

A flaw in budget process that's easily fixed

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Jul 5, 2018 at 6:00 am
Editorial



New Jersey will never be without budget drama. There's just too much at stake. By which we don't mean the actual governance and financial stability of the sovereign state of New Jersey. That's a distant second to what's really at play – which is politics. Winning election. Winning re-election. Winning election to higher office.

And all those darn numbers in a state budget can get in the way. New Jersey's historical way of getting around this collision of arithmetic and political desire is to rig the numbers. And no number is more important than the one on which every other number is based – the revenue projection, the amount the state figures to take in during the coming fiscal year.

highballed or lowballed that number for purposes that had more to do with counting future votes than counting dollars. And lawmakers of both parties have argued with the governor's numbers for reasons that just might sometimes have something to do with politics. It happens.

But it doesn't have to.

One of the more frustrating things about living and doing business in New Jersey is the degree to which governmental "best practices" are so often ignored, and budget revenue projections are a perfect example.

Smart states — states that recognize the value of keeping the budget process as pristine as possible — use something called "consensus revenue forecasting." This system calls for revenue estimates to be determined by a three-person panel made up of a representative from the gubernatorial administration, a representative chosen by lawmakers and an independent expert selected by the other two. Consensus revenue forecasting was a key recommendation of a 2017 report on state budgeting practices by Stockton University's William J. Hughes Center for Public Policy. The system would allow the budget process to begin with a "shared reality," the report said.

And now, Senate President Steve Sweeney (D-West Deptford) is pushing a constitutional amendment that takes away the governor's authority to set revenue projections and creates the consensus model in New Jersey. Under Sweeney's plan, the state Treasury Department, the Legislature's Office of Legislative Services and an independent authority would certify the official revenue estimate.

That would certainly be a step in the right direction.

Of course, it's possible that Sweeney may be doing this now for political reasons. We seem to remember hearing somewhere that the Senate president and Gov. Phil Murphy may have had a bit of a tiff over the budget for the coming year.

But no matter. Consensus revenue forecasting is a process New Jersey should adopt. A constitutional amendment, which would require a three-fifths vote in the Legislature to put the question before voters, is the way to do it.

New Jersey really doesn't always have to be so New Jersey. There are best practices out there. It wouldn't kill us to use them.