

June 30, 2019

SENATE BILL NO. 2020

To the Senate:

Pursuant to Article V, Section I, Paragraph 15 of the New Jersey Constitution, I am appending to Senate Bill No. 2020, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

The State budget that I am signing today contains nearly all of the spending priorities that I included in my Budget Message for Fiscal Year 2020, and for that I am grateful to my legislative partners. Enacting a budget is difficult work that requires good faith and cooperation. In my March budget address, I proposed a budget that included what I believe to be sufficient, sustainable, and recurring revenues to support core State programs as well as new initiatives to strengthen and expand the middle class. Reinforced by over \$1.1 billion in real and sustainable savings, my Fiscal Year 2020 budget proposal broke from tradition in Trenton and included nearly all of the legislative additions to the current Fiscal Year 2019 budget, providing a blueprint for a stronger and fairer State that invests in our people, our infrastructure, and our shared priorities. At the same time, my proposed budget promoted the long-term fiscal stability of our State by providing for the largest budget surplus in nearly a decade.

Fully understanding that the Governor's Budget Message is a recommendation to the Legislature and that, under our Constitution, the Legislature has the right to adjust my proposals as they wish, I expected that the budget I received in June would not match the proposal that I delivered in March. I also understood in March that the ebbs and flow of revenue collections and current events would likely necessitate some changes to the

plan that I had set forth. Based on its own beliefs and priorities, the Legislature has presented me with a strong spending plan for Fiscal Year 2020. With few exceptions, I support and embrace the funding priorities embodied in this bill. If the State's fiscal condition so permitted, it would be my pleasure to support each and every element of the spending side of the legislative budget, albeit with some additional funding to support worthy programs such as community college expansion.

Less strong, unfortunately, is how I would describe the revenue side of the Fiscal Year 2020 budget plan presented to me by the Legislature. Suffice it to say that I do not agree with the legislative majority's methodologies or rationales offered for upwardly deviating by hundreds of millions of dollars above the State Treasurer's revenue projections or those prepared by the Legislature's own Office of Legislative Services ("OLS"). I also question the comprehensiveness and accuracy of legislative estimates of achievable "savings" incorporated in the Legislature's budget, many of which appear to be significantly overstated or largely unachievable within the one-year time frame covered by this spending plan. Moreover, I am concerned that the legislative budget significantly underestimates the true cost of several spending initiatives, further widening the gap between promised spending and available funding.

Taken together, the budget plan presented to me by the Legislature fails to provide full funding for our established priorities, our new priorities, and the generational imperative of restoring and maintaining a responsible surplus and a sizable Rainy Day Fund.

Accordingly, I am appending to Senate Bill No. 2020, at the time of my signing it, this statement of items, or parts thereof, to which I object and which shall not take effect.

[seal]

Respectfully,
/s/ Philip D. Murphy
Governor

Attest:

/s/ Matthew J. Platkin
Chief Counsel to the Governor