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May 1, 2023

Dear Governor Murphy, Senate President Scutari, Assembly Speaker Coughlin, Senate Minority Leader Oroho and Assembly Minority Leader DiMaio:

As leaders of our state's major business associations covering a variety of sectors and regions throughout our Garden State, the New Jersey Business Coalition (NJBC) strongly urges you to support S1884. This bill, which passed the Assembly and was amended on the Senate floor, requires the State Auditor to publish a user friendly, plain language report that summarizes the Annual Comprehensive Financial Report (ACFR). It also requires the State Auditor to testify before the Legislature's budget and appropriations committees about the report.

While the business community supports the bill, its positive impact goes far beyond the business community. It benefits all sectors of the public and lawmakers by providing a better understanding of the state's comprehensive financial picture. This picture includes "off budget" items like long term liabilities and independent authorities. It goes beyond the annual budget, though the bill does include several budget transparency provisions.

Lawmakers, the media and the public typically focus almost exclusively on the annual state budget and overlook New Jersey's overall financial health, which is covered in great detail in the ACFR. The ACFR contains the full audited financial statements for the primary government, as well as all component units of the State. The annual budget is one of the comparative statements included with the ACFR. The most important part is the State's financial position which reflects critically important elements of our assets, liabilities and net assets (or deficits) in some cases. The ACFR is essentially the "Annual Report" similar to what public companies issue every year to shareholders.

The ACFR is so long (usually more than 400 pages) and filled with so much technical accounting language, that it's typically ignored. Many people do not even know that it exists. Furthermore, there is no statistical comparison of key items to comparable states that would help to put the state's fiscal health in perspective.

This bill requires the State Auditor to release annually a brief user-friendly report on the ACFR. This would allow everyone to be more knowledgeable about the state's true financial condition. This summary would also include per capita comparative statistics from Mid-Atlantic and Northeast states. Furthermore, it would require the State Auditor, at the beginning of the annual budget process, to appear before the Senate and Assembly budget committees to testify on the report.

Other items included are a better accounting for the long-term liabilities compared to other states; an accounting of how lawmakers projected revenues and spending in the budget; identifying structural gaps (e.g., needing to ramp up school funding or pension funding increases in the budget.); and a better accounting of both the surplus and rainy-day funds.

We believe this legislation would play a critical role in educating all parties on the state's fiscal condition, which will bring more transparency and provide for better policy making. Thank you for considering our request for support of S1884. If you have any questions, please contact NJBIA Chief Government Affairs Officer Christopher Emigholz at cemigholz@njbja.org.

Sincerely,

African American Chamber of Commerce of New Jersey, Inc.
American Camp Association NY/NJ
American Institute of Architects
New Jersey Camps Government Affairs Project
American Council of Engineering Companies of New Jersey
American Physical Therapy Association of New Jersey
Bernards Township Regional Chamber of Commerce
Big I New Jersey
Burlington County Regional Chamber of Commerce
Cape May County Chamber of Commerce
Capital Region Minority Chamber of Commerce
Chamber of Commerce of Greater Philadelphia
Chamber of Commerce Southern New Jersey
Chemistry Council of New Jersey
Commerce and Industry Association of New Jersey
Downtown New Jersey
Early Childhood Education Advocates
Eastern Monmouth Area Chamber of Commerce
Employers Association of NJ
Fuel Merchants Associates of NJ
Garden State Pharmacy Owners, Inc
Gloucester County Chamber of Commerce
Greater Atlantic City Chamber of Commerce
Greater NJ Motorcoach Association
Greater Lehigh Valley Chamber of Commerce
Greater Toms River Chamber of Commerce
Greater Westfield Area Chamber of Commerce
Hoboken Chamber of Commerce
Home Care & Hospice Association of New Jersey
Home Health Services Association of New Jersey
Hudson County Chamber of Commerce
Hunterdon County Chamber of Commerce
Insurance Council of New Jersey
Jersey Shore Partnership
Mahwah Regional Chamber of Commerce
Marine Trades Association of New Jersey

Middlesex County Regional Chamber of Commerce
Meadowlands Chamber
Monmouth Ocean Development Council
Morris County Chamber of Commerce
NAIOP-NJ
National Federation of Independent Business (NFIB)
Newark Regional Business Partnership
New Jersey Asphalt Pavement Association
New Jersey Association of Mental Health & Addiction Agencies
New Jersey Association of Osteopathic Physicians and Surgeons
New Jersey Bankers Association
New Jersey Builders Association
New Jersey Business & Industry Association
New Jersey Campground Owners and Outdoor Lodging Association
New Jersey Civil Justice Institute
New Jersey Coalition of Automotive Retailers
New Jersey Concrete and Aggregate Association
New Jersey Dental Association
New Jersey Fitness Alliance
New Jersey Food Council
New Jersey Gasoline-Convenience-Automotive Association
New Jersey Hotel and Lodging Industry Association
New Jersey Independent Electrical Contractors Association
New Jersey Liquor Store Alliance
New Jersey Manufacturing Extension Program, Inc.
New Jersey Motor Truck Association
New Jersey Pharmacists Association
New Jersey Podiatric Medical Society
New Jersey Restaurant & Hospitality Association
New Jersey Retail Merchants Association
New Jersey Salon and Spa Coalition
New Jersey Society of Certified Public Accountants
NJ Small Business Coalition
New Jersey State Chamber of Commerce
New Jersey State Funeral Directors Association
New Jersey State Veterans Chamber of Commerce
New Jersey Tourism Industry Association
New Jersey Utilities Association
New Jersey YMCA State Alliance
New Jersey Warehousemen & Movers Association
Newark Regional Business Partnership
North Jersey Jewish Business Alliance
New York Shipping Association, Inc.
Ocean City Chamber of Commerce
Princeton Mercer Regional Chamber of Commerce
Recreational Fishing Alliance

Salem County Chamber of Commerce
Somerset County Business Partnership
Southern NJ Development Council
Southern Ocean County Chamber of Commerce
Statewide Hispanic Chamber of Commerce of NJ
Sussex County Chamber of Commerce
The American Planning Association - NJ Chapter
Union Township Chamber of Commerce
Washington Borough BID