

Steamed Senate President Challenges Gov. Murphy To A Debate Over How To Fix N.J. Pension Woes

By Brent Johnson/NJ.com/January 26, 2019

State Senate President Stephen Sweeney, New Jersey's highest-ranking state lawmaker, has challenged Gov. Phil Murphy — a fellow Democrat but frequent rival — to a debate on how to fix the state's public-worker pension problem.

Sweeney, D-Gloucester, issued the challenge Friday during an interview with NJTV, saying he'd be willing to debate Murphy "anywhere in this state, side by side."

A spokesman for Murphy's office declined to comment.

The challenge comes one day after NJ Advance Media published a story about how a top Murphy aide discussed with liberal activists during a conference call how they could fight back against "a false narrative" she believes Sweeney is pushing against public-worker unions.

The move irked Sweeney, adding a new chapter to the strained relationship between New Jersey's top two elected state officials.

Sweeney has issued a report called the "Path to Progress," which outlines recommendations for how to save the state government money. One major suggestion is that New Jersey may need to make more cuts to public-worker pensions and health benefits, which swallow a large portion of the taxpayer-funded state budget each year.

In the conference call, the aide — Deborah Cornavaca, Murphy's deputy chief of staff for outreach — said she's "a unionist through and through and that I do agree with Governor Murphy that the commitments we made to public-sector workers are ones we have to figure out how to honor."

Cornavaca made it clear on the call she was giving her own opinion and not acting in her role as a Murphy staffer.

During Friday's interview, Sweeney reiterated that Cornavaca's actions are "disappointing."

“When you’re speaking, you’re part of the administration,” he said. “And I let the governor know I was disappointed about that.”

A top aide for Gov. Phil Murphy helped strategize against state Senate President Stephen Sweeney.

That’s when Sweeney challenged Murphy.

“I’ve got to tell you: If they’re saying this is a false narrative, I would be willing to go anywhere in this state, side by side with Gov. Murphy and have a debate on this,” he said. “To see whether there is a problem or not a problem.”

Sweeney added that New Jersey is facing a “financial crisis” because pension and health costs for government workers will blow a \$4 billion hole in the state budget by 2023.

The pension fund for state and local workers has \$59.7 billion in unfunded liabilities, according to the state.

“You can’t raise taxes enough to fix this now,” Sweeney said.

Murphy has not publicly said what he thinks of Sweeney’s recommendations to cut pension and health benefits. Still, he is strongly pro-union and his administration issued its own report last month that called for changes to public-worker health benefits but stopped short of seeking cuts.

Instead, Murphy signed a state budget that included more than \$1 billion in state tax hikes to help pay for funding increases for pensions, education, and transportation.

Murphy has not ruled out seeking further tax hikes in his second state budget proposal, which he’ll unveil in March. But Sweeney and state Assembly Speaker Craig Coughlin, D-Middlesex, have already said they’d be opposed, unless there are significant state government spending cuts.

Though Democrats control both the governor’s office and state Legislature after eight years of Republican Gov. Chris Christie, Murphy often clashed with Sweeney in his rookie year.

In fact, if a debate does happen, it'll offer a glimpse of what might have happened had both Murphy and Sweeney ran for governor two years ago.

Sweeney originally planned to seek the 2017 Democratic nomination for governor but decided not to after Murphy, a multimillionaire set to spend millions of his own money, consolidated support from powerful county party chairs in North Jersey.

Then, Murphy declined to step in when the New Jersey Education Association, the state's largest teachers union, spent millions trying to unseat Sweeney in the Senate. That angered Sweeney.

And last summer, Murphy sparred with Sweeney and Murphy over his tax hike plan, taking the state to the brink of another state government shutdown.