



From: NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]
Sent: Thursday, February 11, 2010 2:40 PM
To: Lashway, Lisa
Subject: Municipal Clerks - Governor Declares Fiscal Emergency



League e-Bulletin to Municipal Clerks

Please forward to Mayor and elected officials.

Governor Declares Fiscal Emergency

February 11, 2010

Speaking before a Joint Session of the State Legislature, Governor Chris Christie today declared a state of fiscal emergency, thus freezing a total of \$1.6 billion in unexpended funds across 375 different programs, including \$475 million in school aid, \$62 million in aid to colleges, \$12 million to hospital charity care and all funding to the Department of the Public Advocate.

Before his address to the Legislature, the Governor signed an Executive Order freezing these and other unexpended funds. The Administration estimates a shortfall in the current budget year of over \$2 billion.

The Executive Order also includes the elimination of funding for municipal consolidation, as well as \$3.2 million in special municipal aid. Other municipal aid, such as CMPTRA, will not be reduced.

Aid will be withheld from approximately 500 school districts, which have been now directed to rely upon their surpluses to offset the loss in state aid.

The Governor, citing pension and health benefits costs as the major costs driver at all levels of government, praised the bipartisan package of pension reform legislation, as outlined in our Dear Mayor letter of February 9. He told the Legislature, "These bills must just mark the beginning, not the end, of our conversation and actions on pension and benefit reform." And he called for the Legislature to, "...take these reform bills, make them even stronger ..." and send them to him before his scheduled Budget address, on March 16.

More information on the Governor's actions today and the Executive Order is

available at: <http://www.nj.gov/governor/>

Very truly yours,

William G. Dressel, Jr.
Executive Director

New Jersey League of Municipalities
222 West State Street, Trenton, NJ 08608
609-695-3481