



New Jersey State League  
of Municipalities

# FY2024 Budget

# FY2024 Budget Address

- Governor Murphy delivered his FY 2024 [budget address](#).
- FY2024 budget has a total of \$53.1 billion.
  - 5% greater than the FY2023 budget.
  - Surplus of over \$10 billion.
- [Budget in Brief](#) outlines proposal.

# Municipal Aid

- Nearly \$1.6 billion in municipal aid.

## Funding for Property Tax Relief 3.7% Increase

(In Millions)

| <b>Programs</b>                  | <b>FY2023</b>               | <b>FY2024</b>      | <b>Change</b> |            |
|----------------------------------|-----------------------------|--------------------|---------------|------------|
|                                  | <b>Adjusted<br/>Approp.</b> | <b>Budget</b>      | <b>\$</b>     | <b>%</b>   |
| School Aid                       | \$ 18,568.8                 | \$ 19,608.1        | 1,039.3       | 5.6        |
| Municipal Aid                    | 1,662.1                     | 1,593.0            | (69.1)        | (4.2)      |
| Other Local Aid                  | 1,471.8                     | 1,399.8            | (72.0)        | (4.9)      |
| Direct Property Taxpayer Relief  | 3,009.5                     | 3,018.0            | 8.5           | 0.3        |
| <b>Total Property Tax Relief</b> | <b>\$ 24,712.2</b>          | <b>\$ 25,618.9</b> | <b>906.7</b>  | <b>3.7</b> |

FY2023 and FY2024 School Aid amounts exclude \$857.1 million and \$867.1 million, respectively, in pension contributions funded from the Lottery Enterprise Contribution Act. Direct Property Taxpayer Relief includes Property Tax Deductions supported through the Gross Income Tax.

The reduction in Other Local Aid largely represents the elimination of one-time costs appropriated in FY2023 for state-wide local improvements.

# Energy Tax Receipts

- \$75 million in Municipal Relief funds that were received in FY2023 not included.
- Increased by \$9.09 million due to inflation.
- CMPTRA to be merged with ETR.
- All municipalities should be receiving 0.7% increase in ETR.
- \$798,398,000 for Energy Tax Receipts in the proposed budget.

# Municipal Health Benefits

- \$200 million from the American Rescue Plan's State Fiscal Recovery Fund (SFRF) has been allocated to State Health Benefits Program members and local governments that have experienced significant cost increases in health benefit costs.
- One-time grants provided by the SFRF are conditional.
  - Sustainable and actuarially verified savings ideas
    - May include value-based and alternative payment models.
    - Medical pharmacy reforms.
    - Migration from legacy plans.
- AON [Mid-Year Analysis](#) predicts for SHBP Plan Year 2024 Local Government Group.
  - 6-8% increase in medical.
  - 7-8% increase in pharmacy.

# Pension Contribution

- Pension contribution is \$7.09 billion, which includes the State lottery funds.
- Based on Actuarially Determined Contribution.
- This marks the third consecutive year that the pension fund payment meets or exceeds.

# Affordable Housing

- Funding for various programs aimed at providing affordable housing to New Jersey residents.
- Additional \$15 million for enhanced benefits for first-generation homebuyers.
- Additional \$100 million of American Rescue Plan funds for the [Affordable Housing Production Fund](#).
- Maintains dedicated revenue in the Affordable Housing Trust Fund.

# Direct Property Taxpayer Relief Programs

(In Millions)

|   | FY2023              | FY2024            | Change     |            |
|---|---------------------|-------------------|------------|------------|
|   | Adjusted<br>Approp. |                   | Budget     | \$         |
| ANCHOR Property Tax Relief Program                    | \$ 2,000.9          | \$ 2,000.9        | 0.0        | -          |
| Property Tax Deduction Act                            | 761.2               | 788.6             | 27.4       | 3.6        |
| Senior and Disabled Citizens' Property Tax Freeze     | 199.7               | 186.8             | (12.9)     | (6.5)      |
| Veterans' Property Tax Deductions                     | 40.5                | 35.2              | (5.3)      | (13.1)     |
| Senior and Disabled Citizens' Property Tax Deductions | 7.2                 | 6.5               | (0.7)      | (9.7)      |
| <b>Total Property Taxpayer Relief Programs</b>        | <b>\$ 3,009.5</b>   | <b>\$ 3,018.0</b> | <b>8.5</b> | <b>0.3</b> |

FY2024 continues these programs unaltered. The proposed expansion of the Senior and Disabled Citizens' Property Tax Freeze will begin to benefit eligible taxpayers in FY2025.

# Transportation

- Allocates \$2 billion for the State Transportation Capital Program.
  - \$1.24 billion designated for critical investments in State, local highway, and bridge projects.
  - \$760 million allocated to NJ TRANSIT capital projects.
- Continues support for Local Aid and Economic Development Grants.

# Main Streets and Development

- Includes \$50 million for the Main Street Recovery Program.
  - Aimed at supporting small businesses.
- Includes \$20 million for manufacturing initiatives.

# Urban Investment Fund

- Creates an Urban Investment Fund funded by State Fiscal Recovery Funds.
- Designed to revitalize urban areas that have been negatively impacted by shifting patterns of work and commuting since the pandemic.
- Flexible grant funding responsive to the needs of cities.
- Could include investments in arts and culture, beautification projects, public safety, streetscape improvements, pedestrian environments, open spaces, and reimagining the use of underutilized office spaces.

# Cannabis Regulatory Commission

- Two new State programs to support cannabis businesses.
- Launch a Retail Cannabis Worker Training Apprenticeship.
- Recreational and medical cannabis are expected to generate over \$43 million in revenue in FY2023 and over \$77 million in FY2024.

# Energy

- Investments in clean energy and environmental initiatives in New Jersey, including:
  - \$274 million allocation for the [Clean Energy Program](#), an increase of \$12 million from FY2023.
- \$40 million to seed a new Green Fund at NJ Economic Development Authority
  - Could attract up to \$280 million in private capital to advance projects that support the State's new goal of achieving 100% clean energy by 2035.
- Increasing goal for offshore wind power generation from 7,500 MW to 11,000 MW by 2040.
  - The Board of Public Utilities will study the feasibility of increasing the target further.
- Created incentive programs for [residential](#) and [large grid-scale solar](#) projects.
  - Approved over \$215 million in utility programs to incentivize the Make Ready Program for over 1,500 fast chargers.
  - Over 6,000 Level 2 chargers for electric vehicles over the next four years.

# Environmental Protection

- Nearly \$1.2 billion allocated for clean water and drinking water projects, surpassing the previous record of \$726 million in FY2021.
- \$8 million in additional appropriations for shore protection and flood risk mitigation projects, which will provide matching funds for U.S. Army Corps of Engineers projects to replenish beaches.
- Funding for 18 additional Department of Environmental Protection staff to maintain and improve urban state parks.
  - Also, \$500,000 for bear-proof trash receptacles to reduce bear-human interactions.
  - And \$160,000 for deer management grants to help localities develop management plans and administer hunting and processing activities.

# American Rescue Plan Firefighter Grant Program

- Adds an additional \$10 million to the [American Rescue Plan Firefighter Grant Program](#).
- Provides funds for proper protective, cleaning, and sanitization equipment during the COVID-19 pandemic.

# Boardwalk Fund

- Creates a Boardwalk Fund to assist with repairs and renovations of seaside attractions.
- \$100 million from the American Rescue Plan funds for this program.
- Combines State Fiscal Recovery Funds budget allocation with local contributions and private capital.
- Makes critical investments needed to enhance climate resiliency along the shore and help preserve New Jersey's tourism industry.

# Public Safety

- \$8 million additional funds for statewide expansion of [ARRIVE Together Program](#).
- \$10 million continued support for Community-Based Violence Intervention programs.
- Funding for staff to establish new units and expand existing ones with a focus on reducing gun violence, auto thefts, and exploitation cases.

# Mental Health Programs

- \$43 million allocated for [NJ Statewide Student Support Services](#) (NJ4S) network.
- Creates 15 regional hubs to deliver prevention services in schools and other community locations.
- Mental health services will be provided to youths through NJ4S network in:
  - Libraries
  - Community centers
  - Faith-based organizations
  - Family success centers.

# Food Assistance

- Continues \$85 million support to food banks and emergency feeding organizations.
- The [Working-Class Families Anti-Hunger Act](#) will expand access to free school meals for children in families making under 200% of the federal poverty level.
- Includes over \$20 million in new funding to support the expansion of free school meals for children.

# Military & Veteran Affairs

- Expansion of Veteran Service Offices from 14 offices to an office in every county proposed in the budget.
- Includes funding to start converting double-occupancy rooms at veterans' homes to single occupancy.

# Federal Funding

- New Jersey received \$6.2 billion from the American Rescue Plan's State Fiscal Recovery Fund in 2021.
- Approximately \$4.8 billion has been allocated to:
  - Public health
  - Economic stabilization
  - Water infrastructure
  - Childcare and pre-K investments
  - Eviction prevention
  - Affordable housing.
- The Governor plans to work with the Legislature to allocate all uncommitted funds for one-time transformative investments in people, communities, and infrastructure.

# K-12 Education

- Allocates \$20.5 billion for pre-K to 12 education.
- \$832 million over FY2023 proposed in aid, with reallocations from “overfunded to underfunded.”
- \$109 million proposed for pre-K and \$5 million for the New Jersey Performance and Outcomes Review Task Force to align student assessments with college and career readiness expectations.

# Budget Hearing Dates

- Senate Budget and Appropriations Committee
  - March 14 at 10:00 a.m. at Ramapo College Trustees Pavilion
  - April 25 at 10:00 a.m. remotely
- Assembly Budget and Appropriations Committee
  - March 27 at 9:30 a.m. in Trenton
  - March 29 at 9:30 a.m. in Trenton
- [Online Registration](#) available at NJ Legislature website

# Questions?



## New Jersey State League of Municipalities

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