

THIRD DISTRICT'S MONTHLY UPDATE FROM TRENTON *SEN. SWEENEY, ASM. BURZICHELLI, ASM. TALIAFERRO*

December 2017

Highlights of the 2016-2017 Legislative Session

School Funding

School funding proved to be a key issue throughout this legislative session. The School Funding Reform Act of 2008 established a funding formula that made sure all children have access to the education they need to live up to their fullest potential. Since 2008, many school districts received more than 100 percent of the state aid they are entitled to under the formula, while many other school districts receive far less because of clauses that hampered its proper implementation and continual underfunding.

In response, the Senate negotiated an agreement with the Assembly to begin to address and rectify these inequities. The plan, which was implemented as part of the 2018 State Budget, adds \$125 million in state aid and reallocates an additional \$31 million in adjustment aid from overfunded districts. The agreement follows months of hearings by the bipartisan Senate Select Committee on School Funding Fairness, which was chaired by Senator Sweeney. As a result of the considerable testimony from residents, school officials and elected officials, the agreement includes a reapportionment of state aid to districts based on their full enrollment growth, without a growth cap.

Implementation of the plan will continue in the next session, and Senate President Sweeney, Deputy Speaker Burzichelli and Assemblyman Taliaferro will continue to work until all districts are funded at 100 percent of what they are due under the School Funding Reform Act.



Securing Replenishment of the Transportation Trust Fund

By 2016, the Transportation Trust Fund, which provides funding for a broad range of transportation infrastructure projects throughout New Jersey, was in danger of running out of money. After considerable negotiation, the Senate and Assembly were able to reach an agreement with the Governor's Office that resulted in funding of \$2 billion over eight years. Matching federal money will increase the total to \$32 billion over that time. As a result, New Jersey will be able to continue maintaining and expanding its road, rail, and water transport network and invest in future infrastructure projects to help grow the state's economy.

Passing Major Tax Relief and Savings Packages

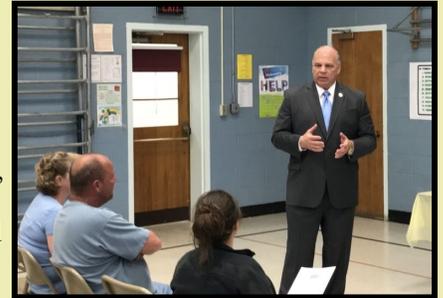
In conjunction with replenishing the Transportation Trust Fund, the Legislature passed a comprehensive tax relief package that will have a lasting impact on New Jersey residents, especially seniors, retirees, veterans, and the working poor. The package will raise the retirement income tax deduction to \$100,000 for couples and \$75,000 for individual filers, and fully eliminate the estate tax in 2018. It also adds a \$3,000 personal income exemption for veterans, and raises the earned income tax credit to 35 percent. Finally, the package included a reduction in the New Jersey sales tax over a two-year period.



In addition, the Legislature passed the New Jersey Small Business Retirement Marketplace Act, which was signed into law by the governor. The program, also known as the Secure Choice Savings Program, establishes a comprehensive savings plan for workers in New Jersey to save for retirement. The program is entirely employee-funded, requiring no expenditure by employers or taxpayers, and offers employers a low-cost, convenient opportunity to encourage employees to save. These programs enable New Jersey residents to save and spend more ably, in turn helping to grow and sustain the state's economy for the long term.

Securing Quarterly Payments to the Pension System

In response to growing concern about the long-term viability of New Jersey's pension funds, the Legislature took action to require the state to pay its pension contributions on a quarterly basis by September 30, December 31, March 31 and June 30 of each year, beginning July 1, 2017. Senate President Sweeney sponsored this bill to ensure that pension payments are made quarterly to provide greater stability to state finances and to produce ongoing savings for the taxpayers, while also helping to make the pension funds more secure and maximizing investment earnings. It is estimated that making payments on a quarterly basis will save New Jersey taxpayers between \$10 billion and \$13 billion over the next 30 years. The bill was approved unanimously by both houses and signed into law by the governor on December 15, 2016.



Tough Action Against Price Gouging During a State of Emergency

Legislation sponsored by Deputy Speaker Burzichelli was signed into law on February 2, 2017 that amends existing statutory language regarding price-gouging during a state of emergency. It specifies that the period during which excessive price increases are prohibited will be in 10 day intervals following the declaration of a state of emergency. The prior law prohibited excessive price increases during a state of emergency or within 30 days of the termination of that state of emergency in the area for which the state of emergency has been declared. This bill allows for greater flexibility because it allows the Governor to tailor the price control period to specifically fit each emergency. These protections will deter businesses from taking advantage of consumers during a natural disaster by spiking prices for necessities, such as gasoline and groceries but also striking a balance between protecting consumers during a natural disaster and supporting businesses once the emergency is over.

New Law Outlaws Dangerous Synthetic Drugs

On August 7, 2017, the Governor signed legislation sponsored by Assemblyman Taliaferro to help curb the use of a street drug often associated with violent and self-destructive behavior. The measure, Assembly bill 2176, criminalizes the possession, distribution, manufacture and sale of the drug alpha-pyrrolidinopentiophenone, an inexpensive synthetic drug commonly referred to as "flakka" or "flocka." Alpha-PVP is chemically similar to other synthetic cathinone drugs, commonly referred to as "bath salts." It is frequently marketed as a "legal" alternative to cocaine, methamphetamine, and MDMA, and has been sold at smoke shops, convenience stores, gas stations, and been made available for purchase on the Internet. The measure passed both houses of the Legislature with broad bipartisan support.

Keeping the New Jersey/Pennsylvania Tax Reciprocity Agreement



When the governor proposed ending the reciprocal tax agreement between Pennsylvania and New Jersey, which enables residents who commute to the opposite state to pay income taxes in the state where they reside, the financial futures of thousands of South Jersey residents were put at risk. New Jersey residents would have been doubly affected, as workers who commute to work in Philadelphia would have also lost their credit for paying the city's wage tax.

Senate President Sweeney, Deputy Speaker Burzichelli, and Assemblyman Taliaferro worked closely with local and elected leaders in New Jersey and Pennsylvania to ensure the agreement remained in place. In addition to the 125,000 individual New Jerseyans affected, the agreement with the Governor's Office allows countless large and small businesses to continue drawing from the entire region for employment, removing a potential barrier to continued growth and development.