



## Can't Stop Now!

*The Legislature Must Pass Real Sick Pay And Civil Service Reforms To Continue To Give Municipalities The Tools They Need To Operate More Efficiently*

*"By focusing on efficiency, enacting a real cap on property taxes, providing significant budget savings from our historic pension and health benefits reform, and doubling direct property tax relief to residents, we are finally giving New Jersey families the lasting property tax relief they need." – Governor Chris Christie, Remarks On 2011 Municipal Best Practices Checklist, July 14, 2011*

### **THE CHRISTIE ADMINISTRATION HAS ALREADY TAKEN AGGRESSIVE ACTION TO PROMOTE EFFICIENCY AND SAVE TAXPAYER MONEY**

#### **Governor Christie's Bipartisan Pension Reform Will Save Local Governments \$43 Billion In Pension Contributions:**

On June 28, 2011, Governor Chris Christie signed into law historic, bipartisan pension reform that will provide savings to New Jersey taxpayers of over \$120 billion over the next 30 years. In addition to real property tax relief for New Jersey families this reform provides real budget relief for local governments:

- Over the next 30 years, local government pension contributions will be \$70 billion, a projected savings of nearly \$43 billion. Without reform, local governments are projected to contribute \$113 billion over the same period.
- In Fiscal Year 2012 alone, municipalities, school districts and counties saw a total savings of \$267 million.

#### **The Property Tax Cap Will Bring Long-Awaited Relief To Property Taxpayers And Help Local Governments Rein In Spending:**

In July of 2010, Governor Chris Christie reached a bipartisan consensus with Legislative leaders to implement a strict cap of 2 percent on annual property tax increases. For the first time, the voters – those who are paying the taxes in the first place – are given direct and final input over increases in their property taxes.

There is already strong evidence that Governor Christie's 2 percent cap on local spending is working to rein in runaway spending:

- Only 14 of New Jersey's 566 municipalities proposed to exceed the cap.
- Of those 14, voters in only two municipalities granted approval.
- None of New Jersey's 21 county governments proposed to exceed the cap.
- Of 538 proposed school budgets up for voters' review, 87 percent have tax levy increases of two percent or less.
- Only 11 school districts sought voter approval to allow additional spending above the cap.

#### **The Cap On Interest Arbitration Will Help Municipalities Directly Address Cost Drivers Without Adversely Impacting Core Government Services:**

On December 21, 2010, Governor Christie signed into law transformational, long-overdue interest arbitration reform that will provide municipalities with the help they need to keep property taxes down for New Jerseyans.

The reform provides a meaningful cap of 2 percent that will be applied to all salary items, such as the cost of across the board and cost of living increases, step increment payments and longevity pay. In addition, this new cap:

- Prohibits non-salary economic issues to be arbitrated above the cap, unless already included in an existing contract.
- Puts in place concrete deadlines to help eliminate delays in the arbitration process, from contract negotiation to the receipt of the actual award;
- Caps Arbitrator compensation to incentivize speedy resolution of cases;
- Increases Ethical Standards and Training for Interest Arbitrators;
- Randomizes the Selection of Interest Arbitrators.

### **The Christie Administration's Best Practices Checklist Ties Municipalities' Aid To A Commitment To Efficiency:**

For two years in a row, the Christie Administration has issued the Best Practices Checklist to the state's 566 municipalities to provide standards by which local government officials can perform an assessment of municipal and county operations.

Municipal governments were required to meet an established percentage of the checklist items in order to receive all or part of their final state aid payment:

- In the first year of the Best Practices Initiative's checklist, 374 of the state's 535 calendar year municipalities indicated their adherence or commitment to implement 85 percent or more of the best practices.
  - The remaining 161 municipalities had a portion of their final state aid payment withheld.
- In the second year, more than 98 percent of the 545 calendar year municipalities received scores above 41 out of 50.
  - Only a handful of towns are having state aid withheld this year based on their checklist scores.
- The checklist includes questions in categories such as General Management, Budget Preparation & Presentation, Health Insurance, Personnel, Public Safety, Energy, and Municipal/School Relations.

### **The Christie Administration's Reforms Cut Bureaucracy To Help Provide Affordable Housing:**

Delivering on the promise to achieve real affordable housing reform, the Christie Administration abolished the Council on Affordable Housing (COAH):

- Recognizing that the Department of Community Affairs is already responsible for providing assistance to municipalities and oversight of local governments, and already operates numerous affordable housing programs, the Governor consolidated and transferred all duties of COAH to the Commissioner of DCA.
- The move also implements recommendations of the Red Tape Review Group created by Executive Order No. 3, reducing costs and promoting more efficient operations of the burdensome regulatory agency. The elimination of COAH is also consistent with the recommendations of the Housing Opportunity Task Force created by Executive Order No.12.

### **In Municipalities Requiring Transitional Aid, Governor Christie Is Committed To Providing Assistance That Includes Oversight And Accountability To Combat Waste And Abuse:**

Continuing his commitment to strengthening New Jersey's cities and distressed municipalities through enhanced oversight, guidance and accountability, Governor Christie is committed to signing legislation proposed by his Administration that restores Transitional Aid funding and provides permanent, necessary accountability and oversight of the program.

The Christie Administration has aggressively overseen Transitional Aid to Localities through efforts such as:

- Providing state fiscal oversight for all municipalities receiving Transitional Aid to Localities
- Setting and enforcing conditions for the receipt of aid through Memorandums of Understanding;
- Implementing a meaningful, rigorous application process for aid awards where none existed before;
- Requiring regular oversight meetings with DCA and municipal officials to monitor the use of funds and efforts to control costs;
- Utilizing staff to consult with municipalities and assist with professional reviews of municipal operations;
- Advising and consulting with municipal cost-saving initiatives, including police and fire department restructuring to reduce overhead and ensure public safety programs are both efficient and effective;
- Requiring DCA approval for employee hiring;
- Denying non-essential hires, raises, contracts and expenditures and unnecessary travel..