

ASSEMBLY STATE AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 222**

**STATE OF NEW JERSEY**

DATED: APRIL 4, 2016

The Assembly State and Local Government Committee reports favorably Assembly Bill No. 222.

This bill, entitled the “New Jersey Library Construction Bond Act,” authorizes the issuance of \$125,000,000 in State general obligation bonds to provide grants for the construction, expansion, and equipping of New Jersey’s public libraries.

The bill directs the State Librarian, in consultation with the President of Thomas Edison State College, to establish eligibility criteria for the receipt of grants. The State Librarian, with the approval of the president, will prepare a list of eligible projects.

Under the bill, for any approved project financed by bond proceeds, the grant award will support 50% of the cost of the project, and the appropriate local governing entity in the area served by the public library will support 50% of the cost of the project.

The bill provides that the bond act is to be submitted to the people for approval at the general election to be held at least 70 days after enactment and appropriates \$5,000 to the Department of State for expenses in connection with the publication of the public question.

New Jersey’s public libraries serve an invaluable role for the State’s citizens. In addition to providing traditional services such as book-borrowing and lending, public libraries have a long and well-documented history of functioning as public spaces and community centers for reading, studying, and holding public meetings. More recently, public libraries have helped to bridge the “digital divide” by providing patrons with access to computers and the Internet, while continuing to provide a wide range of critical services, including college-preparation, job-seeking and career-assistance, and the securing of government assistance. The benefits of public libraries are numerous, and the construction, expansion, and improvement of public libraries will serve to promote the success of New Jersey’s citizens and thereby advance the economic development of the State.

This bill was prefiled for introduction in the 2016-2017 session pending technical review. As reported the bill includes the changes required by technical review, which has been performed.

## MINORITY STATEMENT

By Assemblymen Webber and Carroll

This bill proposes adding another \$125,000,000 of debt on top of taxpayers already drowning in debt in New Jersey. \$153,518,843,000: that is the astronomical amount of our outstanding State obligations, according to the official State of New Jersey Debt Report released by The Office of Public Finance on February 26, 2016. New Jersey ranks fourth highest among the fifty states in terms of tax-supported debt per capita, according to the Debt Report, which notes, “Such comparisons can be useful in assessing the state’s ability to incur additional debt.”

In September 2015, Truth in Accounting, a nonprofit advocate of government transparency, released a report entitled Financial State of the States, a comprehensive analysis of financial reports of the fifty states intended to give citizens a comprehensive and clear picture of their state governments’ financial conditions. Truth in Accounting ranks each state by Taxpayer Burden, the amount each taxpayer would have to pay the state’s treasury for the state to become debt-free. The five states with the highest Taxpayer Burden are classified as “Sinkhole States.” The worst Sinkhole State is New Jersey with a Taxpayer Burden of \$52,300. Worse still, Truth in Accounting relates that New Jersey’s financial condition continues to deteriorate.

Truth in Accounting rightly encourages public officials to promote “intergenerational equity, meaning that politicians must stop putting off expenses into the future, placing a larger debt onto incoming generations.”

Public libraries are indeed valued assets to communities, which is why New Jersey taxpayers have supported them so substantially for more than a century. Libraries are among the select few public institutions entitled to mandated minimum funding under law. New Jersey long ago mandated that each community fund its joint and municipal libraries at one-third of a mill, or 33 cents on each \$1,000 of equalized value of all assessable property in a municipality.

This substantial mandated funding for libraries has been the subject of some criticism. For example, the New Jersey League of Municipalities passed a resolution requesting amendment to the State’s library-funding law, reducing the minimum mandatory funding from one-third of a mill to one-sixth of a mill. The League stated, “the amount each municipality is required to contribute under the current statute far exceeds the reasonable needs and requirements of the free public libraries in the municipalities governed by this law.” Concerned that mandated library funding crowds out other priorities of the people, the League noted, “We believe that, as local governments confront unprecedented fiscal challenges, a reform to the [library funding] statute is both appropriate and necessary.”

In addition to the statutorily mandated municipal funding, libraries also receive funding from the State Per Capita Library Aid program, which provides direct aid to local libraries from the State.

Consequently, our public libraries are among the best funded in the nation, with New Jersey ranking in the top five states in per capita expenditures for libraries. New Jersey's per capita library expenditures about double those of our neighboring states Pennsylvania and Delaware. Further, this bill's call for \$120 million in borrowing for library capital projects comes even as a Pew Research Center survey from September 2015 shows that fewer Americans are visiting libraries in this advancing digital age. Such a trend raises real questions about whether a new capital program for libraries is warranted.

Despite that substantial existing funding of our public libraries and the mountain of debt our taxpayers already face, this bill calls for even more spending and borrowing for New Jersey's public libraries. The minority will not hurt generations of citizens by spending and borrowing recklessly on this misguided idea.