

Carl Golden / N.J. budget drama hinges on pension payment

Posted: Tuesday, February 4, 2014 12:01 am

As lines in the sand go, the one drawn by state Senate President Steve Sweeney rivals the Mariana Trench, a 36,000-foot-deep chasm in the floor of the western Pacific Ocean.

Sweeney, D-Gloucester, Salem, Cumberland, announced last week that he would shut down state government if Gov. Chris Christie failed to contribute the state's statutorily mandated share to the pension system.

It wasn't a threat from which he could back away by disguising it as a compromise. Rather, it was a promise that left no room to maneuver.

The governor hinted in his State of the State message that he'd revisit the pension issue in his budget because the state's scheduled payment of \$2.4 billion precluded funding for many of his other priorities.

Sweeney and other Democratic legislative leaders oppose amending the 2011 pension agreement, arguing that the state had entered into a solemn commitment to meet the payments.

His shutdown promise raised the stakes as Christie crafts a budget that, by all accounts, will be austere.

As Senate president, Sweeney holds exclusive power over which bills will be posted for action. Merely refusing to schedule a vote on a budget that shortchanges the pension payment would allow the constitutional July 1 deadline for enactment of a budget to expire, and would result in a shutdown.

If the governor proposes less than full funding, the Democratic majorities in both houses have the option of restoring the money and either raising taxes or cutting spending in other areas to offset it.

Given Christie's vow to veto any tax increase, should one reach him as part of the budget, he'll surely strike it and return the bill to the Legislature. If Sweeney remains

There may be an opportunity to tweak the system, but with the amounts involved, the tweakers will be hard pressed to come up with enough ideas to have a meaningful impact.

Sweeney's remarks generated speculation that, given his interest in the 2017 Democratic gubernatorial nomination, it was an early, high-profile attempt to take some of the sting out of the decisive role he played in the 2011 legislation.

He was vilified at the time for working closely with Christie and, by implication, joining the governor's crusade to identify public employee salaries and fringe benefits as the cause of the state's fiscal problems and for betraying his long labor-union history.

A hard line against any further changes will help heal some of those wounds and re-establish Sweeney as a dedicated ally of organized labor, a key constituency - organizational as well as financial - for any Democrat seeking the governor's office.

In setting about mending fences and reasserting his party bona fides, Sweeney has assumed some level of risk with his shutdown rhetoric.

Bringing government functions to a halt and depriving citizens of essential services in the interest of protecting public employee union benefits will not sit well with many taxpayers. It will be seen as a classic case of private interest politics trumping public interest service.

At the same time, labor interests can make a case that the 2011 legislation represented a pact whose terms cannot be cavalierly disregarded. Employee contributions were increased in return for the state's agreement that it would meet its obligation to make graduated payments over seven years. That Christie has decide