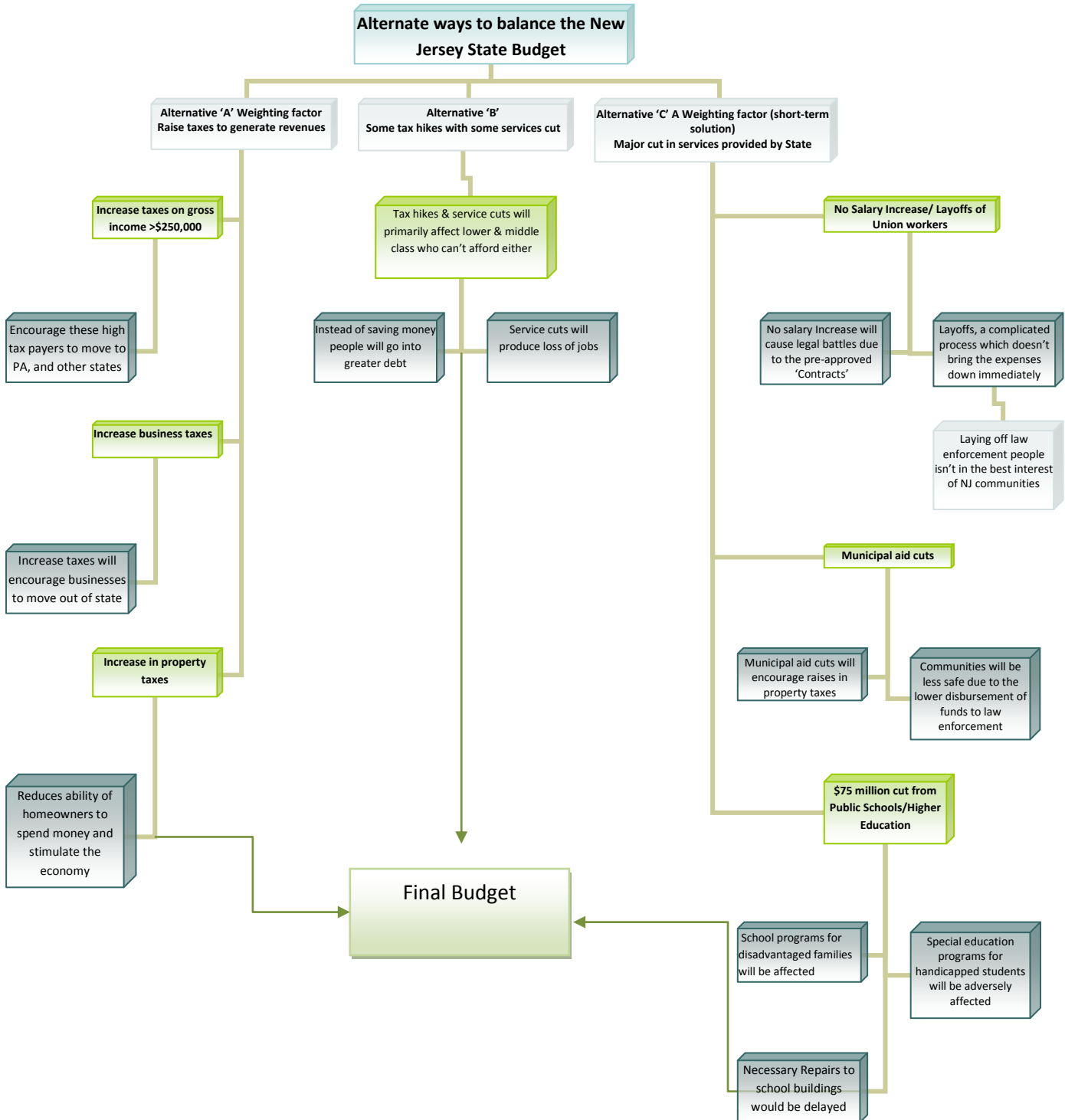
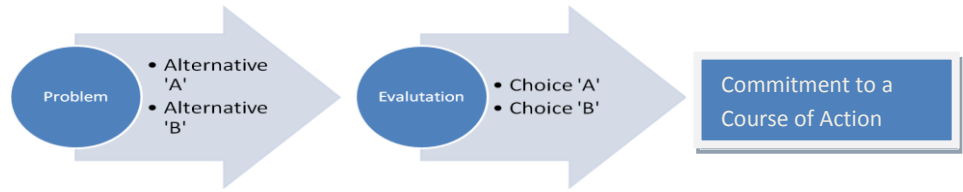


New Jersey State Budget

Decision-Making Process:



New Jersey State Budget

The Analysis:

A balanced budget for the state of New Jersey is not an easy task. One needs the Wisdom of Solomon to achieve this task, especially with the ever growing deficits and dwindling tax revenues.

In the above diagram, three alternatives have been discussed. Alternative 'A', 'Tax hikes', will ultimately discourage more people and businesses and force them to leave the state; this is a consistent pattern observed in the last few years. Conflicts arisen from this alternative are permanent and it should not be fully considered.

Alternative 'C' is the alternative based on 'Service Cuts' to bridge the gap between expenses and revenues. However, cutting services is not in the best interest of the majority of state residents. Governor Corzine has said that he will not increase the property taxes, but cutting aid to the municipalities will eventually increase the property taxes of the municipality residents. This alternative will make communities more vulnerable with fewer law enforcement and rescue workers. This alternative will be a hazard to the public school system, in particular, for disadvantaged families, where pre and after school programs will be affected by the cuts.

Though these two extremes, Alternative 'A' and Alternative 'C' are not the most optimal solution; data from the previous years clearly show the damage done as a result of these alternatives. I believe Alternative 'B' can work in the interest of the majority for the following reasons.

- 1) It will not affect as many middle class families as alternative 'C', which is the present choice of the administration.
- 2) Some tax increases on large businesses are acceptable. Small businesses comprise most of the state businesses and should not receive tax increases so that they will prosper.

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Alternative 'B', although not perfect, can still work for the majority of the people in the state. Being just a "Satisficer" at this time is not enough. The governor can be a "Maximizer" since we have all the data from alternative 'A' and 'C' which were used in the past and have failed. Therefore, Alternative 'B' is best.