

# Murphy must take the hint on spending: Golden

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(Photo: Associated Press)

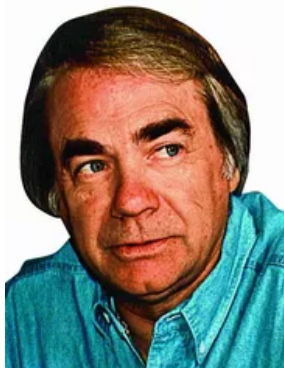
In the normal interactions between a governor and a Legislature, there comes a time when hints become declarations, statements of non-negotiable intentions to pursue goals and determinations and not be deterred by contrary points of view.

As the current Legislature considers what is arguably the most significant legislation in any session — the proposed state budget — it appears that point has been reached. And, it bodes ill for Gov. Phil Murphy's \$1.7 billion tax increase plan and places his ambitious agenda in serious doubt.

The report that the Democratic leadership's plan to send a budget to the governor balanced by increasing anticipated revenue estimates by \$200 million and tossing in a few one-shot fiscal enhancers consigns his tax program to its deathbed.

The revised estimates are the logical and inevitable result of months' worth of increasingly hardening opposition to Murphy's recommendation to increase the income tax on earnings in excess of \$1 million while restoring the sales tax to 7 percent and extending it to a variety of consumer services.

His budget proposal was greeted coolly by Senate President Steve Sweeney, D-Gloucester, and Assembly Speaker Craig Coughlin, D-Middlesex, and their view has been gradually accepted by their membership, a troubling sign that Murphy either ignored or felt he could persuade them to come around to his position.



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The governor's office initially rejected the upward revision in the revenue estimates, contending that it had taken all factors into account in arriving at its figures and any significant changes would create future shortfalls requiring additional revenue or sharply reduced spending.

If this scenario rings familiar, it's because it was common during the Chris Christie administration, which routinely overestimated revenues to keep the budget in balance and avoid tax increases.

Sweeney was among those who criticized Christie for his optimism and for predicting unrealistic and unsupportable economic growth rates in excess of national estimates and those of neighboring states.

Such is the antipathy toward Murphy's tax increase program, though, that legislative Democrats are willing to adopt to some extent that which they criticized a Republican governor for embracing.

Sweeney has attempted to steer the debate toward a comprehensive review of the state's overall tax structure, how it raises and spends money, insisting that revenues are sufficient and a great deal of spending is misplaced or unnecessary.

It's not exactly the hackneyed "government doesn't have a revenue problem, it has a spending problem" posture, but it's close.

The 2019 midterm legislative elections are certainly on Sweeney's mind and he'd prefer to lead a party and its candidates into a campaign based on policy achievement rather than defending a multibillion tax increases.

The revised revenue estimate scheme has erected another wall in the box surrounding Murphy. Under the state Constitution, it is the sole responsibility of the governor to certify anticipated revenues, an authority Christie used to great advantage.

If the Legislature includes the increased estimates in the budget along with non-recurring revenue sources — a tax amnesty and restoring in full or in part the estate tax repealed two years ago, for instance, have been suggested — Murphy's options are limited.

He can either certify the revised numbers or use his line item veto power to strike it from the budget while deleting an equal amount of spending to maintain a balanced plan. The Legislature, of course, could force a veto override effort while the governor renews a push for his tax increase program.

Sweeney has taken advantage of a rookie governor, and in outmaneuvering him has provided ample cover for next year's Democratic candidates to campaign on fiscal responsibility and rebut Republican charges of typical "tax and spend" Democrats.

The increased revenue budget solution appears to be considerably more than the normal trial balloon floating lazily above the Statehouse and waiting to be shot full of holes.

It is an acceptable and defensible way for legislators to solidify their bona fides as careful stewards of the taxpayers' dollars while continuing to support programs that are affordable and essential.

Murphy coasted into office on a tide of ambitious, left-of-center progressive promises, but his was a candidacy supported more by a backlash against his predecessor than by any yearning for his agenda. He achieved an overwhelming plurality but fell short of a mandate.

The hint has become a declaration and Murphy can either take the hint or widen the gap which has grown between his Administration and the Legislature.

(Hint: Live to fight another day).

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