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## CAUCUS ROOM

# NJ Budget Winks and Nods Must be Replaced Right Now by Leadership

By Carl Golden | June 1, 2020, 12:50 pm | in **Caucus Room** (<https://www.insidernj.com/category/caucus-room/>), **Columnist** (<https://www.insidernj.com/category/columnist/>)



Now that the COVID-19 tidal wave that crashed ashore in New Jersey three months ago is showing signs of slowly receding, a more complete picture of the devastation it wrought is gradually emerging.

The virus which thus far has infected more than 160,000 and killed nearly 12,000 in New Jersey brought the business community to its knees, decimated the state's budget, drove unemployment to record levels and dramatically disrupted every phase of daily life.

An unknown number of businesses closed by Gov. Phil Murphy's executive order will never re-open and even as a restoration of normalcy inches closer, it will be many months before people will overcome their wariness and return to their customary shopping, dining, entertainment and social mingling habits.

Public schools closed in April and implemented distance learning. The prospect of re-opening and receiving students in September remains a matter of debate, raising the possibility of continuing online classes, the most radical change in public education in state history.

The impact on the state government's fiscal health has been unprecedented. The revenue landscape resembles nuclear winter — a shortfall of some \$10 billion, just under \$3 billion in the current fiscal year and \$7 billion in the coming one.

A combination of spending cuts and freezes along with drawing down on surplus has averted the immediate shortfall and bought a bit of time for the governor and legislative leaders to devise a plan to cover the loss of revenue anticipated in the 2021 fiscal year budget.

The sheer magnitude of the gap demands a fundamental change in the traditional executive/legislative relationship in crafting a budget, one in which the governor submits a proposed spending plan, the Legislature tinkers and tweaks it and returns it to the governor with minimal changes.

We are in extraordinary times that demand extraordinary measures. Wrangling over special carve outs and surreptitiously slipping in funding for provincial interests can be tolerated no longer. The wink and the nod that so often marks budget deliberations must be replaced by the thoughtful and the deliberate.

It is crucial for all involved to set aside their differences and disagreements, to rise above the temptation to seek political advantage and to understand that the future of the state is at stake.

The ground has shifted; not imperceptibly, but in a way not experienced before. A failure to join forces and rise to meet the impending crisis before it becomes so overwhelming it cannot be stopped will cripple the state economically for years.

To do so, bipartisanship is an imperative.

Convening a budget summit and providing seats at the table for the governor and his staff, legislative leaders of both houses and both parties would send an unmistakable message to taxpayers that the quasi-adversarial atmosphere that clouded budget deliberations in the past is a thing of the past.

Brinkmanship and flirting with a government shutdown will only undermine public confidence in the willingness of elected government to stand tall and united in the face of an unprecedented fiscal challenge.

At the same time, it must be clear that the state cannot accede to the blizzard of requests it receives each year from individuals and groups to include increased funding for their programs.

It is an annual rite of government passage for the Legislature's budget committees to hear impassioned pleas for funds to support worthwhile endeavors that rely on taxpayer dollars for their continued existence. Denial and disappointment will prevail this year.

At a time when aid to school districts and municipalities is held flat or cut, additional spending on a wide array of social programs — no matter their value — is out of the question.

Murphy has warned of massive public employee layoffs, eliminating programs across the entire scope of state government along with potentially crushing property tax increases as local governments cope with a loss of revenue.

He's spoken of utilizing the state's borrowing capacity to secure billions of dollars — a controversial idea which could very well lead to litigation — combined with spending reductions, tax increases and billions in Federal assistance to see the state through its nine-month fiscal year starting Sept. 1.

It is unreasonable to assume that spending reductions alone will suffice, although it must be a part of any recovery plan. And, while there is hope that Federal aid will be forthcoming, it is by no means certain, nor is there any clear indication of how much the state would receive, when it would receive it and if any strings will be attached.

Sifting through these suggestions, along with any others, can be accomplished most effectively through intense across the table negotiations between the executive and legislative leadership.

It is a process which requires a high degree of transparency and a concerted effort to inform taxpayers of both the necessity of reaching difficult decisions and the consequences of failing to do so.

The impact of the COVID-19 pandemic has been stunning beyond imagination and, despite data suggesting that it is ebbing, there remains a fear that it could re-appear in the fall and winter, requiring another lockdown and a recurrence of the economic devastation already experienced.

The recent surge in large public gatherings along with the thousands who've taken to the streets to protest the police killing of an unarmed black man in Minneapolis makes the prospect of a second coronavirus wave all too real.

If public health experts are correct in their predictions and assumptions and a vaccine is not yet available in sufficient quantities, the state will confront another crisis, economic and personal.

Time is not on government's side. It is anticipated that Murphy will deliver a budget proposal to the Legislature in August, laying out in some detail his Administration's recommendations.

Statesmanship was once defined by a rather cynical observer of government as "the ability to inflict pain and the audacity to get away with it."

In the coming months, the governor and legislature will have the opportunity to prove him right or wrong.

*Carl Golden is a senior contributing analyst with the William J. Hughes Center for Public Policy at Stockton University.*

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