



He's blamed the cost of pensions and benefits for the rise in property taxes and has argued that the program's expense has grown so great that it has undermined state government's ability to invest in other areas of concern. He's criticized Democrats for supporting tax increases to shore up the system rather than search for ways to contain costs.

The study commission notwithstanding, Christie owns the issue and any recommendations it develops will bear the administration imprimatur.

Despite that, Christie can be expected to make a strong argument that dismissing the commission's recommendations would be a great disservice to taxpayers and further evidence of Democrats currying favor with organized labor heading into the 2015 Assembly elections and the 2017 gubernatorial election.

The impasse was created after Christie cut more than \$2.5 billion from the state's payment into the system to balance budgets last year and this year.

Led by Senate President Steve Sweeney, Democrats accused the governor of reneging on a promise written into legislation only three years ago that the state would meet its obligation in return for increased employee contributions and a freeze on cost-of-living adjustments for retirees.

Democrats reinstated the income tax surcharge on earnings over \$1 million, inserting it into the budget to partially offset shorting the pension payment. As expected, Christie vetoed it and pledged to continue to reject a tax increase of any kind.

Sweeney reiterated his opposition to any benefits reduction or increases in employee contributions, contending that if the state committed itself to its payment schedule, the fund would remain stable and reach solvency within the decade.

Neither the governor nor the Senate president has shown any inclination toward compromising his position. With a potential national candidacy still in mind, Christie cannot accept a tax increase without risking serious damage to any future ambitions, while Sweeney is locked into opposing any fiscal impact on public employees if he hopes to remain a viable Democratic candidate for governor in 2017.

The two-month lull in dealing with changes in the system while the study commission conducts its work gives both sides a respite, although the seemingly intractable positions taken by Christie and Sweeney

