

## OPINION: SWEENEY REMINDS NEW GOVERNOR, NJEA WHO'S REALLY IN CHARGE

CARL GOLDEN | FEBRUARY 13, 2018

The president of the senate emerges unscathed from a blitz of negative ads ordered up by the teachers union, makes it clear that he's as much a policymaker as Murphy



*Carl Golden*

Senate President Steve Sweeney's line-in-the-sand declaration that a tax increase is "an absolute last resort" and should await the outcome of a comprehensive review of how government raises and spends revenue was quickly interpreted as a blunt reminder to Gov. Phil Murphy that the Legislature is co-equal in stature and power.

In the swirl of speculation about the less-than-warm relationship between the two, the conclusion reached on Sweeney's motive was logical and understandable. He's sent similar signals almost since Murphy's inaugural, asserting the Legislature's primacy and, by implication, his own, in advancing Murphy's agenda.

Drilling down into the senator's position, though, reveals it is also possibly a means to an end, one that has its origins in his re-election campaign and the assault on his record and on his integrity by the New Jersey Education Association, an early and major Murphy supporter. The association was particularly incensed over Sweeney's failure to post legislation for a ballot referendum on a constitutional amendment to require full payments into the pension system.

### **Rewards and punishment**

Sweeney has been both adamant and clear that any increase sought by the governor in aid to public education must be accompanied by revisions in the aid formula to eradicate what he contends are inequities that punish some districts by shortchanging them as enrollments grew and rewards others by overcompensating them as enrollments shrank.

The NJEA position has always been that the formula should be fully funded with no reductions in aid. If more money is necessary, so be it.

During his campaign, Murphy promised to increase the tax on incomes over \$1 million to generate \$600 million and apply it to the aid program. Sweeney's "last resort" pledge has taken the millionaire's tax off the table for the foreseeable future and, for the time being, blocked the governor from fulfilling his promise to the NJEA.

Sweeney has cloaked his anti-tax position in fears of the adverse impact on high earners of the federal tax reform/tax cut law with its cap of \$10,000 on deductions for state and local taxes.

His insistence on revising the aid formula, though, would likely have remained unchanged even in the absence of the deductibility limit. Wringing the unequal allocation of aid out of the formula would certainly have been a bargaining chip for him in negotiating a tax increase with the governor. And, without doubt, a majority of his caucus would have sided with him.

Sweeney believes that a state tax increase atop the federal limits would potentially send millionaires to locate in friendlier states, taking their income and tax revenue with them.

### **Message received?**

While his message to Murphy is clear, so is the one sent to the NJEA – you are no longer the State Street powerhouse, able to easily extract concessions from the Legislature through withholding endorsements and campaign contributions from recalcitrant legislators.

In taking on Sweeney – a politically strategic blunder of major proportions – the association spent some \$5 million only to see the Senator win reelection by 18 points, his largest margin ever.

While he was unhappy with then-candidate Murphy's refusal to direct the association to temper its criticism, the personal tone of the attacks infuriated Sweeney.

The NJEA television advertising blitz accused him of enriching himself through his elected position and spending considerable sums of money on lavish dinners, drinks, and gifts. It portrayed him as cozy with special interests and as a caricature of the backroom political wheeler-dealer motivated by personal gain.

All the while, Murphy remained silent.

Sweeney's revenge, of course, was the unprecedented beatdown from which he emerged as an even more formidable legislative presence.

While former Gov. Chris Christie engaged in an eight-year war with the NJEA, marked by harsh, insulting language on both sides, Sweeney is in a position to make a strong and reasonable public policy argument in support of the government embracing fairness and equal treatment in the distribution of some \$9 billion in taxpayers' money to local education.

Treating the state's school children equally no matter where they live or what kind of school they attend is his goal, while also providing a measure of property-tax relief to those underfunded districts. It's an argument the NJEA will find difficult to counter.

It is an instance in which political and policy interests mesh to Sweeney's advantage.

Presumably, the association – reminding Murphy of its role in his campaign – will ratchet up the pressure on him to come up with the increase in aid and whip the Legislature into acceptance.

The governor is between the hammer and the anvil. Sweeney will not budge or erase the line in the sand he's drawn while the NJEA – accustomed to getting its own way in these kind of standoff situations – will be doubly embittered if it loses to Sweeney a second time.

There appears to be little negotiating space and, for a rookie governor with little experience, he can hopefully buy some time while not retreating altogether from his support for the millionaire's tax.

There will, of course, be those who suggest that Sweeney is driven by a long memory and his stance amounts to payback for a political foe.

There well may be a dose of that involved, but retribution in varying degrees is a familiar presence in a highly charged political environment.

The NJEA, it can be argued credibly, should have known better than to mount what virtually everyone warned was a foolish challenge to Sweeney and should have been more sensitive to the consequences.

Sweeney has played his hand very well, and any questions concerning his ability to navigate through the turbulent seas of politics and the legislative process have been laid to rest.

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