



## State of New Jersey

OFFICE OF THE GOVERNOR  
PO Box 001  
TRENTON, NJ 08625-0001

CHRIS CHRISTIE  
*Governor*

March 31, 2010

Dear Business Leader:

Throughout the course of my first ten weeks in office you have seen how seriously I have taken my commitment to improve the business climate in our state. Whether through the Executive Order restoring common sense to rule making, empowering the Red Tape Review Group to strip away unnecessary bureaucracy, or proposing a budget that forces us to live within our means, bold steps are being taken to help New Jersey emerge from this recession positioned for success.

There is, however, one issue that threatens to stall or delay our recovery -- the insolvent unemployment insurance compensation fund.

By statute, the Department of Labor assesses the unemployment insurance fund balance every March 31 to determine its health and viability. That review -- being made today -- will show a seriously deficient financial situation built up over many years that will trigger the maximum increase allowed under the law. Unless action is taken, this statutorily mandated tax increase will cause employers to pay on average an additional \$400 or more per employee beginning in July.

We cannot allow that to happen. A little over a month ago I proposed reforms that will assure the long term stability of the state's unemployment fund. These reforms will bring our benefits package more in line with the rest of the country, minimize the tax increase and maintain the financial safety net those without employment so desperately need. In addition, the reforms I have proposed will bring fiscal stability to our unemployment insurance program sooner than with the huge tax increase that will occur if no action is taken. These reforms will also end the employer tax increase faster than competing legislative proposals. If these steps are not taken, true reform of our unemployment insurance system will elude us, and we will find ourselves with an insolvent unemployment fund well into the future.

On this day when the financial health of our unemployment insurance fund is being measured, I ask that you continue to work with me to reform and strengthen New Jersey's unemployment insurance system. Our system is in shock. The pending employer tax increase could arrest our financial recovery. True reform is the only prescription.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Christie".

Chris Christie  
Governor