



OPINION: TOP-COURT RULING COULD BAIL OUT CHRISTIE, SWEENEY -- OR BOTH

CARL GOLDEN | MAY 19, 2015

Governor and Senate president are locked in mutual stare-down over pension reform that may be beyond simple resolution



Carl Golden

Anyone who still held out hope that Gov. Chris Christie and the Legislature could reach a compromise on the size of the state's contribution to the public-pension system was soundly disabused of that notion last week when the governor told a "town hall" audience that funds were not available and he would not raise taxes to produce the money.

While it was highly unlikely Christie would have accepted a tax increase in any event, particularly in the midst of ramping up his pursuit of the Republican presidential nomination, his unqualified rejection drove a stake through the heart of the Democratic proposal to increase the tax rate on incomes above a half-million dollars and allocate the approximately \$675 million it would raise to the system.

Despite the severity of the problem -- a shortfall of some \$3 billion in the current and looming fiscal year -- and the uncertainty of a Supreme Court ruling on whether reducing the pension payments violated the law, Christie appears resolute in his insistence that the reform package he has proposed is the only solution he'll accept.

With six weeks left before the start of the 2016 fiscal year on July 1, a showdown appears inevitable between Christie and Senate President Steve Sweeney who is equally as adamant that increasing the tax on the wealthy is the fairest approach to ease the stress on the pension system.

It wasn't always thus.

Four years ago, there were smiles all around along with handshakes, high-fives, hugs, kisses on cheeks, and effusive praise for the selflessness of bipartisan compromise as Christie affixed his signature to legislation requiring an increase in public-employee contributions, a freeze on cost-of-living-adjustments for retirees, and a guaranteed seven-year timetable for the state to make its payments.

Christie touted the 2011 legislation as an example of how people of goodwill, despite political differences, could set those differences aside and act in the greater good. He characterized the legislation as one that would rescue the beleaguered pension fund and serve as a model for other states to follow.

In responding to the court challenge, however, the administration executed an abrupt U-turn, arguing the governor was justified in ignoring the law because it was unconstitutional and for the court to order compliance would interfere with the prerogatives of the executive and legislative branches.

While Christie was celebrating his victory, Sweeney was fending off bitter attacks from organized labor for joining forces with Christie -- a betrayal, they called it -- and muscling the package through the Legislature. He's spent a good deal of his time since then re-ingratiating himself with

union leadership, a group whose support is critical for him if, as expected, he enters the race for the Democratic gubernatorial nomination in 2017.

He cannot afford to fold again. The smallest hint on his part that he's open to Christie's proposals to reduce benefits, freeze the current system in place while transitioning to a 401(k)-style system, and scaling back the health-benefits program to a less expensive model will immediately send the labor movement he's so assiduously courted scurrying into the arms of another candidate.

Just as Christie is locked into an anti-tax posture by political considerations, Sweeney's political viability depends on his protecting public employees from further concessions by insisting that the wealthiest New Jerseyans ante up their fair share.

There's little doubt that the two whose once-cozy relationship seems to have cooled under

Carl Golden served as press secretary for Republican Gov. Thomas Kean for eight years and as communications director for Republican Gov. Christie Whitman for three years. He is currently a senior contributing analyst with the William J. Hughes Center for Public Policy at Stockton University.

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