

May 4, 2020

**ASSEMBLY BILL NO. 3858**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Assembly Bill No. 3858 without my approval.

This bill would direct the Commissioner of Human Services to issue supplemental cash assistance payments to eligible recipients of the Work First New Jersey program. Supplemental payments would be available upon a finding by the Commissioner that the standard benefits issued under the Work First New Jersey program are not sufficient to support the needs of recipients in the State. The bill would appropriate from the General Fund an unidentified amount "as may be necessary" to implement the bill.

Work First New Jersey benefits provide a critical lifeline to vulnerable populations in New Jersey. I commend the bill's sponsors for their efforts in advocating for benefits for individuals in crisis who require additional assistance. However, the open-ended appropriation authorized by this bill would trigger an indeterminate, unbudgeted cost, potentially amounting to many tens of millions of dollars. Even under normal circumstances, I would be hesitant to endorse a bill with such far-reaching fiscal implications outside of the annual budget negotiation process; the State's current budgetary and economic conditions compel even greater restraint.

The COVID-19 pandemic is having a profoundly negative impact on the State's economy and financial condition. 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 financial position.

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 secure our budgetary and cash flow 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.

While I certainly support the expansion of Work First New Jersey benefits to aid our most vulnerable residents, 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. Once we have taken the necessary steps to improve our fiscal position, I invite the Legislature to work with me to revisit this issue and similar issues to aid in the State's recovery from the COVID-19 pandemic.

Accordingly, I herewith return Assembly Bill No. 3858 without my approval.

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor