



**STEVE SWEENEY CENTER
FOR PUBLIC POLICY**

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Contact: Mark J. Magyar
856-256-5868 (office)
908-246-8468 (cell)
magyarm@rowan.edu

Multi-Year Budget Workgroup report shows multi-billion-dollar gaps between projected revenues and expenditures over the next four fiscal years

Glassboro –New Jersey state government continues to face significant structural deficits over the next four fiscal 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.

New Jersey's Multi-Year Structural Deficit: Current Budget Services Budget Projections, Economic Uncertainty, and the Looming Fiscal Cliff is the fifth 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 85% likelihood that state revenues will fall an average of \$3.7 billion to \$6.7 billion short of the amount needed to maintain state aid and programs at current service levels each budget year from FY2026 to FY2029, spanning most of the four-year term of the new governor who will be elected in November.” Even under the most optimistic scenario, state revenues will fall an average of \$2.2 billion short.

The state is projected to enter Fiscal Year 2026, which begins July 1, with a \$6.2 billion budget surplus, down from \$10.7 billion after three years of “red ink” budgets in which expenditures exceeded projected revenues by a total of over \$7 billion.

Dr. Charles Steindel, the former chief economist for the New Jersey Treasury Department who prepared the MYBW's economic forecast, noted that “the economic outlook is extremely uncertain,” with major concerns about the economic impact of the new administration in Washington “levying high tariffs and sharp restrictions on immigration.”

“For the past four budget years, the Multi-Year Budget Workgroup has provided an independent, bipartisan analysis of the long-term fiscal challenges facing New Jersey,” said Mark Magyar, Director of Rowan University’s Sweeney Center for Public Policy. “This is important because neither the state Constitution nor state law require multi-year budget projections to be prepared and made public. We are fortunate to have a distinguished group of fiscal policy experts providing their expertise to develop consensus projections to inform the public debate as the Governor and Legislature tackle the FY26 budget.”

The MYBW report, *New Jersey’s Multi-Year Structural Deficit: Current Budget Services Budget Projections, Economic Uncertainty, and the Looming Fiscal Cliff*, can be accessed https://chss.rowan.edu/centers/sweeney_center/final-mybw-february-report.pdf.

(NOTE: As a candidate for state office, former Senate President Steve Sweeney is no longer affiliated with the policy center or the Multi-Year Budget Workgroup).