



New Jersey Senate

TRENTON

The Honorable Phil Murphy
Office of the Governor
P.O. Box 001
Trenton, NJ 08625

The Honorable Steve Sweeney
Senate Democratic Office
P.O. Box 099
Trenton, NJ 08625

The Honorable Craig Coughlin
Assembly Democratic Office
P.O. Box 098
Trenton, NJ 08625

March 6, 2019

Dear Governor Murphy, President Sweeney, and Speaker Coughlin:

We wrote to you as the current State Budget was being finalized last June to request your commitment to working with us in a bipartisan fashion to enact structural reforms that would constrain spending and provide long-term relief to overtaxed New Jerseyans.

Unfortunately, another year has passed without the passage of those reforms, which cumulatively could save New Jersey taxpayers billions of dollars annually.

Instead, a budget was adopted for the current fiscal year that raised personal income and business taxes by \$1.5 billion. Yesterday, the Governor revealed a budget proposal for FY 2020 that would raise taxes by half a billion more.

We believe there is a better path forward.

We again urge you to commit to passing and enacting structural reforms that would reduce the current and future costs of public employee pensions and health benefits.

These reforms can and should have a direct impact on the budget that we must adopt by the end of June.

Specifically, we note that the savings that would be achieved through "platinum-to-gold" health benefit reform would more than offset all of the tax increases called for by the Governor, including his income tax proposal.

In short, the pursuit of tax increases is wholly unnecessary.

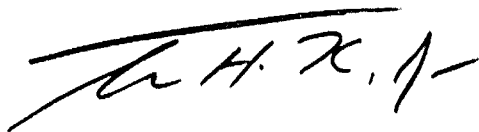
We are confident that comprehensive reform is achievable with your support. Proposals regarding health benefits and pensions already have been recommended by the Legislature's bipartisan Economic & Fiscal Policy Workgroup.

We believe these reforms, paired with the two-percent State spending cap that we have proposed, would put New Jersey on a positive fiscal trajectory for the first time in decades.

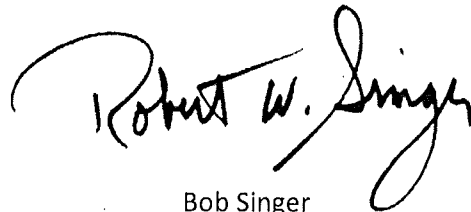
Most importantly, our success in the State House would translate to success for every New Jersey family, business, and taxpayer.

There is no excuse to let another year go by when well-researched reforms are on the table. We hope you will choose to join us in this effort to secure the positive future that New Jersey deserves.

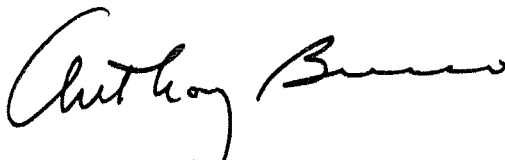
Sincerely,



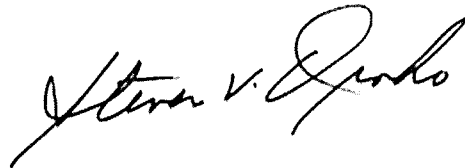
Tom Kean
Leader



Bob Singer
Deputy Leader



Anthony Bucco
Conference Leader



Steven Oroho
Budget Officer