FY 2009 budget adopted by mid-June so that the Legislature can begin to address transportation funding. Almost daily, the Governor is quoted as saying he wants to raise tolls or taxes or both to pay for road work that is unrelated to the toll roads. If new funding for transportation unrelated to toll roads is a priority, which we believe it is, it should be addressed in conjunction with the budget - not after spending for the next fiscal year is set. Legislative Republicans advocate for the constitutional dedication of \$500 million in existing annual motor vehicle fees to the Transportation Trust Fund (TTF) to provide \$1.9 billion of annual state transportation projects in each of the next five years and to provide the full match to obtain federal funding for the trans-Hudson tunnel project. More than \$1 billion of this program would be responsible, pay-as-you-go spending. The loss of motor vehicle fees to the General Fund will be offset by \$500 million of immediate, structural and permanent state spending reductions.*

**Reconsider Unfair Cuts****\$195 million**

*The Governor's budget proposal contains unfair and unsound budget cuts, which some believe were done to pressure the taxpaying public into supporting his plan to increase tolls eightfold and borrow almost \$40 billion. He has acknowledged some of them, including arbitrarily abolishing aid to small towns, closing parks, and eliminating the Department of Agriculture. However, the Governor continues to insist on certain spending cuts that are unfair.*

*Republican legislators will work with our Democrat counterparts to restore unfair budget cuts, including, but not limited to, the following; aid to hospitals and nursing homes, elimination of the Medicaid co-pay; aid to higher education, particularly aid to student assistance programs such as NJStars and the Tuition Assistance Grants; unlawfully redirecting dedicated funds such as funds for State Police classes and arts programs; and to economic stimulus programs such as Small Business Development Centers and the Manufacturing Extension Program. Additionally, consideration should be given to reasonable increases in funding for constituencies whose needs have not been met, including cost of living increases for home health aides, and funding for reducing the waiting list for the developmentally disabled.*

**Smaller Smarter Budget****\$100 million**

*The FY 2009 Budget needs to go further toward restoring New Jersey's fiscal soundness. This should be accomplished by reducing the size of the next budget or further reducing debt. The State budget has grown significantly during the past six years, with spending increases far surpassing the rate of inflation. The proposed cuts in the state's bureaucracy will provide recurring savings which will bring spending more in line with available revenue.*

*Various components of our plan address debt relief such as providing \$1 billion more pay-as-you-go capital funding for the Transportation Trust Fund and accepting the Governor's recommendation to use the \$500 million of previously unanticipated revenues to pay down debt. With one of the highest debt per capita ratios in the country more can be done.*