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October 6, 2022

Honorable Nicholas Scutari, Senate President
Honorable Teresa M. Ruiz, Senate Majority Leader
Honorable Paul Sarlo, Budget Chairman
PO Box 099
Trenton, New Jersey 08625-0099

Dear Senators Scutari, Ruiz, and Sarlo:

We are extraordinarily concerned that there has been no public legislative oversight of the unparalleled budgetary power granted to Governor Murphy in this year's State budget. We respectfully request that public oversight begin as soon as possible – consistent with statutory requirements and past commitments.

As you are aware, the Appropriations Act requires the Joint Budget Oversight Committee (JBOC) to meet quarterly to provide oversight of how the Governor, in his sole discretion, is appropriating \$300 million of federal block grants and how he will recommend appropriating approximately \$700 million that requires JBOC approval.

JBOC has similar oversight responsibilities with respect to the "Debt Defeasance and Reduction Fund" which allows the Governor to recommend appropriations – with JBOC approval – of more than \$3 billion of uncommitted balances.

In addition to required JBOC meetings, additional oversight is sorely needed -- and has been promised. At the June 27th meeting of the Senate Budget and Appropriations Committee (SBA), Senator Sarlo indicated after conferring with Senator Ruiz that SBA would hold hearings and provide oversight with respect to dozens of large grant programs established in the Appropriations Act "Debt Defeasance and Reduction Fund."

The first fiscal quarter is the most important time when oversight was needed – as the Governor and Administration have been taking steps to advance money. Nonetheless, neither committee has met and public oversight remains nonexistent.

Our concerns about the lack of engagement and oversight are particularly concerning for several reasons.

First, we are concerned that billions of dollars sit in idle State accounts while inflation devalues these funds at a rate approaching 10% annually. The nonpartisan Office of Legislative Services has indicated that the Governor and his Administration have failed to retire any debt with the \$3 billion of "Debt Defeasance and Avoidance Fund" set aside for that purpose or even encumber under contract any of the \$3 billion set aside in that fund for capital projects. Similarly, they have failed to recommend a single use for federal funds that requires JBOC approval.

Second, though the Governor has not yet advanced many uses of the \$300 million of federal funds under his unilateral control, what he has advanced is disturbing. He has advanced a program that hands out \$2,000-\$4,000 checks to criminals departing prison and will purchase new SUVs for his use and that of the Lt. Governor.

Finally, while dozens of special grant programs under his control (an accounting of some are attached hereto) are being eaten up by inflation, there has been little information made available about how the grant programs will work and how applications can be submitted. Without legislative pressure and legislative oversight, the value of the grant programs continues to be eroded by inflation and administration decisions being made about how programs will work will become harder and harder to influence or correct when correction is necessary.

Hard questions need to be asked.

- Why are billions of dollars being allowed to be consumed by inflation?
- Of the small amounts advanced, why is it that cash payments for criminals and new SUVs for the Governor and Lt. Governor are priorities?
- Why are our proposals to use funds to head off planned tax and toll increases and establish local capital projects and emergency preparedness being ignored?
- What thoughtful proposals have been offered by the public that have been ignored?

Legislative oversight is required in the Appropriations Act. It has been promised. It's past time to deliver.

Sincerely,


Steven V. Oroho


Declan O' Scanlon, Jr.


Samuel Thompson


Michael L. Testa, Jr.