

Stockton report offers state budget insight

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New Jersey needs to focus on building a "shared reality" between the governor and Legislature if it aims to curb the repeated shortfalls seen annually in the state budget, according to a new **Stockton University** report released Monday.

Stockton found the state's process of tying deposits into its surplus revenue fund to the often-inaccurate surplus between forecasted and actual year-end revenues to be particularly troubling, and has left the fund "virtually empty" since 2009.

"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 report authors and Stockton professors Daniel Mallinson and David Carr.

The issues presented by the fund have been further irritated by the state's seemingly annual search for short-term budget fixes to so-called "April Surprises," in an effort to plug previously unforeseen holes.

The study put forth several recommendations, including the use of consensus forecasting and potential long-term budget goals, more regular deposits to the surplus revenue fund with targets and periodic budget updates throughout the fiscal year with increased transparency.



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