



STEVE SWEENEY CENTER  
FOR PUBLIC POLICY

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## **Multi-Year Budget Workgroup projects continued multi-billion-dollar gaps between expected revenues and projected state budget expenditures from FY26 to FY28**

**Glassboro** – New Jersey continues to face a significant fiscal cliff over the next three years, but the structural deficit has narrowed because of a planned tax increase and recommended changes in the StayNJ program according to the latest report by the bipartisan Multi-Year Budget Workgroup.

*New Jersey's Fiscal Cliff: Current Budget Services Budget Projections, Long-Term Economic Forecast, and the Multi-Year Structural Deficit* 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 80% likelihood that state revenues will fall \$2.5 billion to \$5.9 billion short of the amount needed to maintain current state services and fund state aid and property tax relief programs at promised level from FY26 to FY28. Under the most optimistic scenario, state revenues will fall \$1.5 billion to \$2.1 billion short annually.

For the third budget year in a row, New Jersey is proposing to run a structural deficit in FY25, drawing down the surplus by \$1.8 billion, diverting \$585 million from the Debt Defeasance Fund and proposing an increase in the Corporation Business Tax to balance the budget. Based on Treasury's May report, the state would end FY25 with a \$6.3 billion surplus.

“The Multi-Year Budget Workgroup provides an independent, bipartisan analysis of the state's long-term fiscal challenges that is important because neither the state Constitution nor state law require the preparation of multi-year budget reports,” said Mark Magyar, Director of Rowan University's Sweeney Center for Public Policy. “We are fortunate to have a distinguished group of fiscal policy experts working together to develop consensus projections that inform the public debate.”

To read the full report, go to [mybwreportjune2024web.pdf \(rowan.edu\)](#)