

STATE HOUSE NEWS- MARCH 2010

A monthly recap for GluckWalrath's government and public relations partners.

COAH REFORM

The very first bill introduced in this new Senate session, S1, abolishes the Council on Affordable Housing (COAH) and makes various changes to the procedures in which municipalities comply with affordable housing construction requirements. Senator Ray Lesniak, Chair of the Senate Economic Growth Committee and sponsor of the bill, has held two hearings on the bill and still has not heard from all witnesses interested in testifying. The committee plans to hold a third hearing in March.

Meanwhile, on February 9th, Governor Christie signed Executive Order 12 suspending the actions of COAH and creating the Housing Opportunity Task Force. This task force, to be chaired by former Senator Marcia Karrow, will examine COAH, the Fair Housing Act (FHA) and the State Planning Act. In 90 days the task force will report to the Governor on whether affordable housing obligations are being met and possible alternatives to the status quo for meeting the court mandated affordable housing requirements. This action was immediately condemned by affordable housing advocates and a lawsuit was filed by the Fair Share Housing Center claiming the Governor has overstepped his authority in suspending entities and statutes created by the Legislature. On February 19th, the courts ruled COAH should continue while the courts consider the underlying case.

BUDGET EMERGENCY

On February 11th, Governor Christie addressed a joint session of the Legislature, at which time he declared the State in a fiscal emergency. Through Executive Order, the Governor made over \$2 billion worth of cuts to 375 items in the current fiscal year's budget. Legislative leadership expressed concern over both the cuts themselves and the lack of communication from the Governor's office on the details of them. The Assembly Budget Committee has held two hearings thus far concerning the cuts. Among the witnesses was Treasurer-designate Andrew Eristoff who indicated the administration's stance on finding alternatives to these cuts the administration has moved on from this year's budget and is focusing on FY 2011.

PENSION AND BENEFIT REFORM

On February 22nd, the Senate passed a bipartisan package of bills to reform the State's pension and benefit system for public employees by a 36-0 vote. Reforms included limiting health benefits and enrollment in the defined benefit pension system to full time employees, requiring employees to pay a minimum of 1.5% of their salary for health benefits, limiting payouts for accumulated sick time to \$15,000 and a constitutional amendment requiring full funding of pension payment obligations. These measures now go to the General Assembly for consideration.

NEW STAFF EDITIONS

GluckWalrath is pleased to welcome two new staff members for 2010. Daniel Choi joins the firm after serving as an associate at Cadwalader, Wickersham & Taft LLP in New York City and, prior to that, at Hawkins, Delafield & Wood LLP in Newark, New Jersey. His practice will focus on public finance and corporate law. Christopher Jones will be working on government relations and regulatory affairs. He comes to the firm after serving in the General Assembly Majority Office as well as for then-Senator Jon Corzine and Congressman Rob Andrews.