WHEREAS, on June 30, 2019, at the time I enacted the Fiscal Year 2020 Appropriations Act, P.L.2019, c.151, into law, I also signed Executive Order No. 73 (2019), which, among other things, lamented the State of New Jersey’s “inexcusably inadequate” fiscal reserves and highlighted the urgent need to continue to build an undesignated fund balance (commonly referred to as a “surplus”) that is sufficient to withstand a “national economic downturn, a natural disaster, or other unexpected occurrence negatively affecting revenue collections during the fiscal year”; and

WHEREAS, to this end, Executive Order No. 73 (2019) directed the Director of the Division of Budget and Accounting in the Department of the Treasury to identify and place into reserve items of appropriation in an amount sufficient to ensure that the State budget remains in balance while maintaining a responsible anticipated Fiscal Year 2020 closing undesignated fund balance of at least $875 million, in addition to making a $401 million deposit into the Surplus Revenue Fund (commonly referred to as the “Rainy Day Fund”) attributable to Fiscal Year 2019; and

WHEREAS, Executive Order No. 73 (2019) further required the State Treasurer to monitor the achievement of budget savings, monthly revenue collections, and other factors including usage and enrollment trends, legislative activity, and other developments directly affecting fund balances throughout Fiscal Year 2020 and to take any necessary actions to ensure that the estimated closing undesignated fund balance plus the balance in the Rainy Day Fund, when added together, total at least $1.276 billion; and

WHEREAS, pursuant to that Order, various items of appropriation totaling approximately $235 million dollars were placed into reserve and subsequently released based primarily on
strong revenue performance experienced during the first half of Fiscal Year 2020; and

WHEREAS, thereafter, in light of the imminent dangers posed by Coronavirus disease 2019 ("COVID-19"), I issued Executive Order No. 103 (2020) on March 9, 2020, the facts and circumstances of which are adopted by reference herein, which declared both a Public Health Emergency and State of Emergency; and

WHEREAS, on April 7, 2020, I issued Executive Order No. 119 (2020), the facts and circumstances of which are adopted by reference herein, which declared that the Public Health Emergency declared in Executive Order No. 103 (2020) continues to exist; and

WHEREAS, since March 9, 2020, I have issued numerous Executive Orders addressing various aspects of the Public Health Emergency and State of Emergency declared in Executive Order No. 103 (2020), including Executive Order Nos. 104-133 and Nos. 135-136 (2020), the facts and circumstances of which are all adopted by reference herein; and

WHEREAS, beginning on March 20, 2020, the Director of the Division of Budget and Accounting has placed approximately $1 billion of items of appropriation into reserve, including, with certain exceptions, 50 percent of all uncommitted non-salary operating funds (other than funding needed to provide full-time care at State institutions), 50 percent of all uncommitted revolving and dedicated funding, and 100 percent of all non-entitlement, discretionary grants-in-aid and state aid funding, and 100 percent of unexpended capital balances; and

WHEREAS, on March 23, 2020, the State Treasurer disseminated a voluntary disclosure ("COVID-19 Disclosure #1") regarding the severe impacts that the COVID-19 pandemic is expected to have on the State’s economy and financial condition, including potentially precipitous declines in revenues in gross income taxes, corporate
business taxes, sales taxes, motor fuels taxes, casino-related taxes, and lottery sales, among other sources of revenue in both Fiscal Year 2020 and Fiscal Year 2021, as well as negative impacts on liquidity due to the extension of the State tax filing deadline from April 15, 2020 until July 15, 2020; and

WHEREAS, in early April, in response to the unprecedented fiscal effects of the COVID-19 pandemic, including the decision of the federal government to defer its tax filing deadline from April 15, 2020 until July 15, 2020, the Legislature and I agreed to extend by law the end of Fiscal Year 2020 by three months from June 30, 2020 until September 30, 2020; and

WHEREAS, on April 17, 2020, the State Treasurer publicly disseminated COVID-19 Disclosure #2, updating and supplementing the financial disclosures set forth in COVID-19 Disclosure #1; and

WHEREAS, the facts and circumstances described above, particularly the severe fiscal challenges caused by the COVID-19 pandemic and the significant ongoing fiscal disruption and uncertainties associated with the COVID-19 pandemic, make it unrealistic for the State to continue to target and plan for a total surplus of at least $1.276 billion at this time; and

WHEREAS, the Constitution and statutes of the State of New Jersey, particularly the provisions of N.J.S.A. 26:13-1 et seq., N.J.S.A. App. A: 9-33 et seq., N.J.S.A. 38A:3-6.1, and N.J.S.A. 38A:24 and all amendments and supplements thereto, confer upon the Governor of the State of New Jersey certain emergency powers, which I have invoked;

NOW, THEREFORE, I, PHILIP D. MURPHY, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:
1. Executive Order No. 73 (2019) is hereby rescinded.

2. The State Treasurer and the Director of the Division of Budget and Accounting are authorized and directed to continue, update, and expand, as necessary, their ongoing actions and activities in response to the COVID-19 pandemic.

3. This Order shall take effect immediately.

GIVEN, under my hand and seal this 4th day of May, Two Thousand and Twenty, and of the Independence of the United States, the Two Hundred and Forty-Fourth.

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor