

THE DAILY TARGUM

Corzine may bear bad news for state budget

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New Jersey residents will watch Gov. Jon S. Corzine give his 2010 fiscal year budget address to the state legislature today at noon, which may introduce tight cuts to the state's budget as a result of a \$7 billion deficit.

Corzine will show how the state is planning to cope with the financial crisis gripping the nation as well as New Jersey, said Ruth Mandel, the director of the Eagleton Institute of Politics.

"He's going to be bearer of bad news, and no one wants to be a bearer of bad news," she said.

Associate Director of the Eagleton Institute John Weingart said he thinks in addition to the University, all programs funded by the state government will be affected.

"New Jersey is experiencing the same fiscal crisis that is taking hold of the rest of the country," Weingart said.

Mandel said no one will go unaffected in this economy, but the University is a critical institution in the state.

She thinks Corzine is very aware of the importance of higher education as it is the source of future workers, leaders, research and discoveries that will keep the country and economy running, she said.

"Higher education equals the future," she said. "To be in a situation of leadership as he is — in which he has nothing to or very little to offer to building the future — is a position no leader wants to be in."

Robert Corrales, a spokesman for the governor's office, would not give a preview of the governor's budget address or fiscal plans.

State legislators said Corzine's new, prospective state budget of about \$29 billion — \$4 billion lower than the current budget — will cut funding for municipalities but keep property tax rebates for senior citizens and lower-income residents, according to an article on NJ.com.

School of Arts and Sciences first-year student Salena Dioubate expressed concerns for the University.

"When there are budget cuts, especially in a state-funded school, it affects the students first, and the faculty also, and their jobs are always at risk. [The University] could lose a lot of faculty," she said.

School of Arts and Sciences first-year student Ayesha Gougouehi said budget cuts and tax increases could



Dan Bracaglia / Associate Photography Editor / File Photo
Gov. Jon S. Corzine, shown above at the University this fall, will address New Jersey's budget today at noon that may come with significant cuts to all state funded programs.

make it harder for students to stay in school.

“If they increase taxes, it won’t be that bad, but it affects the University students who already struggle to be in school and to find money elsewhere, such as financial aid and loans,” she said.

Weingart said there are two actions the state can do to decrease the state’s deficit and balance the budget.

“[Corzine] needs to either find revenue or to cut the budget,” he said.

But the state could also do a combination of both, he said.

One way for the state to generate revenue is to increase taxes, Weingart said, especially since the state’s revenue for this year is lower.

Mandel said she heard of possible tax increases on the highest income tax bracket, liquor and cigarettes, but not sales tax.

“Because of a number of factors going into the economy, the amount of tax revenue they expect to come into the state is significantly lower than what they expected a year or two ago,” Weingart said. “So something has to be changed significantly.”

She said Corzine will also turn to state workers to save money.

“He’s looking at a way to reduce his expenditures on state salaries and he’s got a large state workforce,”

Mandel said.

She said the three potential ways Corzine may do this is through state worker lay-offs, unpaid furloughs and a wage freeze.

This could save \$400 million and 7,000 jobs, according to a Media Relations press release.

But a balanced budget is not something Corzine must strive for because it will only improve the economy.

“The state budget under the state constitution has to be balanced,” Weingart said.

The governor, along with the state legislature, needs to show how they are going to bring in enough money to do this, he said.

After the governor presents his proposal, the legislatures must also work on the budget and submit it by July 1 by law, Mandel said.

Weingart said tomorrow, everyone will be able to get a sense of his plans, but no one will know for sure if he will follow through until he submits the actual plans for legislation in a few weeks.

“I’m interested to see what he’s going to say. I think he’s in a very difficult situation,” Weingart said.

“There’s nothing he can say that’s going to make anybody very happy.”

Mandel said she is looking forward to how Corzine will act as a leader in this moment of extreme difficulty.

“He is now in a position in which he can’t move in the direction of building and enhancing, because he has to stop the bleeding,” she said.