



STEVE SWEENEY CENTER  
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## **Multi-Year Budget Workgroup report shows multi-billion-dollar gaps between expected revenues and projected state budget expenditures from FY25 to FY28**

**Glassboro** – New Jersey faces a significant fiscal cliff over the next four years, with revenues projected to fall billions of dollars short of the amounts needed to maintain current state services and fund state aid and property tax relief programs at promised levels, according to the latest report by the bipartisan Multi-Year Budget Workgroup (MYBW).

*New Jersey's Fiscal Cliff: Current Budget Services Budget Projections, Long-Term Economic Forecast, and the Five-Year Revenue Gap* is the fourth report issued by the Sweeney Center's blue-ribbon panel, which includes former Cabinet members and high-ranking state Treasury officials, former legislators and legislative staffers, economists, academics and other policy experts.

The MYBW study projects that “there is an 80% likelihood that state revenues will fall \$3.2 billion to \$7.1 billion short of the amount needed to continue state programs and state aid at current service levels each budget year from FY25 to FY28. Even under the most optimistic scenario, state revenues will fall \$1.9 billion to \$3.1 billion short annually.” The state is projected to enter Fiscal Year 2025, which begins July 1, with a near-record \$8.2 billion budget surplus, but that cushion would be quickly eaten away, the report noted.

The MYBW's dire budget prognosis is not based on gloomy economic projections. Indeed, Dr. Charles Steindel, the former chief economist for the New Jersey Treasury Department who prepared the MYBW's economic forecast, projects that the Federal Reserve “has achieved its desired ‘soft landing’ and it appears that inflation will continue to move down to a desired rate and the economy will continue to grow without a recession.”

“The Multi-Year Budget Workgroup provides an independent, bipartisan analysis of the state's long-term fiscal challenges that is important because neither the New Jersey Constitution nor state law

require the preparation of multi-year budget projections,” said Mark Magyar, Director of Rowan University’s Sweeney Center for Public Policy. “We are fortunate to have such a distinguished group of fiscal policy experts providing their expertise to develop consensus projections that will inform the public debate as the Governor and Legislature tackle the FY25 budget.”

The MYBW report, *New Jersey’s Fiscal Cliff: Current Budget Services Budget Projections, Long-Term Economic Forecast, and the Five-Year Revenue Gap*, can be accessed at [multi-year-budget-workgroup-economic-forecast-and-revenue-update-final-021324.pdf \(rowan.edu\)](#)