

New Jersey Senate Republican leader New Jersey Sen. Thomas H. Kean, right, R-Westfield, N.J.,

Mel Evans

governor three years ago to enact legislation requiring greater public worker contributions to pensions and health benefits.

His perceived closeness with Christie had inflicted damage and only by putting distance between them on an issue critical to labor could Sweeney restore his standing with a powerful segment of the party's base. Whether his strategy succeeded will become clearer should he decide to seek the gubernatorial nomination in 2017.

Christie can continue to boast of his record of budgets with no increases in the state's broad-based taxes — a history which appeals greatly to the Republican Party base. As with Sweeney, the success of Christie's strategy will be assessed if he decides to enter national politics using fiscal conservatism as his strong point.

The larger issue remains, though: The state is broke, the pension fund is severely underfunded, and the odds of an epic economic resurgence to significantly boost tax revenue are non-existent.

Adding to the dilemma is a court challenge to the governor's reducing the pension payment for the fiscal year that just ended. A Superior Court judge ruled that because of the unprecedented nature of the deficit and the compressed time frame available to resolve it, Christie could implement the reduction to avert falling into deficit.

The judge, however, retained jurisdiction and will hear arguments over whether the reduction for the new fiscal year, which began July 1, will be permitted.

The state has lurched from one structural budget deficit to the next, due primarily to unrealistic revenue estimates by the administration. As shortfalls occurred, spending was shifted from established programs, money was diverted from dedicated funds, and spending cuts in the middle of a fiscal year became common.

The Democratic legislative majority shares responsibility as well. It went along with the rosy estimates and the spending that went with them, despite repeated warnings the anticipated income was an illusion.

Christie correctly points to prior administrations balancing their budgets by failing to contribute to the pension system. He inherited the fallout from those failures and was left with a badly underfunded program whose obligations to retirees and current employees grow each year.

He has singled out entitlements as the major driver of government spending, warning that without significant changes the system will become unsustainable. He has also indicated he will submit reform proposals to the Legislature, but has not offered details.

The turmoil and controversy over this year's budget de