

State of New Jersey

Assembly Budget Committee

Assemblyman Louis D. Greenwald, Chairman

Public Hearing

March 13, 2007

9:30 a.m.

**State House Annex
Committee Room 11
4th Floor**

BUDGET TESTIMONY

BY: Tom Bruno

Good Morning Chairman Greenwald, Vice Chairman Payne, and members of this distinguished Committee... Thank you for the opportunity of addressing you today.

As most of you know, my name is Tom Bruno. I come here today NOT in my role as President of the HDC Branch of CWA, but as a concerned citizen and as a state worker.

This Budget exacerbates a perilous trend of diminishing state monies to fund operating costs of the six (6) Developmental Centers and the consequential reliance on greater and greater amounts of unrealized federal monies to offset those cuts. Additionally, there exists a critical staff shortage in the Community-based services as well as our State facilities. The over-reliance on federal monies in the face of an ever-increasing staff shortage is a prescription for budgetary and social programmatic disaster and is, at best, perfunctory.

This budget does little to invest in institutional staffing or in the buildings themselves so as to enhance the quality of care provided to our most vulnerable citizens. These capital improvements are long overdue as many of our institutions are more than 50 years old, requiring constant repairs and maintenance.

I am a Head Supervisor at Hunterdon Developmental Center, where we are home to nearly 600 people who present with varying degrees of mental retardation and mental illness. Each of these individuals generates more than \$500 each day in federal ICF/MR monies. This is far above the \$330 per day in actual costs. In other words, Hunterdon Developmental Center generates enough federal monies to be self sufficient and provide extra revenues of approximately \$36 million per year to pay for community services. This is just one (1) of six (6) such revenue streams the state cannot afford to lose.

This Administration is making a serious mistake in their philosophy of care for the mentally ill and developmentally disabled. Their dichotomy of care is a flawed model that fails to recognize community providers and State facilities as elements within a vast continuum of care. Instead, this budget embraces the viewpoint that they are mutually exclusive, independent models of care unto themselves. The Governor unfortunately has returned to the dichotic model and I would hope that this legislative body recognizes the need to keep both the community AND the State facilities viable as key elements in the overall continuum of care.

But this budget is more telling when you see what is NOT there. What is NOT there in FY 2008 is \$368 Million in Corporate Business Taxes, a 13.6% reduction. What is not there are 104 caregivers in our Developmental Centers that are currently working. Year after year, public workers have been asked to do more with less; yet, Corporations are encouraged by this body to do less with more. If you want to provide businesses with what amounts to Corporate Welfare, shouldn't we make them earn it?? Isn't that what we do with our impoverished masses??? Make them work for their Welfare check.

Why not predicate tax breaks on corporations who provide health care for their employees so we don't have to keep increasing the charity care funding. Or what about requiring a business who wants the tax break to have a net gain of employees with at least 10 months on the job at year's end in order to qualify for the tax break?

There is a lot to be said about a society that places more emphasis on giving businesses a tax break than on protecting the lives of its most vulnerable citizens.

Let's talk about the Public Employee Retirement System.

When Governor Whitman decided to raid the pension back in the mid-90's, this body promised to pay it back. Year after year, the Legislators would skip the payment that should have been funding the pension and doled out the money to their business friends and wealthy constituents in the form of tax breaks and tax incentives. For every dollar that was skipped, the Pension fund failed to derive the 200% investment income from it. It was theft, plain out and simple. Now that the fiscal irresponsibility of those Legislators has come to the forefront, public workers are being asked to increase the amount going into the fund pay the unfounded liability caused by years of Legislative neglect. The state, for it's share, will try to make at least a \$1 billion payment each year, far below what is required. In the real world, people who con people out of their hard earned money go to jail. As a direct result of the Legislature not paying the State's share into the Pension, an employee making the average \$50,000 a year will now have to pay an EXTRA \$250 a year for the crimes of others.

To add insult to injury, this Governor's budget includes a paltry raise of 3% in the first year while his own budget language claims that personal taxable income in the State of NJ rose 9.2% in 2004 and 6.6% in 2005 and is projected to raise 7.3% in 2006, 5.3% in 2007 and 8.3% in 2008. In the face of these numbers, we are further asked to dip into our pockets and pay a portion of our health care premiums, increases in our co-pays, and for the state's mishandling of their fiscal responsibilities, netting us an increase in the first year of .94% before taxes. This budget endangers the lives of the mentally retarded and the mentally ill and erodes the livelihoods of those who provide the care to them. Without a targetted reallocation of monies, it should not be passed.

Thank you for your consideration.

Tom Bruno