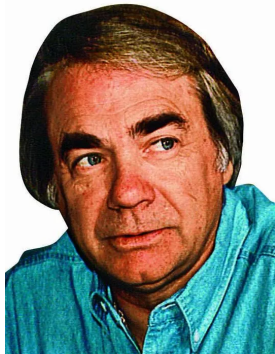


GOLDEN: Christie's big three proposals going nowhere

Carl Golden 5:22 p.m. ET March 24, 2017



When Gov. Christie in his budget message called on the Legislature to act on three major new policy initiatives — tapping the capital reserves of Horizon Blue Cross/Blue Shield; redirecting revenue from the state lottery to the public pension system and devising a new education funding formula — he came down on the wrong side of history.

Traditionally, in gubernatorial and legislative election years, the Legislature shelters in place, acting only on those issues that cannot wait while avoiding far-reaching, high-impact recommendations such as those offered by Christie. Absent an emergency, this year will be no different.

As the June primary draws closer and both parties concentrate on selecting their gubernatorial candidates, attention will shift to political matters rather than policy issues and, once the summer recess concludes, the singular focus will be on the November general election.

As for Christie's "Big Three" proposals, consider:

- Tapping into the capital reserves of Horizon Blue Cross/Blue Shield for an undisclosed amount (widely reported, however, to be \$300 million) to help fund treatment and rehabilitation programs for those addicted to opioids. The insurer's opposition is solid and its clients do not look favorably upon diverting money from their coverage to treat addicts. The Legislature will heed the wishes of both the insurer and the insured — an easy call.
- Redirecting nearly \$1 billion in state lottery proceeds to shore up the financially struggling public pension system would require a constitutional amendment. The funds have been dedicated since the lottery was created in 1970 to state institutions and education. Christie omitted any suggestions for replacing the money the current beneficiaries receive should the re-allocation to the pension fund be approved. The earliest a constitutional amendment could be placed on the ballot is November, necessitating legislative action by early summer. While the recommendation was one of the few surprises in the budget message, it's a non-starter.
- A challenge to the Legislature to devise a new formula for state aid to K-12 education within 100 days — by the first week of June. He abandoned his own "fairness formula" idea, calling on the Legislature to work with him to produce an alternative funding mechanism. This proposal is even more of a non-starter than the lottery scheme.

Democrats are concerned, moreover, that a debate over school funding will lead inevitably to renewed and heightened criticism of the inequities in the current formula that benefit mainly urban districts — the traditional source of party strength. Discussing the possibility of reducing state aid to those areas in an election year has some legislators contemplating a suicide watch.

It's altogether plausible that Christie knew his recommendations would fall flat, partly because of the historical precedent of playing it safe during an election year, but more so because of the rising level of optimism among Democrats that the November election will produce a Democratic governor while retaining and possibly building upon their majorities in the Legislature.

Convinced that total control of the executive and legislative branches is in reach, Democrats are not inclined to deliver anything resembling a victory to Christie. Cooperating with the governor on anything but the most innocuous of proposals would do nothing to advance the Democrats' goals for November.

Their campaigns will feature Christie in the most unflattering light — not surprising, certainly, for a governor whose public standing remains below 20 percent.

Former Goldman Sachs executive Phil Murphy, the decided favorite in the Democratic gubernatorial primary, has maintained a steady drumbeat of criticism of the governor, a strategy that would be undercut by any actions by legislative Democrats to acquiesce in Christie's agenda.

A Murphy landslide, combined with the low regard in which Christie and the Republican Party are held, could lead to Democrats strengthening their majorities in both houses, brightening the outlook for enactment of a flurry of programs from increasing the minimum wage to restoring the income tax surcharge on the wealthy.

In a “be careful what you wish for” warning, a unified government under Democratic control would also place responsibility squarely in its hands for addressing two of the most intractable problems the state faces: developing a new school aid formula and starting the process of erasing the massive unfunded liability in the pension system.

Christie may have come down on the wrong side of history and the Democrats may have made a political decision in response. The more things change ...

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

Read or Share this story: <http://on.app.com/2n08Jlq>