

# NEW JERSEY SENATE

## SENATE REPUBLICAN OFFICE

NEW JERSEY STATE HOUSE  
P.O. Box 099  
TRENTON, NJ 08625



SENATENJ.COM

NJSENREPS@NJLEG.ORG  
P: (609) 847-3600  
F: (609) 984-8148

June 22, 2022

Paul A. Sarlo  
Chairman, Budget Committee  
496 Columbia Blvd., 1st Floor  
Wood-Ridge, NJ 07075

Dear Chairman Sarlo,

We are writing again to respectfully request that the Treasurer be called to appear before the Senate Budget and Appropriations Committee next Monday. She should explain her gross misrepresentations of the State's long-term debt as we have requested in the past. And she should also be held to account for a serious related allegation that the Murphy administration deliberately looked the other way while a vendor had not been performing on a contract intended to control health care costs well into the future while providing better services for employees.

See this well-researched Bloomberg article: <https://www.bloomberg.com/news/articles/2022-06-21/new-jersey-backs-down-from-34-million-fight-with-health-insurer-horizon>

Senator Testa has previously argued that the Treasurer should appear before the committee and account for publicly – and falsely -- claiming to the committee that the State's long-term debt has decreased– even while her office had drafts of an audit released days later showing debt climbed by a record \$44 billion as of the most recently concluded fiscal year.

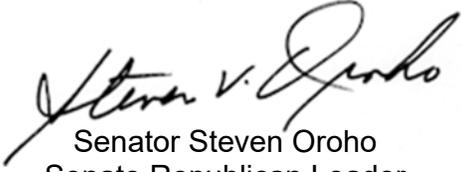
Although “only” \$4 billion of the debt increase was due to needlessly issued emergency debt on a noncallable basis, and \$4 billion was attributable to increasing unfunded pension liabilities, \$12 billion of the increase in long term debt was due to the Department of Treasury admitting that the cost of public employee post-retirement health care is climbing significantly higher than previous estimates. The public needs to know if the reason, or part of the reason, for the increased costs is attributable the Governor's administration preventing professionals in the Department of Treasury from enforcing a cost-saving contract as referenced by the Bloomberg article. The public also needs to know if a well-documented \$2 million contribution by the vendor to a nonprofit corporation founded by the Governor's wife gave rise to the administration's interference in efforts to enforce the contract and produce significant savings for taxpayers.

We should know if this is part of a broader problem where other professional staff in the Department of Treasury are prohibited from being “too tough” on State vendors on behalf of taxpayers and people owed honest services.

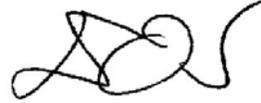
This Monday, bills will be considered by the Senate Budget and Appropriations Committee that spend billions of dollars on public employee and retiree health care. Other bills will be heard that give the State Treasurer discretion on how to use funds being promised for debt reduction. The Treasurer needs to appear before the committee and answer difficult, but important, questions about long-term debt, and whether the inability of Treasury professionals to manage health care contracts intended to achieve savings as a result of improper interference is partially to blame.

These are important questions that the Treasurer should be called before the Senate Budget & Appropriations Committee to answer at our next meeting.

Sincerely,



Senator Steven Oroho  
Senate Republican Leader



Senator Declan O'Scanlon  
Republican Budget Officer



Senator Samuel Thompson  
Member, Budget Committee



Senator Michael Testa  
Member, Budget Committee