



Opinion: Pensions: Back to the drawing board

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THE RECORD

In its ruling permitting Governor Christie to cut billions of dollars in funding for the pension system, the state Supreme Court sympathized with public employee groups, characterizing their position as "morally unacceptable." The ruling was a setback for the Center for Public Policy at Stockton University.

MUCH LIKE a trial judge ordering a deadlocked jury to resume deliberations and reach a verdict, the court directed the Christie administration and the Legislature to retire to a room and remain there until they reached an adequate level of funding for the public employee pension and health benefits system.

In ruling that the 2011 legislation obligating state contributions to the system over a seven-year period was unconstitutional, the court upheld Christie's authority to reduce the payments, saying that decisions on appropriations are the prerogative of elected branches of government.

While the instant analysis held that the decision was a major victory for the governor, it was a defeat for the court's refusal to insert itself into the budget process either by ordering full funding or establishing a constitutional amendment.

The decision merely reinforced what is constitutionally established: namely, that the responsibility for funding the pension system lies in the annual budget process and that binding future administrations and legislatures to specific funding levels is unconstitutional.

Christie wisely avoided taking a victory lap or gloating, calling instead for all parties to resume negotiations to reach a badly underfunded pension system to long-term fiscal health and guaranteeing that retirees are paid forward to receiving their earned benefits.

Seeking promised funding

Democratic legislative leaders and public employee union officials could do little more than state their case for a return to the drawing board.

Unscathed by vetoes

Christie's vetoes of previous millionaires tax proposals have had little adverse impact on him, and doing so again a few weeks will be neither surprising nor harmful. In fact, he will make good use of it as he moves around the country on his quest for consideration as the Republican presidential nominee. Assailing tax-and-spend Democrats is a staple of Republican campaigns, and Christie will turn the issue to his advantage by reminding audiences that he's struck down the tax increase legislation four times.

He's in a position to argue that the Supreme Court agreed with his ordering the pension spending reduction, while making the case that he's submitted a broad package to the Legislature to reform and rescue the system and that Democrats — motivated by crass partisan considerations and an obsession with raising taxes — have refused to consider it. The political meat doesn't get much redder than that.

Broken model

Absent from his speeches will be any mention of his boasts when