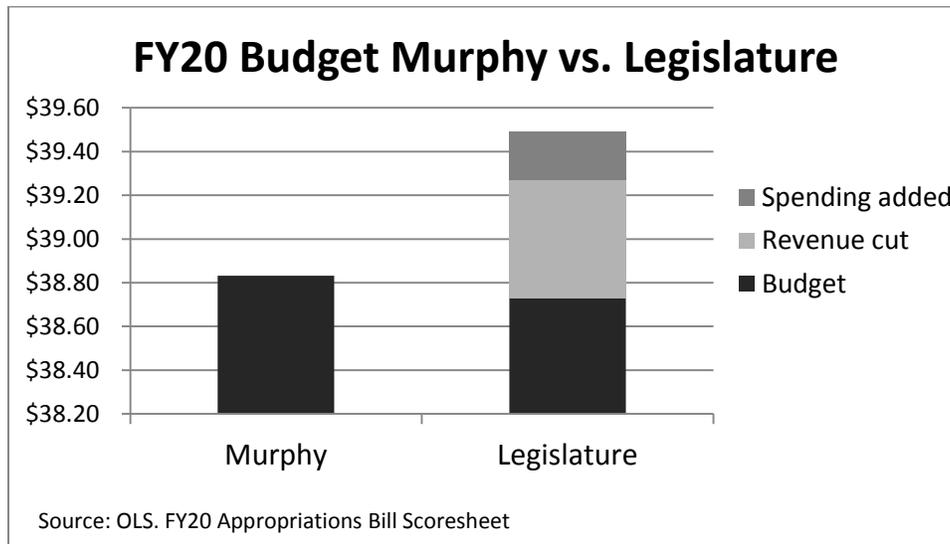


Why the Budget Bill passed by the Legislature is Dangerous for Public Workers, Services, and New Jersey

Governor Murphy has proposed a budget that relies on realistic assumptions about how much money New Jersey will have to spend in the next year.

The legislature has passed a budget that relies on overly optimistic assumptions. They assume we'll raise \$660 million more in the next year.



This is done because Democratic leadership does not want to raise new revenue, such as a small tax on income over \$1 million. And the Legislature cut 100% of the proposed revenues going into New Jersey's rainy day fund.

It is a budget process driven by election year politics, not sound fiscal policy.

What happens if we get to next year and there is a shortfall of **\$660 million**? Governor Murphy will be forced to make cuts. In most of the last quarter century, governors simply did not fund or only partially funded the pension, resulting in retirement security being placed at risk for hundreds of thousands of workers. In other years, it has meant cuts to programs, threats of layoffs, foregoing raises, or furloughs. But this year, there is a new threat:



The only real up front savings proposed by the Path to Progress is through eliminating our rights to bargain health care, and shifting health care costs on to workers in the form of massive out of pocket expenses. And what does it save the state in the first year? **\$656 million**.

The legislature's budget is not a sound budget document. It is a deliberate attempt to create a politically-driven fiscal crisis in order to attack public workers. This must be stopped.