

**Fiscal Year 2021 Revised Budget Address
Tuesday, August 25, 2020**

Lieutenant Governor Oliver ...

Senate President Sweeney ...

Assembly Speaker Coughlin ...

Majority Leaders Weinberg and Greenwald ...

Minority Leaders Kean and Bramnick ...

Members of the 219th Legislature ...

Members of the Cabinet ...

Former Governors Florio, McGreevey, Codey, and Corzine ...

First Lady Tammy Murphy ...

President Holloway ...

Distinguished faith leaders, members of the diplomatic community, honored guests, and my fellow New Jerseyans ...

On February 25th – six months ago, today – I stood before the Legislature and the people of New Jersey in a crowded Assembly Chamber to lay out my vision for the next state budget.

There was no social distancing and not a face mask in sight.

My, how things have changed.

And, I must give my thanks to Rutgers University for allowing us the use of SHI Stadium today, so we can have a second gathering that meets the standards for social distancing.

On March 4th, a day I will never forget for a couple reasons, we received confirmation of our first positive case of coronavirus in New Jersey.

We did not know how many more would follow, let alone whether – or how many – of our fellow New Jerseyans would ultimately be lost to COVID-19.

But, now we know.

In six months, this pandemic has infected 190,000 of our residents.

We may, thankfully, no longer be the epicenter of this pandemic in our nation, but we bear the scars for the battle we have put up against it.

Look around this cavernous stadium – we would need four of these to hold everyone infected.

The scale is that staggering. The human price is that staggering.

The highest price from COVID-19 has been paid by more than 14,000 of our fellow New Jerseyans who have lost their lives – doctors and nurses, essential workers, members of law enforcement, veterans, business leaders and homemakers, lawyers and public servants, fathers, mothers, sisters and brothers, sons and daughters.

They should never just be remembered as numbers, but their names, their lives, should be remembered and memorialized.

And, so I ask us to begin today by remembering the blessed souls we have lost – the members of our great and diverse family who COVID-19 has taken from us – with a moment of silence.

And, at the same time, we must also acknowledge the heroic efforts of thousands of New Jerseyans who have been standing on the front lines every day.

We have several of those heroes with us today.

They are the doctors and nurses and EMTs – like Sharifa Doyle, a clinical nurse educator at Robert Wood Johnson University Hospital, New Brunswick – who have worked long hours to save every life they could.

They are the public servants –like Kathleen Martin, a 27-year veteran of the New Jersey Department of Labor – who represents all those who are working behind the scenes to process unemployment claims, to deliver the mail, and to keep our state and communities running.

They are the members of law enforcement – like Corrections Officer Michael Tirado – and the fire professionals – like Trenton Firefighter Wayne Wolk – who have ensured public safety.

And, they are the supermarket and grocery workers, like Dan Babcock – a member of the team at Brown's Shop Rite in Belmawr – who have made sure that the everyday necessities our families rely upon can be found on store shelves.

They are among so many countless others who, in our time of need, put New Jersey on their backs to carry us through some very dark times.

They all deserve our thanks, and I ask that we give them a round of applause.

And, of course, I must thank the millions of everyday New Jerseyans who have taken to heart their responsibility for, and role in, crushing the curve and slowing the spread of this deadly virus.

Over the past five months, we have asked you to embrace new routines – to social distance and to wear face masks – and to take great precautions.

For many weeks, we asked you to simply stay at home.

I know it hasn't been easy, and I know we're all more than a bit restless – and, yes, we have more than a few knuckleheads out there proving that second point.

But, across this great state, wherever I am, I meet New Jerseyans who understand that we cannot yet let our guard down and we cannot give up on the practices which are protecting our families.

Still, this pandemic isn't done with us. Not by a long shot. We are still at war.

But, because of each and every one of you, we are in a better position than ever before to emerge victorious. And, so to the people of New Jersey, I say, "thank you".

Thank you for showing how our state and our entire family rally together. Thank you for being models for your families, your neighbors, and – indeed – our entire nation.

We are still fighting this virus – but history will note we fought this virus through science, through faith, and through trusting the people of New Jersey with an honest reporting of the facts.

History will note the sacrifices millions of you have made to save lives.

Long after the generations of today have given way to the generations to come, I assure you, history will note that New Jersey rose to the challenge.

Besides setting off an unprecedented public health crisis, this pandemic also unleashed an economic crisis that can only be rivaled by two other times in our state's entire 244-year history – the Great Depression and the Civil War.

The people of New Jersey need us to be honest with them about this.

Yes, 1.4 million New Jerseyans have filed for unemployment, but we cannot send the false hope that things are going to simply snap back to the way they were.

We must have the unavoidable conversation about what it means to not only see our state through this emergency, but what we will look like when we emerge from it.

So, we are in a moment unlike any other. A moment from which we cannot shrink. A moment that demands that the scope of our actions meets the size of our challenges.

And, as we begin this conversation, let me make it clear that two things have not changed.

First, I remain just as optimistic for our future as I have ever been.

Second, I am just as committed to seeing through our vision of creating a stronger and fairer New Jersey as I have ever been.

And, to this point, we will come out of this pandemic stronger than we were when it started.

So, six months to the day that I proposed a budget that would continue us down the path of progress, today I propose a new budget that will see us remain on that path.

Despite everything, our values and our priorities remain intact.

But more than that, I propose a new future. We can't build the same New Jersey that we had before the coronavirus crisis. And, we can't run the same old plays of the past, which only provided short-term political cover while not providing any long-term systemic reform.

While we have been working hard to protect our state under tremendous fiscal strain, we have also been hard at work prudently investing the federal funding we have received to help the residents and businesses who need it the most.

Among so much else, we have committed \$125 million to help renters and landlords weather this storm, and to not fear for eviction while it continues to rage.

And if there are a few unscrupulous landlords trying to get around our evictions ban – we will come down on you with the full force of the law.

We are embarking on a \$155 million investment in our hard-hit long-term care facilities, including a responsible program for testing of staff, greater workforce support and wage increases for caregivers, and critical infection-control practices - an investment that would include tens of millions of dollars in federal matching funds.

We are supporting our colleges and universities with \$150 million to help defray the costs they have incurred in responding to this pandemic, and to ensure that high-quality learning and rich engagement are not sacrificed.

And, we are committing over \$50 million to our public and non-public schools to help bridge the digital divide.

And, we have put more than \$100 million directly into our Main Street small businesses through grants and loans, and into capital investment guarantees for nascent start-ups.

We've put relief funds forward to help them with rent, to purchase PPE, and develop safe reopening plans.

These awards have been literal lifesavers for thousands of businesses, especially those which are women-, minority-, and veteran-owned.

These small businesses, and these entrepreneurs, are the heart of our state's economy.

They employ the lion's share of our fellow New Jerseyans.

And, we are committed to seeing them through this crisis.

However, we can't do this alone. Washington can't walk away from the American people. Our job fighting this virus is not done, and neither is theirs.

We still need the federal government – especially the President and Senate Republican Leader Mitch McConnell – to join us as full partners.

And, this need goes beyond our borders, and into every single state, red and blue.

Our states need direct federal assistance, and that is an unavoidable truth.

Another unavoidable truth that this pandemic brought to light for all to see is one that many have long known and personally felt:

That our system and our society, not just in New Jersey, but across our country, are deeply unequal and profoundly unfair.

COVID-19 has proven it does not care who it takes away, but there is no doubt that our communities of color, and communities where economic opportunity has been in short supply, have borne an outsized burden.

The health disparities exacerbated by COVID-19 are not new. For example we have seen them for years in our fight to eradicate the Black maternal and infant health crisis.

This pandemic has also come at a time when we have been combatting our ongoing opioid epidemic, and we have not forgotten that effort as we have undertaken fighting this virus.

This pandemic has also taken a toll on the mental health of countless residents, and those living with disabilities, and we have not forgotten our need to protect the safeguards in our health care system for those who need them.

And, while this crisis meant many Pride Month celebrations have been postponed or canceled, we have not forgotten the many contributions of our LGBTQ+ brothers and sisters, or the need to ensure they never lack for dignity.

And, beyond the scope of this pandemic, in the wake of the senseless murder of George Floyd, hundreds of thousands of New Jerseyans have peacefully taken to our streets to call for all of us to recognize three simple yet overwhelmingly meaningful and overdue words: "Black Lives Matter".

This generation of New Jerseyans is proving it will no longer sit quietly – and I not only applaud them, I join them.

This generation has put every generation on notice – they have made us all look in the mirror and ask, "Will I be a part of the fight for equality, or will I sit idly on the sidelines of history?"

Over the past several months I have watched proudly as our communities of faith and other stakeholders have sat down with members of law enforcement to promote trust and strengthen the bonds between our police and the communities they serve.

We need to work on a more transparent, professional, and accountable culture in law enforcement.

And, with the leadership of Attorney General Gurbir Grewal and State Police Superintendent Colonel Pat Callahan, we are doing just that.

Just as thousands have called for equity in our society, this budget echoes their calls.

Before this public health crisis, we made a clear and unmistakable start on building a stronger and fairer New Jersey that reaches deep into every corner of our state to lift up those who had been overlooked for far too long.

Over the previous two years, working with our legislative colleagues, investments in our public schools and pre-K were up.

We increased the minimum wage ... guaranteed paid sick days ... expanded paid family leave ... and had begun meaningfully pulling the cost of going to college back within the reach of more families.

Women's reproductive rights and gun safety were strengthened to levels that again made us a model for the nation.

We have created tens of thousands of new jobs – and new businesses at the cutting edges of technology and the life sciences are once again proudly calling New Jersey home.

We have been restoring fiscal responsibility with bigger surpluses, fewer one-shots, more partnerships to generate savings for our taxpayers, and the first deposit in our Rainy Day Fund in a decade.

And, we even made progress in turning NJ TRANSIT around.

The steps which we have taken together – to pursue good government reforms, to tighten our belts, and to save money for the cliff to come, or in this case the pandemic to come – are helping us weather the storm.

And, even during this pandemic, we have kept getting big things done.

The Portal Bridge is finally getting replaced, we are strengthening our commitment to a green energy future – which will create thousands of good-paying jobs throughout the state but, especially, in South Jersey – and we are continuing to make health care more affordable for many thousands of New Jersey families.

So, the challenge we face today is clear – to protect the gains we have made and to keep moving forward.

To do this, we will need to have a new understanding of what truly matters.

We need to think beyond today, and, most of all, we need to think of what it truly means to care for, and care about, each other.

Yet, some have looked only to draconian cuts – cuts that would disproportionately fall upon our working and middle-class families, our kids, and our communities of color while, at the same time, leading to increased property taxes.

That is the wrong way, the dishonest and failed way, and is just more of what made us so vulnerable to the ill winds of the pandemic.

A group of one hundred leading economists echoed this point in an open letter to me and to Legislative leadership.

They note, correctly, that years of poor fiscal decision-making have left too many New Jerseyans vulnerable to the global recession that this pandemic has created.

And, they note, also correctly, that an overreliance on cuts would be counter-productive not just to our efforts to contain the economic impacts of COVID-19, but to the ability of millions of families to get ahead – notably low-income households, single mothers, and people of color.

We've heard these warnings before – the last time in 2009, just as the last recession began gutting our state.

And, we were one of the last states in the entire nation to get back on our feet.

Maybe it's about time we start heeding them.

You don't grow and strengthen the middle class by pulling the rug out from under it – you can't cut and slash your way to growth and opportunity.

Not only must we not repeat the failures of the past to prepare our state, now is the time to secure the resources and to make the investments to ensure that every single New Jerseyan benefits from the bright future I know is ahead of us.

Together, we can do exactly this.

We will not go back to the New Jersey we inherited only two-and-a-half years ago. We will not give up on strengthening our middle class or in supporting the dreams of those who aspire to join it.

Despite everything the past five months have thrown our way, the goals of the budget I proposed in February are also reflected in the one I present to you today.

Yes, some spending cuts are absolutely necessary in the face of this crisis, and, yes some of them will hurt.

I asked every department to dig deep to find cuts and efficiencies.

Yet, I also directed that they preserve, to the best of their ability, the core and essential services that millions of our residents rely upon every single day. The economic fallout from the pandemic is a reason to be smart about our finances – it is not an excuse to go backwards.

The members of my Cabinet – the women and men who lead our state agencies – did remarkable work in finding a total of \$1.2 billion smart spending reductions.

This budget generates real and substantial savings through collectively bargained furloughs and health-benefit reforms, and maintains our commitment to making the full pension payment announced in February.

Making this pension payment is good news for everyone in our state because it moves us down the long road to fiscal responsibility.

There are other places where our investments will remain intact to the greatest possible extent because of the partnership between our administration and the Legislature to see to it that we can borrow, on an emergency basis, and at historically low rates, the funds we need to keep these investments secure.

I count myself among the majority of New Jerseyans who understand that we all must be in this together, and that everyone needs to do their fair share.

But, we also know that many in our state have been hurt more than others.

I repeat what I said earlier – more than 1.4 million of our fellow New Jerseyans have filed a claim for unemployment benefits.

Building a stronger New Jersey requires us to ask those who, in some cases, continued to prosper as this pandemic raged around us – and most certainly were hurt less – to do more so we can strengthen the middle-class families who are the backbone of our state.

That means that the wealthiest among us – millionaires and large corporations – need to pay their fair share in taxes, whether it be on income or in buying a yacht.

In doing so, we can alleviate the pain being felt by the millions of middle-class families, and the working poor reaching to lift themselves out of poverty, and secure a better place for them through job-training and workforce development – things that will make our economy stronger and benefit our business community for generations to come.

And, in particular, in renewing my call for a millionaire's tax, let's be honest about who this pandemic has hit the hardest – our middle class and low-income working families – and this tax would not impact them at all.

But, through it, we can ensure that our recovery will lift them.

I would urge those who would pay this tax to see it this way – we are asking you to sacrifice pennies on your top dollar to ensure that every New Jerseyan has the same opportunity to succeed that you did. You have the wherewithal that millions of families don't at this extraordinary time in our shared history.

And, we must recognize that too many families of color pay a greater share of their hard-earned income in taxes than millionaires, who are overwhelmingly not people of color.

Ensuring fairness and justice in taxation is just as important as ensuring fairness and justice in society — in fact, it is an essential step in eliminating the structural racism in our society.

With these resources available to us, we can preserve our record-setting investments in school aid and continue to expand pre-K, and we can ensure districts have the resources needed to ensure a safe school reopening – and we can protect property taxpayers.

We must also recognize that, for a majority of our students, remote learning will be part of their day – whether in-part or in-full. And, with this will come new burdens on parents who don't have the ability, or privilege, to provide adequate supervision during times of remote study.

So, this budget comes with a promise to these families and students.

We will invest up to \$250 million to support our schools in opening more fully for these students ...

... to provide subsidies to child-care centers so that more of them can reopen ...

... and to expand direct subsidies to families so more of them can afford child care.

And, we will maintain the child care tax credit we established in 2018.

We will be able to secure tuition-assistance programs for our college students, keep direct state aid to our municipalities whole, and protect the core services that many New Jersey families rely upon – including health care.

We can ensure that children and youth are protected from abuse and neglect. And, we can also provide the comprehensive mental health and substance abuse treatment many of our youth need to thrive.

We will protect our commitment to affordable housing through our investments into the Affordable Housing Trust Fund.

We have done so much throughout this pandemic to protect the homes of our residents – mortgage forbearance, an eviction moratorium, and direct relief to tenants and landlords – but nothing is as meaningful to our future than building more affordable homes that our residents can call their own.

I also urge the Legislature to send to my desk, so I can sign it into law, legislation sponsored by Senator Singleton and Assemblywoman Timberlake to give impacted renters and homeowners up to 30 months to make up for back rent.

And, we can ensure a foothold into this better future for every child born in the wake of this pandemic.

Inspired by the trailblazing work of Senator Cory Booker at the federal level, I propose today that New Jersey provide a "baby bond" – a \$1,000 deposit into an account for every child born in 2021 to a family making up to \$131,000 per year.

This is an idea that would benefit three out of every four children born in our state.

This is a place where New Jersey will lead, with the first statewide program of its kind.

As this child grows, so, too, will the value of this bond – to help pay for college, to help make a down payment on a home, or to help start a small business.

At this time – when so many families are struggling with how they will pay their bills or seeing their hard-earned savings disappear – let’s make a better promise to the next generation of New Jerseyans.

This investment will provide tens of thousands of future New Jerseyans with hope for a better life starting on Day One of their own.

The possibilities for the generation we will be welcoming into the world should be endless — and even in our most dire times, this modest investment will help ensure that more of those possibilities become realities.

The most important part of our budget and the most important part of our mission – investing in our future – still stands.

Despite all the hurdles, we will not walk away from the generations who will follow.

Even while we prepare for our future, we must ensure we do everything we can to improve the here-and-now.

This fall, we will be opening our state-level health exchange under the Affordable Care Act – a long-delayed step that should have been taken a decade ago to make our health insurance marketplace more accessible, more accountable, and more responsive to consumers.

And, we are putting \$150 million into direct support for consumers, allowing us to more effectively lower the cost of health care for our residents.

We will not turn away from the opportunity to continue building a new economy that grows our middle class and works for every single family that proudly calls this state home.

This budget will help create jobs with a future. Jobs that lead to greater opportunities – jobs that literally build our state forward.

We are continuing to make investments in our state infrastructure bank, to ensure the foundation of the state is strong while we grow these jobs.

We will not stop critical investments in our transportation network and NJ TRANSIT – more than \$2 billion this year - investments that will create thousands of good union jobs while giving us the infrastructure our future demands.

And, we are going to keep our focus on making our state the place where new clean energy and green jobs are created, on investing in our workforce so they can compete and win in the careers of the future.

These are the investments that will, quite literally, get New Jersey back to work.

And for when our families fall on tough times, we will move forward with the much-needed modernization of the online framework supporting our Unemployment Insurance program which started with the three-month budget I signed in June.

We remain committed to supporting our immigrant communities and our Office of New Americans to assist immigrant families where the federal government will not.

We will continue re-evaluating our priorities and our approach to corrections and criminal justice, and take a scalpel to our budget for prisons to make investments that will allow us to get more people working outside of prison than inside.

And, we will follow-through on creating a new system of business tax incentives to help small businesses built by middle-class business owners, and high-tech startups built by a diverse group of entrepreneurs, as opposed to showering the wealthy and well-connected with unaffordable tax breaks.

If we do this, and all of the other things, we will build a stronger and more resilient economy.

And, we will also ensure that our democracy is stronger and more resilient for the years ahead, with a \$5 million investment to start us on the road to a long-term commitment to early voting, so every citizen can be sure that their voice is heard.

Over the past months we have learned hard lessons, but also important lessons ...

... that the old answers won't fix the new problems ...

... and, the old status quo didn't work for too many New Jerseyans.

We have made deep cuts and found necessary economies where we needed to.

But we are also making down payments on investments that will make our state stronger and fairer for generations to come.

But, this budget is not about simply getting back to where we used to be.

This budget is about moving New Jersey forward to where we need to be -- and to a place where have never been before.

A vital part of that positioning is to remain vigilant and prepared to meet the unforeseen challenges this virus may still have in store for us.

This budget envisions a closing surplus of more than \$2.2 billion – a much-needed cushion against revenue shocks from a second wave.

This surplus is not a luxury. It is a product of lessons learned: Think ahead, be prepared.

And because we are thinking ahead, and with the hard work of the Department of Health, State Police, and Offices of Emergency Management and Homeland Security, we have undertaken the process of building a strong state strategic stockpile of personal protective equipment – masks and gowns and gloves – to backstop our health care systems and first responders.

We have already placed more than 10 million pieces of PPE in our stockpile, with more than 88 million more pieces ordered and on their way.

And, our stockpile also contains more than 1,400 ventilators – with another 500 on the way, and 600 more already in our hospitals – to give the capacity we need to ensure our doctors and nurses have the equipment they will need to protect and save lives.

We will not face the next wave or the next pandemic having to search for every piece of available PPE or asking the federal government for ventilators.

We will not leave ourselves to compete with our fellow states. We will not meet the next wave unprepared - with a stockpile of zero. We will be far better prepared.

As I close today, I return to one unavoidable truth – that we are not through this crisis.

We have made tremendous progress, yes. And, yes, the numbers that we receive every day – in terms of new cases, in terms of those being treated in our hospitals, and, indeed, in the number of souls we have lost – have all come down.

But, this is not any time for complacency. We are still fighting this virus. It is still among us, and it may not be done with us. It is waiting for us to become complacent.

To quote one of our state's greatest luminaries, the women's suffrage leader Reverend Florence Spearing Randolph: "Let us then, dear co-workers, renew our vows ... and be ever mindful of the heritage we shall leave to those who will celebrate the next 60 years."

What will that heritage be?

Will it be that our state – faced with historic challenges to our physical security, our public health, our economic well-being, our very sense of who we are – shrank back to the place it was, with inequality in opportunity?

History will not be kind to us if it is.

Let our heritage be that we did what generations of New Jerseyans before us did – harnessed our ability to adapt and innovate, embraced our diversity, created new opportunity, and charged ahead unafraid to lead with our heads held high.

So, together, let's build a New Jersey that looks forward, not backwards.

A New Jersey where we all pitch in so we can all do better. A New Jersey working for all with an economy working for all.

Let's renew our vow to work on behalf of the millions of New Jerseyans – those here now and those still yet to come – who need us to harness all that is great about this state that we love and proudly call our home.

Thank you, all, very much.

May God continue to bless our people, the great State of New Jersey, and the United States of America.