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 by 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