

SENATE, No. 3631

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED APRIL 19, 2021

Sponsored by:

Senator DECLAN J. O'SCANLON, JR.

District 13 (Monmouth)

Senator STEVEN V. OROHO

District 24 (Morris, Sussex and Warren)

Co-Sponsored by:

Senators Testa and Thompson

SYNOPSIS

Requires Governor to transmit budget sustainability statement along with annual budget message.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT requiring a budget sustainability statement to be
2 transmitted with the Governor's annual budget message and
3 supplementing Title 52 of the Revised Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. a. The Governor shall transmit to the Legislature, together
9 with the budget message, a complete budget sustainability statement
10 for the fiscal year next following the ensuing fiscal year. The
11 budget sustainability statement shall include:

12 (1) an analysis of the sustainability of all appropriations and
13 permissions to spend recommended by the Governor from the
14 General Fund, other budgeted State revenues, other dedicated funds
15 and federal aid, and trust funds in the fiscal year next following the
16 ensuing fiscal year. The analysis shall rely exclusively on a
17 reasonable estimate of revenue anticipated pursuant to current State
18 and federal laws during regular collection cycles and without any
19 proposed new or additional sources of State tax revenue or a
20 reduction in the estimated undesignated fund balance;

21 (2) an accounting of any structural imbalance between the
22 amount of spending anticipated and the estimated amount of
23 revenues anticipated in the fiscal year next following the ensuing
24 fiscal year;

25 (3) an accounting of all nonrecurring revenues, including
26 revenues anticipated in the ensuing fiscal year from a brief, limited
27 collection opportunity, from a special, short-term duration revenue
28 enhancement, or from a non-routine financing or collection effort;

29 (4) an accounting of any reduction in State revenue collections
30 due to the expiration of a law authorizing the collection of a tax or
31 fee;

32 (5) an accounting of any increases in appropriations required
33 pursuant to the State Constitution or any provision of any law or
34 contract, including, but not limited to, amounts necessary to pay
35 principal and interest due on capital projects financed via general
36 obligation bonds and appropriations-backed contract bonds, issued
37 by State independent authorities;

38 (6) an accounting of any increases in appropriations required
39 pursuant to a collective bargaining agreement; and

40 (7) an accounting of any increases in appropriations for public
41 assistance programs, including, but not limited to, the State
42 Medicaid Program and Work First New Jersey.

43 b. The total amount of any increases in appropriations projected
44 pursuant to paragraphs (5) through (7) of subsection a. of this
45 section shall be offset by a reasonable projection of the amount of
46 additional revenue anticipated to be collected from State recurring
47 revenue in the fiscal year next following the ensuing fiscal year and

1 any estimated decrease in appropriations required pursuant to the
2 State Constitution, or any provision of law or contract.

3 The amounts projected by the Governor in the budget
4 sustainability statement shall be adjusted on a current services basis
5 for program specific inflation, previously enacted program
6 expansions and eliminations, and caseload or population changes,
7 accompanied by an explanation of any underlying assumptions and
8 methods used to calculate all current services basis amounts.

9
10 2. This act shall take effect immediately and shall apply to the
11 Governor's annual budget message for the fiscal year beginning
12 July 1 next following enactment.

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15 STATEMENT

16

17 This bill requires the Governor's annual budget message to
18 include a budget sustainability statement. This bill is intended to
19 improve the stability of the State fisc by requiring the Executive
20 Branch to engage in budget planning practices covering two full
21 fiscal years.

22 The budget sustainability statement will provide an analysis of
23 the feasibility of funding the appropriations at the level proposed in
24 the budget message in the next succeeding fiscal year without
25 increasing taxes or reducing the State's undesignated fund balance.

26 The bill also requires the budget sustainability statement to
27 consist of an accounting of all one-time, non-recurring State
28 revenues, an estimate of any decline in State revenue collections
29 due to the expiration of a law authorizing the imposition of a tax or
30 fee, and estimates of any increases in appropriations required to
31 make debt service payments and meet other contractual obligations,
32 including collective bargaining agreements, and to support public
33 assistance program, such as the State Medicaid Program and Work
34 First New Jersey.

35 Any increases in appropriations projected in the budget
36 sustainability statement may be offset by a reasonable estimate of
37 the amount of additional State revenue anticipated to be collected
38 in the fiscal year next following the succeeding fiscal year and any
39 estimated decrease in appropriations required pursuant to the State
40 Constitution, or any provision of law or contract.