

# SENATE ECONOMIC GROWTH COMMITTEE

## STATEMENT TO

### SENATE, No. 2539

# STATE OF NEW JERSEY

DATED: JUNE 13, 2022

The Senate Economic Growth Committee reports favorably Senate Bill No. 2539.

As reported, this bill requires the Department of the Treasury to conduct and report on an annual basis a stress test analysis of the State's ability to maintain services and provide necessary assistance to residents in various economic conditions.

The stress test analyses required by this bill would include: (1) long- and short-term projections of major funding sources, including revenues from major taxes and funding from the federal government; (2) a comparison between projections of major funding sources and historical trends for each of those funding sources; (3) an analysis of expenditures that are likely to increase or decrease in various economic conditions; (4) an accounting of the State's reserves, including amounts deposited into the "Surplus Revenue Fund"; and (5) options that the State has to respond to, and lessen the negative impact of, economic recessions.

Under the bill, the Department of the Treasury is required to make the stress test analyses publicly accessible on its website, and include it as part of the Governor's annual budget message.