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Stockton study highlights issues with state budgeting process

STEVE HUGHES Staff Writer 14 hrs ago

A Stockton University study says the state's method of figuring out how much money it will have to spend each year is resulting in multimillion-dollar budget holes.

The study from the William J. Hughes Center for Public Policy says the repeated budget shortfalls are the result of how the state forecasts its annual revenues and its failure to maintain a surplus account to fill in those budget holes.

In 2014, the state ran into a budget shortfall of nearly \$1 billion.

"We find the biggest shortcoming to be in the state's failure to establish and maintain a Surplus Revenue Fund sufficient to manage forecasting errors," said authors Daniel Mallinson and David Carr, both professors in Stockton's political science program. Compared to its neighboring states, New Jersey is the only one that has failed to improve its revenue to pre-recession levels.

The report also highlights several practices the state could adopt to help reduce the errors, including a consensus forecast between the Governor's Office and the state Legislature.

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