

## **Update on Executive Order 209 Funding Freeze**

### **Governor Christie releases remainder of funds frozen on June 30, 2016**

December 11, 2016

On December 9, 2016, Governor Christie announced the release of the remaining \$12.8 million in budgeted funds previously frozen under Executive Order 209. This final release includes \$5 million for vocational rehabilitation, \$2 million for the New Jersey Re-Entry Corporation, and funds for the Elder Care Index, certain higher education programs, and the Legislature.

#### **Background:**

On June 30, 2016, immediately after signing the FY 2017 State budget into law, Governor Christie issued [Executive Order 209](#), ordering more than \$100 million in funds approved as part of the budget package – roughly \$50 million in funding for social programs and \$54 million in transitional aid to municipalities – [held in reserve](#) until the Legislature and public employee unions could achieve \$250 million in savings for public employee and retiree health care costs.

In late August, the Governor [ordered the release](#) of the municipal aid while [all of the non-profit funds remained frozen](#). Three weeks later, on September 20, the Governor [released](#) approximately \$33 million for certain non-profit programs, with an additional [\\$8.4 million released](#) on October 12. The release of the remaining funds on December 9 comes more than 5 months after the initial executive order was issued.

#### **Comment**

As we noted in a [NJSpotlight op ed](#) in July and [jointly with the Council of New Jersey Grantmakers](#) in early October, the Governor repeatedly conditioned the release of the funds on the achievement of health benefits savings for public employees and public retirees – a battle which did not involve non-profit organizations and over which they had no control. While we are relieved that all of the funding has now been released, the delays caused extreme hardships for organizations and the people who rely on their programs, and the use of non-profits and critical programs as leverage in an unrelated dispute remains deeply disturbing.

The text of the Governor's December 9 press release appears on the next page.

If you have questions or comments, [contact us at the Center](#).

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## **Text of Governor Christie's 12/9/2016 press release**

Friday, December 9, 2016

### **Governor Christie Releases \$12.8 Million From Fiscal Reserve**

#### **All Appropriations Now Freed from Pro-Taxpayer Executive Order**

TRENTON, NJ – Governor Chris Christie today ordered the immediate release of more than \$12.8 million in appropriations temporarily reserved under Executive Order No. 209 to maintain a fiscally responsible, balanced Fiscal Year 2017 State Budget.

"Following the actions of the State Health Benefits Plan Design Committee and State Health Benefits Commission in recent months, in addition to the bipartisan reforms achieved under [S2749](#) / [A4328](#), I am comfortable with the fiscal solvency of the Fiscal Year 2017 budget, as it relates to health benefit expenses originally unaccounted for by the Legislature," Governor Christie said. "Accordingly, I am directing the Department of the Treasury to release the remainder of funds held in fiscal reserve for these important public purposes."

Executive Order No. 209 was issued in July in direct response to the Legislature's failure to responsibly budget for the State's existing health care costs and highlight the need for common sense, reasonable health benefit reforms. State employee health care benefits cost state taxpayers more than \$3.25 billion annually.

In September, the Governor ordered the release of \$33 million from the fiscal reserve and in October, he ordered the release of more than \$8.4 million from the reserve to fund public services, including health, education, domestic violence prevention, housing, military veteran and training programs across the state.

Here is a list of the programs among those covered by the remaining appropriations released today:

AGENCY	PROGRAM / ITEM
Community Affairs	NJ Re-Entry Corporation
Education	Advanced Placement Exam Fee Waiver
Education	Cumberland County Vocational Education
Human Services	NJ Elder Index
Human Services	Personal Care Rate Increase
Labor	Vocational Rehabilitation Services
State	Center for Research and Education Advanced Transportation Engineering (Rowan University)