



# Public Hearing

before

SENATE COMMUNITY AFFAIRS COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 87

(Proposes constitutional amendment concerning bills, rules, regulations or orders which provide for new or expanded programs or services by school boards, counties or municipalities.)

LOCATION: Room 319  
State House  
Trenton, New Jersey

DATE: January 30, 1995  
11:00 a.m.

## MEMBERS OF COMMISSION PRESENT:

Senator Leonard T. Connors Jr., Chairman  
Senator Joseph A. Palaia, Vice-Chairman  
Senator James E. McGreevey

## ALSO PRESENT:

Robert C. Rothberg  
Committee Aide  
Senate Community Affairs Committee



*Hearing Recorded and Transcribed by*  
The Office of Legislative Services, Public Information Office,  
Hearing Unit, State House Annex, CN 068, Trenton, New Jersey 08625





LEONARD T. CONNORS, JR.  
Chairman

JOSEPH A. PALAIA  
Vice-Chairman

JOSEPH L. BUBBA  
JOHN "JACK" CASEY  
JAMES E. MCGREEVEY

**New Jersey State Legislature**  
SENATE COMMUNITY AFFAIRS COMMITTEE  
LEGISLATIVE OFFICE BUILDING, CN-068  
TRENTON, NJ 08625-0068  
(609) 292-1596

## PUBLIC HEARING NOTICE

The Senate Community Affairs Committee will hold a public hearing on the following legislation:

**SCR-87**  
DiFrancesco  
/L.Connors

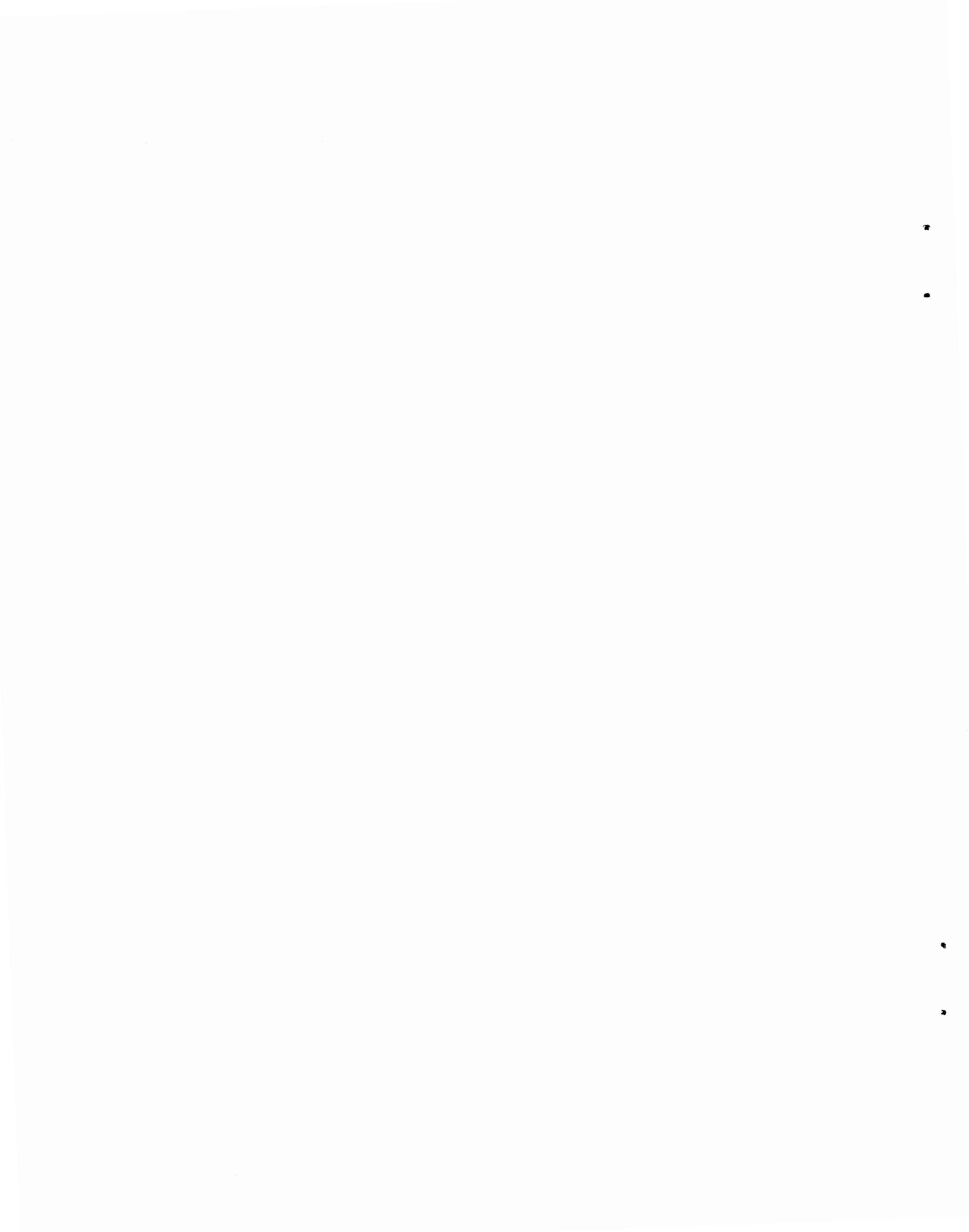
Proposes constitutional amendment concerning bills, rules, regulations or orders which provide for new or expanded programs or services by school boards, counties or municipalities.

The hearing will be held on **Monday, January 30, 1995 at 11:00 AM in Room 319, State House, Trenton, NJ.**

*The public may address comments and questions to Robert Rothberg, Committee Aide, or persons wishing to testify should contact Melinda Friedman, secretary, at (609) 292-1596. Those persons presenting written testimony should provide 10 copies to the committee on the day of the hearing.*

Assistive listening devices available upon 24 hours prior notice to the committee aide(s) listed above

Issued 1/25/95



# SENATE CONCURRENT RESOLUTION No. 87

## STATE OF NEW JERSEY

INTRODUCED DECEMBER 15, 1994

By Senators DiFRANCESCO, CONNORS, Gormley, Cafiero, Bassano, Matheussen, Palaia, Kosco, Cardinale, Martin, Singer, Haines, Bubba, Lesniak, LaRossa, Rice, Scott, McNamara, Casey, Kyrillos, Sinagra, Girgenti, Ciesla, Littell, Inverso, Zane, McGreevey, Bennett, Adler, O'Connor, Lipman and Sacco

1    **A CONCURRENT RESOLUTION** proposing to amend Article IV,  
2    Section IV, paragraph 6 and Article V, Section IV, paragraph 6  
3    of the Constitution of the State of New Jersey.

4  
5    **WHEREAS**, Since the adoption of the State Constitution in 1947,  
6    State government has increasingly imposed a great number of  
7    mandates, orders and directives on local governments and  
8    boards of education; and

9    **WHEREAS**, This policy of forcing local officials to implement  
10   State policies has been encouraged by a lack of constitutional  
11   barriers to that practice and by the failure of State  
12   government to accurately assess and publicize the true cost of  
13   State mandates to local property taxpayers; and

14   **WHEREAS**, Without an effective constitutional barrier, elected  
15   and appointed State officials have been establishing new  
16   programs without having to consider the negative impact the  
17   programs would have on the local property tax, and thus have  
18   been able to avoid being held accountable for the increases in  
19   local property taxes; and

20   **WHEREAS**, As a result of this ability to establish new programs,  
21   paid for by local taxpayers, the number of mandates imposed  
22   by Trenton has increased virtually unabated; and

23   **WHEREAS**, In response to this decades-long pattern of seemingly  
24   inexorable increases in burdensome mandates from Trenton,  
25   local officials have repeatedly petitioned the Legislature for a  
26   constitutional mechanism to protect them from the imposition  
27   of additional mandates; and

28   **WHEREAS**, It is absolutely imperative that in fashioning a  
29   constitutional remedy for the problems caused by  
30   State-imposed mandates, the Legislature scrupulously avoid  
31   any remedy which could be used to justify a reduction in home  
32   rule, encourage the fragmentation of State-aid programs,  
33   increase litigation between governmental entities, or foster  
34   severe micromanagement of local affairs from Trenton; and

35   **WHEREAS**, The Legislature has determined that the most  
36   effective way of dramatically curtailing the practice of  
37   imposing new mandates, while safeguarding home rule, is to  
38   submit a constitutional amendment to the people that would  
39   severely limit the Legislative and Executive branches' ability  
40   to create new mandates on our boards of education and  
41   municipal and county government; and

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the  
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 WHEREAS, The constitutional remedy that would be most  
2 effective in deterring enactment or promulgation of new  
3 mandates, without encouraging the infringement on home rule,  
4 would be one that imposed an extraordinary approval process  
5 on State government proposals establishing statutory or  
6 regulatory mandates on local governments and boards of  
7 education, terminated each new mandate after five years,  
8 required the State government to accompany each mandate  
9 with the funds to cover the cost of implementing the mandate,  
10 and required a detailed fiscal analysis of directives from the  
11 federal government; now, therefore,

12

13 BE IT RESOLVED *by the Senate of the State of New Jersey*  
14 *(the General Assembly concurring):*

15 1. The following proposed amendments to the Constitution of  
16 the State of New Jersey are agreed to:

17

18

#### PROPOSED AMENDMENTS

19

20 a. Amend Article IV, Section IV, paragraph 6 to read as  
21 follows:

22 6. (a) All bills and joint resolutions shall be read three times  
23 in each house before final passage. No bill or joint resolution shall  
24 be read a third time in either house until after the intervention of  
25 one full calendar day following the day of the second reading; but  
26 if either house shall resolve by vote of three-fourths of all its  
27 members, signified by yeas and nays entered on the journal, that  
28 a bill or joint resolution is an emergency measure, it may proceed  
29 forthwith from second to third reading.

30 (b) No bill that requires a board of education or the governing  
31 body of a county or municipality to provide a new or expanded  
32 program or service shall be read a third time in either house until  
33 at least 20 calendar days after the placing on the desks of the  
34 members of each house in open meeting of the transcript of a  
35 public hearing held by either house on the bill. This transcript  
36 shall be accompanied by a detailed fiscal analysis projecting the  
37 cost of providing the new or expanded program or service over a  
38 five-year period to each board of education or governing body of  
39 a county or municipality. Except for a new or expanded program  
40 or service mandated by the federal government, the bill shall  
41 include an appropriation necessary to fund the projected  
42 first-year cost as specified in the fiscal analysis. If the bill  
43 providing for a new or expanded program or service is enacted  
44 into law, the annual appropriations act for the next four fiscal  
45 years shall contain an appropriation which the Legislature deems  
46 sufficient to fund the cost of the program or service to be  
47 provided by each affected board of education or governing body  
48 of a county or municipality. A bill that requires a board of  
49 education or the governing body of a county or municipality to  
50 provide a new or expanded program or service shall expire five  
51 years from the date of enactment.

52 (c) In each two-year legislative term, the Legislature shall  
53 create, by concurrent resolution and after a public hearing, a

1 Council on State Mandates which shall consist of five members  
2 appointed as follows: one member to be appointed by the  
3 President of the Senate; one member to be appointed by the  
4 Speaker of the General Assembly; one member to be appointed by  
5 the minority leader of the Senate; one member to be appointed by  
6 the minority leader of the General Assembly; and one member to  
7 be appointed by the Chief Justice of the Supreme Court. The  
8 council shall resolve by majority vote any dispute concerning  
9 whether a bill, rule, regulation or order requires a board of  
10 education or the governing body of a county or municipality to  
11 provide a new or expanded program or service under this Article  
12 or Article V. The decision of the council shall be final and  
13 binding on all parties and not subject to judicial review.

14 (d) No bill or joint resolution shall pass, unless there shall be a  
15 majority of all the members of each body personally present and  
16 agreeing thereto, and the yeas and nays of the members voting on  
17 such final passage shall be entered on the journal.

18 (cf: Article IV, Section IV, paragraph 6 effective January 1, 1948)

19 b. Amend Article V, Section IV, paragraph 6 to read as follows:

20 6. (a) No rule [or], regulation or order made by any  
21 department, officer, agency or authority of this [state] State,  
22 except such as relates to the organization or internal  
23 management of the State government or a part thereof, shall  
24 take effect until it is filed either with the Secretary of State or  
25 in such other manner as may be provided by law. The Legislature  
26 shall provide for the prompt publication of such rules [and],  
27 regulations and orders.

28 (b) No rule, regulation or order promulgated pursuant to State  
29 law that requires a board of education or the governing body of a  
30 county or municipality to provide a new or expanded program or  
31 service shall take effect until at least 60 days after a detailed  
32 fiscal analysis of the rule, regulation or order in its final form,  
33 projecting the cost to each board of education or governing body  
34 of a county or municipality of providing the new or expanded  
35 program or service over a five-year period, has been prepared  
36 and made available to the public and each board of education or  
37 governing body of a county or municipality for commentary.  
38 Within 60 days after the rule, regulation or order takes effect,  
39 the State Treasurer shall pay each affected board of education or  
40 governing body of a county or municipality from State  
41 appropriations for the operation of the department, officer or  
42 agency promulgating the rule, regulation or order the moneys  
43 necessary to fund the projected first-year cost as specified in the  
44 fiscal analysis. For the next four fiscal years, the Governor shall  
45 recommend to the Legislature an appropriation to fund the cost  
46 of the program or service to be provided by each affected board  
47 of education or the governing body of a county or municipality.  
48 Such a rule, regulation or order shall expire five years from the  
49 date of adoption.

50 (c) A detailed fiscal analysis of a rule, regulation or order  
51 promulgated pursuant to federal law that requires a board of  
52 education or the governing body of a county or municipality to  
53 provide a new or expanded program or service shall be completed  
54 within 60 days of promulgation.

1     (d) The Legislature may review any rule [or], regulation or  
2 order to determine: (1) if the rule [or], regulation or order  
3 consistent with the intent of the Legislature as expressed in the  
4 language of the statute which the rule [or], regulation or order is  
5 intended to implement and (2) if a rule, regulation or order  
6 requiring a board of education or the governing body of a county  
7 or municipality to provide a new or expanded program or service  
8 is written in a manner that will allow a board of education or the  
9 governing body of a county or municipality to provide the  
10 program or service efficiently and with the least cost to its  
11 taxpayers. Upon a finding that an existing or proposed rule [or],  
12 regulation or order is not consistent with legislative intent, or, in  
13 the case of a rule, regulation or order requiring a board of  
14 education or the governing body of a county or municipality to  
15 provide a new or expanded program or service, that the rule,  
16 regulation or order has not been written in a manner allowing a  
17 board of education or the governing body of a county or  
18 municipality to provide the program or service efficiently and  
19 with the least cost to its taxpayers, the Legislature shall transmit  
20 this finding in the form of a concurrent resolution to the  
21 Governor and the head of the Executive Branch agency which  
22 promulgated, or plans to promulgate, the rule [or], regulation or  
23 order. The agency shall have 30 days to amend or withdraw the  
24 existing or proposed rule [or], regulation or order. If the agency  
25 does not amend or withdraw the existing or proposed rule [or],  
26 regulation or order, the Legislature may invalidate that rule [or],  
27 regulation or order, in whole or in part, or may prohibit that  
28 proposed rule or regulation, in whole or in part, from taking  
29 effect by a vote of a majority of the authorized membership of  
30 each House in favor of a concurrent resolution providing for  
31 invalidation or prohibition, as the case may be, of the rule [or],  
32 regulation or order. This vote shall not take place until at least  
33 20 calendar days after the placing on the desks of the members of  
34 each House of the Legislature in open meeting of the transcript  
35 of a public hearing held by either House on the invalidation or  
36 prohibition of the rule [or], regulation or order.  
37 (cf: Article V, Section IV, paragraph 6 amended effective  
38 December 3, 1992)

39     2. When this proposed amendment to the Constitution is finally  
40 agreed to, pursuant to Article IX, paragraph 1 of the  
41 Constitution, it shall be submitted to the people at the next  
42 general election occurring more than three months after that  
43 final agreement and shall be published at least once in at least  
44 one newspaper of each county designated by the President of the  
45 Senate and the Speaker of the General Assembly and the  
46 Secretary of State, not less than three months prior to that  
47 general election.

48     3. This proposed amendment to the Constitution shall be  
49 submitted to the people at that election in the following manner  
50 and form:

51     There shall be printed on each official ballot to be used at that  
52 general election, the following:

53     a. In every municipality in which voting machines are not used,  
54 a legend which shall immediately precede the question, as follows:

1 If you favor the proposition printed below make a cross (x), plus  
2 (+) or check (✓) in the square opposite the word "Yes." If you are  
3 opposed thereto make a cross (x), plus (+) or check (✓) in the  
4 square opposite the word "No."

5 b. In every municipality the following question:  
6  
7

8 CONSTITUTIONAL AMENDMENT CONCERNING  
9 BILLS, RULES, REGULATIONS OR ORDERS  
10 WHICH PROVIDE FOR NEW OR EXPANDED  
11 PROGRAMS OR SERVICES BY SCHOOL  
12 BOARDS, COUNTIES OR MUNICIPALITIES  
13

14 YES. Shall the amendment of Article IV, Section IV,  
15 paragraph 6 and Article V, Section IV, paragraph  
16 6 of the State Constitution, agreed to by the  
17 Legislature, which provides: (1) that no bill  
18 requiring a board of education or the governing  
19 body of a county or municipality to provide a new  
20 or expanded program or service shall be given  
21 third reading until at least 20 calendar days after  
22 a transcript of a public hearing on the bill and a  
23 fiscal analysis is placed on the desks of the  
24 members of each House; (2) that the bill, if not in  
25 response to a federal government mandate, shall  
26 include an appropriation to fund the projected  
27 first-year cost; (3) that specified bills, rules,  
28 regulations or orders shall expire five years from  
29 the date of enactment or adoption; (4) that no  
30 rule, regulation or order promulgated pursuant to  
31 State law which requires a board or a governing  
32 body to provide a new or expanded program or  
33 service shall take effect until at least 60 days  
34 after a detailed fiscal analysis of the rule,  
35 regulation or order in its final form has been  
36 prepared and made available for commentary; (5)  
37 that within 60 days after such a rule, regulation  
38 or order takes effect, the State Treasurer shall  
39 pay each affected board or governing body from  
40 State appropriations for the operation of the  
41 agency promulgating the rule, regulation or order  
42 the moneys necessary to fund projected  
43 first-year costs; (6) for the Legislature to  
44 invalidate rules, regulations and orders if not  
45 written in a manner allowing the program or  
46 service to be provided efficiently and with the  
47 least cost to taxpayers; (7) for the establishment  
48 of a Council on State Mandates which shall  
49 resolve any dispute concerning requirements for  
50 new or expanded programs or services; and (8)  
51 that any decision of the council shall be final and  
52 binding on all parties and not subject to judicial  
53 review, be approved?  
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#### INTERPRETIVE STATEMENT

NO. These amendments provide: (1) that no bill requiring a board of education or the governing body of a county or municipality to provide a new or expanded program or service shall be passed by either House until a public hearing is held and a detailed fiscal analysis is completed and made public; (2) that the bill, if not in response to a federal government mandate, shall include an appropriation to fund the projected first-year cost; (3) that bills, rules, regulations or orders imposing local mandates shall expire five years from the date of enactment or adoption; (4) that no rule, regulation or order that imposes a local mandate shall take effect until at least 60 days after a detailed fiscal analysis has been prepared and made available for commentary; (5) that within 60 days after such a rule, regulation or order takes effect, the State Treasurer shall pay each affected board or governing body from State appropriations for the operation of the agency promulgating the rule, regulation or order the moneys necessary to fund projected first-year costs; (6) for the Legislature to invalidate rules, regulations and orders imposing local mandates if they have not been written in a manner allowing the program or service to be provided efficiently and with the least cost to taxpayers; (7) for the establishment of a Council on State Mandates which shall resolve any dispute concerning whether bills, rules, regulations or orders require a board or governing body to provide a new or expanded program or service; and (8) that any decision of the council shall be final and binding on all parties and not subject to judicial review.

#### SCHEDULE

This constitutional amendment shall take effect on the commencement of the first annual legislative session next following its approval by the voters.

#### STATEMENT

These proposed amendments to the State Constitution provide:

(1) that no bill requiring a board of education or the governing body of a county or municipality to provide a new or expanded program or service shall be passed by either House of the Legislature until a public hearing is held and a detailed fiscal analysis is completed and made public;

(2) that the bill, if not in response to a federal government mandate, shall include an appropriation to fund the projected first-year cost as specified in the fiscal analysis;

1 (3) that bills, rules, regulations or orders imposing local  
2 mandates shall expire five years from the date of enactment or  
3 adoption;

4 (4) that no rule, regulation or order that imposes a local  
5 mandate shall take effect until at least 60 days after a detailed  
6 fiscal analysis of the rule, regulation or order in its final form  
7 has been prepared and made available for commentary;

8 (5) that within 60 days after such a rule, regulation or order  
9 takes effect, the State Treasurer shall pay each affected board  
10 or governing body from State appropriations for the operation  
11 of the agency promulgating the rule, regulation or order the  
12 moneys necessary to fund projected first-year costs as  
13 specified in the fiscal analysis;

14 (6) for the Legislature to invalidate rules, regulations and  
15 orders imposing local mandates if they have not been written in  
16 a manner allowing the program or service to be provided  
17 efficiently and with the least cost to taxpayers;

18 (7) for the establishment of a five-member Council on State  
19 Mandates which shall resolve any dispute concerning whether a  
20 bill, rule, regulation or order requires a board or governing  
21 body to provide a new or expanded program or service; and

22 (8) that any decision of the council shall be final and binding  
23 on all parties and not subject to judicial review.

24 This constitutional amendment shall take effect on the  
25 commencement of the first annual legislative session next  
26 following its approval by the voters.

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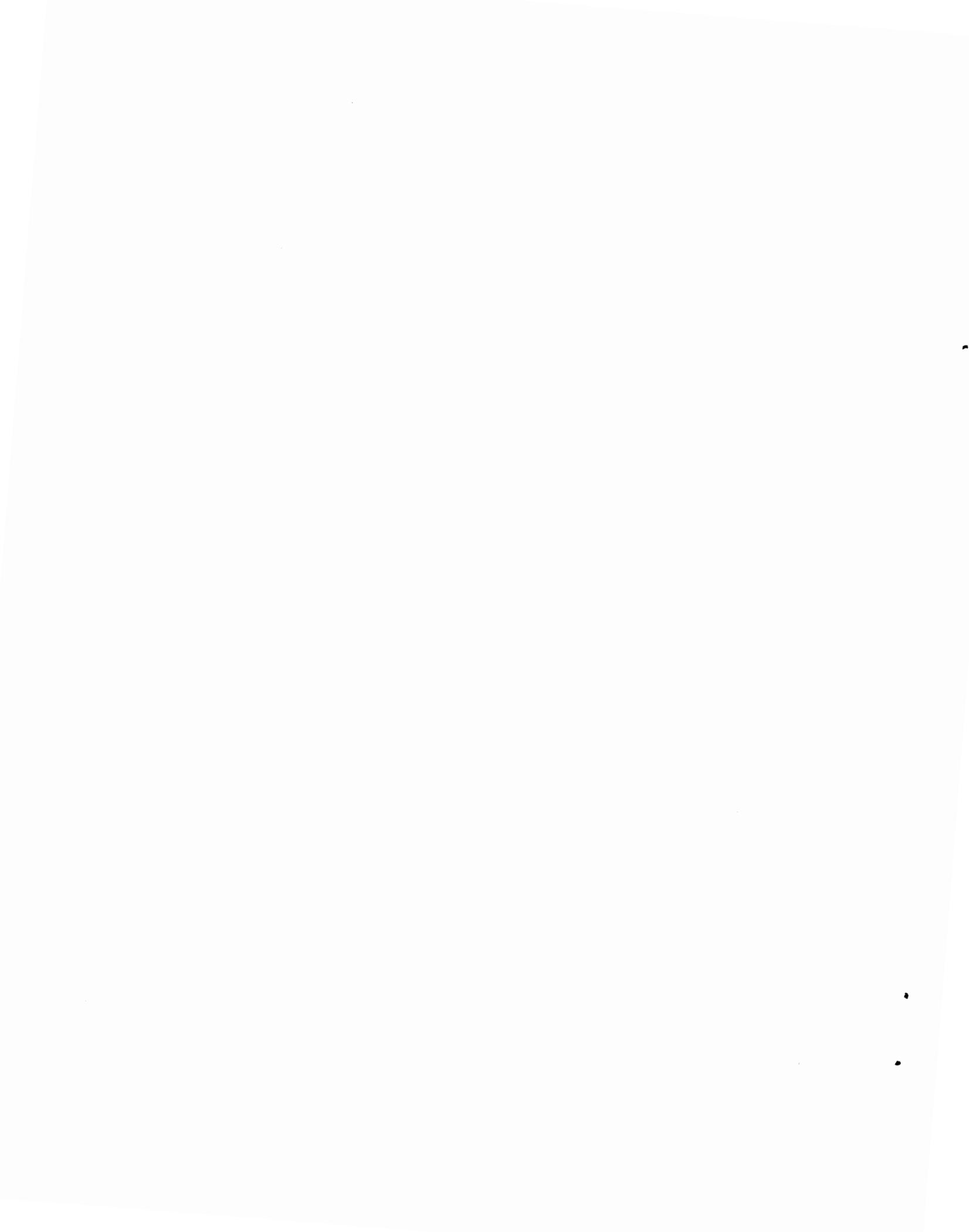
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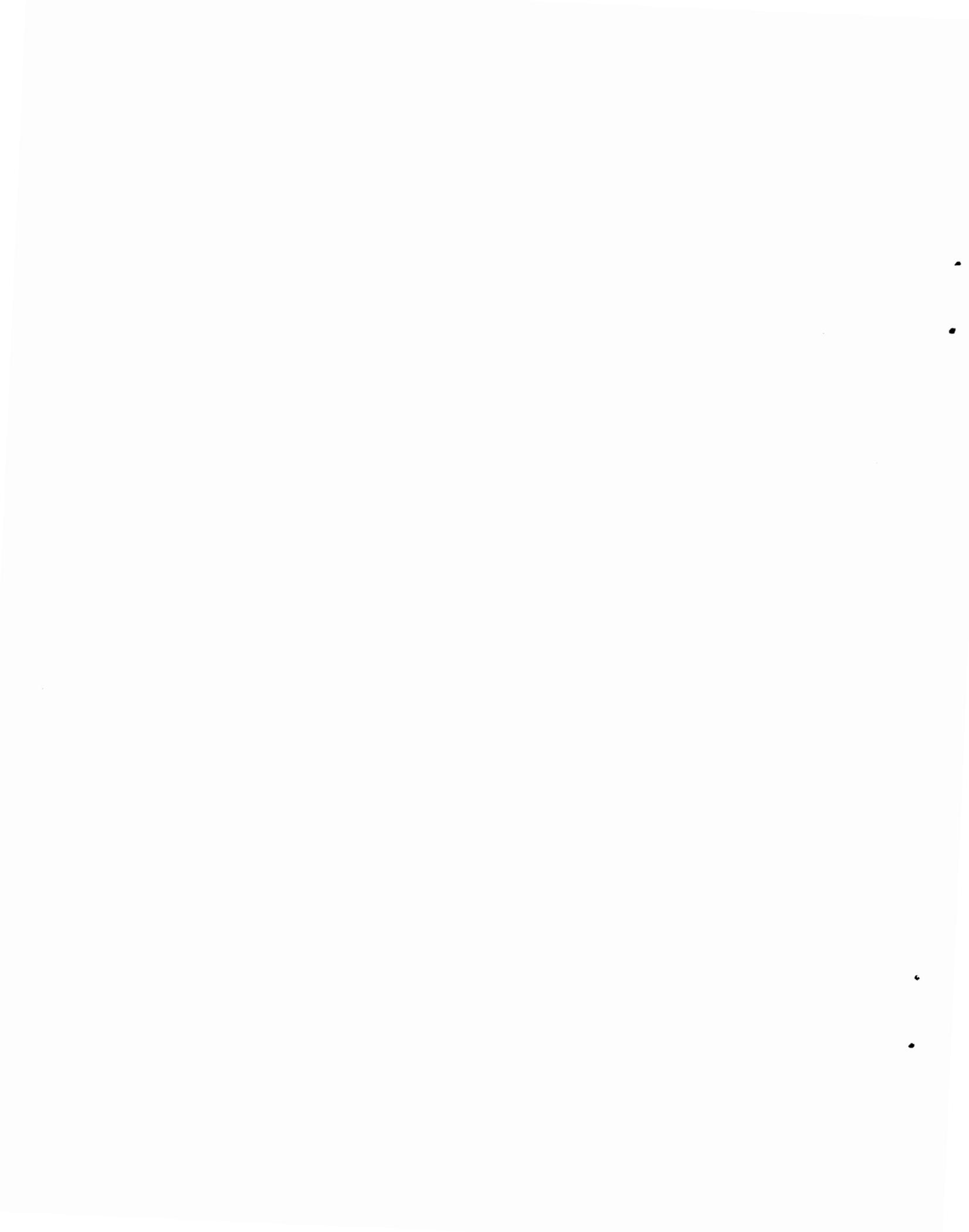
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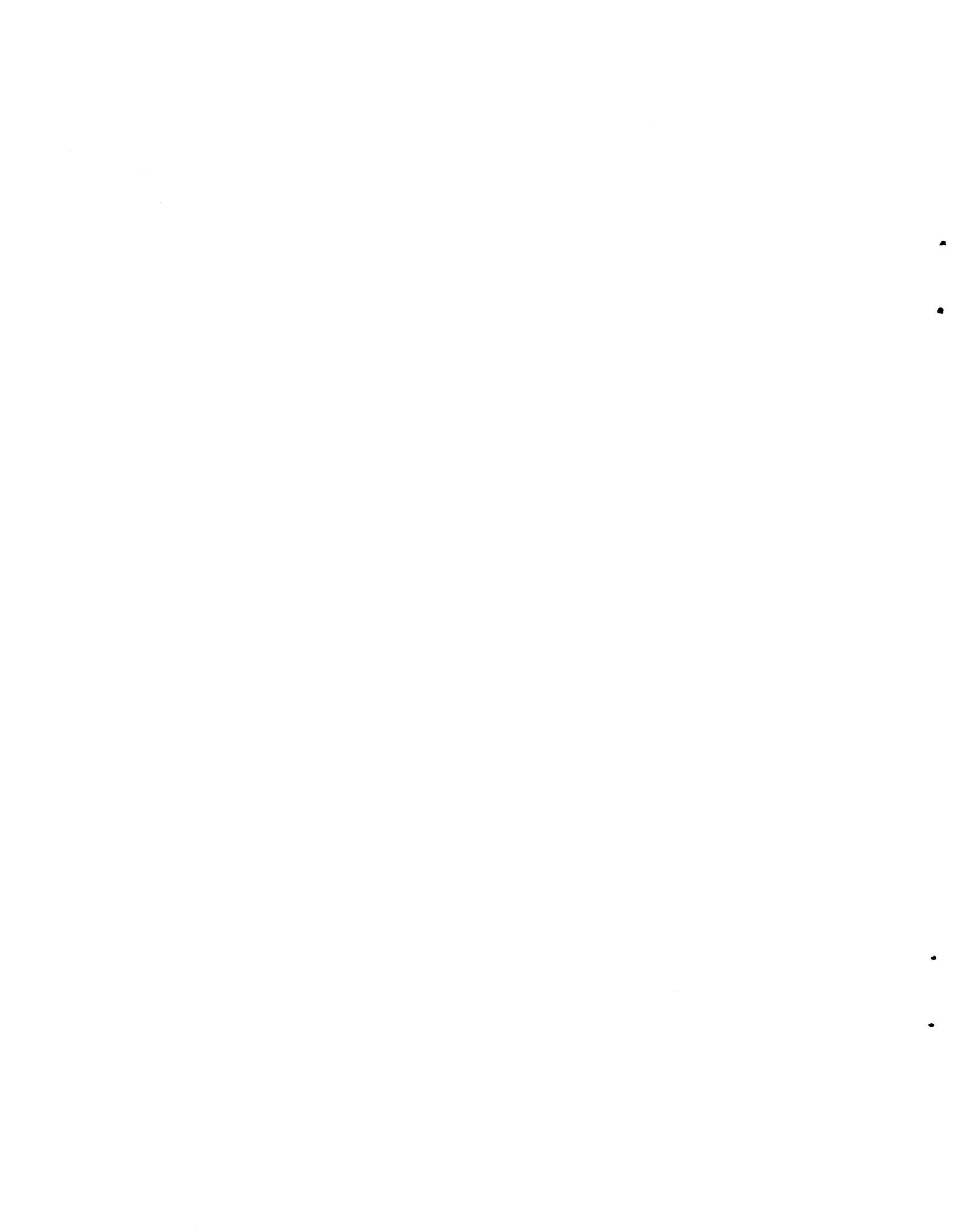
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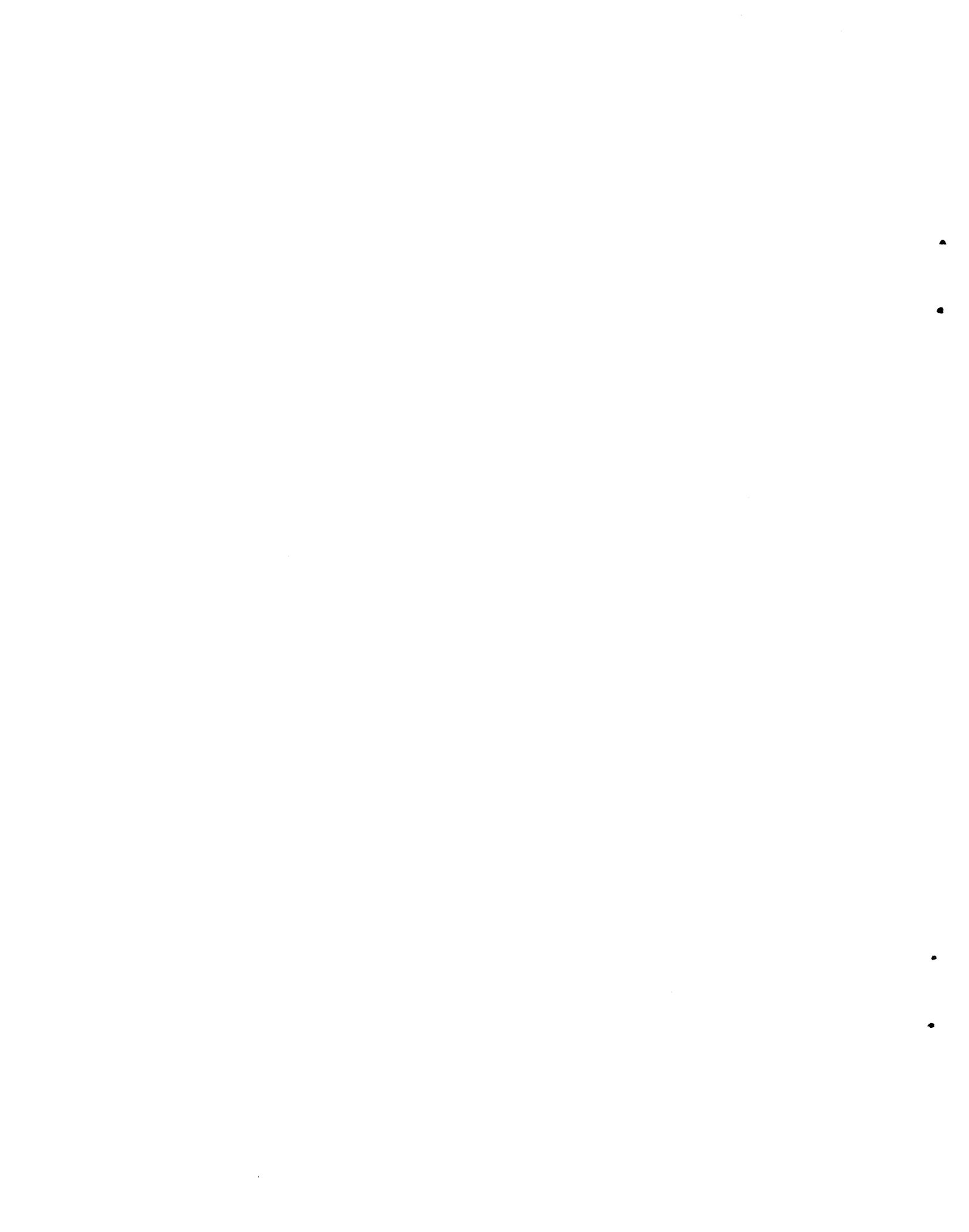


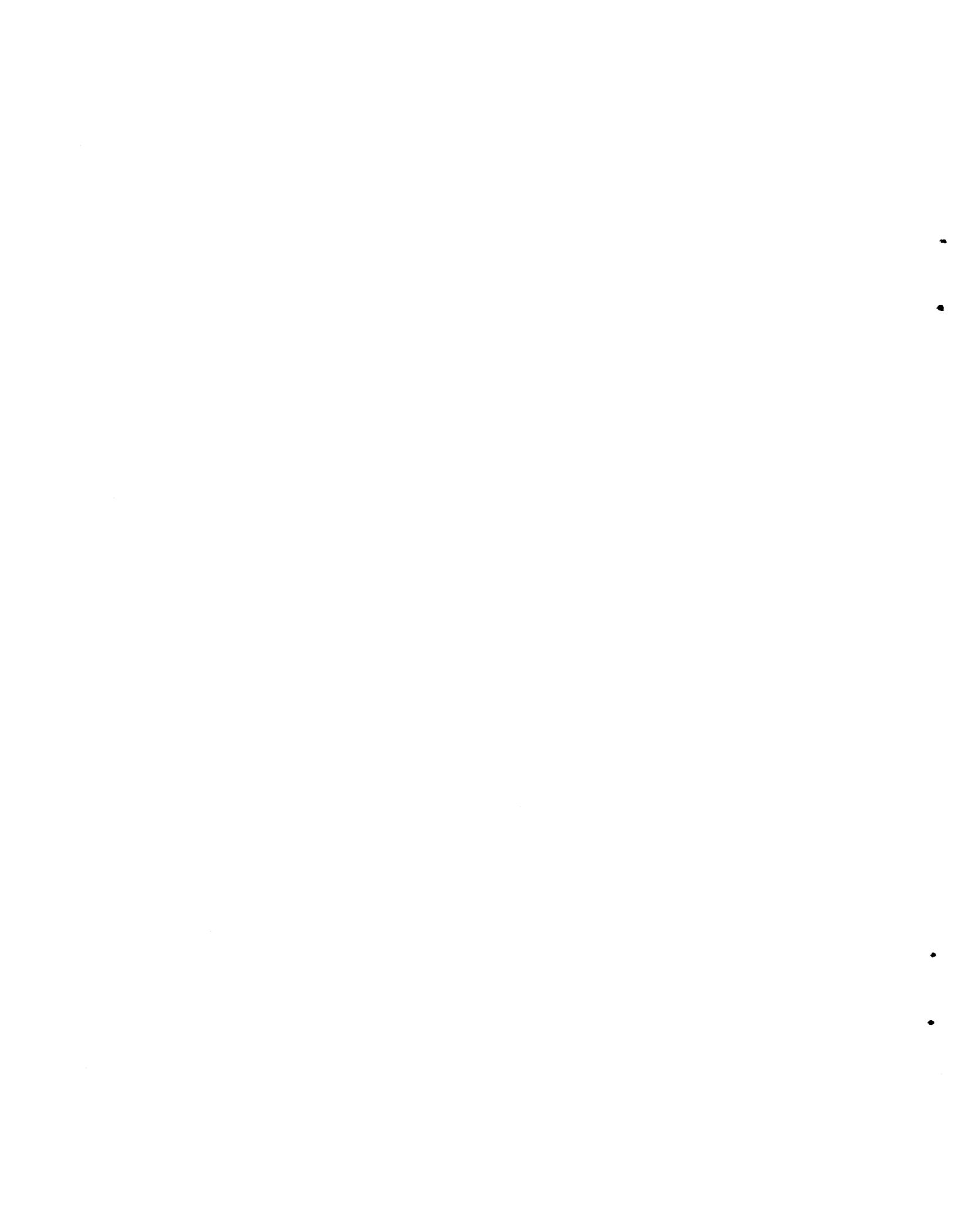
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\* \* \* \* \*



**SENATOR LEONARD T. CONNORS JR. (Chairman):** Good morning ladies and gentlemen, my name is Senator Connors. I'm the Chairman of the Community Affairs Committee. We are here today, as you know, to receive testimony on SCR-87. With us this morning is our Senate President, who is the sponsor of this bill. He's come to give some testimony, as all of you have, with regard to Senate Concurrent Resolution No. 87.

Before I start, I'd like to have you all, when you come to the podium, to give your name, your position, your address, and speak into the mike. A transcript will be made, and it will be made available to all of you upon request. So, without further ado, we'll get underway-- Before I do that though, I should introduce the Vice-Chair, who's here this morning, Senator Palaia.

Senator Palaia, do you have a few words you would like to say?

**SENATOR PALAIA:** No, nothing, Mr. Chairman.

**SENATOR CONNORS:** All right, we'll move right along. The Senate President is with us this morning. As I indicated, he is here to give testimony with regard to SCR-87 and its need and importance to the State and what we should be doing about it. Senator DiFrancesco.

**SENATE PRES. DONALD T. DIFRANCESCO:** Thank you, Senator Connors. Thank you for being the prime sponsor with me, and certainly thanks to Senator Palaia for being here. I know this is also a concern of his, as he has been a person involved in the school end of this kind of stuff for many years. So we cover both areas, municipal and school boards, principals, supervisors, mandates, and schools with the two of you. It's good that you are here. I appreciate it. I appreciate you having this public hearing which is important and obviously essential to the movement of SCR-87.

I want to thank everyone else back here who is here

not only to listen, but to testify and to give information. Because that really is what is important today, and why we're here today is really due, in large part, to many of the people who sit behind me.

As we all know -- and of course I've been criticized for it from time to time like everything else -- the issue of unfunded mandates is a very critical one. Your attention to this matter is obviously not just appreciated by me, but also by all local officials around the State: county officials, school board officials, as well as the taxpayers of this State. Over the past few months now, since we started talking about SCR-87 or its like, other things have happened.

There has been a great deal of talk in the new Congress and the new agenda being forwarded in Washington about things like this. Perhaps one of the most significant initiatives that has come about as a result of the new shift in power, at least from a State perspective, has been in the area of unfunded mandates. For the first time ever, Congress has shown its willingness to remedy one of the most contentious elements of the State/Federal relationship, namely the imposition of costly mandates on States without corresponding Federal funding.

This is not a new problem nor is it unique at all. After all, we in State government and those before us have been guilty of the same practice. For years now, State government has been enacting laws, rules, regulations, and orders and has been asking municipalities, counties, and school boards to implement these mandates without corresponding dollars, either without them at all or inadequate dollars.

If Washington can experience a revolution, then obviously, New Jersey can too. Several other states have taken steps toward restricting mandates without reimbursements to local governments. In fact, as of 1992, at least 15 states had a

constitutional or statutory requirement that mandates be reimbursed: California, Florida, Michigan, and Massachusetts are just a few; now it's time for New Jersey to join that list.

It's time for this Committee, and for the entire Senate, to get behind a constitutional amendment that is complete, comprehensive, and fully protective of the taxpayer. I believe, and I hope you'll find this to be true, that SCR-87 is just that kind of amendment. It's different than any other proposal on unfunded mandates because you will find that this amendment has a lot more strength than others you reviewed in the past. For example, this amendment applies not just to legislation, but also to joint resolutions, rules, regulations, and orders. SCR-87 goes beyond addressing only mandates on local and county governments, it includes school boards, because the State can no longer disassociate itself from the burdens it places on local school budgets.

SCR-87 establishes a process by which mandates will be identified, and in recognition of the fact that finding a mandate can be difficult, it provides for a third party arbitrator of disputes, namely, a five member State Mandate Review Council comprised of individuals appointed by all four legislative leaders and the Chief Justice of the Supreme Court. This amendment also provides for a five year fiscal projection of the costs associated with the mandate on each town, county, or school board in New Jersey, even Federal mandates will undergo a fiscal analysis.

SCR-87 requires the State to pay for all new or expanded programs or services. In fact, in the case of a piece of legislation, the bill would not be released from Committee until it was amended to include the necessary funds to implement the mandate in year one of the fiscal analysis. For the next four years following, the Annual Appropriations Act would have to contain the specific mandate line item.

Finally, this amendment sunsets all mandates after five years. It requires a new legislative measure and new mandate analysis if the mandate is to be renewed. Such a sunset provision is consistent with a 1994 report by the National Conference of State Legislators, which points out that the sunset of mandates focuses legislative attention to the cumulative costs of unnecessary mandates. Eight other states have systems for periodic review of State mandates. New Jersey should follow suit.

In short, SCR-87 contains all the ingredients necessary to effectively alter the way the Legislature, the Administration, and the regulators conduct their business. That is, after all, what we are looking to do. We're not just looking to change the system. We're looking to change the very way in which we govern, by demanding greater accountability. Everyone in State government will be forced to administer, legislate, and regulate more carefully and effectively, as it should be. It will be the taxpayers who benefit the most.

I'm proud to be the sponsor of SCR-87 along with Senator Connors. I'm even prouder that more than 30 of my colleagues have also signed on to this important initiative. I ask you, after appropriate review and consideration of any changes that might be important or something we have left out, to reaffirm your support for the taxpayer by supporting this amendment. I also want to quickly add that I appreciate Senator McGreevey being here, I know he's a busy person, as well as Senator Connors and Senator Palaia. I know that he recognizes, just as well or perhaps better than anyone else, since he's the mayor of Woodbridge, the problem with mandates.

I also want to, again, thank you, Senator Connors, for Senate Bill No. 7 which is not the subject of this hearing, but hopefully that bill will move. It actually repeals mandates which the League of Municipalities and other groups have been

behind. I'm hopeful we can move that also, perhaps just as timely, as we will be moving this legislation.

I want to thank you, once again, and thank everyone, again, for being here.

SENATOR CONNORS: Thank you, Senate President DiFrancesco.

I want to acknowledge the attendance of Senator McGreevey. Senator McGreevey, welcome aboard. Do you have any comments you would like to add to this?

SENATOR MCGREEVEY: I just wanted to express gratitude to the New Jersey Conference of Mayors, as well as the New Jersey League of Municipalities, for an essential aspect of governmental reform. Ironically it has been State government, as Senator DiFrancesco is well aware, that has grown most exponentially in the past 14 years. The State budget in 1980 was \$4 billion; presently it's \$16 billion, while municipalities properly labor under a 2 percent cap. It has been State government that has been exploding and shifting the burden to the local property taxpayer.

I wanted to congratulate Senator DiFrancesco for his leadership and particularly of concern-- Senator Connors has frequently stated it's not only the actions of the Legislature particularly, Senator, but also the actions of the administrative agencies who subsequently interpret the ostensible charge of the Legislature and pass the substantial financial and administrative burden onto the backs of municipal elected officials. I know this particular legislation, SCR-87, goes to the heart in redirecting the ability of State administrative agencies to circumvent appropriate legislative authority.

PRESIDENT DIFRANCESCO: Thank you, Jim.

SENATOR MCGREEVEY: Thank you.

SENATOR CONNORS: Senator Palaia, do you have any--

SENATOR PALAIA: No.

SENATOR CONNORS: Thank you very much, Senator DiFrancesco.

PRESIDENT DIFRANCESCO: Thanks, Senator.

SENATOR CONNORS: At this time, I'd like to call the Honorable Janet Whitman, Mayor of Summit, along with the Honorable Margaret Nordstrom, Mayor of Washington Township, and William Dressel, Assistant Executive Director, League of Municipalities.

**J A N E T L. W H I T M A N:** Good morning, I'm Janet Whitman, 16 Essex Road, Summit, New Jersey. I'm Mayor of the City of Summit and a member of the Executive Board of the New Jersey State League of Municipalities. I'm also Chairman of the Union County League of Municipalities.

Thank you, Chairman Connors, and members of the Committee. It is both an honor and a pleasure to be able to come before you today to express the League of Municipalities' strong support for SCR-87. It is an honor, because I represent the over 4000 local elected officials who have made their municipalities members of our League. For decades the League has been like the prophet of old, a lone voice calling in the wilderness on this issue of unfunded mandates. It is a pleasure, because I come to support a badly needed, proposed amendment of our State Constitution that has been authored and is championed by my own State Senator, Senate President Donny DiFrancesco.

Before I continue, I want to take this opportunity to praise and to thank those who worked so hard for so long to keep this issue alive. I go back to Bob Franks representation down here in Trenton when he started this over 10 years ago. They have built for it the momentum that has carried us this far. Speaker Haytaian and Assemblyman Geist offered us the best protection that the political climate of the times allowed. Their efforts changed that climate. We all know that they will get behind SCR-87. I want them to know that they have already

earned our eternal gratitude and our infinite respect. As have you, Mr. Chairman, for all that you have done on this issue.

We also want to acknowledge the over 100 Assembly Members who have, at one time or another, voted yes on a State mandate/State pay proposal. Several of them have voted twice, or even three times, to put this question to the taxpayers, and we salute them.

If approved by both houses in accordance with the constitutional requirements, the Concurrent Resolution before you will be ratified by the people of this State. It will be ratified for one simple reason: It makes sense.

It makes sense to impose limits on future property tax increases. Even the opponents of State pay for State mandates admit that this would occur. In fact, the dollar value of this benefit of the proposal is literally incalculable. The people know this. It is the single biggest benefit of SCR-87.

It makes sense to force the proponents of new programs and services to analyze the costs, as well as the benefits, in their initiatives. There is a tendency to more carefully evaluate the restaurant menu when it is our turn to pick up the tab. This benefit will promote better government by preventing unnecessary reforms and by streamlining those new programs and services that are needed. SCR-87 is built around such judgments.

It makes sense to periodically reevaluate the costs and the benefits of programs and services. We must be certain that the public is investing enough, but not too much. We must be assured that they are getting all that they are paying for. SCR-87 requires such reevaluations.

It makes sense to isolate funding for mandates from other budgetary considerations. Otherwise, the property tax relief aspect of this process would be compromised. A bureaucrat might be tempted to perpetrate a fiscal shell game to

circumvent the clear intent of this amendment. SCR-87 precludes that possibility.

It makes sense to make those who decide to expend public dollars responsible for finding those dollars and accountable for explaining to the public their reasons for incurring the expenses, as well as their reasons for choosing this or that source of funding. SCR-87 will reunite responsibility with accountability and promote greater public confidence in public servants at all levels of government.

This proposal will force future legislators and bureaucrats to sometimes say no to the special interests. It will force them to accept responsibility for their actions. Therefore, it will also demonstrate a legislator's willingness to respect elected municipal, county, and school district officials and to work with them as partners in the public's service.

We urge you to keep this proposal moving along. It should be on the ballot this November, with your help it will be.

Thank you all for the time you have given me and for your kind attention.

SENATOR CONNORS: Thank you, Mayor.

MS. WHITMAN: Thank you.

**W I L L I A M G. D R E S S E L J R.:** Mr. Chairman, I'd like to introduce Mayor Margaret Nordstrom from Washington Township in Morris County, a member of the League who would like to speak.

**M A R G A R E T N O R D S T R O M:** Good morning, gentlemen. As said, I'm Margaret Nordstrom. I'm Mayor of Washington Township in Morris County, 43 Schooley's Mountain Road in Long Valley.

I'll just go right to the point. Speaking as a municipal official, we have to get our property taxes under control. We need your help to do it. This proposal is so

important in that process -- I can't begin to tell you. Morris County is a very expensive place to live, so I feel that our taxes are actually too high.

What that means in terms of human costs for us is that our senior citizens have to leave because they can't afford to live there. I'm talking about people whose families have been in Washington Township for over 200 years. I had one lady burst into tears in front of me when she explained that she had to move away from her children, her family, and her friends because she couldn't afford to pay the taxes anymore.

On the other end of the spectrum, we have volunteer services. Our fire companies, our first aid squad are having a lot of trouble recruiting new volunteers, because the people who traditionally volunteered, young people, can't afford to move to Washington Township. It's really, I think as you can tell, a very emotional issue for me. I'm so grateful for your help in bringing property taxes under some kind of control. So I thank you very much for this opportunity to speak. I thank you very much for this proposal.

SENATOR CONNORS: Thank you very much, Mayor.

Mr. Dressel.

MR. DRESSEL: Mr. Chairman, thank you very much for the opportunity not only to present our formal testimony here today, but for the fine cooperation you and your staff have extended to the League of Municipalities in providing resources, information, survey results, and just in helping you put together today's program and helping to get the word out. This is probably one of the most important issues to come before the Legislature to deal with skyrocketing property taxes now and in the future. I'd also like to acknowledge that we feel that we are preaching to the choir here, you as a Mayor, former Mayor Palaia, present Mayor and strong League supporter, Mayor McGreevey of Woodbridge.

Just briefly, you have copies of our statements, but, in summary, I believe it's important to note that we, the municipal family, the League of Municipalities are leading the charge on this. For over three decades we have been fighting unfunded mandates. In fact, we've been fighting for it for so long that it's part of our legislative policy. The League's legislative policy in reviewing all of our bills-- There are several members of our legislative committee here today who will, I'm sure, acknowledge this. That we will oppose any legislative initiative right off the top if it does not provide the appropriate funding for the towns to carry it out. It's part of our bylaws. It's part of the ongoing review that we give every bill, the over 2000 bills before the Legislature.

I'm not going to read my statement. I think that the mayors have spoken for me. The other municipal officials -- I've got a list of folks who will be here to amplify further on their own situations and circumstances.

I dusted off an old survey that we did -- old -- May of 1994. But I think it's relevant to the extent that to provide the Legislature, the executive branch, and the administrative branch information on what these mandates are and what kind of an impact they have on our local governments and, most importantly, the beleaguered taxpayer.

We did a survey. In that effort, we identified several State mandates that have imposed substantial costs to municipal governments. Our survey was sent to all 567 municipalities, with a request for costs incurred in relation to each mandate for the years '91, '92, '93, and '94. From the sample we received, which includes statewide data from rural, suburban, and urban municipalities of all sizes, we extrapolated that State-imposed mandated costs, and we showed -- and I'm going to give this to the stenographer; I'll make copies available to you and to the press -- \$145,958,910 is an adjusted

figure, an extrapolated figure, but it goes on to identify, for illustrative purposes, exactly what we're dealing with. What the requirements are -- the statutory authorizations for some of these mandates, but it's a substantial cost.

It's a substantial luxury, quite frankly, that the State government -- and also, we were aware, too, of what's happening at the Federal level -- an upper level of government -- the State government, the Federal government -- can impose a new cost, can impose a mandate onto a lower level of government, and we have got to reach into our pockets or, at least, require our taxpayers to reach into their pockets to pay for those costs. We applaud what you are doing. We stand by you and we look to continue working with you.

Mr. Chairman, I have a number of -- Mayors and other local officials who could not make the meeting here today -- they have submitted, and I'm juggling all these papers around, they have submitted a number of resolutions, letters -- like I say, letters explaining and amplifying further on the concerns they have with mandates. I'll make this available to the court stenographer, as well.

SENATOR CONNORS: It will be so recorded in the record.

MR. DRESSEL: Yes sir, thank you.

SENATOR CONNORS: Any questions?

Senator McGreevey.

SENATOR MCGREEVEY: Thank you. Though you are obviously preaching to the choir -- I mean Senator Connors has been preaching this message for well over two decades -- the important aspect, as you have stated and I think it's important for the Administration to know, is that mayors are at the end of the food chain. (laughter) Mayors have basically two sources of revenue, be they property taxes or State aid. It's incumbent upon this Administration, or any Administration be they Democrat or Republican, to recognize that the State has a fundamental

responsibility to address the policy question of burgeoning property taxes.

Mayor, when you talked about State mandates, I was just curious, in terms of the implementation of 9-1-1 -- can you approximate what was the cost for 9-1-1? Cost that was borne by the property taxpayers in your community?

MS. NORDSTROM: Not off the top of my head. It was expensive, and, I think, I probably blocked it out because it was a huge amount of money.

MS. WHITMAN: Our municipality probably experienced close to \$75,000 expense on that particular item. We are glad that we cooperate now by doing 9-1-1 dispatching for Millburn and for Mountainside. So we did take-- Even though it was a tough expense, we did turn it into something that we did in cooperation with other municipalities.

MR. DRESSEL: I think that can serve almost as a poster child for State-imposed mandates. The importance of-- Because that was a mandate which was, initially, a funded mandate. The telephone instrument which sits on our desk-- The sales tax after the deregulation of AT&T, that sales tax was to be dedicated into a fund, back in 1991-1992. That money was supposed to pay for the infrastructure, the total costs of the 9-1-1 system, but shortly after that was set up-- It wasn't set up by constitutional amendment. Unfortunately, it was set up by legislative fiat, and as we know, legislative fiats can be overruled by another piece of legislation. That money went into the general State coffers, and, Mayor, as you know, every municipality in this State has to pay for it.

SENATOR MCGREEVEY: It's just, and Senator Connors said it, New Jersey now has the second highest property taxes in the nation. One of the next areas -- God willing -- of concern is addressing-- You know, in my municipality, municipal costs are 18 cents of the dollar, school district costs are 59 cents on the dollar, for which mayors are constantly attempting to

educate the public in an attempt to control those costs, particularly administrative costs.

I look forward to continuing to work, especially under Senator Connors leadership, to address the question, the quagmire of controlling school district expenditures.

MR. DRESSEL: Yes, and if I may, Mayor, I think it is important that we all recognize everyone in this room, and you most importantly, recognize that this is not the panacea. This is not the magic elixir. This isn't going to solve the property tax dilemma problem by itself. It's a piece of the puzzle, a very important piece that has to be done. But we have to recognize that the whole philosophy has to change, that we have to have traditional revenue funds from states, from the Federal government. We have to be able to associate accountability with-- The person who is calling the shots should be paying the dollars to implement that particular program and service.

SENATOR MCGREEVEY: Thank you.

SENATOR CONNORS: I'd like to add one thing. I probably could interject this at any point in time, but as Chairman, I'd just like to add it for the record. Some 30 years ago, I took the Office of Mayor, sworn in, and sat down with my first budget. I've been in office, the Office of Mayor ever since. Never in my wildest dreams did I think, through some of those years, that I would be sitting here today as Chairman of a Committee poised on the threshold of releasing a bill for a constitutional amendment that would cut out the State mandate/State pay.

How many nights -- not to be dramatic about it -- during the budget process, sweating over the whether or not there would be a tax increase with mandates that had been set down, had been the order of the day through many of those years. So I'm particularly pleased to sit with mayors, senators, administrators, and boards of education who are all lined up in support of this. We'll have our best effort in the Committee.

We'll have our best effort as a Senate, I'm sure, with the Senate President's leadership. It appears, certainly, that both sides of the aisle agree on this one issue: that the State has got to give us a check when they give us a mandate.

That's what's going to be coming down. I'm really extremely pleased; it's a high honor and a privilege to be a member of this Committee that stands poised to do something about what I've been complaining about for nearly 30 years. (laughter) That being my statement today should, kind of, spell out how Len Connors feels.

Thank you very much.

MR. DRESSEL: Thank you.

SENATOR CONNORS: Mr. Prunetti, the Executive of Mercer County.

**ROBERT D. PRUNETTI:** Thank you, Mr. Chairman, and Senators for this opportunity to testify. What I will try to do is to be brief, because I know much of what I have to say others have said. What I would like to do instead, this morning, is to just give you a little benefit of my experience anyway.

I've been County Executive for the past three years. I've been a Freeholder seven years prior to that, and I had been County Budget Director for about ten years prior to that. So I have had something to do with putting together about 20 county budgets. I can tell you -- I don't have to tell you because I know each of you have your own experience with it -- the thing that used to annoy us and aggravate us more than anything, when we're trying to control costs and trying to control property tax increases, was things that we didn't have anything to do with or couldn't do anything about: State mandates, obviously.

We have complained over and over again through the years about how these drive the cost of county government up. You know, and you get the familiar ones all the time, from the prosecutor's office, to the courts, to 9-1-1, whatever it is.

It always spells an increased cost to county governments. Now, thank God, you're taking the courts off of our hands.

What annoyed us most were those things that were mandated. We were responsible for administering and raising the property taxes, for we had absolutely no say in how to manage it. What I would often say is, "At least, if you're not going to take these mandates off our backs, let us, give us the discretion on how to manage these services so that we could do this most effectively for our county." We didn't even have that ability.

Finally, the thing that annoyed us most of anything at all is when the State made promises to us, we bought into programs, and they never lived up to those promises. So I've gone a little beyond the realm of just State mandates, but I just want to try to put the picture in perspective. By that I mean-- For example, community colleges, when they were established back in the late '60s, the State said, "We'll pay 50 percent of the cost." Well, that never happened and it probably-- Well, I shouldn't say that. I hope that someday it will. But that is just an example of the kinds of things that local governments are told that they have to do or buy into, then later on, are forced to foot the majority of the bill for it. That burden lies on the property taxpayers.

So I'm here to ask you, as governors throughout the nation are asking in Washington, to relieve us of these mandates. If you are going to tell us that we have to do certain things, then we'd like you to provide the funds in order to do that. We've heard over and over again Governor Whitman, and rightfully so, saying that she's doing things to tighten the belt at the State, and we need to do that at the local level. I agree, we do.

Many towns, counties, and districts have done so. In Mercer County we have done a number of things. We've streamlined our organization. We've privatized, as you often

hear about. We've cut our payroll. We've cut down our motor fleet. We're asking our employees-- We're the first in the State to ask our employees to share in the cost of health benefits, nothing really new to counties. We've also told inmates that they're going to have to pay for a portion of their health care in county institutions. We've tried to find every nook and cranny that we can to save money. But when we're up against or swimming against the current, when it comes to mandated costs, we do all of these things, yet we continue to find that we always have this problem of having to raise property taxes.

So I support SCR-87, obviously, for all the reasons enumerated before. The concept that if you want it, you pay for it makes a whole lot of sense to me. It will relieve fiscal pressures on local governments. There's no doubt about that. The cost cannot be ignored. It's substantial. It will give us an ability or give you an ability to have public hearings on what makes sense and what doesn't make sense when we're talking about what's going to be conducted at the local levels.

Finally, if we have to review it every five years, it just makes a whole lot of sense that we have an opportunity to take a look at what's on the books and see whether or not it's still effective and whether or not it's still efficient. So we simply ask you to give us the same kind of relief that governors and legislators across the nation are asking from Washington. We ask you to hold us accountable. We don't want to shirk responsibilities, but we certainly want to be able to manage what we have the authority to pay for. Finally, those things that we didn't ask for, we don't to have to pay for.

It seems to me that there isn't any good reason -- at least in my mind and in the minds of many you're going to hear from today and I'm sure many of yours -- why legislation like this shouldn't be put into place unless someone somewhere wants

to shirk the responsibility of having to pay for what they've proposed and what they've passed.

The local officials, local budgets, local taxpayers have been asked to pay for the burden of programs that some in the Legislature think is a good idea. But I wonder whether or not they would think it's a good idea if they also had to raise the money to pay for them? That's all that we are asking you to do.

Again, thank you for an opportunity to be able to come to you and express my opinions. I'm sure that you're taking this very seriously, otherwise, you wouldn't be spending your time here today. I hope that you can stress to the rest of your colleagues in the Legislature this is important, this means an awful lot to local governments, but more importantly, it means an awful lot to local taxpayers.

Thank you.

SENATOR CONNORS: Thank you, Mr. Prunetti. Are there any questions for Mr. Prunetti? (no response) Thank you, Mr. Prunetti.

The next speakers that we have are Mayors Kendall and Kay of the New Jersey Council of Mayors, and Barry Lefkowitz.

**B A R R Y E. L E F K O W I T Z:** Good morning, Mr. Chairman. I'm Barry Lefkowitz of Management in Government Resources. We have the proud honor of representing the over 500 mayors of the New Jersey Conference of Mayors. With me today is Mayor Peter Kendall of Oakland from Bergen County and Mayor T.C. Kay from Pemberton Township of Burlington County.

Today is an extraordinary day. All these years that we have all tried to work together and fight for dealing with the problems that face our municipalities. You, Mr. Chairman, as a long-term mayor and, Senator Palaia, as a mayor for 12 years, are very sensitive to the dilemma that faces our municipalities. We have been struggling to come up with creative solutions to the fiscal problems that face our

communities and taxpayers. As you well know, the majority of our budgets are, in fact, dictated by State and Federal mandates and educational costs. Costs which we have no control over, but yet, it's the mayors who pay the price everyday by public discontent.

Local government officials and the State Legislature must continue to work together to assist our taxpayers with relief. The time for recriminations must stop. The time for partnership and working together starts with this extraordinary day. We commend you, Mr. Chairman. As you well know, because of the fine work that you have done, I think the public should be aware that you, in fact, this year are going to be honored by the Conference of Mayors, as one of the Legislators of the Year.

SENATOR CONNORS: You're making me blush. (laughter)

MR. LEFKOWITZ: Also, Mr. Chairman, we'd like to say that we commend you also for Senate Bill No. 7, which we feel is really a piece of this. We hope to work closely with you and the Senate staff in making sure that Senate Bill No. 7 passes the Assembly and gets to the Governor's desk. As far as SCR-87, you have the full faith and effort of the Conference of Mayors in working with you to see that this is on the November ballot. We commend your staff, Mr. Chairman, and we commend the staff of the Senate President for the fine work that they have done in working with the Conference of Mayors and others to see this extraordinary day become a reality.

Now, Mr. Chairman, I'd like to turn it over to the Honorable Peter Kendall and then the Honorable T.C. Kay.

SENATOR CONNORS: Mayor Kendall.

**J. PETER KENDALL:** Thank you, Mr. Chairman, and members of the Committee. I appreciate the opportunity to appear before you today and testify on this bill. As Barry said, I'm currently the Mayor of the Borough of Oakland. I was elected three times to our Borough Council, where I served five years as the Finance Chairman.

I am very aware of what State mandates do to local budgets. I'm currently, as you know, representing the New Jersey Conference of Mayors, where I'm a member of their Board of Directors, and on their Legislative Committee. But just as a little background, I'd like to talk a little about Oakland and how State mandates have affected the Borough of Oakland.

We're, sort of, a typical New Jersey municipality. We're about 10 square miles, about 4000 homes, an assessed value of about \$1 billion. We're located in upper Bergen County. Our tax rate is \$2.49 per \$100. It's probably one of the highest in Bergen County. That results in almost \$5000 in taxes for a \$200,000 home. It's an exorbitant rate. We also have the special problem that our assessed value has not increased over the last 10 years; in fact, it's decreased. We have been trying to control taxes, but with two-thirds of our tax rate represented by schools and with the continuing increase in State and Federal mandates, this becomes an almost impossible task.

For the record I'd like to just give four examples of how this has affected the Borough of Oakland. By the way, Senator McGreevey asked about 9-1-1, we had 9-1-1 in Oakland for 15 years. It's been very successful, worked very well. A State-mandated program made us spend additional money to do it a different way, to get special training when we had that program up and working very well for 15 years.

Oakland is currently a civil service town with a number of active unions, but still we have six tenured management positions: borough clerk, construction official, tax assessor, tax collector, treasurer, chief financial officer. In addition to that, we have five management positions that require guaranteed pay raises: borough clerk, chief of police, tax assessor, tax collector, chief financial officer. How do you expect to get the best performance out of people when they have tenure, guaranteed pay raises, and are protected both by civil service and unions? It doesn't mean we don't have good,

hardworking people, but do we need four types of protection for these people?

The State had also mandated a certification process for four major classifications: health officer, construction officials, fire officials, and finance officers. The cost of these positions have increased because of this certification. Has there been a corresponding increase in the services provided to the towns because of this? We think not. In fact, it's been a common practice in small towns to hire people and pay them a fee to sign off your papers. For instance, a chief financial officer to sign papers for a tenured treasurer when it's just an additional requirement for a mandate.

DEP mandates. Oakland had a very small leaf dump in the neighborhood of an acre or so. DEP required us to close it and gave us exorbitant specs on how that should be closed. As a result it cost the Borough over \$150,000 to cap that. Now we must monitor it for 30 years at a cost of \$2500 a year. In addition to that, they required that a town in the State of New Jersey put \$57,000 in trust, just so they can assure that we do monitor it for the next 30 years. How can anybody justify that kind of a mandate?

We all know about binding arbitration. This is a procedure mandated by the State, and we all hope it's going to be modified this year. Like most of our towns, the Oakland Police Department is a very efficient, well-trained, dedicated group. But because of financial pressures, we are very seriously considering reducing the number of officers. A police officer with his base pay, benefits, overtime, and many negotiated perks costs the Borough in the neighborhood of \$100,000 a year. A very, very high number.

The New Jersey Conference of Mayors has strongly supported reform of that bill. We would have preferred the modified bill, but the original bill, as passed by the Senate,

is strongly supported by our organization if it is the only alternative. We need reform now. We have to pass a bill.

In conclusion, the New Jersey Conference of Mayors states again that we cannot afford new State mandates. In fact, to run our municipalities effectively, we have to roll back some of the mandates, as being done in, I believe, it's Senate Bill No. 7. We, at the New Jersey Conference of Mayors, fully support SCR-87 to amend the State Constitution and prohibit the State of New Jersey from issuing additional unfunded mandates. The bill, as written, sounds excellent, has lots of protection, and we support it fully.

I thank you for the opportunity to address you.

SENATOR CONNORS: Thank you, Mayor.

Mayor Kay.

**T H A L I A C. K A Y:** Mr. Chairman, members of the Committee, I am T. C. Kay, Mayor of Pemberton Township, 500 Pemberton-Browns Mills Road, Pemberton, N.J. 08068-1539. I am a member of the Board of Directors of the New Jersey Conference of Mayors, a member of NJCM's Legislative Committee, and a member of the League of Municipalities General Legislative Committee.

For years, the governing bodies and school boards of our 567 municipalities have been forced to make harder and harder choices in funding. Decisions have been made, especially in Washington, and passed through Trenton to be implemented by the littlest men and women on the totem pole. Trickle-down budgeting has had a devastating effect on our ability to plan and stay within our well-managed budgets. No one ever said to us, "Can you afford to implement this, or what will you have to sacrifice to fit this in your budget to be within compliance?"

Compliance in many cases came begrudgingly with, "Well, if we don't do it, the fines and legal fees are astronomical." Mandating constantly put us between a rock and a hard place, usually meaning increased property taxes on our

accountability for programs should be assigned to the same level of government.

Because of unfunded mandates, county and municipal governing bodies are forced to either increase taxes or decrease their services that they feel are important to their constituency.

Obviously, the public does not want higher taxes. When mandates are foisted on us, we are the ones who have to make tough choices. We are the level of government that is closest to the people, in that we provide a great deal of face-to-face services that our residents need.

Also, county officials know just how unfunded mandates impact county finances. I am sure you know, and Senator Palaia, that as former members of county and local government, how important this is.

After polling all 21 counties for all the State mandates that affect their budgets, I'd like to bring to your attention just a few that we feel are significant. As Mr. Prunetti, Mercer County Executive, stated, "County colleges are one of the best or worst examples of an unfair, unfunded State mandate in the community college system."

I don't want you to misunderstand me. County colleges, of course, are invaluable institutions to us. But the legislation that was passed in 1964, that was over 30 years ago, required that there be equity in the funding of community colleges by the State, counties, and the tuition. New Jersey is only paying 14 percent of that. This has been an unduly large tax burden on local citizens in the counties where these schools are located.

Also, in both the community colleges and county vocational schools, there is a Board of Estimates that each year certifies to the Board of Freeholders the amount of funds necessary; by State statute, we are required to provide the level of funding. To give you an example, in 1994, just in

Somerset County, the freeholders issued a directive for a 9 percent reduction in funding for all agencies. The Raritan Valley College Board of School Estimates chose not to comply.

We feel this wasn't appropriate. The State is supposed to be a partner with these institutions; however, they retain the right to determine their contribution, yet do not allow the freeholders the same right. The statutes for county colleges and vocational schools definitely should be reviewed.

In the area of jails, often counties are required to build new facilities. Yes, we sorely need them, but they cost more -- because of State mandates -- because of the requirements of the recreational facilities and the dining areas.

In the area of human services there are several examples: The establishment and operation of the Adjuster's Office, an Intoxicated Drivers Resource Center, a Mental Health Administration Unit, alcohol and drug abuse services, and a Human Services Advisory Council. Also, there is a provision for a Personal Attendant Service Program. On a yearly basis, services such as these can cost a county -- just one county -- close to a million dollars.

There are also just a few others if you would give me a few more seconds of your time: Department of Weights and Measures to provide one-third of the funding for a Cooperative Extension Service, the partially funding of a Soil Conservation Service, to provide County Medical Examiners Offices, and to certify investigators in the Consumers Affairs Offices, sometimes often forgotten about services.

In conclusion, I would like to emphasize NJAC's support of Governor Whitman's efforts to streamline State government and balance the State budget. The intergovernmental systems work best when each level of government works together. Your pressures are no different than ours. We share a common bond, our taxpayers are your taxpayers. We have a

responsibility to do the best we can to provide necessary services at the least possible cost.

So let's work together and share that responsibility. If there are no State moneys available for programs initiated by the Legislature, we ask you to make them optional and give the counties to option to administer what they feel is best.

We want to thank you very much for your time and the opportunity today. We want to commend you and Senator DiFrancesco, for your efforts, and Senator Palaia. If you have any questions, we'd be more than happy to answer them.

SENATOR CONNORS: Thank you.

MS. CARPIANO: Thank you.

SENATOR CONNORS: Any questions? (negative response)

Thank you very much.

MS. CARPIANO: Thank you very much, Senator.

SENATOR CONNORS: Lewis Thompson, Clerk Administrator of Millville.

**L E W I S N. T H O M P S O N:** Thank you, Mr. Chairman. My name is Lewis N. Thompson, City Clerk Administrator for the City of Millville. I also serve as Legislative Chairman of the Municipal Clerks Association of New Jersey. I'm past president of the Association and with me today is Christine Wilder our present President. I reside at 2233 Wellington Place in Millville, New Jersey.

Mr. Chairman, your efforts and sincerity concerning SCR-87 are truly appreciated. What we need to do is make it happen and let's see it through, as this important piece of legislation will assist the 567 municipalities and our local taxpayers.

Budget preparation -- and you said this earlier in the testimony, you were very astute in your analysis -- as the food chain stops at the local level with the mayors, and that they many times look toward their municipal clerk, their finance officer, and the administrator for assistance in figuring out

how to construct the local budget with State mandate/State pay issues.

Budget caps, advertising costs, publications, threshold or prevailing wages, many times as we deal with privatizing and scaling down municipal operations, some issues in this regard place a definite financial impact on municipalities. I can cite one easy example: Sometimes a local roof repair job that we may have laid someone off or tried to farm this particular operation out then becomes tied into prevailing wages and a \$5000 job can turn into a \$10,000 job. I think that if the threshold amount was tied in with the bid threshold and formal specifications, this would assist us when we're dealing with quote levels at a smaller level.

At this time, there are several other issues concerning, like I said, local ordinances, transfer administration and veteran property tax deductions. These issues will assist municipalities in many ways.

I think, our President, Christine Wilder, has a couple comments.

**C H R I S T I N A   W I L D E R:** I'm Christine Wilder, Municipal Clerk of Hamilton Township, Mercer County. A community of 90,000. I'm also the President, this year, of the Municipal Clerks Association of New Jersey, which includes 792 dues-paying members. The Municipal Clerks Organization is representative of the municipalities, 567 municipalities. Some of them like Hamilton are large, Hamilton being the seventh largest in the State. Mr. Thompson is from Millville with 27,000 members in the State, some representing very small memberships, municipalities with less than 1000 citizens.

I have spoken before on the issue of Senate Bill No. 7. I was a proponent of that legislation. My organization approves and feels strongly that SCR-87 should be passed and a proposed amendment to the Constitution be placed on the ballot.

There are many issues, as Mr. Thompson and others have

indicated, that require State mandate/State pay. Among those is the requirement that municipalities having a certain minimum caseload be required to maintain their own welfare board or their own board of social services. Part of the State mandate requirement would then enable the municipalities to go into partnerships, negotiate cooperative agreements with county welfare associations. I myself sit on the Board of Social Services for Mercer County, and who would be better to administer any welfare programs, social service, or aid programs than the county organizations themselves?

With regard simply to publication of ordinances, summary of ordinances, and municipal budgets, we already have been mandated that these should be posted predominantly in municipalities and in public places. With the ability to have the option, my municipality alone would save approximately \$26,000 a year minimum on publication costs. That figure represents one-third of one tax point for our municipality. We're a large municipality with a large budget. I can certainly provide documentation that would tell you what an impact that alone would have on our smaller municipalities.

Mr. Thompson and I appreciate the opportunity to speak to this Committee. We appreciate the opportunity to have our testimony heard. Once again, we would just like to reiterate that we as representatives of the Municipal Clerks Association of New Jersey do approve and hope and strongly endorse SCR-87 and hope that we'll see it on this year's ballot.

Thank you.

MR. THOMPSON: Thank you.

SENATOR CONNORS: Thank you very much.

I'll call four representatives of the School Boards Associations here. Kathy McMichael, of the New Jersey School Board Association, George Meringolo, of the Shore Region Board of Education, Ira Marks, of Lawrenceville Board of Education,

and Dorothy Alling, of Ringwood Board of Education. Will you all come up? Do we have enough seats?

**KATHRYN McMICHAEL:** Perfect.

Thank you so much, Mr. Chairman. We certainly appreciate, Senator Connors, your sponsorship of this bill and the sponsorship of all of the various members of the Senate. I showed the members of our School Board Association the copy of the bill with all of these wonderful signatures on the front of it. It's a terrific type of bill when we see this many sponsors; we know that we have the support. We have been working on this for such a long time. This has been a goal of ours, and we certainly appreciate your support of it.

I'm not going to go into detail on anything general because I have four excellent school board members who represent our legislative positions throughout the State. Each one of them will give you specific testimony on the various problems that their boards have been having because of the mandates that have been coming down from the State and also from the Federal government.

I would like to reference, though, that our New Jersey School Boards Association has put together a study called, "The State and Federal Mandates Projects." This identified many, many mandates that have come down upon the boards in the past. We are now doing a cost analysis of what these are costing the boards throughout the State. When we get all that information, we will definitely share that with the Committee. I will come to testify, I'm sure, when the legislation is coming out. At this point, it's just a public hearing so we don't have any cost analysis at this point.

I want to read our policy the School Boards Association has regarding State mandate/State pay, and then I'll turn it over to our individual board members.

The New Jersey School Boards Association opposes any new program mandate -- which is what you address in this bill --

directive or change in fiscal policy regardless of its content, usefulness, or validity until local boards of education have the opportunity to include the cost of such activity or change in State aid in a complete budget planning cycle for the subsequent fiscal year, unless an additional cost is to be paid by sources outside of the local district.

So that addresses exactly what this bill does for us, and we certainly appreciate you addressing our concerns. I'd now like to introduce the four board members.

We'll begin with Ira Marks, a member of the Lawrenceville Board of Education here in Mercer County.

**I R A L. M A R K S, CPA:** Thank you, Mr. Chairman, members of the Committee. I have been a member of the Lawrence Township School Board for the last three years. I am Chairman of the Board's Finance Committee and also act as Legislative Liaison to the Board.

This has been both a rewarding and frustrating experience for me. Rewarding because it has given me the opportunity to work with talented and dedicated members of the Lawrence School Board, administration, and staff. Frustrating because it has exposed me to the many financial and administrative burdens that the State and Federal governments place on the local districts. Such burdens prevent the local district from managing itself in an efficient, cost effective way.

I would like to review some examples with you. I've divided this into three areas: special education, curriculum and instruction, and school business administration.

Special education regulations prohibit creativity in school planning programs for students. Since 1988, the Lawrence school population has grown 33 percent while special education enrollment is up 83 percent. During the last three years, in which State aid has been frozen, costs have grown from \$3.291 million in our district to \$4.566 million. Schools are required

by law to provide related services of physical therapy, occupational therapy, and deaf interpreter. These costs have risen 60 percent in the last three years also.

Out-of-district tuition costs proves a major cost obstacle for us. In 1989, Lawrence had 59 students and paid a total of \$840,000 for out-of-district tuition. Six years later, we have 84 students and pay \$1.926 million, a 42 percent increase in enrollment, with an 129 percent increase in tuition costs. We have no local control over the amount that the State allows private schools to increase tuition.

Also, parents of special education children have been more aggressive in their children's placement, since the legal system has made it difficult for local districts to challenge parents. If the district loses a court challenge, it must pay the legal fees of the parents, as well as its own.

ESL, English as a Second Language, provides another hurdle. While State aid is frozen, Lawrence serves an ever increasing number of children who don't speak English. Today, we have 128 students in our ESL program who speak 23 different languages. Thus, we must hire bilingual teachers conversant in 23 languages. Obviously, there is an urgent need to teach the ESL children to understand English as soon as possible and bring them into the regular classrooms. However, a new regulation on the books will require us to keep these kids in the bilingual program and develop a specialized curriculum for each of them.

Local districts are also required to coordinate the provision of special ed. and nursing services for private/parochial schools. This takes a great deal of administrative and secretarial time, for which we don't receive reimbursement.

Curriculum and instruction. Since only nurses may administer medication during school, a child on a field trip requires the attendance of a substitute nurse that must be hired to administer the medication.

Another example, if the district wants to change the use of a room, it must first receive approval from the State. In most cases, this requires an architect's review at additional cost.

Next, Lawrence currently pays its substitute teachers \$60 per day. There is a tremendous supply of teachers willing to substitute at this daily amount. Should a substitute be hired for a long-term period -- to replace a teacher on sick leave -- the district must pay \$150 per day from day one because of a State regulation should the substitute work 20 or more days.

We are subjected to a comprehensive monitoring review by the State, despite the fact that Lawrence is a high performing district and participates in the Middle States Accreditation Program.

The Mentoring Program for new teachers, required by the State, provides another administrative burden better managed on the local level. With this program, a significant amount of time is taken on paperwork, evaluation, and meetings.

We currently have a 150 minute per week requirement for health, physical education, and safety instruction. This requirement makes scheduling difficult.

The Employer Trip Reduction Program introduced recently is designed to provide benefits in automobile traffic, but has generated horror stories due to administrative requirements.

This one I really want to point out. Just recently, Lawrence Township has been selected for a civil rights compliance review of its vocational program. We serve 12 students out of an enrollment of 36,356 and receive no Federal or State aid. Despite this fact, the State has supplied us with four pages of documentation to satisfy the compliance review. This will take many hours of our administrative staff,

preventing them from spending their time on more appropriate endeavors.

School business administration. Of particular concern is the area of construction requirements. In many cases they are archaic, unnecessary, and add considerably to the cost of new construction.

ADA compliance is another area that has and will add greatly to the cost of local districts. Significant sums of money are required to make each school adaptable to the needs of handicapped students.

Districts that are in high residential growth modes, like Lawrence Township, receive no help from the State in terms of cost reduction. New school enrollment costs far outpace revenues received from the school's share of property taxes. No impact fee is required of developers to help offset this increased burden on local taxpayers.

Right to Know regulations place the cost burden of documenting hazardous materials on the local school district and not the vendor who sold the materials to the school.

Currently, local school districts pay twice for health insurance premiums when two spouses teach in the State. This duplicative coverage provides no added benefit, but doubles the cost for the local district. In addition, innovative cost-reduction ideas, such as health insurance opt-out provisions, should be made more universal when a teacher's spouse has adequate coverage. This provision is widely used in the private sector and needs to be implemented in the public sector as well.

Unused sick leave paid at retirement is a requirement found nowhere in the private sector and adds significantly to school costs. With liberal provisions for sick time, personal time, holidays, etc., I question the fairness of continuing this practice.

Thank you for your time in listening to my concerns. I would be happy to discuss any of the above items with you in greater detail.

SENATOR CONNORS: Thank you.

MS. McMICHAEL: Any questions? (no response)

I would next like to introduce our school board member from Union County, Susan Pepper who represents the Westfield -- excuse me, Susan Jacobson who represents the Westfield district. I'm sorry Susan. There are two Susans on that board, forgive me.

**S U S A N J A C O B S O N:** I'm Susan Jacobson. My address is 768 Tamaques Way in Westfield, New Jersey. I'm Vice-President of the Westfield Board and have served on the Westfield Board for the past eight years.

Westfield is a suburban community with about 4300 students. We are a high achieving district. Over 90 percent of our students go on to colleges, including the best colleges and universities. We do very well on our SATs, our ACTs, and our HSPTs. The most recent round of HSPTs found us in the top 12 on all four measures in the different areas. We were one of only three districts that achieved that top 12 and above in the State, so we're very proud of it.

We've worked hard on our budgets to keep down costs. In 1993, we negotiated a teacher's contract that has a 5 percent, under 5 percent for salaries, and that would include the cost of increment, and it was the lowest in our county. That was in 1993. You read about teacher contracts being settled now going under 5 percent, two years ago it was really difficult.

One of the things that I would like to talk to you about is that my district has worked very hard to control health benefit costs. We've taken several steps to do that, such as doubling copays and changing carriers. We had an active bidding between Blue Cross and Signa for our insurance. We were able to

reduce costs and keep some control by changing carriers. We also, in 1993, negotiated contracts to have our employee groups contribute to their health benefits. That was the first one in Union County, and it was also the first one of all the municipal bodies in Union County. It took negotiating with five different unions to achieve that, and we were very proud of it.

But, we don't belong to the State Health Benefits Plan, and last year there was a mandate that was passed that includes a 3 percent surcharge to districts that don't belong to the State Health Benefits Plan. That surcharge cost my district about \$100,000.

There are many other mandates. With decreasing aid, stringent caps, will we have to reduce the kind of education which has made us a successful and desirable district? Should we have to reduce or cut programs to pay for such mandates? In June of 1994, as President of the Union County School Boards Association, I invited Senator DiFrancesco, who is our local Senator, to come to our dinner. When he called me he said, "What would you like me to talk about?" I said, "How about State mandate/State pay?" He said, "Susan, you're out of your mind. I will not discuss that."

The members at that meeting did discuss it with him even though he was reluctant to discuss it. I just thanked him recently for now including school boards in a bill to deal with State mandate/State pay. I am glad that it's finally something that he realizes and listens to. It's something that has been a real difficult thing for school boards to deal with for a very long time. I urge all of you to pass and discuss -- to help not only my district, but all other districts in the State of New Jersey.

Thank you very much.

MS. McMICHAELS: Any questions for Susan? (no response)

Okay, our next board member is Mary Vaughan. Mary represents the Morris Plains School District in Morris County. **MARY C. VAUGHAN:** Good afternoon, Senator Connors, and members of the Senate Community Affairs Committee. Thank you for the opportunity of commenting on SCR-87, the State mandate/State pay constitutional amendment.

My remarks today will center on how State mandates, and therefore the laws and regulation, affect local boards of education. Many of the laws passed are approved in the context of their worth and not the financial implications that result in the compliance of these laws. SCR-87 amends the State Constitution and applies to bills, rules, regulations, or orders that require a local board of education to provide a new or expanded program after the amendment becomes effective.

There are so many aspects of this amendment that I find favorable, including the public hearing format, funding to support the mandate, and review of each mandate after five years.

I would like to comment, today, on a few specific mandates and how they affect districts. The State Rules and Regulations on Special Education and Related Services, NJ 6-28 1.1 and NJSA 18A:46-1, mandate the delivery of these services to all in need. Funding is not in place to cover the total cost of these programs. This mandate could be reviewed with State aid procedures to assume total costs of special education, a burden to all local districts.

Some mandates result in excessive paperwork and reporting which can be handled at the local level. By eliminating mandates such as these, districts would not be wasting taxpayers' money and cutting unnecessary paperwork. One example of this is the reporting of acts of violence to the Commissioner of Education. This is already in place with a joint agreement between local boards of education and local police departments.

One mandate which has affected us, personally, in the last year is the building code requirements. In a recent renovation of an existing school, we had to adhere to NJAC 6:22 which is the reference to the Uniform Construction Code. This mandate raised the cost associated with renovations to local boards. This is a mandate, if reviewed, could have been changed to comply with Federal standards and the laws and regulation removed.

Many mandates address specific law and regulations. Some of these deal with bilingual/bicultural education and education opportunities for gifted and talented pupils. Rather than being specific about what must be done, allow options for local boards on how to provide these services. These could be reviewed by the county office. For example, gifted and talented education is mandated, but it's certainly not funded.

The delivery of the mandate which affects minimum basic skills is another mandate which has a financial impact on districts as well as a staffing issue. The State board determines the minimum basic skills standards in communicating and computations. The law NJAC 6-39-1:1 and the regulation NJSA 18A:7A-6 determines delivery. Allow districts more flexibility so students are not trapped in a program by allowing districts to set standards. Other laws and regulations include reporting on interim goals for basic skills. These reports could be made biannually to cut costs.

Many mandates which a district must comply with cost taxpayers needless money. One example of these mandates is the requirement to appoint and pay a custodian of school moneys. Districts already have in place GAAP accounting -- which increased costs recently with a need for new software and support systems -- as well as a required yearly audit available for all to study.

In the field of health services, NJSA 18A:40-4.3 requires a yearly screening for scoliosis and notice to parents

or guardians with required physicals, is this necessary every year?

My purpose in discussing these mandates is to show how mandates evolve and how they affect local boards of education in terms of costs and use of personnel. Please consider the proposed amendment and the impact it has on local boards charged with providing a thorough and efficient education to all students in the residing district.

Thank you for your cooperation.

MS. McMICHAELS: Any questions for Mary? (no response)

Okay, our last and final speaker is Dorothy Alling, representing the Ringwood Board of Education in Passaic County.

Dorothy.

**D O R O T H Y A L L I N G:** Thank you very much. Mr. Chairman, Mr. Connors, Senators, ladies and gentlemen, I thank you for giving us this opportunity to speak before your Committee in support of SCR-87.

My name is Dorothy Alling. I am a member of the Ringwood School District Board of Education, where I serve as its Vice-President and its Legislative Chairman. I am also a member of the Board of Directors of the Passaic County School Boards and an alternate to the NJSBA representing Passaic County. This is my fourth year serving as a School Board Member in Ringwood.

We are very thankful indeed that this bill rightly combines the school districts, municipalities, and county governments all in one bill, as the Federal and State mandates ultimately affect all of our taxpayers. The Federal and State mandates have created an unduly harsh penalty on the quality of life for our local communities, and they have far reaching implications that go beyond what you and the Federal government have been -- as our elected legislative leaders and congressional leaders have envisioned.

I came to Trenton last year, in the spring, leaving at 6 a.m. to testify in front of the rules and policy committee in the Assembly. It was the day of the Edison explosion. I come here again today to implore you to listen to what has happened in our community and to attempt to make this Committee realize that although Ringwood is very unique, it is not a parochial issue, but its issues are surrounding all of us and it is Statewide.

I am including copies to each one of us of this. I am not going to read it verbatim. It is way too long. I'm going to skim over the issues, but at least you can understand, from our sense of viewpoint, why Ringwood has been so unduly, harshly penalized by the State mandates.

Ringwood is a K-8 school district, consisting of 27.3 square miles of, largely, forests, lakes, narrow winding roads, the Wanaque and the Monksville reservoirs, the Skyland and Ringwood State Parks systems. We have over 4000 acres of State Park lands that realize a revenue source of \$.10 an acre. We have thousands of acres of watershed or reservoir property, and they're identified as abandoned property revenue sources. Seventy percent of property is identified as Green Acres, with little or no revenues at all.

Ringwood is identified as a conservation status or as is commonly known now as environmentally sensitive community. Its reservoirs provide approximate one-quarter to one-third of the State's drinking waters. However, because of that status, we have very little business and almost no industry at all. Therefore, we have no ratables. The burden of mandates all fall specifically on our local taxpayers along with the increased costs of the services that we must provide. The major portion of our tax base, then, is hurting us.

We have wonderful volunteer fire and ambulance departments supported by our donations. Most of our community is on septic. We all have private or borough well-water

systems. The majority of our households must have dual wage earners in order to support our high tax base. We do have approximately \$7000 to \$8000 taxes per house assessed at \$225,000 to \$235,000.

Ringwood's total population is roughly 13,000 people, according to the updated 1990 census figures. This includes about 4000 total households of taxable units. Our population numbers are only 6.5 percent over the age of 65, the rest are all younger and the median age is around 32. Eighty-six percent of our homeowners are family households that include the nuclear family, yet 7.5 percent of our households are below the poverty level of less than \$25,000 combined income. What skews Ringwood's figures in your calculation is 22 percent of our average household income are those people with a combined earning of over \$100,000. The rest of us are limping by.

The Borough of Ringwood has cut their staff members and their hours. They have cut their DPW workers. They have cut their police force. We in the school district have cut our teachers; we've cut our programs; we've cut our staff members; we've cut our custodians; we've cut our secretaries. Everybody around us has assistant superintendents, and you, rightly say, "Well, the administrative costs are too high." When our superintendent came to our district 14 years ago, his assistant superintendent had a heart attack and died. He's never been replaced.

We had what is called a sick building a few years ago. It was one of those buildings where the air quality was making the teachers and the students ill. It was publicized on the major network television stations in New York City. Therefore we had to do the monitoring. We had the engineers. We had the problem rectified at a tremendous cost to us. Unfortunately, at that time, our public health director who came to address that meeting at that school also died of a heart attack that night at that meeting.

The Ringwood School District's budget is approximately \$13 million. Of that percentage, we have 25 students that we send out-of-district tuition at a cost of over \$647,000. Our residential student, last year, we passed on to our Lakeland Regional High School. Our combined high school, which is our sister community of the Borough of Wanaque, passed their residential student to Lakeland Regional High School the same year to the tune of \$100,000 for the two students. Our next door neighbor, West Milford, has a residential student, \$155,000, that they bear the costs for. I know you've all heard of what happened with the Bloomfield student that went to Greenbrook, his parents went to Greenbrook, and the cost of over \$200,000 and what it did to that community that is half the size of Ringwood.

In Wayne-- Let us talk about busing issues. We are a total busing transportation district. We own our own buses, maintain them, operate them, and run them. We take care of the nonpublic school children and the public school children because our district is unsafe. We do not have sidewalks in Ringwood. We have bears. We have wild dogs. We have bees and hornets that can cause allergic reactions to some of our children, so therefore, they must be bused or taken by car from their bus stop to their home, even though their parents do work. We have this wildlife that maybe the cities don't have. But as an example of the busing, I'm talking about the two, two-and-a-half-mile courtesy limit.

Our sister community to the south of us, Wayne, has a hazardous road of business traffic going on Ratzer Road. Recently, last month a boy was hit by a car because he was told to stay on his own side of the street where there is no sidewalk to go from his home to his school which is on the same side of the street. To cross that hazardous road to get to the sidewalks would have been suicidal. We need to address what this mandate is on the transportation issue that brings into

context the 2 mile, 2.5 mile limit and that needs to be addressed.

People cannot afford subscription busing. We'll fight for subscription busing because we need something to help alleviate the problem. There are many different ways in which we can attack this and attack it. However, in Ringwood we also have what is known as the Ramapo Mountain Indians; they're in Suffern, New York and they're in Mahwah, New Jersey. They're another segment that needs our help in and a different type of cost factor, but they're not the only ones that are suffering in Ringwood.

I'm also on many different boards of directors on many different organizations in town. One of the things I'm a volunteer at is our Food Bank Center of Ringwood, that was extended from the Mahwah Center of the North Jersey Food Bank Center. We have seen an increase of families to where we opened last year one day a week, we're going to two days a week beginning in March. We are now up to 85 families, servicing Ringwood, that includes children.

It hurts, in this day and age, to see your neighbors at all different socioeconomic areas coming in to get food because they have been laid off from their jobs. Specifically, we've been hard hit in our area, in north Bergen, north Passaic, and north Morris Counties because of closures and cutbacks; for instance, with American Cyanamid, Hoffmann-La Roche, AT&T, and the other people in our areas and businesses. These people are highly overqualified so nobody will hire them. They are grey hair, they're over fifty, and even though we would like to have the mandatory retirement age raised to 70, businesses don't look at people that way. They don't look at the people over 50 years old. They don't look at the maturity. All they see is highly overqualified and how do we reduce benefits? As a result, the agencies and temporary agencies are exploding in our area. We

have a revolt in our community of people against taxes because we are, as residents, the only tax source base.

Our schools, for instance-- We have three elementary schools and we have one middle school. We had to restructure our schools because it would have taken a million dollars extra to keep the neighborhood school concept. Our neighborhoods are separated by the lakes and the forest, thus it is possible to have four kids going to four separate schools at four different hours. There is no cohesive area of units in which to run a proper PTO. Our PTOs raise money for the necessities, not perks. They raise money for the library furniture, they raise money for our field trips.

We have been hit so hard that when it comes to special education and the ADA requirements-- We have just recently had a study done by LAN Associates to update our schools to meet your mandatory codes both based on the Federal government and the State government. It comes to over \$1,600,000 and we have a \$13 million budget. Our teachers are not paid a lot; they are less than half the average of the county, less than half the average of the State, less than any other district around us, and yet we're supposed to be a wealthy community.

We have lawsuits all around us in our community. We have people fighting over the little tiny bone that's left, that's been thrown out to us.

There's one other thing. Despite the frustration, despite the anger, despite everything that's happened in our community, there is something else that is emerging that is very, very troubling. That happens to be the hopelessness that is coming about in our community because people can't fight city hall anymore.

I'm here today. I'm not a good speaker. I don't have notes down, and my writing here -- I've used an old PC Junior with software package from 1980 on an old dot matrix printer. So that's what you're going to have copies of, in detail, of

what's going on in Ringwood. But I implore you, please look at what mandates have done to our community. Those mandates have affected every single community in this State. I implore you, please accept this new amendment, SCR-87. It is so vital and needed by our communities, by our mayors, by our counties, by our school districts, and by our taxpayers. My only concern is the very bottom area without judicial review: Does that in any way impede any kind of checks and balances on our governmental system?

But I support this bill. I urge you all to support it. I also urge you to support looking at the present mandates. Thank you for listening to me. I appreciate the opportunity to come here, and everyone in this room appreciates the same opportunity. I'm sorry, I rambled on.

MS. McMICHALS: Thank you, Mr. Chairman.

SENATOR CONNORS: At this time I would like to call Mark McCaslin, New Jersey Municipal Managers Association, also the Assistant Administrator of Millburn, Gene Keyek, New Jersey Association of School Business Officials, and Pat Gilligan, Councilman at Morristown, come to the table please.

**M A R K L. M c C A S L I N:** Thank you, Chairman Connors, Senator Palaia. I promise I will be brief. Most of the sentiments expressed today in support of this legislation have been expressed quite well, and you don't need me to be repetitive.

I would like to, first of all, though, read a brief testimony provided by David Kochel the Township Administrator in Ocean Township. He was unable to be here today. He is the immediate past president of the New Jersey Municipal Management Association.

"In 1985, when I was serving as the Administrator for the Borough of Metuchen, Mayor John Wiley was presiding at a regular Council meeting. During the public comment section of this meeting, a Borough resident addressed the Mayor and Council

requesting that they take an affirmative position on a piece of pending legislation for the State Legislature which would have been of financial benefit to this particular citizen, as well as many other citizens.

"The Mayor's response was extremely unique, particularly for the time. He stated that both he and the Borough Council would gladly consider adopting a supportive position, providing this particular resident could identify for the Mayor and Council how he was suggesting the State pay for the implementation of the measure. The resident sat down and never again appeared before the Borough Council on that particular matter.

"The above incident obviously left an indelible impression on me. The common reaction of a governing body both then, as well as now, would in all likelihood have been to adopt a resolution of support and send it off to their State legislators. However, the easy action is not always the most responsible action, and the events over the past decade since this incident certainly underscore this point.

"More and more the citizenry is holding public officials accountable for their actions. The advantages of incumbency have eroded, and the citizenry is reexamining the traditional pork barrel politics and recognizing them for what they are.

"The State mandate/State pay issue has been before the State Legislature for years. It has received support on both sides of the aisle but invariably becomes derailed at some point during the legislative review process. However, the citizenry is no longer just pointing the finger at boards of education and local councils for escalating property taxes but instead is recognizing the role played by both the State and Federal legislators which directly results in a portion of the municipal and school tax increases.

"At the same time, local officials are making sure that their budget messages to the public reflect the extent to which they are in control of different aspects of their budget and the extent to which increases are driven by mandates.

"One decade ago, a bold mayor in Metuchen, New Jersey spoke out loudly and clearly on the issue of accountability in government. Now is the time for the New Jersey State Legislature to take this same action which will echo throughout the nation as a call for responsibility in government at all levels."

I would just like to touch on a few examples of difficulties we've had in Millburn. You have my written testimony, I'm going to skip the first few pages and get right to the examples.

A few years ago, the deadline for tax appeals was changed from August 15 to April 1. Municipalities were directed to notify, by first class postcard, every property owner of the assessed value of their property. Please understand that this information was already available to any property owner by calling on the phone or by stopping in at town hall. The assessed value is also printed on the tax bill. Regardless, it was now necessary to begin a program of mailing out the postcards to our property owners.

As a result, the Township of Millburn must mail out over 6500 postcards every year to give people information to which they already had access. The municipality was forced to incur the cost of the postcards, of having them printed, along with postage for each card. The information on the cards then has to be verified, taking up valuable time that could be used in a more productive manner.

In addition, the confusion expressed by our property owners was overwhelming. They were uncertain as to whether this notice reflected an increased assessment and/or an increase in the tax bill. In reality, the card only reflected the

information that had already been provided a few months earlier on their tax bills.

Two years ago, the Millburn Township Court had four full-time persons working in it. Two of those individuals retired, the office was fully automated, and one of the vacancies was filled with a new hire. The Court Administrator has stated that, thanks to the automation, the Court can operate efficiently with only three full-time employees instead of four. Normally, one would expect that this department would be praised for such a stance; after all, isn't this a perfect example of government following the rallying cry of doing more with less?

Unfortunately, the State Administrative Office of the Courts apparently does not deem efficiency as a worthwhile goal of the public sector. The A.O.C. has determined, through their own formula, that Millburn's Court must employ four full-time employees, whether or not our own Administrator feels there is justification for the fourth employee. The Millburn taxpayers are, in actuality, being penalized by the State because our municipal court is run in an efficient manner. There is absolutely no logic behind the A.O.C.'s demands that the Millburn Court increase its current staffing levels to meet the State's formula-driven staffing mandate.

Another difficulty and problem we have with mandates is the fact that many times all municipalities are treated equally, whether or not you're a large municipality, small, urban, suburban, etc. One of my favorite examples is the infamous elevator inspector requirement. All 567 municipalities in New Jersey are required to have an elevator inspector. This would not seem too unreasonable until you realize that not all municipalities have elevators. However, actually having elevators in your municipality has no bearing on your requirement to hire an elevator inspector. There are municipalities in this State that have no elevators, but thanks to the mandate, they do have elevator inspectors. This mandate

was so popular it was mentioned last year in an issue of Reader's Digest.

As I am sure you are all aware, on Friday, the United States Senate approved its Federal mandate legislation in an effort to end unfunded Federal mandates imposed upon the states. After passage of the bill, Senate Majority Leader Robert Dole stated, "We've dusted off the 10th Amendment. The ideal that power should be kept close to the people, that's federalism."

You've heard the comments of Mayor Whitman from Summit, Bill Dressel from the League, and as State-elected officials who also have local government experience, you know the problems we're facing, and we all appreciate the effort you've put forth.

I thank you for your support, and we look forward to seeing this important piece of legislation passed. Thank you.

SENATOR CONNORS: Thank you.

**EUGENE J. KEYEK:** Yes. My name is Gene Keyek. I'm the Assistant Executive Director of the New Jersey Association of School Business Officials. Our Association is in strong support of this particular piece of legislation.

I will only use two examples in the interest of time. Perhaps the most significant one, for those who oppose this particular piece of legislation, I started in this business 35 years ago and there was one volume to Title 18A. Today there are four volumes to Title 18A. I think that in itself speaks clearly that all we have done is to increase the number of mandates that we have placed upon school districts.

We appreciate the inclusion of school districts within this particular piece of legislation. Districts, especially my members who are responsible for the development of budgets, have faced these mandates time after time, have suffered the brunt of taxpayers frustration in that they have had to fund the mandates and then begin to reduce other programs which the taxpayers felt were essential to the districts.

Perhaps the most convoluted of all of this just occurred this past week. There were 70 districts that were penalized for high noninstructional costs in the current funding formula that was provided to the districts. Unfortunately for some of these districts or all of these districts, the calculation of that penalty includes State mandates. So these people have to provide a particular program, but if the cost as a percentage of their budget is too high, then they get a penalty. At communities such as Livingston, which gets a \$1.1 million penalty reduction in State aid because they have met some of the mandates, it does not seem to be the way that we should be going.

So I think that you've heard all of the horror stories, you know all of the problems that we face in school districts in meeting and funding these mandates. We would hope that not only would this piece of legislation go through, but once we're finished the mandates project that we're working with through the School Boards Association, that we'll be able to provide you with a list of current mandates that also could be eliminated without impacting on the thorough and efficient education of children in this State.

Again, thank you for introducing the legislation, and you have our total support in insuring its passage. Thank you.

SENATOR CONNORS: Thank you very much, Mr. Keyek. Any questions? (no response)

Margaret Geffken and Steve Cuccio.

**MARGARET GEFFKEN:** I'm Margaret Geffken. I'm a board member on the Berkeley Township Board of Education. I'm the new kid on the block. I've never had the experience of presenting before you, but I'm dedicated and concerned about my community. I'm serving on the Board and I'm learning lots of-- I'm a New Yorker to begin with. I'm not overly familiar with New Jersey, but that's neither here nor there.

We have a good school system in our small town. I'm only representing the smaller school system, you know, to the sixth grade. I'm troubled by the mandates that come down on us. We have lived up and we do run a tight ship. Our children per capita are within the smaller amount of expenditures. We have had some notoriety as to how good we really are dealing with children with special needs; instead of it being a plus for us, it's kind of a negative.

Our township is now being inundated with the proliferation of group homes in which children come with special needs. These are very highly priced educatable kids. Our budgets will not afford us that cordiality toward these kids. They need to be educated. They're here. They're considered as part of our residents, yet they do not come from our township.

I only implore you that you be fair with looking at mandates as to how and what we do so that it doesn't break the back of a population that is unique in the fact that 70 percent of the taxpayers are aged, like myself. We're on limited incomes. Many of the townships, Holiday City and Silver Ridge, are 20 years in existence: Some of these people have become older, their incomes have not gone up and their taxes have. They're burdened by taking care of kids and they are proeducation, but they have to be realistic in the fact that these are extremely costly things.

So that by our success in one hand we are jeopardizing the living of some of our residents. I only hope that you take into consideration that Berkeley Township is unique in those factors. We soar in one area and yet we are penalized in others.

I thank you for the opportunity to present my feelings on this matter.

SENATOR CONNORS: Ms. Geffken, if I may just make a comment. Probably, and I'm just guessing, but I would say three years ago, if legislation such as SCR-87 was introduced, it

would have gone nowhere. It would have just remained and languished in committee and so forth. The point that I'm trying to make here is that people are finding it more and more difficult, but they are also learning. They're learning what's been handed down by government in the way of mandates. They're now learning about what's been handed down by the Federal government to the tune of mandates. It's really brought this to a head, in my view.

This legislation, I believe, stands a very, very good chance of being passed, put on the ballot, and having it ratified as a constitutional amendment. That way it will be -- the people's interests will be protected. That the bureaucrats and the politicians will not be mandating all kinds of things that-- Most all of them are good. Most all of the mandates that come down have some basis, some humanitarian basis. But many of them are unaffordable and have driven up the cost of government far beyond the ability for others to pay for it. So they're going to have to bear the burden to give you a check. They want to mandate something, give you a check. Let them raise the taxes, do that.

I say this is a golden opportunity we've got to get behind and really appreciate everybody for coming down here today to testify on behalf of this bill. If we are to get a handle on this, the hour is now, the time is now to move this and to get behind it and to talk about it. I think that's most important.

MS. GEFFKEN: Well, we're trying to do just that, as I say, on a local level. I'm on the bottom end of the ladder. I'm unfamiliar, I'm new in the community, basically I'm not here too long, but that doesn't mean I don't believe in education or the kids in which we service, or that I don't believe that some of the aged have problems, as well. We're only asking for fairness and a listening post so that we can get some of our ideas across as well. I thank you once again.

SENATOR CONNORS: Thank you.

The next speaker, Mr. Cuccio.

**S T E P H E N C U C C I O:** Yes, sir. My name is Stephen Cuccio. I'm the Manager of the City of Belleville. That's the city just north of Newark. It's not a wealthy city; in fact, the average income, according to the 1990 census, is approximately \$17,000.

Chairman Connors, Vice-Chairman Palaia, I come here representing the City of Belleville and to discuss the impact on the municipal budgets resulting from unfunded mandate legislation that imposes unrestricted expenditures on our municipal budgets. Unfunded mandates wreak havoc with our municipal tax rates in that the expenditures resulting from these mandates are difficult to impossible to estimate when formulating the municipal budget plan.

The budget is the financial plan involving the estimation of expenditures and the proposed method of financing these expenditures through various revenue sources. The overwhelming bulk of revenue comes from the municipal taxpayer. The adopted budget provides the authority to levy the tax to provide revenues needed to bring the budget into balance. This function is the single most important action of the local elected officials. The local budget law is complex enough that it must be certified by an RMA and reviewed for compliance by the Division of Local Government Services through the Department of Community Affairs. Because the budget process must be accurate and provide for the goals of the municipality, and must conform to the laws and regulations imposed by the State of New Jersey, strategic planning is an essential aspect of the budget.

Strategic planning and setting of goals for the municipality are more than not sidetracked or deferred due to unanticipated expenses of the unfunded mandated legislation. Legislation of this type presently imposes further taxing of the homeowners and the business community. I've had to lay off

personnel. I have had to cut services in order to implement the budget and absorb the financial effects of mandates. I have developed a list of 62 unfunded mandates imposed by my municipality, upon Belleville, that increase the tax rate levy in excess of \$3.5 million. That's more than 16 percent of all the funds to be raised by municipal taxes.

In the 1980s these added expenses went unnoticed by the general public due to the high level of financial earnings and activities. That era is over, gentlemen. It is a new belt-tightening era with the 1990s and, therefore, probably the entire decade and beyond.

We find that taxes are the upper most thought in the minds of our public, especially our senior citizens living on fixed incomes. We look to the legislators and to the governor to assist us by not imposing additional constraints and increased budgetary expenses through unfunded mandated legislation. From 1992 through 1994, our municipal tax levy remained constant with a 2 point reduction in 1994, while our school and county tax levies imposed 103 tax points in Essex County for the City of Belleville. These increases, coupled with the loss of tax ratables, compound an untenable future for tax increases for our average taxpayer and senior citizens. It is with great consternation that I come before you because I'm an advocate of home rule.

The State legislators now must assist us, and we request your personal aid in helping us run our communities by asking your support of bill SCR-87 that eliminates unfunded mandated legislation.

It was with great insight that Great Britain's Prime Minister Gladstone, in the year 1840, said, "Budgets are not merely matters of arithmetic but, in a thousand ways, go to the root of prosperity of individuals and the relation of classes and the strength of kingdoms." It's for this reason that I, as a member of the Essex County Municipal Managers and

Administrators Association and a Member of the Bergen County Managers and Administrators Association, implore you to take action to convince the rest of the Senate and the rest of the Legislature to vote this bill in.

I thank you for your time and sincerely appreciate the opportunity to be heard by this Committee.

SENATOR CONNORS: Thank you very much. Any questions? (no response) Mr. Cuccio, you had mentioned you had a list of unfunded mandates.

MR. CUCCIO: I do, sir.

SENATOR CONNORS: We are always interested in that, this Committee, and we'll certainly want to be reviewing that. Thank you for giving us a copy of that.

Ray Kalainikas of Toms River and George Meringolo.

**R A Y K A L A I N I K A S:** Private citizen, Len. Address: 169 Edgewood Drive, Toms River.

Speaking as an individual, only for myself, I have three major points which I've basically noted in the margins of Senate Concurrent Resolution No. 87. I'm opposed to this resolution.

The first point I'd like to make is a yes to SCR-87 means support of taxation through an income tax or a sales tax or both. It merely shifts the burden of taxation from your property tax pocket to your income tax and sales tax pockets, pockets over which the individual citizen has little control, over which the people in government have a great deal of control; in effect, an increase in big government and a further erosion of local home rule and individual determination. That's the first point I'd like to make.

The second point. I'm looking at the first page. I go down to line 23, we're speaking of the whereases. It reads, "Whereas, in response to this decades long pattern of seemingly inexorable increases and burdensome mandates from Trenton, local officials have repeatedly petitioned the Legislature for a

constitutional mechanism to protect them from the imposition of additional mandates."

I'd like to take note of the fact that in November 1991, in Point Pleasant Beach, the governing body agreed to place a referendum question on their ballot, nonbinding, that I requested. In effect, the people were asked, do you agree that by virtue of the Ninth Amendment you have the right of municipal binding referendum not only to make and break municipal law, but to amend and nullify county, State, and Federal law for this municipality in the context of the Bill of Rights? The people overwhelmingly supported that.

I guess I'm asking you, if you're going to put this on the ballot -- and I suspect it's going to go on the ballot -- in some form or shape, that you also put side by side with this particular question, resolution, or however you're going to put it that Point Pleasant Beach question. Because State mandate/State pay simply means you're going to a State tax, but instead of State mandate/State pay, I would prefer municipal nullification.

If you have the power of municipal nullification, you can say no tax. Not a property tax, not an income tax, not a sales tax, but no tax if you have municipal nullification by way of municipal binding referendum. I guess that's my second point, and I think it's a point I would hope is considered seriously.

The Point Pleasant Beach question of '91, it gives the people I and R the way they should have it, at the local level. It gives the people the right to nullify municipal mandates, county mandates, State mandates, and even Federal mandates in the context of the Bill of Rights.

The third point I'd like to make: Jefferson understood that the true purpose of government is to prevent one human being from being master over another human being. If I had to

put it in 25 words or less, that's how I would define the purpose of government.

Once again, Jefferson understood the true purpose of government is to prevent one human being from being master over another human being, by elucidating the rights given to each human being by the creator and by securing those rights for each human being.

The only support of this I'd like to give to you -- and this is the kind of conversation you seldom hear -- Jefferson was very versed in the four gospels of the New Testament, very much versed. Jefferson understood those words, "Call no one father, do not you be called rabbi, you are all brothers." "Call no one father" means no human being is given authority over another human being. "Do not you be called rabbi" -- no one is given the exclusive right to dispense truth or appointed to dispense truth.

Jefferson understood that the great corruptor of those words was essentially Paul of Tarsus. Romans 13, divine right of kings, in which Paul states, the authorities are appointed by God in direct contradiction to this carpenter from Nazareth called Jesus, in direct contradiction. Jefferson regarded Paul as still holding on to Judaism for the most part and rejecting, by and large, that particular way of life expressed by that carpenter.

Not only was Thomas Jefferson the kingpin of our government, ladies and gentlemen, but Mahatma Gandhi agreed with Jefferson, and he also was the kingpin of giving independence to India. Mahatma Gandhi regarded Paul of Tarsus as the first and most, I should say, the greatest corruptor of that way of life expressed by that particular carpenter.

When Paul says, "Citizens be subject to the king, slaves be subject to your masters, wives be subject to your husbands," that was in direct contradiction to the concept that no human being has a right to be master over another human

being. This is very important this concept of municipal binding referendum having the power not only to make and break municipal law, but to amend and nullify county, State, and Federal law for this particular municipality in the context of the Bill of Rights.

It would serve two purposes. Let's suppose the people voted yes we want State mandate/State pay. If they had this to go along with it, they could nullify a State mandate they disagreed with. That even if you agreed with it as legislators and passed it, the people at the local level can say, "We don't buy it, we're going to nullify it." That gives them the kind of control they really need.

But I know as I was listening to Len earlier he said, "You know, a couple of years ago we could have never passed SCR-87. It wouldn't have had a chance." You know and I know that what I'm asking for doesn't have a chance unless you speak for it, unless you understand it. Many many times I've brought this before the Legislature and said, "What about that Point Pleasant Beach question?" Each time it was ignored. I suspect it will be ignored again. The press corps left. They're here only for certain individuals. I don't know if you have any questions. Those are the three points.

You're going from less home rule to more State control when you go State mandate/State pay. I mean, a property tax, I don't agree with a property tax, but at least the individual can appeal it. He can go before a governing body and complain before the press corps. But when it goes to a sales tax and an income tax, where does the individual go where he has a press corps to speak to? Can he actually appeal the sales tax? Can he actually appeal the income tax?

He actually has less control when you go from a property tax to an income tax and a sales tax. This actually -- this resolution supports the concept of taxation. If you vote yes, you're voting yes for taxation. Whereas, municipal binding

referendum can nullify taxation where it wants to if the people so choose. They can nullify a mandate that's totally unnecessary in their eyes as long as it's in the context of the Bill of Rights.

So those are my three major points. There isn't enough conversation and enough written material about this idea that no human being has a right to be master over another human being. Paul was all washed up when he said, "Wives be subject to your husbands, citizens be subject to the king, and slaves be subject to your masters." You have no idea the suffering that has caused throughout the centuries and still causes to this day. He never let go of Judaism. If you take those writings being truly attributed to him, he never let go and never fully accepted what that carpenter was trying to put across.

Jefferson understood that. That's why Jefferson basically wrote the Declaration of Independence as a refutation of the divine right of kings. This concept of citizens be subject to the king because he's appointed by God, nonsense. Believe me, many legislators still hold to Romans 13, as did King George. Nothing has changed very much. They just don't use that terminology "divine right of kings," but they still think they're appointed by God, unfortunately. The clergy keep telling them that. Romans 13, read it.

That's all I have to say, thank you, gentleman.

SENATOR CONNORS: Thank you.

There are two statements that I would like to read into the record for individuals who couldn't be here. The Freeholder Chairman from Bergen County has sent this to the Senate President -- Richard Mola, the Freeholder Chairman, to Donald DiFrancesco -- it follows:

"Last year I was responsible for placing on Bergen County ballots in the November elections a measure which called for voters to support or reject a constitutional amendment that would prohibit unfunded State mandates.

"The results were: yes, 164,986 support for eliminating unfunded State mandates and no, 34,769.

"In Bergen County alone, 840,000 population in 70 municipalities, every single municipality strongly supported this measure.

"In eight other counties, this year a measure favoring the elimination of unfunded State mandates was supported by equally wide margins of voters. In 1988, a similar measure in Bergen County produced the same results.

"On Monday, January 30, 1995, the Senate Committee on Community Affairs is holding a hearing on SCR-87 which called for the prohibition of unfunded State mandates. Will you please insert this document into the record of this hearing."

The next document is from East Amwell Township School from Charles Miller, President of the East Amwell Board of Education.

"Dear Senator DiFrancesco: "This will acknowledge receipt of your January 23, 1995 communications concerning SCR-87.

"Although previous commitments prevent our Board Members from appearing before the Committee on January 30, I have been asked to share with you the consensus of the East Amwell Board of Education on the State mandate/State pay constitutional amendment you have sponsored.

"The East Amwell Board supports the concept of State mandate/State pay. In addition, we would request that you review all current State mandates and consider either State funding or removing them as mandates. In no event, however, should existing mandates be grandfathered, unless they will be State funded, in which case the rules of review should be the same as contained in SCR-87.

"Thank you. Very truly yours, Charles Miller, President."

That concludes our day here unless there are other speakers that we have not acknowledged. (no response) If not, I want to thank my colleagues, Senator Palaia, and the members of the staff for this morning. It certainly has been an enlightening one. Thank you.

This hearing is concluded.

**(HEARING CONCLUDED)**

APPENDIX



STATEMENT BY WILLIAM G. DRESSEL, JR.,  
ASSISTANT EXECUTIVE DIRECTOR,  
NEW JERSEY STATE LEAGUE OF MUNICIPALITIES,  
IN SUPPORT OF SCR-87, STATE PAY FOR FUTURE STATE MANDATES  
BEFORE THE SENATE COMMUNITY AFFAIRS COMMITTEE  
STATE HOUSE  
ROOM 319  
MONDAY, JANUARY 30, 1995

THANK YOU, MISTER CHAIRMAN AND MEMBERS OF THE COMMITTEE. FOR OVER THREE (3) DECADES, THE LEAGUE OF MUNICIPALITIES HAS BEEN FIGHTING UNFUNDED MANDATES. FOR THE PAST EIGHT YEARS, WE HAVE STRUGGLED TO GET, BEFORE THE VOTERS, A PROPOSAL TO AMEND OUR STATE'S CONSTITUTION TO PREVENT THE IMPOSITION OF FUTURE UNFUNDED MANDATES.

NOW, AT LONG LAST, AND FOR THE FIRST TIME, THE ASSEMBLY SPEAKER, THE GOVERNOR AND THE PRESIDENT OF THE SENATE HAVE GONE ON RECORD IN SUPPORT OF JUST SUCH A PROPOSAL.

WE SALUTE YOU, MISTER CHAIRMAN, AND ALL THE MEMBERS OF THIS COMMITTEE. NO GROUP OF LEGISLATORS HAS EVER PUT AS MUCH TIME AND AS MUCH EFFORT INTO THE MANDATES ISSUE AS YOU GENTLEMEN HAVE IN THESE LAST TWELVE (12) MONTHS.

WE SALUTE THE SENATE PRESIDENT AND THE MINORITY LEADER FOR THE ENCOURAGEMENT THAT THEY HAVE GIVEN, AND FOR THE RESOURCES THAT THEY HAVE EXPENDED IN THIS BATTLE.

WE SALUTE THE GOVERNOR FOR HER ARTICULATE ADVOCACY OF THE CONSTITUTIONAL APPROACH TO SOLVING THE PROBLEM OF UNFUNDED MANDATES.

AND WE SALUTE THOSE MEMBERS OF THE GENERAL ASSEMBLY WHO HAVE VOTED IN FAVOR OF ADVANCING A PROPOSAL TO THE GENERAL ELECTORATE. WE, ESPECIALLY, SALUTE SPEAKER HAYTAIAN AND ASSEMBLYMAN GEIST. THEY OFFERED US WHAT THEY CONSIDERED TO BE THE STRONGEST SYSTEM THAT COULD SURMOUNT ALL THE LEGISLATIVE HURDLES. THEY KEPT THE ISSUE ALIVE. THEY NEVER LET THE MOMENTUM FOR CHANGE BE LOST.

SENATOR DI FRANCESCO HAS PUT BEFORE YOU THE STRONGEST--THE TOUGHEST--THE BEST PROTECTION AGAINST UNFUNDED MANDATES THAT WE HAVE EVER SEEN ANYWHERE. HIS APPROACH IS VIRTUALLY "BULLET-PROOF."

AND REMEMBER, IT IS NOT, FIRST AND FOREMOST, PROTECTION FOR LOCAL ELECTED OFFICIALS. IT IS PROTECTION FOR OUR BELEAGUERED PROPERTY TAXPAYERS.

I AM HAPPY TO BE HERE TODAY. BUT, IF IT'S ALL THE SAME TO YOU, I'D RATHER NOT BE HERE ON THIS ISSUE AGAIN NEXT YEAR.

LET'S LET THE VOTERS HAVE THEIR SAY ON THIS IN NOVEMBER.

THANK YOU.



407 WEST STATE STREET, TRENTON, N.J. 08618 (609) 695-3481  
JOHN E. TRAFFORD, *Executive Director* WILLIAM G. DRESSEL, JR., *Asst. Executive Director*

May 27, 1994

PRESS ADVISORY

In an effort to provide information on state mandates on municipal governments, specifically, the types of mandates and their cost, the League conducted a mandates survey among its members. Attached is a copy of the results.

The League has identified several state mandates that have imposed substantial costs on municipal governments. Our survey was sent to all 567 municipalities with a request for costs incurred in relation to each mandate for the years 1991, 1992, 1993 and 1994. From the sample we received, which includes state-wide data from rural, suburban, and urban municipalities of all sizes, we have extrapolated that state imposed mandates cost New Jersey municipalities a minimum of 145,958,910 (adjusted) a year.

Again, this only represents a selected sampling of state mandates and the information illustrates the need for advocating a state mandate state pay constitutional amendment.

We are hopeful that this information will be helpful in understanding the cost implications of mandated costs on the local property taxpayer.

For further information call Bill Dressel at the League office.

3X

NEW JERSEY STATE MANDATES

NUMBER	MANDATE	SOURCE	AMOUNT
1	FIREARM QUALIFICATION, SEMIANNUAL	ADMINISTRATIVE DIRECTIVE OF THE ATTORNEY GENERAL	\$2,435,170
2	911	NJSA 52:17C-6	\$4,740,904
3	CONSTRUCTION OF JAIL CELLS	NJAC 10A:34	\$878,400
4	AUDIO-VISUAL MONITORING OF CELLS	NJAC 10A:34	\$1,347,433
5	JUVENILE DETENTION CELLS	NJAC 10A:34	\$126,200
6	24 HOUR PHYSICAL MONITORING OF JUVENILES	NJAC 10A:34	\$56,891
7	PREPARATION OF ACCIDENT REPORTS	NJ STATE POLICE	\$2,495,725
8	UNIFORM CRIME REPORTS	NJSA 52:175-5.1	\$1,420,245
9	CERTIFICATION OF RADAR	NJ STATE POLICE	\$331,191
10	CERTIFICATION OF BREATHALYZER	NJ STATE POLICE	\$327,175
11	LEGAL DEFENSE FOR POLICE	NJSA 40:14-155	\$1,022,544
12	NEW-OFFICER TRAINING	NJSA 52:175-65	\$2,117,657
13	EFFECT OF BINDING -- ARBITRATION IN EXCESS OF CAP	NJSA 13A-14	\$9,790,540
14	UNDERGROUND STORAGE TANK REMOVAL & REPLACEMENT	NJSA 58:10A-21 ET SEQ NJAC 7:14B	\$14,838,927
15	TRAINING & RECORDKEEPING -- PUBLIC RIGHT TO KNOW	NJSA 54:5A-1 ET SEQ. NJAC 7:1G NJAC 7:27	\$687,331
16	STREAM ENDOACHMENT PERMITS	NJSA 58:10A-20 ET SEQ NJAC 7:10	\$1,400,411

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	NJAC 12:10C	
18 DEWATERING EQUIPMENT	NJSA 58:10A-1 NJAC 7:9	\$72,000
19 AUTOMOBILE TESTING EQUIPMENT	NJSA 25:20-1 ET SEQ NJAC 7:27	\$207,285
20 SLUDGE REMOVAL	NJSA 13:1E-1 ET SEQ. NJAC 7:26	\$8,658,407
21 WATER TESTING	NJSA 58:12A-1 ET SEQ. NJAC 7:10	\$1,799,966
22 HAZARDOUS WASTE CLEAN-UP	NJSA 13:1K-6 ET SEQ NJAC 26B, 26C, 26E	\$2,263,268
23 INSTALLATION OF VAPOUR RECOVERY GAS PUMPS	NJSA 25:20-1 ET SEQ NJAC 7:27	\$570,680
24 UNDERGROUND STORAGE REQUIREMENTS FOR GASOLINE, FUEL OIL, DIESEL OIL, & WASTE OIL	NJSA 58:10A-21 ET SEQ. NJAC 7:14B	\$1,552,434
25 WATER PERMITS	NJSA 58:10A-1 ET SEQ. NJAC 7:14A	\$568,670
26 SEWER PERMITS	NJSA 58:10A-1 ET SEQ. NJAC 7:14A-12	\$513,378
27 DRAINAGE	NJSA 58:16A-50 ET SEQ NJAC 7:13 NJSA 58:10A-1 ET SEQ NJAC 7:14A	\$1,867,109
28 ANIMAL CONTROL COSTS	NJSA 23:4-63 ET SEQ. NJAC 7:25	\$4,794,867
29 AFFORDABLE HOUSING ADMINISTRATION	NJSA 52:27D-311	\$4,494,615
30 TRAINING COSTS FOR CERTIFICATION OF MUNICIPAL CLERKS	NJSA 40A:9-133 ET SEQ.	\$112,901
31 TRAINING COSTS FOR CERTIFICATION OF TAX COLLECTORS	NJSA 40A:9-140 ET SEQ.	\$84,647
32 TRAINING COSTS FOR CERTIFICATION OF MUNICIPAL FINANCE OFFICERS	NJSA 40A 9-140 1 ET SEQ.	\$143,310
33 TRAINING COSTS FOR CERTIFICATION OF PUBLIC WORKS MANAGER	NJSA 40A 9-154 5 ET SEQ	\$212,912

34 BUDGET REPORTING REQUIREMENTS	NJSA 40A:41 ET SEQ	\$1,144,894
35 PROPERTY TAX ASSESSMENT (SEPARATE PROPERTY TAX ASSESSMENT) FEE	NJSA 54:25 ET SEQ	\$1,221,011

36 LANDFILL TIPPING FEES	NJSA 13:1E-1 ET SEQ. NJAC 14	\$75,237,657
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LANDFILL TIPPING FEES, LESS 1994 RECYCLING GRANTS		(\$5,339,646) \$69,898,011
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TOTAL		\$151,298,550
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TOTAL WITH 1994 RECYCLING GRANTS REMOVED: (\$5,339,646)		\$145,958,910
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# New Jersey Senate

TRENTON

## MEMORANDUM

TO: Bill Dressel & John Moran  
FROM: Vic McDonald  
DATE: June 9, 1994  
RE: State Mandate Relief Legislation

Here is a summary of the provisions of the bill which we will be unveiling on Monday, June 13th at a press conference at 11:30 AM. We want the League of Municipalities to take part in the press conference in order to present a united front for mandate relief. Both the Senate President and the Minority Leader will participate in the press conference along with the members of the committee and a representative of the Conference of Mayors — a grand coalition against mandates!

The final draft of the bill is still being reviewed by the legal staff. We are also putting together some cost savings estimates. Here is a summary of each of the components of the mandate relief legislation.

**COMMUNITY AND WORKER RIGHT TO KNOW** - Under our legislation, reports would only have to be made every five years (cutting back on paperwork & cost by 80%), and training would only be required at the time of initial employment and every five years thereafter. The one exception to the reporting requirement would be instances in which a municipality started using a new chemical. That would have to be disclosed during its initial year of use, and during each subsequent five year report. This will keep the spirit of the Right to Know Law intact while easing up on the costs to local governments.

\$667,331

**STORMWATER TESTING** - The bill would revise the current testing schedule for stormwater outfall pipes for water quality standards. The current mandate for testing all outfall lines every three months will be abandoned. It will be replaced with a new requirement; semiannual testing for priority outfall lines, and annual testing for all others. This will help the 94 shore communities.

☆

**ORDINANCE PUBLISHING** - Municipalities will be given the option of publishing ordinances in their entirety or by title with a descriptive summary. Neither the Legislature nor the Congress are forced to publish pending legislation. This will place the local governments on the same footing as the Legislature and will allow towns to save on those costs.

☆

**BUDGET PUBLISHING** - Municipalities will be given the option of publishing their annual budget in summary form. Current law requires that the entire budget be published. This bill allow local governments to publish a truncated budget document broken down by major spending and revenue categories. This section will also free towns of the mandate to republish and rehear local budgets when last minute state aid adjustments have occurred.

☆

**SALARY DIFFERENTIAL FOR POLICE CHIEFS** - This mandate will be repealed. Towns will be free to set the salary schedule without interference from Trenton.

**MOSQUITO DITCH CLEARING NOTICE** - Current law requires that whenever a municipality is going to dredge ditches as part of a mosquito control program, they must notify each property owner along the ditch by certified mail. This has proven to be quite expensive for rural communities. That law will be amended to allow local governments to use the mail option or to publish a notice in the newspaper about the impending ditch clearance program. This is the same method used by utility companies whenever they clear brush along power lines.

**PREVAILING WAGE** - Current law mandates that all governmental projects costing \$2,000 must pay the prevailing wage. That threshold was established in 1963. The threshold will be updated (for municipal governments only) to reflect the cost of living increases that have occurred in that 31 year period. The new threshold for municipal projects will be \$9850. This will be revised by the Commissioner of Labor ever five years to reflect changes in the cost of living.

\$530,081

**ADMINISTRATION OF PUBLIC ASSISTANCE** - A number of the state's smaller communities have complained about being forced to maintain local public assistance programs. The number of individuals served each year is too low to justify the administrative costs of having the program. This mandate will be amended in order to allow the local governments to implement an agreement transferring that responsibility to the county.

\$5,451,313

**ANNUAL ASSESSORS NOTICE REQUIREMENT**- A few years ago the state enacted a law which requires tax assessors to mail out assessment notices to all property owners each year telling them the assessment for their property. This has been strongly criticized by local officials since in 99% of the cases the assessment does not change. This mandate will be revised so that notices will only be mailed out in instances in which a property's assessment has changed. This should result in significant administrative, printing, and mailing costs.

\$1,221,011

**STATE ADMINISTRATION OF TAX DEDUCTIONS** - Many municipalities have complained about administering the property tax deductions for senior citizens, veterans, and tenants. The income verification procedure is the one component that is most vexing. The bill will transfer this responsibility to the state. Both burdens will be lifted from municipalities in their entirety.

**HEALTH BENEFITS PLAN (Buy-out option)** The bill will allow municipalities to offer annual cash payments to employees who are willing to forego health coverage. This program would apply to those employees who are covered by both the municipality's health plan and the plan of a spouse's employer. The municipality will be authorized to offer such municipal employees an annual cash payment in exchange for the employee giving up the coverage. The structuring of the cash incentive plan will be left to the discretion of the local governing body. The only restriction will be a cash payment limit of 50% of the cost of the employee's health benefit. For instance, if a municipality spends \$4,000 for health benefits to an employee, the cash payment could be anywhere from \$1 to \$2,000 depending on how the municipality wishes to structure the program.

**EMERGENCY MANAGER COORDINATOR** Municipalities will be given the following options in fulfilling this mandate:

A. Municipalities may make regional agreements designating an emergency manager coordinator to serve all of the constituent municipalities. The method of selection, etc. will be left with the municipalities. The only requirement attached to this is notification of the State Emergency Management Coordinator of such action, and of any subsequent changes.

B. Municipalities may designate the county emergency management coordinator as their coordinator, as long as the county governing body agrees to the designation. Again the only requirement is notification of the State Management Coordinator.

**4. FIREARMS REQUALIFICATIONS** The semi-annual firearms requalification requirement will be revised as follows:

\$2,435,17

A. Each municipality will have to have one annual firearms requalification for police.

B. Municipalities will be permitted to require a second requalification for police. The municipality will be free to structure the program in the way it sees fit such as determining those categories of officers which are to participate in the requalification, the specifications for the ammunition used, and any other criteria which the governing body determines is necessary in order to promote safe and effective law enforcement, and to protect the health, safety and welfare of the public." (The intention is to allow municipalities to be flexible -- they might want to have different standards for those who are on the line and those who command a desk; or they may want to have additional shoots for rookies, etc.).

**AN ACT** relieving municipalities from certain State imposed mandates and revising and repealing various parts of the statutory law.

WHEREAS, Over the past four decades a pattern has emerged in our state: by which State government has routinely and systematically imposed greater and greater numbers of mandates, orders, directives and burdens on local government. This web of mandates and burdens has come about as the result of the enactment and adoption of a plethora of unrelated laws and regulations addressing many and diverse issues. While these actions by State government have occurred in order to address a variety of public concerns, they all share a common philosophical underpinning: the mandatory implementation of state policy directives by local government officials.

WHEREAS, While the overwhelming majority of these statutes and regulations were established by sincere-minded, and well-intentioned public officials in order to address legitimate public concerns, the collective regulatory weight of these mandates on local officials has itself become a matter of deep concern and a subject that cries for legislative relief. With each passing year the quantity of directives and orders flowing out of Trenton to local officials has increased, hamstringing municipal governments and forcing them to incur greater and greater costs in order to comply with them.

WHEREAS, While state aid allotments from Trenton to municipalities have risen steadily during the same time period, that rise has simply been unable to keep up with the ceaseless flow of costly mandates which has streamed out of the capital. When confronted with these costly mandates, local officials have been forced to turn to the property tax in order to pay for implementing them since the state aid allotments from Trenton have proven insufficient to cover the new costs.

WHEREAS, In response to this decades long pattern of seemingly inexorable increases in burdensome mandates from Trenton, local officials have repeatedly petitioned the Legislature for relief. In response to entreaties of local officials various committees of several Legislatures have investigated their complaints and determined that relief from these mandates is long overdue.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

WHEREAS, The subject of burdensome mandates, whether imposed by statute or by regulation, is one that must be addressed by the Legislature on an expedited basis, the Legislature has determined that the most effective and responsible way to ease the burdens imposed on local governments by existing mandates is through the enactment of an omnibus statute that repeals or modifies many of those mandates, while continuing to identify additional mandates for which relief can be given through subsequent enactments; and therefore

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. (New section) As used in section 1 through section 10 of P.L. , c. (C. )(pending before the Legislature as this bill):

"Benefit" means an annual benefit for property taxes due and payable by senior citizens and persons who are permanently and totally disabled, and their surviving spouses, to be paid as a benefit by the State or that had been provided pursuant to the provisions of P.L.1963, c.72 (C.54:4-8.40 et seq).

"Cooperative" means a housing corporation or association incorporated or organized under the laws of New Jersey which entitles a shareholder thereof to possess and occupy for dwelling purposes a house, apartment or other structure owned or leased by the corporation or association.

"Income" means all income from whatever source derived including, but not limited to, realized capital gains except for a capital gain resulting from the sale or exchange of real property owned and used by the taxpayer as his principal residence and on which he received a deduction or benefit paid by the State, and, in their entirety, pension, annuity and retirement benefits. For the purpose of claiming a benefit for taxes for any tax year, pursuant to this section 1 through section 10 of P.L. , c. (C. )(pending before the Legislature as this bill), "income" shall be deemed to be equal in amount to the income which the taxpayer received during the pre-tax year for which such benefit is claimed and shall be exclusive of benefits under any one of the following:

a. The federal Social Security Act and all amendments and supplements thereto;

b. Any other program of the federal government or pursuant to any other federal law which provides benefits in whole or in part in lieu of benefits referred to in, or for persons excluded from coverage under, paragraph a. hereof including but not limited to the federal Railroad Retirement Act and federal pension, disability and retirement programs; or

c. Pension, disability or retirement programs of any state or its political subdivisions, or agencies thereof, for persons not covered under paragraph a. hereof; provided, however, that the total amount of benefits to be allowed exclusion by any owner under paragraph b. or paragraph c. hereof shall not be in excess of the maximum amount of benefits payable to, and allowable for exclusion by, an owner in similar circumstances under paragraph a. hereof.



**Robert D. Prunetti**  
County Executive

**COUNTY OF MERCER**

**OFFICE OF THE COUNTY EXECUTIVE**

**McDADE ADMINISTRATION BUILDING**

**P.O. BOX 8088**

**TRENTON, NEW JERSEY 08650-0088**

**(609) 989-6518 FAX (609) 695-5124**

**TESTIMONY  
before the**

**SENATE COMMUNITY AFFAIRS COMMITTEE**

**by**

**ROBERT D. PRUNETTI  
MERCER COUNTY EXECUTIVE**

**January 30, 1995**

Chairman Connors, Senators, thank you for the opportunity to testify in support of Senate Concurrent Resolution 87 which seeks a state mandate, state pay amendment to New Jersey's Constitution.

Republican governors all across the nation are asking Congress for relief from federal mandates and Congress is listening. All indications suggest that no Washington dictates will be issued any time soon and that states will be given more authority and flexibility to tailor public programs to fit their specific needs. Certainly, if state legislators want relief from Washington, they can easily understand that counties and towns want relief from Trenton.

The financial burdens imposed by state mandates are handicapping the ability of local governing bodies (LGB's) to balance our budgets and keep taxes down. Although counties such as Mercer have streamlined administrative operations, privatized services, cut personnel from payroll, slashed our transportation fleet, negotiated employee health insurance contributions, and implemented inmate co-payments for medical care, the cost of state and federal mandates on county taxpayers continues to escalate. The only way we can pay these costs is to raise property taxes because that is our only source of revenue.

So while Mercer County is cutting government and streamlining operations, we are still forced to fund programs we had no say in creating. SCR-87 will change the rules.

I support SCR-87 for several reasons. First, it is founded upon a principle I think most of us grew up with: if you want it, you pay for it. If state legislators believe that a program or service is essential for the common good of New Jersey citizens, then the legislature should appropriate the money for it.

Second, the fiscal pressure this measure would relieve cannot be overstated. Federal and state mandates cost taxpayers millions of dollars. If we are given the flexibility to provide a service more efficiently or perhaps conclude that our constituents no longer want a service, we can put the monies saved back into the pockets of families who need them.

Third, the public hearings provisions allow for greater control and accountability to the people of New Jersey. These hearings allow for direct and extensive input from the people who must pay for it. Additionally, this open process will allow people to question their state representatives directly so they can understand exactly what it is they are paying for.

Fourth, demanding these mandates be renewed every 5 years promotes efficiency and effectiveness. Specifically, it protects against the often uncontrolled growth of bloated bureaucracy. Elected officials and the people they serve must sit down every 5 years and do a program performance review. If resources are being wasted, the program can be improved, or if the program is obsolete, it can be discontinued.

For these reasons, I support SCR-87.

Thank you.



LAWRENCE S. FEINSOD, Ed. D.  
SUPERINTENDENT OF SCHOOLS

**Madison Public School District**

OFFICE OF THE SUPERINTENDENT  
359 WOODLAND ROAD  
MADISON, NEW JERSEY 07940

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(201) 593-3161

**TESTIMONY:** Dr. Lawrence S. Feinsod, President, Garden State Coalition (GSCS)  
and Superintendent of Madison School District, Morris County

**BEFORE:** The Senate Community Affairs Committee

**RE:** In Support of SCR-87 DiFrancesco/L. Connors

Good afternoon. My name is Larry Feinsod and I am President of the Garden State Coalition of Schools (GSCS), as well as Superintendent of the Madison school district in Morris County. With me today is Lynne Strickland, Director of GSCS. The Garden State Coalition of Schools is a grass roots organization of 107 school districts. Primarily suburban and committed to the goals of excellence and equity in public education. GSCS is unique in that it is led by a highly motivated membership. All member efforts, with the exception of its director, are voluntary in nature. GSCS is made up of Board of Education members and superintendents.

GSCS districts currently represent nearly 220,000 public school children in New Jersey through its member districts. The coalition is a statewide organization. Members span the state, from Absecon in Atlantic County to Wyckoff in Bergen County. Our newest members include Edison, West Windsor-Plainsboro, Mt. Laurel and Princeton. The Coalition believes that equity should be achieved by improving education and not by diminishing quality and eliminating school programs which have led to high student achievement.

State mandate-state pay and mandate relief have been goals of GSCS since its inception. We are encouraged that the Senate and Assembly education committees are presently investigating legislation in that regard. Nonetheless, the concept of state mandate-state pay has been talked about long enough.

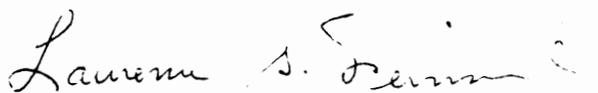
We are very encouraged that Senators DiFrancesco and Connors have taken the lead in introducing SCR-87. The constitutional amendment that will take New Jersey to the most logical step, a step that could finally achieve a much-needed end, namely; incorporating a responsible and effective check and balance tool within the legislative process itself. SCR-87 is tightly written to avoid pitfalls, such as litigation while at the same time it enables up-front and responsible need analysis that must be tempered by equally responsible fiscal analysis. Evaluation and sound planning will be required before that fact.

An example of the need for such analysis is the mandate of special education. For a number of years that mandate has been increasingly underfunded. At the same time the costs of this legislated mandate have spiraled out of control. The combination of the special education mandate and rapidly increasing growth in special education enrollment with what is known as 'flat' funding (and less to transition aid districts) has forced districts throughout the state to cut achieving programs and increase property taxes.

In the past three years in the community of Haddonfield, Camden County, special education enrollment has grown by 25% while the special education costs in that district have increased by 50%. Because regular enrollments were growing at the same time, the mandated special education costs had to be paid by raising property taxes. (By the way, unfunded categorical mandates that so impact property taxes, also increase the "I and J" average per pupil cost for regular education that school funding parity is measured against). It is interesting to note that Haddonfield shows a state funding shortfall in its special education mandate of 3.9 million dollars from 1992-1993 through the projected budget year of 1995-1996.

SCR-87 is inclusive - it recognizes the fact that towns and schools and counties do not simply coexist but rather are an integral part of one another. We are all part of the same community. When one community member is destabilized, all the others will be impacted.

The Garden State Coalition stands ready to assist you with any further questions you may have. We urge you to facilitate SCR-87 so that together our communities - schools, counties and municipalities alike - will be given the constitutional amendment option they have been seeking.



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**Dr. Lawrence S. Feinsod**  
President, Garden State  
Coalition of Schools  
Superintendent of Schools  
Madison, New Jersey

January 30, 1995

16X

**PUBLIC HEARING: STATE MANDATE/STATE PAY**

To the Members of the Senate Community Affairs Committee:

I have been a member of the Lawrence Township School Board for the last 3 years. I am chairman of the board's Finance Committee and also act as Legislative Liaison to the board. This has been both a rewarding and frustrating experience for me. Rewarding because it has given me the opportunity to work with talented and dedicated members of the Lawrence school board, administration and staff. Frustrating because it has exposed me to the many financial and administrative burdens that the state and federal government place on the local districts. Such burdens prevent the local district from managing itself in an efficient, cost effective way.

I would like to review some examples with you:

**SPECIAL EDUCATION**

Special Education regulations prohibit creativity in planning programs for students. Since 1988 the Lawrence school population has grown 33% while special education enrollment is up 83%. During the last 3 years in which state aid has been frozen, costs have grown from \$ 3.291 million to \$ 4.566 million. Schools are required by law to provide related services of physical therapy, occupational therapy, and a deaf interpreter. These costs have risen 60% in the last 3 years also. Out of district Tuition proves a major cost obstacle for us. In 1989 Lawrence had 59 students and paid a total of \$ 840,000. 6 years later we have 84 students and pay \$ 1.926 million. A 42% increase in enrollment, with an 129% increase in tuition costs. We have no local control over the amount that the state allows private schools to increase tuition. Also, parents of special education children have been more aggressive in their children's placement, since the legal system has made it difficult for local districts to challenge parents. If the district loses a court challenge, it must pay the legal fees of the parents, as well as it's own.

ESL provides another hurdle. While state aid is frozen, Lawrence serves an ever increasing number of children who don't speak English. Today, we have 128 students in our ESL program who speak 23 different languages. Thus, we must hire bilingual teachers conversant in 23 languages ! Obviously, there is an urgent need to teach the ESL children to understand English as soon as possible and bring them into the regular classrooms. However, a new regulation on the books will require us to keep these kids in the bilingual program and develop a specialized curriculum for each of them.

Local districts are also required to co-ordinate the provision of special ed and nursing services for private/parochial schools. This takes a great deal of administrative and secretarial time, for which we don't receive reimbursement.

## CURRICULUM AND INSTRUCTION

Since only nurses may administer medication during school, a child on a field trip requires the attendance of a substitute nurse that must be hired to administer the medication.

If the district wants to change the use of a room, it must first receive approval from the State. In most cases, this requires an architects' review at additional cost.

Lawrence currently pays its substitute teachers \$ 60 per day. There is a tremendous supply of teachers willing to substitute at this daily amount. Should a substitute be hired for a long-term period (ie: to replace a teacher on sick leave), the district must pay \$ 150 per day from day one because of a state regulation, should the substitute work 20 or more days.

We are subjected to a comprehensive monitoring review by the state, despite the fact that Lawrence is a high performing district and participates in the Middle States accreditation program.

The mentoring program for new teachers, required by the state, provides another administrative burden better managed on the local level. With this program a significant amount of time is taken on paperwork, evaluations and meetings.

We currently have a 150 minute per week requirement for health, physical education and safety instruction. This requirement makes scheduling difficult.

The trip reduction program, introduced recently, is designed to provide benefits in reducing automobile traffic, but has generated horror stories due to administrative requirements.

Just recently, Lawrence Township has been selected for a civil rights compliance review of it's vocational program. We serve 12 students (out of an enrollment of 3636) and receive no federal or state aid. Despite this fact, the state has supplied us with 4 pages of documentation to satisfy the compliance review. This will take many hours of our administrative staff, preventing them from spending their time on more appropriate endeavors.

## SCHOOL BUSINESS ADMINISTRATION

Of particular concern is the area of construction requirements. In many cases they are archaic, unnecessary and add considerably to the cost of new construction.

ADA compliance is another area that has/will add greatly to the cost of local districts. Significant sums of money are required to make each school adaptable to the needs of handicapped students.

Districts that are in high residential growth modes, like Lawrence Township, receive no help from the state in terms of cost reduction. New school enrollment costs far outpaces revenues received from the school's share of property taxes. No impact fee is required of developers to help offset this increased burden on local taxpayers.

Right to know regulations place the cost burden of documenting hazardous materials on the local school district, and not the vendor who sold the materials to the school.

Currently, local school districts pay twice for health insurance premiums when two spouses teach in the state. This duplicative coverage provides no added benefit, but doubles the cost for the local district. In addition, innovative cost reduction ideas, such as health insurance "opt out" provisions should be made more universal, when a teacher's spouse has adequate coverage. This provision is widely used in the private sector, and needs to be implemented in the public sector as well.

Unused sick leave paid at retirement is a requirement found nowhere in the private sector and adds significantly to school costs. With liberal provisions for sick time, personal time, holidays, etc., I question the fairness of continuing this practice.

Thank you for your time in listening to my concerns. I would be happy to discuss any of the above items with you in greater detail.

Ira L. Marks, CPA  
Lawrence Township School Board

JANUARY 30, 1995 - SENATE COMMUNITY AFFAIRS COMMITTEE PUBLIC HEARING

SCR-87 (DiFrancesco, Connors) State Mandate/State Pay Amendment

Mr. Chairman, Senators, ladies and gentlemen, and honored guests, I thank you for giving us the opportunity to speak before this committee on SCR-87. My name is Dorothy Alling, and I am a member of the Ringwood School District Board of Education where I serve as Vice-President and Legislative Chairman. We are indeed thankful that this bill rightly combines school districts, municipalities, and county governments in one bill as Federal and State mandates ultimately affect all the local taxpayers. 25% of State mandates affect local municipalities and county government's combined while 75% of State mandates affect school districts. These Federal and State mandates have created an unduly harsh penalty on the quality of life for our local communities. They have far reaching implications that go beyond what was envisioned by our elected Congressional and Legislative leaders. I came to Trenton one day last Spring, leaving at 6:00 A.M. to testify before the Assembly Policy and Rules Committee on the affects of mandates on our community and those communities surrounding Ringwood. It was the same day as the Edison explosion.

I come here again today to talk to this committee to implore you to listen to what has happened in our community of Ringwood, and to attempt to make this committee realize that although Ringwood is unique, this is NOT a parochial issue, but indeed, one that is Statewide.

Ringwood is a K-8 school district consisting of 27.3 square miles of largely forests, lakes, narrow winding roads, the Wanaque and Monksville reservoirs, Skyland and Ringwood State Parks. We have over 4000 acres of State Park lands that realize a revenue of \$.10 per acre. We have thousands of acres of watershed or reservoir property identified as "abandoned property" revenues. 70% of Ringwood is identified as Green Acres, with little or no revenues at all. Ringwood was identified as conservation status or, as it is now known as "environmentally sensitive" community. It's reservoirs provide approximately 1/4 to 1/3 of the State's drinking water. We have very little business and almost no industry. Therefore, we have almost no ratables. The major portion of our tax base is born by homeowners. We have wonderful volunteer fire and ambulance departments supported by donations; most of our community has septic; all us have private or borough well water; and the majority of our households have dual-wage earners to support the high taxes.

Ringwood has total population of 13,164 according to an update of the 1990 census figures, with about 4134 total households or taxable units. Our population numbers 6.5% over the age of 65, and 35.4% under the age of 24, and 58.6% are 25-64 yeras of age. 86% are family households. 7.5% of our households are below poverty level of those making less than \$25,000 combined. Yet, 22.4% skew our average household income because of household earnings of \$100,000

20X

and over. The majority combined earnings of 70.1% of our household are between \$25,000 and \$99,999. 90.4% of our houses were built prior to 1980.

The Borough of Ringwood has cut their staff hours, positions have been eliminated, about a half dozen DPW employees were laid off, and a police force of 25 has seen a reduction of 3 retirees and one laid off due to budget cuts. Mandates of underground storage tank removals, emergency 911 telephone system installation, and recycling costs are borne by our property owner tax payers. Recycling mandates will require 60% compliance, and Ringwood is approximately 50% at this time. Our police and volunteer ambulance and volunteer fire persons must attend mandated training sessions that we fund. Our police force is spread too thin when a domestic violence call will require at least two police vehicles to the site, one for transport of a victim, if needed, and the other for an abuser to the police station. ~~Our police force is spread too thin.~~

The Ringwood School District's budget is approximately \$13,000,000. Unlike school districts surrounding us, Ringwood does not have an assistant superintendent. That person had a heart attack and died over fourteen years ago when our present superintendent took over the district. The position was never filled. We have cut teaching staff, clerical and secretarial support, and aides. We have cut educational programs. We have a total of 1,356 students in our district. There are two non-public schools in Ringwood: Ringwood Christian School and St. Catherines. Our District has developed a sophisticated transportation operation, we own and maintain our bus fleet, and we transport all students, even those within the two mile limit due to hazardous roads. These roads are unsafe due to no side walks. We have bear, wild dogs, and bees, wasps and hornets. Until this year we transported all non-public students, but due to NJSA 18A:39-1, our regional high school, who does not own their buses, took over the routes for non public students living over the 2 mile limit. The Ringwood district continues courtesy busing for those students under the two mile limit. We bus a total of 1600 students to both public and non-public schools. 700 students we bus as a courtesy, 560 to public schools and 140 to non-public schools. Our roads are just as dangerous as the road in Wayne, where a boy was recently hit by a car and hospitalized in critical condition. It is a busy road through the borough in which a 40 MPH speed limit sees bumper-to-bumper business traffic. It was more dangerous to cross the road to reach the sidewalk on the other side. The boy's home and school are on the same side of the street. Yet State Mandates on busing still address the old "2, 2 1/2" mile limit formula for busing transportation mandates and costs. Please note that all parents can not afford the costs of subscription busing. We have many families that can not afford these types of fees, including those families from the Ramapo Indians who reside in Ringwood, Mahwah, and Suffern, New York. The same tax paying home property owners, must also pay for courtesy busing to send our students to the Lakeland Regional High School. The high school is composed of our two communities of Ringwood and Wanaque. These students would have to cross Skylands Drive, one of three access roads leading to and

from Ringwood. The road is heavily congested in the morning with business traffic and impossible to cross. As stated above, there are no sidewalks in Ringwood.

The Ringwood School District has built a waste water sewage treatment plant, <sup>but</sup> according to the engineering guidelines of DEP. The plant was too big, and we have down-sized it twice. We truck sewage from our Cooper Elementary School to our Erskine Elementary in order to have more affluence. It still isn't enough, especially during the holidays when school is not in session. We have built a roof type structure over the plant so that cold weather doesn't kill the working bacteria. We have applied for permits to the DEP to truck this sewage as the most cost effective solution to our problems, and yet the enforcement branch of DEP assesses us fines for not being in compliance. This struggle has been on-going for over five years. It wasn't until this past year we were informed <sup>that</sup> we needed an Administrative Consent form! We have spent <sup>thousands</sup> of dollars for concrete and excrement and yet have to fully resolve the problem.

Our school district consists of one middle school, 6-8 grades, and three elementary schools. Due to severe budget constraints and to satisfy our long range curriculum program and site plans, we restructured our school district from neighborhood schools, which are the most logical choice given our demographical and environmental makeup, to: 2 elementary schools grades K-3, one intermediate school grade 4-5, and one middle school 6-8. We are not necessarily happy with the situation, and neither are most of the parents. But it is a fact of life that something had to be done. It would have cost our district almost a million dollars to remain as neighbor schools due to: ADA requirements, State special education and handicapped needs; monitoring requirements of outdated school buildings not meeting codes with substandard classrooms; and increasing student population requiring additional non-exisitant classrooms.

Our oldest building is over 55 years old. It has two stories above ground and one in the basement. It has additional classrooms and an all purpose library/media center attached to the old structure at bi-level. It is totally non-handicapped accessable. The air quality caused this building to become a "sick" building when students and teachers become ill. We were featured on the major television studios from New York City. We addressed the issue, monitored the problem, and paid for rectifying the problem. Mr. John Henderson, Governmental Relations spokesperson for NJSBA, spoke about this building at the Assembly Policy & Rules Committee. He did not know that at our public meeting on this issue at that school, our public health offical, who lives in Ringwood, had a heart attack and died at that meeting.

The other two elementary schools, although newer, are also, non-handicapped accessable. We had a study conducted by LAN ASSOCIATES Engineering & Planning & Archecture Firm to report to us what was needed to bring our buildings up to compliance and what the cost would be to our district. The total cost came to \$1,604,368. Please

realize that all three elementary schools would require the installation of elevators, (approximate \$240,000 to \$530,000 for all three schools, depending on the type of work necessary for installation.) Toilets and bathrooms, ramps, doors and doorways, signage in Braille, furniture and site work would have to be installed in all schools to meet our obligation to mandates. Due to economic conditions, less aid from the State, higher taxes, we have decided to use a phased-in approach to meet these requirements. We will put in an elevator and classroom in the oldest school first. Two of the elementary schools must have their roofs replaced now. We must also address the cost to meet OSHA standards and school construction codes mandates.

We do not have enough space in our schools for necessary additional classrooms. We do not have space for taking care of special education handicapped needs. We do have one hearing impaired class in one of the elementary schools, and as these children now graduate to 4th grade, we need a second classroom in the 4-5 grade elementary school. We have 25 children we pay out-of-district tuition costs for special education needs who are bused to other districts. This is a \$681,285. total adjusted appropriation in our budget that we have no control over. Last year we gave to our local regional high school our residential special educational student. But, in that same year, Wanaque School District passed on to the high school their residential student, for a combined increased of approximately \$100,000. Next to Ringwood is West Milford, who gained a residential special education student for approximately \$155,000. You all are aware of the Bloomfield residential student, costing \$200,000 who was transferred to Greenbrook! Special Education costs can no longer be borne in part or totally by the local school district. I believe we should only be required to spend the same equal amount of money for all students, including special education. Beyond that amount, the Federal and State governments must fund this mandate.

Ringwood is in the midst of salary negotiations with our teaching staff of the NJEA. Note that under NJSA 18A:29-4.1, Salary Policy and Schedule for Teaching Staff Members, that our expired contract of June 1994, that the status quo under the term conditions of an expired collective bargaining agreement granted automatic increases to employees by advancement of one (1) step or increment on existing salary guides. This ignores the economic reality confronting boards of education today, particularly in a period of steadily declining salary settlements. These automatic salary increases place boards of education in an unfair disadvantage in bargaining. Thus our district saw an automatic 6% increase under the old contract. The majority of our teachers have been in our district for many years and are at the top of the salary guide.

However, our teachers also spend money out of their own pocket for some supplies, volunteer to help in many ways, and are actively involved in both our school community and in Ringwood. One of our School Board Members, Joseph Walker, is a policeman in town. He recently became the subject of a current events project discussion in our classrooms as our own "hero" who spent a few hours in talking

to a suicidal person from jumping off the Monksville Dam. All of our board members, including some school staff and faculty are involved in community service and activities.

We have extended the Food Bank Center of Norther New Jersey into a satellite center in Ringwood housed at the Community Presbyterian Church. The Center took over the new kitchen to help serve the needs of our Ringwood people. I am sorry to say that we have graduated from one day a week to two days a week, beginning sometime in March. I have spent over a hundred hours working in the kitchen last year as a volunteer. It hurts to see neighbors who need food because they lost their job, cannot pay taxes, heat or electricity, who are over-qualified, and who are skilled and educated, even with a Ph.D. People can't even sell their homes to move out of our area. State colleges, businesses and government have restructured and cut back their employees. We are now responding to the needs of almost 85 families. We have been hit hard in the northern Passaic, Bergen, and Morris County area, by these cut backs and restructuring. We hear that Federal and State governments want to raise the retirement age to 70. I find this to be ludicrous and not facing reality when one sees that businesses no longer want to hire people over the age of 50, who have grey hair, and whom they consider "highly over qualified." Temporary agencies are growing by leaps and bounds because companies no longer wish to pay for benefits, and are too busy looking to the quarterly profit to the shareholder, instead of long range planning and R & D. People can no longer afford, or, worse yet, have no money at all to pay for our increasing taxes in Ringwood and in our neighboring communities.

Mandates from the Federal and State governments must be fully funded in the future to insure that they can be complied with and adhered to at the local levels. This is the necessity for an amendment to our State of New Jersey Constitution for State Mandate/ State Pay referendum we are discussing today. Last year the Assembly focused on future mandates while the Senate addressed problems with current mandates. I am here today to tell this committee that both groups are correct. Future mandates and how they are funded MUST be addressed by enactment of SCR-87. At the same time, present mandates must also be addressed by fully funding those that are inadequately funded, eliminating those that are unnecessary, and modifying others. There are 233 Federal and State mandates that school districts must abide by according to the law. It is up to the Legislature to study those exisiting mandates to help their constituents back home. We can not make or change the laws only you can.

You have received resolutions from our school district last year in support of State Mandate/State Pay Bills. We are still on record for support of like bills. This year we sent you a resolution requesting that NJSA 18A:14-1, et seq, be modified to require no less than sixty days be provided between the distribution of state aid information to each district and the required submission date for the completed budget to the superintendent of each county. It is crucial, when we have such inadequate funding, with such high taxes,

with so many areas of a large "pie" to apply our dollars to with shrinking monies, that we have adequate time to prepare our budget for our citizens of Ringwood. For 13 years our budget was defeated while districts around us had double digit caps. It is only in the past 4-5 years we have passed budgets. However, they have been lean, and they have been below CAP. We seem to have been penalized again in the amount of state aid formula of monies we receive because we were below CAP.

The new law mandating removal and expulsion of any student who brings a gun to school, or is convicted of a firearms offense away from school (pending a hearing) must be placed in an alternative education program for one year is a mandate that is applauded and long sought after by school districts. However, who pays for this increased cost of education for that student? - The local school district. NJSBA is involved in a study of mandates on school systems. Ten school districts have been identified as examples to be used in this study. These districts will cost out the total amount time and money required by these mandates. You will probably have the detailed results of this study, and hear from other districts as well concerning the affects of mandates on their districts.

We have now received our State Aid figures to individual school districts. Please note that there is a State Aid Penalty to school districts who exceed administrative costs. This administrative cost concerns those monies budgeted for non-instructional costs. Two new roofs are non-instructional. ADA mandates and state building code monitoring mandates for building requirements are non-instructional costs. Waste-water sewer treatment plants and their updates to meet codes and regulations by DEP are not instructional costs. Transportation in an all-bused school district are non-instructional costs. You have put us in a no-win situation, a place between the rock and a hard place.

These mandated costs are not only a burden to our Ringwood taxpaying property owners, they redirect vital resources from worthwhile educational programs that would benefit our children in Ringwood. Our PTO's should not have to pay for the necessities of our schools, such as field trips or library furniture. We need to look at prohibition of state imposed new mandates unless they are funded and we need to look at existing current mandates.

Please support and pass SCR-87. We in Ringwood have as our natural resources not only the beautiful environment we live, but also the people who live in our community. Many groups fight over the single "bone" they have been tossed of shrinking dollars tax dollars and State revenue aide. People have become angered, frustrated, apathetic and upset by lack of monies to provide good service and quality education. This has resulted because of a lack of response to local needs in Ringwood and other communities. People out of work, or threatened by job security, and the increasing spiral of expenses at all levels, have now evinced a sense of hopelessness. I plead with you today to amend our constitution, AND to address current mandates. In a community like Ringwood, mandates have taken

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on an awesome mantle in what we can afford and what we can't do. Our citizens are good, decent people who are crying out for you to recognize and take action on their behalf and on the behalf of other communities in New Jersey.

I thank you for taking the time to listen to me and to the others present today.

**TESTIMONY IN SUPPORT OF SCR-87**

**by Mark L. McCaslin, Assistant Business Administrator**

**Millburn, New Jersey**

**January 30, 1995**

Good morning Chairman Connors and members of the Senate Community Affairs Committee. I am testifying today on behalf of the Township of Millburn as well as the New Jersey Municipal Management Association in support of Senate Concurrent Resolution No. 87. As stated in the resolution, over the years the State has imposed a large number of mandates on local governments and school boards, leaving it up to these local units to determine funding sources for such new programs. It seems that most mandates are developed by State bureaucrats who have no practical knowledge of local government, or by a specific interest group that wants special favors; favors such as tenure, a specific office size, mandated salary increases and creating certification programs which require all municipalities to hire individuals beyond the needs of the municipality, such as the Public Works Manager certification.

We are here today because the results of such a practice of imposing unfunded mandates on local governments has resulted in the predictable responses: cut programs and services in order to fund the new directives, or be forced to increase expenditures, and, as a result, property taxes. Relief from the seemingly endless stream of unfunded mandates is vital.

Governor Whitman herself, in a November, 1993, address to the State League of Municipalities, expressed her commitment to ending unfunded State mandates.

In speaking with other managers and administrators throughout the State, a familiar, frustrated theme becomes readily apparent. Local officials are faced annually with the task of finding funding sources for the latest State directives. As those of you with local government experience are well aware, a great deal of the functions performed by municipalities are mandated by State regulations. Therefore, it is extremely difficult to continue to find programs whose funding can be reduced in order to implement a new mandated program. This predicament often leaves only one option: raising property taxes. Obviously, this is a last resort. No one wants to see taxes increase. We all pay them, local officials, municipal employees and residents.

Examples of the costliness of mandates are numerous. In Maple Shade, the projected effects of mandated costs to the Township for 1994 was \$525,000 in the General Fund and \$500,000 in the Utilities fund. In Livingston, the Township faced difficulties as a result of Department of Environmental Protection regulations. At one time, the New Jersey DEP and Federal Environmental Protection Agency had the same acceptable

contaminant levels for potable water, 5 parts per billion. A few years ago, New Jersey reduced that level for industrial solvents to 1 ppb, while the Federal regulation remained at 5 ppb. Out of eleven artesian wells within the Township, five were found to have contaminants over 1 ppb, but three of those were under 5 ppb. The resulting remediation effort on all five wells cost approximately \$3 million. Livingston has subsequently learned that the DEP is considering placing the acceptable contaminant level back to 5 ppb.

A few years ago, the deadline for tax appeals was changed from August 15 to April 1. Municipalities were directed to notify, by first class post card, every property owner of the assessed value of their property. Please understand that this information was already available to any property owner, by calling on the phone or by stopping in at Town Hall. The assessed value is also printed on the tax bill. Regardless, it was now necessary to begin a program of mailing out the post cards to our property owners. As a result, the Township of Millburn must mail out over 6,500 post cards every year to give people information to which they already had access. The municipality was forced to incur the cost of the post cards, of having them printed, along with postage for each card. The information on the cards then has to be verified, taking up valuable time that could be used in a more productive manner.

In addition, the confusion expressed by our property owners was overwhelming; they were uncertain as to whether this notice reflected an increased assessment and/or an increase in the tax bill. In reality, the card only reflected the information that had already been provided a few months earlier on their tax bills.

Two years ago, the Millburn Township Court had four full-time persons working in it. Two of those individuals subsequently retired, the office was fully automated, and one of the vacancies was filled with a new hire. The Court Administrator has stated that, thanks to the automation, the Court can operate efficiently with only three full-time employees instead of four. Normally, one would expect that this department would be praised for such a stance; after all, isn't this a perfect example of government following the rallying cry of doing more with less? Unfortunately, the State Administrative Office of the Courts apparently does not deem efficiency as a worthwhile goal of the public sector. The A.O.C. has determined, through their own formula, that Millburn's Court must employ four full-time employees, whether or not our own Administrator feels there is justification for the fourth employee. The Millburn taxpayers are, in actuality, being penalized by the State because our municipal court is run in an efficient manner. There is absolutely no logic behind the

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A.O.C.'s demands that the Millburn Court increase its current staffing levels to meet the State's formula-driven staffing mandate.

Municipal Building Departments are required to attempt to spend all of the revenues received from permits within a given time period whether or not there are necessary off-setting costs in that given year. Here again, a municipality is penalized and forced to spend monies in order to meet a State mandate.

Another current problem is that State mandates set forth requirements which treat all municipalities the same. I assure you, the needs of Newark are not the same as Millburn's. There are tremendous differences in the needs of urban and suburban municipalities, but many mandates do not take any of these differences into account. My favorite example of unnecessary mandates that treat all municipalities the same is the infamous elevator inspector requirement. All 567 municipalities in New Jersey are required to have an elevator inspector. This would not seem too unreasonable, until you realize that not all municipalities have elevators. However, actually having elevators in your municipality has no bearing on your requirement to hire an elevator inspector. There are municipalities in this State that have no elevators, but, thanks

to the mandate, they do have elevator inspectors. This mandate was so popular, it was mentioned last year in an issue of **Reader's Digest**.

As I am sure you are all aware, last week Friday the United States Senate approved its Federal mandate legislation in an effort to end unfunded Federal mandates imposed upon the States. After passage of the bill, Senate Majority Leader Robert Dole stated, "We've dusted off the 10th Amendment. The idea that power should be kept close to people, that's federalism" (Trenton Times, 1/28/95). Isn't it time for the State to follow suit on this important issue? Mayor Janet Whitman of Summit, speaking on SCR-87, was quoted as saying "the voters of the State of New Jersey must be given the chance to amend their Constitution to control the State's appetite for the imposition of unfunded mandates" (Newark Star Ledger, 12/8/94). The more mandates that are imposed upon municipalities, the less choice and opportunity is given to the local taxpayers to determine how their tax dollars are spent. Give the choice back to your constituents and our residents. After all, they were smart enough to elect you to office -- give to them that same confidence.

32X

THE TOWNSHIP OF OCEAN  
MONMOUTH COUNTY

399 MONMOUTH ROAD  
OAKHURST, NJ 07755-1589



TOWNSHIP MANAGER  
(908) 531-5000  
FAX (908) 531-5286

January 26, 1995

Jon R. Moran, Senior Legislative Analyst  
New Jersey State League of Municipalities  
407 West State Street  
Trenton, NJ 08618

Dear Jon:

I regret that I will be unable to be present on Monday, January 30, 1995 to personally address the Senate Community Affairs Committee. I am presently recuperating from some minor surgery and will be unable to make the trip to Trenton due to doctor's restriction. I would be pleased if someone could read the attached statement into the record for me. As you know I personally appeared before the Committee on S-7 and even though I am now the past President of NJMMA (albeit still a member of the Executive Board), my desire to see the mandate issue fully addressed has not waned.

After receiving this communication, I would be happy to discuss any aspect with you. You may reach me by calling my home number, [REDACTED].

Very truly yours,

David R. Kochel  
Township Manager

DRK/ab

cc: Mark McCaslin, Assistant Administrator, Millburn Township

33X

January 26, 1995

TESTIMONY IN SUPPORT OF SCR-87

In 1985 when I was serving as the Administrator for the Borough of Metuchen, Mayor John Wiley was presiding at a regular Council meeting. During the public comment section of this meeting, a Borough resident addressed the Mayor and Council requesting that they take an affirmative position on a piece of pending legislation for the State Legislature which would have been of financial benefit to this particular citizen as well as many other citizens. The Mayor's response was extremely unique, particularly for the time. He stated that both he and the Borough Council would gladly consider adopting a supportive position providing this particular resident could identify for the Mayor and Council how he was suggesting the State pay for the implementation of the measure. The resident sat down and never again appeared before the Borough Council on that particular matter.

The above incident obviously left an indelible impression on me. The common reaction of a governing body both then as well as now would in all likelihood have been to adopt a resolution of support and send it off to their State legislators. However, the easy action is not always the most responsible action, and the events over the past decade since this incident certainly underscore that point.

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More and more the citizenry is holding public officials accountable for their actions. The advantages of incumbency have eroded and the citizenry is reexamining the traditional pork barrel politics and recognizing them for what they are. The State mandate/State pay issue has been before the State Legislature for years. It has received support on both sides of the isle but invariably becomes derailed at some point during the legislative review process. However, the citizenry is no longer just pointing the finger at Boards of Education and local Councils for escalating property taxes, but instead is recognizing the role played by both the State and Federal legislators which directly results in a portion of the municipal and school tax increases. At the same time, local officials are making sure that their budget messages to the public reflect the extent to which they are in control of different aspects of their budget and the extent to which increases are driven by mandates.

One decade ago a bold Mayor in Metuchen, New Jersey spoke out loudly and clearly on the issue of accountability in government. Now is the time for the New Jersey State Legislature to take this same action which will echo throughout the nation as a call for responsibility in government at all levels.

David R. Kochel, Township of Ocean Manager  
New Jersey Municipal Management Association  
Immediate Past President and member of Executive Board

**TOWNSHIP COMMITTEE**  
John A. Sacchinelli, Mayor  
Druce A. Singh, Deputy Mayor  
Lorraine Granesse  
Noreen A. McCall  
Joseph A. Nickels, III

*Township of Hamilton*  
6101 Thirteenth Street  
Mays Landing, New Jersey  
08330



New Jersey's Largest  
Municipality

Administrator  
625-4762

Clerk  
Vital Statistics  
625-1511

January 30, 1995

Community Activities  
625-0370

**SENATE COMMUNITY AFFAIRS COMMITTEE**

Construction Code  
625-1591

REF: SCR-87

Court  
Traffic - 625-6621

Municipal government has the unenviable task of being the level of government which enforces or regulates many federal and state rules and regulations, as well as our own. With this responsibility comes the costs for same which must be born by the local entity.

Emergency Mgmt.  
625-8340

Environmental  
625-8024

Future legislation that mandates various rules, regulations or orders upon the municipality must provide for sufficient funding to assure that municipalities may continue to offer their essential services without cutting into their existing budgets.

Finance/Purchasing  
625-0862

Planning/Zoning  
Industrial Commission  
Historical Commission  
625-0368

We believe that the "state mandate, state pay" legislation will also encourage our state legislators to further consider the ultimate ramifications of future mandates on the local level for both operative and financial impact.

Police  
625-2711

Public Works Office  
625-6311  
Public Works Garage  
3500 Atlantic Avenue

It is for these reasons that we encourage the passing and support of SCR-87 which we feel will benefit the entire state of New Jersey

Sincerely,

Public Assistance  
111 Route 50  
625-2575

**John A. Sacchinelli**  
Mayor

Social Service  
111 Route 50  
625-1212

**Raymond A. Townsend**  
Township Administrator

Tax Assessor  
625-1671

TO MELINDA

Tax Collector  
25-2151

1-984-9808

Veterans' Advisory Board  
25-1511

assimiles:  
admin.: 625-0133  
office: 625-5903

36X



Anthony E. Just, Sr.  
Mayor

Municipal Government Center  
Secaucus, N.J. 07094  
201 330-2005

January 27, 1995

Honorable Donald T. DiFrancesco  
Senate President  
New Jersey Senate  
State House  
CN 099  
Trenton, NJ 08625

Re: SCR-87, State Mandate/State Pay Amendment

Dear Senator DiFrancesco:

Thank you for your letter of January 23, 1995, informing me that the above-referenced proposed legislation is scheduled for a hearing on Monday, January 30th. Unfortunately, I will be unable to attend this hearing, but I would like to go on record as supporting this much-needed legislation.

Municipalities, and consequently, the local taxpayers, have long been burdened by the high-minded actions of state and federal legislators who impose onerous legislative mandates on local governments without giving a thought to the costs involved in implementing these laws and regulations. The cost of implementing these mandates has been passed on to the local taxpayer, increasing one of the most regressive form of taxation, property taxes, year after year. Local officials, having no discretion in these matters, are forced to vote for local municipal budgets that are increased to pay the costs of mandates that often cannot be fully explained to the taxpayers. And, after all these years of going to the taxpayer for more and more money, local officials themselves have lost credibility because there always seems to be more and more mandates that require explanations people are no longer willing to accept.

I would like to mention just briefly one example of the mandates that was imposed on the Town of Secaucus that has been an ongoing, great financial burden for our community. In the late 1960's, the State Legislature and the Governor thought that the concept of regional planning should be imposed on parts of 14 municipalities in the Hackensack Meadowlands. Since that time, the Town of Secaucus has paid over \$22,000,000 into an intermunicipal tax sharing pool where the money was given out to

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Page Two.

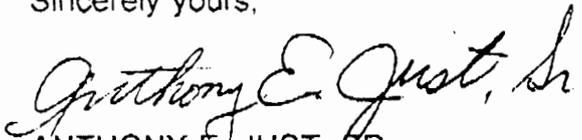
those municipalities that didn't have much development take place. The Hackensack Meadowlands Development Commission has assumed "development" as its primary role, forsaking all notions of "preservation" and "ecological balance". If it were not for federal wetlands restrictions, the Meadowlands today would be nothing but buildings and parking lots. Most of the development that has occurred has been in our community, and we have been doubly penalized by the cost of increased municipal services, infrastructure costs, and an annual bill from the HMDC for \$2.6 million. Now, the HMDC wants to put New Jersey's tallest building here with office and commercial space comparable to that of one of the World Trade Center towers. All this, to help pay for a rail transfer station that NJ Transit already has federal grant money to build.

If you want to look at the destructive case history of mandate abuse, the legislation that created the HMDC is the granddaddy of them all!

Please convey to the members of the Committee and your colleagues in the legislature the urgent need for the passage of SCR-87.

Thank you for your kind consideration.

Sincerely yours,



ANTHONY E. JUST, SR.  
Mayor

38X



# BOROUGH OF WOODSTOWN

P.O. Box 286  
Woodstown, New Jersey 08098-0286

January 25, 1995

Hon Donald T DiFrancesco  
President New Jersey Senate  
22nd Legislative District  
1816 Front Street  
Scotch Plains, NJ 07076

Re: SCR-87

Dear Senator DiFrancesco:

The Mayor and Borough Council have asked that I write add their support for SCR-87 to you list.

The Borough of Woodstown is a residential community with no industry, taxes for local services, county services and school services add up to large tax bill for our residents.

We try very hard when putting our Budget together to cut as many corners as possible. Each year there is another mandate handed down that costs money. Locally when a new program or issue comes up we must look at the cost and the benefit before it is instituted, if State Government had to appropriate the funds for a new mandate, the issue or program will be looked at for its real worth.

I look at the Annual Assessors Notice requirement as an example. You receive a tax bill each year that has the assessed value on it. The only time your assessment will change is when you have had a building permit, or the Municipality has done a revaluation. Just so that the taxpayers will have their assessed value in time to file a tax appeal, the Assessor must send out a card to each property. The post card only costs \$.20 to mail a mere \$220.00 for the Borough of Woodstown, but you must also have them printed, pay me to either lick stamps for 1100 cards or run them through the postage meter, then answer the phone calls from residents asking why they are receiving the card and what does it mean.

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If a fiscal projection had been made for this mandate, I don't believe it would have ever passed. If the State Government had to pay the cost, I know it would not have passed.

The Borough of Woodstown located in Salem County strongly supports SCR-87 and hopes that the Senate Community Affairs Committee will also support SCR-87.

Very truly yours,



Isabel F McAllister  
Borough Clerk  
For Mayor and Council  
Borough of Woodstown

c: NJ League of Municipalities  
Senator Raymond Zane

40X



# Town of Newton

Council-Manager Plan Since 1956

Camille Furguele  
Office of the Town Manager

39 Trinity Street  
Newton, New Jersey 07860-1823

Telephone 201-383-3521  
Fax No. 201-383-8961

January 26, 1995

Hon. Donald T. DiFrancesco  
New Jersey Senate President  
1816 Front Street  
Scotch Plains, NJ 07076

**Re: SCR-87 - State Mandate/State Pay  
Constitutional Amendment**

Dear Senator DiFrancesco:

I am writing at the request of Mayor Raymond Storm in response to your letter dated January 23, 1995 in which you advised that a public hearing has been scheduled on Monday, January 30, 1995 regarding SCR-87, state mandate/state pay constitutional amendment which you sponsored.

The Town of Newton has consistently supported this type of legislation at both the Federal and State level through a multitude of Resolutions adopted by the Newton Governing Body, as well as testimony and comments when we have been given the opportunity to provide that information. Federal and State mandates have had an enormous impact on our municipal budgets over the years.

At this point, we feel the one example we can cite to you for inclusion in the testimony at the public hearing pertains to the Clean Water Act. The Town of Newton was forced to upgrade its wastewater treatment plant at an overall cost of 12 million dollars in 1990. That cost quadrupled the water and sewer utility rates for our citizens.

As a result of the debt imposed for that improvement, the Town Council had to increase the municipal utility rates again. That action was taken at the most recent meeting of the Governing Body conducted on Monday evening, January 23, 1995. The rates were increased by 25% to meet the debt obligations and operating expenses of the municipal utility.

4X

Hon. Donald T. DiFrancesco  
New Jersey Senate President  
Page 2  
January 26, 1995

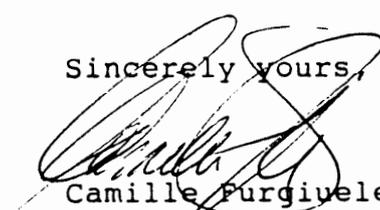
The Town is now faced with another mandate imposed by the Clean Water Act which will involve the construction of a water filtration plant at the municipal reservoir, a surface water supply located in a neighboring community, which has been owned by the Town of Newton for nearly 100 years. The estimated cost for this project is 4.5 million dollars which will result in yet another increase of approximately 50% in the water and sewer utility rates, **EVEN THOUGH THE TOWN HAS CONTINUALLY TESTED ITS WATER SUPPLY AND HAS FOUND NO GIARDIA OR CRYPTOSPORIDIUM, NOR ANY OTHER CONTAMINANTS OR BACTERIA THAT WOULD ENDANGER OUR CITIZENS.**

To provide you with a quick calculation, the actual result of this mandate increased the annual water and sewer costs for a Newton family of four using 90,000 gallons from \$250.00 in 1987 to \$1,040.00 in 1995. The projected cost for a family of four in the year 2002 is \$1,362.00 per year. By the way, utility rates are in addition to the real estate taxes paid by our citizens.

I would further point out that the Town of Newton ranks 446 out of the 567 municipalities in the State of New Jersey with respect to per capita income. I can assure you the unfunded mandate costs outlined above are above and beyond amounts our citizens can afford.

Should you need any additional information, please feel free to contact me at (201) 383-3521. Please note as well that the Mayor and Councilmen, as well as all of the citizens of Newton, would welcome any relief you and your fellow Legislators can offer in this regard.

Sincerely yours,



Camille Purgivele  
Newton Town Manager and  
Chief Financial Officer

CF:nz  
c: Mayor and Council

42X



# Wallkill Valley Regional High School District

Grumm Road, Hamburg, N.J. 07419

[201] 827-4100

John Petronaci  
Vice Principal

Joseph DiPasquale  
Superintendent

John J. Mayer  
Director of Student  
Personnel Services

David W. Samuels  
Vice Principal

January 27, 1995

The Honorable Donald T. DiFrancesco  
President, New Jersey Senate  
22nd Legislative District  
1816 Front Street  
Scotch Plains, NJ 07076

**ATTENTION: SCR-87 HEARING**

Dear Senate President DiFrancesco:

Thank you for your letter, dated January 23, 1995, alerting me of the public hearing regarding SCR-87, State Mandate/State Pay Amendment, you are sponsoring.

I have found it very rewarding to testify on legislation in Trenton but, unfortunately, I have a prior commitment on January 30 and can not be present. However, please accept my written testimony for addition to the committee's record.

Along with other NJSBA staff and board members, I testified on State Mandate/State Pay legislation before a State Education Committee over a year ago when school districts were not included in the legislation. We testified that schools should be included. I congratulate you with thankfulness that SCR-87 includes school districts (Board of Education).

Therefore, I am in total support of SCR-87. In this time of belt-tightening and conservatism, SCR-87 is very welcome and wise legislation that is very much necessary.

The proliferation of state mandates have been a concern of school officials for a long time. Mandates impact on school district finances, decision-making and the ability to direct resources into the classroom. Some mandates can make that function hard to achieve.

43 X

RECEIVED JAN 30 1995

The Honorable Donald T. DiFrancesco  
Page Two

Respectfully, I call your attention to the on-going "State and Federal Mandates Project" coordinated by NJSBA, with participation by three N.J. school associations, which have compiled a list of over 233 mandates currently in use. While some mandates are good and necessary, some are unnecessary and costly and should be eliminated. This project research will identify how much of the school budget goes toward school mandates and will develop alternatives to existing mandates.

The passage of SCR-87 will promote closer scrutiny of proposed school, county and municipal mandates by all legislators when funding is involved and the impact the legislation will cause. Thank you very much and much success to you.

Sincerely,



Charles C. Banta  
Board President  
NJSBA Legislative Committee Member  
Representing the 24th Legislative  
District

CCB/enf

cc: Joseph DiPasquale, Superintendent  
Wallkill Valley Regional H. S. Board Members  
NJSBA Governmental Relations

44X

Board of Education  
500 Larch Street  
Roselle Park, New Jersey 07204

William T. Clarke  
Superintendent of Schools  
(908) 245-1197

Robert L. Zeglarski  
Business Administrator /  
Board Secretary  
(908) 245-2103

---

January 25, 1995

The Honorable Donald T. DiFrancesco  
The Senate of New Jersey  
1816 Front Street  
Scotch Plains, New Jersey 07076

Dear Senator DiFrancesco:

On January 31, 1995, there will be a public hearing in Trenton, New Jersey of the "State Mandate/State Pay" bill. I would like to go on record to voice my support for this piece of legislation.

While Trenton continues to mandate, they also continue to decrease the educational aid to communities such as Roselle Park who have no other tax base than its homeowners. The taxes in Roselle Park have become a burden compared to other towns who enjoy higher aid and lower taxes.

Please support this legislation.

Very truly yours,

  
Mary Krech  
Board Member

lag

45X

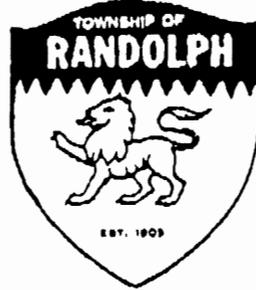
# Township of Randolph

MUNICIPAL BUILDING  
502 MILLBROOK AVENUE  
RANDOLPH, N.J. 07869-3799

Mayor  
John P. Finnerin

Deputy Mayor  
Joyce E. Bator

Council Members  
Myma G. Andersen  
Tyrone J. Barnes  
Jon Huston  
Elizabeth L. Jaeger  
Andrew J. Manning



Township Manager  
J. Peter Braun

Township Clerk  
Frances S. Bertrand

---

Telephone (201) 989-7100  
FAX (201) 989-7076

January 30, 1995

Honorable Senator Donald T. DiFrancesco  
Senate President  
State of New Jersey  
State House  
CN-099  
Trenton, New Jersey 08625-0099

Dear Senator DiFrancesco:

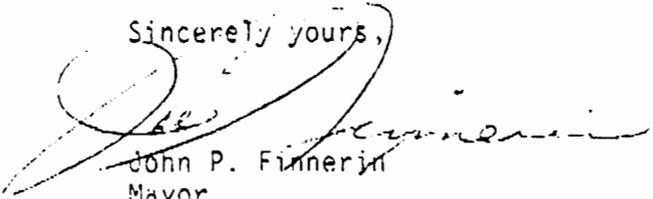
The Township of Randolph strongly supports SCR-87 and requests the Senate's passage of this important legislation pertaining to unfunded State mandates.

Local Governments continue to encounter mandates, not only from the State, but the Federal Government as well. These mandates usually, if not always, carry with it certain costs. These additional costs must be funded through local sources which continue to place extreme stress on the fiscal capacity of local governments. The Township of Randolph believes that if it is important to mandate, then the State should also be willing to provide funding.

The Township would appreciate your efforts in support of this legislation and we look forward to its passage.

Thank you for your assistance.

Sincerely yours,

  
John P. Finnerin  
Mayor

JPF:ad

CC: Township Council  
J. Peter Braun  
Senator DiFrancesco's Office  
1816 Front Street  
Scotch Plains, New Jersey 07076

46



(609) 296-7242  
FAX (609) 296-5352

## Township of Little Egg Harbor

Margaret DePergola  
Mayor

Ricco Gelmetti  
Deputy Mayor

7 GIFFORD ROAD  
LITTLE EGG HARBOR, NEW JERSEY 08087

Committee Members:  
Thomas S. Woolsey  
John Adair  
Michael Dorne"

January 26, 1995

Donald T. DiFrancesco  
President, New Jersey Senate  
22nd Legislative District  
1816 Front Street  
Scotch Plains, N.J., 07076

Attention: "SCR-87 Hearing"

Dear Senator DiFrancesco:

Thank you for your request for my additional testimony and support for the pending amendment to the State Constitution - SCR-87.

Simply put, our Township has suffered serious deficiencies and extremely unfair financial burdens by virtue of State and Federal mandates without proper funding from that agency.

On behalf of our taxpayers, I thank you.

Very truly yours,

*Margaret DePergola*  
Margaret DePergola  
Mayor

MDeP:tm

47X  
RECEIVED JAN 30 1995

TOWNSHIP OF



LIVINGSTON

357 South Livingston Avenue • Livingston, New Jersey 07039-3994  
Fax: (201) 535-7967

JOSEPH L. FIORDALISO  
MAYOR

COUNCILMEMBERS  
ELEANORE K. COHEN  
JEFFREY D. DOLLINGER  
DAVID B. KATZ  
STANLEY WEINROTH

CHARLES J. TAHANEY  
TOWNSHIP MANAGER  
(201) 535-7973

RENEE GREEN  
TOWNSHIP CLERK  
(201) 535-7966

LOIS M. VAN DEUSEN  
TOWNSHIP ATTORNEY

January 31, 1995

To: Senate President Donald T. DiFrancesco  
Senator C. Louis Bassano  
Senate Community Affairs Committee Members:  
Senator Leonard T. Connors, Jr., Chairman  
Senator Joseph L. Bubba  
Senator Jack Casey  
Senator James E. McGreevey  
Senator Joseph A. Palaia

Re: SCR-87 - State Mandate/State Pay Constitutional Amendment

Although Livingston was unable to have a representative at the Senate Community Affairs Committee's January 30 public hearing, it is important for you to know that the Mayor and Members of the Township Council are unanimous in urging that SCR-87 be adopted. Livingston has a long history of bi-partisan support for "State Mandate/State Pay."

Municipalities have been crippled for too long by having to fund State mandates by means of local taxation. Please take whatever action is necessary to end this quagmire.

Renee Green  
Township Clerk

RG  
cc: Governor Whitman  
Township Council

Post-It* Fax Note	7671	Date	1/31/95	# of Pages	1
To	Sen DiFrancesco	From	Renee Green		
Co./Dept.		Co.			
Phone #	908/322-9347	Phone #	201/535-7966		
Fax #	908/322-5500	Fax #	201/535-7967		

PRINTED ON RECYC

48X

BOROUGH OF

*Franklin Lakes*DE KORTE DRIVE  
FRANKLIN LAKES, NEW JERSEY 07417  
COUNTY OF BERGEN

OFFICE OF THE MAYOR

January 27, 1995

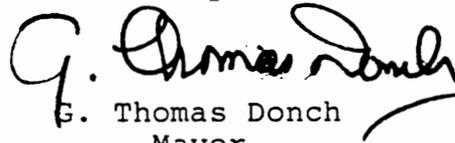
The Honorable Donald t. DiFrancesco  
Senate President  
State House  
CN 099  
Trenton, NJ 08625-0099

Dear Senator DiFrancesco:

I will not be able to attend the hearings on SCR-87;  
however, I want to be clear that I am completely in favor of  
the state mandate/state pay constitutional amendment which  
you have sponsored.

Thank you.

Sincerely,

  
G. Thomas Donch  
Mayor

GTD/rmg

49X

LIVINGSTON PUBLIC SCHOOLS  
11 FOXCROFT DRIVE  
LIVINGSTON, NEW JERSEY 07039

LOUIS D. REALE, JR., Ph.D.  
ASSISTANT SUPERINTENDENT / BOARD SECRETARY

TELEPHONE 201-535-6009

January 27, 1995

Senator Joseph L. Bubba  
1117 Route 46 East, Suite 202  
Clifton, New Jersey 07013

Senator John Casey  
8008 Route 130, North  
Delran, New Jersey 08075

Senator Leonard T. Connors, Jr.  
620 West Lacey Road  
Forked River, New Jersey 08731

Senator James McGreevey  
1030 St. Georges Avenue  
Avenel, New Jersey 07001

Senator Joseph A. Palaia  
290 Norwood Avenue, Suite 204  
Deal, New Jersey 07723

RE: SCR-87 (DiFrancesco, Connors) State Mandate/State Pay

Dear Senators:

On Monday, January 30, 1995, at 11 a.m., the Senate Community Affairs Committee will hold a public hearing on SCR-87 (DiFrancesco, Connors), a constitutional amendment that limits the imposition of mandates on schools, municipalities, and counties.

The amendment provides:

- . That no mandate may be passed until a public hearing is held and a detailed fiscal analysis is complete and made public;
- . That the bill shall include an appropriation to fund the first-year cost of the mandate;
- . That mandates shall expire after five years;
- . That no mandate shall take effect until at least 60 days after the preparation of a detailed fiscal analysis of the mandate in final form has been completed and made available for commentary;
- . That within 60 days after the mandate takes effect, the State Treasurer shall pay the governmental body the monies needed for the first-year's costs;

50X

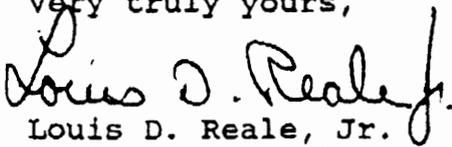
TO: Senate Community Affairs Committee

- . For the Legislature to invalidate orders which have not been written in a manner allowing the program or service to be provided efficiently and with the least cost to taxpayers;
- . For the establishment of a Council on State Mandates to resolve mandate disputes. The Council's decisions shall be binding and not subject to judicial review.

The Livingston Board of Education urges you to support SCR-87.

Thank you for your cooperation.

Very truly yours,



Louis D. Reale, Jr.  
Assistant Superintendent/Board Secretary

LDR:ras



**TOWNSHIP OF EAST AMWELL**

**MUNICIPAL OFFICES  
1070 U.S.ROUTE 202  
RINGOES, NEW JERSEY 08551-1051  
908-782-8536**

January 27th 1995

New Jersey State League of Municipalities  
Attention: Jon Moran  
407 West State Street  
Trenton New Jersey 08618

Re: SCR-87

Dear Mr. Moran,

Legislative Viewpoint, dated January 23rd, regarding SCR-87 which would prohibit unfunded mandates, was received enthusiastically by the members of East Amwell Township Committee.

I was requested to advise all interested parties of the unanimous support of this legislation by our governing body. Our township knows, from experience, the impact of state mandates and the high cost involved with some.

One of our committeemen related that he was delighted to see that school districts are being included.

Thank you for your attention and cooperation.

Sincerely,

Patricia A. Cregar  
Municipal Clerk

cc: Township Committee  
Governor Whitman  
Senator Schluter  
Assemblyman Lance

52X

**BLOOMFIELD BOARD OF EDUCATION**  
155 Broad Street, Bloomfield NJ 07003

Richard F. Curcio, MS Ed.  
President  
Member of the Board

32 Kinder Drive  
Bloomfield, NJ 07003  
Home: (201) 338-0614  
Office: (908) 771-4320  
FAX: (908) 771-4694

January 29, 1995  
By Facsimile

Honorable Donald T. DiFrancesco  
President, New Jersey Senate  
State House  
CN 099  
Trenton, New Jersey 08625-0099

**RE: SCR-87 Hearing - State Mandate State Pay**

Dear Senator DiFrancesco:

Unfortunately, your letter regarding the state mandate/state pay constitutional amendment, did not reach me in time to respond, in any other fashion, than by facsimile. However, this topic has been discussed by the Bloomfield Board of Education on several occasions and its passage would be of great value to our community.

I believe the most compelling argument behind passage is that there is no difference to the taxpayer between the state mandate/state pay amendment for municipalities, which I understand will shortly be adopted, and SCR-87, which is still in Committee. Whether my local taxes come from my left pocket or my right pocket to fund State mandates on either the Township of Bloomfield or the Bloomfield Board of Education is inconsequential.

During my tenure on the Board, two of the "unfunded" mandates we have endured are associated with the "Oil Tank Removal Mandate" and the "Right To Know Mandate". Both actions were very expensive and impacted available funds which would otherwise have been used to fund our school district.

Another very impacting mandate which must be eliminated is the absurd building code which the State mandates be adhered to for new school buildings. Our Board is developing a plan for significant additions and/or renovations to our aging school facilities. Our architect has told us that if we could build using "BOCA" codes (the same building codes used for homes and businesses), we could reduce our construction costs by almost 20%. This is not an insignificant sum of money to our Community.

In my experience as a Trustee, state mandates have proven costly and in most cases, ineffective. As these mandates are funded from local taxes, they have impacted the Board's ability to either reduce budgets or utilize those same funds for educational programs or capital improvements. I offer you a parallel to my experience, past and present, as a business executive. When producing or reviewing any new programs for my division, a full financial assessment, complete with the necessary financial resources to fund the programs, would be absolutely essential. As a Trustee, I would expect no less from the State of New Jersey.

53X

In summary, the passage of SCR-87 is in the best interest of the taxpayers of Bloomfield and would require our lawmakers to act responsibly and accountably to their constituents.

Sincerely,



Richard F. Curcio  
President  
Bloomfield Board of Education

Attachment: Letter from Hon. Donald T. DiFrancesco  
Copy to with attachments:  
Trustees, Bloomfield Board of Education  
Dr. L. Elovitz - Superintendent of Schools  
Mr. R. Harvey - Board Secretary

54X

# CITY OF BRIGANTINE

BRIGANTINE



NEW JERSEY

**THOMAS E. CICCARONE**  
City Manager

08203

**1417 W. BRIGANTINE AVENUE**  
**PHONE: (609) 266-1576**  
**FAX: (609) 266-3823**

January 27, 1995

John E. Trafford, Executive Director  
New Jersey State League of Municipalities  
407 West State Street  
Trenton, NJ 08618

RE : SCR-87

Dear Mr. Trafford:

I am writing on behalf of the City of Brigantine and Council to express our support of SCR-87.

In this year of even more restricted spending, it is imperative that this Resolution become effective.

Very truly yours,

Thomas E. Ciccarone  
City Manager

Transmitted by electronic facsimile.

SSX

RESOLUTION NO. 94-73

**RESOLUTION OF THE TOWNSHIP OF LACEY, COUNTY OF OCEAN, STATE OF NEW JERSEY, SUPPORTING THE ADOPTION OF ACR-1 WHICH WOULD ALLOW THE VOTERS OF THE STATE OF NEW JERSEY TO RATIFY A CONSTITUTIONAL AMENDMENT FOR STATE PAY FOR STATE MANDATES**

**WHEREAS, ACR-1 has been sponsored by Assembly Speaker Garabed "Chuck" Haytalan and would provide the voters of the State of New Jersey with the chance to ratify a State Pay for State Mandates Constitutional Amendment; and**

**WHEREAS, the New Jersey League of Municipalities has taken a position supporting the adoption of ACR-1; and**

**WHEREAS, a significant portion of the municipal tax rate is a direct result of state-mandated programs for which the state does not provide the funding for implementation and the burden falls on the taxpayers of the local municipality; and**

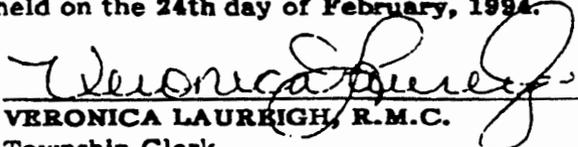
**WHEREAS, the Mayor and Township Committee of the Township of Lacey wish to formally go on record as supporting the adoption of ACR-1 so that the voters of the State of New Jersey can determine whether the state should be required to pay for state-mandated programs under a constitutional amendment.**

**NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of Lacey, County of Ocean, State of New Jersey, as follows:**

- 1. That the Mayor and Township Committee do hereby formally go on record as supporting the adoption of ACR-1 so that the voters of the State of New Jersey can have the chance to ratify a State Pay for State Mandates Constitutional Amendment.**
- 2. That a certified copy of this resolution be forwarded to Senator Leonard T. Connors, Jr., Assemblyman Jeffrey Moran and Assemblyman Christopher J. Connors.**

**CERTIFICATION**

I hereby certify that I, the undersigned, am the Township Clerk of the Township of Lacey and am duly authorized to certify resolutions adopted by the Township Committee at a regular meeting held on the 24th day of February, 1994.

  
**VERONICA LAURIGH, R.M.C.**  
Township Clerk

MORE & MONAHAN  
ATTORNEYS AT LAW  
100 WALL STREET  
NEW YORK, N.Y. 10038

**RESOLUTION #94 -270**

**RESOLUTION OF THE TOWNSHIP OF LACEY, COUNTY OF OCEAN, STATE OF NEW JERSEY, SUPPORTING ACR-1/SCR-26 TO ALLOW A CONSTITUTIONAL AMENDMENT TO PROHIBIT THE STATE FROM REQUIRING THE GOVERNING BODY OF A COUNTY OR MUNICIPALITY TO PROVIDE ANY NEW OR EXPANDED PROGRAM OR SERVICES WITHOUT FULL STATE FUNDING**

**WHEREAS**, the Legislature of the State for New Jersey is considering ACR-1/SCR-26, Concurrent Resolution to allow a constitutional amendment to prohibit the State from requiring the governing body of a county or a municipality to provide any new or expanded program or services without full state funding; and

**WHEREAS**, ACR-1/SCR-26 will allow the public to permanently reform the State Legislature's ability to pass legislation without providing funding; and

**WHEREAS**, ACR-1/SCR-26 offers the taxpayers of Lacey Township the security from having burdensome legislation enacted without adequate funding for Lacey Township taxpayers; and

**WHEREAS**, ACR-1/SCR-26 received broad bipartisan support in the Assembly and was voted out on June 16, 1994, by a vote of 74-1; and

**WHEREAS**, ACR-1/SCR 26 is currently in the Senate Judiciary Committee before Chairman-Senator William Gormley and needs to be released to be voted on by the full Senate; and

**WHEREAS**, ACR-1/SCR-26 are championed by Assembly Speaker Chuck Haytaian, Assemblyman Jeffrey W. Moran, Assemblyman Christopher J. Connors and Senator Leonard T. Connors, all R-Ocean/Burl./Atl.

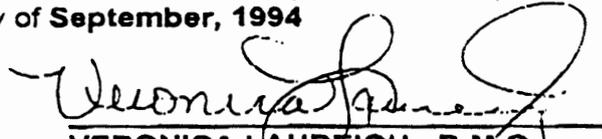
**NOW, THEREFORE, BE IT RESOLVED** the Mayor and Governing Body of the Township of Lacey that they request the Honorable-Senator William Gormley to immediately release ACR-1/SCR-26 from the State Judiciary Committee and request the Honorable-Senate President, Donald T. DiFrancesco, to immediately post ACR-1/SCR-26 for a vote before the entire Senate so that the issue can be placed on the General Election ballot in order that the taxpayers of the State of New Jersey have the

right to vote on the important issue of "State Mandate-State Pay."

**BE IT FURTHER RESOLVED** that the Clerk of the Township of Lacey is order to distribute a certified copy of this resolution to Senator William L. Gormley, Chairman of the Senate Judiciary Committee, Governor Christine Todd Whitman, Senate President Donald T. DiFrancesco, Assembly Speaker Chuck Haytaian, Senator Leonard T. Connors, Assemblyman Jeffrey Moran, Assemblyman Christopher J. Connors, and the Board of Freeholders of Atlantic, Burlington and Ocean Counties.

**CERTIFICATION**

I hereby certify that I, the undersigned, am the Township Clerk of the Township of Lacey and am duly authorized to certify resolutions adopted by the Township Committee at a regular meeting held on the 8th day of September, 1994

  
VERONICA LAUREIGH, R.M.C.  
Township Clerk

58X





