

April 2022

IMPORTANT UPCOMING EVENTS

Please consult the League [Web Calendar](#)

April 5

[Cannabis in the Workplace Webinar-
Your Computer](#)

June 15

NJLM Mini Conference-Conference
Center at Mercer, West Windsor-
More Details Coming Soon!

- ✓ 2022 Municipal Directory
- ✓ NJ Local Government Week
- ✓ Energy Tax Receipts Tax Relief
- ✓ Claim Your CEUs from the 2021 Conference
- ✓ Louis Bay Award Deadline
- ✓ NJ Municipalities Magazine

FROM THE PRESIDENT

*Mayor William Pikolycky
Mayor, Borough of Woodbine*

Governor Delivers FY 2023 Budget Address

In March Governor Murphy delivered his Fiscal Year 2023 Budget Address. The theme of the Governor's Budget is The Opportunity State: Stronger, Fairer, More Affordable. The \$48.93 billion budget is a 5.3% increase over FY 2022 state budget, but does not propose any new taxes or fees.

NJLM Executive Director Mike Cerra has testified in front of the Senate and Assembly budget committees on behalf of myself and all of the League's leadership and membership. [For the testimony, please visit the Legislative section of the League's website.](#)

The budget focuses on affordability, protecting health and safety, creating economic opportunity, and planning for the future. Below is a summary of the Governor's FY 2023 Budget recommendation.

Facing New Jersey's Challenges

Governor Murphy has re-stated his commitment to make New Jersey more affordable, protect the health of our residents, bolster economic development, and plan on our state future no matter what challenges lay ahead. The FY2023 budget reflects the changes that the Governor believes are necessary to help rebuild New Jersey in a post-pandemic world and the long-standing problems for decades of neglect of the state's capacity while keeping Governor Murphy's promise to not raise taxes.

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President's Message Continued

New Jersey and Affordability

Distributing Property Tax Relief for New Jersey Residents: Governor Murphy announced that his administration proposes to extend property tax relief to 1.8 million New Jerseyans by replacing the state's Homestead Benefit program with the Affordable New Jersey Communities for Homeowners and Renters Property Tax Relief Program (ANCHOR). As proposed, the ANCHOR Program will distribute \$900 million in property tax relief and increase both the average rebate and total program amount over three years. Homeowners making up to \$250,000 annually could be eligible to receive an average \$700 rebate in the Fiscal Year 2023 to offset property tax costs and renters making up to \$100,000 annually could receive up to \$250. Two years later eligible households would receive \$1,150 on average and the overall cost of the program would increase to \$1.5 billion.

Making the Full Pension Payment: The proposed FY2023 budget includes the second consecutive year payment of \$6.82 billion for the State's pension system. This will be the second time that the State has made a full contribution since FY 1996.

Providing Additional Funding for K-12 Education: The FY 2023 proposed budget includes a funding formula with an additional \$650 million in K-12 aid while forwarding the Murphy Administration's goal of increasing funding for Pre-K with an additional \$68 million. With this additional funding, New Jersey will increase the amount of 9,000 new seats for New Jersey's future generation.

Affordable Housing and Security: The Murphy Administration has proposed using over \$300 million in American Rescue Plan funds (ARPA) which will directly help complete 100 percent of affordable housing projects that were identified in the Mt. Laurel settlements. This allocation of funds will create an estimated 3,300 units. The FY2023 budget also proposes a \$5 million increase to the Down Payment Assistance Program (DPAP) that directly helps first-time homebuyers in the state. All these combined programs help the more than \$1 billion in relief that the Murphy Administration will begin distributing this year. **Local and Municipal Aid:** Governor Murphy's Proposed Budget announced there will be a flat amount of Municipal aid with the Consolidated Municipal Property Tax Relief Aid (CMPTRA) and Energy Tax Receipts receiving \$1,437,800,000 with a very slight increase of .1 percent from the FY 2022 budget. Transitional Aid to Localities has decreased from FY 2022 from \$122.7 million to \$111.9 million with an 8.8 percent decrease. Both the Trenton Capital City Aid and Shared Services, School District Consolidation Study, and the Implementation Grant have remained flat at \$10 million from the previous year. The Open Space Payment In Lieu of Taxes (PILOT) program has decreased by 35 percent from the FY 2022 funding of \$10 million to \$6.5 million for this year's proposed budget. Lastly, the Highlands Protection Fund Aid has remained flat at \$4.4 million.

New Jersey Economic Development

Workforce Development: The FY2023 budget continues to invest in programs like Upskill, the New Jersey Apprenticeship Network, and the Pay it Forward Fund. This would continue to support initiatives produced by the Green Jobs Council to build a diverse workforce and expand New Jersey's clean economy in the wake of climate change.

Inclusive Economic Growth: Governor Murphy's proposed budget maintains his previous investments in the Main Street Recovery Fund and Black and Latino Seed Fund to provide that our state residents benefit from economic recovery efforts. The FY2023 budget will include \$65 million in new real estate initiatives, including a Diverse Developer Fund to help all communities in new construction.

Economic Innovation Gains: The proposed budget includes a multi-year development to auction \$300 million in transferrable tax credits to fund the Innovation Evergreen Fund in hopes that it will bolster New Jersey's leadership in entrepreneurship and attract new investors and businesses to our state. The FY 2023 budget continues to invest in advanced manufacturing, life sciences, and the logistical industry while maintaining revenue generation for the STEM Loan Redemption Program.

Transportation and Infrastructure: For this year's proposed budget, the Governor plans to use the Debt Prevention Fund for further game-changing capital improvement projects, including the restoration of Newark Penn Station while providing a flat amount on fare hikes to NJ TRANSIT while improving the commuter experience.

New Jersey Health and Safety

Support for New Parents: The budget proposal includes approximately \$20 million in State and federal funds to implement Statewide Universal Newborn Home Nurse Visitation program as well as \$15 million to raise Medicaid rates for maternity care, midwifery education, and Central Intake Hubs.

Affordable Health and Child Care: The Murphy Administration has stated its intent to prioritize affordable healthcare and implement new efforts to benchmark healthcare cost growth. The Governor will continue funding for the Cover All Kids program and increase funding for New Jersey's Get Covered program. The Child Care Revitalization Fund will continue to be implemented to encourage small businesses to provide childcare benefits to employees.

Mental Health and Community Safety: Governor Murphy will continue to work with the New Jersey Legislature to develop student mental health programs with the funding from the American Rescue Plan funding (ARPA). The Governor also proposed allocations for substance use disorder programs which will be supplemented \$640 million over the next 18 years from opioid manufacturers. The Governor also made a renewed dedication to fund Community-Based Violence Intervention grants as part of his administration approach to combat gun violence.

Planning for the Future

Fiscal Responsibility and Resident Services: The FY2023 proposed budget includes a \$4.2 billion in surplus which is nearly double the level in the FY 2022 budget. The governor has proposed an allocation of a \$1.3 billion FY 2022 deposit in the Debt Defeasance and Prevention Fund. The proposed budget also includes \$430 million for school construction and renovation to reduce borrowing. The Governor has also announced allocating \$30 million to meet the Electric Vehicle Act's mandate of a 100 percent electric State fleet by 2035.

Environmental Protection and Impact Zone Investments: The Murphy Administration has remained steadfast in ensuring that New Jersey remains one of the nation's leaders in fighting climate change. Murphy's Administration has promised to work with New Jersey's Legislature to develop plans to use federal funding to eliminate lead hazards in thousands of units and make investments in clean water and flood resistance. The FY 2023 proposed budget has also allocated a first-time education grant program that is dedicated to new education standards on climate change. Governor Murphy has also proposed that as the sales of legal use of recreational cannabis begins the sales tax revenue will go to Impact Zones or communities that had been disproportionately affected by drug policies. These revenues also provide new opportunities for entrepreneurs and workers to invest in New Jersey's newest industry.

2022 Show Off Your City Winner, Honorable Mentions Announced

Contact Amy Spiezio at aspiezio@njlm.org

Jersey City has been named the winner of this year's NJLM Show Off Your City Contest. The image of the Empty Sky memorial in Liberty State Park captured by Sri Reddy offers a reflective moment and thoughtful 9/11 memorial in Jersey City.

Congratulations to Honorable Mentions: Berkeley Heights, Cranford, Farmingdale, Middletown, Montgomery, Mount Olive, Pennsauken, Summit, and Westfield.

Our thanks go out for the hundreds of images sent in. We invite all member municipalities to send in their images starting in November for the 2023 contest.

A writeup of the 2022 Show Off Your City Contest can be found in the April issue of *NJ Municipalities Magazine*.

2022 Municipal Directory

Contact Dee Kotch at ext. 115 or dkotch@njlm.org

The annual Municipal Directory will be mailed to all mayors in March. There is no cost for the first copy. Additional print and PDF copies are \$35 each for public officials and \$45 each for non-public officials. Use it to keep in touch with your colleagues around the state.

Planning for NJ Local Government Week: Showcase your Municipality!

Contact Taran Samhammer, ext. 124 or tsamhammer@njlm.org

Have you started planning events for NJ Local Government week, April 3-9, 2022? Need tips on how to celebrate? Visit the League's website for a "how to" packet with ideas ranging from basic, no cost activities to some that are more complex.

Be sure to tag your social media posts with #njlocalgovt, and utilize the NJ Local Government Week logo that the League has provided by downloading from the League website.

Visit the [League website](#) for tips, suggestions and a logo created to help promote your events.

Energy Tax Receipts Tax Relief Fund Restoration

Contacts Mike Cerra at mcerra@njlm.org or Lori Buckelew at lbuckelew@njlm.org

We appreciate that Governor Murphy prioritized affordability and property tax relief in his recent budget address. While there is an estimated \$4 billion surplus, the Energy Tax Receipts Property Tax Municipal Distribution Program (ETR) and the Consolidated Municipal Property Tax Relief Aid (CMPTRA) programs have essentially remained flat at Fiscal Year 2010 funding levels. This is municipal funding which has been used for state budget purposes year after year. Now is the right time to restore this funding to municipalities and requires an immediate legislative solution.

S-330, would over the course of two years, restore distribution to municipalities from ETR and require increased funding be subtracted from the municipal property tax levy. This bill has unanimously passed the Senate and now awaits consideration by the Assembly.

If you have not done so already, please consider adopting the sample resolution calling for the swift passage and signing of S-330. To see the effect flat ETR distribution has had on your municipality you can use the 2021 ETR Impact Calculation individual sheet. Simply insert the annual amount of ETR funding your municipality received, and the sheet will update to reflect the shortfall over time. We suggest you share this information with your residents, Assembly and Senate representatives, and Governor.

The time has come to restore to local budgets the millions in property tax relief that have been annually diverted to meet State needs.

Don't Forget to Claim Your CEUs from the 2021 Annual Conference

Contact Danielle Holland-Htut at dholland@njlm.org

Please remind your licensed officials that the deadline to claim CEU credits from the 2021 Annual Conference is May 1, 2022. To claim credits, licensed officials should visit the CEU Tracking page on the League website.

Louis Bay 2nd Future Municipal Leadership Scholarship Competition – Due April 1st

Contact Ciara Bradley at cbradley@njlm.org

The deadline to submit your [Louis Bay 2nd Future Municipal Leaders Scholarship Competition](#) winning entry is quickly approaching! Please take some time to review your promotional kit and the suggested deadlines. We look forward to hearing from your municipality and raising interest in future municipal leaders.

Be a Part of NJ Municipalities Magazine

Contact Amy Spiezio at aspiezio@njlm.org or Tasneem Kapadia at tkapadia@njlm.org

We invite you to pitch your op-ed columns, COVID recovery stories, news items, and feature-length pieces that celebrate and inspire local officials for inclusion in upcoming editions of the League's official publication, NJ Municipalities magazine. Right now, we are accepting stories for our June edition, which has a focus on communications and community branding. Please reach out to Managing Editor Amy Spiezio at aspiezio@njlm.org with your ideas today.

In each issue, the magazine provides insights on a variety of topics of interest to local governments and also puts a spotlight on particular topics that are currently trending. Please visit the League's website for author guidelines or a full rundown of issue spotlights.

If you and other officials within your municipality don't subscribe to NJ Municipalities, please visit the magazine bookshelf to check out the useful information included in each issue and consider adding this publication to your municipal government toolkit.

Do you work with vendors that you would recommend to other municipalities? Let these vendors know about the League's magazine, NJ Municipalities. Placing advertisements in the magazine helps to increase the reach of their marketing messages and supports the League as an organization in the process. Reach out to Tasneem Kapadia at tkapadia@njlm.org with your vendors' mailing address and we will send them a sample issue.