



Public employee pensions and state and federally funded Medicaid health care programs were the major topics Tuesday when Gov. Chris Christie held his first meeting with the Governor's Council of Economic Advisors.

The public meeting at Princeton University sought the insight of experts in confronting the fiscal challenges facing New Jersey in the short and long term and exploring options for change.

"It is my belief and my directive to the council that we can identify a new way for New Jersey that restores fiscal responsibility and long-term solvency to our obligations," Christie said. "The problems are large, complex and require sacrifice. But the problems are not insurmountable if everyone recognizes the urgent need for serious reform and joins in the effort to fix what is broken."

Established by Executive Order 5 on Jan. 20, the council attempts to provide advice on a broad range of economic matters, including state, local, regional and national economic conditions and analysis and advice on the fiscal condition of the state.

Among the stark statistics that form the basis and need for reform and the council's work: state debt went from \$3.9 billion in 1989 to its present \$33.9 billion; a top marginal tax rate in New Jersey that went from 3.5 percent in 1989 to 10.75 percent by 2009; Medicaid spending that was \$8.7 billion in the 2009-10 state budget – up 11.6 percent above 2008-09, when state revenues actually shrunk by 4.6 percent in the same year.

"Today's meeting is our first step in mapping the way forward for New Jersey," Robert Grady, the council's chairman, said. "The governor and the public can expect from us assessments and recommendations that, while not always popular, will be candid, analytically-based and necessary to get New Jersey on the path again to job growth and prosperity."

Among the presenters during the public portion of the meeting was Joel C. Cantor, director of the Center for State Health Policy at Rutgers University's Edward J. Bloustein School of Planning and Public Policy; James Verdier, a senior fellow at Mathematica in Washington, D.C., whose work focuses on Medicaid, state health policy and Medicare; Susan Urahn, managing director of the Pew Center on States at The Pew Charitable Trusts, and David Crawford, adjunct professor of management at the Wharton School of Economics and President of Econsult Corp.

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