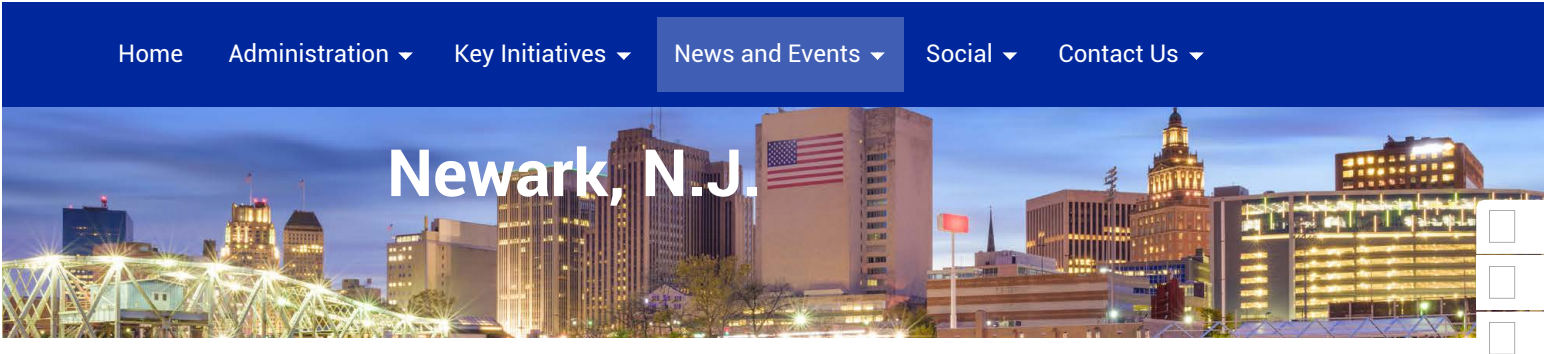


Governor Phil Murphy



Governor Murphy Delivers Remarks at the New Jersey Policy Perspective's “Progress 2019: New Jersey on the National Stage” Conference

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Remarks as Prepared for Delivery

Good afternoon, everyone!

It is an honor to be part of today's conference.

I must begin by thanking NJPP President Brandon McKoy for his gracious invitation to join you, even if it happens to be late on a Friday. I would not miss this.

Brandon certainly has some larger than life shoes to fill in following my good friend Gordon MacInnes in the presidency of New Jersey Policy Perspective. Gordon has been a friend for a long time, and has never been afraid to give me his thoughts on how any number of policy challenges could be faced.

I miss seeing him today, even though I know he had a previous engagement with his family – he's retired, after all, so he deserves it. But, I think he also deserves our sincere thanks for a life of distinguished public service pursuing commonsense and progressive solutions.

So, Brandon, no pressure as you carry the NJPP ball forward!

Let me begin by also thanking the NJPP Board of Trustees, and all of today's sponsoring organizations, for bringing us together.

I also wish to acknowledge the other members of our administration who have been with you today, Treasurer Liz Muoio and Health Commissioner Dr. Shereef Elnahal. They are two tremendous leaders who have brought so much to our team. Back to top

As you know, we're losing Shereef in the coming months to University Hospital in Newark, but I know he's going to continue to be a tremendous partner when it comes to promoting sound health care policy in our state.

I would also like to thank the panel that just ended, and I know them all well – Nancy Solomon, Jon Whiten, Aisha Glover, Seth Hahn, and Senator Declan O'Scanlon.

Nancy grills me every other month on our NPR-broadcasted "Ask Governor Murphy" shows, so I'm glad that she had Declan in the hot seat today!

I also wish to acknowledge Assemblymen Gary Schaer, who also has been part of today.

And, to all of you, and I know many of you, as well, I thank you for your continued commitment to New Jersey Policy Perspective and to honest and fact-based policy discussions that lift up our civic dialogue to move our state forward.

We need more of this type of give-and-take, and less of the personal attacks.

To Brandon, and, through you, to the entire team at NJPP, your work has already proven itself invaluable to the work of our administration.

Whether it is the deep dives into the economic underpinnings of earned sick leave or a \$15 an hour minimum wage, protecting the Affordable Care Act, or undertaking necessary reforms to our business incentive programs – about which I will speak in greater length in a moment – NJPP's detailed and thorough analyses have armed advocates and elected officials, alike, including me, with the facts we need to make a real difference.

Brandon often likes to append his tweets with the hashtag "Math is real," and that's something that should probably trend a little higher considering some of the ongoing debates in Trenton.

Some of the most-pressing debates in our state could use a little less invective and a little more fact.

And, that brings me to the discussion on incentives, which some, you may have read, are trying to make into anything but a discussion on incentives.

Now, let me begin by going through – for what will seem to me like the umpteenth time – where I stand on incentives.

I believe incentives can be a part of a smartly designed economic program. But, note that I said, "part." Maximizing our other assets – our location, our great people, our strong infrastructure – are the key components to economic growth.

Incentives cannot be the entire cake – they must only be the icing on the cake.

It's not just a matter of doing well by some, but by all. We must once again look at economic growth and success through the lens of the average New Jerseyan – those in the middle class, and, even more so, those working hard to get there.

This is not a debate about whether New Jersey offers an incentives program or not – even though there are some who seem to be casting it as such. I will not unilaterally disarm our economic development while our competitor states are luring businesses, in part, through incentives.

What this debate is about is what kind of incentives program is the best vehicle for moving us forward.

I proposed the new suite of incentives I did – capped, and smartly designed to be strategically deployed – a full three months before the State Comptroller even released the results of his audit of the current programs.

Let me also state, very clearly, that the clear majority of the businesses that have benefitted from incentives got them the right way, followed the rules, and, more importantly, followed-through on their promises. This is not about them.

They are the good corporate actors we should be holding up and thanking for their commitment to New Jersey.

But, we also cannot ignore that our current system of open-ended and weakly enforced corporate tax breaks is hurting our ability to invest more deeply in our state and, in particular, in the things that businesses look for when choosing a location – a well-educated and trained workforce, property tax relief, and strong infrastructure, underpinned by modern and safe mass transit, and, perhaps, with a new tunnel to New York, too.

As I noted in my budget address two months ago, and which NJPP has similarly noted, the potential impact of past corporate tax breaks on corporate business tax collection, in the 2020 fiscal year, will surpass \$1 billion. And, it will remain over \$1 billion annually for at least the next three fiscal years. We are currently obligated – I repeat, obligated – to corporate tax breaks totaling \$11 billion through at least Fiscal Year 2031.

This is foregone revenue we report to the ratings agencies, and around which we build our budgets. It has a real impact on our overall fiscal outlook.

And, yes, while even under a capped program we would see some state revenue loss, we would not see it in rates that overwhelm our ability to invest in our core values. We must ensure that future growth outpaces what we give up in incentives – and it appears we have not always done that.

We also cannot forget that even while this incentives machine was running full-tilt under the prior administration – handing out per-job awards multiple times that of our competitor states, and returning minimal estimated overall benefits – New Jersey lagged at number 42 in job growth and number 49 in wage growth. Forty-second and forty-ninth – out of 50.

These are the basic facts. I can see how they may make some people uncomfortable.

As I have said many times, I am a pro-growth progressive. I want the world's biggest and best technology, clean energy, advanced manufacturing, logistics, and life-sciences companies to come and expand here. And, for studios to make movies and television shows here.

And, yes, that will require some sort of incentives program – but they must be predictable and sustainable, transparent and accountable, and smartly devised and strategically deployed. They must work for all of us and not just some.

That is what we need in a focused economic growth plan, and our proposed incentives meet this test.

Moreover, our incentives aren't designed to just help businesses, but entire communities.

In the 1950's, New Jersey purpose-built itself for the "corporate suburban campus" era. And, in doing so, we all but severed the connections between businesses and the communities in which they located. We created cloistered hubs where people would drive to in the morning, work all day, and then drive away from at night – all without ever even venturing into downtown for lunch.

How are some of the new, urban buildings we've allowed to be financed through the current incentives program any different?

Our proposed incentive programs would ensure that recipients aren't just another cloistered outlier separated from the community, but that they become part of that community. They would prioritize projects that bring together work and living and play, big businesses and small, historic preservation and reclaimed open space – much more than just new buildings.

Instead of simply heralding a new office tower, let's usher in true community development and rebirth.

This is the work I have been trying to get us to engage in for the past 16 months as governor. Even in my budget address last year – March 13, 2018, to be exact – I called on the Legislature to join me in a discussion about the future of our incentive programs nearly 16 months in advance of their expiration.

I put forward my proposed incentives program seven months ago, on October 1, 2018.

And, now, we're told by some that we don't have the time to do the work, and that we should just re-up what we have now. I reject that thinking. I took on this challenge Day One, nearly 18 months before the June 30 deadline when our current incentives expire.

We must do this, and we must do this now. And, I ask you to join me to push for the new incentives we need to restore New Jersey's economy and trustworthiness.

I ask you to be part of this effort, and to help us rise above the noise and the invective with a truthful and fact-based case to the people of New Jersey.

They get what this means to them and their families, and to their neighbors, and to their communities. They get what's at stake.

Yes, Brandon, #MathIsReal.

It's not much different than the case we are making for the millionaire's tax, another issue for which I similarly thank New Jersey Policy Perspective for their hard and supportive work and research.

To be clear, the millionaire's tax is not a punishment for doing well. It's simply a matter of fairness.

It is a matter of how we invest in a state that provides the tools for more of our residents to do better – providing greater middle-class property tax relief, properly funding our public schools, repairing our roads and bridges, or investing in turning around NJ TRANSIT, so more residents can get to work or school more safely and on-time.

I have met countless people across our state who did their taxes and are wondering where President Trump's promised tax cut went. They didn't feel it in their paychecks, and they certainly didn't see it in their refunds, if they were lucky enough to even get one this year.

Middle-class fairness is a core New Jersey value.

Make no mistake, I'm both a capitalist and a progressive. But, also make no mistake, these are not mutually exclusive concepts.

It comes down to this: the price we pay for the unlimited upside of the American Dream should not be in an unlimited downside for those who are struggling to realize their dreams.

I know this same value radiates around this room.

Over the past year, we have come together to do great things for our state, and to make New Jersey a national model for how smart, progressive policy can truly impact the lives of our residents. We're showing our economic and social progress go hand-in-hand.

We're showing how the zero-sum game we were force-fed by the prior administration – and which the Trump Administration is trying to shove down our throats today – only leaves those who truly need a helping hand with nothing, while a small, slim group thrives at their expense.

This is the small-minded thinking NJPP was created to stand up against. And, I am honored to stand with you in this fight.

And, it's why I ask you to keep fighting. We know the race doesn't always go to the swiftest. It goes to the runner who knows how to move strategically through the field.

For 22 years, NJPP has been running in this race, and has achieved successes on so many issues that others thought weren't possible. My shoes are laced up, and I'm ready to join you for the miles ahead.

Thank you, all, for allowing me these moments to be with you today. Thank you for your commitment to sound policy for New Jersey.

I look forward to seeing you all again soon!

Governor Phil Murphy

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