

May 4, 2020

ASSEMBLY BILL NO. 3857

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Assembly Bill No. 3857 without my approval.

This bill would provide a Fiscal Year 2020 supplemental appropriation of \$15 million from the General Fund for grants to food banks to provide food assistance to households in need. Of the \$15 million, \$10.8 million would be granted to the Community Food Bank of New Jersey, \$2.4 million would be granted to the Food Bank of South Jersey, and \$1.8 million would be granted to Fulfill Monmouth & Ocean.

I commend the bill's sponsors for their efforts to provide much needed assistance to our State's food banks to help feed the community. Amid the widespread layoffs that have been triggered by the COVID-19 pandemic, food banks are a critical lifeline for a growing number of New Jerseyans. At the same time that the demand for food assistance is at a record high, food donations are in short supply, as many of the largest food donors, including restaurants, grocery stores, and farms, are either shut down or have little leftover inventory to donate.

While I certainly understand the urgent need for the resources that would be made available through this bill, my action must be dictated by consideration of the State's current budgetary and economic conditions. The COVID-19 pandemic is having a profoundly negative impact on the State's economy and finances. In order to ensure sufficient cash flows are available to meet emergency and statutorily required obligations through the end of the fiscal year, over \$1 billion in items of appropriation have been placed into reserve since March. The hard reality is that we will be facing unprecedented budgetary challenges in the coming months and

beyond. I have been advised by the State Treasurer that we expect this pandemic to cause precipitous declines in revenues both in Fiscal Year 2020 and Fiscal Year 2021. While I absolutely share the sponsors' concerns for the well-being of those in need, it is incumbent upon us to make informed decisions in full consideration of our budgetary and cash flow position.

Fortunately, federal assistance may be available to achieve the purposes contemplated in this bill. Under the President's approval of my request for a major disaster declaration for the State of New Jersey, government entities and eligible non-profits, such as community food banks, may be eligible to apply for assistance under the Federal Emergency Management Agency ("FEMA") Public Assistance Program. Under the Public Assistance Program, FEMA may reimburse eligible non-profits for a portion of certain costs of emergency protective measures necessary to protect the health and safety of impacted communities, including for costs associated with the purchase and distribution of food. To access this program, community food banks should continue to work closely with their county and State emergency management partners to monitor supply levels and to determine whether any COVID-19 related expenses can be reimbursed by FEMA.

As my Administration continues to fight for direct assistance from our federal government, there are steps that our State must take on its own to improve our fiscal position. Among the most crucial is swift passage of the New Jersey COVID-19 Emergency Bond Act ("Bond Act"), which will allow New Jersey to access billions of dollars in loans through the federal lending facility and the public and private markets. Passing the Bond Act is essential to ensuring the State can meet its short-term obligations in light of present revenue and liquidity challenges.

Although I wholeheartedly support providing supplemental assistance to our food banks when so many New Jerseyans are relying upon their vital services, I cannot approve the new spending authorized by this bill at a time when the State's fiscal circumstances are so dire. I look forward to working closely with my partners in the Legislature in the days and weeks ahead to address the unprecedented budget challenges our State faces so we can ensure New Jerseyans have access to critical services during this time of crisis and recovery.

Accordingly, I herewith return Assembly Bill No. 3857 without my approval.

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Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor