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Opinion

Opinion: Gov. Phil Murphy's budget choices not too appealing

By Carl Golden

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Gov. Phil Murphy this week will likely find the fiscal 2020 state budget on his desk and will have a week or so to mull these options:

- Sign the budget reluctantly and beat up on the Legislature for approving a spending plan that 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 refuse to act before the July 1 deadline, escalating the potential for a government shutdown.

In the absence of an eleventh-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.

Signing the budget without significant changes will be construed as a defeat, a signal that in the increasingly bitter confrontation between the administration and Senate President Stephen Sweeney, D-3rd of West Deptford, Murphy blinked.

He can use the communicative power of the office to criticize the Legislature, but accepting the budget as is weakens his hand.

Sweeney has threatened to override line-item vetoes to restore, fully or partially, whatever the governor deletes.

A veto or a refusal to act prior to the deadline, touching off a government shutdown, delivers the blame to the governor's doorstep for closing state parks and beaches on the holiday highlight weekend and closing state offices.

Sweeney and Assembly Speaker Craig Coughlin, D-19th of Fords, 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.

With his options severely limited, Murphy is in an untenable position.

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 an ill-advised campaign to bludgeon the Legislature into acceptance.

New Direction New Jersey, a political action committee led by his close associates and confidants, paid for a multimillion-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 — a \$125 annual rebate to some 2 million households — in return for enactment of the millionaire's tax.

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

None of it worked. Neither Sweeney nor Coughlin was 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 that did not include the increase. It was an exercise in disingenuity — expressing support for an idea while acknowledging they would never have an opportunity to provide it.

The governor's obstinance on the millionaire's tax effectively foreclosed any compromise with the leadership.

Sweeney and Coughlin have maintained 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 nonexistent.

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% a fiscal document and 90% 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.

The document will be on his desk and the pen in his hand. What he does with it will impact the 2½ years in front of him.

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