

OPINION: FRONT-ROW SEATS FOR THE TRENTON POWER STRUGGLE

CARL GOLDEN | JUNE 22, 2018

It's not about any of the issues that Murphy and Sweeney have made their own, it's about who calls the shots, the governor or the Legislature – and the conflict is only going to get uglier



Carl Golden

It isn't really about increasing the income tax on millionaires or restoring the state sales tax to seven percent. It isn't even about increasing aid to public education, or a larger contribution to the public-pension fund, or rescuing New Jersey Transit, or establishing a network of tuition-free county colleges.

It's about power and who possesses it in greater measure.

It's a very public power struggle played out against the background of Gov. Phil Murphy's proposed \$37.4 billion state budget and his \$1.7 billion tax-increase package.

Senate President Steve Sweeney (D-Gloucester) put it all in genuine perspective with his comment that the Legislature was not "subservient" to the governor and that he'd never in the past encountered a governor who framed the budget negotiations in a "my way or the highway" ultimatum.

Sweeney, in a recent interview, even mused aloud that the governor was unhappy with his re-election to the Senate last year. As the budget drama played out and became more rancorous, Sweeney's comments became increasingly blunt – very nearly to the point of an irrevocable break with Murphy.

In rejecting the governor's income- and sales-tax increases, the Legislature approved a two-tiered boost to the state's corporate-tax rate, both of which will sunset in two years, along with a tax-amnesty program and extending the sales tax to a limited number of consumer services.

Fiscal gimmickry

The governor has promised to veto the \$36.5 billion budget, accusing the leadership of embracing the kind of fiscal gimmickry engaged in by his predecessor and arguing that its effect is to avoid dealing with the state's long-term spending issues – issues he claims he was elected to resolve.

He raised the stakes further by warning that he could not accept legislation to revise the state aid to education formula unless it was accompanied by revenue producers, such as those he's committed to. His stance suggests he plans to use the proposed formula changes as leverage to force acceptance of his tax increases.

It was a direct shot at Sweeney who has made the revisions a personal crusade and, if Murphy makes good on his threat, it can only create further bitterness and widen the divide that already exists between the two.

With little more than a week until the current fiscal year closes and a new budget is required, all three major players – Murphy, Sweeney and Assembly Speaker Craig Coughlin (D-Middlesex) – continue to insist there is room for compromise and they are open to it.

So far, though, negotiating their differences has not only been elusive but also downright testy, with leaked accounts of shouting and door slamming as both sides apparently have refused to budge.

The two sides were driven even further apart when a nonprofit organization associated with the governor launched a television advertising campaign lauding Murphy's accomplishment and promising even greater progress.

Sweeney and Coughlin, though, saw the ad blitz as a blatant effort to pressure the Legislature into accepting the governor's budget and seethed when their opposition to it was ignored.

Theories attempting to explain Sweeney's opposition to the governor's budget proposal range from his simmering anger over Murphy's refusal to intervene when the New Jersey Education Association – a strong Murphy supporter – mounted a multimillion-dollar campaign against the Senate president last year to a long-term strategy to challenge him in a primary contest in 2021.

The real corridors of power

Each rationale has its adherents, of course, but the simpler explanation is more likely: It is Sweeney, aided by Coughlin, signaling in as clear and unmistakable a fashion as possible that the power center – political and policy – rests in the legislative chambers they head.

They are gambling that a shutdown of government functions on July 1 or an override of a promised gubernatorial veto will be so embarrassing and damaging to the governor that he will acquiesce to the Legislature's budget plan.

They believe that the bulk of the blame will land on the governor's doorstep if thousands of employees are furloughed, state parks and beaches closed on the eve of the July 4 holiday, and basic services to taxpayers denied.

Sweeney and Coughlin can and will make their case that they discharged their responsibilities, enacted a balanced budget while avoiding income- and sales-tax increases and placing only a temporary increase on corporations, and funded vital services while the governor has obstinately insisted on raising taxes that some fear will drive high-income earners out of the state.

Murphy is surely aware he's engaged in a power struggle whose outcome carries serious potential for weakening his administration both short and long term.

If he offers major concessions by backing off his tax plan demands, the media – always ready to pounce on picking winners and losers – will declare it a Sweeney victory. At the same time, an override of a veto – presumably with some Republican assistance – would be a public relations blow of major impact.

The pressure to compromise falls more heavily on Murphy at the moment and he'd be wise to seek a resolution that allows him to save face while at the same time securing legislative commitments to seriously address the state's historic structural budget problems.

Make no mistake; it is a power struggle and one in which he can ill afford to finish a distant and poor second.

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