

Editorial: Enough with the ridiculous budget projections

February 12, 2017 at 3:00 AM



Gov. Chris Christie delivered his most recent budget address in 2016. -
(OFFICE OF THE GOVERNOR/MYKWAIN GAINEY)

How do governors balance the state budget in New Jersey? Easy. They inflate the revenue projections and cross their fingers. If they're lucky, an expanding economy bails them out. If not, "surprise" budget shortfalls become clear late in the fiscal year. Then a scramble begins to divert funds and trim programs in a process that sidesteps the usual budgeting system.

The issue got some attention last week with the release of a Stockton University study on New Jersey's budget practices and with the impending introduction of Gov. Chris Christie's eighth budget later this month. Believe it or not, there's a better way.

Certainly, as the report by Stockton's William J. Hughes Center for Public Policy noted, predicting future tax receipts is a difficult task. But, the report said, New Jersey is hamstrung by its system for setting revenue projections and its failure to have a sufficient rainy-day fund to make up for the inevitable shortfalls. These so-called "April surprises," by the way, have been a key factor in New Jersey's 10 credit downgrades under Christie.

Under the New Jersey Constitution, the governor has the sole authority to set the budget's revenue projections. The Legislature's Office of Legislative Services comes up with its own set of projections, but it's the governor's numbers that go into the budget. Thus, a governor — say, one who has his sights set on higher office — can use those projections for his own political purposes.

A governor can use the state budget's revenue projections for his own political purposes.

