

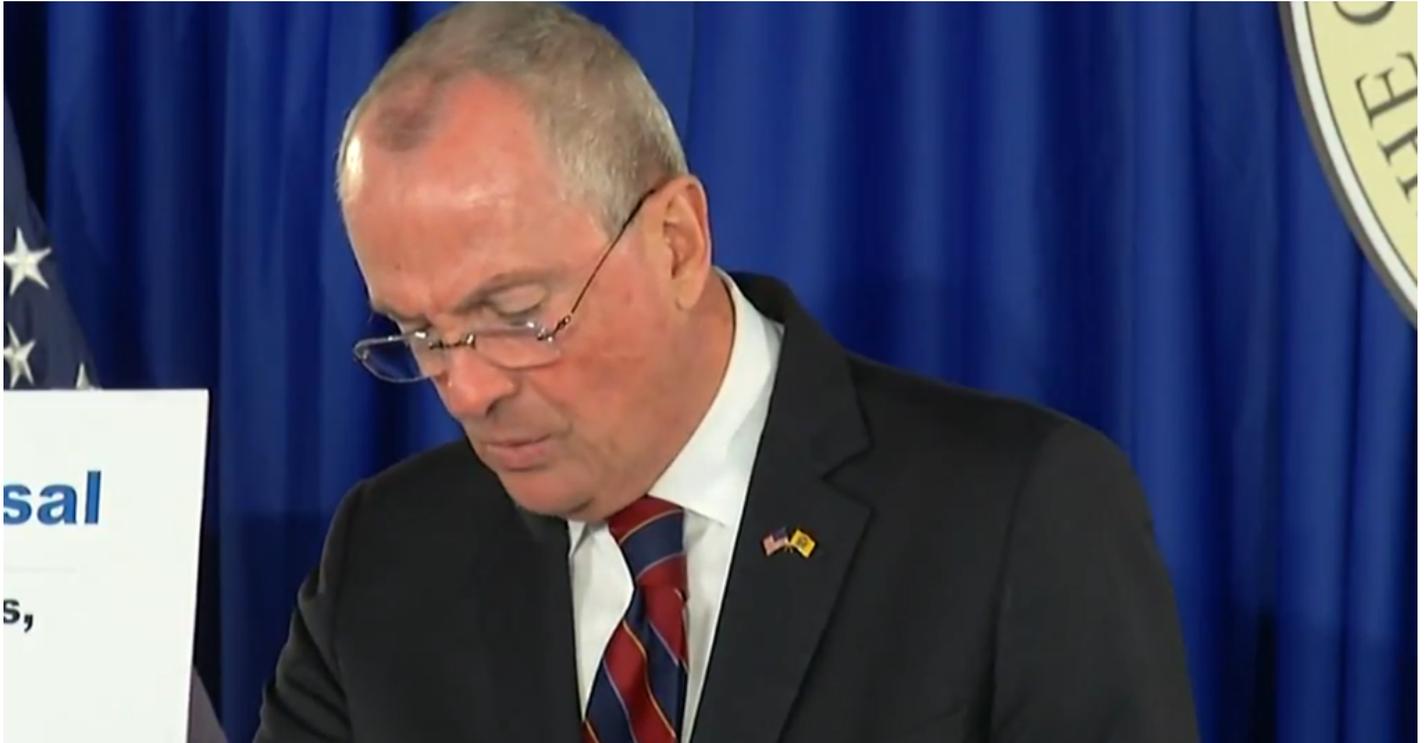
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COLUMNIST

Budget 2020 Battle: Murphy is in an Untenable Position

By Carl Golden | June 13, 2019, 12:13 pm | in **Columnist**
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If all goes according to plan, when Gov. Phil Murphy arrives in his office on June 20, a fiscal year 2020 budget will either be on his desk or on its way there.

He will have 10 days to mull these options:

***Sign the budget reluctantly and beat up on the Legislature for approving a spending plan which falls short of investing in growth programs and fails to provide significant property tax relief.**

***Use his line item veto authority to strike programs and appropriations, daring the Legislature to override his actions.**

*Veto the budget in its entirety or simply refuse to act before the July 1 deadline, teeing up a confrontation with the Legislature and escalating the potential for a government shutdown.

In the absence of an 11th hour deal, none of his choices are particularly appealing.

With the legislative leadership standing firm in opposition to any tax increases and promising to override any veto, Murphy is faced with settling on the least damaging option rather than the most beneficial one.

Signing the budget without significant changes will be viewed as a defeat for the governor, a clear signal that in the increasingly bitter confrontation between the Administration and Senate President Steve Sweeney (D-Gloucester), Murphy blinked.

He can certainly use the communicative power of the governor's office to heap criticism on the Legislature, but there is little doubt that accepting the budget as is weakens his hand.

Sweeney has already made clear that line item vetoes are subject to legislative override and that he will not hesitate to call for such action to restore whatever the governor deletes in full or in part.

A full budget veto or a refusal to act prior to the deadline, touching off a government shutdown, delivers all the blame to the governor's doorstep for closing state parks and beaches on what is arguably the holiday highlight weekend as well as closing state offices to individuals seeking to conduct business.

Sweeney and Assembly Speaker Craig Coughlin (D-Middlesex) would quickly schedule an override vote — one certain to succeed — take credit for averting a shutdown and blame the governor for a statewide disruption of government services in a fit of personal pique.

Murphy is in an untenable position. His options are limited; he stands to lose the public relations war; the high moral ground will disappear from under his feet, and his leadership ability will be seriously crippled.

His call for increasing the state tax on incomes in excess of \$1 million never really stood much of a chance, yet he embarked on a remarkably ill-advised campaign to bludgeon the Legislature into accepting it.

New Directions New Jersey, a political action committee led by close associates and confidants of the governor, paid for a multi-million dollar television ad campaign promoting the budget and the millionaire's tax, enraging the Senate President and the Speaker.

The same PAC posted a digital petition drive in support of the tax increase while a handful of private interest groups held news conferences and rallies to demand legislative approval.

Murphy pledged \$250 million in direct property tax relief — \$125 annual rebate to some two million households — in return for enactment of the millionaire's tax.

He hammered home polling data showing that the tax increase enjoyed some 70 per cent support and accused opponents of protecting the wealthiest New Jerseyans at the expense of struggling middle and lower income households.

He went so far as to make a public appeal to the two leaders to schedule a vote on the tax increase, only to see it tossed back in a matter of hours by Sweeney who said it was pointless since it had so little support.

None of it worked. Neither Sweeney nor Coughlin were moved, dismissing the efforts as a last-ditch face-saving attempt orchestrated by the governor and his allies.

Murphy's direct and public involvement in gathering legislative support proved an embarrassment when a handful of legislators who expressed support for the tax increase backtracked, explaining that while they continued to support it and would vote for it, they would vote for a budget which did not include the increase. It was an exercise in disingenuity — expressing support for an idea while acknowledging they'd never have an opportunity to provide it.

The lobbying effort was doomed from the outset and Murphy succeeded in gaining initial support from four Senators and less than a dozen Assembly members.

The governor's obstinance on the millionaire's tax effectively foreclosed any compromise with the leadership if such a meeting of the minds was ever really in the cards.

Sweeney and Coughlin have been remarkably successful in maintaining united caucuses while downplaying fears of political retribution for opposing the governor. Loyalty to the leader of the state and the same political party — normally a persuasive argument — was virtually non-existent.

The entire episode was a display of raw political power wielded by the legislative leadership, establishing Sweeney as a figure of equal standing with the governor.

The budget is the most significant proposal before any Legislature, charting the state's policy future and placing billions of dollars behind those choices.

It is also 10 per cent a fiscal document and 90 per cent a political document, a reality clearly understood by Sweeney but less so by the Administration.

The failure to fully grasp that concept is responsible for the dilemma Murphy will face when he shows up for work next week.

The document will be on his desk and the pen in his hand. What he does with it will impact the two and one-half years in front of him.

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