

New Jersey Senate

SENATE REPUBLICAN OFFICE

NEW JERSEY STATE HOUSE

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December 7, 2020

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

Dear Governor Murphy,

We recently checked with the nonpartisan Office of Legislative Services (OLS) about the status of the \$2.4 billion CARES Act block grant that is under the jurisdiction of the New Jersey Department of Treasury.

The OLS review of the State Consolidated Financial System (spreadsheet attached) indicates that nearly \$200 million remains unallocated and unencumbered with less than one month to go before federal law requires all such funds to be earmarked for eligible incurred costs.

As the Senate Republican Budget Officer, I request that your administration detail how the remaining \$200 million will be allocated for costs incurred prior to the end of December.

All Republican members of the Senate, many of our Democrat colleagues, and the major associations representing small businesses in New Jersey have repeatedly called for a substantial new aid package for nonprofit organizations and small businesses that have suffered tremendously due to restrictions and shutdowns imposed during the COVID-19 pandemic.

To date, you have been unwilling to remove artificial caps on nonprofit and business assistance grant programs, including both caps on employer size as well as dollar caps on assistance, that have prevented critical relief funds from getting out the door quickly to the benefit of employers, employees, and the customers they serve.

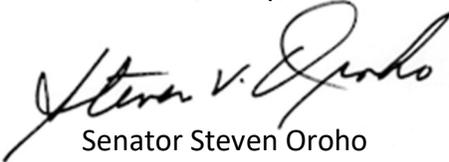
More recently, the New Jersey Business and Industry Association (NJBIA) has requested that any available funds that remain from the CARES Act block grant as of the end of December be deposited into the Unemployment Insurance Fund to mitigate tax increases on employers which will otherwise hit businesses, nonprofits, and local governments and property taxpayers.

Though I continue to believe that using all available funds for the direct support of nonprofit organizations and small businesses impacted by COVID-19 should remain the emergent priority, I support the NJBIA's proposal as a backstop.

With all the significant burdens our residents have endured, it would be unconscionable if New Jersey failed to use all the federal funds made available to our State to alleviate COVID-19 by the December 30th deadline.

Please clarify what steps you are taking to allocate the remaining \$200 million before it must be returned to the federal government due to disuse.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven V. Oroho". The signature is fluid and cursive, with a large initial "S" and "O".

Senator Steven Oroho
Republican Budget Officer