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Blue Ribbon Group of Leaders Issue 2012 Facing Our Future Report

Trenton, NJ - A volunteer leadership group comprised of individuals with extensive experience in state government has come together under the umbrella of the Council of New Jersey Grantmakers (www.cnjg.org) to provide an objective, independent analysis of the long-term fiscal challenges facing all levels of government in the next five years. The nonpartisan report updates the 2011 Facing Our Future report and identifies specific, measurable options needed to refocus and redefine government services. Although the governor, legislature, numerous mayors and other elected officials have made substantial changes in the past year, the long-term situation remains the same.

Findings show that by 2017, state government faces a shortfall of up to $8.1 billion; municipalities, a shortfall of up to $2.8 billion; counties, more than $1.1 billion; and school districts nearly $1 billion. The gap does not include the $25.6 billion unfunded liability of the state pension systems, with an additional unfunded liability for post-retirement medical benefits of $59 billion and no funds reserved for future costs. In addition, there is an unfunded liability for municipal and county pension systems of $10.6 billion and at least $12 billion underfunded for retirement and medical benefits.

The research maintains that over the next five years, elected officials across the state will be unable to achieve balanced budgets without significant service, programmatic and employee benefit changes at the state, county, municipal and school district levels.

“We must have a comprehensive conversation about what the public expects in terms of public services, what they are willing to pay and what changes they are willing to accept while preserving their value,” said Nina Stack, president of the Council of New Jersey Grantmakers. “Unless we rethink what services we want from our government and how we want to deliver and pay for them, we will face a starkly different New Jersey.”

This year’s report also collected data and proven ideas from within the state and around the country that provided a catalyst of practical options that can be implemented at any level of government. The principles of change discussed in the report can easily be applied to a variety of service areas.

The group recognizes there is no one solution or even a group of solutions to close the budget gaps, but presented practical options that can be implemented throughout the state.

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