

June 29, 2010

Showdown Over N.J. Budget Is Avoided for Now

By RICHARD PÉREZ-PEÑA

Gov. Christopher J. Christie on Tuesday signed into law New Jersey's smallest budget in five years, with major cuts to schools, municipalities, mass transit and other areas — a milestone in his drive to tame what he calls an out-of-control government.

Despite months of wrangling, Mr. Christie, a Republican in his first year in the State House, made no major concessions to the Democrats who control the Senate and the Assembly, as they allowed passage of a \$29.4 billion budget that most of them opposed. But his toughest showdown with Democrats could come in the weeks ahead, as he seeks an amendment to the State Constitution to limit property taxes.

In the annual budget fight, the governor did little of the usual horse-trading and seemed to welcome public clashes with lawmakers and powerful interest groups like the state teachers' union. More than any of his recent predecessors, he has repeatedly shown, on the budget and other issues, that he is willing to ignore Trenton's customs and flex his political muscle.

Over six months in office, Mr. Christie has tried (unsuccessfully) to bypass the Legislature and impose new campaign finance restrictions on unions, and campaigned (successfully) against many local school budgets, something governors have usually avoided. He also refused to reappoint a justice to the State Supreme Court, breaking with a tradition that dates to the 1940s.

Throughout, his budget cutting and blunt style have made him a favorite of conservative commentators across the country.

"We do not feel like our job is anywhere close to being completed," Mr. Christie said after signing the budget bills at a fire station in South River, in Middlesex County. "What I feel like is this kind of success gives us the momentum to go further, faster and harder and tougher."

His goal, he said, is "to get government the hell out of your way and the hell out of your pocket."

Mr. Christie has made clear that his ambition goes well beyond curbing state programs. He wants to reshape a historically liberal judiciary and, perhaps most daunting, to rein in the state's fast-growing local governments.

"The governor is barreling ahead with his agenda, and I think he has public opinion on his side," said Ingrid Reed of the [Eagleton Institute of Politics at Rutgers University](#). "The people are really anxious. They're upset about taxes. They think government spending is a problem."

Mr. Christie wants to impose a 2.5 percent annual limit on local property tax increases, with some exceptions, and he wants to accomplish that not through an ordinary state law, but through a constitutional amendment. That would require voter approval; to put the measure on the November ballot, legislative committees would have to approve it next week, and the full Assembly and Senate by late July.

On Tuesday, the Legislature completed passage of a counterproposal setting a 2.9 percent limit, without changing the Constitution, with loopholes the governor dismissed as "Swiss cheese."

Passage of the 2.9 percent cap shows how much has changed. The previous governor, [Jon S. Corzine](#), a Democrat, had to fight forces in his own party to enact a 4 percent cap.

"We've been very clear we're not going to pass a constitutional amendment, for the simple reason that it hasn't worked where they've done it," said [Stephen M. Sweeney](#), the Senate president and the author of the legislative plan. "We're willing to compromise, but the governor hasn't shown that willingness."

If Democrats hold firm, and Mr. Christie vetoes their plan, the status quo would remain — but so would the issue, hanging over the heads of Democrats up for re-election in 2011 in redrawn districts.

So far, Mr. Christie appears to be the most conservative governor New Jersey has had in generations, but analysts say it remains to be seen how much of that is a reflection of the state's fiscal mess. Even he has said he would have preferred not to cut some of the programs he did. He could yet follow a string of recent blue-state Republican governors like [George E. Pataki](#) of New York, [Mitt Romney](#) of Massachusetts and [Arnold Schwarzenegger](#) of California, who ended up being less conservative than expected.

Democrats charge that, despite his rhetoric, Mr. Christie has actually driven up taxes at the local level. He cut deeply into a property-tax rebate program and cut aid to schools by more than \$800 million, prompting many districts to ask for more from their residents.

The governor deflected blame by encouraging voters to reject local school budgets, which they did in record numbers, and by blaming teachers in most districts for not accepting pay freezes. He also shifted focus to his proposed constitutional amendment on the property tax.

The state budget for the fiscal year that begins Thursday is almost \$3 billion smaller than the one passed last year, and more than \$5 billion less than the peak spending year, 2007-8. It closed a deficit that the governor's office had projected at \$11 billion.

For months, Democrats assailed Mr. Christie for opposing a "millionaires' tax" on high-income residents, saying that he wanted sacrifice from everyone but the rich. But the measure would have raised about \$700 million, a small fraction of the deficit, and Democrats decided not to go to the mat over the issue and risk a government shutdown. They passed it as a stand-alone bill, which the governor vetoed.

In the end, Democrats consented to most of Mr. Christie's original proposal, and the bills passed in a marathon legislative session from Monday afternoon through early Tuesday morning. Democrats provided the bare minimum number of votes in each house that, combined with the Republican votes, would ensure passage, allowing most of the Democrats to vote against the budget and attribute its cuts to the governor.