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## Legislative Update

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By Rob Nixon, Statehouse Strategies

There can be little doubt that the swearing of Chris Christie as Governor on January 19, 2010 launched a new era in New Jersey politics that will likely change the way business is conducted in Trenton. Christie's election not only changed the political landscape at the State House but also created a new approach to policymaking regarding State spending and the State's approach to dealing with businesses, employers and employees. While there are many challenges facing the Governor that make predicting policy outcomes nearly impossible in January, there are a number of things that are certain as Christie begins his term in office.

The first certainty is that the Governor's approach to managing the Department's of State Government and his office will differ dramatically from previous Governor's. Christie has selected senior advisors and Cabinet officers that have either legislative and/or business backgrounds. This will enable him to manage the nuances of the Legislature and State Government while attempting to tackle a multi-billion deficit and create a business friendly environment to restore jobs in the State. The following appointments in areas of interest to the MTA/NJ prove the point:

**Chief of Staff:** Rich Bagger (former State Senator and former Senior Vice President, Pfizer)

**State Treasurer:** Andrew Eristoff (private investor/tax administrator and former head NY State Division of Taxation)

**DEP Commissioner:** Bob Martin (former Vice President, Accenture)

**DOT Commissioner:** Jim Simpson (former Federal Transportation Administrator under George W. Bush and former NY MTA Commissioner)

**Chair, Council of Economic Advisors:** Bob Grady (Venture Capitalist and Deputy Assistant for OMB to President George H. W. Bush)

The mix of experience between government administrators and private business leaders is expected to be of great help to the Governor as he faces off against the budget deficit, high unemployment, and high taxes.

Second, Christie will be the first Republican Governor since Tom Kean to serve with a Legislature controlled by Democrats. The Legislature has also seen change since the election. Democrats have chosen a new Senate President (Steve Sweeney, Gloucester County) and a new Speaker (Sheila Oliver, Essex County). Governor Christie has reached across the aisle to the Senate President and Speaker and it is expected that they will be working closely as the legislative session starts. The real test to this relationship will occur in March when the Governor delivers his Budget proposal for FY 2011. It is widely expected to contain significant cuts to State aid, government programs and State jobs which is likely to cause some friction as the Governor and Legislature present their Budget priorities to each other. However, early indications are that the relationship between the Governor and Legislature is on track for cooperation now.

Finally, Christie started his Administration off by announcing several business friendly Executive Orders. The orders attempt to slow the impact of anti-business friendly regulations and mandates and gives more control to the Governor's Office and the public in deciding whether a proposed regulation would do more harm than good. Executive Order 1 freezes hundreds of proposed regulations from the Corzine Administration and prevents them from going into effect. Executive Order 2 changes the regulatory adoption process in several ways including allowing for greater public and business involvement and establishing meaningful timelines for consideration of regulations. Executive Order 3 creates the Red Tape Review Commission, Chaired by Lieutenant Governor Kim Guadagno, whose responsibility will be to review proposed regulations and their negative effects on growing business in New Jersey. Each of these Orders appears positive for members of the MTA/NJ and we will proposing thoughts to the Red Tape Commission soon.

Finally, the legislative session kicked off on January 25, 2010 with the Assembly Budget Committee taking testimony from the Office of Legislative Services Revenue Division over the current situation with State revenues and deficits. Committee meetings and voting sessions are scheduled until the end of March prior to the annual budget recess. There was little turnover on Committee's that are important to MTA/NJ and bill introductions so far have yielded no surprises. However, with the change in policy direction from the new Governor it is expected that significant legislative activity will occur closer to the passage of the Budget in late June.