



# GOVERNOR PHIL MURPHY

## FISCAL YEAR 2025 BUDGET ADDRESS

**TOTAL APPROPRIATIONS: \$55.9 billion | PROJECTED SURPLUS: \$6.1 billion**

Governor Murphy's Fiscal Year 2025 budget delivers on the Administration's promise of affordability, fiscal responsibility, and economic opportunity by providing record amounts of property tax relief and supporting strategic investments in the industries of tomorrow, the creation of good-paying and family-supporting jobs, and programs that help lift up those in need.

### **DELIVERING ON THE PROMISE OF AFFORDABILITY**

This year's budget underscores the Murphy Administration's continued commitment to bolstering New Jersey's status as the best place to live, raise a family, and retire. Central to that commitment is making New Jersey more affordable for families and seniors. This year, the Governor is proposing:

- More than \$3.5 billion in direct property tax relief for FY2025 alone, compared to just under \$1 billion that the previous Governor provided on average in his last four years in office;
- This includes \$2 billion-plus in direct relief once again for more than 1.3 million households through the historic ANCHOR Property Tax Relief Program, which will help cut property taxes by more than \$6 billion over three years;
- Funding to expand income eligibility and relax residency requirements for the Senior Freeze property tax relief program, allowing more than 58,000 more taxpayers to freeze their tax bills;
- Maintaining recent expansions of the Earned Income Tax Credit, the Child and Dependent Care Tax Credit, and the Child Tax Credit, which enables families with young children to receive up to \$1,000 per child;
- \$82.5 million to maintain expanded eligibility for the popular Pharmaceutical Assistance for the Aged and Disabled (PAAD) and Senior Gold programs to further cut costs for life-enhancing – and life-saving – prescription drugs;
- The budget also includes additional funding for the RetireReady NJ savings program, created by the New Jersey Secure Choice Savings Program Act, which will launch in 2024, providing a new retirement option for private sector workers;
- Increasing housing affordability and accessibility with \$10 million to incentivize the creation of accessory dwelling units (ADUs), \$15 million to create pathways to homeownership for rental assistance recipients and help non-profits rehabilitate homes, and \$32 million for Down Payment Assistance, for a total investment of nearly \$120 million into Down Payment Assistance over the last four years.

### **PRIORITIZING AFFORDABLE EDUCATION AND PROTECTING OUR YOUTH**

New Jersey's nation-leading public school system continues to be a foundational reason why New Jersey has emerged as the best place to raise a family. In FY2025, the Murphy Administration is proposing another historic investment in K-12 public education and delivering on its promise to be the first administration in history to fully fund the formula for New Jersey's public schools. The Governor's budget proposal includes:

- Successfully completing the seven-year phase-in of the School Funding Reform Act;
- A \$908 million increase in K-12 formula aid, marking a total increase of \$3.5 billion since FY2018;
- An additional \$124 million for Preschool Education Aid, including \$20 million to expand pre-K programs into new districts and potentially create over 1,000 new seats, building upon the over \$427 million that the Governor has already invested in pre-K since FY2018 to create more than 14,600 seats to date; and
- Funding for literacy screening to advance the Governor's aim of improving reading performance.

### **MEETING OUR OBLIGATIONS AND MAINTAINING FISCAL RESPONSIBILITY**

The Murphy Administration remains laser-focused on protecting NJ TRANSIT, strengthening New Jersey's finances, and supporting major State projects. Governor Murphy is proposing:

- The second-largest total State contribution to NJ TRANSIT's operating budget in history;
- An additional dedicated funding source for NJ TRANSIT – the Corporate Transit Fee, paid for by corporations with net incomes above \$10 million, will ensure service is maintained as ridership recovers from the pandemic and build upon major improvements that have been made across reliability, customer satisfaction, staffing, capital funding, and safety;
- The fourth consecutive full Actuarially Determined Contribution to the State's pension, totaling more than \$7.1 billion;
- A \$6.1 billion surplus – nearly ten times larger than the average surplus under the previous administration;
- Spending reductions of more than \$1 billion; and
- Use of the Debt Defeasance and Prevention Fund to avoid new borrowing and fulfill commitments, including \$120 million to finish the State Police Training Center, and \$21 million to convert veterans' home rooms to single occupancy.

## INVESTING IN ECONOMIC OPPORTUNITY AND COMMUNITY GROWTH

Under the Murphy Administration, New Jersey has become a major player in the emerging technology, clean energy, and entertainment industries, while scoring the opportunity to host the FIFA World Cup 26™ Final and seven other matches. The Governor's proposed FY2025 budget combines ambitious investments with important support for local communities, including:

- A suite of initiatives to advance the AI Moonshot and build upon the AI Hub being created at Princeton University, including a challenge to reward innovators for solving public-facing problems with State data; the AI-focused Global Entrepreneurs-in-Residence pilot program to help international students at New Jersey universities launch cutting-edge businesses; and AI programs for public school districts;
- Continued support for popular programs like the Main Street Recovery Fund, Manufacturing Initiatives, and Strategic Innovation Centers, bringing the total investment in all three to over half a billion dollars over the past five years;
- Continued funding for initiatives like the employee stock ownership plan to help reduce wealth disparities, along with initial funding to begin addressing the findings from the recently published study on disparities in State procurement;
- A total of \$40 million in State matching funds for electric grid modernization work;
- \$70 million from the Debt Defeasance and Prevention Fund to support capital investments at State parks, chiefly the revitalization of Liberty State Park and preparations for an FY2025 groundbreaking on the new Garden State Greenway;
- Continued funding for Local Recreation Improvement and Urban Parks grants, which together have seen over \$12 million appropriated since the start of the administration;
- \$5 million to launch a Nursing Workforce Initiative, a suite of workforce programs designed to ensure future nurses have experienced faculty and the resources they need to complete their training;
- \$10 million for student-teacher stipends and \$5 million for the Teacher Loan Redemption Program;
- Increasing the Behavioral Healthcare Loan Redemption Program by \$2 million; and
- Providing an additional \$10 million for the Firefighter Grant program.

## SUPPORTING ALL NEW JERSEYANS

Governor Murphy is committed to building a stronger and fairer New Jersey where all families have a fair shot at a better future. The FY2025 budget proposal expands opportunity, reduces longstanding inequities, defends fundamental rights, and protects public safety through:

- An ambitious, two-year, more than \$30 million initiative to end veteran's homelessness through services and interventions to help place over 1,000 homeless veterans in New Jersey into stable housing;
- Increased rates for emergency hotel and motel placements to help families in need of emergency housing;
- \$19 million – nearly double last year – to expand the ARRIVE Together program to new municipalities while boosting hours of availability, bringing police and mental health professionals together to respond to crises;
- New investments in the parole system and the Office of the Public Defender to protect civil rights and maintain New Jersey's exceptionally low recidivism rate;
- A nearly \$20 million investment to expand New Jersey's groundbreaking universal home visitation program for new mothers – from 2,200 this year to 16,700 families in the next year;
- Operating funding for the Maternal and Infant Health Innovation Authority;
- Continued investments in family planning services and reproductive health programs, a total of over \$216 million since the start of the Murphy Administration, after being completely defunded by the previous administration;
- An additional \$30 million for free school meals in FY2025 to build upon the Working-Class Families Anti-Hunger Act;
- Participation in the Summer EBT program to combat child hunger and bring in over \$60 million in federal funds; and
- \$91.8 million in aid to food assistance programs, bringing the total investment in food banks and similar efforts to over \$620 million since the start of the Murphy Administration.

