
Public Hearing

before

JOINT LEGISLATIVE COMMITTEE ON GOVERNMENT CONSOLIDATION AND SHARED SERVICES

Assembly Bill No. 50; Assembly Bill No. 51; Assembly Bill No. 52;
Assembly Bill No. 53; Assembly Bill No. 54; Assembly Bill No. 55; Assembly Bill No. 416;
Senate Bill No. 864; Assembly Joint Resolution No. 69; Senate Joint Resolution No. 47;
Senate Bill No. 577; Senate Bill No. 2244; Senate Bill No. 2266; Senate Bill No. 2267

LOCATION: Freehold Borough Council Chambers
51 West Main Street
Freehold, New Jersey

DATE: November 9, 2006
7:00 p.m.

MEMBERS OF JOINT COMMITTEE PRESENT:

Senator Bob Smith, Co-Chair
Assemblyman John S. Wisniewski, Co-Chair
Senator Ellen Karcher
Senator Joseph M. Kyrillos Jr.
Assemblyman Robert M. Gordon
Assemblyman Joseph R. Malone III



ALSO PRESENT:

Joseph J. Blaney
Brian J. McCord
*Office of Legislative Services
Committee Aides*

Patrick Gillespie
Senate Majority
Hannah Shostack
*Assembly Majority
Committee Aides*

Rosemary Pramuk
Senate Republican
Thea M. Sheridan
*Assembly Republican
Committee Aides*

***Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey***

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Assemblyman Michael J. Panter District 12 | 2 |
| Assemblywoman Amy H. Handlin District 13 | 7 |
| Paul D. Roman President New Jersey Local Boards of Health Association, and Chairman Monmouth County Regional Health Commission | 11 |
| Linda Mather President Forums Institute for Public Policy | 16 |
| Robert Wright Business Administrator Park Ridge Board of Education | 19 |
| Jeff Behm Vice President Operations Monmouth-Ocean Hospital Service Corporation, and Certified Paramedic State of New Jersey | 22 |
| David DeSimone Vice President Administration Monmouth-Ocean Hospital Service Corporation | 25 |
| Eugene E. Sarafin Private Citizen | 25 |
| Nicholas L. Rosal Private Citizen | 30 |

TABLE OF CONTENTS (continued)

| | <u>Page</u> |
|--|-------------|
| Vincent J. Frantantoni Representing United Taxpayers of New Jersey | 33 |
| Ray Kalainikas Private Citizen | 36 |
| David A. Henry Health Officer Princeton Regional Health Department | 39 |
| Ted Miller Private Citizen | 43 |
| Janet Leonardis Private Citizen | 46 |
| Kathleen Heath Private Citizen | 47 |
| David Huemer Member Maplewood Township Committee | 48 |
| Michael W. Campbell Tax Collector Jackson Township, and Second Vice President Tax Collectors and Treasurers Association of New Jersey | 52 |
| Ronald Zilinski Finance Director, and Tax Collector Hillsborough Township, and Third Vice President Tax Collectors and Treasurers Association of New Jersey | 55 |

TABLE OF CONTENTS (continued)

| | <u>Page</u> |
|--|-------------|
| Linda Canavan Tax Collector Borough of Saddle River and Borough of Ramsey, and Second Vice President Tax Collectors and Treasurers Association of Bergen County | 56 |
| Robert E. Dansby Private Citizen | 63 |
| Mary Testori Tax Collector Bound Brook Borough, and Member League Legislative Committee New Jersey State League of Municipalities | 66 |
| Andrew DeFonzo Member School Board Freehold Public Schools | 72 |
| Sharon Taylor Private Citizen | 75 |
| Michael Tickin Member Planning Board Roosevelt Borough | 78 |
| Jackie Gibson Private Citizen | 81 |
| Dave Makkar Private Citizen | 81 |
| Paul Byrne Private Citizen | 83 |

TABLE OF CONTENTS (continued)

| | <u>Page</u> |
|---|-------------|
| Harry Dunleavy Private Citizen | 85 |
| Rooney Sahai Representing Voiceofconsumers.com | 89 |
| Susan Vitale Representing Voiceofconsumers.com | 89 |
| Anne Newman Private Citizen | 98 |
| APPENDIX: | |
| Letter, plus attachments addressed to Dr. Fred M. Jacobs submitted by Paul D. Roman | 1x |
| Testimony submitted by Linda Mather | 20x |
| Testimony, plus attachments submitted by Robert Wright | 22x |
| Testimony submitted by Jeff Behm | 35x |
| Testimony, plus spreadsheets submitted by Eugene E. Sarafin | 37x |

TABLE OF CONTENTS (continued)

APPENDIX (continued):

| | <u>Page</u> |
|--|-------------|
| Testimony submitted by Nicholas L. Rosal | 48x |
| Testimony, plus attachments submitted by Vincent J. Frantantoni | 50x |
| Testimony submitted by Ray Kalainikas | 55x |
| Testimony submitted by David A. Henry | 56x |
| Testimony submitted by Janet Leonardis | 64x |
| Testimony submitted by David Huemer | 65x |
| Letter, plus attachment addressed to Senator Andrew R. Ciesla submitted by Michael W. Campbell | 67x |
| Comments on S-2244, by Bruce A. MacLeod, and Pie Chart submitted by Ronald Zilinski | 69x |
| Testimony submitted by Linda Canavan | 71x |

TABLE OF CONTENTS (continued)

APPENDIX (continued):

| | <u>Page</u> |
|---|--------------------|
| Testimony submitted by Harry Dunleavy | 73x |
| Testimony submitted by Rooney Sahai | 88x |
| Testimony submitted by Susan Vitale | 89x |
| lb: 1-49 rs: 50-102 | |

ASSEMBLYMAN JOHN S. WISNIEWSKI (Co-Chair):

Good evening. Welcome to the third public hearing for the Joint Legislative Committee on Government Consolidation and Shared Services.

I'm John Wisniewski. I'm one of the Co-Chairs of this Committee, along with Senator Bob Smith. We have with us tonight Senator Joe Kyriillos, Senator Ellen Karcher, Assemblyman Joe Malone, and Assemblyman Robert Gordon.

We have, as we speak, 24 individuals who have asked to testify. And if you would like to testify and you have not signed up, see one of the gentlemen seated at the table here and they will give you a form so that we could just have your name for the record. When you do come up and testify, we are being recorded to create a transcript of the proceedings like this (indicating), so it's important that you speak clearly and into the microphones in front of you.

Since we have 24 people signed up to testify, we have a five-minute time limit that we are going to try to enforce. If you have more than five minutes worth to speak, we certainly will extend to you the opportunity to speak after those who have signed up to testify have done so the first time. Also on our list tonight, we have a couple of individuals who have been before us to testify, and we certainly welcome them back and would like to hear what they have to say. But to give those who have not yet had an opportunity to speak, we will take those return testifiers at the end of our list.

To begin the hearing tonight, I would like to recognize Senator Ellen Karcher, whose district we are in tonight.

Senator.

SENATOR KARCHER: Good evening. Thank you. Thank you, Chairman.

Thank you, Chairman Smith.

Good evening. Welcome to Freehold Borough. This is the center of the 12th Legislative District. I see folks who are out here tonight from across my district. I see some people here from East Windsor. I know everyone is anxious to hear the testimony of their friends and neighbors, and I just would like to welcome you all here tonight. Someone leaned over and whispered to me that we might need some time limits tonight, because everyone is anxious to go home and see the Rutgers game -- it's a big night tonight. And I just hope that everyone can respect others tonight, as they are anxious to give their opinions and speak their mind on what we have set to do here with this Committee.

With that, thank you so much.

ASSEMBLYMAN WISNIEWSKI: Thank you, Senator.

The first individual I'd like to call up is Assemblyman Michael Panter.

Assemblyman.

A S S E M B L Y M A N M I C H A E L J. P A N T E R: Is it the middle microphone here, I guess? Yes.

I was going to first start tonight by thanking the news transcripts, because we put out a number of notices from our office to notify the public they'd have the opportunity to speak before this Committee tonight. And I guess I should have read the notice myself, because I spent 15 minutes waiting in the parking lot of Freehold Township

for the meeting to begin (laughter), before coming back here to the Borough and realizing my mistake.

But I want to thank the Committee and welcome all of you to Monmouth County; and welcome you, as Ellen did, to our Legislative District here in Freehold, and to thank you for providing our residents and many of the community leaders who are here tonight with the opportunity to be heard on this most important issue facing New Jersey.

I also want to thank Senator Smith and Assemblyman Wisniewski for affording me the opportunity to say a few words; and to specifically recognize, as the Chairman has already, my district mate in the Legislature, Senator Ellen Karcher, who I know has advocated for this meeting to be held in Freehold. And that we very much appreciate.

Our residents here in Monmouth County, like those throughout New Jersey, have demanded a solution to the property tax problem, which has forced so many hard-working families in all of our communities to reconsider whether they can raise their families in the communities that they love. And I'm sure members of this Committee have experienced time and again what Ellen and I have experienced here in the 12th District. When we speak with senior citizens who can no longer afford to live in the home where they raised their families, since their Social Security checks simply don't increase as fast as their property tax bills-- We talk with these folks every day who are forced to make choices between critical items like medication and groceries, that they have to have, or being able to pay their property tax levies.

We also speak with working families. I don't think it's unique to those on fixed income. Because many of these working families, despite

having two incomes, cannot afford to pay these escalating taxes, and hence many of them face the heart-wrenching decision of whether they have to move their families or even pull their kids out of schools that they have grown to know and that they've grown to trust.

So Senator Karcher and I share the commitment to ensuring that the residents of the 12th District have a voice in this legislative process. And I will make my comments brief, since I know the primary purpose of this meeting here tonight is to hear from a wide variety of the community groups that are here. I know we have representatives from local government and, perhaps most importantly, from the taxpayers of Monmouth County.

But the fact is, and you well know this, the taxpayers throughout New Jersey have already spoken very loudly on this issue. And the message that they sent us, and those have sent us across New Jersey, is that they've had enough with respect to our increasing property taxes. Change is long overdue, and we have to seize this opportunity to shake up the status quo. While communities here in Monmouth have worked together in a variety of ways to use their taxpayer funds most efficiently, the urgency of our property tax problem has given every municipality in the Garden State a real wake-up call. And I think we have to start thinking in much bigger terms.

Towns and school districts that are too small to financially justify their independent existence need to be combined with their neighbors. My background is in business, and I spent most of my career in the investment banking field counseling large corporations on their mergers and acquisitions. And I can tell you that in that world the impetus for

many of those decisions were that they needed to cut costs. And most of the mergers you see happening in the corporate world and throughout America are driven just by that concern. So that if our governmental units cannot do the same, New Jersey's middle class is going to continue to grow, but -- as I tell everyone -- it's going to continue to grow in Pennsylvania zip codes, because folks are moving across the border to escape an increasingly unaffordable Garden State.

And I think it's safe to say that no one in this room would like to see that happen, which is what makes it so critical that we significantly and permanently reduce our highest per-capita property taxes in the nation. It's my hope that through the work of this Committee we can confront some of these inefficiencies associated with an overabundance of municipalities, school districts, fire districts, and other government entities in New Jersey; and that we all realize that the reform measures that you and the other Committees working on this problem -- that are introduced, will probably meet with some resistance. I don't think any of them will be welcomed, by any sense, with open arms from everyone in our community.

I think that, while we have to demand any changes respect certain ideals that all of us hold to be important -- the level of service, from our first responders, our police, our firefighters, our paramedics; the educational quality of our local schools, and the local control over their curriculums, and hiring and firing decisions -- those things being the case, there's a growing recognition in New Jersey that the home rule structure that we've lived in for so many decades desperately needs to be changed. So I'm encouraged to see so many folks come out tonight to hear your thoughts and share their thoughts with you.

Now today, Senator President Codey and Speaker Roberts stated that their goal in this process was to reduce property tax bills throughout New Jersey by an average of 20 percent, through the efforts of your Committee and the others. I recognize -- and I'm not sure the public always does -- that your task has been an uphill battle, to say the least, because you're trying to tackle in three months what has been a problem for over three decades in New Jersey. But I hope we all sense the historic opportunity that we have in this session to create a better New Jersey for our children and for our children's children.

The last few comments I'd like to make-- You know, when I think about this in the grand scheme -- whether your objective in the Legislature, or your concern as a community member, is to improve the environment, or to protect our streets, to improve our educational quality or health care -- simply put, none of those efforts are worthwhile if we cannot first solve the property tax problem. Because none of those achievements are worthwhile if nobody can afford to live in the Garden State any more. So what I'd like to say is, as a closing comment, is that I hope that this Committee and other Committees looking at this problem truly can think big. Instead of advocating only what we think is practical, as has been done in the past; only what we think is politically feasible, which we've seen too often in both parties in Trenton, I think we have to advance solutions that will achieve that 20 percent property tax reduction and to put New Jersey on a path toward true affordability, which I and others have not seen in our lifetimes.

So I thank you for your time.

I thank everyone who came here to speak tonight, and look forward to their testimony.

And I know I speak for my colleague, Senator Karcher as well, when I say that our offices certainly stand ready to assist this effort in any way possible.

So thank you, Mr. Chairmen, for the opportunity to speak.

ASSEMBLYMAN WISNIEWSKI: Assemblyman, thank you for your comments. We appreciate it very much.

ASSEMBLYMAN PANTER: Thank you.

ASSEMBLYMAN WISNIEWSKI: I would also like to now recognize, for a few comments, Assemblywoman Amy Handlin.

Assemblywoman.

A S S E M B L Y W O M A N A M Y H. H A N D L I N: Thank you, Chairmen and members of the Committee.

Good evening.

No one is more keenly aware than you of the unrealized potential of shared services. And I recognize that you are on your way to crafting legislation to help unlock that potential. But I feel strongly that New Jersey can't afford to wait. No matter what legislation you eventually recommend, I believe we need to start now to change the go-it-alone mind-set of local government in our state. Without changing that mind-set, we can invent all the requirements we want and impose draconian ways to save money, which will make us in Trenton feel good; but if our towns or school districts resist them and look for exceptions, loopholes, and waivers, then we accomplished nothing.

My purpose in coming to you tonight is to make you aware of the action that we have taken in the 13th District and it's promise for the State. We began with two shared services roundtables attended by a bipartisan group of officials from towns and school boards. In planning the initial discussions, I had two goals: The first was to help governing bodies find additional partners for administrative collaboration; and the second was to inform the public that creative cost cutting can reduce the tax burden without harming the character of their communities. We were successful in meeting those goals. More important however, and the impetus for my coming here tonight, was what we achieved beyond my original hopes.

Many of the officials commented after the meeting that they had been strangers when they arrived. But when they walked out after three hours of dialogue, they felt they had established lines of communication that did not exist before. It's easy to lose sight of a basic human dynamic that's operating here. We must establish communication and a level of trust between officials. That step needs to precede legislative mandates, and that step cannot occur in the State House.

Here's one simple, homely example: One of our towns is struggling with the cost of removing trees. Before the meeting, they never thought that another town or the county would be receptive to helping them. But afterward they realized there was, indeed, great receptivity. Many of the other ideas expressed at our meetings were not vast undertakings either. But while they have not yet gotten at the big ticket items, like the resource consolidation, the smaller scale initiatives are also a piece of this very complex puzzle. For a small town, paying \$3,000 each

time they must cut down a tree adds up. If they have to remove 10 in a year, that's \$30,000 that they could have spent on safety equipment for the fire department, for example. Just multiply that among the nine towns in the 13th District. If each could save \$100,000 over three years, that totals almost a million dollars in cost savings. And if our district can do it, others can too. Imagine if everyone of our 40 districts could achieve a million dollars in cost savings over the next three years? That equals 40 million in savings, which is not small change, even by New Jersey standards.

All of this is necessary. I acknowledge it's not sufficient and, of course, we need to do more. But more will require complicated legislation which may take us significant time to enact. In the meantime, I ask you to consider a step which has been strongly endorsed by every local official who attended my meetings. Speaking of simple and homely things, they were genuinely excited about a tool that we have the ability to provide them. This tool is a new Web site in the DCA, which would fill the void that exists today and continue to help well after this Committee's work is done. In its first phase, this Web site would act as an electronic roundtable or community clearinghouse for towns across the state. A town would fill out a form and submit it to the Web site. This would give them access to information on other towns and enable them to self-search for shared services opportunities.

Phase II would create a municipal matchmaker system in which towns fill out profiles and then get matched to their ideal shared-services partners.

Phase III would require the DCA to conduct a study of the information posted by the towns in order to identify partners and needs in the communities, and report back to the Legislature.

I've submitted a bill which would create this Web site. And the towns in my district are taking action, which would be, in effect, a pilot test for it. With Holmdel taking the lead, the 13th District is applying for a DCA grant to implement New Jersey's first shared services Web site. We hope that ours will be seen as a model for what can be done for local governmental units throughout the state. Because if towns have no ownership of the process, legislative initiatives will be a harder sell. The Web site would allow towns across the state to take part in creating a new approach to government. When towns can see what other units are struggling with, they'll realize, number one, their problems are not unique; number two, the solutions can be achieved by working together; and number three, that the benefits will exceed what any one unit could accomplish alone.

We need to get our towns to the virtual table today to pave the way for a revolution in how officials work and think in New Jersey.

Again, thank you for allowing me this opportunity to address you.

ASSEMBLYMAN WISNIEWSKI: Assemblywoman, thank you for your comments. I know the Committee members appreciate your taking the time to be here.

(timer sounds) Perfect timing.

I would next like to call Nicholas Rosal.

Mr. Rosal, are you here? (no response) We will save him for later.

Paul Roman, President of the New Jersey Local Boards of Health Association.

P A U L D. R O M A N: Chairman Smith, Chairman Wisniewski, I thank you for the opportunity to come before you tonight in this historic hearing.

I understand that you've had one hearing up in Bergen County, possibly others, and we know that this process will go on.

The New Jersey Local Boards of Health Association supports the idea of shared services and consolidation where appropriate, and where meaningful, and where cost-effective. The bill, S-2244, however, creates a situation that does not provide that playing field. And we believe that public health should not be included in such a bill -- where a referendum, being presented to taxpayers with the statement that it's going to save money, is not appropriate. And public health needs to be taken out of that bill.

In consultation with Commissioner Jacobs and members of his staff, we have been working hard to effect new ideas in public health in New Jersey. And even the idea of consolidation and shared services is on the table, and working, and going forward.

I want to associate myself with the testimony given to you last Wednesday night in Paramus by John Hopper, President of the New Jersey Health Officers Association, who indicated to you that only 8 percent of New Jersey's municipalities go it alone right now in public health -- that the vast majority of municipalities in New Jersey are already involved in shared

services, and many of them in county units. But county units may not be the answer. The modern institution of public health is in trouble, and I'm here to tell you that we want to save you money, but we also need money. Public health is the most woefully underfunded part of the public health and public safety system in the United States. Sixteen dollars per capita is being spent on public health in New Jersey, 49th in the nation. Eighty-one percent of these dollars come out of local treasuries. Only 7 percent comes out of the State, 3 percent out of Federal, and we're funding our health departments on grants. And this is not the way to protect our population.

It's understandable that we want to cut costs, but let me give you a couple of facts. County health departments, which service 328 municipalities in New Jersey, cost, per capita, \$25.84, and are the least effective way and least cost efficient way to deliver public health services to our communities. Municipal health departments, where they go it alone -- and there's only 8 percent of those -- committed \$23.71. Health departments with shared services arrangements work at \$14.25. And regional health commissions, of which there are five active in New Jersey -- and I chair the largest, the Monmouth County Regional Health Commission, serving 24 municipalities -- we provide public health at the same level of service, or higher, at \$11.81; a glaring discrepancy between what can happen if it's mandated to send public health to counties, arbitrarily, where they are not now, and are efficiently working.

We agree that there are efficiencies that need to be gotten. The packets that I've presented to you tonight have a map in them and have supporting charts from the National Association of City and County Health Officials, supported by the National Association of Local Boards of Health.

Surveys have been done in New Jersey by these national organizations and their state affiliates, and the documentation is before you. New Jersey is one of those states, again, that is woefully, woefully underfunded. And because of our potential for any type of an emergency, because of our metropolitan nature -- whether it's the pandemic, whether it's bioterrorism, whether it's any other type of public health emergency from food outbreaks to anything that you can imagine -- that the public demands service. Our workforce -- our licensed workforce in New Jersey today consists of less than 600 field staff, including health officers and sanitary inspectors. And that is not appropriate. We need people in the workforce with licenses to be doing prevention -- the big *P* word that costs a lot of money. But it will save you money in the long run, and we ask that you do that.

New Jersey's numbers, because of our demographics, are high in death rates and mortality to disease and to other problems. And I say to you, again, that local government -- consolidating services and working together -- whether it's regionalization, going to a county, or whatever, but through the system that we're working on -- in fact is one which works and needs to be done.

In closing, let me tell you that we've been working with the Commissioner of Health's Office. We are working on a plan of vision to make public health more responsive. But we need your help and we need your dollars. We don't need a tax cut in this. Public health is the one thing that will protect the population.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Mr. Roman, I see you're getting up to go. Don't go. One of our members has a question.

Assemblyman Gordon.

MR. ROMAN: Was that a beep for me?

ASSEMBLYMAN WISNIEWSKI: That was the timer. That was the five minute timer.

MR. ROMAN: Thank you. I thought that was my beep.

Yes, sir.

ASSEMBLYMAN WISNIEWSKI: But Assemblyman Gordon has a question he would like to ask.

ASSEMBLYMAN GORDON: Mr. Roman, I assume when you say that these programs shouldn't be funded by grants, you're suggesting that what we need is a stable source of revenue dedicated to public health.

MR. ROMAN: Yes, sir. About two more minutes into my testimony -- we do need a uniform, stable source. The public health priority fund dollars notifications just came out. And while we appreciate the Legislature's offer to help the underfunded and to help the people who need it most, it is way, way, way lower than we need.

ASSEMBLYMAN GORDON: My question is--

MR. ROMAN: Yes, sir.

ASSEMBLYMAN GORDON: --can you suggest a source of revenue or can you point us to the way it's done in other states?

MR. ROMAN: Yes, sir. One opportunity would be that the fees that are -- where waste is taken to dumps and a surcharge on tipping fees -- that type of initiative, like the 9-1-1 surcharge on sales tax, on telephone equipment -- a dedicated surcharge. And I understand the constitutional implications, but we really believe that this needs to be done, sir. And again, even with raising a source of revenue, a nontax source of

revenue, that the public would benefit by -- directly back to the 115 health departments and local boards of health. The fact is that this money will buy prevention, cut the long-term mortality and morbidity in New Jersey, and save the taxpayers in this state money.

ASSEMBLYMAN GORDON: Thank you.

ASSEMBLYMAN MALONE: One quick question?

ASSEMBLYMAN WISNIEWSKI: Assemblyman Malone.

MR. ROMAN: Yes, sir.

ASSEMBLYMAN MALONE: If we went to the system that you currently are advocating--

MR. ROMAN: Yes, sir.

ASSEMBLYMAN MALONE: --the shared service? If, in fact, the county is spending 25 and single municipal health departments are spending 32, there is plenty of money within the system currently if we all went for the model that you're suggesting. Is that my understanding?

MR. ROMAN: Sir, what I'm suggesting is that you look at other things besides a cookie-cutter approach. The way that South Jersey counties grew up was county strong, and rural America is county strong. And we have county health departments in a large portion of the country.

In Massachusetts, where they have local health departments in every jurisdiction, they are considering consolidation too. And it's working, under a study from Boston University, where the dollars are decreasing, the efficiency is going up. So regionalization where it is appropriate and effective, and with encouragement from the Legislature to the towns -- and again, we're already doing it. We're down to 115 departments in 566 municipalities -- unheard of in several other states that grew up with

everything being in every little town. So we're really trying and we're working with the Department of Health every step of the way on this, and you'll hear more from Commissioner Jacobs, I'm sure.

ASSEMBLYMAN MALONE: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you very much. Thank you for your testimony.

MR. ROMAN: Thank you.

ASSEMBLYMAN WISNIEWSKI: Next, I'd like to call Linda Mather, Forums Institute for Public Policy.

L I N D A M A T H E R: Thank you, Committee members.

ASSEMBLYMAN WISNIEWSKI: You're welcome.

MS. MATHER: As indicated, my name is Linda Mather, and I'd like to speak on behalf of the efforts that you're doing to support shared services.

Forums Institute is a nonprofit committed to promoting sound public policy through research, education, and communication. For over a decade, Forums Institute has brought policy makers together at the state level for policy forums, strategic planning, and dialogue. Our keystone program is the New Jersey Policy Forums on Health and Medical Care, which has become the program for dialogue and discussion on health policy at the state level, as by way of background.

The consolidation of services at the municipal level should contribute, as you are aware, to the alleviation of some of the New Jersey's property tax problems. Unfortunately, the obvious is not always easy to accomplish, as you also know. What many municipalities lack is not the will to consolidate, but the vehicle or mechanism to allow them to start

talking with their counterparts. That's where an organization like Forums Institute can play a role.

The SHARE program, out of the Department of Community Affairs, seeks to explore the potential of shared services; and it provides assistance for the coordination of programs and services, as well as for meetings to discuss shared services. All of these activities rest on the coming together of people and the free exchange of information. The success of such conversations can be enhanced with the use of a facilitator and neutral convener, such as Forums Institute. A facilitator provides a number of things. One is that neutral convener. No matter how amicable two towns may be, if Town *A* has called the meeting, Town *A* is always a little bit suspect in motivation. A facilitator acts as the bridge between and among towns. The facilitator can provide an appropriate design. Because of skill and experience, a facilitator can suggest, design, and execute activities and approaches for maximum participation.

I'm always amazed that we are more than willing to spend a lot of money on a wedding planner who spends a lot of time worrying about the color of the centerpiece and the size of the font on the nametags, etc., and yet we never think of those kinds of details when it comes to public meetings or business meetings.

And finally, a facilitator can provide a point of trust. That facilitator establishes a rapport with the participants, which allows all the issues to surface in the meeting, as well as some of the controversy that is handled in the parking lot.

Let me give you two examples: We recently conducted a summit in Bergen County on the pandemic flu. Participants included

emergency service workers, municipal officials, and hospital administrators. It was clear that there were big gaps in their information and big gaps in their knowledge of each other. If the flu hits, everyone would have to be involved and would have to know just not only what they were supposed to do, but what everybody else was supposed to do.

The attendees noted that until the summit they had not had the opportunity to meet -- and you heard a similar example just two speakers ago. Many expressed a need and a desire to continue to communicate, and to enlarge the circle to include business and school districts.

We also conducted a shared service retreat in Union County. Municipal representatives came together. Given the safe harbor of a facilitated-led session, town officials were able to discuss this issue, suggest 66 possibilities -- and there was overlap, but still 66 -- and as in the Bergen summit on emergency services, asked for more opportunities to communicate with each other.

One can look at many of the variables, and you are, regarding shared services. How many towns are feasible? How many services, as mentioned, can a health department cover? However, a good part of the issues are the nonobjective ones. What is the identity of the town, what is the perceived identity of the town, where will local control reside? These are the kinds of issues that need dialogue in a place of trust engendered by an honest broker.

We urge the Committee to consider the role of civil discourse in the shared service process, and to support efforts by municipalities to come together to talk and to explore possibilities as the first step in the process.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you very much for your testimony.

(timer sounds) Perfectly timed.

I'd next like to call Vincent Frantantoni, Trustee of the United Taxpayers of New Jersey.

Sorry, he is not here. Okay. We'll call him later.

Robert Wright, Park Ridge Board of Education.

Mr. Wright?

Good evening.

R O B E R T W R I G H T: Mr. Chairman and Committee, my pack, as you will see, handed out, has two pieces -- one is my testimony, the other is examples that you can refer to, which are the numbers in my testimony.

My name is Robert Wright, and I am the Business Administrator for the Park Ridge Board of Education in Bergen County, New Jersey. I'm also a long-time resident of Bergen County and a graduate of Fair Lawn High School. I am here today to refute the testimony that was presented on October 26, 2006, by two Park Ridge residents who built the case that we should change a high-functioning K-12 district to a K-8 district, and send high school students to a regional high school -- in this case, Pascack Valley Regional High School. Not only is this contrary to what the Governor intended to do, which was to create K-12 districts, it would effectively increase the taxes of the Park Ridge residents by a substantial amount. How is this possible, you might ask? To answer your question, you need to compare two statistics -- cost per pupil and average salary.

In reviewing the most recent school report card data, you will note that the Pascack Valley Regional cost per pupil is \$15,193, which is the second highest cost per pupil in the state among similar districts. In comparison, Park Ridge's cost per pupil is only 11,561.

Next, you need to compare, for both districts, what the average pay is. At Pascack Valley Regional, the amount reported on the 2004-'05 State Report Card is \$76,380. Contrast this with the \$55,886 figure which Park Ridge has, you will find that the Pascack Valley Regional average salary is higher by \$20,494. It is also much higher than the state average of 54,940. From this information alone, it is obvious what would happen if these two schools were combined. You do not need to be a financial expert to tell you what State data already makes quite clear.

To test this theory, I have computed the cost to the Park Ridge taxpayers should they join the Pascack Valley School District. The result is that the Park Ridge's 9-12 cost per pupil would skyrocket by \$3,522, to \$17,327. To translate this into a tax impact, certain assumptions were necessary. By removing all costs of running a 9-12 program from the Park Ridge budget, and adding costs which would be assumed by the regional district as the result of the increased enrollment, the Park Ridge Board of Education conservatively estimated a \$2.7 million increase would be passed along to the taxpayers of Park Ridge. This translates into an increase of \$798 to the average homeowner. Bear in mind that this cost does not include any construction that would be needed to convert the existing Park Ridge schools into an appropriate middle school or to do much needed building maintenance on all the schools.

When you consider the above facts, it is not difficult to see why the option of regionalizing with Pascack Valley Regional is not being considered by the Park Ridge Board of Education. Contrary to what you may have heard from other residents who have testified before you, the Board of Education has made this decision based on economic and educational facts, and not because of home rule.

If Park Ridge is able to operate more cost effectively than its regional counterpart, then logic dictates that the same would be true in many other districts. This assumption is supported by the fact that there has not been a breakup of a K-12 district into a K-8, 9-12 in the past 10 years. Because of the example of Park Ridge, the assumption that combining school districts will save taxpayers money will need to be reexamined.

In trying to reduce the taxpayers burden, in many cases a simple act of legislation could lead to an enormous savings. Take, for example, the current shortage of speech therapists throughout the state. Many of these people now command upward of \$750 per day. By allowing reciprocity with other states, you will encourage competition and drive costs down.

Special education costs also need to be controlled. It is not uncommon for a student to cost over \$80,000 with transportation. This happens because Administrative Law judges routinely support parent requests for additional services and expensive out-of-district placements. Add to this, that State and Federal Governments do not fully fund any of the special education mandates, and you have the potential to cost districts hundreds of thousands of dollars each.

Clearly, there is no magic bullet to reduce property taxes. As demonstrated above, it is doubtful you will find the savings you're looking for in school consolidation. Only by engaging in dialogue such as this and speaking to the people who work in schools on a daily basis will you find the answers you seek to control taxes.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony. (applause)

I'd next like to call up two individuals who signed up together, David DeSimone and Jeff Behm, from MONOC Ambulance.

J E F F B E H M: Good evening, members of the Committee.

ASSEMBLYMAN WISNIEWSKI: Good evening.

MR. BEHM: Thank you for giving me the opportunity to speak with you tonight. My name is Jeff Behm, and I'm the Vice President of Operations for the Monmouth-Ocean Hospital Services Corporation, or MONOC, as you may have heard about us. And we're an organization that provides emergency medical services throughout the State of New Jersey. I'm also a paramedic and a resident of New Jersey, and I wanted to take the opportunity to talk to you about a looming problem that's facing New Jersey residents; and unfortunately, they don't know about it as of yet, but it is happening. And I think that this is a perfect opportunity to discuss it with you, because it is talking about shared services. But more specifically, it's talking about regionalized services.

For over 20 years, the paramedic services in the State of New Jersey have been regionalized, and it's been a very successful program at no cost to towns, counties, or to the State Government. And this running of this regionalized service has been proven to work to make sure that it

provides care to anyone who needs it. Paramedic services are available to people who are in the most life-threatening of times, the worst of times of their day, where paramedics would respond to take care of them on an advanced life-support level. And this regionalized service is provided from the cities to the shores, and from the suburbs to the urban areas throughout the State of New Jersey. Anyone who needs this service simply calls 9-1-1 and receives it. But unfortunately, this service has a bit of a crack in it and that crack is growing. And part of the reason that that's happening is the unfortunate demise of volunteers in the State of New Jersey.

Many towns, and for many, many years and decades, have relied on volunteer first aid squads in their individual towns -- a somewhat cost-free service to provide basic life support. And for all of those years, the paramedic services have been around and they've been able to receive funding for their services by the users who are needing the service. But unfortunately, because the volunteer services are somewhat having difficulty over the years, we have found that many towns have decided to look in other places for providing EMS services in their towns. And what that has done is brought up paid services in individual towns, where it's actually not needed. It's a service that could actually be regionalized, as well, in a proven fashion that has been done through the paramedic services.

These EMS services that are cropping up all over the State of New Jersey are somewhat robbing the MICU service -- which is not costing you anything in the State of New Jersey -- because they are taking that money that normally was funding the paramedic services in New Jersey, provided by insurance companies and the like, like Medicare, and taking that money for their own services, when it actually is not quite necessary.

I'm asking you just to consider what I'm saying, because this is a looming problem that's happening -- and you will hear about it, if you've not heard about it already. What we're asking you to do is to make sure that all residents in the State of New Jersey are, in fact, getting the care that they need and have access to this care that is completely necessary and has saved lives over time.

And what we're asking you to do is to consider, to look at, and support Senate Bill 2302, which is just an opportunity to save paramedic services in the State of New Jersey by allowing and making sure that this particular service stays intact. Because without it, many people will go without this advanced life support service, and people will die. And we're asking you to consider that instead of having municipalities and individual towns do their own EMS services on a basic life-support level, that they consider a proven service -- and that is the service of regionalizing that service.

We oftentimes talk about, with shared services, sanitation, law enforcement, and department of public works, and school districts. But oftentimes, emergency medical services are overlooked. And I think it's such a very important thing -- that you would want to make sure happens, and comes to you when you dial 9-1-1.

Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

Mr. DeSimone, do you have any testimony?

DAVID DeSIMONE: No. I'm fine.

ASSEMBLYMAN WISNIEWSKI: Questions from the Committee? (no response)

Thank you for your testimony. I appreciate it.

MR. BEHM: Thank you.

ASSEMBLYMAN WISNIEWSKI: Next, I'd like to call Gene Sarafin.

EUGENE E. SARAFIN: Good evening, Co-Chairmen, members of the Committee. My name is Gene Sarafin. I live in Hightstown, New Jersey. I'm giving to you those wonderful things called Excel spreadsheets, which probably drive some people nuts, but--

It all came about when I tried to figure out how I could merge Hightstown and East Windsor. As you know, it's the hole in the doughnut. The DCA does not have figures on municipal budgets, but if you mined your data you can find -- as you'll see in that spreadsheet -- you can acquire municipal tax revenue and other revenue; and add the two up together, you get the total revenue of all 566 communities in New Jersey, which is fascinating. Then go to another Web site and you get the population, and you divide the two, and you get a per capita cost of government. I thought that was marvelous. I now know the per capita cost, and I thought, wow, this is the savior. I can now figure out if we can save money by consolidating.

But before I go into that, let's just look at the overall figures from the cover page. You have 8.7 million people in New Jersey. Roughly \$10 million is in municipal budgets, 5 million is in tax revenue, and 5 million is in other revenue; other revenue, meaning State aid, at one point 7 billion; the courts, and fees.

We have equalized rateables in New Jersey, from the DCA site, of about 1 trillion dollars -- exact is 962.966 (*sic*). If you divide two -- you could set a statewide property tax of 50 cents per hundred and wind up with 206 communities in New Jersey who are below 49 or 50 cents, raising their taxes to 50 cents; and the other 306, whatever it is, would have a reduction in tax. Hightstown would go from \$1.30 to 50 cents. If you look at those numbers there, you'll see tax rates up to \$16 a hundred. But it's something you'd consider as a first step in consolidation and equalizing of -- and sharing of services. And the reason I say that, if we're all in the same boat together and we don't have to compete with each other for rateables, we don't have to go through all the madness, we would then spend more time in looking at how we can better serve our fellow citizens with more efficiency.

Right now, there's no motivation for efficiency. East Windsor is 48, we're \$1.30. Can you imagine the Mayor of Hightstown negotiating with the Mayor of East Windsor to come up with some sort of formula, what they should pay for things? You can't have shared services when they have no way to figure out what they should charge police. It's a matter of, like, being half pregnant. We either consolidate all services or we pass a law that audits the cost, as we do in the school systems.

In the schools, if I have a sending district, I charge them an audited cost. We don't have that legislation now to protect us in terms of doing shared services. I'd like you to consider that -- legislation that says audited costs will be used when you share services, not a battle between two mayors, which we've done for the last 10 years.

But back to my spreadsheets; the spreadsheets are fascinating. I don't know if you've seen these things before. I went to the Web site and it's a mystery why we don't have all State budgets on the DCA Web site. But this is sufficient to know at least the local budgets. It would be nice to know, in terms of shared services, what each community's police costs are. If we share services, it would be nice to see statewide figures for various costs for communities. We don't have that.

So really, to solve a problem, you have to define it. To define the problem, we need more data. Not that I need bigger spreadsheets, but it sure would help if you get the DCA to pick some specific elements, such as the cost of police for 566 communities, the cost of other key things -- the cost of legal fees, the cost of engineering fees. The biggest -- the police is 50 percent -- and then you can go on from there. The cost of public works, garbage, etc.

So those are some of the things that I would like you to consider in your legislation. If we're going to have shared services, at least come up with a way that I can get a fair charge from what we get from another community.

Thank you for your time.

ASSEMBLYMAN MALONE: Could I just ask a couple questions?

ASSEMBLYMAN WISNIEWSKI: Assemblyman Malone.

ASSEMBLYMAN MALONE: Yes.

What's the population of Hightstown?

MR. SARAFIN: Hightstown is 5,297 in 2005, East Windsor is 27,000 -- just to give you some numbers.

ASSEMBLYMAN MALONE: Well, let me just ask a couple of questions, rather-- What's the number of police you have in Hightstown?

MR. SARAFIN: Hightstown -- there's one per 500. We have 14 police.

ASSEMBLYMAN MALONE: They have 14 police.

MR. SARAFIN: East Windsor has 50.

ASSEMBLYMAN MALONE: Fifty.

Let me ask you a question. If East Windsor took over your policing, is that possible?

MR. SARAFIN: Yes. I've talked to the past two chiefs. They need four officers each, because they cover the town on four sides. They zone it in four zones. So they basically -- the chiefs said they'd need four. But you have to do it first to really know if that works. We still have a thing called a *level of service*.

I have a relative in Pennsylvania, in Malverne, they have one per 3,000.

ASSEMBLYMAN MALONE: Okay. But let me-- So, they have 50 police in East Windsor--

MR. SARAFIN: Yes.

ASSEMBLYMAN MALONE: --and you have 14?

MR. SARAFIN: Yes. We can reduce it by 10, or a million dollars.

ASSEMBLYMAN MALONE: Okay.

MR. SARAFIN: We can reduce our police costs by a million dollars. But that's getting half pregnant. If you look at it another way, we could go from \$1.30 to 48 cents, with \$200 million dollars, and we wind up

paying a million dollars instead of raising 2.2 million. We would save 1.2 million by consolidating our service with East Windsor. That's a lot of money. And if you go on a per capita basis -- all I did was take East Windsor's per capita cost, which is in there, multiply times 5,300, come out with a total, and go through the equalized value, and you come out with a formula. But that's-- Your staff-- If you're going to do work on this thing, get your staff to play with these spreadsheets. I've had enough of spreadsheets. (laughter) I've got two (indiscernible) of spreadsheets. But which -- we would save a tremendous amount of money. But that's not always the case.

ASSEMBLYMAN MALONE: Well, you brought up Hightstown, you brought up East Windsor. It's obvious that if you can get together with East Windsor there could be a savings on the police department--

MR. SARAFIN: Absolutely.

ASSEMBLYMAN MALONE: --and every other function that you do, because of the hole in the doughnut concept.

MR. SARAFIN: If you gave us a formula, I'd prefer to consolidate everything. But if you gave us a rule that -- account audited costs of what we use.

ASSEMBLYMAN MALONE: So you're pro consolidation?

MR. SARAFIN: Absolutely.

ASSEMBLYMAN MALONE: Okay. All right.

Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Thank you, Mr. Sarafin.

Nicholas Rosal, who I called earlier, I'm told is now here.

Mr. Rosal, thank you.

N I C H O L A S L. R O S A L: I'm sorry I'm late. I've been looking for the place; walked around town.

ASSEMBLYMAN WISNIEWSKI: Well, it a nice town to walk around.

MR. ROSAL: My name is Nicholas Rosal. I live at 33 Heritage Drive, in Edison. The purpose of this testimony is to recommend several ways to amend existing laws and bills, including Assembly Bill A55, to make school district budget processes transparent and help reduce property tax. I hope these recommendations, which are underlined on these written sheets, will be considered favorably by this honorable Commission (*sic*).

Bill A-55 requires that the budget, after its adoption, must be provided to the public for inspection on a governing body's official Web site, if any exists. This provision turns the budget upside down. The budget should be provided to the public on the governing body's Web site for inspection before, not after adoption, so that taxpayers can input into it, as appropriate. The public inspection after board adoption has the effect of ramming the budget down the taxpayers' throats. It is anomalous and is tantamount to the proverbial phrase *closing the barn after the horses are out*.

My second recommendation is this: Before adoption, taxpayers should be given reasonable time -- two weeks or longer -- to study the budget. The proposed public study time is a meaningful opportunity for taxpayers to suggest any item of importance that might have been missed by the budget preparers. But equally important, and possibly more important, is the taxpayers opportunity to discover fat and unnecessary expenditures that, in many instances, merely please groups with vested

interests, such as the administration, and even PTAs; and teacher, police, firemen unions.

Recommendation three: It is good sense to place the budget on an unofficial Web site. However, since not all taxpayers can access a Web site, for lack of computer skills or otherwise, boards should publish in local newspapers, in addition to placing in a Web site, the complete proposed budget, including every line item, for public scrutiny and debate. Line items can and do embed inflated expenditures, duplication, and hidden costs that give rise to more taxes. You can have school exsuperintendents and business administrators confess to this. They know it, too.

Recommendation four: Educating the taxpayers on the budget, including line items, through workshops and meetings, to be held on school and public library premises by school executives, should be mandated to help ensure that taxpayers understand what they are asked to pay for. Individual board members themselves -- as one school business administrator told me a week ago, many board members don't even understand the budget -- should understand or demonstrate that they understand the enormity and seriousness of the tax burden they are asking people to consent to bear. As a former President recently said, "This country was founded on the consent of the governed."

Recommendation number five: Summaries and aggregated appropriations by service type, as called for in A-55, can hide inflated costs and unnecessary appropriations, and therefore must be avoided. Instead, complete budget information, including line items, should be provided to the public on the governing body's Web site and in the local newspapers for the sake of budget transparency. Taxpayers looking into line items could

find some funny appropriations like what I discovered in a local school budget -- a \$30,000-line item for lumber -- for what? -- and \$25,000 for tools every year. Also, one could find individual salary increases by the thousands for superintendents and aides. (timer sounds)

ASSEMBLYMAN WISNIEWSKI: Mr. Rosal, that's the five minute timer. I'll give you a little leeway to wrap up, but we've tried to keep all of the individuals testifying to five minutes. So if you could try to summarize the remainder of your testimony.

MR. ROSAL: Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Thank you.

MR. ROSAL: But let me just review my last paragraph here.

ASSEMBLYMAN WISNIEWSKI: Sure.

MR. ROSAL: You have copies of my recommendations. So these recommendations spring from the conviction that budgets should be constructed on the basis of thorough and efficient principles. May you stand on those principles that, in effect, will bring you on the side of the angels. And angels there are. As affirmed by my former theology professors at the Pontifical Seminary of the Philippines. But I caution you. Dr. MacDougal, my former journalism professor and author of the book, *Nature of Public Opinion (sic)* wrote: "In public, many leaders are on the side of angels; in private, they are somewhere else." (laughter)

As you try to bring tax relief to the populace, may you firmly stick with the angels so that some day they will happily fly you to heaven.

Amen.

ASSEMBLYMAN WISNIEWSKI: Thank you very much.
(applause)

Questions?

ASSEMBLYMAN MALONE: Well, what else could you say? I'm going to fly with the angels. (laughter)

ASSEMBLYMAN WISNIEWSKI: Thank you, Mr. Rosal.

Also, someone I had called earlier, but was not here, that I'm told is here now: Vincent Frantantoni, of the United Taxpayers.

V I N C E N T J. F R A N T A N T O N I: Good evening, ladies and gentlemen, and guardians of our tax dollars. I'd like to thank Senator Smith's staff for assisting me in getting these 12 proposals that I could review for this testimony.

Thirty years ago, I was a young man just starting my own business -- three-year-old business, and the late Sam Perelli had called me about the proposal to institute an income tax. I was in that crowd on State Street protesting the income tax, and we knew it wasn't going to solve the problems. I was also in the crowd at State Street under the Florio revolution, which produced a bunch of so-called *reforms*. I also attended many hearings when Commissioner Klagholz was named Superintendent of Schools, and we had all these school reforms that were supposed to reduce our taxes. And here we are, still trying to cut our taxes.

After reading the 12 Assembly and Senate bills this panel has developed, I concluded it's just another insult to the hard-working taxpayers of New Jersey. These 12 proposals increase spending, create more bureaucracy, and will not reduce local property taxes one thin dime. Once again, the Trenton gang of 120 exposes their disdain for the taxpayers, and they continue to cater to the special interest groups that feed at the public tax-dollar trough.

For starters, Assembly Bill 50 appropriates 34.8 million for the Municipal Efficiency Program (*sic*) Aid Program, taxing us an additional 34.8 million, and combining it with the word *efficiency*, is an oxymoron. The sales tax, the income tax, the lottery and casino taxes, the hundreds of new and increased fees and regulations have pumped billions of our tax dollars into the hands of public officials and employees over the last two decades. Show me one example of efficiency. Most of the other 11 bills simply create more commissions and boards with more highly paid positions.

Assembly Bill 53 proposed to move school elections to November, but eliminates the public's right to vote on school budgets. Rather than deny the taxpayers the ability to vote on their school budgets, the Legislature should expand our rights to voting on municipal and State budgets. (applause)

The New Jersey Legislature was guilty of nonfeasance when it allowed the New Jersey Supreme Court to order 8.6 billion in school construction funds, in violation of Article VIII, Section 2, Paragraph 3 of our State Constitution. And we all know how efficiently that money was consumed. You all rolled over and closed your eyes when the Supreme Court ordered preschool for 3- and 4-year-olds, also in violation of our Constitution, which states that the Legislature must provide education for children "between the ages of 5 and 18 years old."

Rather than create county school boards, you should be following the lead of other states and eliminate county government and the onerous layer of taxation they impose on us. Do any of you have the courage to eliminate that patronage mill called *county government*?

There are ways to reduce property taxes, but strangely they do not appear on your list. The Governor and you have a report created by a task force on government salaries, pensions, and benefits. Can any of you find that report? Why are none of their proposals part of this panel's suggestions? Government salaries and benefits are the major reason for our high taxes. The dramatic increase in municipal aid has only allowed local officials to raise salaries and benefits to a level that would never, never have been tolerated if those funds came from the local property tax.

The rebate program is a scam that taxes us at various levels, and a year later sends us part of our own money back without interest. Eliminate the rebate program and you can reduce your State budget by almost \$3 billion. Eliminate municipal aid and watch how local taxpayers will tar and feather their local officials if they try to fund their out-of-control spending only with local tax dollars. Stop being the bag man for local officials.

Residents and businesses are fleeing New Jersey to escape the outrageous State, county, and local taxes and the myriad of fees and regulations. You are the Legislature, you make the laws, you approve the budget -- not the Governor, not the judges. (timer sounds) I have just -- less than my paragraph--

ASSEMBLYMAN WISNIEWSKI: I know you've got half a paragraph, so I'll let you--

MR. FRANTANTONI: Yes.

It is time to follow the lead of big business -- General Motors, Ford, the airlines -- they're increasing productivity, laying off employees, streamlining operations, reducing or eliminating benefits in order to survive.

The other problem is the blatant corruption at every level of government. It is almost daily that a public official or employee is convicted. In Essex County, our last two county executives went to jail.

Legislators, please, I beg you, on behalf of the citizens of New Jersey, do the right thing: cut spending, save New Jersey, do not create more bureaucracy, and stay out of the bed with union leaders.

Thank you very much. (applause)

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

Next, I'd like to call Ray Kalainikas, Manalapan.

Good evening.

RAY KALAINIKAS: Good evening.

I would like to read -- which is being passed out -- I'd like to read into the record what I would regard as a four-point plan for property tax relief. But before I do that, I regard, as one of the best kept secrets in the state, perhaps in the country, the understanding that when you expand the boundary lines of government in terms of population, the individual citizen has less control and the people in government have more control. If I go before a governing body representing 250,000 people -- I think Jersey City is in that vicinity -- and I object to a tax dollar being put out of my pocket, I may get a smile, and a pat on the back, and thank you. But if I go before a governing body representing 3,000 people and I object to a tax dollar being pulled out of my pocket, I know they will listen and I may have an effect. And that's a very important piece of understanding in this whole consideration of property tax relief.

I think what I'm telling you is, I am somewhat opposed to consolidation; I am somewhat opposed to regionalization. The people in government understand this particular understanding that I'm speaking of. This is why they like the idea of consolidation and regionalization, because the people in government can take money out of our pockets and they know when you regionalize and you consolidate, the citizen has very little control to stop that dollar leaving the pocket. I want you to keep that in mind.

I will read to you a different understanding, perhaps, from what you're used to for property tax relief.

Number one: A freeze on any increase in taxation -- namely property, income, and sales -- a freeze on any increase in fees and a freeze on any increase in borrowing. The burden of government extortion must shift from the increase button to the decrease button. If those in government refuse to decrease the burden, then the people must demand the burden be decreased.

Number two: The manner of decrease is to come about by replacing money with service. When a government position funded by property taxation becomes vacant due to retirement, leaving for another job, etc., the position will be filled by a property taxpayer who will work the position until his or her property tax burden is complete for the tax year. This also ensures that no one will ever be subject to losing a house and property due to an inability to pay tax dollars.

Number three: Replacing money with services means the position filled will always be at starting salary and the elimination of all benefits -- namely health insurance, pension, paid holidays, etc. As service

replaces money, the tax burden each year will decrease accordingly. First the property tax will go, followed by the income tax, and finally the sales tax.

Realistically, before I go to point number four, to apply something like this, let's take the obvious. Building and grounds: Just about any citizen can fill that position -- cutting a lawn, doing janitorial work within a building. If I can't pay a property tax and I say, "I cannot give you tax dollars, but upon the retirement of this individual, I will fill that position until my property tax burden is fulfilled" -- it may take five or six property taxpayers to do the job over a whole year -- but each property taxpayer will fill his or her obligation. Without paying tax dollars, we're taking tax dollars out of the public trough and filling it with government service. This is a radical notion, I understand that. But if you look at this carefully, you'll realize it solves your problem of pensions, benefits, and so on. (timer sounds)

The last point, since I see five minutes is up, with service replacing money, municipalities and counties will increase in number while the populations of municipalities and counties will decrease in number. The State will only have the responsibility of governing that which cannot be handled by the county, and the county will only handle that which cannot be handled by the municipality. The larger the boundary lines of government in terms of population, the less control for the individual citizen and the more control for those in government. For this reason, municipalities and counties must not go beyond a certain population. Failure to do this leads to a lack of control by citizens, and corruption on the part of those in government.

The understanding is really very simple. Part of the solution is very radical -- substitute service for money.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

Dave Henry, Princeton Regional Health Department.

D A V I D A. H E N R Y: Good evening, Co-Chairs and Committee members.

ASSEMBLYMAN WISNIEWSKI: Good evening.

MR. HENRY: Thank you for hearing my testimony tonight. I come to you as both a resident of Jackson Township and also the Health Officer for the Princeton Regional Health Department.

The Health Department in itself was started in 1880. Our first year of regionalization started in 1895, and on and off over the years we have shared services between Princeton Borough and Princeton Township, until in 1976 we became a Regional Health Department and a Regional Board of Health. We are not opposed at all to regionalization, because we have 30 years of experience with regionalization. We estimate that we save approximately \$200,000 a year from that savings. We work as efficiently as we can. Again, we are one of 115 local health departments, and I would ask the Committee to actually take a closer look at the successes of the regionalization and consolidation of the local health departments in the State of New Jersey.

If you look at how much I receive from State funding for the benefit of regionalization, this year I received \$6,721 from the State to continue to be a regional agency. That is very little money to continue

regionalization in this state. I would also like to call your attention to the fact that we provide a wide variety of services, not only my department, but all the departments.

As I mentioned, I am a resident of Jackson. I'm very satisfied with the services from the Ocean County Health Department, because it's comforting to know that just by picking up a phone I can call and get some services. And I bring that same type of feeling for service and efficiency to my operation in Princeton. I would ask that you would consider and take a closer look at the proposed Senate Bill 2244. It is an interesting piece of legislation. And as I said, we are not opposed to consolidation or regionalization, but I would ask that you take a closer look at the proposal to remove the statutory protections that you have for the public health workforce. The public health workforce needs to be expanded, as opposed to being decreased.

Currently, I have four full-time employees and three part-time employees, actually. And one of my full-time employees includes animal control. I don't know if people have given you testimony in regards to animal control, but part of this legislation, as well, has asked that animal control be placed on a county basis. I find that the responsiveness of both local health departments and animal control services is best addressed at a local level -- in my particular case, from a regional standpoint for Princeton Borough and Princeton Township -- because we can efficiently and quickly handle day-to-day minor crises such as rabies control, West Nile virus, communicable disease investigations. So I would strongly ask that the Committee consider the variety of public health and actually the success of public health in its current 115 local health departments.

Will there be further regionalization of the local health departments in the future? Obviously, there will be. But what happens, just as in 1895 and in 1976, people got together and decided, in the best interests of their community, that a reasoned, well-thought-out approach to consolidation is really the best approach.

And I thank you for this opportunity. And any questions?

ASSEMBLYMAN WISNIEWSKI: Thank you, Mr. Henry.

Assemblyman Gordon.

ASSEMBLYMAN GORDON: Mr. Henry, we have not received any testimony about animal control and the proposal to move that to the county level. Could you elaborate a little bit about -- on the downside of that proposal? Why should animal control stay at the local level? Is it response time, primarily?

MR. HENRY: Actually, it is response time. Because just as you have local police who can respond to your local communities, the wider you spread out the service area for animal control, it will reduce your response time.

In my particular case, I have one animal control officer that serves 30,000 people. So that's a big responsibility. And by expanding that too far, you lose responsiveness, especially in a situation where somebody is bitten by a rabid animal, or something like that, and we need to respond quickly to try and capture that animal and take it down to the State Department of Health.

And if I may, we also are responsible for part of the deer management. If you noticed earlier this year, there was a consolidated deer management service that was turned back on the local municipalities. So in

this next budget year that I'm preparing currently, I have to put money in both the Township and the Borough budgets to cover for dead deer pickup, something that we had not had to burden taxpayers in the previous -- last year. So there are certain instances where animal control, local public health need to respond to local issues quickly and efficiently. And we believe in the continuous improvement part of government, just like in the auto industry, trying to make each dollar stretch as far as possible. Constantly, we look for ways to have a more efficient service, how to provide a better service to our community. And we just think that this bill will -- it may be a detriment to the public health structure in the State of New Jersey.

ASSEMBLYMAN GORDON: Thank you.

ASSEMBLYMAN MALONE: Mr. Chairman, just one question.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Malone, please.

ASSEMBLYMAN MALONE: Yes.

Mr. Henry, you're one of my constituents. I very much appreciate your testimony. I'd like to, maybe, follow up with you sometime in the next week or so and have a more in-depth conversation. But I very much appreciate your testimony tonight.

MR. HENRY: Okay, thank you.

Can I leave my card with someone?

ASSEMBLYMAN MALONE: Sure. Okay. Marcia is my legislative aide, so if you could--

MR. HENRY: Okay. Sure.

ASSEMBLYMAN WISNIEWSKI: Somebody will take it from you. (laughter)

MR. HENRY: Okay. All right. Thank you very much.

And thank you very much for your time.

ASSEMBLYMAN WISNIEWSKI: Thanks for your testimony.

Ted Miller.

T E D M I L L E R: Well, first I want to thank you all for allowing me to have this opportunity. I'm a resident of Freehold Borough. I'm a father of three. I have -- my children are going to the Freehold Borough schools, and I think-- I made some talking points, but one thing that I'm a little concerned with -- question of -- is again with this A-53, where it says, "eliminates the vote on school budgets."

And I think what you should all be aware of is this last March-April, when most of the state had their school budget elections and there was an overwhelming majority of school boards where the population, where the voters said, "No." It's what happened here in the Borough -- 580 against the budget, 200-and-something -- so it was a significant -- in favor of the budget. So it was a significant response by the community to say we don't like this budget. And that was twice, two votes, and that was a significant amount of response by the community to say "No" to the budget. But my understanding is, and this is my point in terms of the way this -- my understanding is, down to the way the system is broken, is that if the State Department of Education mandates certain requirements for each school district and the town says, "no" twice, the school board has the option to go back to the Department of Education and have them overturn the vote.

Now, I guess -- and that's what happened here in the Borough. My taxes are going up -- and it wasn't even a close vote, right? My taxes are going up because we voted twice against the budget, but yet the system is broken. All right? So this A-53 kind of eliminates my angst by just giving -- taking away my need to even -- on my option to even vote in favor or against the budget.

My other point is, the lion's share of where our property taxes are going to is in the school budgets, across the board; and when the State Department of Education makes certain edicts, but yet require schools to do things, but yet there's no funding. All right? So then it has to go back to the local taxpayers -- all right? And we're saying, "No," and we're saying, "That's not fair." And the reason why that's not fair is, I understand there's -- what? -- about 200-plus school districts in the state.

ASSEMBLYMAN WISNIEWSKI: Six hundred.

MR. MILLER: Pardon?

ASSEMBLYMAN WISNIEWSKI: More than 600.

MR. MILLER: Six hundred. And how many of them are Abbott districts?

ASSEMBLYMAN WISNIEWSKI: Thirty.

MR. MILLER: Thirty-one. So out of 618 districts, 31 get 50 percent of the school budget? That's wrong. That's wrong. All right? And we can talk about regionalization and we can talk about all different means in which we need to readjust how schools are managed. I think, really, the question is, do we need Abbott districts? Because if you look at those Abbott districts who get the lion's share of the money, they're still failing.

So that money isn't really giving them a benefit, and it's all on the back of the taxpayers in the other school districts.

So I'd like to see some legislation that really addresses why we need Abbott districts at this point. It's a proven failure. All right? Hands down. All right? And every time I vote against my school budget, because I can't get the money, it goes to Newark. With what I understand, the superintendent gets a rented car. All right? A leased car. All right? They get lots of perks. I understand they have some very fancy offices. They have a budget for nice art. All right? But yet, my taxes go up and my school district suffers.

Now, I do, on the other hand, kind of like the idea of -- a number of reasons -- for regionalization. If you look at the way this district is regionalized -- from the high school level, right, Freehold Regional is regionalized with the Township, as well as Howell, as well as Colts Neck, as well as Marlboro. That could work out very well if you did the same thing -- it works out well in the regional -- why not just have one greater regional K-12 district in Freehold, and call it the Freehold Regional? All right?

The problem is, if I lived in Howell today, or if I lived in Colts Neck, I don't want-- (timer sounds) I'll be very quick. I don't want that regionalization, simply because, if you look at No Child Left Behind -- which is something else that needs to be addressed and how that impacts schools -- I don't want Freehold Borough K-8 in a unified school district because we've got nailed twice so far. All right? So if I'm in these other regions and I want to regionalize, why do I want to pull in this other group that's going to pull me down? All right? It makes no sense. And ultimately where that also impacts is my property tax, my property value. Right? If I

go to move to a new community, the first thing people are looking at is, “Well, how good are the schools?” So in terms of regionalization, all right, there’s a couple of issues that need to be looked at -- is how do we--

ASSEMBLYMAN WISNIEWSKI: You’ve run over time, so--

MR. MILLER: Okay.

ASSEMBLYMAN WISNIEWSKI: --if you want to summarize.

MR. MILLER: Oh, I can keep summarizing. (laughter)

ASSEMBLYMAN WISNIEWSKI: I’m sure you can.

MR. MILLER: I appreciate the opportunity, and hopefully my input was something that you’re all going to take note on. And I appreciate this opportunity.

ASSEMBLYMAN WISNIEWSKI: Thank you for your input. We appreciate it as well.

MR. MILLER: All right. Thank you.

ASSEMBLYMAN WISNIEWSKI: I’d like to call up -- I think they are together -- Janet Leonardis and Kathleen Heath, who are members of the Council in the Borough of Englishtown.

JANET LEONARDIS: Hi. Good evening.

I just want to clarify that. I’m not here as a member of the Council. I’m here as a taxpayer in Monmouth County.

ASSEMBLYMAN WISNIEWSKI: And you are?

MS. LEONARDIS: Janet Leonardis.

ASSEMBLYMAN WISNIEWSKI: Okay. Thank you, Janet.

MS. LEONARDIS: I sent a written testimony, so I’ll be very brief, in the interest of time. The gist of it is, the smaller the community, the more help they need from the State to tackle some of these issues. The

smaller the community, the more it becomes an emotional issue, instead of being looked at as a business issue, when you're talking about consolidation.

I believe that if consolidation makes sense, that most taxpayers and voters would support it. What we do need, and what I don't seem to be able to find, is a way to get the information to understand when and where the consolidation makes sense, particularly in a town like Englishtown. You've got 1,800 people surrounded by 30,000 in Manalapan. We can't be expected to put the same resources behind doing studies and investigating things as Manalapan, but yet sometimes the State puts us in that position or expects us to be able to do that.

So I commend you on your efforts to look to reduce the taxes, to deal with the property tax issue. I don't know that a lot should be mandated; but minimally, studies should be done to provide the taxpayer with simple-to-understand information as to what they have to gain or lose when they consolidate specific services.

Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Thank you. Thank you for your testimony. I appreciate it.

Is Kathleen Heath here?

KATHLEEN HEATH: (speaking from audience) I'm just a resident.

ASSEMBLYMAN WISNIEWSKI: Okay. Thank you.

I'd like to, next, call David Huemer, who is a Councilman, Maplewood Township.

Councilman, welcome.

D A V I D H U E M E R: Mr. Chairmen, honorable members of the Joint Legislative Committee. I'm David Huemer. I'm a member of the Township Committee in Maplewood. I want to thank you for your attention and your hard work on the important subject of consolidation and shared services.

Maplewood is a fully developed, largely residential community, about 24,000 residents in 4 square miles, a municipal budget of \$31 million. According to *The Star-Ledger*, our tax trauma index ranks as the 28th worst out of New Jersey's 566 towns. So our residents greatly desire any governmental efficiencies that result in a lessening of their tax burden. And we do a lot. We share a tax assessor with Springfield, we share building inspectors with Millburn and with Union, we share fire mutual aid agreements with South Orange and Irvington, we share fire training and dispatch with Irvington, we share our schools with South Orange, we're a member of the Joint Meeting of Essex and Union Counties for sanitary sewers, we are in at least three purchasing co-ops, we're in a joint insurance fund, we're in a technology consortium, and we're in a benchmarking consortium. We've spent the last two-and-a-half years working with three different consultants on ways of increasing shared services with South Orange.

Despite our tax burden, despite our strong efforts to share services, the voters of Maplewood on Tuesday resoundingly rejected a local ballot question that would have established a municipal consolidation study commission under N.J.S.A. 40:43, the Municipal Consolidation Act. The vote was 3,935 against, 2,015 for it. It passed in South Orange about three to two. I voted against it. I urged other people to vote against it. Why

would the residents of one of the most tax-stressed communities vote against establishing a municipal study commission? And the simple answer is, it's a bad deal for Maplewood. And the reason, under current State law, it's a bad deal, is because of the greatly different financial picture and budget of the two towns. We spend about \$1,400 per resident on municipal services; South Orange spends 1,967. We are \$1,485 in debt per resident; South Orange has 3,536. We're not a Civil Service town; they are a Civil Service town.

So merging with South Orange, under current State rules, our taxes would almost certainly increase in Maplewood. So we voted "no." And the irony, of course, is that probably the total municipal tax burden of all the residents of the two towns combined would probably go down. But under current State practice, the distribution of those savings would be grossly unfair. And there are many contiguous towns in New Jersey that have vastly different financial pictures, municipal budgets, debt loads, and labor contracts. And this is a central issue to the success of any voluntary system. Personally, I strongly urge you to make it a voluntary system, because I think mandatory consolidation violates home rule, violates basic enfranchisement and self-determination.

But I think to succeed, any voluntary program has to do three things. It has to directly address the financial consequences of consolidation for the currently existing communities, it has to facilitate the merger through the expertise of State employees and through the cutting of regulatory burdens or hurdles, and it has to fully incentivize the community that has the lower municipal costs and lower tax burden. Because if you

don't, well-run communities like Maplewood -- which often have a very strong local identity -- will chose to remain as they are.

Thank you for the opportunity to testify.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

SENATOR KYRILLOS: Chairman.

ASSEMBLYMAN WISNIEWSKI: Yes, Senator Kyrillos.

SENATOR KYRILLOS: Can I ask a very quick question, if I could, of the Committeeman?

Why did you choose South Orange as a partner? Is it geographically the most logical place? Were there other partners to choose from?

MR. HUEMER: Geographically contiguous. We share schools already. We were once one community. We actually broke off in 1904. But originally, in the 1870s, out of the Newark land grants, it was one community -- South Orange and Maplewood. So there's a natural affinity. We share a lot of volunteer efforts. There are things that cut across the community, most notably the schools.

SENATOR KYRILLOS: Thank you.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Malone.

ASSEMBLYMAN MALONE: Are your residents complaining about their taxes, or do they want--

MR. HUEMER: Oh, sure. (laughter)

ASSEMBLYMAN MALONE: So what is the solution to your tax dilemma?

MR. HUEMER: Well, when I moved to Maplewood in 1988, we got 21 percent of our school budget from the State. We now get under 7 percent. One out of six of our kids are on free and reduced lunch. But our median income -- and because we are in Essex County -- puts us as an I District. So we get it on both ends. We're an Abbott rim district. Sixty percent of our entering students come from Abbott districts. We get none of that State aid when they enter. They have the same needs they had the day they left Newark and Irvington, and moved to Maplewood. We have the same responsibility and -- moral responsibility and duty to educate these children. And we get one-twentieth of the aid Irvington gets per student.

ASSEMBLYMAN MALONE: What's the average assessment of a home in Maplewood?

MR. HUEMER: Well, we're at 262, but our equalized ratio is 57.

ASSEMBLYMAN MALONE: What would a person having a house assessed at 262 be paying in taxes?

MR. HUEMER: About \$11,000. Even by New Jersey's standards, we have really high taxes.

ASSEMBLYMAN MALONE: Well, I pay close to 13, and I'm assessed at 235.

MR. HUEMER: What's your equalized -- though?

ASSEMBLYMAN MALONE: We're probably about 65 percent.

ASSEMBLYMAN WISNIEWSKI: Any other questions? (no response)

MR. HUEMER: I want to just-- At the risk -- because this is something that occurred to me afterwards. This is a way of backing into a third rail issue here, because I'm talking, really, about equalized tax rates, which seems to be dead on arrival every time it's mentioned in the Legislature. I think it's profoundly immoral that there is a 3,000 percent differential in the real tax burdens of adjoining towns. Millburn's tax burden is less than half of ours, Newark's is less than half of ours. I see no reason why the school children of Maplewood are entitled to have less spent on their education and their taxpayers pay more than towns that are both richer and poorer than us, that are right next to us.

So I think you should address equalized tax rates. And if you don't do it, you're not going to get anyone to voluntarily consolidate unless they're almost identical to begin with. (applause)

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

Michael Campbell.

M I C H A E L W. C A M P B E L L: Thank you very much for allowing me to speak before the panel here.

I'm going to be talking about Senate Bill 2244 exclusively. I have two pieces of information before you.

First, I'll use the letter from my colleague, Joe Regatts, from Lacey. Joe Regatts put together a snapshot of what the taxpayer pays in Lacey Township, and where the actual money goes, with the local portion being \$300-some-odd out of an over \$4,000 tax bill, and the portion of the school taxes being almost \$2,800-\$2,900 out of that portion.

I won't really speak too -- in detail about his letter. But the point is, for property tax to be severely reduced by 60 to 70 percent -- if you just take the educational portion out of it and fund it -- some other method. I get these calls all the time about seniors looking for a more equitable way to pay their share of school taxes. That would drop property taxes drastically.

The point I want to make about S-2244 -- is consolidation better or worse? It appears to call for a vote to take the action, and then leave it up to the State to determine how it is going to be accomplished. It does not give the voters the information as to whether it's the best way to do it, whether it's the most cost-effective way to do it, how much it will cost upfront -- and there will be an upfront cost to do this -- the transition -- what their services will look like when it's all done.

And I thought about how to convey this to you, on my day-to-day basis of what I do for these local taxpayers, that I consider my residents -- even though I don't live in Jackson Township, I live in Toms River. But once I work for a township, these people are my residents. And just today, alone, I got a call from a lady in a wheelchair who was worried that if she mailed her tax payment today, it wouldn't make it by the end of the grace period, and she would be charged interest. I had an errand to run to the bank for municipal purposes. And I said, "I will come by your house," -- which is only a few miles away from the bank -- "and I will pick it up for you."

I had a gentleman that came in my office today, who was not having difficulty with the State on his rebate, but apparently something he had sent to them didn't get to them. And now, after months, they sent him

a letter saying it was missing. And he asked for my assistance in helping him. Being only 10 minutes away from the township, I said, "Can you get down here and give me your information? And I will handle it for you personally." He brought it down today. I faxed it to the State. I will probably get a fax tomorrow saying they received it, and they will forward his rebate for the PTR probably Monday, in my office. And I will call him back and tell him that it was successful.

Will these county services produce these types of local results? Should they? I don't really know. It's something I would do. But if you're asking voters to change a system, I think it's only fair to say, "This is what it will cost you. This is how it will be accomplished. And this is what you're going to get for your dollar after it is done, whether it's personalized service, nonpersonalized service."

How will seniors be affected? Traditionally, they like to pay their taxes in person. In some parts of Ocean County, that might be a two-hour round-trip for them from the bottom or the top of the county to the county offices to pay their taxes in person. For Jackson, usually it is a 10- or 20-minute round-trip at most.

Applying for deductions -- senior deductions, disabled deductions, veteran deductions -- will they have to travel to the county for that also? I'm aware that forms can be sent out to them, but are they going to entrust original documents -- their DD214s, their discharge papers -- the documentation required to get these deductions granted -- are they going to entrust originals to be sent through the mail to the county, or do they want to bring them down in person? When they have to keep these deductions in force, and they ask our assistance for the income verification for the

senior deductions and the tax verifications for the PTR forms, will they have to travel to the county again to get this assistance done?

So I think it's only fair that the study be done, or information be given to the voters first, to have them make an informed decision; instead of asking them to vote for it, and then "we'll tell you what you're going to get."

Is it more cost-effective? Like the gentleman before us stated, usually the local unit is the most responsive to the taxpayers. They worry about their budgets. If you have a huge, regional office -- or a huge county office -- are they going to be as responsive to the constituents as a local unit would be?

Okay. Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

Any questions? (no response)

Thank you.

We have the town manager of Hardyston Township, Mary Ann Smith. (no response)

I'll call her again later.

I see we have two tax collectors, so I'll call them up together. Ron Zilinski, Tax Collectors Association; and Linda -- I hope I'm pronouncing this right -- Canavan.

R O N A L D Z I L I N S K I: I don't know how we got grouped together. (laughter)

ASSEMBLYMAN WISNIEWSKI: You travel in the same circles.

L I N D A C A N A V A N: Age before beauty. (laughter)

MR. ZILINSKI: What do you have as a handout?

MS. CANAVAN: Just my--

MR. ZILINSKI: I'm not sure--

I had a separate handout. I'm not sure if I'm--

ASSEMBLYMAN WISNIEWSKI: I don't--

MR. ZILINSKI: Oh, you're handing it out now. Okay.

I'm Ron Zilinski. I'm the Finance Director and Tax Collector for Hillsborough Township. And I'm also the Vice President of the state Tax Collectors association.

MS. CANAVAN: My name is Linda Canavan. I'm the Tax Collector for the Borough of Saddle River, the Borough of Ramsey. I'm also the Second Vice President to the Bergen County Tax Collectors and Treasurers Association.

Thank you for this opportunity.

I attended your meeting last week at Bergen--

ASSEMBLYMAN WISNIEWSKI: Could you just do me a favor? There's the amplifying microphone there.

MS. CANAVAN: Oh, okay.

ASSEMBLYMAN WISNIEWSKI: Just speak into them both. One is recording, one is to amplify.

MS. CANAVAN: Okay.

Last week I attended this Committee at Bergen Community College. And we were not aware how the proceedings did go. Jackie Do and Mary Ann Viviani testified on our behalf to this Committee. And you may or may not be aware, there were 10 other tax collectors from Bergen

County there, as tonight there are many tax collectors here, just to let you know. And we do oppose Senate Bill 2244.

At the end of that meeting, you did state that you were going to continue the proceedings tonight. I apologize for not being prepared. I found out today I was coming here from Bergen County, solo.

Just for your information, these meetings happen to be exactly when our tax offices are very busy. Your last meeting was November 1. That's the start of our tax quarter. In my office, the busiest days are today and tomorrow, the end of the grace period. In my towns, residents wait to the last possible second to pay their taxes -- they tell me because of the interest in the bank. And, yes, they come in person. Plus, I don't have many senior citizens, so I don't have any answer for why they do come into my office, other than to see their tax dollars at work.

As far as your Senate Bill 2244, there is no indication that consolidation or regionalization of the tax collector position in Bergen County will save the taxpayers any money. In fact, with the great differences in assessed values in the towns of Bergen County, it would cost more to regionalize this area.

As a certified tax collector for the past six years in New Jersey, I cannot understand how you plan to implement this bill. The State of New Jersey's taxpayers have invested a fortune in me, and many other collectors of the state, to provide the service of tax collection. I have been trained at their expense, and now you want to switch this position to the county, where there was no position. So this bill would be wasting taxpayers' money to start up a tax collector's system in the county. Not to mention how many tax collectors, before me, got our status passed to keep tax

collectors out of the elections, and really ensured that the tax collectors of the future would proceed as a group of professionals in our field. We were out of the election. And now, with this bill, we are back in.

Most of us have many duties besides tax collection. Our office collects all the revenue from all departments of our town. I am also in charge of the water and sewer, and billing collection. In most of our communities, these duties will still need to be covered.

Part of your consolidation in this bill covers the other positions I take care of. I am the secretary to the local board of health. I do the entire dog and cat licensing in the town. I used to register landscapers. Now the community is losing that revenue to the State. So we have many shared services already throughout the municipality, and you want us to separate the combined services and send them to the county. Our county is very busy without these additional positions.

I had started a tax sale in the Borough of Saddle River -- excuse me, in the Borough of Ramsey, back in October, with 10 items. Today, I have none. We worked very hard to ensure that every possible -- everything possible was done to avoid the tax sale. This kept the community's reserve for uncollected taxes down, and truly helped the residents. I know for a fact that I am fortunate I am in a community without an accelerated tax sale. Because communities with accelerated tax sales -- many homeowners are not aware that their properties are being put up for tax sale until it's too late. And it costs them much more once the tax sale has been done. Will the county be able to continue this great collection percentage? We are vigilant in the collection of our town's levy.

We are really the most important position in the town. Without tax collectors, no one gets paid.

I would like to ask you one question, and please forgive my ignorance. What is the procedure of this bill from here? What would happen from here?

ASSEMBLYMAN WISNIEWSKI: All we're doing tonight is taking public input. There's not going to be a vote on any of the bills that are on the agenda tonight. Our purpose in having this public hearing, and the two that have preceded it, is to try to ascertain -- at a more convenient time than having people come to Trenton during the business day -- about how they feel on many of these topics.

The pieces of legislation you see do not necessarily mean that those will be the final product that come out of the deliberations of this Committee. These are, essentially, discussion points. And we're interested in hearing how the community, and individuals such as yourself, react to those talking points.

MS. CANAVAN: Well, this bill is very important to my profession. And we're having seminars and so forth to continue in-- And I don't know what to tell the tax collectors. As I said, I'm the Vice President of the Bergen County Tax Collectors Association. And I really don't know what to say about how this bill is proceeding. It goes from here to--

ASSEMBLYMAN WISNIEWSKI: What this Committee will do is-- We have a November 15 deadline, and we'll be issuing a report. And that report will essentially set the guidance as to what will happen in the future. But that report is not yet completed. Obviously, we're taking the--

MS. CANAVAN: And is there any way to get this bill opposed?

ASSEMBLYMAN WISNIEWSKI: Well, you're letting us know that you are opposing it, so you're doing a fine job.

MS. CANAVAN: Yes. Oh, okay.

MR. ZILINSKI: You've just done that, yes.

MS. CANAVAN: All right. Well, I want to thank you for your attention. And I respectfully submit this report.

ASSEMBLYMAN WISNIEWSKI: Thank you very much.

MS. CANAVAN: Thank you.

MR. ZILINSKI: Okay.

ASSEMBLYMAN WISNIEWSKI: Do you have anything further you want to--

MR. ZILINSKI: I have a separate presentation.

ASSEMBLYMAN WISNIEWSKI: Go right ahead. You've got your own five minutes.

MR. ZILINSKI: I tried to simplify it. I have a chart of the property taxes in Hillsborough Township. It can be used to model -- as a model for the vast majority of municipalities in the State of New Jersey. I'm responsible for collecting \$103 million worth of property taxes, of which \$13 million remains to the municipality. The rest is dispersed to the school board, the county, and other special districts. And, again, that's the point we'd like to make. The majority of the taxes in the State of New Jersey -- property tax -- is the school tax. And of the \$20 million (*sic*), it's probably close to 60 percent of the \$20 billion property tax -- the school tax. That's one point I wanted to make.

The other point I'd like to make-- We have some written testimony from Bruce MacLeod, who is the tax collector down in Cape May County. We wonder if there will really be any savings from consolidating a tax collection and assessing system in the State of New Jersey. The counties would have to acquire additional space to maintain those -- to provide those services. And the cost of that additional space would pretty much eat up the cost of the savings that would be -- that would happen in that process.

Property line items: The number of property line items is not going to reduce. As our parks, as our farmland and our forest land disappears, we'll have more line items as subdivision occurs. So the number of line items will increase in those counties that aren't already built out. I would say Somerset County is very similar to Monmouth County in that respect. We're still building like mad. And that would be, again, a problem.

It's just-- It doesn't get simpler unless there's other -- some way to fund the school system.

And then you have the rest of my testimony. And I'll end there.

ASSEMBLYMAN WISNIEWSKI: Does anyone have any questions?

ASSEMBLYMAN MALONE: Just--

ASSEMBLYMAN WISNIEWSKI: Assemblyman Malone.

ASSEMBLYMAN MALONE: What is the total number of tax collectors in the state? I mean, are there--

MR. ZILINSKI: Well, there's one-- We're required to have a tax collector for each town. And a lot of the rural--

ASSEMBLYMAN MALONE: But how many of them are shared?

MR. ZILINSKI: In a lot of the rural towns, there's a lot of part-time people who work for two or three different towns, so that we really don't know.

MS. CANAVAN: In Bergen County, there are 70 tax collectors. And as myself-- I'm in an interlocal agreement for Ramsey. I mean, we do consolidated services now.

ASSEMBLYMAN MALONE: What's the total number of towns in Bergen County?

ASSEMBLYMAN GORDON: Seventy.

MS. CANAVAN: Seventy.

ASSEMBLYMAN MALONE: Seventy. So you have--

MS. CANAVAN: Seventy tax collectors.

ASSEMBLYMAN MALONE: But you're doing two towns, though.

MS. CANAVAN: Correct.

ASSEMBLYMAN MALONE: So there's got to--

MS. CANAVAN: Right, but I'm just saying there's 70 representatives.

ASSEMBLYMAN MALONE: In one case, there's-- In your case, there's 69, because you can't--

MS. CANAVAN: No, there's actually people that do-- I know quite a few towns that do consolidate. But I just wanted to say, we do consolidate services already.

ASSEMBLYMAN MALONE: Okay. So, in fact, you are consolidating the efforts of tax collectors throughout the state.

MS. CANAVAN: Yes.

ASSEMBLYMAN MALONE: Is there some way of knowing how many have shared agreements where they do more than one town? Is there any way of knowing that?

MR. ZILINSKI: No. We can do a survey and ask.

ASSEMBLYMAN MALONE: It would be interesting to find out what the total coverage is of tax collectors throughout the state.

MR. ZILINSKI: We should be able to. They'd have to go through and count them out. Yes, they would.

Thank you very much for your time.

MS. CANAVAN: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

Dr. Robert Dansby.

ROBERT E. DANSBY: Good evening.

I'm Dr. Robert Dansby. I am a private citizen, and I'm here to speak on behalf of myself and a group of concerned citizens that are interested in this set of deliberations.

We think that consolidation certainly has the potential for producing great results. If you look at a number of different efforts in other states, where such activities have been pursued, it is certainly the case that consolidation efforts can be developed and pursued in a way that leads to productive outcomes. And in this case, the outcomes that are desired are improvements in services at reduced costs. Taxes in New Jersey are too

high. I remember when the income tax first went into effect. It's a lot higher now than it was when it started.

As I inquired about this consolidation and shared services effort to people on your staff in Trenton, as I could find them, I asked, "What studies have been undertaken in order to assess the impact of the proposed restructurings on the tax liability of the students -- of the citizens?" I was able to find no such study. I don't know if there is. If there is, I would certainly be happy to know about it.

If there is a such a study, I would think that it would start by looking at what the current costs are of providing the menu of services that are delivered to citizens now. And I would think that it would assess the implications of the proposed rules on those costs. I think it would take into account the cost of transitioning to any such new system. And I think that it would take into account the adverse impacts that are certainly going to occur for some of the constituents. Because the -- as many previous speakers have indicated -- the towns are not the same in terms of ratables, they are not the same in terms of school districts, they are not the same in terms of a lot of dimensions that matter.

So the question of cost, ultimately, also comes down to questions of equity. That's what some of the other speakers have mentioned. And it is a key consideration in your proceedings, as I understand, how you have currently laid out the proposed process. It is one that allows for a substantial amount of voluntary participation, and, therefore, sets up a situation where the differences become key in the negotiation of any settled outcome among the various parties. It's very

difficult to gain benefits in such an environment because of the differences across the spectrum.

Then I look at some of the details of the proposals, in terms of volunteer participation by different municipalities, restrictions on the level of participation. For example, limiting participation to a county size at the maximum, whereas some benefits are going to be achieved by allowing for consolidation across multiple counties and, perhaps, even at the State level. I'll give you an example. (timer rings)

I'll finish in two seconds.

ASSEMBLYMAN WISNIEWSKI: That would be great.

DR. DANSBY: If I can. (laughter)

One example: In June of 2004, the Federal Communications Commission passed a law that put into effect a set of regulations called *educational broadband services*, that allows school districts to provide very valuable broadband services for digital television and Internet access. There are a number of school districts in the state that have these licenses, but have never taken advantage of them. Those licenses are worth billions of dollars and are not generating any income that would benefit the citizens, in terms of offsetting the tax burden that they are faced with.

ASSEMBLYMAN WISNIEWSKI: Thank you.

I'm going to call the next person. But I have a public service announcement to make. The score at the Rutgers' game is: Louisville 22, Rutgers 7, just before half-time.

UNIDENTIFIED SPEAKERS FROM AUDIENCE: Oh.

ASSEMBLYMAN WISNIEWSKI: There's a half a game to go, so there's hope yet.

Mary Testori.

MARY TESTORI: Good evening, Senators and Assemblyman.

My name is Mary Testori. I'm the Tax Collector for the Borough of Bound Brook, and also Roselle. I do two towns. I'm also Co-Chair of the Legislative Committee for the Tax Collectors and Treasurers Association, and I'm a member of the League Legislative Committee.

My purpose in communicating with you is to bring to your attention that this proposed, as it relates to the tax collection office, will cause municipal property taxes to increase -- referring to Senate Bill 2244.

I say this because, by moving the responsibility for tax collection to the county, it will result in the loss of municipal revenue in the areas of interest on investments, interest on delinquent taxes and redemption fees collected for municipal lines. Maintaining the tax office at the local government level will provide a consistency of service. It's also a nonelected position, and I think it's important that we remember that. You have the consistency of seeing the same person every time you come in. Most tax collectors that are in this room -- we know our people by first name. And I think that's important.

A lot of what I'm going to say, they've said already. But I've been here since 6:30, so I'm going to say it anyway. (laughter) This Senate Bill would impact seniors and vets tremendously. As a tax collector for the State of New Jersey, we are the visual contact between public officials and the taxpayer. We do, like Mike said, give personalized service to seniors. I too helped a senior -- I think yesterday -- with her PTR. And I got my fax back. Do you know what I did? I stopped collecting my money, ran to the copier, made a copy, and sent that fax to that homeowner so that she knows

she is going to get her 283 bucks. She needs that. You may not, but she does. I don't see that happening at the county level. I think a lot of what we do -- it's one-on-one, and it's going to be lost. It will be lost.

We do senior deduction applications, vet applications. Like I said, I don't see that happening with the State, helping -- with the county helping people get their rebates back. It's crucial to have a person there to help the senior and the vet.

Tax sales for unpaid taxes, delinquent notices, tax bills-- Again, I don't see the county doing that type of work to bring in the revenue. It's just not about the billing, it's about the collection. It's about having the tax sale, bringing in the revenue that the taxpayer hasn't paid, making phone calls. We do that at year-end. A lot of us make house calls, sometimes.

We would also lose home rule. There are 566 tax offices, per se. We would be going down to 21. And as one of my other tax collectors said, they now have to find a building space in order to put all the people that -- you have to service all of the people of the State of New Jersey. You're going to downsize, and you're not going to increase in the workers. And I think they're going to lose by that.

In closing, transferring municipal functions to the county level, such as tax collection, will not solve the problem of high property tax. And I ask that you reconsider the promotion of this bill. One of my tax collector friends told me tonight-- We offer you the chance to come see what we do. Before you put something into law that changes lives, come in our offices, watch us, judge us, and then make a law.

Any questions?

SENATOR BOB SMITH, (Co-Chair): I'll do a question.

ASSEMBLYMAN WISNIEWSKI: Senator Smith has a question.

SENATOR SMITH: Mary, we did see, up in Bergen -- we know how committed you are to the position that you've taken. But I did want to ask you a couple of questions, just so it's on the record.

You indicated that you thought this would be a money-losing proposition for the town, that taxes would go up. And one of the reasons that you cite for that is, the town would lose the interest on the money that it collected. Is that true?

MS. TESTORI: That's correct.

SENATOR SMITH: Why, especially in the 21st century -- and you're in Bergen County -- if there was a county tax collector-- Well, you're in Bound Brook, actually.

MS. TESTORI: I'm in Bound Brook, which is Somerset.

SENATOR SMITH: Somerset.

Suppose there was a Somerset County tax collector, as opposed to the individual tax collectors. What would prohibit the county tax collector from assigning the interest for money collected from Bound Brook to Bound Brook? We do electronic transfers every day of the week. There doesn't have to be a dollar lost, does there, Mary?

MS. TESTORI: I think it would still be a loss.

Let me just get a finance person.

Ron, you're a finance officer. How would that hurt us?

MR. ZILINSKI: I mean, it would be--

ASSEMBLYMAN WISNIEWSKI: Could you just come up so that you could be on the microphone and part of the record?

UNIDENTIFIED SPEAKER FROM AUDIENCE: These are all unionized people. The public should be given a chance.

MR. ZILINSKI: I mean, it wouldn't be that difficult. You would have to set up a spreadsheet and allocate the money based on tax collections.

SENATOR SMITH: Right. There's no reason that you would lose any interest.

MR. ZILINSKI: Well, the way it is now, we keep all the interest. And at that point, the county would keep all the interest. You would have to include in the law--

SENATOR SMITH: No, no, no. If you set up the system such that you had a county tax collector, and the legislation said that the interest on the money collected in Bound Brook would go to Bound Brook, you wouldn't have to lose a dime, would you?

MR. ZILINSKI: Collected in or collected by the county for Bound Brook?

SENATOR SMITH: Collected by the county for Bound Brook, from Bound Brook residents.

MR. ZILINSKI: But you would then-- The interest and costs would have to go, the reserve for uncollected taxes would now be--

SENATOR SMITH: Well, let's go to the interest first.

MR. ZILINSKI: Okay.

SENATOR SMITH: We can electronically transfer the interest back to the community, correct?

MR. ZILINSKI: Yes, you can.

SENATOR SMITH: Okay.

Number two: Suppose the county picked up the reserve for uncollected taxes. What impact would that have on your budget?

MR. ZILINSKI: That would actually reduce our budget, but would--

SENATOR SMITH: It would actually reduce it, because you would have to have less money put away for it as a reserve for uncollected--

MR. ZILINSKI: Correct, but it would hurt our cash flow. It wouldn't provide the cash flow we needed to--

SENATOR SMITH: Get interest, which we can give you if we just electronically transfer it back.

MR. ZILINSKI: Well, some of the interest, but it wouldn't be all the interest we would earn. That's correct.

SENATOR SMITH: The moral on this story is, I personally don't buy the argument that the towns are every going to see any-- If we had county tax collectors -- and I don't know that we are -- but I don't buy the argument that you're going to lose money and raise taxes. I've gotten 400 letters from every tax collector in the state saying, "The taxes in Roselle are going up whatever, and the taxes in Livingston are going up whatever." And I think you're being a little disingenuous on that issue.

MR. ZILINSKI: It would probably-- I would-- There's going to be some netting out of that if the counties kept all the money. I mean, the county would have the money. Their rate would drop, our rate would go up to some degree.

SENATOR SMITH: Actually, you might get more. Because, quite frankly, the county could cut a better deal with the bank, because

there would be a larger amount of money. Maybe you'd get an even better interest rate than you would as a tiny municipality.

But that being said, I don't buy that argument.

Let me ask Mary.

Mary, you said you're a tax collector in two towns. Is that correct? One was Bound Brook, the other was--

MS. TESTORI: Roselle.

SENATOR SMITH: Roselle.

And how many hours do you put in, in Bound Brook?

MS. TESTORI: Thirty-two. I get paid for 32. I'm there for much more. I'm there for, like, about 45.

SENATOR SMITH: And how many hours are you in Roselle?

MS. TESTORI: I go there about five hours a week.

SENATOR SMITH: Is there another tax collector for Roselle?

So what about the senior citizens of Roselle? They don't get a chance to meet with you.

MS. TESTORI: Actually, they do. I'm there at night. And I take calls and I take people.

SENATOR SMITH: For the five hours?

MS. TESTORI: Yes, I do. Oh, yes, I do.

SENATOR SMITH: The five hours in Roselle, you get a chance to meet all the people who want to come in and pay the taxes?

MS. TESTORI: Not all, but I do calls and I do have people come in to see me. Yes, I do. Yes, I do, sir.

SENATOR SMITH: Well, the-- And this is, again, one of the-- I think it's a little disingenuous that the reason we should continue this

system is that it is a-- In effect, you're doing social services. The seniors are happy to see you, you're happy to see them, we provide forms. I don't know that it couldn't be done more effectively at the county level.

That being said, the letter-writing campaign that you're doing to every Senator and Assemblyman saying, "Our taxes are going to go up," is extremely effective. (laughter)

MS. TESTORI: Thank you.

SENATOR SMITH: Have a nice day.

MS. TESTORI: But I still take you up on the offer to come see what we do.

SENATOR SMITH: I used to represent Bound Brook.

MS. TESTORI: You also -- for me. I live in Piscataway.

SENATOR SMITH: Oh, minus one. (laughter)

SENATOR KYRILLOS: You better give her a ride home, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: We'd like the constituents of all the members here to raise their hands. (laughter)

Next, I'd like to call Nadine Jeffrey.

Nadine?

Okay. I'll hold that one for later.

Andrew DeFonzo.

Andrew, thank you.

A N D R E W D e F O N Z O: Good evening, members of the board.

To be honest with you, I'm just a school board member, here in Freehold Borough. I really did not plan on saying anything, so I have nothing prepared except for a couple of notes I jotted down. I was really

asked to basically come here and put on the record some of the shared services that we are currently using here in the borough, with the town itself.

We have shared services in the areas of snowplowing, upkeep on our fields, parking lot and sidewalk painting and striping, water and sewer at no charge, garbage pickup at no charge. And they recently started mailing out our monthly newsletter, which goes out with the water bills here in town. We are also involved in some cooperative agreements with other districts and ed service commissions for their special education transportation, services to nonpublic students as required by statute and regulation, energy, natural gas and electric, purchasing cooperatives, staff training services, and some of our insurance coverage. We're currently also investigating some shared services in our interlocal services for maintenance and repair of district buses, cafeteria services, and purchasing cooperatives.

That all being said, it's still not enough. We go out every year -- our administrative staff and our faculty have brought in over a million dollars in grant money for our schools. It's still not enough. Our schools and our students are suffering. There was a recent study, that I believe was put in the *Star-Ledger*, that showed that our budget, which is roughly around \$10 million, provides half of what we would need in order to provide a thorough and efficient education for our students. We are approximately \$700 under the State average in the per-pupil spending, at about \$7,700.

And I just wanted to sit here and echo the sentiments of others who have spoken tonight and say that we need results now. This stuff has been broken for a number of years, and we need results. We don't need people to come back on November 15 and say, "We've got to work on it

some more.” We need results. The students in this town are suffering. And it’s--

SENATOR SMITH: You’re saying, raise more money.

MR. DeFONZO: What’s that?

SENATOR SMITH: You’re saying, raise more money?

MR. DeFONZO: I’m saying, find a way to give us more money without raising taxes. From what I understand--

SENATOR SMITH: Do you have a solution that we could look at?

MR. DeFONZO: I would say-- I spoke with Assemblyman Wolfe down in a -- at a recent convention down in Atlantic City. And something that, from what I understand-- I’m new to the boards, so I’m still trying to learn all the intricacies of funding for the schools. But from what I understand, the Abbott districts in the state take a tremendous portion of money from the State.

He is proposing an idea where the Abbott districts -- instead of getting the highest level of aid, or the highest level of tax proportions -- or whatever the proper term is -- that they would get, rather, the State average, which would drastically reduce the amount of money that they’re getting.

I’ve heard from many people from Abbott districts down there, that are talking about how they have their board meetings televised, how they have all these wonderful gadgets and gizmos in their districts. And we’re sitting here suffering.

Like I said before, I’m new to all this. But I just wanted to get that stuff out there in the open and let you know that we need results, and we need them now. That’s it.

ASSEMBLYMAN WISNIEWSKI: Thank you for your presentation.

Any questions? (no response)

Thank you.

Sharon Taylor. The Metuchen crowd is back.

UNIDENTIFIED SPEAKER FROM AUDIENCE: You have four of us tonight. (laughter)

S H A R O N T A Y L O R: Good evening.

Thank you, again, for having a meeting.

As you're aware, I did speak last week, so I won't go into too much of it. But I do come from a doughnut town called Metuchen, in Middlesex County. And I was actually quite dismayed to hear the gentleman earlier speaking on behalf -- speaking to consolidate with Hightstown, I think, in the nearby -- a doughnut town.

But we are a doughnut town surrounded by Edison. And as you know, from my testimony last week, I am extremely opposed to consolidation of the school districts and going to a countywide administrative district. As I told you last week, Metuchen already does share services in the Metuchen School District, in the areas of busing special education, purchasing, and energy. We do not, as I stated, share in the State health insurance plan, because the State plan was more expensive than the one that they have now.

As far as the municipal government goes, I do know that they have done many things to cut costs. We now have recycling garbage cans and garbage cans that are picked up, instead by people, by a machine, which I know is supposed to cut down expenses by manpower needed. The

Edison Police -- sorry, Metuchen Police Department also, I know, does help with the Edison Police Department when it's needed, and vice versa. They do-- When the town hall was being built, I know that the Metuchen Police Department -- some of-- I think we used the Edison jail any time we needed the jail, etc. So I think we do have a pretty good relationship with Edison. I could be wrong, but I believe that's the case.

Again, as I said, the more I think about it, the more I am so opposed to having this county-level administrator -- a superintendent. There's so much corruption going on at the county level. Why would the State contemplate handing over the school administration to a county superintendent? I do not want my money going into a central pool that I have no say over where it is spent. I am an active parent. I go to board of ed meetings. I'm extremely involved. And I think if we were to have a county superintendent, it would be a lot more difficult to have a voice.

I'm not going to go into any more, as you have my testimony from last week.

But I do want to ask you a question. A lady, prior, asked what was to happen next, which was my question. But I understand -- or I keep reading in the newspapers that on November 15 -- is there to be some kind of decision that's to be announced? And also, ultimately, who is going to decide? Is it you guys in the Senate and the Governor, or do the people--

ASSEMBLYMAN WISNIEWSKI: Don't forget about the Assembly. (laughter)

MS. TAYLOR: Well, I said you guys. I'm sorry, I would never want to forget you.

Who is-- Who, ultimately, is going to have the decision? Because I'm hearing mixed things. I thought there was to be referendum of the whole state -- of the voters. And I am a voter, by the way. I am a citizen, just so you know.

ASSEMBLYMAN WISNIEWSKI: Any legislative changes have to be embodied in a piece of legislation that's voted on by both Houses and signed by the Governor. The report that, ultimately, this Committee and the three other Committees that are looking at property taxes -- will be the basis from which legislation is crafted and moved through the Legislature.

MS. TAYLOR: So we, the people, do not-- It's not going to go to a referendum.

ASSEMBLYMAN WISNIEWSKI: Some of the pieces of legislation may contain referendum, the opportunity for individual communities to vote on issues such as consolidation and sharing services. The entire package, before anything happens from the Legislature-- There's not going to be a referendum before the Legislature acts on something.

MS. TAYLOR: Okay. And I just want to say one more thing.

I had mentioned in my testimony last week that a friend of mine had a suggestion. I was not 100 percent correct in what he had told me. And the suggestion was to have the sales tax take over the funding of the school, per pupil. What he actually said was, if the State were to make a per-pupil -- a figure per-pupil -- say, for instance, \$10,000 -- the State gives every town, every student, \$10,000 for their education. Then the property tax for the towns would then have to make up the difference. So the property tax would be cut, because you wouldn't need as much as you

are having to raise now for the students. So that was his-- It's slightly different from what I had said last week.

So thank you very much.

ASSEMBLYMAN WISNIEWSKI: Sharon, thank you for your testimony.

MS. TAYLOR: Thank you.

ASSEMBLYMAN WISNIEWSKI: Perfectly timed.

Michael Ticktin.

You're the same Michael Ticktin who works for the Department of Community Affairs, correct?

M I C H A E L T I C K T I N: Yes, but I'm here in an independent capacity.

ASSEMBLYMAN WISNIEWSKI: Okay.

MR. TICKTIN: My name is Michael Ticktin. I'm a member of the planning board of the borough of Roosevelt, and I'm basically talking as a citizen of Roosevelt and a planning board member.

Roosevelt is in western Monmouth and has a population of 933. We've basically tried to take advantage of every opportunity we have to combine services with other levels of government. For example, with the State -- the State performs the Construction Code Enforcement, the State Police provide the policing; we have a public works agreement with Hightstown, we use the Monmouth County Health Department and the library. We pay the tax there. And I think that the town -- we're very receptive to any other shared services that are offered.

The one effort that we were unsuccessful with, thus far -- and Assemblyman Malone is familiar with this, I believe -- was the four western

Monmouth municipalities and three school districts contained therein, tried -- got together a few years ago to discuss regionalization. And it turned out Roosevelt and the Roosevelt School District were the only ones interested, because we were the only ones who had any significant savings coming of it. And it basically got nowhere. And, of course, historically, that would be interesting, because that was what-- In 1840, that was -- those municipalities were Upper Freehold. So if you put together the map as it used to be, that would be one municipality.

One recommendation I have is that if something could come out of this, recommending that the counties take the lead in, number one, offering services to the municipalities. I think quite a few -- because I know Monmouth County does the roadwork on the main street in the town. If the State -- if they would encourage the municipalities to contract with them to do the roadwork on the other streets as well, it would seem to be an efficient thing that can be done. And I'm sure there would be a lot of other things.

The counties perhaps could -- following up on what Assemblywoman Handlin said earlier -- what you're doing in the district -- if the counties took this initiative and called the municipalities together and said, "Let's sit down and--" either the counties with the municipalities, or the municipalities among themselves -- doing these interlocal agreements, perhaps we can see more interlocal agreements come out of it.

Something else, I just thought was interesting, I bring to your attention. Another jurisdiction of comparable size to New Jersey seems to be having a great deal of success in consolidation of municipalities at this point -- and that's Denmark. In the Summer of 2004, they decided they

were going to consolidate municipalities. They're implementing -- and already in January of this coming year -- that they're going from 271 municipalities to 98, and from 14 counties to 5 regions. And together with this, they were reexamining what functions could best be done at each level. And this is all with full public participation. And, apparently, they were able to achieve consensus on it, which I thought was quite remarkable, given the difficulties that we've historically encountered here. So I have a copy of this report, and I'd be happy to just give it to whoever would like to take it. And if you'd like, I can send copies to the staff members on the Web site, and distribute it to--

ASSEMBLYMAN WISNIEWSKI: That would be helpful.

MR. TICKTIN: Okay, great.

ASSEMBLYMAN WISNIEWSKI: Any questions? (no response)

Thank you, Michael. Thank you for your testimony.

MR. TICKTIN: Sure. Thank you very much.

ASSEMBLYMAN WISNIEWSKI: I hope I get this right. It looks like it says -- is it Barry Hammer?

I guess Barry is not here.

Hammer, H-A-M-M-E-R.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Bunny.

ASSEMBLYMAN WISNIEWSKI: Bunny.

UNIDENTIFIED SPEAKER FROM PANEL: She's not here.

ASSEMBLYMAN WISNIEWSKI: Okay.

Jackie Gibson.

Jackie, since you spoke at the last one, can I just ask you to wait until we get to everyone else?

JACKIE GIBSON: Yes.

ASSEMBLYMAN WISNIEWSKI: David Makkar.

Good evening.

DAVE MAKKAR: Good evening, everyone.

My name is Dave Makkar. I'm not representing, here, the unionized politicians, mayors conference, or police union, or employee union. I'm a very poor taxpayer, who is really under high taxes.

My taxes in the last five years have gone up by 49 percent. I'm working, now, 120 hours. I cannot work more than that. My income is stagnant. Since '99, my health insurance -- family of four -- from \$465, has gone up to \$1,382. And, unfortunately, New Jersey is the worst example of racial segregation, moral, and ethical corruption. Our schools are segregated, our housing is segregated, and our municipalities are segregated. Yet, no one mentioned the word *race* in this state.

Eight-point-five million residents in 8,000 square miles are governed by 588 governments, with over 9,000 elected officials, and over 250,000 State and municipal employees. There are 612 racially segregated school districts for 1.4 million students, in 2,024 schools, with 651 school superintendents with luxurious offices, 5,000 elected board members, and battalions of non-teaching staff with no or little work. The State has a budget of \$32 billion, and the 587 local towns -- the local governments within the state have a budget of \$34 billion. The combined budget of \$66 billion is the highest in the nation, for 8.5 million residents. Five hundred eighty-eight governments are collecting \$19 billion in property tax alone,

and the cost to educate a student is \$18,000. And in Abbott districts it is \$29,000 a student, which is, again, the highest in the nation. And still, there are 250,000 students who cannot comprehend in basic education. This is the only state in the world with that kind of money being spent on the students, and we still have students who cannot comprehend in basic math and education.

Instead of 566 municipalities in the small State of New Jersey, 21 or fewer counties could provide educational, police, social welfare, health, recreational, and other services to the 8.5 million residents. Instead of 70 police chiefs in one county, just one; instead of 70 superintendents and various assistant superintendents, directors, coordinators, just one. The government of New Jersey, by sponsoring massive corruption and racism has failed in its fiduciary duties to provide an honest administration to its residents.

The time is now for a constitutional convention to tackle the fundamental problem with the New Jersey government structure. Home rule is an ancient tradition whose time has passed. We have 25 times more school boards, municipalities, and personnel; then we have 20 times more elected politicians and other officials, unfortunately, who are not worthy for any public office. New Jersey is excessively overpopulated with unethical government, spending too much for their own benefit. The first order of business should be to prioritize what is important and eliminate what is no longer affordable or needed -- like 4,000 elected politicians and 5,000 elected school board members, sheriffs, 4,000 other officials like attorneys. Then find ways to improve economic conditions, which will increase State revenue. We must modernize our government, we must inspire honest and

decent people to speak -- to seek public office, who can provide honest and just leadership with the highest moral and ethical standards. Elected officials have to make a pledge to be worthy of public responsibility. And that is the pledge they must never forget, never dismiss, never betray. There must be accountability in public office. The public deserves assurances that it can rely on the integrity, morality, honesty, and secularism of its elected and appointed officials; and there are ethical and economic reasons to put them in those public offices.

Thank you. (applause)

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

Paul Byrne.

P A U L B Y R N E: Yes, thank you.

I'm from Hightstown, the doughnut town.

I do want to ask that when you explore the different proposals that -- to spend more time on the items that will give more bang for the buck, instead of, like, maybe addressing and focusing a lot to have towns focus on the smaller things that, in the end, the ramifications may be a perception, even, of the quality of life being affected -- such as when it was alluded about Hightstown, with East Windsor.

A couple of years ago, I went to the mayor of Hightstown and I said -- about consolidating -- I said, "In order to do it right, you have to be, like, a salesman. You have to know your-- You have to have your bag of tools to be able to confront the people; when they bring up objections or concerns that they have, have answers for them."

We're not reinventing the wheel. There are track records out there of what has worked, what hasn't worked, or what-- If there are negatives or cons out there, you should give the towns the tools to say, "Well, what can you do to help work on them?"

That's pretty much what I ask for, is-- Just to echo some of the speakers before -- is giving us the tools and the knowledge of the consolidation, and the pros and the cons. And if there are cons, instead of hiding them, let's face them, come up with solutions to work on them. But I-- The worst thing to happen is-- These senior citizens, that are going to sacrifice some, don't know that they're going to be sacrificing, and then be -- say, "Well, this is what you're stuck with." Let them know beforehand. Let them know that you're going to be proactive in trying to come up with solutions to help minimize the effects of it and that there is a workable solution.

But I think it's a disservice to mainly mandate consolidation without the compassion on the people, to say, "There may be some level of adjustment here. But we're going to be there for you, because we're going to help you to minimize the effects of it."

So that's what I ask.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you, Mr. Byrne.
Thank you for your testimony.

I'm just going to give another call for Mary Ann Smith. (no response)

Nadine Jeffrey. (no response)

Then I'm going to ask Harry Dunleavy.

HARRY DUNLEAVY: That's me.

ASSEMBLYMAN WISNIEWSKI: Harry, welcome back.

MR. DUNLEAVY: Thank you.

Excuse me for still having a cold.

ASSEMBLYMAN WISNIEWSKI: Is this new information from the last time?

MR. DUNLEAVY: Yes. That's correct.

ASSEMBLYMAN MALONE: This is Part II.

ASSEMBLYMAN WISNIEWSKI: Part II -- oh, it says it, "Part II."

MR. DUNLEAVY: I'm also a citizen, and I'm a voter -- because somebody mentioned that before.

ASSEMBLYMAN WISNIEWSKI: So are we. (laughter)

MR. DUNLEAVY: Yes, I assumed that.

Just a little bit on the background, again. I'm going to talk about education, because of all the money that's being -- all the tax money that's being wasted in education.

My local township is Frankford. I came a hundred miles tonight to the meeting. And that's why I feel seriously about it.

Sixty-eight-point-two percent is the actual amount of taxes spent on education in my township. I'm a former high school mathematics teacher, former college mathematics teacher, school board member, school board vice president, school board president. And, presently, I'm a volunteer mathematics teacher at the county juvenile center. I volunteered in May.

I've outlined the points here that need to be looked at. Before, I began by saying that I felt local school boards were a cancer on our society. My opinion since Bergen County has not changed. I feel local school boards are a cancer, and we should go to a county system so that we will have equity for everybody.

I gathered this information by talking to people who are involved with the payrolls in the county. And an expert in the field told me that with five employees -- an automated payroll system for our county -- we should save \$1 million.

If you go to the next page on busing-- When I was the president-- It was the county school board, actually, but we only covered -- it was only a county technical school board. And I think not -- I don't think every county has a technical school board, because they may not have a technical school. But we also had an academy, and we had the charter school, which we didn't control, except that we supplied teachers to it.

The busing system, from the inquiries which I did -- and the experience I had with using one township -- Lafayette -- with our school bus system -- we had 18 buses. They saved, as they told me -- and I mentioned it the last time -- \$50,000. So with the research I did, we could save \$1.3 million for the county.

The joint purchasing: We could work on using-- With the Committee, we could work on using the same textbooks and pick out the best ones, like math books, etc., and all the other items. But that would need some detailed research. And for a complete figure on this -- believe me, I'm only touching the surface -- I said eliminating those local superintendents, business managers, etc.-- I mentioned in my last report

how many millions you could save. I'm only touching the surface. Because when I spoke at Bergen County, I said one school district had 20 secretaries. (indiscernible) sources told me since that -- that's an inside worker -- it's actually 28. It's not the biggest school district in Sussex County -- a high school, two elementary, and a middle school -- and they have 28 secretaries in the central office.

The CPA certification -- because a CPA has to certify for every school board. The figures in the school board which I was on -- three times what they were during the year that I was president. And they charged \$35,000. Now, if you go over that figure for the whole of the county, we have 26 school boards. You should be able to save about a half a million.

And training: I have here-- I said the Sussex County Board of Technical Education already has an educational and technology training center. We did the training for people for two hospitals. I mentioned that on here. And a few schools came in with us, but most of them didn't want to be bothered. You could use that training center for all the teachers, for all of the school districts in the county, and you could save an awful lot of money.

Grants: I think some gentleman mentioned that already. If you had a county school system, the grants could be given out, I think, in a fair manner. I think a county school system should look after the poorer and richer townships in the county. And grants are something you have to be very careful about. Because the school board I was on-- The person who was handling that at the beginning missed a lot of money on grants, and then we got somebody afterwards who was an expert and got us just about everything. (timer rings)

Will you give me a few seconds?

ASSEMBLYMAN WISNIEWSKI: We'll give you a few more seconds.

MR. DUNLEAVY: Okay.

Staff hiring: I think it should be professionally done. And some school districts are hiring unlicensed teachers, in some cases, to teach mathematics.

Some years ago, we got national attention because a high school in Morris County -- they hired a principal, and had him there for a few years, and his only education turned out to be three months at a Bible school in Mississippi.

Do I have any evidence, now, that schools are hiring unlicensed teachers? And I will quote mathematics, because that's my field. Yes, I do. I have solid evidence.

And then, my conclusion is at the end. A county system would be more fair. The Abbott system has improved. I disagree with some of the people who say that it hasn't. I believe Phillipsburg -- the education system there improved.

I'd like to show you this picture. This is where I live, Frankford Township. I did this on my computer. Branchville is right in the middle of it. They have a school board without a school. Does that make sense? They have a business manager, they have a superintendent. What sense does it make? They tried to get together as one community. But recently, politically, it failed. They wanted home rule -- which I don't see why they need it.

Thanks for the time.

If there's no questions--

ASSEMBLYMAN WISNIEWSKI: Thank you, Harry. Thank you for coming down again. We appreciate your testimony.

MR. DUNLEAVY: Thank you.

And I hope you do away with local school boards. (laughter)

ASSEMBLYMAN WISNIEWSKI: Well, we're going to need a couple.

I'd like to call up Rooney Sahai.

R O O N E Y S A H A I: Mr. Chairman, can I have my fellow property owner, Susan Vitale, as well?

ASSEMBLYMAN WISNIEWSKI: Sure.

Susan.

S U S A N V I T A L E: Thank you.

MR. SAHAI: Mr. Chairmen, honorable members of this Committee, staff, ladies and gentlemen, good evening.

My name is Rooney Sahai. And I, together with other New Jersey residents, have helped create a group of New Jersey homeowners and property owners who are concerned about the waste in government and the fast-rising property taxes. This group's name is Voiceofconsumers.com.

Given the enormity and complexity of the task at hand, we would like to set our expectations carefully. The time frame for property tax relief and reform appears to be not so much in the present, but in the near future and beyond.

This is the same group who, at the first public hearing, demanded a 15 percent reduction in property taxes. Our priority is efficiency in government, which does not necessarily mean job cuts.

We are concerned about the lack of transparency in government budgets, specifically the lack of disclosure and uniformity. We would like to see an itemization of all expenses with the authorizing contracts attached, if applicable, to be made available online. An example of full disclosure and transparency is the Rockland County, New York, budget, which is available online.

Also, for the purposes of comparative analysis, we would like budget uniformity standards set and enforced by the State of New Jersey. Some examples of uniformity of forms are the IRS forms, Medicaid applications, etc.

By accomplishing the above, we can have the data and the tools that we need to identify waste and abuse. Also, we feel that the State should facilitate the reporting of waste and fraud. There are some insurance industry studies, especially in the auto industry and the health insurance industry, which point to the fact that waste and fraud accounts for 10 percent of the premium. We would like the State to facilitate reporting of waste and fraud, and also would like to see enforcement of the above.

Once again, this group would like to express its great regard for public officials who truly serve tirelessly. And we thank you for your work.

ASSEMBLYMAN WISNIEWSKI: Rooney, thank you.

Susan.

MS. VITALE: Thank you.

Good evening, esteemed members of the Committee, and ladies and gentlemen, and fellow taxpayers.

My name is Susan Vitale. I'm affiliated with Voiceofconsumers.com, and I support what Rooney just said. But tonight I

would like to speak on behalf of myself, as well. And, I think, from a slightly different perspective than you might -- that you've been hearing so far tonight. I don't represent any union or any special interest group.

I recently moved to Long Branch from Rockland County, New York. There I was a county government health and human services planner. In that capacity, I was a founding steering committee member of a group -- of an 11-member team responsible for integrated county planning that spanned seven departments. Cooperative -- nothing was mandated. We sat down together, talked, and looked at overlapping issues and where it made sense to provide services together -- no mandates, talking.

I was also a founding executive committee member of a group called Rockland 21C. It was very unique -- a school, community, government, nonmandated partnership. They established family resource centers in every school district in the county, to the benefit of every child in the county.

As such, I worked with team members to promote more responsive, effective, and efficient services for children, youth, and families. Here are the basic tenets of our planning: accountability, open communication, and -- I haven't heard this mentioned yet -- planning based upon predefined objectives -- consult well-researched and relevant data -- we need that data -- and follow best practices.

These same principles-- I've heard discussions tonight about grant writing. These were the same principles that I applied when I wrote grants. You know that you can't get a grant without a really solid proposal. You just don't get the funding. So in order to get the funding, you need to propose clear, measurable program objectives, addressing well-documented

needs, and then provide lean and fully detailed budgets. I propose this for the-- I expect no less of the State of New Jersey. If we must pay high taxes, we must be assured that our tax dollars are spent wisely and efficiently, not wasted or squandered.

As I see it, the highest priority of this very hardworking Committee -- it's hard work to sit here and listen to all of this testimony. But as I see it, your highest priority is to restore the public trust, deliver high-quality services, and ensure that every single tax dollar is well-spent, completely justified, and fully documented for public review.

Considering the challenges before you, I respectfully make the following suggestions. Please bear with me. There are 13 of them. I will be brief. But I believe that these are all enactable between -- as of November 15 -- if you'll please bear with me.

First suggestion: Could you please develop a citizens watchdog committee? I don't know a better name for it. But could we partner with you? We're on the same team. Can we work together with you to find abuses within government that a lot of people here tonight have been talking about? Can we have a place where citizens can go and say, "This doesn't sound right. Can you please investigate it?" That's suggestion number one. I have more detail in my proposal here.

Suggestion No. 2, I believe I heard from Senator Karcher. How about supporting proposed legislation to deny benefits and pensions to felons in government? Who is going to argue with that? Anybody here? I don't think so.

What about no-bid contracts? Do you think they're acceptable? I don't -- no-bid contracts, no competition, just pay whichever

vendor a government chooses to hire. Can you please make that-- Just don't make that allowable anymore.

Can you please investigate conflict-of-interest contracts? Look who is getting the contracts, look what they're doing for campaigns. Please help us restore trust in the public governing process.

Another suggestion that I heard Senator Karcher express was to renegotiate purchasing contracts, and then apply that benefit statewide to all public organizations. (timer rings)

May I have extra time? We're speaking together.

ASSEMBLYMAN WISNIEWSKI: I'm going to let you have the remainder of Rooney's time. He had an extra minute, so--

MS. VITALE: I'll be finished.

Okay. So these State contracts for purchasing can be applied to municipalities, school districts, all commissions, public -- and so on.

The multiple job situation -- someone having 11 jobs. Come on now. That makes no sense. There are people that-- There may be reasons for someone to have two government jobs, maybe three. But could you please examine the job specifications and look at the time sheets in all of these multiple job situations? Please make sure they're really justified.

Can you audit and constrain legal fees, and review the situations that require outside council, please?

Can you set reasonable standards for public officials to use or own public cars and pay all of their expenses? Please develop standards, and let's enforce them, statewide.

Can we integrate service across service delivery departments, particularly across health and human service departments that often serve

the same consumers? They may walk into several doors, but it's the same person needing services across departments.

Almost done.

Can we please set measurable goals and objectives, and develop budgets and staffing accordingly? If you have any questions about this, I'd be so happy to share my experience with you and work alongside of you to do this.

Can you find ways to provide services more efficiently, cost-effectively -- 3-1-1 might be an example. Also, developing a database of all available services is another; review overlaps, review gaps.

Lastly, could you kindly please take legal action on behalf of us for flagrant violations of public trust?

Thank you so much for your consideration of this proposal, and for undertaking this very difficult and very essential review.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

MS. VITALE: Questions?

ASSEMBLYMAN WISNIEWSKI: No.

MR. SAHAI: Thank you.

MS. VITALE: Thank you.

ASSEMBLYMAN WISNIEWSKI: Jackie Gibson.

MS. GIBSON: Hello.

I know I've been here--

Which is the one? (referring to PA microphone)

ASSEMBLYMAN WISNIEWSKI: That's the amplification.

MS. GIBSON: This is it.

ASSEMBLYMAN WISNIEWSKI: That's it.

MS. GIBSON: I know I've been here before, so I will be really, really brief.

ASSEMBLYMAN WISNIEWSKI: You can just leave it on the table. You don't have to hold it.

MS. GIBSON: Okay.

After I was here last time, I went the next morning down to my borough hall and paid my taxes around the corner from my son's school. And I started to think about: "Well, I really don't like how high my taxes are. Okay, I get that. But what's going to happen to something that is even more of an investment of my money, which is the value of my house, if consolidation occurs?" The property values in my town are pretty high. I live very modestly. I have a house with five rooms and a bathroom -- three bedrooms, a living room, a kitchen, a bathroom. That's it. It's 1,100 square feet, 1,200 if you count the back porch. It's screened in.

And how people -- a lot of voters feel about things like consolidation, I think, is the way I feel. I can't afford to watch the value of my house drop \$75,000 to \$100,000 overnight. That will hurt me in my efforts, then, to sell my house and move elsewhere so my kid won't have to be in a consolidated school.

I purposely moved to the hole in the doughnut because I liked the hole in the doughnut. I liked the small schools. My taxes are not really that much less than the surrounding areas. When I went down to my borough hall, it was with the confidence that my municipal taxes will be spent in my district; instead of sent somewhere else, hoping that someone finds me worthy enough to send it back to be spent in my district. That's

one thing I can say about my municipal taxes. Love it, hate it, it's spent where I live. And I think a lot of parents feel the same way I feel.

My district, for, I think it's the past 13 years, has passed our school budget. We would be merging with districts surrounding us that do not pass their school budgets. My district has passed a referendum in the late '90s, and one again in the end of '04, to add school rooms onto our schools, and to give a facelift to our high school, and to improve our fields. And what would happen? We would then be merged with a town-- One of the towns we would be merged with is a town that recently voted down such a referendum, yet still complains that their children are eating lunch in the hallway and that they're being redistricted due to overcrowding.

So, socially, I'm going to have to be opposed to consolidation. But I could be sold on some of the other things that people who made testimony tonight spoke about. People who made testimony tonight spoke about municipal matchmaker system to help people -- to help districts locate other districts with which they can share services; to help districts locate best practices, efficient practices of other districts so that they're not reinventing the wheel. I could get behind that -- ways to save money that are not going to cause upheaval in my entire family life, which is what would happen if the school districts consolidated.

I haven't been reassured about -- where would my kids be going to school? My kid called me up the other day. He forgot his clarinet. I told him, "Four minutes." I live across the street from his school. His clarinet was at the door in four minutes. He was standing there waiting for it. He went about his business. I moved to Metuchen for that. I moved to Metuchen because it's a small town, with a small school system, located

near where my kids' grandparents live. And I moved there because I want a certain kind of life. And I hear people talking about how the money is going to be saved, but they're not showing me the money. I need to see where the money is really going to come out of my taxes, not just taking word for it that because something is bigger -- I guess we'll have, like, the "Wal-Mart" school district, or something -- that I'm going to save a lot of money. Well, you know, there might be a quality issue involved. I need to be reassured I'd have the same quality. I need to be reassured I'd have the same access. I go to every board of education meeting. It takes me seven minutes to get there. I don't think it would take me seven minutes to get to the board of education meeting in New Brunswick, the center of my county.

I just would need to see more. I'm not seeing-- Would my kids still be going to the school across the street? That is a big part of our lifestyle. And I don't think it's bad to share services. Our district shares many services, as Sharon outlined already. But our district doesn't have the same mindset as the surrounding districts, as shown at the polls. And I don't know how you would just tell all of those people we're all now going to be one, when we have such very different approaches.

Thank you. (applause)

ASSEMBLYMAN WISNIEWSKI: Thank you, Jackie.

Anne Newman.

A N N E N E W M A N: I'm from Metuchen, but we don't always agree on everything. (applause)

ASSEMBLYMAN WISNIEWSKI: It's okay if you do agree. We'll still let you testify.

MS. NEWMAN: Well, we agree rather passionately on this.

I saw you in Bordentown, when you were there. And a friend and I came down on a whim to see what this was all about. And we weren't sure of the form. Like the woman from Bergen County, we weren't sure of the form, so we didn't have prepared testimony. So tonight I have a few more things I'd like to say.

I'm a working parent -- part-time working parent. I have an eighth-grader and a third-grader. I'd like to thank you for all the time you've taken to listen to all this testimony. I appreciate you taking it on the road. It's still tough for parents to get here, even though it's on the road. If you work, and you've got to take care of the kids at night, and you haven't had any meetings near Metuchen, it's tough for us. But I appreciate you doing that.

I don't know if you're aware that there is no school, statewide, today and tomorrow, because of the New Jersey Teacher's Convention. So a lot of parents are not even in town right now. And parents that we've tried to get to come down here are simply not available, because this is an annual statewide vacation for public school kids. So I don't know if you were able to factor that in.

What I'd like to say is that the gentleman who talked about -- get rid of all the school boards--

MR. DUNLEAVY: Except the county.

MS. NEWMAN: The county hasn't shown us how much this plan is going to cost. There haven't been any studies, have there, of what it would cost to implement -- to go to these proposals?

What we have in Metuchen -- and we come from all walks of life in that town -- we have passionate, local democracy. It's one place

where we can speak up our mind, vote, and know that our vote counts. Our school board is entirely volunteer. We have, sometimes, hotly contested races for those meetings. The meetings are televised. Our budget is online. If the information isn't there, you call the superintendent -- who you know by first name -- and they put it up. It is all very accountable. And that is something that we're very afraid of losing if you eliminate layers of -- if you eliminate superintendents and consolidate districts like Metuchen.

I'm in touch with other people across the state who come from wealthier school districts than Metuchen. I think the median assessed home is \$180,000. We're not one of those J Districts, like some of the others. But we are all very passionate about local control. And there are a few things that I'd like to share, that I think you've heard before.

I think it's great that you're exploring these issues. I think that any kind of consolidation should be voluntary. I think that a tax -- we need a tax structure that would not penalize a district, via higher property taxes, as a result of consolidating. In other words, you need to make sure that our taxes wouldn't go up. You need to find an equitable way for districts not to have to share debt services incurred by one district before merging. You need to address the differences in teachers' salaries. I think we've calculated that our salaries would go up more than a million dollars, because we are not at the highest rate in the county. If they went up to the highest contractual level in the county--

We have worked hard at shared services and saving money. A board member sent me an e-mail tonight. But she was -- had been in New York because of the vacation, and I couldn't check this with her -- that we've saved \$400,000 by opting out of the State health insurance plan for

our staff and personnel. We rented space to a Federally funded preschool in Perth Amboy and raised a couple hundred thousand dollars a year by doing that. We're constantly looking for ways to save money.

Our property taxes have gone up because State funding has been flat. And as you -- as the State has not given us any money -- I think we get, now -- about 6 percent of school funding is from the State, and the rest is out of local property taxes.

I would like to ask you not to do what you did two years ago, S-1701. That legislation, as I understand, was passed at the 11th hour with, from what I understand, very little if any public input. And it had a dramatic effect on districts like us. You took away our ability to make -- to have a good, rainy-day fund that we could count on. You limited those rainy-day funds at a percentage that-- If we have a couple of kids go out of district for special education, our costs are so high that our rainy-day fund will disappear.

Whatever you do, please provide for public input so that it's not an 11th hour, closed-door decision, and the public wakes up and has had no input into it.

I had something I wanted to say about local superintendents and how accountable they are. And we're very concerned that we would lose that kind of accountability.

ASSEMBLYMAN WISNIEWSKI: Briefly, sure.

MS. NEWMAN: Just a minute.

I passed that out for you, actually, so there is a handout there about -- yep, local superintendents.

Let me just read a few of them. I don't want to go through them all. High-achieving districts always have strong superintendents. The superintendents are mentors. They work constantly with principals and supervisors, as well as faculties. They create an atmosphere of collegiality. They are very involved in their communities. And they're our most accessible link to the State Department of Education, the local boards, the local parents, and taxpayers. They communicate. Our superintendent gets screamed at a lot. But we all know her; people don't hesitate to talk to her. She may not agree with you, but she's accessible.

She is also, formerly, a businesswoman. She came out of private industry, not out of the education system. School districts are multimillion dollar businesses, and the school districts (*sic*) who run them are among the few business leaders who are directly accountable to every taxpayer, every day. You can't say that about most business leaders.

They promote educational excellence and innovation, as well as sharing of services. And, again, I'd like to say they are accountable. Their contracts are public documents available to any taxpayer. As in any profession, there are good ones, there are bad ones. We like to try to hold our's feet to the fire. And, once again, I think if you--

I appreciate you trying to save money. I think we're all trying to save money. But I think you'd be removing democracy at its most intense and its most local level if you were to consolidate districts the way some of these plans are calling for.

Thanks.

ASSEMBLYMAN WISNIEWSKI: Anne, thank you for your testimony.

I want to recognize Princeton Borough Councilwoman Peggy Karcher, who has indicated no need to testify. But she is here this evening.

Is there anyone who has signed up that we have not called? (no response)

Okay. We have gone through our list of all those individuals who wished to speak. We appreciate everyone participating and sticking to the time limit. This will be prepared in a transcript and be publicly available. And the Committee will be issuing a report around November 15.

This meeting is adjourned.

Thank you.

(HEARING CONCLUDED)