



**A CONCURRENT RESOLUTION** rejecting the Governor’s proposal to award retroactive raises to a select group of public employees in an amount totaling more than \$100 million and encouraging the Legislature to exercise its constitutional authority to deny appropriations for such raises.

**WHEREAS**, In April 2018, the Governor of the State of New Jersey unilaterally agreed to a proposed contract with a politically influential labor union that would cost taxpayers \$100 million under the label of “retroactive pay” for the union’s members; and

**WHEREAS**, The Constitution of the State of New Jersey establishes a Separation of Powers between the Executive and Legislative Branches of government under which the Governor may not impose or raise a single tax, or expend a single dollar of public monies, without such tax having first been initiated and duly approved, or such monies having first been affirmatively appropriated by law, through a transparent and willing enactment of the People’s Legislature; and

**WHEREAS**, Within a broader framework of checks and balances, this fundamental principle – that the Legislature alone is vested with the “Power of the Purse” – serves as the chief and overarching safeguard against any unilateral action by which taxpayer resources might otherwise be diverted solely for the benefit of special interests, instead of being directed for the betterment of the public good as determined by the People through their elected representatives in the Senate and General Assembly; and

**WHEREAS**, This principle is indispensable to the notion of democratic government and carries with it, not only constitutional authority, but also a constitutional duty and moral responsibility to ensure that the People’s money is collected and spent wisely, efficiently, and fairly for the betterment of the public good; and

**WHEREAS**, Every member of the Senate and General Assembly has sworn an oath to the Constitution of the State of New Jersey that forbids him or her from surrendering this constitutional authority to another branch of government or distancing himself or herself from the constitutional responsibilities of this body; and

**WHEREAS**, At present, the government in this State already levies upon its residents the very highest effective property tax rate of any state in the nation; and

**WHEREAS**, New Jersey simultaneously ranks among the highest of all states with respect to its rates for income taxes, sales taxes, business taxes, and various other unseen taxes and fees; and

**WHEREAS**, This Legislature now faces a number of competing budget proposals for Fiscal Year 2019, not only from the Governor, but from its own leadership, that each call for unprecedented increases in taxes and State expenditures; and

**WHEREAS**, Regardless of how the rates and structures of these various proposed tax increases are manipulated, collectively such increases will only exacerbate the overall tax burden that is rendering New

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Jersey an increasingly less affordable place to live and build a future for one's family; and

**WHEREAS**, Nevertheless, the Governor's proposed budget for Fiscal Year 2019 demands even more from its tax-beleaguered residents, calling for an eight percent increase in expenditures over the previous year's budget, and asking for nearly \$2 billion in new taxes on personal income, retail sales, certain online purchases, ride-hailing services such as Uber and Lyft, and tourism-rental services such as AirBnB, among others; and

**WHEREAS**, The Governor has defended his exorbitant tax hikes by claiming that it is an "inescapable reality—we need this revenue," painting a bleak picture of New Jersey's fiscal affairs and suggesting that the State is already being run with efficiency and fiscal discipline, and that, further, any measures to reduce or limit State expenditures are simply not feasible or have already been exhausted; and

**WHEREAS**, At the very height of delivering this dire message – that the People are out of options and that the Legislature has no choice but to pass the tax increases he seeks – on April 16, 2018, Governor Murphy unilaterally signed a Memorandum of Agreement with the Communications Workers of America (CWA), AFL-CIO, that if endorsed by this Legislature, would grant raises and so-called "retroactive payments" to approximately 32,000 Executive Branch employees, costing the State approximately \$150 million in this year's State budget, including over \$100 million for the proposed "retroactive payments" alone, as well as untold and irreversible amounts that would need to be sustained in future State budgets for years to come; and

**WHEREAS**, The Memorandum of Agreement provides for "across-the-board increase[s]," retroactive payments for "clothing maintenance allowances," so-called "step increases" that would inflate the long-term pay scales of union members, and, for those union members who have already reached the top of the "step guide," bonuses of \$650 that would have no connection to that employee's performance; and

**WHEREAS**, Illustrative of the excessive nature of this political giveaway, some employees with current salaries of approximately \$70,000 will receive an immediate windfall payment in excess of \$20,000 under the label of "retroactive pay," a figure unimaginable for the rest of New Jersey's working class who are not represented by a politically influential labor union and, moreover, these same select union members would simultaneously be given an immediate salary increase from \$70,000 to approximately \$87,000, representing a permanent pay increase of more than 23 percent; and

**WHEREAS**, These pay increases will place many public employee salaries well above the median income of the taxpayers who will be burdened with the annual costs of the increases; and

**WHEREAS**, Remarkably, the agreement discloses nothing offered by way of compromise from the CWA in "negotiating" such a

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generous deal, a fact about which CWA representatives have proudly boasted on their website, stating, “There are no concessions in this tentative agreement”; and

**WHEREAS**, Perhaps most concerning is that when asked what the agreement will cost the overburdened taxpayers of this State, Governor Murphy confessed that he “[didn’t] know,” and that apparently rather than conducting a thoughtful cost-benefit analysis, his rationale was that it was not “that big a deal”; and

**WHEREAS**, Our courts have long recognized that the Governor is “duty-bound to use the resources given him by the Legislature to provide the most efficient government,” Communication Workers of America v. Florio, 130 N.J. 439, 462 (1992); and

**WHEREAS**, That recognition not only affirms the Governor’s duty to spend efficiently, but it also underscores that it is the Legislature which grants resources to the Governor, by virtue of its exclusive authority to appropriate such monies under the Constitution, and the Governor is thus limited, in the words of the New Jersey Supreme Court, to only those “resources given him by the Legislature”; and

**WHEREAS**, The Memorandum of Agreement itself acknowledges this Separation of Powers by explicitly naming the Legislature as its final endorser, referencing a provision that in past contracts has stated, “If any provisions of this Agreement require legislative action . . . or require the appropriation of funds for their implementation, it is hereby understood and agreed that such proposals shall become effective only after the necessary legislative action . . . is enacted”; and

**WHEREAS**, In light of the foregoing, when the Governor runs afoul of his duty to provide an efficient government, the Legislature has the responsibility to prevent any blatant and wasteful misuse of critical taxpayer dollars by declining to appropriate the funds necessary to subsidize his proposals; and

**WHEREAS**, Therefore, it is the constitutional duty and moral responsibility of each member of this Legislature to reject the Governor’s decision to award “retroactive raises” to tens of thousands of Executive Branch employees, and to exercise the Legislature’s constitutional authority to direct the priorities of the State by refusing to fund such an agreement; now, therefore,

**BE IT RESOLVED** by the Senate of the State of New Jersey (the General Assembly concurring):

1. The Legislature expressly rejects the decision of Governor Murphy to award retroactive raises to approximately 32,000 Executive Branch employees.

2. Copies of this resolution, as filed with the Secretary of State, shall be transmitted by the Clerk of the General Assembly or the Secretary of the Senate to Governor Philip Murphy and the Communications Workers of America, AFL-CIO.

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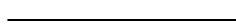
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STATEMENT

This resolution disapproves of Governor Murphy's proposal to award retroactive raises to approximately 32,000 Executive Branch employees in an amount totaling more than \$100 million and encourages the Legislature to exercise its constitutional authority and responsibility to withhold appropriations for that proposal.



Rejects Governor's proposal to award retroactive raises to select group of public employees in amount totaling more than \$100 million and encourages Legislature to exercise constitutional authority to withhold appropriations for raises.

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