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September 4, 2020

Governor Murphy and Members of the New Jersey State Legislature,

As the leaders of New Jersey's major business associations, we wish to express our concern and disapproval of the recently proposed FY 2021 budget. During this unprecedented crisis, businesses and individuals have had to deal with the painful consequences of the state-mandated shutdown. Many have closed, while others are just barely hanging on. This budget spends, taxes and borrows excessively, and allocates funding irresponsibly.

On behalf of New Jersey's business community, we urge you to revise this budget by:

- eliminating the new taxes that will make our state less competitive;
- cutting the new spending that is unnecessary amidst a global economic crisis;
- limiting the borrowing that will hurt taxpayers for many years to come; and
- pursuing the needed structural reforms to right-size our spending and make our state more affordable.

Rather than use this time to seriously rein in spending, the Governor's budget proposes a \$1.4 billion increase in spending relative to FY 2020. We supported borrowing only as a component of a larger fiscal plan intended to close the budget gap and put the state on solid financial footing going forward. To that end, borrowed funds should be limited and only used for programs that will make an immediate and tangible difference in New Jerseyans' lives, not to pay for new spending unrelated to COVID-19 and definitely not to fund an increased \$2.2 billion surplus. Borrowing to create an unnecessary surplus is unsound policy and effectively increases the future tax burden, since future generations will have to cover the cost. A budget surplus can be a fiscally responsible tool to prevent budget headaches when revenues unexpectedly decline, but you don't save for the rainy day when the rainy day is already here.

Facing severe revenue losses and record unemployment, New Jersey businesses and residents have gone to great lengths to reel in spending, often making painful decisions in the process. On the other hand, this budget demonstrates the government is unwilling to make the same sacrifices. The excessive spending does not reflect the despair that residents have felt since March and will continue to feel for months if not years.

Once spending is kept in line, the billion dollars in proposed tax increases can be eliminated and the proposed \$4 billion in borrowed funds can be reduced while still balancing the budget. For New Jersey's economic competitiveness, it is critical that this \$5 billion in irresponsible revenue be minimized.

We look forward to working with you to make this FY 2021 budget more fiscally responsible for businesses and taxpayers today and in years to come so that our state economy can become more competitive, and thank you for your consideration of the perspective of New Jersey's combined business community.

Sincerely,

African American Chamber of Commerce of New Jersey, Inc.  
American Camp Association NY/NJ  
New Jersey Camps Government Affairs Project  
American Council of Engineering Companies of New Jersey  
American Physical Therapy Association of New Jersey  
Bernards Township Regional Chamber of Commerce  
Burlington County Regional Chamber of Commerce  
Cape May County Chamber of Commerce  
Capital Region Minority Chamber of Commerce  
Chamber of Commerce of Greater Philadelphia  
Chamber of Commerce Southern New Jersey  
Commerce and Industry Association of New Jersey  
Early Childhood Education Advocates  
Eastern Monmouth Area Chamber of Commerce  
Fuel Merchants Associates of NJ  
Garden State Pharmacy Owners, Inc  
Global Business Alliance  
Gloucester County Chamber of Commerce  
Greater Atlantic City Chamber of Commerce  
Greater Toms River Chamber of Commerce  
Hoboken Chamber of Commerce  
Home Care & Hospice Association of New Jersey  
Home Health Services Association of New Jersey  
Hudson County Chamber of Commerce  
Hunterdon County Chamber of Commerce  
Insurance Council of New Jersey  
International Health, Racquet and Sportsclub Association  
Jersey Shore Partnership  
Mahwah Regional Chamber of Commerce  
Marine Trades Association of New Jersey  
Middlesex County Regional Chamber of Commerce  
Meadowlands Chamber  
Monmouth Ocean Development Council  
Morris County Chamber of Commerce  
NAIOP-NJ

National Federation of Independent Business (NFIB)  
Newark Regional Business Partnership  
New Jersey Association of Osteopathic Physicians and Surgeons  
New Jersey Bankers Association  
New Jersey Builders Association  
New Jersey Business & Industry Association  
New Jersey Chemistry Council  
New Jersey Civil Justice Institute  
New Jersey Coalition of Automotive Retailers  
New Jersey Concrete and Aggregate Association  
New Jersey Dental Association  
New Jersey Food Council  
New Jersey Gasoline-Convenience-Automotive Association  
New Jersey Hotel and Lodging Industry Association  
New Jersey Independent Electrical Contractors Association  
New Jersey Manufacturing Extension Program, Inc.  
New Jersey Motor Truck Association  
New Jersey Pharmacists Association  
New Jersey Podiatric Medical Society  
New Jersey Realtors  
New Jersey Restaurant & Hospitality Association  
New Jersey Retail Merchants Association  
New Jersey Salon and Spa Coalition  
New Jersey Self Insurers Association  
New Jersey Society of Certified Public Accountants  
NJ Society of Optometric Physicians (NJSOP)  
New Jersey State Chamber of Commerce  
New Jersey State Funeral Directors Association  
New Jersey State Veterans Chamber of Commerce  
New Jersey Warehousemen & Movers Association  
North Jersey Jewish Business Alliance  
Princeton Mercer Regional Chamber of Commerce  
Recreational Fishing Alliance  
Salem County Chamber of Commerce  
Somerset County Business Partnership  
Southern NJ Development Council  
Statewide Hispanic Chamber of Commerce of NJ  
Sussex County Chamber of Commerce  
The United Boatmen of N.J.  
Union Township Chamber of Commerce  
Washington Borough BID