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# Public Hearing

before

LEGISLATORS OF THE  
18TH LEGISLATIVE DISTRICT

*"Testimony concerning budget issues affecting  
constituents of the 18th Legislative District"*

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**LOCATION:** Middlesex County College  
Edison, New Jersey

**DATE:** April 14, 2010  
6:00 p.m.

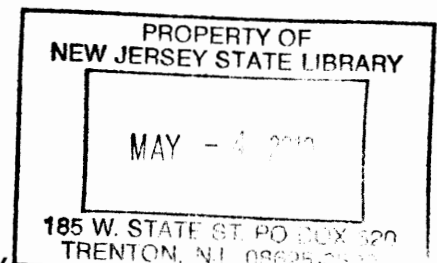
**MEMBERS PRESENT:**

Senator Barbara Buono, Chair  
Assemblyman Peter J. Barnes III  
Assemblyman Patrick J. Diegnan Jr.



**ALSO PRESENT:**

George LeBlanc  
*Senate Majority Aide*



*Hearing Recorded and Transcribed by*  
The Office of Legislative Services, Public Information Office,  
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**SENATOR BARBARA BUONO (Chair):** Good evening. We're about to start because I see we have quite a nice group here.

Thank you all for coming out tonight and taking time out of your busy lives. This is the public hearing -- a public hearing on Governor Christie's proposed budget for the fiscal year beginning July 1.

I wanted to bring the budget hearing to you in Middlesex County, in particular the 18th Legislative District. Assemblyman Diegnan -- and Assemblyman Barnes is on his way from Trenton. He is sitting on a budget hearing in Trenton. He sits on the Budget Committee in Trenton. So he is on his way and will be here as soon as it's over.

I wanted to thank Middlesex County College, also, for hosting this. They have been very, very gracious. They didn't even charge us. So we're really happy about that.

I just wanted you to know-- I want to kind of set the stage so you understand, for those of you who don't, what the process is. This is the beginning of the budget process. The Governor addressed the Legislature March 16. He gave his proposed budget. There are always changes to whatever a governor proposes in a budget, and I know there will be changes in this one as well.

We wanted to give you the opportunity. And this can't be done in a vacuum. We need to hear your input, and that's why we're having this. We may have another one in another part of the 18th Legislative District. We'll see how it goes tonight. If there is a demand, if it goes beyond 9:00, then we'll have to have another one.

I just wanted to let you know that the debate over the budget in the coming months will be vigorous, but it will be fair. We know we face

difficult times in New Jersey. Our tax revenues are continuing to lag. But there are still choices to be made, and ultimately those choices have to reflect your values and your priorities. So that's why we're here to listen.

And I can reassure you that all of your concerns will be taken back to the Legislature. In fact, they will be recorded. Actually, this is the one that's recording. (referring to Hearing Unit microphone) And for those of you who have written testimony, it will be duplicated and given to members of the Committee, and members of the Senate and Assembly Budget Committees as well. They'll be part of the formal record. And as our colleagues go through the formal budget process, we'll consider all of the suggestions made. This is part of the process, and you're an integral part of it. So thank you all for taking time out of your busy schedule for coming. (applause)

ASSEMBLYMAN DIEGNAN: I'm Assemblyman Pat Diegnan. I'm Barbara's compatriot, along with Pete Barnes, in the 18th District.

Thank you all for coming out. We're here to listen tonight.

I'm going to be perfectly honest with you. Barbara was being very bipartisan here. I am very disturbed by the document that the Governor has submitted for our consideration. (applause) We're not looking for applause. It's easy to say you're for education; it's easy to say you're committed to higher education; it's easy to say you care about senior citizens; it's easy to say you care about our most vulnerable citizens who need our protection, but this budget simply, in my mind, does not meet those needs. As Barbara just pointed out, there are choices. There are ways to meet the needs that are out there. And I just don't simply believe that this budget meets that particular criteria.

My all-time favorite politician was Harry Truman, who used to say the rich and the powerful don't need a voice. All they have to do is pick up the phone and those in power will listen to them and take their call. In this particular budget, students, teachers, seniors, those who are in nursing homes, those who have psychological problems up and down the spectrum are really being shortchanged. And I can tell you right now, I know Barbara feels the same way. There is no way the final budget document is going to look anything like has been submitted.

So tonight we want to hear from you, get your input, and bring it back. And trust me, we're going to work on your concerns.

Thank you for coming. I know 6:00-- The Yankees played this afternoon, so you don't have to worry about that. (laughter) We would rather not talk about the Mets, so it's--

But thank you for coming.

SENATOR BUONO: So we're going to start.

This is the format: you come up. If you have written testimony, you can give it to us. Otherwise, speak into one of the microphones. And since we do have such a large group -- and this is typically the way we do it when we have the hearings across the state -- it's a five-minute limit per person. So if you could make your comments -- and try to not repeat what other people said to the best of your ability, because we want to hear as much as we can in three hours. So we want to be fair to everybody.

So we're going to start with Mayor Stahl from East Brunswick.  
(applause)

We have an East Brunswick fan here. Okay. (laughter)

**MAYOR DAVID STAHL:** Thank you, Senator.

Thank you, Assemblyman.

I appreciate the opportunity to speak here at the public hearing, and I congratulate you on holding it so that the residents and other elected officials have the opportunity to have their voices heard.

**UNIDENTIFIED SPEAKER FROM AUDIENCE:** Is the microphone on? (referring to PA microphone)

**SENATOR BUONO:** That's the one that amplifies your voice. (referring to PA microphone)

**MAYOR STAHL:** Now we're good.

**SENATOR BUONO:** Okay, great.

**MAYOR STAHL:** I just wanted to thank you for having the opportunity not only for myself but my fellow elected officials, as well as all the residents who are here, to provide some feedback with respect to the Governor's plan.

I became Mayor of East Brunswick, as you know, in 2009, so I certainly understand the importance of restructuring our governments. In East Brunswick, we've taken a budget that was in excess of \$64 million, and the budget in 2010 that's going to be introduced is about \$56.5 million. So we know the need for restructuring.

And I know that both of you, as well as Assemblyman Barnes, have been leaders in terms of pension reforms in years passed that never got through. So you certainly knew how important it was for that impact and the restructuring to begin.

And I welcome Governor Christie's attempt to restructure. But as you both indicated before, what he's doing, quite frankly, in my opinion,

is putting it all on the backs of the middle-income and low-income residents of the state.

I'll touch briefly on the impact of East Brunswick residents. As mayors and other local officials, we're on the front lines. We see our residents in the grocery stores, in the ball fields, in churches and synagogues. We know first-hand what the impact is going to be. If we just talk about our schools, we can all agree that schools, just like every other form of government, need to be restructured in how they're doing their business. But when the Governor -- in East Brunswick's case -- takes away over \$8 million in terms of the aid that is going to the schools within days of the schools having to present their budget-- The impact to East Brunswick residents alone, this year, on an average household is going to be in excess of \$160. On your municipal budget-- My budget was coming in flat until we lost even more State aid than was reasonably expected. Our State aid was reduced by over a million dollars. We reworked the budget many times, and the bottom line is that we'll increase taxes on the municipal side -- affect about \$0.03, or about \$30 per average household.

As you know, New Jersey Transit, in response to Governor Christie's plans to cut their budget, impacted East Brunswick residents tremendously with a proposal to eliminate three of the major bus lines serving East Brunswick. Through your support, New Jersey Transit, today, voted, and only one of those lines will be dropped and two will be retained. But what's lost in that translation also is the fare increases which are talking about -- on a monthly pass -- of 25 percent. Not everyone buys a monthly pass. The resident who buys a 10-trip ticket in East Brunswick is going to see their fees increase by 40 percent. So you're talking about \$480

annually. So just between those three cuts -- between schools, municipal government, and Transit -- a middle class person who is taking public transportation, paying their taxes, and whatnot, is impacted by over \$700 in East Brunswick alone.

So when the Governor talks about reducing the State, all he's really doing, in my opinion, for the most part is offloading it to the local level, and the residents are going to feel the impact. They're not going to get relief. It's just the opposite. They're going to get a very hefty bill at the end of the year.

I'm not even going to go into all the different program cuts that have been offered, whether it's the elimination or freeze on the property tax relief for our seniors, the prescription drugs that are going to be eliminated, all the other -- the college things that are going to be impacted. I mean, those (indiscernible) are just going to go on, and on, and on.

I'll try to--

SENATOR BUONO: Yes, your five minutes is up, Mayor.  
(laughter) I want to hold you to that too. Sorry.

MAYOR STAHL: But the one last comment I would make, in terms of when you're looking at the budget, is, just like our budget has impacted every group -- the Governor, who has left out the millionaire's tax. Even if he's philosophically against it, let them feel a little bit of the pain that everyone else is feeling, whether it's the middle class or low-income folks. Let the millionaire's tax exist for another year or two, let it be structured so the burden doesn't fall on the middle class and the low-income.

Thank you very much.

SENATOR BUONO: Mayor, I just wanted to ask you a question about the \$8 million that your school district lost. Does that include the amount of money that the Governor froze in the current fiscal year? I think that's in addition.

MAYOR STAHL: I have to tell you the truth, Senator. It probably was. There were so many different things they tried to do with respect to East Brunswick public education. Some money was taken away, some of it was given back. Quite honestly, it's just been one big, revolving turntable, in terms of how much money is coming and going.

SENATOR BUONO: And I can tell you this -- and I don't know how Assemblymen Diegnan and Barnes feel -- but I can tell you that I just had a meeting with the Senate leadership. And there is a real commitment to going forward with the millionaire's tax, and we'll see what the Governor does. (applause)

I'm going to call up Sarah-Ann Harnick.

SARAH - ANN HARNICK: Harnick. (indicating pronunciation)

SENATOR BUONO: Harnick (indicating pronunciation) -- I'm sorry, I couldn't read your handwriting -- private resident from Metuchen, Rose Street.

MS. HARNICK: Thank you.

And I actually do have copies.

SENATOR BUONO: Oh, wonderful.

MS. HARNICK: I don't know who gets them.

Thank you for providing this opportunity for your constituency to participate in framing next year's budget.

I'm Sarah Harnick, I'm from Metuchen. You may have seen me at other times.

Thank you, Senator Buono, for responding to my mail about Planned Parenthood. I really appreciate that. That made me feel a lot better. Thank you.

It has taken me well over a week to get these thoughts in order. Every day I have a new reason to be outraged, given Governor Christie's shallow understanding of the public sector. One of his administration's eight priorities is higher education. None of his budget proposals support this claim. Any program that helps college students graduate in less time, with less debt, has been slashed. NJ STARS, the EOF programs, anything that might help students who otherwise could not afford a college education has had its funding reduced.

The Governor has proposed other changes to what is still referred to as public higher education. He would like to put the State Museum and Library under the control of Rutgers University. Just because Rutgers offers an MLS degree doesn't mean that it is willing or able to manage these State assets from 30 miles north of Trenton.

In Governor Christie's most outrageous proposal, Thomas Edison State College would also become part of Rutgers. Thomas Edison has a worldwide reputation for providing personalized, degree-granting, distance education to, among others, military service members around the world, including Iraq and Afghanistan. One misstep by Rutgers and New Jersey would lose students, revenue, and credibility.

The entire budget proposal is mean-spirited. It attacks the majority of people who live in New Jersey. I understand that we can't

afford everything. The proposed budget tells me that we don't deserve anything either. I'm still stunned by his plan to hobble libraries, including college and university libraries. Students and faculty will be losing valuable research tools because interlibrary loan programs and the statewide virtual libraries will lose their State funding, and we can't afford to continue to them.

I find the whole budget proposal cynical. The cuts proposed for health care are just mean spirited. Of course, the budget includes an increase for Charity Care. With funding losses to both Planned Parenthood and probably New Jersey Family Care, emergency rooms will be even busier thanks to people who will have even less access to affordable health care. And the years of broken promises to developmentally disabled adults and those who live with autism is heartbreaking.

I work at a State college, if you hadn't guessed by now. (laughter) I used to tell students that the only way to be fair to everybody was to be mean to everybody. Our issues were posting fliers and assigning offices to student organizations. You can't use that philosophy as a responsible method for formulating a budget. It's an insult to our collective intelligence.

So here are some suggestions for saving money: eliminate patronage and private contractor jobs. When there is a workforce reduction, make sure it's a real reduction and not personnel shifting. There are instances of State employees who lose their job in one department and appear in another State agency in a job that never existed before. Don't privatize anything. Those employees will have lower compensation and benefits, and therefore won't pay as much in State taxes and will probably

use more State services. We'll probably spend too much time ensuring that contractors are in compliance with State and Federal laws: undocumented immigrants, stolen Social Security numbers. I won't even talk about loyalty or turnover rates. Use technology: The budget summary pages were scanned into a computer. The marks from the staples are visible. Is that the only way we can disseminate information? Can't it be accomplished more efficiently? They even scanned blank pages that divided sections onto the State Web site.

SENATOR BUONO: Could you-- I'm sorry.

MS. HARNICK: That's okay.

SENATOR BUONO: I hate to interrupt, but there are so many people. I have to keep you-- You're a little over the five minutes already.

MS. HARNICK: Oh, I'm sorry.

SENATOR BUONO: Can you wrap it up real quick?

MS. HARNICK: Sure. I'm almost finished.

SENATOR BUONO: I mean, we do have your testimony, and I promise you we'll share it with others.

MS. HARNICK: Okay. State employees in general should just begin treating budgets as if its their own home budget. I think that's a large problem in the state.

And the last thing I wanted to say is that I'm very grateful to you and your families for giving us this opportunity tonight.

Thank you.

SENATOR BUONO: Thank you for coming. (applause)

ASSEMBLYMAN DIEGNAN: I promise I won't comment on any more of these, but this one I have to comment on.

You may or may not know: I was previously the Chair of the Higher Education Committee, and I'm the Chair of the Education Committee in the General Assembly, and I taught here at Middlesex County College for 10 years prior to going into public office.

I'm the last of seven children. My parents were immigrants. The only reason -- and I'm sure many of you in this room relate to this -- that I was given the opportunity to succeed was being given the opportunity for a quality, affordable education.

The Governor's budget cuts about \$1.5 billion, with a *B*, out of K-12, obliterates preschool, obliterates TAG grants, it obliterates the STARS program -- which Governor Corzine -- I was proud to sponsor the STARS program when it became law two years ago. In higher education, he's cutting out about \$200 million. If there is one thing that we just simply cannot allow to happen is the eroding of State support for education. That is what keeps this country vibrant. A vibrant middle class is created because of the opportunity for education. And above all of these cuts, that one sticks in my craw most of all.

I really want to thank you for your comments. You really summed it up. We cannot allow this to happen, simply stated.

SENATOR BUONO: I'd like to recognize President La Perla. Thank you so much for having us. You're being so gracious. As we need more chairs, you're bringing them. So thank you very much. You're really a jewel in Middlesex County.

JOANN La PERLA - MORALES: My pleasure. I just came from the budget hearing in Trenton.

SENATOR BUONO: Oh, that's where Assemblyman Barnes is, right? He'll be here, I assume, right behind you.

I'd like to call up, on the subject of education, Spotswood Board President, Richard O'Brien; and Dr. Uszenski, Spotswood Superintendent, together as a panel.

It seems like I saw you not too long ago in Spotswood. We had the -- right before the incoming Commissioner of Education Schundler came, and it seemed like you were misled in terms of how much aid you were expecting to lose.

**RICHARD O'BRIEN:** Senator, Assemblyman, thank you. It is a pleasure to see you again. And it seems like we're doing this more frequently.

My name is Rich O'Brien, and I'm a resident of Spotswood, New Jersey; a member of the Spotswood Board of Education, currently serving as its President.

And I wanted to speak tonight on behalf of our district, briefly. Sometimes people speculate why there's cynicism in our society about government. And I think in part it's due to when the actions of government and the words of government diverge.

Speaking as a Board member for the last seven years, we were told in public education that it was imperative to exercise fiscal restraint. And it was important to keep our ratio of administrators and students -- that was appropriate to the needs of the students -- and to recognize our taxpayers' needs and keep property taxes down, and to continue to provide a comprehensive education, and to engage in the things necessary so that the kids benefited and not the staff; and then second, that the residents of

our town, and the residents of the two other communities we serve -- Helmetta and Milltown -- would benefit from our actions. And we think we've done that.

We were told that shared service was something that government expected from us at the local level, and we engaged in that. We have a number of shared service purchasing agreements. We get our health insurance and our liability insurance through a consortium to save money for our taxpayers. We didn't raise our local property taxes for the last two years prior to this year.

We did all of that at the same time our scores were improving and the children were benefiting from what we think is a comprehensive education. And then last year, the previous administration decided that consolidation of school districts was a must and it was going to be a huge savings. So Helmetta, a non-operating district, was combined with Spotswood. And we did that, because what was our alternative? We knew there were no savings. We told people that, to include the previous Commissioner of Education. And we knew that if there were any savings to the taxpayers, they would probably fall in Helmetta and at the expense of the Spotswood resident. And we knew that. But we did it anyway, because what was our alternative? Sue the State of New Jersey? That's spending taxpayer money to sue their own government. So we went ahead with it with the assurance that -- "Don't worry, it will come out okay next year in the school funding formula." Well, of course, that never came to pass.

The other big gambit that the Commissioner and the Governor are pushing now is the idea that our teachers don't pay enough or they pay too much. Well, in Spotswood, our teachers have paid toward their health

care for the last 11 years. And they've done so willingly in an effort to keep our expenses down.

The net result of all of this rhetoric is, this year, we took the highest hit on the State aid cuts on a percentage basis: 5.89 percent of all the Middlesex County districts. We're laying off 24 people, we're hitting our taxpayers with a tax increase for the first time in three years. That is significant. We're cutting programs. And we're doing all of that, not because we want to do it -- because we have no choice. And we're doing it in an environment where we're still trying to provide a comprehensive education to benefit-- I mean, you talk about shared service. We're the ultimate in shared service. We service three communities. And we're doing all that. And it is very frustrating and very difficult not to be cynical and not to wonder about the actions of our State government when we're doing the things we were told we were supposed to be doing. And yet now we have to have dedicated and valued staff members be excoriated in the public. We have to let them go when we don't want to, and we're doing all this in an environment where we're not going to continue attacks on folks making \$400,000 or more. God bless them. I hope they all do well. That's America; that's capitalism. But when you talk about shared sacrifice, it shouldn't just be public servants and taxpayers, it should be everyone.

If I have any time left, I'd like to yield it to Dr. Uszenski.

**W A L T E R U S Z E N S K I, Ed.D.:** I just want to take this opportunity to thank you. I share the same--

**SENATOR BUONO:** I think you need one of the larger -- yes, that's the one that will amplify your voice. (referring to PA microphone)

DR. USZENSKI: I want to thank you, Senator Buono and panel. I appreciate you giving us this opportunity.

But I want you to know that Spotswood is very fiscally responsible. The Board of Education and all -- and the students -- we have a very rigorous curriculum. But it's all the schools across the state. Each and every school has exemplary teachers. And unfortunately the new teachers coming out who are doing a dynamic job for us are the ones who are being hurt. And, ultimately, it comes down to the students, and yet we all talk about children first.

So that's what is disheartening -- is that we've done everything that's been said. We pay into benefits, we are low in salaries, we do what we can with what we have. We're bare bones. But ultimately, we are achieving for our students. And then on top of that -- to be taking \$2.5 million away is just devastating to the district.

SENATOR BUONO: Superintendent, what percentage of your State aid are you losing?

DR. USZENSKI: Right now we're losing 5.89 percent.

MR. O'BRIEN: Senator, it's 5.89 percent of our total budget.

SENATOR BUONO: Of your budget, exactly.

MR. O'BRIEN: We've lost about 23 percent of our State aid.

SENATOR BUONO: That was the point I was trying to make.

DR. USZENSKI: Twenty-three percent, I'm sorry.

SENATOR BUONO: Because we-- You may recall, we had Commissioner Schundler down speaking to you, the Superintendent, and a number of other people. And it was my -- maybe my recollection is not

correct -- but did he not say that you could expect a loss of 5 to 15 percent of State aid?

MR. O'BRIEN: That's correct. And it was a little bit of a bait and switch, because it went from last year's State aid to this year's total budget. It's a significant increase in dollars. Your recollection is completely correct.

SENATOR BUONO: So it's 5 percent of the total budget.

MR. O'BRIEN: Yes, ma'am.

SENATOR BUONO: So that's quite a different thing.

MR. O'BRIEN: Yes, ma'am.

SENATOR BUONO: In fact, we had a Budget Committee meeting yesterday in Trenton where the Education Commissioner came before us and kept telling us there was an increase in education aid to the tune of \$220 million. And if you look at the numbers, it's so deceiving, it's so distorting, because that \$220 million doesn't go into the classroom. It's not money that schools ever see in their budget. It has to do with post-retirement medical benefits, Social Security that the State pays. So it really is very--

The bottom line is that formula aid that goes into the classroom for the kids was cut by over a billion dollars. And that is--

DR. USZENSKI: It's misleading, Senator, because it was told that it was going to be that of the aid -- your State aid, not the total budget. But on the 11th hour it was hit on the budget.

SENATOR BUONO: It was percentage of State aid, not percentage of the-- Right.

DR. USZENSKI: It was devastating.

SENATOR BUONO: Thank you for coming.

DR. USZENSKI: Thank you.

MR. O'BRIEN: Thank you.

ASSEMBLYMAN DIEGNAN: The cumulative State reduction in Spotswood is \$1.8 million between Board of Ed and municipal. That's ridiculous.

MR. O'BRIEN: And then the loss of the surplus, which we had earmarked.

ASSEMBLYMAN DIEGNAN: Yes, which they took back.

MR. O'BRIEN: That was 375.

ASSEMBLYMAN DIEGNAN: Yes, 375.

MR. O'BRIEN: And then the loss in valuation due to the Helmetta consolidation. The sum of all that, Assemblyman, is about \$2.5 million.

SENATOR BUONO: Wow, for a small district like you, that's devastating.

MR. O'BRIEN: It's 10 percent of the total budget.

ASSEMBLYMAN DIEGNAN: And an over 20 percent reduction in State aid, right?

MR. O'BRIEN: Yes.

SENATOR BUONO: I'm going to--

Thank you, gentlemen. Thank you very much.

MR. O'BRIEN: Thank you.

DR. USZENSKI: Thank you.

SENATOR BUONO: I'm going to call up-- I know that Edison Mayor Ricigliano is here, and she has a Council meeting that she has to go

to, along with Council President Charlie Tomaro and Councilman Rob Karabinchak. If you could, come up together.

Mayor, you wanted to speak, right? You wanted to come up.

**MAYOR ANTONIA RICIGLIANO:** It wasn't necessary to speak.

**SENATOR BUONO:** But we want you to come up. (laughter)

**MAYOR RICIGLIANO:** I'm usually told I talk too much.

**SENATOR BUONO:** I'm going to reiterate, five minutes for everyone. As a panel, five minutes.

**COUNCILMAN CHARLES TOMARO:** Well, we should get 15 minutes.

**SENATOR BUONO:** No, no, no, no. Nobody will ever speak.

Councilman, would you speak into the larger microphone?

**COUNCILMAN TOMARO:** Yes.

I want to first thank Barbara Buono. This is the second time -- and Pete Barnes and Pat Diegnan -- second time we have been at Middlesex County College. The first time was for the Red Tape meeting. And hopefully you accomplish something then, and hopefully definitely with this. Because everybody in this room is devastatingly affected by what the Governor has proposed.

I'm first going to start off with two words, and it affects every municipality in the State of New Jersey that has a paid police department and a paid fire department. And that's called *binding arbitration*. It's time the State of New Jersey looks at this law and changes it for the municipalities. Because we need your help in order to negotiate the

contracts between those two unions. They are the biggest paid professionals that we have working in our community.

This morning I heard Governor Christie on WCTC, and he was bragging that he's balancing the budget, reducing spending, and there's no State tax increase this year. Yes, there may not be a tax increase at the State level. But by cutting our State aid that we receive, there's a huge tax increase in Edison. The Governor's cutting money from the energy receipts tax by \$3.4 million, and that's our money. That's the money that comes from all the energy companies that have the high tension wires and those huge, 36-inch gas lines that run through our community. And I'm sure everybody remembers 1994, in Durham Woods, when the gas line blew up.

The Edison Mayor was going to introduce a flat tax rate this year. But because of the Governor's cut, we are now raising taxes to the taxpayer by over \$70 on the average home. Our Mayor worked very hard to keep the tax rate low with no layoffs, no furloughs, and no reduction in services. But now Edison has to increase the taxes because the Governor cut it to the Township.

I'm going to speak a little bit about the schools. The school administrator presented the original preliminary budget to the Board in February, which included the funding that the Edison Board of Ed was entitled to based on the current funding laws: 20 percent of the current State aid, which was about \$3 million. The tax increase to the average homeowner at that time was 11.5 points increase, or \$204 on the average.

Am I running out of time? (affirmative response)

This original preliminary budget included 19.2 less staff members, and the total budget was \$214 million.

After the Governor's state address on March 16, we received notice that the State cut our funding by 55.8 percent, or \$9.7 million. This cut, along with the \$3 million that we included in our original budget, and removing special education extraordinary aid by \$1.8 million -- we were not assured that we were not receiving (*sic*) next year -- or this year, as a matter -- resulted in a total budget reduction of \$17 million, which includes 168 staff members being laid off.

With this record-breaking budget cut in place, the tax rate remained 11.5 points, or \$204, for the average homeowner. This was because the reduction of revenues was exclusively from State sources. No local revenue reduction -- total budget was \$199 million.

The Board had their public hearing on March 31, starting at 7:00 p.m., and ended at 4:00 a.m. on April 1. After hours of testimony from the public and staff regarding the proposed budget cuts, the Board added some items back into the budget such as guidance counselors, paraprofessionals, security guards, literacy development teachers, and items that were not added -- and items that were added back for a total of \$5 million.

SENATOR BUONO: Excuse me, Council President, I have to interrupt you again. I'm really going to be annoying tonight. But turn around. Look.

MAYOR RICIGLIANO: I promise mine will be short and sweet.

SENATOR BUONO: Okay.

MAYOR RICIGLIANO: We did come in with a budget -- a flat budget. But because of the \$3.5 million in State aid cut, we now have to

raise -- increase our taxes -- we may have to increase our taxes by 4 points, which is not good.

SENATOR BUONO: How much is that on a house of--

MAYOR RICIGLIANO: Average house -- well, they say the average house in Edison is about \$176,000. I have yet to find it. (laughter) And that should be about \$70. I don't know.

But one of the things I did want to mention about the School Board-- If the cuts stay as they are, those teachers who are tenured -- four- and five-year teachers -- will not have positions. I realize what the Governor wants to do. But I think he really has to refigure this. It's rather cruel.

SENATOR BUONO: Councilman Karabinchak.

C O U N C I L M A N R O B E R T K A R A B I N C H A K: Yes, thank you, Senator and Assemblyman.

First of all, I just wanted to say that the public is screaming for help. We need tax relief. Regardless of what the Governor just presented, I believe it's the Senate and Assembly that can accomplish this by revising, amending, and creating new legislation.

The one item I'm going to speak about tonight is the silent, indirect tax increase that the public, or the homeowner, has to absorb without any representation. And this is tax appeals.

Our town, since July 1, '09 to date, has lost \$92 million in assessed value, which equates to \$3.7 million in lost tax revenues.

SENATOR BUONO: Is that commercial or both.

COUNCILMAN KARABINCHAK: The majority of it, 99 percent of it is commercial and industrial.

I won't go through all of this, because I know time is quick, but there are just two items that I'd like to speak about regarding this. First of all, I believe that when there is a tax appeal -- and it has to be the commercial and industrial, because those are the ones who have the easiest way to do it -- the resident has the tougher way, which is wrong. If you could change that, that would help the homeowners.

The first one is that a certified appraisal should be required as part of the commercial and industrial tax appeal filing and must be provided within 30 days of that filing. That means that there is something that is really going to happen. The next one would be to allow municipalities the opportunity to lessen the burden to the homeowners by structuring the tax appeal settlement payout over the Freeze Act time period with no interest. Another one would be to place a cap on tax appeals.

I have this list here, and one other one -- since the Governor and the State has implemented caps for every town of 4 percent -- and the talk is now 2.5 percent -- then there has to be some regulations that would restrict a tax appeal settlement or refund to that same cap. This is the only way that would allow government -- any municipality in the State of New Jersey to help balance their budgets. You can't take a hit of \$3.7 million -- and they'll pass it on to the homeowners -- without anything. If our Mayor wanted to make it zero-- You saw what the Governor did to us by taking the money away. We just happened to plan appropriately for this. But this is going on. And as of right now, we have another 300 tax appeals on our desk right now, pending.

One of the other problems is that every tax appeal that comes forward -- every single one -- we have to have an attorney look at every one.

So we're paying on every one, even though the tax appeal may be frivolous in the state and not go any farther. We pay for attorneys to review every single one.

One of the other things that our Governor, or maybe our Senators or Assembly can do is-- Last year, during the election, there was a \$0.02 open space tax that was allowed that the people of the State of New Jersey approved. However, if he could stay that or defer that, that would give the municipalities and the taxpayers that relief -- immediate relief. Because that \$400 million is not encumbered at this time. So that's just something that could be done.

And the last one would be, very quickly, the lame duck law. I believe that should be amended to close the abuses that occur when an incumbent loses an election. The timeframe should be from 4:00 p.m. the day of the election until the new person is elected.

SENATOR BUONO: Well, I want to say that I was Chair of the Budget Committee then, and I didn't let any bill get through my Committee that was going to spend another dime of State money, just so you know. I held up my end of it.

COUNCILMAN KARABINCHAK: Well, unfortunately that's-- I'm glad you did it, but unfortunately--

SENATOR BUONO: It wasn't easy.

COUNCILMAN KARABINCHAK: The locals -- we don't have that ability.

COUNCILMAN TOMARO: They didn't do it in Edison.

SENATOR BUONO: I didn't make a lot of friends.

COUNCILMAN KARABINCHAK: But if there was a law that would have it right from the Governor down to the congressmen, senators, assembly people, mayors, council people, and so on -- that they can't do this -- that would be great. And that would help the taxpayers also.

SENATOR BUONO: Thank you. Do you have your testimony-- Do you have--

COUNCILMAN KARABINCHAK: Yes, I gave it to--

SENATOR BUONO: Okay. We'd like your testimony to keep as part of the record.

Thank you so much for coming tonight.

MAYOR RICIGLIANO: Thank you.

COUNCILMAN KARABINCHAK: Thank you.

SENATOR BUONO: Since we have so many people, I'm going to take the liberty of trying to bring people up who are on a similar subject or the same subject together.

I see two people who have signed up on behalf of the Edison Workshop: Ann Marie Stone and Kara Stubans.

And then I know Mayor Vahalla has a meeting to go to, too. We'll call you next.

Is Kara -- come on up.

The larger one, yes. (referring to PA microphone)

**A N N M A R I E S T O N E:** I'm Ann Marie Stone. I'm the Vocational Rehabilitation Counselor at the Edison Sheltered Workshop.

And this box I brought up here contains over a thousand petitions signed by parents, friends, and family of the people that we serve, the people with developmental disabilities and various other disabilities.

Currently, Governor Christie is proposing a 44.5 percent cut in funds for transportation, as well as over a 10 percent cut on top of the cuts that we've already experienced for programming. These people are the most vulnerable in our society.

To me, and I know to many other people, the mark of a civilized society is a society that takes care of its most vulnerable and educates its children. Although we are rehabilitation, we provide an education for these people. We teach them how to behave appropriately in the workplace, to possibly get jobs in the future. And cutting this transportation will preclude many, many of our clients from attending the Workshop, which means that we have a vulnerable segment of the population sitting at home unsupervised, or it means that a taxpaying parent or guardian might have to give up their job to stay with them, further reducing taxable income in the state. It just doesn't make sense. It's cruel, it's just not what a government is supposed to do. And we're relying on you, all of you, to speak up, to fight for us, and show Governor Christie that government can work. (applause)

SENATOR BUONO: Thank you.

Kara Stubans.

**K A R A S T U B A N S:** Hi. I'm hoping I'm going to be able to keep it together for these few minutes.

I'm a parent of one of the clients at the Workshop. She's here tonight. She is listening to her CD player, so she can't -- she's not engaged in this conversation. And she was actually a little bit nervous about coming, because she was afraid she was going to have to speak. I said, "Don't worry, you don't have to speak."

But, obviously, I'm a little bit nervous too. Rachel is 24. She went to special ed out-of-district placement -- public, county education all her life. She's 24. She can't read, she can't write, she can't tie her shoes. She can only get dressed with my assistance. She lives at home with us. She graduated from her special ed school at 21 and had transitioned into the Edison Sheltered Workshop where she's been since then.

She makes \$18-and-something cents every two weeks. She comes home with a paycheck. She has a little checking account at the local bank in Metuchen, where we've lived for all her life. She's very, very proud to be working. The van comes and gets her at 7:10 in the morning. She gets up, she gets dressed, she goes out to work. She does the simple assembly that they do. They have a wonderful staff who were very patient with her in making the transition from school to work.

If she didn't have the transportation, she didn't have the Workshop, she'd have no purpose for her life. And she has a long life ahead of her. Hopefully, as she develops as a young adult, she might be able to get work in the community. If she doesn't, the Workshop is a wonderful sheltering environment for her.

I realize that you have a room full of people, and everyone is saying, "Cut everyone else, and don't cut me." I understand that. I see colleagues. I work at one of the higher ed institutions in the state. I see colleagues there. I know they're coming with the same message.

But as Ann Marie has said, this is our most vulnerable population. They can't speak for themselves. So I just beg you to keep that in mind when you're looking at the budget.

Thank you. (applause)

SENATOR BUONO: I think we're all very familiar with the great work that you do at Edison Sheltered Workshop. I know I've been to -- numerous times -- the Easter Seals Workshop in New Brunswick. It does great work. It gives people a sense of purpose. I'll never forget the first time I went. One of the folks came up to me and said, "You have to help us, because if I didn't have this job, I think I might kill myself." And I said, "Oh, my God, how could we not?" It's really not a lot of-- It's not-- In terms of percentages and the budget, it's not a lot of money.

MS. STONE: It would make such a difference. (applause)

SENATOR BUONO: Mayor Vahalla, we're going to get you up here -- the Mayor of Metuchen -- with Michael Harvier, with the schools; Peter Cammarano, Councilman; and Terri Sinatra, the Superintendent. Everybody together.

**MAYOR THOMAS VAHALLA:** Don't start the clock until we get everybody seated.

SENATOR BUONO: Okay, okay. (laughter)

MAYOR VAHALLA: I know Assemblyman Diegnan over there. He's looking at his watch already. (laughter)

Thank you, Senator.

SENATOR BUONO: Good evening.

MAYOR VAHALLA: Thank you, Assemblyman, for providing this forum so we can speak frankly about the Governor's proposed cuts and their effect on the Borough of Metuchen.

We, in Metuchen, have been frugal and judicious in the operation of our Borough and the spending of our tax dollars. Last year, 2009, we had every department in the Borough help by contributing a 10

percent cut to help in our budget. With careful scrutiny, we adopted a budget which cut our appropriations \$517,000. Still, in order to maintain services, we had to take the State-offered pension deferral and a 5.3 percent tax increase of 4.34 points, or roughly \$83.82 per average household -- was assessed. So we had an additional raise of \$83 last year.

This year, again, we cut the appropriations \$207,000 more. Our mandated statutory increases came to \$786,104.66. We initially developed a budget with a 7.5 point increase, which is roughly 7.5 percent, to cover those costs. That equates to another additional \$142.50 of tax increase on the average property tax payer in Metuchen.

On March 16, the Governor announced his budget. And on Friday, March 19, we received a notice of our municipal aid -- will be cut an additional \$372,485; a striking blow to an already thinly stretched budget. With the additional aid cuts and the mandated and statutory increases, Metuchen is forced to wrestle with a \$1.15 million problem on the municipal level. This does not include the schools, which Superintendent Sinatra will talk about.

The Governor's plan to reduce aid in such a draconian fashion is like doing surgery with a machete. I agree that spending must be brought under control, but passing the entire problem down to the municipalities is not a workable approach or a proper solution. This aid cut will have a negative effect on all cities, towns, and boroughs of Middlesex County and the entire state. It will reduce services, deplete reserves, increase unemployment by laying off more workers, increase the drain on the unemployment trust fund, reduce State revenues because unemployed workers don't pay taxes, reduce vital services being provided in our

communities, hurt the middle class and poor families, and increase property taxes. These cuts will not elevate New Jersey but bring her to her knees. Please look at alternatives for these cuts.

With the reinstatement of the millionaire's tax and its restoration, many of the cuts in State, and municipal aide, and education aid -- the millionaire's tax taxes income only over \$430,000. Who is the Governor protecting? How do I explain higher taxes, reduced services, when our State government is cutting taxes for the most affluent residents in our state?

My last suggestion is to explore alternate means for funding education, getting away from the property tax. Other states have done it, transferring from property taxes to sales, income, or property transfer tax.

Again, I want to thank you for your time, and I look forward to working with you to create a stronger New Jersey and a better Metuchen.

And I'd like to turn it over to Ms. Sinatra.

SENATOR BUONO: I can't help myself. You know the tax on people earning over \$400,000? That is only the top 1.5 percent wage earners. It's a very, very small percentage of people. But they need to share the burden as well.

MAYOR VAHALLA: Correct. But many of these cuts -- I'm not saying all -- but many of these cuts which are falling back and adding back to the middle class, to the poor workers, are going to be taken up by people who can't afford it. We're going to increase-- We're doing the opposite of what the Governor said he wanted to do when he was running. We're increasing taxes, we're increasing unemployment, we're increasing those costs, and we're going to be reducing State revenue from the people

who work -- the majority of the people who work and provide taxes for the State.

SENATOR BUONO: Thank you, Mayor.

Superintendent or Michael Harvier.

**T E R R I S I N A T R A:** Both of us are going to speak.

SENATOR BUONO: Okay.

MS. SINATRA: And I think I have to--

SENATOR BUONO: You have a total of five minutes, and I think you're over it already. But you are on a separate subject. You're municipal; you're education.

MS. SINATRA: I'll be very brief, Senator.

SENATOR BUONO: Okay.

MS. SINATRA: Thank you very much for this opportunity.

I think I reiterate what the Superintendent from Spotswood said earlier. On March 17, we received an indication that Metuchen would receive an 89 percent reduction in State aid from the previous year. And in addition to that, we were also told that we would reduce -- we would get an almost \$50,000 reduction in debt service aid, and then another additional assessment for the moneys that we were earmarked from the State from revenue toward our referendum project.

SENATOR BUONO: Can I just explain that to people who don't--

MS. SINATRA: Sure.

SENATOR BUONO: Tell me if I'm wrong when I explain this.

MS. SINATRA: Okay.

SENATOR BUONO: A couple of years ago -- a few years ago -- Metuchen wanted to make some improvements to some of the schools -- the high school I think it was.

MS. SINATRA: That was the last one.

SENATOR BUONO: So they got approval from the State, and the State approved it. They said that, if passed, the State would give a grant to Metuchen to pay for 40 percent of the total cost of construction.

Is that correct?

MS. SINATRA: Yes.

SENATOR BUONO: And now what the State is saying-- They're turning around and saying, "Oh, no, it's a loan, and you have to pay 15 percent of the borrowing."

MS. SINATRA: Bonds that the State--

SENATOR BUONO: That's not what people voted on though. So it seems to be breaking the contract almost.

MS. SINATRA: Yes. And what virtually happened was, it left Metuchen with \$7,800 in State aid for next year, versus \$1.7 million for this year. And we received this notification on Wednesday, and the following Monday morning we had to have our budget in the County Superintendent's office. And this is the same for all of the other school districts in our state. And we're realizing very serious ramifications of that.

SENATOR BUONO: And how much--

ASSEMBLYMAN DIEGNAN: I don't want to interrupt you, but I just want to be certain that I'm reading this right.

Last year your State aid was \$1.7 million.

MS. SINATRA: Correct.

ASSEMBLYMAN DIEGNAN: The Governor reduced it by \$1.5 million?

MS. SINATRA: Yes.

ASSEMBLYMAN DIEGNAN: So effectively-- And in addition to that, they took back the \$403,000 that you had set aside for this capital project. So effectively, the Governor has taken away \$1.9 million, and your total State aid last year was \$1.7 million. So if you look at it that way, you're actually down \$200,000. That's beyond comprehension.

MS. SINATRA: That's another way of looking at it.

ASSEMBLYMAN DIEGNAN: I mean, you talk about poster children. Did somebody give him a ticket when he went through Metuchen one time?

SENATOR BUONO: We will now. (laughter)

MAYOR VAHALLA: I think the term I used was that we got whacked.

ASSEMBLYMAN DIEGNAN: Does everybody get that?

M I C H A E L H A R V I E R: Just to clarify, the \$400,000--

SENATOR BUONO: Speak into the larger one. (referring to PA microphone)

MR. HARVIER: The \$400,000 was from the '09-'10 State aid. And in '10-'11, the net effect is, we get about \$7,000 of State aid. Last year we got about \$1.7 million. In '09-'10 we got about \$1.7 million. It's going to be down to almost \$7,000.

ASSEMBLYMAN DIEGNAN: Seven thousand dollars State aid for the school system of Metuchen Borough.

MS. SINATRA: Yes.

ASSEMBLYMAN DIEGNAN: That's bizarre.

SENATOR BUONO: Thank you very much for coming and sharing that with us. We appreciate it. (applause)

MS. SINATRA: Thank you.

SENATOR BUONO: Okay. I'm going to call on some constituents, residents now. We had some people who had to get to meetings. Let's talk to the people.

Robert Donatiello, East Brunswick. I think he sends me letters all the time. (laughter)

Yes, I know you.

**ROBERT DONATIELLO:** Hello.

SENATOR BUONO: Hi.

MR. DONATIELLO: It's my pleasure talking to you again.

The reason why I'm here is, I'm a senior citizen. My wife and I live on a fixed income. The Governor wants to take away the rebates, and he's also proposing to stop the PTR.

SENATOR BUONO: Property tax rebate.

MR. DONATIELLO: Right. So what's happening now is, my taxes are going to go up. Mayor Stahl told you what's going to happen. Now, that's a problem for me and my wife. Where am I going to get the money?

SENATOR BUONO: Also the property tax freeze. Is that what you're talking about?

MR. DONATIELLO: That's what I'm talking about. That's what the PTR is.

When I called up Trenton today, they told me that there is only a proposal to stop it. To me, that means no to any new ones coming in. The old ones are going to stay in place.

SENATOR BUONO: Exactly. But they will get no increase. If your property taxes increase, you won't get an increase reimbursement to cover that.

MR. DONATIELLO: Exactly. But that puts me nowhere.

SENATOR BUONO: Exactly.

MR. DONATIELLO: I'm not getting anything. I have to wait for \$250 in the year 2011, because nothing is coming this year.

SENATOR BUONO: Nothing.

MR. DONATIELLO: Don't forget, we didn't get a COLA increase from the President. He cut that out for two years.

Now, everybody is hollering about who wants money, who wants this, and everything else. But the affects on the senior citizens are greater than anybody realizes. People are losing their houses, they're foreclosing, every day.

You have to do something. You have to stand up to Christie and say, "You can't do this." So -- you don't have enough override on the Legislature power. So I don't know how you're going to sell him. So you have to sit down and talk to him, face to face. I wish I could talk to him, because he's from my old neighborhood. (laughter)

SENATOR BUONO: Which neighborhood is that?

MR. DONATIELLO: Newark.

SENATOR BUONO: Newark, that's my old neighborhood too.

MR. DONATIELLO: Well, I went to West Side High School.

SENATOR BUONO: Oh, okay.

MR. DONATIELLO: So the thing is, what I'm trying to say to you is that something has to be done to get this message across not only for me, but for the other people. I'm just a little pea in the pod, but it affects me as great as anybody else.

I mean, I know education is a big part of it, but we've been getting hit. In East Brunswick, we have a budget of \$129 million. And out of that budget, 80 percent goes to the teachers for benefits and salary. And they want to raise it now, and they're talking about a \$200 a raise or better. And they're hollering about these different programs they want to cut. You can't even talk to them. I don't know if they're ignorant to the fact that they're hurting people. There is too much going into their pot, but not enough coming out for the people.

So the other part of this is that I would like to see some legislation where there is a top as far as seniors, paying only \$3,000 like they have in Delaware and other states. In other words, there's only a certain amount. Like in Toms River and Holiday City, seniors only pay about \$2,000. And that's what should be in legislation to protect the seniors and their property.

I want to thank you very much.

SENATOR BUONO: Well, I want to thank you. And don't think that you coming here is a waste of time. Look, this is a statement. I mean, this is still a democracy.

MR. DONATIELLO: Right.

SENATOR BUONO: And majority rules. People have to listen. And we're here to represent you.

MR. DONATIELLO: I understand that.

SENATOR BUONO: You can't be too cynical. I refuse to be cynical, because if you do, that's admitting defeat.

MR. DONATIELLO: Well, as a taxpayer, I feel I have to be aggressive and put out the message--

SENATOR BUONO: I appreciate that. Thank you.

MR. DONATIELLO: --not only for the job you've been doing through the years I know you and communicating with you -- communicate with Mr. Barnes' father. The thing is, something just has to be done. You have to stand up to government and tell them the people want to hear something good for everybody -- not just me, but for everybody.

Thank you for your time.

SENATOR BUONO: Thank you very much. (applause)

Assemblyman Barnes, we told everyone you were hard at work on the budget in Trenton.

ASSEMBLYMAN BARNES: Yes, thank you.

I want to thank you, Senator, and acknowledge my colleague Pat Diegnan.

I just, myself, came from a budget meeting -- I'm on the Budget Committee -- in Trenton, where the budget meeting is still going on right now -- at least as of when I left.

And I will, from time to time, make comments as well. But I think we have to recognize several themes that have emerged over the last month when we talk about the budget. We have unprecedented cuts in education aid, in municipal aid. When coupled with the proposed 2.5

percent cap, it can potentially wreak havoc on municipal budgets and municipal services, especially in a recession.

We have unprecedented cuts in healthcare aid, especially for people who are receiving certain health benefits, especially senior citizens. We're seeing effects with State parks and libraries, two of the most widely used services throughout the state.

Today we learned a little bit about cuts that are going to be made in higher education. And it's ironic that we're here now. The NJ STARS program is going to be terminated after -- well, actually right now, as of this year. We have unprecedented cuts in community colleges and four-year colleges at a time when applications are through the roof for a New Jersey education.

We have cuts in numerous other areas, especially in the Department of Environmental Protection, which we heard about on Monday, which are going to affect some new bills, such as the Global Warming Response Act. It's going to affect how New Jersey is able to react and respond to its remediation program and cleaning up certain sites.

And it's fine-- From my perspective -- and I don't want to politicize it. But it's fine to have cuts, because New Jersey is, like the rest of the country, facing a real economic threat. And it's also fine to say that we're taking a very courageous stand. But I think when you take a courageous stand on cuts, you also need to take a courageous stand on revenue enhancements as well, and we haven't seen that.

So, Senator, thank you for giving me an opportunity to greet my constituents -- our constituents. And if you don't mind, from time to time I'll jump in where I think I need to.

SENATOR BUONO: Thank you.

On the subject of NJ STARS -- to the extent that people identify the subject that they want to talk about -- I'm going to call up two people: Samantha Popp, who wants to talk about NJ STARS; and Jean Pierce, the STARS program. Could you both come up?

Is Samantha here? (affirmative response) Come on up.

Do you want to start, Samantha?

**SAMANTHA POPP:** Hello.

My name is Samantha Popp. I am a student here at Middlesex County College. I will be graduating this semester with an associate's in psychology and an associate's in sociology. And in addition to that, I'm also President of the NJ STARS League here on campus. We're a really big organization on campus that is exclusively for scholarship recipients. And we try to really serve all of their needs by preparing them for the transfer process, but most importantly giving them a lot of community service opportunities to perform in our community.

And I really do want to talk about and emphasize the importance of the NJ STARS program, because it was implemented in 2005. And although it was small at first, it has grown really large. And Christie's new budget proposes cutting any incoming freshmen into this program. And I really want to talk about why that's really not fair.

First of all, personally -- and I'm sure a lot of other STARS can testify to this -- it has created an opportunity in so many different ways for all the students who are a part of this program. It's promoting higher education, it's motivating students in high school to attain their potential,

to really do as well as they can. And it's affording students an education, because it's making that education affordable, essentially.

I've read a lot of negative press about the STARS program, that it's draining the system -- that we're students who don't do well and we're draining the program. That's really, really not true. And I can say, as President of my League, that we have made it our mission to give back to the community. And we realize that this gift that we receive from the State is a really gracious, gracious gift. And we've made a lot of efforts to perform community service with educational charities, such as NJ SEEDS, to make sure that other students who are not as fortunate as us really have the opportunity that we do.

NJ STARS are really serving scholars, and we contribute very positively to our community. And by denying this program to new students, you're not going to have those really great students coming into community college anymore. STARS is really educating New Jersey, and Christie's cut is hurting that education.

And second of all -- and this is a really personal thing to me -- NJ STARS keeps the smart kids in New Jersey. When I was a senior in high school, I was actually offered a really big scholarship to go to a private, liberal arts college in Pennsylvania. And I denied the scholarship to stay in New Jersey. And the only reason I did that was because of the STARS. I wanted to still work, and pay taxes, and study, and do community service, and most importantly vote in New Jersey, because of the STARS program.

If Christie goes through with these cuts, kids are going to look other places for funds. And states like Pennsylvania, states like New York have a lot of money to give to kids -- to give to students, rather. And

they're going to seek that out instead of staying home in their community colleges.

So pretty much in conclusion, STARS really provides a lot of opportunities. My senior year, a friend of mine came up to me and said, "Samantha, I'm so happy I got into the STARS program, because if I didn't, I would not have been going to college." She would not have been able to afford college. The look in her eyes -- she was so happy.

And I really want to prevent that brain drain. I've met so many really smart, driven, intellectual kids because of the STARS program who would have looked elsewhere for education, but they stayed in New Jersey.

And personally, I can credit STARS with a lot of the professional, and academic, and personal growth that I've endured (*sic*) for the past two years. And I really hope that you will continue to fight for this program and afford students who are incoming in the fall the same opportunities that I was able to have.

Thank you.

SENATOR BUONO: Thank you. We're very proud of you.  
(applause)

MS. POPP: Thank you.

SENATOR BUONO: Jean.

J E A N M. P I E R C E: Thank you.

Good evening, Senator Buono, Assemblymen Diegnan and Barnes, thank you so much for having this forum here this evening. And although I'm not a constituent of yours, I am a resident of Middlesex County. I'm here, and you have my testimony, so I will try to be brief.

I'm a single mother, I own a home, I pay very high taxes. My taxes go up annually, a lot more than my salary does, and so it's difficult for me to maintain. I had an opportunity several years ago to move out of the state and opted to stay here, because I felt that my children would get a better education here and that they would be exposed to a wonderful and rich cultural diversity.

My oldest son is a graduate of the STARS program, actually Middlesex County College in '08. He graduated in the top 20 percent of his class at Woodbridge High School. My youngest, who I brought here this evening with me -- much against his will -- I have been--

SENATOR BUONO: He's trying to ignore you. He's looking the other way. (laughter)

MS. PIERCE: I have been pushing him, not that he needs to be pushed. He's an honors student. He has been consistently an honors student. He's currently well within the top 15 percent of his graduating class. He has one more year to go. And we were hoping, again, that he would have the same opportunity that his brother had, that he would be able to come to Middlesex College. I felt that my son got an excellent education here.

I want to echo what she has said here. It is a great program. These students are not bad students by any stretch of the imagination. They deserve precisely what they get here, and they take advantage of it. And I would encourage you to try to reinstitute that for those students who are not yet out of high school, because now they're going to have to try to get scholarships or grant moneys that may not be there as well. And so it may completely eliminate someone from going to college.

And so, again, I just urge you to find-- And I do have in my testimony some alternative revenue sources that you might want to consider in addition to the millionaire's tax, to try to bring revenue in. Because I think the Governor's wrong when he says we don't have a revenue problem. We have a revenue problem. And by not allowing -- or reinstating the millionaire's tax, that's, again, yet more revenue that you're losing. So that's not the issue here. We may be spending, but we're also not bringing in any revenue, and that's an issue.

SENATOR BUONO: Thank you both for coming. (applause)

MS. PIERCE: Thank you so much.

MS. POPP: Thank you.

SENATOR BUONO: Assemblyman Diegnan, did you want to say something?

ASSEMBLYMAN DIEGNAN: I don't know if you're all familiar with the STARS program. A few years ago there was another challenge to the program. And I'm happy to say that one of the things I'm most proud of in the Legislature is that I sponsored the bill to keep the STARS program alive.

The way it works is, the top 15 percent of your graduating class -- your particular graduating class -- you are guaranteed a free education in any of our county colleges. The President can tell you what a success it has been here at Middlesex County College. It is not at all unusual to run into a college president who will tell you that they had two kids, one of which had the opportunity to go to St. John's or whatever and decided to go to Middlesex County College simply because their parents couldn't afford to

send them to St. John's. It helps the kid, it helps the State, it helps the student body.

When you go and travel-- When I was head of the Higher Education Committee, other states said, "What a home run. Could we model it? Tell us about it." And now we're talking about eliminating it. It is just so counterintuitive.

Thank you.

You've always been there as an advocate of STARS, I remember, at the hearings down in Trenton.

But this is a grand slam homer with no downside. It costs very little money.

And then, by the way, there's the incentive to perform, because if you keep a 3.25 or above, you're eligible to go into the four-year public institutions. So why in the world would you eliminate it? It's really crazy.

Thank you for speaking.

SENATOR BUONO: Thank you.

I see Mayor Martin, Borough of Helmetta, is right there in front.

Mayor Nancy Martin.

**MAYOR NANCY MARTIN:** Hi, thanks for having me.

I'm not going to repeat what the prior mayors have said, because you all know how we all feel.

I want to bring to your attention that I am a tax collector, and the property tax reimbursement program is very, very important to our seniors. I deal with seniors who live only on Social Security and tell me

they don't eat, and that's really sad. I think that's a very, very important program that we need to keep.

Another thing I want to bring to your attention is, when the consolidation was taking place with Helmetta and Spotswood -- we're actually taking a little bit of the blame for this consolidation, which we had no part of. But I was told today by our prior board president that Spotswood actually lost an additional \$200,000 from Helmetta consolidating with Spotswood, when we were guaranteed they would not lose any aid through the regionalization. So I'm asking that that really be looked at and Spotswood be restored that aid. It's very, very important to our education system.

One thing I wanted to bring to your attention was the disappointment in the cut in aid. Helmetta has shared services for animal control, code enforcement, zoning, police dispatch, garbage, board of health, recycling, and we recently entered into construction shared services. We have cooperative purchasing for first aid, fuel, insurance, solid waste, and police computer services. You couldn't ask us to do anything more. We've done what the prior Governor had asked, we're doing what this Governor asked, and we still got a cut in aid. So I'm asking you to look at that also.

That's basically all I have to say.

SENATOR BUONO: Thank you, Mayor. I really appreciate you coming. (applause)

Next, I'd like to call Freeholder Blanquita Valenti.

And is Tom Seilheimer coming up with you?

**F R E E H O L D E R   B L A N Q U I T A   B .   V A L E N T I :** Bill Auer, the Chairman of the Commission for Persons with Disabilities.

**SENATOR BUONO:** And it's the large mike that amplifies your voice. (referring to PA microphone)

Welcome, William Auer, Chair of the Middlesex County Commission for Persons with Disabilities.

**FREEHOLDER VALENTI:** Thank you, Senator and Assemblymen, for holding this wonderful forum tonight. A lot of these problems are very (indiscernible).

As a member of the Board of Freeholders of Middlesex County, I'm the Chairman (*sic*) of the Department of Human Services -- older citizens -- Senior Services.

The projected budget cuts by the New Jersey Department of Children and Families will have a devastating impact upon many low-income people in Middlesex County, particularly persons with disabilities. This budget totally defunds our Middlesex County department of disabilities. It's been in existence 25 years. It's a one-person office that averages a minimum of 100 calls per month. It serves 120,000 disabled persons. And among other things, it eliminates certain bus services for senior citizens who depend on transportation for that.

In 2009, our office received over 1,300 calls from 896 disabled residents. And our office of information and referral services enables persons with physical disabilities, hearing impairments, visual impairments, and developmental disabilities to obtain services available in the community. And this is a very difficult maze to navigate, particularly for newly disabled persons.

The Director of this department coordinates the Barrier Free Assistance grant program to provide nearly -- over a dozen home modifications annually, including the installation of wheelchair ramps, bathroom and vehicle modifications for qualifying residents with disabilities.

Our office Director serves as the ADA -- Americans with Disabilities -- County Coordinator who is responsible to coordinate the efforts of the county to comply with Title II and investigate any complaints indicating there has been a violation of the provisions of the Act. Also, this Director provides outreach to persons with disabilities, including participation in numerous community forums, presentations, trainings, and outings; including presentations and training for Rutgers University and Middlesex County College students and caseworkers in our County's Adult Protective Services program.

The operating budget funds a very modest summer campership stipend for children with disabilities and supports an annual, overnight camping weekend at Kidde Keep Well camp for adults with disabilities. It also organizes and facilitates the well-received annual holiday shopping event for disabled persons at Brunswick Square Mall in East Brunswick.

In cooperation with the NJDHS Division of Developmentally Disabled and the community-based provider agencies, it hosted the Middlesex County Family Forum in June 2009. Since then, we have provided support to the Middlesex County Family Action Steps Team to aid DDD clients and their families on the DDD waiting list to find existing services in the community.

He also cuts Central Jersey Legal Services by over \$80,000. And they have already laid off 10 people recently because of their reduced IOLTA funding. And the Governor's proposed budget calls for a \$9.7 million reduction over and above that in Legal Services funding statewide. The Middlesex County Division's share is over \$500,000, which will mean an additional six people eliminated. Four positions are likely to be attorneys and paralegals, resulting in an additional 20 percent reduction in services to Middlesex County clients.

Cutting the Housing/Welfare Unit in half will reduce the ability to serve clients by 50 percent.

It also cuts by 50 percent the grants that are being received in the Latino community -- to the Puerto Rican Association for Human Development in Perth Amboy that serves Perth Amboy and its surroundings, as well as the Puerto Rican Action Board in New Brunswick, New Jersey -- the greater New Brunswick area.

SENATOR BUONO: Freeholder, I apologize. Could you--

FREEHOLDER VALENTI: Yes.

SENATOR BUONO: I see you have a lot there. Can we have a copy of that? We have a copy, right?

FREEHOLDER VALENTI: Yes, we left the copies on the desk.

SENATOR BUONO: And I assure you everyone will get a copy and it will be incorporated into the record.

FREEHOLDER VALENTI: Please do. And in closing, I want to turn it over to Bill for a minute.

SENATOR BUONO: Bill.

WILLIAM AUER: Thank you, Freeholder.

Thank you for the opportunity to speak tonight.

As Freeholder Valenti already mentioned, the elimination of the Middlesex County Office for Persons with Disabilities is going to affect over 100,000 people. Newly injured people, people who are newly disabled will be affected, people like she said who are physically disabled, emotionally disabled, hearing, or sight disabled -- people who have questions and answers that -- they need to go through the terrible maze of the governmental rules and the maze of all the problems that they have -- the services and the programs that are available. The first place they go to is the Middlesex County Office for the Disabled. And if that's eliminated, it's going to have a devastating effect on people of Middlesex County. So I ask you to think twice. Think outside the box, and think of other places where things could be cut and not the Office for the Disabled. Middlesex County is one of 20 offices in the state that have this office, and we need to keep it to maintain the stability of the people -- for the people with disabilities.

FREEHOLDER VALENTI: Thank you very much. (applause)

SENATOR BUONO: Thank you very much.

I'd like to call up Margaret Chester, Middlesex County Department of Senior Services, to discuss senior cuts.

MARGARET R. CHESTER: First, let me say thank you to Senator Buono, Assemblyman Barnes, and Assemblyman Diegnan for holding this budget hearing on the proposed budget and the potential cuts to the public.

I'm here specifically tonight because of my concerns for the seniors in Middlesex County and across the state. I've been in senior

services since 1970, and I don't ever remember a State budget that could adversely affect seniors so directly.

Middlesex County has approximately 130,000 seniors over the age of 60, and 40 percent of them are over the age of 75. In 2009, about 55,000 seniors and their caregivers called my office looking for assistance. And I can tell you the way it's going this year, we're going to have even higher numbers.

Just to put some meat on the bones of the two people who addressed senior services earlier, the average Social Security benefit for New Jersey seniors is \$14,285 per year for an individual. In Middlesex County, it's only \$300 higher than that. Now, when you think about it, you can probably not even get a good, used car for that. And people are trying to live on that for a year.

To get a better perspective of what this means, one in every four seniors in New Jersey relies on Social Security solely as their income. So that \$14,000 is doing it all for them. In Middlesex County, that equates to about 32,500 people who live on \$1,487 or less. I think you all have to agree that elders in Middlesex County can't make it in our county on that amount of money.

The New Jersey senior property tax freeze, as someone has mentioned, has helped keep many people in their homes. If the freeze is eliminated, on average it will raise their annual cost of living by \$1,042. So take that off the \$14,000. This will probably be higher, because, like everyone, their property taxes will raise as the State reduces support to municipalities.

For seniors and disabled individuals with income under \$24,432, the co-pay changes to the Pharmaceutical Assistance Program, usually called PAAD, will raise their cost of living by about \$430 a year, and another \$310 in annual Medicare Part D premium payments that they have to pay before they even get on to PAAD. This will result in a 24 percent reduction in what they get under the PAAD program. That's direct to them, out of their pockets.

In recent years, Federal, State, and county government has worked to widen access to community-based, long-term care and rebalance that care so that people don't have to go into nursing homes at earlier times. The Personal Care Assistance program is targeted for reduction, and this will directly impact 29,000 senior and disabled persons across New Jersey; 2,156 of them live in our county.

A reduction in reimbursement for services will hurt the most vulnerable of our residents because it will reduce the number of experienced and qualified providers who are willing to do the job. A weekly rate for PCA services, for the average of 15 hours of client care at home, is about \$242.25, while the cost to Medicaid if someone goes into a nursing home will be about \$1403 a week. Any savings in the Governor's budget will be wiped out if only 186 of these people have to be placed in nursing home care. Again, with no Social Security cost-of-living increase in January, seniors on fixed incomes don't have more money to be able to put out for added costs. And this is not typically a group who can go out and supplement their income with a job. Everyone's finding it hard to find a job, and seniors especially.

We've already seen municipalities reduce services to seniors with layoffs of senior center staff, imposed furloughs, reduced hours of operation. They've eliminated programs or imposed fees for programs because of the loss in State aid.

I recognize you all have hard decisions to make because it's hard times. But I'm looking to you as our representatives to represent the seniors of our county. I'm asking that you work to eliminate the budget cuts that directly hurt vulnerable seniors and the disabled who have worked hard all their lives, raised their families, supported the American way of life, and only now in their golden years are they looking to the government for some small amount of help. Cuts in these programs will only add to the number of seniors who will be aging into poverty rather than aging with dignity.

Thank you very much. (applause)

And I have a copy of this.

SENATOR BUONO: Thank you.

Now I'd like to call up a group of young men. They all-- Let me just say who they represent. They represent Project Connections, which provides direct services to students with learning disabilities. And they're all in the program. It's Nicholas Tancredi, Brad Becker, Modesto Jogua.

Do you pronounce the *J*? (affirmative response)

And John Kane.

I also see that there is an Ashley Sawyer who was not on this list but is also for Project Connections.

And Tim Kolteridhn.

And before you speak, you may want to just say your name again. Why don't you start? We'll start at this end. Say what your name is, if you would.

**NICHOLAS TANCREDI:** My name is Nicholas Tancredi, and I've been a student at Middlesex County College since the fall of 2007. I primarily came here because of Project Connections, which has helped me tremendously in English and math.

When I first came here, I had a problem with writing papers, putting an argument together. But through help with Project Connections, through tutoring, I have become so much better in doing that. The one thing that I think has done that for me is that I can go into a tutor's office -- people that you get to know after a while -- and you can stop in without having to make an appointment. They have appointment times. But I don't find anywhere else on this campus where you can just go into somebody and get individualized attention like that.

That has helped me for three years now. I have a 3.6 GPA. I'm taking an honor's course in the fall, and I'm being inducted into Phi Theta Kappa at the end of the month.

**SENATOR BUONO:** Congratulations. (applause)

**MR. TANCREDI:** I feel that if we lose this program, we are being selfish to kids who are going to come in here with learning disabilities who won't have the same opportunities as I did. And I believe that in a country where we support higher education -- for a President who says everyone should be educated -- that it is a shame that someone will not get the same chance that I did.

Thank you.

SENATOR BUONO: Thank you. (applause)

**B R A D B E C K E R:** First off I'd just like to say thank you for giving me this opportunity to speak.

SENATOR BUONO: Your name?

MR. BECKER: I'm Brad Becker.

SENATOR BUONO: You're Brad Becker.

MR. BECKER: And I've been a student at Middlesex County College -- this is my second semester here -- and I'm also part of the program, Project Connections.

I have a specific learning disability, as well as a physical disability. So the adversity in my life is on a higher scale than most. So Project Connections benefits me because I did not know the potential that I had to learn. I'm 19 years old, and I'm doing basic math. That's the honest truth. I study really hard, and I'm determined to have a future, because without education, I'm nothing.

Project Connections helps me in such a way -- as well as a lot of other people -- because they help us -- everyone in that room helps us unlock the potential that we never knew we had. With the endless support of all the tutors -- especially my math tutors -- it's given me the confidence to be a better person as well as a better student. I know, through all this adversity, I can some day make a difference, even though I do have two front challenges -- as I like to say -- physically as well as learning. I try to look past that and try to motivate other students, as well as myself, to know that we're not alone in all this.

And if you take this away, you're taking away a structure that has proven to work. Even though we're learning disabled, we are still

human and we're also determined. We want the same opportunity as everyone else.

Again, if you take this away, then you're really telling a bunch of students, as well as future students, that there isn't a whole lot of opportunity. And I really don't want to see that happen. Because Project Connections has done so much for me. And I've only been here for two semesters. But to go to them and tell them, "Thank you for all the support," really makes a difference in my life.

Thank you for your time. (applause)

SENATOR BUONO: Your name?

**M O D E S T O A N T O N I O J O G U A:** I'd like to thank you, Governor (*sic*).

SENATOR BUONO: Governor? No, no, you gave-- (laughter)

ASSEMBLYMAN DIEGNAN: Don't get ahead of yourself.

SENATOR BUONO: Can you say what your name is?

MR. JOGUA: My name is Modesto Jogua.

SENATOR BUONO: So you don't pronounce the *J*. That's what I thought.

MR. JOGUA: Yes.

I'm a graduate from East Brunswick High School. I graduated in the top 15 percent of my class, and I was capable of joining NJ STARS, but unfortunately I was in remedial classes. And I came here in order to join Project Connections, because I didn't think I would get the proper funding.

Project Connections helped me get past my remedial classes. It is very hard for me to read. And without Project Connections, I would

undoubtedly be failing all my classes. I confuse words, I get everything mixed up. And it is-- And without Project Connections, I would not be where I am now. Because of Project Connections, I am actually going to join NJ STARS in the upcoming semester. And I believe that you guys call it the Higher Education for Special Needs budget. If you cut that out, Project Connections isn't the only thing that gets cut. You're cutting out the other seven places that give us this type of support.

Without Project Connections I'd be lost. And I don't want to see someone who struggles just like me, who has the potential to succeed, be shut down because their budget is cut. They're saying, "Yes, you can go to college, but you won't get the help you need. You'll have to struggle along, and you'll fail." And what will society say? Society will say, "You dropped out. You were the failure." And I don't want that to happen. I don't want to see someone fail. I only want to see them succeed, as Project Connections has helped me.

SENATOR BUONO: We're listening to you. I'm just looking at the budget to see how much you were cut. That's the only reason I'm looking away. But your testimony is riveting, I will say.

MR. JOGUA: And, again, I'd like to thank you for taking the opportunity to listen to me. (applause)

SENATOR BUONO: Thank you.

Tim.

**TIM KOLTERIDHN:** Before I begin, I just want to say thank you for giving me this opportunity to speak.

As you know, I'm Tim Kolteridhn. I'm a student at Middlesex County College, and I'm also in the program Project Connections. I have a

specific learning disability. So in this -- the most difficult class for me is any type of English or reading class. When it gets down to it, I just simply can't get down to the main point. The teacher will say, "Can you read this article and just say, in one sentence, what the main point is?" I will read that article, like, seven times and I won't get it. I honestly feel like a person who can't succeed.

But when I heard the Middlesex had this program, I was overwhelmed with joy, literally. And now, looking back, I'm really glad that I came to this school.

The help of my English tutors -- the fact that they understand, they know -- they take the time and they point out my errors in my writings, which then helps me avoid these areas, potentially, in the future.

And the last thing I want to say is that if this -- if Project Connections isn't supported by the government anymore, it's going to make my academic career virtually more difficult than it really has to be.

Again, I just want to say thank you for giving me this moment to speak.

SENATOR BUONO: The proposed budget, just so you know, zeros it out. It's only a million dollars. So we're listening.

MR. KOLTERIDHN: Again, thank you very much. (applause)

SENATOR BUONO: Are you Garry Kane?

J O H N K A N E: John. That's my father. He wanted to speak but he had to leave.

SENATOR BUONO: Oh, I'm sorry.

MR. KANE: I'm actually a graduate of Middlesex County College. I came back to speak on behalf of Project Connections.

SENATOR BUONO: And you live in Livingston.

MR. KANE: Yes. I decided to come to Middlesex County College because of Project Connections and my learning disability. I commuted 40 minutes a day there and then 40 minutes back just for the program itself. It was a great help. I had problems writing papers, reading, just like everyone else said here. They gave me guidance, taught me how to use my disability and help -- to use it in college to succeed. I ended up graduating Middlesex last year with a 3.9 and a full ride to William Paterson University, where I am now. (applause) I don't think I would be where I am now without the support of Project Connections in the beginning of my college education. It would be a shame to see future people, and the people in the program now, not have it because of budget reasons.

So I just wanted to come. Thank you.

SENATOR BUONO: Thank you. You all have a future in public speaking, I will tell you that. You were just very eloquent, all of you. Really, thank you for coming.

ASSEMBLYMAN DIEGNAN: Good job. (applause)

SENATOR BUONO: Adrienne Eaton, Rutgers AAUP-AFT. She wants to talk about Rutgers' budget.

And Pat Nolan. (phonetic spelling)

**A D R I E N N E E. E A T O N:** Thank you, Assemblymen, Senator -- and particularly thank you, Assemblyman Diegnan, for all of your incredible support for higher ed over the years. We really appreciate it.

I'm here from the Rutgers AAUP-AFT -- the President of that organization -- which represents 2,500 faculty members and 1,700 teaching

and graduate assistants at Rutgers -- at all three campuses -- and I think about 30 EOF counselors as well.

We fully understand that the State budget has very serious problems -- that there are very serious financial problems and limited resources at this point. But the proposed cut for next year for Rutgers is one more chapter in the long-term disinvestment of the State and the University. And I think that's the emphasis that we want to put on tonight.

For example, in 2001, 45 percent of Rutgers' budget actually came from State funding. Last year, only 26 percent of the University's funding came from the State. It's an enormous drop in a relatively short amount of time. And that had been preceded by several years of drops as well.

You may argue that New Jersey is typical in this disinvestment of public higher education, but that's not completely the case. I spent Monday and Tuesday at a higher ed conference where there was a lot of discussion of disinvestment of public higher ed. But one presenter actually made a very interesting presentation using data from all of the states in the country and showed that 12 states -- all large, important ones that we hear a lot about -- have reduced their contribution to higher ed recently. But more have actually either kept it flat or increased their investment. And among the handful of states with the greatest long-term drop in state support for higher ed was New Jersey. In fact, by some measures, we're now 43rd in the country in terms of state support for higher ed. In other measures we're actually even lower than that. We are below Mississippi-type support for higher education.

So I want to say that even in good times Rutgers' budget has been cut. I've been at Rutgers a little more than 20 years, and I can count on one hand the years when my unit, the School of Management and Labor Relations -- the State portion of my budget was not cut. We have, in my school, no State dollars for anything but faculty salaries and some staff salaries. We have no State money for phones, for copying handouts for students, for IT staff support for data sets, for computer software, for furniture in our building, actually.

Now, I'm lucky in that I teach in a professional school that has the opportunity, the willingness, and ability to develop successful, off-campus programs for undergraduates and graduates around the state, for revenue-generating training programs for human resource and labor relations professionals. So we've actually been able to replace some of the State support through these other means, and that's okay. But it does mean that our world-class faculty are pulled away from teaching undergrads. In my program, about 50 percent of the teaching of undergraduates is actually done by part-timers. And, again, that's okay sometimes. In a professional field like mine, students can learn a lot from part-time lecturers. But part-timers aren't paid, and don't have the time, to develop curriculum, to work with students one-on-one, to meet with students to discuss their futures, to think about and talk about -- with other colleagues -- new teaching strategies.

Other units are not as lucky as mine. In the School of Arts and Sciences -- the largest unit at Rutgers, in terms of faculty and students -- many faculty no longer have phones in their offices and must pay for their own copying. There have been cuts after cuts to clerical staff. I just wonder

how long we can continue to be proud of our State University where faculty don't have phones. E-mail is great, but students actually need to talk to faculty from time to time on phones.

And then there's the physical facilities. And I imagine all of you have been on Rutgers' campus and have seen HVAC systems that are ancient, buildings that are too cold or too hot to work in and to learn in. Last week, in my own building, we had no air conditioning. It was 90 degrees outside. Students were melting, falling asleep in class because it was so hot. This week we're cold, not surprisingly. (laughter)

In other buildings, teachers teach in classrooms where ceilings have fallen down. And, again, I wonder how long we can continue to be proud of a State University with crumbling physical facilities and inadequate staff to fix them.

So we know the budget situation is tough, but I want to say that even in tough times, companies, and families, and nations, and even states continue to make investments. And we think of higher education as an investment in the future. State funding to Rutgers, and also student aid -- which we certainly support as well -- is an investment in the human capital of the state. We will have more New Jersey students educated more quickly -- some of the wonderful students we've heard from tonight -- prepared for work and citizenship; both traditional age undergraduates, but also returning, older adults. Retooling and upgrading Federal labor market -- extremely important in these hard times.

SENATOR BUONO: I apologize. I have to interrupt you.

MS. EATON: Okay. I'm just going to say one more thing then. It's also an investment in knowledge creation for the State, the country, and the world.

I'll stop there.

SENATOR BUONO: Thank you both. (applause)

Next, Michele Jaker, Planned Parenthood Affiliates of New Jersey; and Phyllis Kinsler, Planned Parenthood of Central New Jersey.

**MICHELE S. JAKER:** Thank you, Senator.

Thank you, Assemblymen, for having us.

My name is Michele Jaker, and I represent both the Family Planning Association of New Jersey and the Planned Parenthood Affiliates of New Jersey. I come here tonight as a resident of Middlesex County and on behalf of the thousands of women we see in Middlesex County who are going to lose services and have absolutely no place to go.

The Governor's proposed budget calls for the complete elimination of State funds for family planning services in New Jersey. The total elimination of the \$7.5 million budget line is absolutely devastating to critical women's healthcare services. If the funding is not restored, we have estimated that we will not see 40,000 patients next year that we saw this year. We'll have to close health centers, we'll eliminate programs all together, and over 100 staff members -- mostly nurses and medical professionals -- will lose their jobs.

Adding insult to injury, we learned a week after the Governor released his budget that the administration withdrew a Federal waiver application, which would have allowed us to leverage Federal dollars for family planning services. It would have required that the State kept part of

the budget line in tact. We thought \$1 million would allow us to leverage \$9 million Federal dollars to continue to provide family planning services. So this makes absolutely no sense, financially. It's widely known that for every dollar that you spend on family planning, you'll save \$4 in other programs. So the elimination of the \$7.5 million budget line just means that you're going to have to spend up to \$30 million in Medicaid due to increases in unintended pregnancy costs.

The Department of Human Services is coming before the Senate Budget and Appropriations Committee tomorrow. And we hope that these questions are asked: Why did they walk away from \$9 million in Federal funding? Why did they-- How do they plan to pay for the \$30 million that they're going to have to spend in Medicaid? It simply doesn't make sense. We understand that it's tough financial times -- unprecedented. But taking away basic reproductive healthcare services-- Last year, our agencies saw over 136,000 women and men. They did over 70,000 breast exams. Over 4,000 of those turned up something that needed to be further evaluated. They did 65,000 pap tests. They did STI testing. They did basic GYN care for women who have absolutely no place else to go. And that's what this funding line funded.

So we come here tonight-- And I want to give Phyllis, who runs Planned Parenthood of Central New Jersey, an opportunity to talk about Middlesex County. But we ask you to do everything that you can to restore some funding for family planning, and investigate Federal -- move forward on the Federal waiver that will allow us to bring down all of this Federal money.

SENATOR BUONO: Thank you.

Phyllis.

**PHYLLIS KINSLER:** Thank you.

Good evening.

I want to thank you. And I'm going to risk a few seconds, because I have to thank you particularly, personally, for your interest and for hiring staff that we hear have been so responsive to the constituents who've called you -- and so respectful. So we really appreciate you guys staying on top of it and having staff who do the same.

I'm the President and CEO of Planned Parenthood of Central New Jersey. Our agency provides reproductive health care, community-based education, and professional training programs throughout Middlesex, Monmouth, and northern Ocean Counties. Our health centers in Middlesex County are located in New Brunswick, Perth Amboy, and Spotswood.

These are absolutely challenging times for all of you who are trying to make policy and legislation in New Jersey. We recognize it's harder than ever for you to balance your concern for the people of New Jersey, especially the most vulnerable citizens, with your need to be fiscally responsible. And I hope to be able to persuade you that reproductive health is more of the solution than a problem for your budget considerations.

As a healthcare provider, I speak for our patients. In 2009, we provided health services to almost 16,000 individuals: 15,600 women and 350 men; 6,319 of those patients received services at a Middlesex County health center. Ninety-one percent of them had family incomes at or below 150 percent of the Federal poverty level. And to make that number real, it means an income of \$22,051 for a family of four in central New Jersey.

The majority of our patients are young adult women ages 20 to 29 working as hairdressers, restaurant workers, retail clerks, office workers, other jobs that don't provide health insurance. They sometimes barely live from paycheck to paycheck, afraid that any illness or emergency expense will jeopardize their ability to support themselves. Many are also students who are working and preparing themselves for what they hope will be a better job that offers them the stability to afford a healthy, planned pregnancy at the right time in their lives.

In 2009, we performed 10,275 pap smears and 7,900 clinical breast exams. Eleven hundred of those pap smears, 279 breast exams identified a condition that needed additional medical care. These women -- your wives, your sisters, your daughters, your friends -- received care before a medical need became a medical crisis. And that's what reproductive health care does, and that's what's at stake.

I also need to speak as the CEO of a small business, somebody who Governor Christie seems to say he wants to help. I employ 49 New Jersey residents; I rent facilities from three New Jersey landlords; I purchase custodial, and snow plowing, and maintenance, and printing, and services from more than 30 other New Jersey small businesses. The loss of our State revenue means family planning services -- will mean layoffs, reduced schedules for my staff, sending more of them to unemployment, Medicaid, and charity care. Reduced hours are going to be a financial hardship for our vendors. And the reduced or terminated services for clients of other community-based organizations will negatively affect them.

Finally, as a taxpayer, I am frustrated and I am angry that New Jersey is going to spend more money on Medicaid and family support

services than it saves in family planning grants. (applause) From the day I moved to New Jersey in 1986, I've listened to politicians complain that New Jersey does not receive enough Federal money. I find it incredible that our Governor has decided to forfeit Federal Medicaid funds to provide subsidized health care to our poorest working women and that his budget jeopardizes millions of dollars of Federal family planning grants. Reducing services makes us less competitive in our region for Federal Title 10 money that's leveraged.

The reproductive health care provided by New Jersey's family planning agencies is a win-win for New Jersey. The Governor's budget in Medicaid strategy is a lose-lose. You need to act not just in spite of our financial crisis but because of it. We can partner to address those problems on both the human and the financial side. We can and we must do better, and I know you're going to try to do that for us.

Thank you.

SENATOR BUONO: Thank you. (applause)

ASSEMBLYMAN DIEGNAN: The Federal waiver that you're talking about -- is this time sensitive? I mean, have we lost the opportunity?

SENATOR BUONO: He withdrew it.

MS. JAKER: It was absolutely devastating. We were at the final stages.

ASSEMBLYMAN DIEGNAN: But I mean, can it be revitalized?

MS. JAKER: It can be revised. And actually, Federal healthcare reform was passed the day before they withdrew the waiver

application. In Federal healthcare reform, it makes the process much easier and allows you to do a State plan amendment for Medicaid.

ASSEMBLYMAN DIEGNAN: But it requires the Governor's signature?

MS. JAKER: It's at the State's discretion. So it requires-- We will look into whether you need legislation to do that.

ASSEMBLYMAN DIEGNAN: Let us know if we can--

MS. JAKER: Thank you very much.

SENATOR BUONO: Thank you. (applause)

Mario Vargas, Puerto Rican Action Board New Brunswick.

How are you?

MARIO S. VARGAS: Excellent, Senator.

SENATOR BUONO: Good.

MR. VARGAS: Thank you.

Good evening, Senator, both Assemblymen. Thank you for taking the initiative and affording the residents of Middlesex County the opportunity to express the despair that Governor Christie's proposed budget will create if enacted in its current format. I hope that by listening to each and every one of us, that you guys are encouraged to do something. And whatever we can do to support you, let us know.

SENATOR BUONO: Thank you for coming.

MR. VARGAS: Thank you.

Tonight I'm here really testifying before you in two capacities: as the Chairperson of the Hispanic Directors Association of New Jersey; and as the Executive Director of the Puerto Rican Action Board, in New Brunswick, here in Middlesex County, which is a community-action agency

that represents -- that serves, actually, all low-income and moderate-income residents in central New Jersey.

Despite the name and despite the fact that the Hispanic Directors Association brings together Hispanic community-service agencies, we serve approximately, throughout the state, 700,000 families, 40 percent of which are non-Hispanic.

SENATOR BUONO: Oh, I know. We send a lot to you.

MR. VARGAS: Yes, you do.

Locally -- at the New Brunswick level, actually -- 63 percent of those we serve are non-Hispanic. So the name is just a name, as I always say.

Needless to say, the dramatic proposed budget cuts are going to impact us dramatically. In particular, there are three cuts that I want to bring to your attention, and that is the Center for Hispanic Policy Research and Development at the Department of -- DCA. Governor Christie's proposed budget calls for a total elimination, \$3.6 million, that really provides an amazing amount of funding for over 30 agencies throughout New Jersey, of which -- in Middlesex County there are two of them. We use that money to leverage other funding from DYFS. DYFS just called us for the Social Service Block Grant saying that there will be a 50 percent cut in that. Therefore, when you combine these two cuts, it really eliminates a lot of the programs. In total -- I did the math -- and it's approximately 368 employees. And I had someone do the math and say, "If this goes forward, what will be the unemployment insurance that needs to be covered?" And guess what? It's \$5.7 million. So in cutting \$3.6 million, you're actually spending \$5.7 million. That doesn't make sense. And that \$3.6 million

actually leverages \$8 million in additional funding, because you're required to have a matching fund. So this simply doesn't make sense.

In addition--

SENATOR BUONO: A lot of this doesn't. (laughter)  
(applause)

MR. VARGAS: It does not.

Because we tried to analyze it from every angle. And I met with the Commissioner from DCA, I met the Commissioner of DHS, and I'm meeting with the Commissioner of DCF.

SENATOR BUONO: The new ones?

MR. VARGAS: Yes -- well, the acting. Let's be correct, the *acting*. (laughter)

And no one can tell me the actual analysis of what these cuts -- what the impacts are -- the unanticipated cuts (*sic*) are. No one knows. And when the questions are asked, no one can say what the impacts are, just proposed cuts.

Just to give you one final example: They are proposing a \$5.2 million -- to reform the copayments for after-school and summer child care. And this will heavily impact the wrap-around programs associated with preschool in special-needs districts. From the beginning, this extended-day service assured that working families who could not comply with a 9:00 to 3:00 school schedule could still enroll their children in preschool. Any reduction in this program would be a major blow to the working families of 55,000 children enrolled in preschool -- depending on how the Department of -- DHS implements these cuts. So depending on how they do it, tons of families are going to be impacted.

And I request that DHS does not change the wrap-around program and does not seek to have working parents pay for extended-day services. Because, obviously, we're encouraging them to work, but yet we're taking away the services that could help them do that.

So I respectfully request that elected officials restore -- fully restore the \$3.6 million, because it's actually a savings to the State; and also restore the cut for DYFS because it, again, saves money for the State. Because these families who are walking in our doors are going to go somewhere. They're going to end up in the emergency department, they're going to end up in DYFS as a case, which then the cost is heavier to help them than if we provide the help up front.

Thank you.

SENATOR BUONO: Thank you.

Now, you gave your testimony at the beginning. Didn't you hand it out to the folks at the front desk? Because I wanted to use it tomorrow. (applause)

MR. VARGAS: Actually, I chopped it up, so I can easily e-mail this to Anthony.

SENATOR BUONO: Yes.

MR. VARGAS: Yes, I can e-mail it to Anthony because I chopped it up and all that.

SENATOR BUONO: Great. Thank you. We appreciate your testimony. (applause)

Ellen Whitt, wanting to speak on education, from John Adams Middle School, in Edison. (applause)

ELLEN WHITT: I'm here as an individual.

My name is Ellen Whitt, and I have been a teacher and librarian in the Edison School District for the past 10 years. In 2007, in fact, I was one among others who was selected as Teacher of the Year in my school. However, last week I was informed, along with many others, that my job in John Adams Middle School may be eliminated.

Prior to my notification of this, which -- the School Board of Edison had already decided to eliminate a minimum of 131 positions. That was being explained earlier, but that's the point that they're at right now -- is 131 positions confirmed, the majority of which are teachers.

These cuts eliminate teachers at every level -- from elementary, to middle school, to high school -- making class sizes larger. It eliminates full-day Kindergarten, Spanish programs, and many extra curricular activities. The rationale for these massive cuts is based on Governor Christie's proposed State funding cuts to Edison of 55.8 percent, or nearly \$10 million. And it was mentioned earlier that there is additional funds due to the cuts from this year, which really comes up to at least \$12 million.

And these cuts are not alone. On top of them, there are massive cuts on public libraries, higher education, New Jersey Transit, local municipalities, and State workers. These cuts mean loss of jobs and programs that working people and their children depend on every day, and they will wreak havoc on our local economies and working families.

In my opinion, those advocating for these draconian cuts hope to force them through rapidly, while New Jerseyans are still in shock and before we are able to see the magnitude of these cuts and their impact on our daily lives.

The campaign for these cuts through the media are designed to pit working people against each other, blaming and arguing to cut these people's jobs and benefits over those people's jobs. Recently it has become fashionable to scapegoat teachers. Tomorrow it will be someone else.

Meanwhile-- Actually, in my opinion -- actually both the Republicans and the Democrats allowed a tax on those earning over \$400,000 per year to expire, depriving the State of at least \$1 billion in revenues; revenues that alone could have covered, for example, the State's education funding or other programs, as has been mentioned earlier. Effectively, this meant that -- in my opinion -- both parties decided to let the economic crisis be solved on the backs of working people. And I think this needs to be addressed and turned around. Meanwhile, on the national level, the national government continues to spend 36 percent of all Federal tax dollars on the war budget and funding military corporations.

Now, the current cuts have yet to be approved by the State Legislature. They are not inevitable. Christie is not king. (applause) But as these draconian cuts are being proposed, I'd like to know where is the vigorous opposition inside the State Legislature? Up to now, we have not seen this -- at least it hasn't been reported. No one can allow Christie to just continue without challenging him, or hide behind him while working families suffer.

So, in my opinion, the Legislature has a responsibility to stand up, right now, against these cuts. And the rest of us need to recognize that a larger thing is at stake: the very existence of public education, of public libraries, of public parks, of public universities. Some, I think, view this crisis as an opportunity, an opportunity to privatize the public sector for

private profit. So let's not allow this to happen. We need to organize around this fight and oppose a tax on the standard of living of working people.

Thank you. (applause)

SENATOR BUONO: Thank you.

ASSEMBLYMAN BARNES: Senator Buono.

SENATOR BUONO: Yes.

ASSEMBLYMAN BARNES: As a graduate of John Adams Middle School, I'd like to--

Respectfully, if you want the vigorous opposition, I invite you to come down to either the Senate or Assembly Budget Committee. You will see vigorous opposition every Monday and Wednesday. So respectfully to you, you haven't followed the papers and you really haven't attended any meetings, because we are very vigorous and enthusiastic.

SENATOR BUONO: Absolutely.

MS. WHITT: Thank you. (indiscernible) (speaking away from microphone)

SENATOR BUONO: Well, we can't control that, unfortunately.

I have about six people who all want to speak about budget cuts to the libraries. If you could come up together: Elaine Kessler, from East Brunswick; Chris Carbone, New Jersey Library Association; Cheryl O'Connor, INFOLINK Regional Library Cooperative; Irene Goldberg, Monroe Township Public Library; and Daniel O'Connor, Rutgers Library School.

Why don't we start with you? I didn't realize it was the Library School.

**DANIEL O. O'CONNOR:** Sure.

Like the other speakers, I'd like to thank you for this opportunity to hear from our citizens.

My remarks today are to address the proposed dismantling of the New Jersey Library Network. Twenty-five years ago I served as a member of the steering committee of the a New Jersey legislative initiative -- County and Municipal Government Study Commission -- which created multi-type library cooperatives in order to achieve economies of scale by allowing public libraries, school libraries, college and university libraries, and corporate libraries to work together to serve the citizens of our state.

I won't go into how efficient those operations are. I'm sure these other speakers can do that. But with flat budgets years after year, the library network could not fulfill all of its objectives. Their anemic funding did not allow them to get access to high-end patent databases or pharmaceutical journals to assist emerging businesses which could not afford their own libraries. Some of those databases cost over \$600 per contact hour. These are very expensive, high-end sources. We have a lot of start-up pharmaceuticals in this state that could have benefited from that type of business-information center.

We had a knowledge initiative a few years ago with -- Assemblyman Diegnan is well aware of it. And Jane Oates told me at one meeting -- I had been head of the Rutgers AAUP union and the State AAUP -- told me that sharing expensive journals online, across government-funded institutions, was seen as an end run around local budget, and they killed the

money for that program. Thus, the earlier Municipal and County Government Study Commission initiative to have multi-type cooperatives was now thwarted by later government who misinterpreted the intent of multi-type library cooperation.

So we tried another approach. Four of us visited the office of former State Treasurer John McCormac and asked his staff representative if we could fund online journals from a tax on retail magazine sales. Whenever we approached Trenton, they would say, "Find your own revenue stream." So we thought, if a person went to a store and bought a copy of the *TV Guide*, the tax on that would go to fund online journals that would benefit the citizens of the state. No action was taken during that gubernatorial administration, but the next administration instituted that tax and put the money into general revenue.

When the State Library moved from the Department of Education -- that's where it originally was with the network -- it went to Thomas Edison College. Some of us said, "Why Thomas Edison? Why not Rutgers, why not Montclair, why not William Paterson?" Today we ask that same question. If Thomas Edison College and the State Library were separated -- if that initiative was separated -- then could the Library components go to OLS? At one time OLS was part of the State Library. Could they go to NJEDge, could they go to some other entity within the Executive or Legislative Branches?

Currently, there is a long-term program at the State level, that's well-defined in the Administrative Code, that says that per capita State aid to each local public library is based upon their adherence to standards --

library standards. I've been teaching at Rutgers for 35 years. In the Library School, those standards are well known to us.

Last week, as I understand it, that money was moved to the Department of Community Affairs without the intended information about the libraries adhering to the standard. Therefore, there's already been a preemptive move, in the name of revenue sharing, to circumvent money that had a direct purpose. So you might guess that we're not a strong field if we can't get a lot of funding. We're not a field that's well-organized, like State workers, local teachers, or the AAUP at Rutgers. Our librarians earn reasonable salaries, our individuals hold master's degrees. And from past budgets we can assume that we can't get heard. And in this time this year, it's impossible for us to get heard, given what we've heard today with all these other stories.

So let me finish by just telling you what's going on in some other states and in some other countries. They are investing in high-tech information. They're developing strategies. They've got the foresight to be strategic. And what they want to do is expand their economies at the expense of other economies, and that's how competition often works. But we're not doing that in New Jersey. We're not business friendly, because we're not providing them with the knowledge initiatives, the high-end databases, and the other things that libraries had been providing at a lower level that would expand businesses and help our workers continue to get the education they need to be an intelligent workforce.

Thank you. (applause)

SENATOR BUONO: Thank you very much.

Irene Goldberg, Monroe Township Library.

**IRENE GOLDBERG:** Right.

I work in Monroe Township Library, I'm an East Brunswick resident, so I do have a reason to be here. And I thank you for this opportunity.

I want to talk a little bit. Dan spoke to you about some more government details. I want to talk to you about what's going to happen to the people, the residents, of Monroe. Governor Christie's proposed 74 percent cut to library funding is devastating to our state. The New Jersey State Library System of Interlibrary Loan, which provides borrowing from libraries worldwide and a delivery system that allows us to move materials within the state, making it possible for anyone to read, listen, or view almost anything they wish to beyond the materials of their local library-- Students, researchers, and all citizens avail themselves of these priceless resources.

For example, in Monroe, the residents of the Monroe retirement communities borrow materials to expand their world. Many of them are homebound. They borrow from many libraries, and we deliver them to them with our book mobile. They would be deprived of these services, because we won't be able to get the books from other areas. Everyone, most significantly students, will suffer from the loss of the databases. They're provided to schools and libraries through the State Library. When school funding is facing disastrous cuts, there will be nowhere to get back newspapers and magazine articles for assignments for our students.

Without the restoration of sufficient funds to continue these services, we will revert to a world where local libraries are constrained

within their building walls, where only local resources are available to local residents, and the people who seek greater knowledge will be denied those resources. Our residents will be disadvantaged in the global community without the tools that all others have available to them.

Now a bill is being proposed to remove mandated funding for local libraries. A-2555 threatens even the very bricks and mortar of the local libraries. Without a guaranteed funding formula, local governing bodies could strip their libraries of the financial resources essential to keep the doors open. Those residents denied the ability to borrow beyond their local library walls would now be denied their local library.

We urge you to take these threats seriously and to prevent them from becoming a ghastly reality.

Thank you. (applause)

SENATOR BUONO: Thank you.

Cheryl O'Connor, INFOLINK Regional Library Cooperative,  
Edison.

**C H E R Y L O ' C O N N O R:** Thank you, all, for this opportunity tonight.

I'm a resident of Edison for 34 years, a professional librarian, and I'm currently the New Jersey Library Association's Librarian of the Year.

SENATOR BUONO: Congratulations.

MS. O'CONNOR: Thank you.

I speak to you as one State leader to another. I want to give you the facts to justify the restoration to the State Library of the \$10.4 million in library network funding for statewide library services, which my

colleagues have alluded to. Where those funds come from is in your realm. The benefit of those funds across the state, and the ramification of their loss, are in mine.

With no knowledge, and with one stroke, this Governor has zeroed out funds for the New Jersey Library Network. And ironically, April 22 is the 21st anniversary of the New Jersey Library Network. As Dan mentioned, this network was established in statute as a result of a legislative study commission. And the first regional library cooperative launched, served the residents in Union and Middlesex counties, April 22, 1985.

I'm the Executive Director of the INFOLINK regional library cooperative, and we serve 900 multi-type libraries in Middlesex, Union, Essex, and Hudson counties. But across the state there's 2,500 public, school, college, not-for-profit, medical, prison, and special libraries. And the Library Network has fostered collaboration, cooperation, and resource sharing, and it's going away June 30.

Irene mentioned statewide resource sharing. I won't repeat what she mentioned, but I want to give you a few facts in terms of what this statewide delivery system does. We transported over 5 million items in 2009. You put a U.S. mail or UPS price tag on that. Monroe Public -- Irene's library -- received delivery five days a week at a cost of \$10 a stop. I paid that bill. And they shipped over 2,600 books and boxes of books. Network funds paid for this service. This is leveraging State dollars with a State contract. That's what statewide funds are supposed to do. I negotiate that contract. I'm a very good negotiator. (laughter) And the vendor agreed to hold the cost again with no increase in 2010.

We're losing our statewide database licenses. Access to resources 24/7 to all the residents of this state -- from home, from their office, from their dorm room, or in their library. Believe me, I've helped negotiate these contracts. And a statewide deal that costs \$1 million will cost 2,500 individual libraries 30 times that or, more likely, the access is going to disappear forever. Where is the logic of eliminating the funding for such cost efficiencies? It's your New Jersey Library Network, not mine, that has resulted in bringing Internet access to the public libraries in this state, wireless access to the public libraries.

I'll cut it short, because I saw the cue. (laughter)

But the one thing I wanted to mention was -- and I met with you on this, Senator Buono -- the other thing we do-- We focused on that Welcoming Library services for the autism community and their families. This is a national award. It's in Canada, it's in Europe, it's in Australia, and it started here with the New Jersey Library Network.

So, basically, again, just to cut it really short, please take pride in your libraries. Do not discard 25 years of collaboration and progress. Anything less puts us back -- puts libraries back where they functioned as islands unto themselves. Don't let this happen.

Thank you. (applause)

SENATOR BUONO: Thank you, Cheryl.

Elaine Kessler, East Brunswick Public Library.

E L A I N E K E S S L E R: I get two. (referring to PA microphone)

SENATOR BUONO: Well, everybody thinks that East Brunswick has a great library, right? So you get two mikes. Is that it? (laughter)

MS. KESSLER: I would like to keep it that way.

I'm Elaine Kessler. I am the President of the Board of Trustees for East Brunswick Public Library. And I'm here not to repeat what my wonderful panel has said, but to kind of bring it in very simple jargon -- words.

I'm appealing to you, our legislators, tonight, to urge our Governor that we just cannot allow a 74 percent decrease in funding to statewide library services. The \$10.4 million in library programs cut from the Governor's budget represents a little more than a dollar per capita in State funds. By removing these moneys, many vital programs will cease to exist after June 30, as Cheryl has mentioned. This will be devastating to our local libraries and the services available to our users.

This cut will eliminate 50 percent of State aid to libraries. To name a few, other programs that will cease on June 30 -- the Interlibrary Loan System and databases such as ReferenceUSA, EBSCO, and Business Source Premier. This will be crippling to our students, business owners in our communities. Loss of these programs will place even more stress on local property taxes, and we all know that New Jersey residents are already under extreme financial strain.

In this economic time, library usage has increased and will continue to increase. Therefore, how can we cut services for our users, those who have relied on us to assist them with job search, furthering their education, and for businesses' resources? We need to continue to service our communities as their lifelong learning center, which I like to call East Brunswick Public Library. (laughter)

In East Brunswick, our public library is the heart of our community. We have already reduced our hours due to local budget constraints. We have over 1,500 visitors a day, and a total of about 160,000 visits -- that's virtual and physical -- daily. State funding for libraries has remained flat for 20 years, while the State budget has consistently risen.

And last, but not least, please oppose bill A-2555. Our library cannot operate on anything less than a third of a million. The library funding targeted in this bill represents less than 3 percent of property taxes. Libraries need to be adequately funded to support the communities and their needs in Middlesex County and the entire state.

Thank you. (applause)

SENATOR BUONO: Thank you.

Chris Carbone, New Jersey Library Association.

**C H R I S C A R B O N E:** Yes, I'm here as the Vice Chair of the Public Policy Committee of the New Jersey Library Association, as the Director of the South Brunswick Public Library, and a resident of South River.

Much has been said, so I will try to keep it short. But *shared sacrifice* is a term that we've heard over and over. And it's understood that times are very tough, and we all must tighten our belts. Shared sacrifice is understandable. However, the Governor's proposed budget reduces funding for statewide library services by 74 percent. Seventy-four percent is not shared sacrifice, it's decapitation.

Another term that we hear over and over is *shared services*. Libraries have been the poster child for shared services for decades. It's illogical that the mechanisms that have been put into place over these

decades that enable libraries to share resources and negotiate group purchasing discounts are being cut.

Three of the four budget lines in statewide library funding have been totally eliminated -- not cut, but eliminated. This eliminated funding will have a drastic effect on library services in New Jersey. You've heard about the infrastructure that enables Interlibrary loans and delivery that got 5 million items into the hands of our residents throughout the state last year -- to be eliminated. You've heard about the databases that are heavily used by students and small business owners that will be eliminated.

The four regional library cooperatives, who enable further group purchasing discounts, continuing education, and joint library projects will also be eliminated.

JerseyConnect, which provides Internet access to over 200 libraries, along with hosting of library Web sites to allow virtual access, will be eliminated. Without JerseyConnect, New Jersey will not be eligible for a potential \$7.5 million Federal stimulus grant that would provide computers, training, and increased broadband capacity to New Jersey's libraries.

These cuts to library funding will also cause the loss of an additional \$4.5 million in Federal funding, part of which operates the Library for the Blind and Handicapped. In addition, library per capita State aid will be cut 50 percent, another devastating blow to municipalities.

Libraries are essential community anchors. They are educational institutions. They are the place that New Jerseyans go -- over 170,000 per day, of all ages, backgrounds, and income levels -- to improve the quality of their lives. Libraries are the free source for continuing education, for equal access to technology and the online world, for quality

family activities. Libraries are the great equalizer, with free access to ideas for all. Libraries are used today more than ever as our residents look for ways to improve their lives and save their dollars.

Over the last 20 years, while the State budget has about tripled, State funding for libraries has remained flat. Libraries are not part of the budget problem. If anything, they are part of the solution as they actively assist our residents in job searching and learning marketable new skills. Total funds that were eliminated are approximately \$10 million. Tremendous good and tremendous savings were achieved by New Jersey residents with this library money. It is imperative that these funds be restored so that libraries in New Jersey can continue to be the shining star of shared services.

And in terms of bill A-2555, which eliminates minimum funding for public libraries, that bill must be stopped. Municipal libraries have been established by the direct vote of the people who have chosen to provide this minimum level of funding. The formula is tied to equalized valuation of property and is self-correcting. It has worked over a hundred years. When values go down, the funding goes down. It provides a minimum level of funding. And most libraries cannot maintain services on just that, which is why so many libraries have friends groups, book sales, library foundations, and other methods in place to already raise their own funds. To cut funding further would be devastating.

Libraries have played an important role in the history of this country. To protect the future of New Jersey, to have a strong and informed citizenry who can contribute and be fully engaged members of society, it's imperative that library funding be preserved.

For any more information, I invite everyone to please visit the Web site, [www.savemynjlibrary.org](http://www.savemynjlibrary.org). And I ask that you restore funding for statewide library services and oppose A-2555.

Thank you. (applause)

SENATOR BUONO: Thank you very much.

I'd like to call Brian Geoffroy, Middlesex County Education Association. (applause)

**B R I A N G E O F F R O Y:** Thank you for the opportunity to speak tonight.

My name is Brian Geoffroy. I represent the Middlesex County Education Association.

I'm here tonight to talk about our public schools. New Jersey public schools are recognized as one of the top public schools throughout the United States. The Education Foundation recently recognized New Jersey public schools for their achievement in closing the achievement gap among our poor and minority students.

The success of our public schools is because of the investment that the State has made in our public schools, because of the investment that our local communities have made in our public schools, and the investment that our public school employees have made in those schools. And that investment pays dividends each and every day, that investment will pay dividends for our students for the rest of our lives. And for that investment to continue, we need your commitment to continue the funding for public education.

The Governor's cuts will be devastating to our public schools. It will impact negatively on every single public school student in the state.

It will have a devastating impact on many of our public employees, most of which will fall on the backbone of our schools -- our support staff, many of who live in the communities in which they work. They make the lowest incomes, and they will have little chance to find any employment once they are laid off. They will lose their pensions, they will forego health benefits in retirement. These are the workers who have been the backbone of our schools, and they will be affected.

So I'm here tonight to ask you to restore the funding to our public schools, to support the children in this state, and thank you.  
(applause)

SENATOR BUONO: The one thing that I've noticed is that there is notably absent discussion over the school funding formula. I was the only Senate sponsor of the School Funding Reform Act, and I'm very proud of that. For the first time it finally began to bring some equity to suburban school districts who have been starved, who have been struggling for years, particularly like Edison, which spends under adequacy and receives very little from the State.

So my concern-- And the thing that's funny is, nobody is talking about this. What this budget does -- if it's passed, which it's not going to be passed as it is -- but if it were, it totally dismantles the school funding formula. It returns back to an ad hoc distribution of funding the way it was before we had a funding formula. Edison should have got \$3 million this year. (applause)

MR. GEOFFROY: Personally, I work in the Woodbridge Township School District.

SENATOR BUONO: I see that.

MR. GEOFFROY: We're one of the most underfunded districts in the state.

SENATOR BUONO: Woodbridge, Edison, North Brunswick, Piscataway.

MR. GEOFFROY: Yes, Woodbridge, Edison, North Brunswick, Piscataway. The four district worked together this year, prior to the budget, to push for fair funding. We were working very hard to try to make sure of what we could do if there was a cut in funding.

As you mentioned before, Commissioner Schundler not only deceived the public, he lied to the public. (applause) When he said he was Acting Commissioner -- and I heard him speak -- I didn't know he was acting. He spoke in front of a group of superintendents up in North Jersey and told them to plan for a 15 percent cut in funding two weeks prior to the budget.

SENATOR BUONO: Funding, exactly.

MR. GEOFFROY: He lied to us, he deceived us. And the objective is to ruin our public schools.

SENATOR BUONO: And one other thing: Another thing nobody is talking about-- Did you notice that this budget holds charter schools harmless? (applause) That, to me, says something about your ideology. I mean, there's no reason why they should be given increased funding from the traditional public schools, at their expense. So people need to know that. And that's one of the reasons we're having hearings like this. People aren't focused on it. They just read the one headline in the paper, like one of the people said over here. And we don't have control over that. So that's why we're having these.

Thank you for helping educate people.

MR. GEOFFROY: And I hope that you'll push to continually fund the schools with the school funding formula.

SENATOR BUONO: Well, we have to. It's going to go back to the Supreme Court.

MR. GEOFFROY: It will be a legal challenge.

SENATOR BUONO: Well, I don't know why somebody didn't-- I asked the Commissioner when he came before the Senate Budget Committee yesterday, "Why didn't you go to the Supreme Court first before you did this?" And he had no answer. So we're going to end up there. And they held this funding formula constitutional. I mean, you all know in the audience how -- that's, like, earth shattering. I mean, that was a great piece of legislation, and it wasn't mine. It was the Commissioner of Education and all the people like you who worked on it for years, and years, and years. And it's heartbreaking to me.

MR. GEOFFROY: And it based the funding on a fair and equitable formula.

SENATOR BUONO: Exactly.

MR. GEOFFROY: So thank you.

SENATOR BUONO: Thank you. (applause)

Bill Sellar, from South River, wants to talk about education funding.

Good evening. Thank you for being so patient. I think I saw you were here from the very beginning.

**B I L L S E L L A R:** My pleasure.

Thank you for having us, Senator and Assemblymen.

SENATOR BUONO: You need the big microphone. (referring to PA microphone)

MR. SELLAR: First off, I'm very concerned that the Governor's proposed school funding this year -- for several reasons. First, it doesn't comply with the School Funding Reform Act, like you said. Second, it lacks common sense. It forces all districts, regardless of their per-pupil cost and test scores to reduce their budgets by about 5 percent. That's assuming there is 5 percent waste in those budgets. That's not the case.

Two years ago, when the School Funding Reform Act was passed -- which I believe all three of you voted for--

SENATOR BUONO: We did.

MR. SELLAR: --it clearly defined, like you said, what it takes to educate a child and who is going to pay for it -- how much is going to be on the local, how much is on the State. And a major provision was to hold harmless, that said, "Regardless of what you're going to get -- your funding be calculated for -- we're not going to reduce it below the 2008 level." That's not happening.

SENATOR BUONO: Except the charter schools. (laughter)

MR. SELLAR: Okay. Can we send all of our kids to charter schools?

SENATOR BUONO: I don't advocate that.

MR. SELLAR: But three weeks ago I contacted the Governor's Office to find out -- to get an answer from him. Why does he feel like he can break the law? (laughter)

SENATOR BUONO: What did he say?

MR. SELLAR: Has it been repealed? Has it been amended? No. So he is not following the law.

A week ago I sent another e-mail, because I hadn't gotten anything. And earlier this week I called, wondering, "Am I going to get an answer?" "Oh, yes, you will get an answer." "When?" "We don't know." I'm wondering, is the Governor trying to dodge the question? Does he not want to answer why he thinks he can break the law? I mean, we're in a budget crisis. We don't have money. But if he's going to say, "Because we don't have money, that's my justification to not follow this law," all of those unemployed people out there who are unemployed now and will be after these budget cuts-- Does that give them the justification to go and rob ShopRite because they need to feed their family? I don't think the local prosecutor is going to smile too much on that.

And this funding formula lacks common sense, like I said, because it forces all districts to reduce their budgets by 5 percent. And it doesn't have any consideration on what that impact is going to be on the students' education. Think of it this way: Take three people, all with similar lifestyles. One has been on a 5,000-calorie-a-day diet for years, rather large. Another person is on 2,000 calories a day for years, fit and trim. A third person has been living on 1,500 calories a day. They're skin and bones. Now you're going to tell them, "You have to survive on 5 percent less." Well, that first person is just going to gain weight a little slower. The third person -- their body is going to shut down and they're going to start looking like a famine victim. That's what he's doing to our education system.

Now, I'm from South River, and South River, for years, has been one of the lowest per-pupil costs in education. That has been something that our Superintendent, our Board of Ed has been very proud of. And they've been getting a dime out of a nickel for years. And maybe a better solution would be for those districts that are spending \$15,000, \$16,000, \$17,000 per child -- maybe they have a small reduction in funding; and South River, and districts that are well under adequacy get an increase in funding. Because, honestly, we're getting a 10 percent reduction and we need a 10 percent increase.

Thank you. (applause)

SENATOR BUONO: Thank you.

You had mentioned the South River Superintendent. Is he here? He signed up. I don't know if he left.

Oh, there you are.

Superintendent Grygo. And I bet I know what you want to talk about.

**R O N A L D C. G R Y G O:** You better believe it. (laughter)

Senator, Assemblymen, I really do appreciate this opportunity to represent all of the county with regard to public education, but specifically South River.

As you heard Mr. Sellar, just prior to me, speak, we, like many other districts, have always been fiscally responsible. And as Mr. Sellar mentioned, in fact, we have the lowest per-pupil cost of all Middlesex County schools. We battle with Hammonton every year, as a matter of fact, that is a school district our size -- from the standpoint of battling to be

the lowest in per-pupil cost of any school district in the entire State of New Jersey around our size.

Our reward for this fiscal responsibility is to be facing not even flat State aid, but rather a \$1.6 million State aid cut. As a result, we'll have to undergo significant cuts in staff and in programs. In addition, if our local budget vote is not successful, our students will be further deprived of staff and programs to the tune of \$2 million worth of budget cuts.

In today's *Home News Tribune*, an article was quoted as saying, "Christie has painted the wage freeze as an alternative to program cuts and layoffs. But a policy paper, written by the nonpartisan Office of Legislative Services, said schools will still face a shortfall. Even if all scheduled increases were frozen for the budget year starting July 1, the districts would still have to contend with cuts to State aid based on figures from the fiscal year ending June 30." And what the report actually was quoted as saying is, "While wage freeze prevents budget shortfall from getting larger, it does not actually decrease the shortfall created by aid reduction."

The point happening to be -- not just in our case -- but in our case, even if all of our staff, every last individual within our district, agreed to a salary freeze, that would only account for approximately \$600,000 of our \$1.6 million State aid cut. Certainly, I feel everyone, including the public, needs to know that complete misrepresentation of what Governor Christie said.

SENATOR BUONO: Just so you know, Superintendent, that was brought out at the Senate budget hearing very clearly.

MR. GRYGO: We certainly appreciate that.

In closing, there's no way that wage freezes, in and of itself, will restore our 21 staff and numerous program cuts that will negatively affect our students. Our students deserve the same scope of educational opportunities, certainly, that students before them were able to enjoy.

Thank you so much. (applause)

SENATOR BUONO: I'm going to call up Caren Castaldo, who wants to talk about the millionaire's tax.

CAREN CASTALDO: This is Jackie Winters, my colleague, from Monroe.

First, I'd like to thank you for this opportunity.

I do not live in Middlesex County, but I do work in Middlesex County, in Monroe Township. I've been an employee there for nearly 20 years. I'm a Student Assistance Counselor. I work with at-risk students. And I'm also President of my Local -- almost 800. And I'm here to just talk about what everyone else in education has talked about.

Our district has been growing at a rapid rate of 350 students a year. And we are an above-adequate district, and our school district was punished by these budget cuts. We lost 95 percent of our aid, which is \$4.4 million -- if I am correct on that. And I just found out tonight, through a text, that our world language teachers were just released today.

I am sitting, to my right, with five or four -- Jackie being one of them -- Teachers of the Year. One, who I respect -- two -- all four actually, five of them--

SENATOR BUONO: You respect all of them, I'm sure.

MS. CASTALDO: All of them. (laughter)

My colleague over there, who is a school psychologist-- I can't tell you how many at-risk kids she helps.

SENATOR BUONO: Which one? Who is the school psychologist?

MS. CASTALDO: Day in and day out we go above. Our staff, our teachers, our ESP, our secretaries, our drivers-- We go above and beyond the call of duty. And we feel what Christie has done, in his entire budget proposal, has been so mean-spirited. He has not taken a knife, he has not taken a sword, he has not taken an axe, he has taken a machete. And every time our people-- We're here in red because we're angry, we're hurt, we're upset.

I work with at-risk kids, and I'm counseling kids, getting -- making DYFS calls weekly. And we're asking you to restore the funds in public education by bringing back that millionaire's tax to help us. (applause)

SENATOR BUONO: Thank you.

JACKIE WINTERS: I'd like to thank you for a brief amount of time to speak.

My name is Jackie Winters. I live in Monroe Township, I teach in Monroe Township; and I've had the pleasure of attending the Middlesex County Education Association affairs at the East Brunswick Chateau, and have listened to many of you for many, many years in the past.

I'm just going to get down to what's in my heart right now. I am a very proud teacher. I grew up in the City of Newark, got teased that I grew up over a store. My father and mother didn't graduate from high school. I was the first woman in my family to go to college. My father and

mother prodded on me that that was important. I was told that if I worked hard -- "Just get what you deserve, don't look for any more. And that's what you should do in life, and you should try to make a difference."

I think I've done that. And I'm very, very lucky to work in the Monroe Township school system, which is an outstanding school system with excellent staff. (applause) And I also know that -- I work with many educators in Middlesex County, and they feel the same about their school districts, as I'm very active with the NJEA, which I am a very proud member of. (applause) I'm a proud member of the Middlesex County Education Association. I serve as Vice President of the Local Monroe Township Education Association. And I would like to recognize NJEA for all the professional development and the unionized activities that have given me a chance to earn a living that my father and mother never would have had. (applause)

When you think about working hard, you think that in the end you will get some type of benefit. And I do not want to disrespect anyone at this table, but I would like to recognize my Assemblywoman, Linda Greenstein, and Wayne DeAngelo for being, I believe, the only two Assembly people who voted no on S-2, S-3, and S-4. (applause) And I do respect them -- and I'm not saying -- you may have your reasons why you voted for it. But I do believe that they were rushed. I do believe the NJEA was very, very ready to present materials, actuarial studies that I understand -- from Wayne Dibofsky, Government Relations persons with NJEA -- that many people did not want to look at.

And you might say, "Right now she's being selfish. She's worrying about her own pension." But I will say another thing that my

parents taught me. They told me that you get what you pay for. And in New Jersey, we have good teachers. We don't make a fortune. But if you are not going to allow people who worked over 30 years to get the pension that they deserve and have paid into -- for which the State of New Jersey did not put in one dime for 16 years -- that's a big problem.

Governor Christie, you are killing the morale of teachers who have worked hard.

I would like you to deliver that message to him.

And I have respect for the office, but right now I have some serious concerns about what Governor Christie is doing to our schools. And I work very hard in my community. I worked very hard in the Monroe Township High School on the parkland. We went through government agencies to try to get that high school built. We had to jump through hoops to get a high school built in Middlesex County, which is also another story for another day.

But I would really, really like you to go back to Governor Christie and let him know that we expect -- and we do expect you, I hope, also -- when we have these new things that we were told about today -- that by August 31 there's going to be additional reforms in pension. Please don't rush through these things. People who have worked their whole life and only expect what they're supposed to get -- no more, no less -- are living on the edge right now, wondering what is going to happen to their future.

And the children of our schools are very, very lucky. And I am one of 260 people in my school system who also lives in Monroe Township and teaches there. We're there for a reason: because we have great schools. We stay in the school. We move from one smaller home to a bigger one --

we stay in Monroe. And our kids in our school are very lucky. I wanted my own children to go to the schools in Monroe, because they are so good. But if we do not make at least a decent salary, or a pension and benefits that people are supposed to get, you're not going to keep people in education.

And I'm going to say something. Even though I feel that the media and the Governor have really done a number on how teachers feel, I'm proud to be a teacher. (applause) I know everybody in this room is proud to be a teacher or a paraprofessional, bus driver, whoever they are. And I will fight along with them every inch of the way. And I would hope that there was a newspaper reporter in here who can take this to the *Home News*, the *Asbury Park Press*, the *Star-Ledger* tomorrow morning. (applause)

SENATOR BUONO: Thank you very much.

The next group of people who are going to speak on a different issue-- This one is New Jersey Tobacco Control: Karen Blumenfeld -- I can't read this name -- Chris Kotsen, Amy Schmelzer, and Michael Steinberg. The two last names, Amy and Michael, are from UMDNJ, Tobacco Dependence Program. Karen Blumenfeld and--

I'm sorry, I can't read the handwriting.

UNIDENTIFIED SPEAKER FROM AUDIENCE:

(indiscernible)

SENATOR BUONO: Oh, okay. Tell me your name.

**C H R I S K O T S E N**, Psy.D.: Chris Kotsen.

SENATOR BUONO: Okay.

And the hour is getting late. We only have until 9:00. So if you could do it in five minutes, that would be great. Thanks.

I know you've been here for a while, and I appreciate your patience.

**KAREN BLUMENFELD, ESQ.:** Well, there are a lot of very important issues that--

**UNIDENTIFIED SPEAKER FROM AUDIENCE:** Are we going to all get a chance to speak or (indiscernible)? I just want to know.

**SENATOR BUONO:** We can't-- They're trying to-- Please.

**UNIDENTIFIED SPEAKER FROM AUDIENCE:** Am I sitting here for nothing?

**SENATOR BUONO:** I don't know. I mean, we'll try to get you in. There's a whole slew of people here. That's all I can tell you.

Go ahead.

**MS. BLUMENFELD:** There have been many important issues here tonight, so thank you for taking the time to hear ours.

I'm the Executive Director of GASP, Global Advisors on Smokefree Policy. We've existed over 35 years in the State of New Jersey, serving the community -- Middlesex County, your constituents, your health department, etc. -- on tobacco control needs.

The Governor's proposed budget cuts the entire tobacco control program, completely eliminating it -- \$7.5 million. This is an absolute travesty. The program not only helps to help people quit smoking but, in fact, does save the State money. Every year the State spends over \$6 billion on smoking-related healthcare costs and lost productivity costs. This is absolutely absurd for the only product on the market that, when used as intended, kills people.

We have several suggestions with regards to revenue raising that I think will give interest to you. We provided you with the packet, of course. One is to--

SENATOR BUONO: You have provided it, or you will?

MS. BLUMENFELD: Yes, already done.

One is to raise the licensing fee to sell cigarettes. If the tobacco industry is going to put this number one product, that causes the most death and disease, on this planet, then, by gosh, the people who, and the businesses that, put that product on the market should have to pay more than \$50 a year for a licensing fee. And so we have the details on that for you. And that would raise, two-fold, the cost to run the program.

In addition to that, raising the cigarette tax for a dollar a pack -- to a dollar-- You know, increasing it by a dollar a pack would raise \$120 million, which would-- That wouldn't only be for our program. But I'm going to fathom to guess that it would probably pay for most of the programs that were talked about in this room that were lost. I don't think anybody here would be offended by a dollar increase in the cigarette tax that would pay for just about every program that's requesting money here tonight.

Since we're going to be brief, I want to introduce two people here: Dr. Mike Steinberg, who is involved with the UMDNJ Quit Center; and then Amy Schmelzer, who is involved as well. The program is the preeminent cessation center and training center not only for New Jersey, but the world. And if the program is not funded, that will not only be a disservice to your Middlesex County community, but the State and the nation as well.

**MICHAEL B. STEINBERG, M.D.:** It's hard to follow the teacher's speech, bad position. (laughter)

I'm a primary care doctor here in Middlesex County. As Karen mentioned, I run the tobacco treatment clinic, also in Middlesex County.

The Governor's proposed elimination of all tobacco funds for the state would have a devastating impact on our county here. Our clinic has treated about 5,000 smokers in recent years, the overwhelming majority of whom are Middlesex County residents. We especially focus on smokers who otherwise would not seek any treatment to get help in quitting smoking: a great deal of African-American and Latino smokers, pregnant women, medically ill and mentally ill smokers.

Besides the suffering of death and disability that we all know is related to tobacco use, smokers (*sic*) cost the State about \$6,000 per year in healthcare costs and lost productivity. A quit center like ours costs about \$500 per successful person who quits smoking. So just looking at the bottom line, each smoker who is able to successfully quit at our program saves the State over \$5,000, which would equate to about \$1 million per funded quit center. So this is one of the programs that I can say will not only help save the lives of New Jerseyans, but also save the State money. There are very few things in the budget that actually save money, and I don't understand why this would be cut.

So in conclusion, I just say that we should-- One of the government's primary responsibilities is maintaining the health and welfare of their citizens. And I think this is a program that-- We should keep tobacco treatment in New Jersey, save lives, and save money, especially here in Middlesex County.

SENATOR BUONO: Thank you.

AMY C. SCHEMLER: I'd just like to say that I actually help coordinate Partnership for a Tobacco Free New Jersey here in Middlesex County. So I personally have worked with many organizations in this room: Planned Parenthood, the Puerto Rican Action Board, the school here, and Rutgers University. And we've actually helped implement, with all the local hospitals in Middlesex County -- 100 percent of them are adopting a tobacco-free hospital-campus policy. So now is not the time to pull the services that will help treat the employees and the patients within the hospital system. They need good treatment, and we need to stay in Middlesex County.

SENATOR BUONO: Thank you all.

ASSEMBLYMAN DIEGNAN: Quick question. Is it Karen?

MS. BLUMENFELD: Yes.

ASSEMBLYMAN DIEGNAN: How many-- You said raise the cost of the licenses. Do you have any idea how many licenses are issued in New Jersey?

MS. BLUMENFELD: Yes, that's in your materials. I believe-- Well, there are different types of licenses; there's the retailer, distributor, etc. There are approximately 12,000 to 13,000 licenses in the state for retailers. So when you add up all the different ones, it comes to \$16 million -- to raise those fees. And, in fact, New York state -- the licensing fee to sell tobacco, cigarettes in New York state is up to \$5,000 a retail license. In New Jersey, it's \$50.

SENATOR BUONO: Thank you all. (applause)

Shelley Sundack, East Brunswick.

Shelley, come on up. Thank you for waiting. I know you've been sitting there a long time. I saw you.

**SHELLEY SUNDACK:** I brought my daughter Allison, who is a client at the Edison Sheltered Workshop.

And basically I'm speaking on behalf of myself. I want to thank you for all the support you've given the Workshop over the years. I know all of you have. I've sent e-mails and received e-mails back.

And I do know that cuts are necessary, as everybody has said. But I do have a message. I'm not directing it to you, because it's like preaching to the choir, but I'd like you to take my thoughts back to the Governor.

I had heard that the Governor doesn't care whether or not he gets elected to a second term. I've read that he said that, and I've heard that he said that. And I think that's why he's trying to do as much damage to the State of New Jersey as he possibly can, as fast as he can in his first term so just in case there is no second term, he's already done the damage.

I had also read and heard that he hired a 25-year-old New Yorker -- couldn't find one in New Jersey -- to handle his Twitter, Facebook, and YouTube tweets and whatever (laughter) -- I mean, it's like adding insult to injury that he couldn't find somebody -- for \$60,000 annually, as an entry-level position. My daughter is a first grade teacher in New Brunswick. She's there for 10 years or 11 years, and maybe makes \$60,000 now. And he had to go find a New York resident, couldn't even get somebody who was homegrown. So I find that a little bit insulting, to tell you the truth.

And I think that he should understand that the cuts should come from the top down, not from the bottom up. And the people--

I'm here, as I said, because my daughter is a client of the Workshop. Clients at Workshops, and senior citizens, and people in those types of circumstances really have no alternative, no place else to go, but to these programs. And there is a bill-- I had read that there is a bill that is ready to go on the Governor's desk for his signature that talks about protecting residents with developmental disabilities from abusive caregivers. I think the State of New Jersey is a caregiver to the citizens of New Jersey. And if this budget is passed, that is really quite abusive. And as a quote from Assemblyman Fuentes -- he said, "Government's primary objective is to protect those who cannot protect themselves." That is what the mandate is, and should be, for our government. And as Abraham Lincoln said, "The government should be of the people, by the people, for the people," not just the people that Christie feels should get it, not just the charter schools or people he feels should get a break, but all the people, and particularly those who have no other alternatives and no other places to turn.

That's basically what I have to say.

SENATOR BUONO: Thank you for waiting.

Thank you all, by the way. I know it's hard.

MS. SUNDACK: I do know that you have been supportive, and I do appreciate that. And I hope that you take the messages. I know you will. But, I mean, some of it-- I wish he was here to face the people and hear what they have to say directly. (laughter) That would really mean something.

Thank you very much for your time.

SENATOR BUONO: Well, it means a lot that you came.  
Thank you. (applause)

Frank Burke -- he's representing himself -- member of the AFT  
Local 1940.

**F R A N K B U R K E:** Political Action Chair and also delegate to  
Middlesex County Central Labor Council.

There are a couple of teachers' unions in this state, not just the  
NJEA, although you wouldn't tell it in here. (laughter) There's the  
American Federation of Teachers, which I'm from, and also AAUP.

I want to talk philosophically a little bit about taxes. And I  
think there are good taxes and bad taxes. I pay a lot of income tax, and I'm  
happy to pay income tax. If you have a good education, if you have your  
health, and you have a good job making a lot of money, you can afford to  
pay the income tax. If you become disabled, if you're laid off, if you die,  
you don't pay income tax. (laughter)

I think the income tax is a good tax.

SENATOR BUONO: It is.

MR. BURKE: I was one of the few Democrats in Middlesex  
County supporting Governor Byrne for his second term.

The sales tax is a good tax, especially New Jersey's sales tax,  
which omits clothing and food. I barely recall paying any sales tax. My  
wife said, "Frank, I'd like a Lexus 350." I said, "You have a brand new  
Camry, you don't need a Lexus." So we didn't pay \$2,400 sales tax on a  
Lexus. We go and buy our food, we make our donations to charity -- to the  
arts and so forth -- and we're paying very little sales tax. If you buy luxury  
items, you pay sales tax. If you don't buy luxury, you don't pay. If you're

laid off, if you're living on a limited income, you're not buying luxury items and you're not paying-- So the income tax is a good tax, the sales tax is a good tax.

I particularly think the graduated income tax on people making over \$400,000 is a great tax. Now, I paid \$30,000 Federal last year and \$6,000 State. So I'm paying a good deal. But I can afford to pay, and I thank God that I can afford to pay.

There's bad taxes. The property tax is a very, very bad tax. I don't worry at all about my income tax. But I paid my mortgage off, and I pay my taxes myself. And I go nuts over the quarterly tax bill to make sure I get that \$1,500 to the Edison tax collector. Because if you don't get that there, it takes next to no time before they're selling your house out from underneath you. And all you have to do is look at the *Star-Ledger*. It's scary reading the *Star-Ledger*. The *Star-Ledger* is making oodles of money on legal notices. And I read a couple of those. They're people having their houses foreclosed due to property taxes.

And what is Christie doing? He's throwing more of a burden on property taxes. He's eliminating municipal aid, he's eliminating school aid. Property taxes are going up, and the millionaire's are going to pay less income tax.

I e-mailed you a number of times. I suggested some potential revenue sources: broadband, your Internet service to your house. I pay \$50 a month to have 20 megabits per second Internet service. I can grab any information I want to. I got Christie's bio. I read the State Constitution. I've been going non-stop since Christie's budget speech, researching how to get that guy out of office. (laughter) Twenty-five percent of the registered

voters in this state are what you need for a recall election for Governor. And if his popularity goes down a little bit more -- and it's dropping like a rocket -- if it goes down a little bit more, I'd be happy to work very hard and donate a substantial amount of money toward his recall. (applause)

But broadband-- I don't notice I'm paying any tax on my broadband. Everybody has broadband service. Anybody with a good job, anybody working as a professional has broadband to their house. You could tax broadband. There are a lot of houses in this state paying a \$50 bill every month. A \$5 tax on broadband would generate a lot of revenue from people who could afford to pay it.

By the way, my wife is on the Edison Library Board of Trustees. And Christie is doing away with all funding for--

SENATOR BUONO: We know. We had six people here to testify.

MR. BURKE: --Internet service for libraries, Web sites for libraries, and databases for libraries. He's going to set the New Jersey library system back 50 years.

The other thing is cell phone service. Every kid has a cell phone. Now, when my wife and I were first married, when we got a new apartment, the first thing we did was call New Jersey Bell and ordered phone service for that house. And New Jersey taxes wire line phone service. What's been happening is, these young kids -- my former administrative assistant, the student teaching assistants we hired -- they don't have a wire line. They have a cell phone. So this wire line tax revenue has been going down, and you haven't been replacing it as the cell phone usage has been

going up. So cell phones are prime to be -- cell phone service is prime to be taxed.

And that's basically all I had for you. (applause)

SENATOR BUONO: Thank you, Frank. We appreciate your input.

ASSEMBLYMAN DIEGNAN: Frank and I taught together back in the dark ages at Middlesex County College. (laughter)

SENATOR BUONO: Ketan Doshi.

K E T A N D O S H I: Everybody is following the law, and they have to follow the law. And I've been experiencing that even at the Federal level and State level, people are not following the laws.

Then the question is: Why are we not forcing them to -- not following the laws? And I will give you an example. You may understand the example of Social Security -- as an example. They're saying that, to me, "We made an overpayment to you. You have to pay it back." I said, "Fine." Then I filed an appeal. In filing the appeal, they're supposed to be stopping that -- the overpayment -- instead, they are enforcing and still cutting. Finally, I was trying to reach them -- the department -- none of the departments that I've been experiencing -- they're doing their job. Calling them, they never return the phone call. Then finally I don't have a choice to (indiscernible) to contact the Congressman (indiscernible) office. And finally they said to me, after a long time, they resolved the problem and they gave me information over the phone -- they're stopping my overpayment, and they fixed the problem. I'm talking about -- this is going on for many, many years.

SENATOR BUONO: Are you talking about Social Security?

MR. DOSHI: Yes.

SENATOR BUONO: Your Congressman.

MR. DOSHI: Yes, I understand.

To give you the example -- the same level is the State level.

SENATOR BUONO: But this is on the State budget.

MR. DOSHI: Yes, I understand the State budget. My point is that every -- each department -- whenever I call for any issue or problem, they do not return the phone call. I have a doubt then that people are working even 40 hours, and they receive the 40-hour paycheck. And they do not understand what is customer service. We are not receiving the proper customer service. And they're not doing their job in a timely fashion the way it's supposed to be done in a certain time. And they aren't doing it. Finally we had to contact the superior people. And still they made us -- more difficult situation for us. I'm talking about the people who are disabled. They have a difficulty to address the problems. And I have numerous different issues in different State agencies. I'm talking about the housing agency, I'm talking about other State agencies -- Commission for the Blind agency -- I'm talking about there are numerous different issues. Daily business -- I'm spending numerous hours a day, and still the problem doesn't get resolved by calling them, by talking to them. And they're taking (indiscernible) the people who are disabled, and people are getting discriminated.

And I don't understand that. Even the Legal Aid people are not doing their job. They're not taking any cases. They're not able to take the cases -- the Legal Aid is not doing their job.

So the question is: Where are we going to find the system where we can get assistance or help when we really need the help? And according to the laws, the people are not following the laws. They're saying that, according to the law, they're supposed to not do this and that. And still we're finding that (indiscernible) the law. And still the agency overruled that -- and they do whatever they wanted to do.

And I'm going to be showing in detail -- in writing in the future -- when I meet you, when I get the opportunity to address at that time-- I will give you the specific -- more detail so you have -- understand how the citizens are doing -- and wasting of billions of dollars. I've tried to reach the Governor's Office. The people are not allowing me to see him, to address him, or any agency at any level. Even the Assemblyman's office I contacted several times. None of the people are ready to give me the appointment so I can address the several different issues.

SENATOR BUONO: Okay. Thank you, Mr. Doshi.

MR. DOSHI: Yes.

SENATOR BUONO: We appreciate it.

Katiusca Blanco. What a pretty name. Is she still here? (no response)

Beth Angell, Middlesex County Mental Health Board.

BETH ANGELL: Hello.

SENATOR BUONO: Hello.

MS. ANGELL: I'm really impressed with the awesome responsibility that you have trying to weed through all of these priorities and pitches for assistance for such worthwhile causes.

I'm thankful to have an opportunity on behalf of the Middlesex County Mental Health Board, of which I'm the Co-Chair.

The Mental Health Board is convened by the Middlesex County Department of Human Services, but it is a volunteer citizen board that meets monthly to provide input into planning and monitoring mental health services provided to residents of Middlesex County.

So on behalf of the Board, I'd like to address, in particular, two areas of the budget that we're very concerned about, that affect vulnerable populations in Middlesex County who are affected by mental health disorders. And that is one of the priorities that we really haven't heard a lot about tonight. I'm so I'm happy to have the chance to speak with you about it.

First of all, the Governor's proposed budget proposes many cuts in mental health services across the state. And here in Middlesex County, one of the areas that we're very concerned about is the cuts proposed to the Raritan Bay Mental Health Center, in Perth Amboy. Specifically, in addition to a large cut that's already been made in 2010, an additional cut of \$574,000 is proposed for 2011, which is a 43 percent reduction in State allocation to Perth Amboy -- to Raritan Bay Mental Health Center.

Raritan Bay Mental Health Center is a county-owned and operated mental health center that's accessible to all low-income residents -- children and adults of Middlesex County -- and it provides accessible free or reduced-fee outpatient mental health services to nearly 3,500 residents per year, including therapy, substance abuse counseling, marital and family therapy, psychiatric evaluation, psychiatric emergency services -- a wide

range of services that are vitally important to people who have serious mental disorders.

Raritan Bay is a vital part of Middlesex County service system, because it serves a lot of the people who would otherwise fall through the cracks of the system: low-income individuals, those who are racial and ethnic minorities, people who need bilingual services. And ignoring these needs is not only problematic from the perspective of these underserved people, but it also has downstream effects down the road. Because untreated mental illness leads -- is very much linked with homelessness, it's linked with juvenile delinquency, it's linked with incarceration, and a lot of other negative outcomes. So we really urge you to consider these drastic cuts to the State allocation to Raritan Bay Mental Health Center, in weeding through these priorities that you have.

The second item of concern is that Governor Christie has proposed to zero fund county mental health boards. So Middlesex County Mental Health Board has traditionally received a small grant -- that is to say \$6,000 -- to support its programming. And as I mentioned before, we're a volunteer citizen board. We're not one of those boards that consists of members who are paid large salaries. This is a citizen board that provides input into resource assessment, planning, monitoring of services in the county. And we serve as a linkage between services that are funded by the State, and the Federal government, and the local level. We're the citizen voice for mental health service planning in Middlesex County. So we respectfully request at least a partial restoration of this modest funding -- \$6,000 -- to continue to support the mission of the county mental health boards statewide.

Thank you. (applause)

SENATOR BUONO: Thank you, Beth. We really appreciate you coming.

Emil Ferlicchi and Matt Hrevnak, Edison Township Education Association. (applause)

E M I L F E R L I C C H I: Thank you, Senator, for having this meeting this evening. And Assemblyman Diegnan and Assemblyman Barnes.

You know, I almost didn't want to speak tonight, but I always get this feeling that things are said or things are left unsaid. So I made myself a couple of notes. I almost-- I gave you one issue that we wanted to speak about, and that was that 2.5 hard cap that no one spoke about tonight. And something as dangerous as this could deleteriously affect Edison, even more so than we are already -- going to be really put behind the eight ball, if you will. Because with a 55.8 percent cut in State tax -- State aid, the highest of any district in Middlesex County-- When the State was talking about a possible 15 percent reduction in State aid -- and then we turn around and get hit with 55.8 percent-- How in the world can a district make that kind of stuff up, that kind of money, that kind of loss in revenue when, unfortunately over the years, our budgets have been defeated?

And you know, because the numbers don't lie. And Matt, as my Vice President -- he's the math guy. He knows that that dollar amount is always compounded, and you always lose that, and you never get that back. We're really, really hurting in Edison. We're looking at-- One of my other members used the number 131. But you know, it's somewhere more

than 168, and could be 333 positions. So, you see, these numbers are really, really not accurate and not being reflected in what is being discussed.

I hear the Governor talking about his vendetta against NJEA. He's making this personal, and he's hurting teachers, he's hurting programs, and he's hurting services. But most importantly, he's hurting education and the students in this state.

I go to the NEA year in and year out. California used to be considered the number one education state in the nation. And they are nowhere near number one. New Jersey is now. (applause) And this sitting Governor wants to dismantle education in this state because of his personal vendetta against NJEA.

What is his problem? First of all, he lies. Because during the gubernatorial election, he said, "I want to be an education Governor," and he doesn't want to hurt teachers, and he doesn't want to hurt students. And that's what he said.

SENATOR BUONO: He really said that? (laughter)

MR. FERLICCHI: And you know what? We have circulated about 11,000 of that particular statement -- where it was included in one of his press releases. And if it were untrue, I'm sure he would have been knocking on our door, as a prosecutor, saying, "NJEA, you shouldn't have been pushing that" -- because it's true.

You mentioned the funding formula. This is so important for us to keep alive, to protect, because what it has done-- It hasn't leveled the playing field, but it's brought back some revenues that we haven't been able to see because of the old formula.

SENATOR BUONO: It was just that there was a light at the end of the tunnel.

MR. FERLICCHI: There was a light. And you know what? This Governor could easily put that out. We need the Senate, we need our Assembly people, we need our friends in education to stand up and be counted now. (applause) We're looking for help, we're looking for support, and we're looking for the leadership. And I don't want to say this, but I'm going to: We've been your friend, just like you've been our friend. And you know that because of the push, because of who the Governor calls the 800-pound gorilla-- We've always advocated for education, and that includes students, and programs, and services, not just members. We're there for members, no doubt about it. But we have helped to raise education to a level where we are now number one in this country.

And I guess before I end, I really, really need to take a swipe at the man at the top, because I want to know how, in God's name, can this man, as the sitting Governor, go on radio, TV and say to everybody, "Vote down your budget. Hurt kids even more, hurt programs, hurt services, and put more teachers and support staff out on the unemployment line." Why? Because he's got a vendetta against NJEA? Or why don't you just resurrect that millionaire's tax?

I just wrote a nice article in our update that went out to almost 11,000 families. You know, did I forget to say that his wife makes \$800,000? Well, I said it, and it's true. (applause) So that millionaire's tax would generate--

SENATOR BUONO: She won't even feel it. (laughter)

MR. FERLICCHI: Exactly.

But you know what? He talks about schools, and he really -- he grew up and went to Livingston schools, and all the rest, but his kids to go to private school.

SENATOR BUONO: I know that.

MR. FERLICCHI: What kind of hypocrite are we talking about? Let's call a spade a spade. We are sitting in a quagmire. And so many people are hurting. Why? Because this Governor has artificially created this situation. That billion dollars from the millionaire's tax could fund education statewide. We wouldn't be here talking about any of this, and we would be on our happy, merry way, reelecting our friends of education, and keeping New Jersey--

SENATOR BUONO: Do you want to work with us?

MR. FERLICCHI: --and keeping New Jersey number one in this country.

SENATOR BUONO: Lobby your Republican legislators to override the veto when it comes, because it will.

MR. FERLICCHI: Okay.

SENATOR BUONO: That's how you can help.

MR. FERLICCHI: Thank you. (applause)

SENATOR BUONO: Thank you.

**M A T T H R E V N A K:** It's Matt Hrevnak. The *H* is silent in my name.

SENATOR BUONO: Oh, okay.

MR. HREVNAK: I wanted to actually take a little different approach than Mr. Ferlicchi. As he said, I'm the numbers man.

By the way, Mr. Barnes, I know you were a graduate of J.P. Stevens, where I teach. I'm the calculus teacher at J.P. Stevens. In fact, your son -- I didn't have him in class, but I know your son.

SENATOR BUONO: Oh, you are the numbers guy, geez.  
(laughter)

MR. FERLICCHI: Don't want to put any pressure on you though, right? (laughter)

MR. HREVNAK: A couple things I want to mention: I know \$9.7 million for Edison was mentioned before. It's actually \$15.138 million on funding that was withheld that we should have been getting, plus the \$9.7 million cut.

SENATOR BUONO: This year, I know.

MR. HREVNAK: Add in the \$2 million for unemployment that has to be paid when 300 people are let go, that's the real number, \$17 million.

I mentioned this in our Board meeting that went to 4:30 in the morning a week ago.

The State unemployment rate is hovering around 10 percent. If 300 people are let go, that's 20 percent of our staff. When I started at J.P. Stevens 20 years ago, we had 1,700. We're up over 2,300. We haven't had a new building in Edison since 1972, because the people of Edison keep voting down bonds, budgets, etc. The Board did reinstate some of our cuts. However, if our budget fails next week, those cuts will probably still happen.

I'd like to know what the Governor is going to do. Let's face it, we do have a problem, and things do need to be looked at and tightened.

There's no doubt. However, the biggest concern is-- You want to bring money in. What's his plan to cut the unemployment rate, to create jobs, to bring tax money back into the State, into the communities? How do you go with a 2.5 percent cap, but yet our health insurance is going up 25 percent a year, our utility costs are going up 10 percent a year? If we froze our salaries for three years, it doesn't pay the \$9.7 million withheld this year. That's a fact. I'm the money man, I did the numbers.

So for him to say it's not going to affect staff, it's not going to affect programs-- If he can tell me a way to do that, I'm voting for him for President of the United States. (laughter) Forget about Governor. It can't happen.

In addition to that, just from more of a personal perspective, these kids rely on us every day. Think about it to yourself, as a person -- hopefully your mom and dad were your role models -- but I bet every one of you up here would name a teacher who had a positive influence on your life and made you become what you are today.

By the way, I know you had Mr. Ralli also. Mr. Ralli is a good buddy of mine.

So, when you think back to it-- I mean, I've had students this week-- I was in at 6:30 every morning, because I'm an AP teacher, and the AP test is three weeks away, teaching 80 students in the cafeteria who were with me that I didn't have to do. But I do it of my own free will to try to help my kids. And I'm one of-- Every teacher in the school-- Come up to Room 216 in J.P. Stevens every morning, and we have math -- extra help going on every day of the year. So it's not that it's a 7:00 to 2:00 job. When I go home from here today, I'm going to go home and do work, write

lesson plans, correct papers. (applause) Our job doesn't end at 2:00, 2:30. In fact, to an extent, the easiest part of my job is when I'm in the classroom. It's everything else involved that we do.

And believe me, I know everyone else out there is hurting. My wife has had her salary frozen for two years, her 401(k) is not matching. You know what? I understand. I'm there too. I understand where it's at in my own family. However, the attack on education is just abominable. This is our future.

By the way, if you want to -- I'm going to cut it short -- I sent a letter to the editor of the *Home News Tribune*. Hopefully it will be in tomorrow or the day after, that goes into a little more detail of what I'm talking about also.

But, again, I thank you for your time. (applause)

SENATOR BUONO: Thank you. Thank you for what you do for the children.

Cheryl Bass, Spotswood. (no response)

Jill (*sic*) Bederka, Stevens Institute of Technology.

**J A M E S B E D E R K A:** Jim Bederka.

SENATOR BUONO: Oh, it's Jim. Sorry, Jim.

Stevens Institute of Technology. He wants to talk about customized training.

MR. BEDERKA: Yes.

Thank you all for your fortitude.

SENATOR BUONO: Thank you for yours. (laughter)

MR. BEDERKA: My comments will be brief.

I'm talking about the Customized Training program. It's part of the Workforce Development Partnership Program, funded by unemployment insurance taxes paid by employers and employees.

And the Customized Training component provides matching grants to businesses to retrain and upgrade the skills of their workers. It's a dedicated fund, supposedly. And over the years, it's been raided, as you know. So I would ask you one thing: When push comes to shove, and the budget gets real, real tight, please keep the dedicated funds dedicated.

These are some of the reasons that I've seen firsthand. I've seen businesses who have taken part in this program improve their efficiency, their competitiveness; they've been able to invest in new equipment, they've even been able to hire new employees. So the way the program works -- it's a company-wide approach. So everybody from the top manager to the fellow who sweeps the floor is involved.

But on the other side, it's the employees who get these 21st century skills that not only help them move up the career ladder, but also they're transferrable to other industries. So it works on both of those levels.

Finally -- and I'm being as quick today as I can -- is, there's an economic development aspect to this. As we heard from the testimony about the STARS program, other states are very interested in taking our best and brightest. They're also very interested in taking our high-tech, high-wage jobs. Some of the states, as you know, are very, very competitive and aggressive in taking those jobs from New Jersey. This Customized Training program is an important tool in our economic development quiver so that we can compete with these other states and, indeed, other countries,

who are trying to take these jobs out of New Jersey and away from our employees (*sic*).

Thank you.

ASSEMBLYMAN DIEGNAN: How long has this program been in place?

MR. BEDERKA: Since 1992.

ASSEMBLYMAN DIEGNAN: And how much -- do you know what the budget line item is?

SENATOR BUONO: I don't know off hand.

ASSEMBLYMAN DIEGNAN: Do you know off hand how much it's saving, allegedly?

MR. BEDERKA: The budget -- I believe the last -- this current fiscal year is \$32 million, but they ran out of money four months ago. So that program has just stopped cold.

ASSEMBLYMAN DIEGNAN: Okay.

MR. BEDERKA: So hopefully in July it may be reinstated.

I have comments. Who should I leave these with?

SENATOR BUONO: Could you take them?

Rebecca -- and I cannot read your last name -- G-U-D--

**R E B E C C A G U D G E M (phonetic spelling):** Gudgem. (indicating pronunciation)

SENATOR BUONO: Gudgem. (indicating pronunciation)

MS. GUDGEM: I apologize.

SENATOR BUONO: That's okay. Schools and libraries--

MS. GUDGEM: Okay.

A lot of people spoke about schools, and I want to just touch on something that was said. The gentleman before last started out -- ended up talking about our future. And I believe that's really what we need to talk about, because what's going to happen this year -- next year -- is bad. But we're really not going to see what the impact is going to be, as far as undereducating our kids, until we get into the future.

My family was-- I was lucky to grow up in a family that believed in education. We believed in resources. When I was told-- When I asked what a word meant, I was told to go look it up. I got help looking it up. When I asked where a country was or what this thing on the news was, I got help looking it up. We found the book, we looked it up, we talked about it.

Today I came from a job at a hospital working with adult stem cells for cancer patients. I work on the board of two local nonprofits. I'm the president of one, I'm the treasurer of another. I am a member of another local nonprofit.

I want to say that what -- how you feel about education and how you're presented with education at a young age is going to determine how you look at it in the future and where you go -- what your future is.

I went to the Edison Board of Ed hearing. And they talked a lot about the special needs kids, which was very important. And I don't want to take anything away from them. But they kept saying, "If you don't do this, we can sue you." My child is in Kindergarten now. She's very bright. She was with a-- She is in a classroom with a child that did not have preschool, who cannot -- at the beginning of the year could not do

more than say his letters and maybe sound out a few. She can read at a second-grade level going into Kindergarten.

Now, there's a teacher. They're going to cut her down to half-day and take away her literacy teacher. What's going to happen is, she's going to have those two kids, and all the kids in between, in a half-day. She's not going to be able to reach those kids. She's going to lose the kids at the low end, and she's going to lose the kids at the high end. And the kids at the low end, if they're lost in Kindergarten, first grade, second grade, are not coming back. It's very hard to get them interested in education. And the kids at the high end, if they're turned off to education, if they're bored early on, may also lose the enthusiasm they have for school, the enthusiasm they have for learning. My husband was turned off very early on to education because he was very bright. And for years he was behind in school, and he didn't work in school because he just wasn't interested. They didn't have anything for him.

I, as a mother of a Kindergartener who has benefited from full-day Kindergarten, who has benefited from a literacy teacher who has taken the top group and the bottom group out into the hall to do this, want to say that I got mine, in a way. I mean, we got our full-day Kindergarten for our kid. But I want to speak for those kids who are coming up. They're not even talking about taking that literacy teacher, when they're taking away full-day Kindergarten, and putting that literacy teacher in first grade. That literacy teacher is referred to as the rock star of James Monroe. That's the teacher they're taking away, and that's the teacher they're not considering bringing back, plus 25 other Kindergarten teachers -- just alone,

Kindergarten teachers -- and all of the literacy teachers at the Kindergarten level.

We have prisons full of people who don't know how to read, don't know how to write. I know that is because one of the organizations I worked for at one point was giving books to a group called Life Line, which was people in prison for life -- State prisons, I believe -- and they were donating books to them. Because these people were actually finally finding a reason to learn how to read. These people will not get out of prison and won't be productive in society. But our kids still have a chance.

And I think what we're talking about -- if you want to be crass and you want to be financial -- we're talking about the difference between raising a taxpayer and raising a tax burden. Do we want to have people who are at the top end, who add to the industry in this state, who add to the scientific knowledge that this state has been famous for -- the pharmaceutical industry, the healthcare industry, the engineering? Do we want to have kids who want to be future leaders of America, or do we want to raise a bunch of so-so children who get an okay education? I can't sue the school board if my brilliant child gets an okay education. I can't do anything about it except take my kid out of school and quit supporting the public schools, because I won't have time to put energy into public schools -- and take my kid out and put her in private school.

And I just want to say that it's so unfair and it's so wrong, because you need to look at the future. And you need to look at the people, if you can't look at anything else -- and I know this particular group of people can -- but if you can't look at anything else -- the people who are

going to be deciding your Social Security and your benefits. Do you want them to have an education? Do you want them to understand?

I think that we need to not just talk about the special needs kids, although they're very important; and not just talk about next week and next year, and how many teachers next year are going on unemployment; but talk about the future of the state. And libraries and schools are a big part of the future of the state. And if we underfund them, we underfund the future.

Thank you. (applause)

SENATOR BUONO: Thank you for your heartfelt testimony.

Abe Quartin.

**A B R A H A M Q U A R T I N:** I didn't put that name down on there.

SENATOR BUONO: Abraham Quartin, from East Brunswick.

MR. QUARTIN: Abraham Quartin, East Brunswick.

I'm not part of any union, I'm not part of any organization. I've spent the last 20 years of my life making phone calls, going to see people, finding out what the problems are.

I've heard members of the NJEA talk about how wonderful the union is. Their union spent \$3.5 million to keep Christie from becoming Governor. Obviously, it didn't work. Democrats--

SENATOR BUONO: No politics, budget.

MR. QUARTIN: No, no, I'm talking about fact.

He got elected because the people are angry or fed up with taxes. This state is losing businesses to other states like Pennsylvania. That means buildings are being-- I work for a construction company. We're

building in Pennsylvania. People are going there to work. New Jerseyans don't have jobs.

Then, you have all this other stuff--

SENATOR BUONO: Don't get me started on the flat tax in Pennsylvania, because it's very regressive and very unfair. And you do a lot better living and working in New Jersey than you do in Pennsylvania, when it comes to the income tax. That I will tell you.

MR. QUARTIN: I have some suggestions to save a lot of money in this state. And I spent a lot of time researching this.

Our school election next Tuesday in East Brunswick will cost \$40,000. Why do we have a special election for school board? Put it in November. You have 611 school districts. That's about \$20 million wasted. The NJEA wants these special elections in April because very few people vote, and they get their members out, and they win. But let me tell you something. People are not stupid anymore, and they're hurting financially.

Here's another way to save millions: 611 school districts negotiating 611 separate contracts every three years. I propose, let the State negotiate one contract for all the school districts, and the teachers get a cost-of-living bump up for where they live. You save \$30 million, because the retainer in East Brunswick -- our attorney is making about \$200,000. Half of it is for his negotiations. I mean, this is ridiculous.

Abbott districts: The State keeps throwing more money into the Abbott districts. But it's not right, because it's the family structure. And every single Abbott district is creating bad kids, educationally.

Tenure: We have the worst tenure system in the country. It cost \$250,000 almost, and it takes over a year to get rid of a tenured teacher.

Number one, we're not number one in the country in education. We are not number one. And that gentleman is wrong. Number two, the United States is 15th in the world in reading in the developed countries. That's embarrassing. How about science and chemistry? We're 16th and 17th. And we're number one? Yes, we're number one in New Jersey in spending. He forgot to tell you that.

I do my research, I go to see elected officials. I've talked to Peter Barnes so many times that he calls me *Abra Cadabra*. (laughter) And he sent me a letter electing me his number one constituent in the 18th District. (laughter)

And I'm going to tell you something. I've known Barbara since she was a councilwoman. And you could not have a better walking poster or supporter than me. And I want to thank you publicly for sending me a letter regarding--

SENATOR BUONO: What about Diegnan over here? (laughter)

ASSEMBLYMAN DIEGNAN: He's leaving me out.

MR. QUARTIN: I want to tell you something. Barbara Buono sent me a condolence letter on legislative stationary that I have when my cat died. (laughter) No one ever did that. This lady has got class, she's got brains, she's got looks, and I wish she was the Governor.

SENATOR BUONO: Anyway, thank you.

MR. QUARTIN: Here's the thing I wanted to say to you in finalizing this speech of mine: Instead of vetoing everything in Trenton and fighting with the Governor, why don't you get together and work things out so people can live here and not leave? Last year, I think 72,000 more people left New Jersey than moved in. We're losing taxes. You've got to work-- Government is supposed to work for the people, and it's not that way. There's no such thing as partisan, bipartisan. Just do the right thing. Work with him.

I don't know how he got elected.

SENATOR BUONO: Thank you very much.

We actually were-- This College was very kind to us.

MR. QUARTIN: Thank you very much.

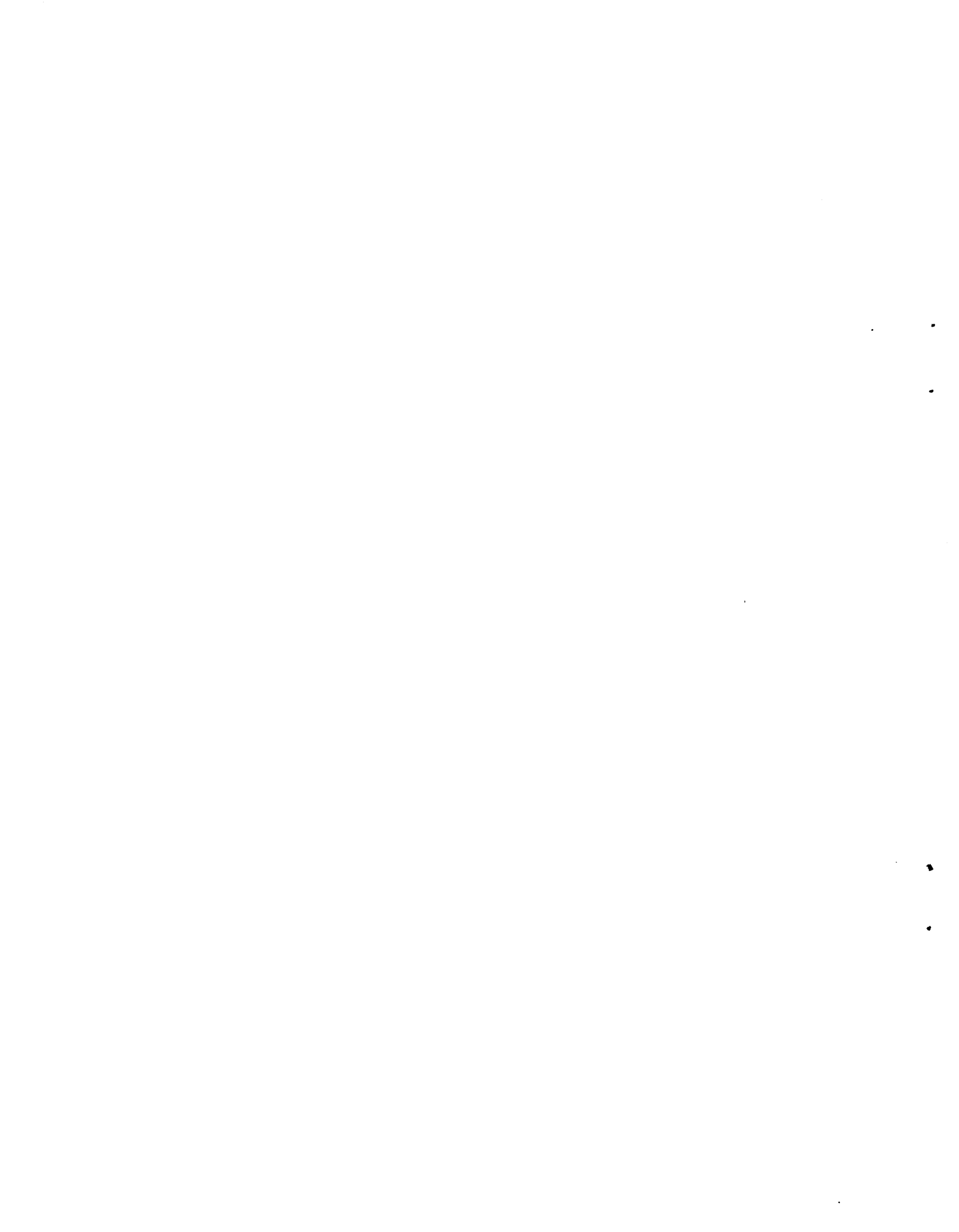
SENATOR BUONO: They gave us another half hour. So I apologize if we missed anyone.

Thank you very much for coming. We really do appreciate your input, and it will be considered. This was very valuable.

Thank you.

**(HEARING CONCLUDED)**

**APPENDIX**



Wednesday, April 14, 2010

Sarah-Ann Harnick

Thank you for providing this opportunity for your constituency to participate in framing next year's budget.

I am.....

Thank you Sen. Buono for responding to my message regarding the potential loss of funding for Planned Parenthood. I am very relieved to know that you feel as I do.

It has taken me well over a week to get my thoughts in order. Every day I have a new reason to be outraged given Gov Christie's shallow understanding of the public sector.

One of his administration's eight priorities is Higher Education. None of his budget proposals support this claim. Any program that helps college students graduate in less time with less debt has been slashed. NJ STARS, the EOF programs, anything that might help students who otherwise could not afford a college education has had its funding reduced.

The governor has proposed <sup>changes</sup> ~~other cuts~~ to what is still referred to as public higher education. He would like to put the state museum and library under the control of Rutgers Univ. Just because Rutgers offers an MLS degree doesn't mean that it is willing or able to manage these state assets from 30 miles north of Trenton.

In Gov Christie's most outrageous proposal, Thomas Edison State College would also become part of Rutgers. TESC has a world-wide reputation for providing personalized degree-granting distance education to, among others, military service members around the world. One misstep by Rutgers and NJ would lose students, revenue and credibility.

The entire budget proposal is mean-spirited. It attacks the majority of people who live in NJ. I understand that we can't afford everything. The propose budget tells me that we don't deserve anything either. I'm stilled stunned by his plan to hobble libraries, including college and university libraries. Students and faculty will be losing valuable research tools because inter-library loan program and the state-wide virtual libraries will lose their state funding.

I just find the whole budget proposal cynical. The cuts proposed for Health Care are just mean-spirited. Of course the budget includes an increase for charity care. With funding losses to Planned Parenthood and NJ Family Care which provide basic services, emergency rooms will be even busier thanks to people who have ~~no longer~~

even less

have access to affordable health care. And the years of broken promises to developmentally disabled adults and those who live with autism is heartbreaking.

I used to tell students that the only way to be fair to everybody was to be mean to everybody. Our issues were posting flyers and assigning offices to their organizations. You can't use that philosophy as a responsible method for formulating a budget. It's an insult to our collective intelligence.

So, here are some suggestions for saving money:

- Eliminate patronage and private contractor jobs.
- When there is a workforce reduction, make sure it's a real reduction and not personnel shifting. There are instances of state employees who lose their job in one department and appear in another state agency in a job that never existed before.
- Don't privatize anything. Those employees will have lower compensation and benefits and therefore won't pay as much in state taxes and will probably use more state services. We'll probably spend too much time ensuring the contractors are in compliance with state and federal laws. Undocumented immigrants? Stolen social security numbers? I won't even talk about loyalty or turn-over rates.
- Use technology. The budget summary pages were scanned into a computer-the staple marks are visible. Is that the only way we can disseminate information? Can't it be accomplished more efficiently? And, scanning blank pages is pointless.
- Don't bail out the supposed <sup>diminishing</sup> revenue generators. Horse racing is my favorite example. The fans have been ~~dying off~~ for at least a decade and are not being replaced. Most employees earn very little at these seasonal jobs.
- Elected officials need to show us that you are also cutting back. Stop purchasing bottled water on the taxpayers' dime. Maybe the state house could be slightly less immaculate.
- State employees in general should begin treating budgets as if they were spending their own money. It's really easy to make bad decisions when it won't affect your own bank account.

I don't have a boffo ending. I am angry at the folks who built this proposal with an "I've got mine" attitude. I am very grateful to you and your families for the time you ~~are~~ <sup>are</sup> giving us this evening.

Thank you

**4/14/2010**

**Binding arbitration**

**Heard the Governor on W C T C this morning and he brig that he is balancing the budget reducing spending and there is no state tax increase this year. Yes there may not be a tax increase AT THE STATE LEVEL but by cutting our state aid that we receive there is a tax increase in Edison. The governor is cutting money from the ENERGY RECEIPTS TAX by 3.4 million dollars. Edison's mayor was going to interduce a flat tax this year, but because of the governors cuts we are now raising taxes to the tax payer by over 70 dollars on the average home. Our mayor worked very hard to keep the tax rate low with no layoffs, no furloughs, and no reduction in services but now Edison has to increase the taxes because of governors cut to the township.**

**The school administration presented the original preliminary budget to the Board in February which included the funding that Edison BOE was entitled to based on current funding laws ( 20% increase on current state aid which was about \$3,000,000). The tax increase to the average homeowner at that time was an 11.5 point increase or \$204 (average home assessment = \$176,400). This original preliminary budget included 19.2 less staff members. Total budget was \$214,172,748.**

**After the Governor's state address on March 16th, we received notice that the state cut our funding by 55.8% or \$9.7 million. This cut along with the \$3,000,000 that we included in our original budget and removing the special education extraordinary aid of \$1,800,000 which we were not assured we were receiving next year (or this year for that matter) resulted in a total budget reduction of \$17 million including 168.7 staff members. With this record breaking budget cut in place, the tax rate remained 11.5 points or \$204 for the average homeowner. This was because the reduction of revenues was exclusively from state sources (no local levy reduction). Total budget was \$199,784,780.**

**The Board had their public hearing on March 31, 2010 starting at 7 PM and ending at 4 AM on April 1, 2010. After hours of testimony from the public and staff regarding the proposed budget cuts, the Board added some items back to the budget such as guidance counselors, paraprofessionals, security guards, literacy development teachers, etc. The items that were added back totaled over \$5 million**

**staff members being let go to 131.**

**The severe cut to the state aid caused the largest budget cut in Edison's history along with the largest proposed tax increase in Edison's history. The state will be causing high quality school systems, like Edison, to become mediocre at best. The proposed 2.5% hard cap that is scheduled to be presented to the voters next November, will simply compound the damage that has already been done.**

**Charles Tomaro Edison Council President**

*Binding arbitration*

4/14/10

## Governor's Budget Proposal – Fiscal Year 2011

I want to thank you, Senator Buono, Assemblyman Barnes and Assemblyman Diegnan for giving me the opportunity to speak today.

My name is Robert Karabinchak, and I am a Councilman in Edison Township.

The public is "screaming for your help" for tax relief and only you, the Senate and Assembly, can accomplish this by revising, amending and creating new legislation. It's time for real change in New Jersey!

The following is a silent indirect tax increase that the public has to absorb without any representation. Our town is being negatively impacted by tax appeals. From July 1, 2009 to date Edison has lost \$92 million in assessed value and \$3.7 million in lost tax revenues.

A. As you know, the tax appeals process allows certain entities (commercial and industrial) an easier way to appeal their taxes in a municipality. Most are handled by the municipality itself through the local tax assessor and an attorney. However, the town has to defend and pay for legal fees for every tax appeal filed. When the tax appeals are settled, there are credits or monetary refunds. Every settlement is lost tax revenues, and a tax increase is automatically placed on the homeowners to absorb this loss in revenue. This tax burden in such bad economic times is unfair and unconscionable.

I am requesting that the process have restrictions placed on tax appeals in order to get some relief to the homeowners and towns across the state. May I suggest the following recommendations for your consideration:

1. A certified appraisal must be required as part of commercial and industrial tax appeal filings and must be provided within 30 days of the filing.
2. Restrict the time between tax appeals (15 years per building/ entity) or use 15 years as an average measurement of value.
3. Allow municipalities the opportunity to lessen the burden to their homeowners by structuring the tax appeal settlement payout over the freeze act time period interest free.
4. Tax appeals are based on income or market value. During the tax appeal process the tax structure should be attached to the income or market value of the entity. It takes many years for the tax appeal settlement to catch up to the existing tax after the appeal. As the income or market value goes up from the settlement, the taxes would go up proportionately.
5. Place a cap on tax appeal settlements.
6. Restrict the tax appeal settlement or refund to the state cap of 4%.
7. When the income approach is utilized during a tax appeal, then the income **MUST** be certified by an independent auditor and verified every year henceforth with the town, county and state.

B. The State of New Jersey should stay or defer the open space tax for the upcoming year. The 2-cent tax that passed in late November would produce approximately \$400 million in immediate tax relief to the towns, but this must be used as a one-shot revenue to reduce a potential tax increase for the town. This must be passed on to their taxpayers.

Middlesex County is reducing the 3 cent tax to 2 cents in order to help the county taxpayers.

C. The current Lame Duck law must be amended to close the abuses that occur when an incumbent loses the election. The timeframe should be from 4:00 pm on the day of the election until the newly-elected official is sworn in. The law must apply, but not be limited to, the following offices: governor, congressmen, senators, assemblymen, mayors, councilmen and women, commissioners, Board of Ed members, superintendents, directors – anyone who has the authority to spend or encumber taxpayer money. The law should stipulate that the only spending an official can endorse is normal operating expenses in the budget which have been set up for a minimum of 120 days prior to the election. Items that should NOT be allowed by law, to be changed during this period of time are the following: bonding, signing contracts, transferring funds, transferring personnel, promotions, extraordinary spending or creating positions. This will stop political retribution which will save taxes.

Thank you for your consideration.

Robert Karabinchak  
Councilman, Edison Township  
732-261-6438  
RKARABINCHAK@EDISONNJ.COM

Mayor Vanalla

4/14/10

Testimony Senate Committee Budget

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Thank you Senator Buono, Assemblymen Barnes and Assemblymen Diegnan for arranging this forum so we can speak frankly about the Governors' proposed budget cuts and their effect on The Borough of Metuchen.

We in Metuchen have been frugal and judicious in our operation of the Borough and the spending of tax dollars.

Last year 2009, we asked every Borough department to help by contributing a 10 % cut in their budgets. With careful scrutiny we adopted a budget which cut our appropriations by \$517000. Still in order to maintain services we had to take a pension deferral and a 5.3 percent tax increase of 4.34 points or \$83.82 per average assessed value.

This year we again cut our appropriations by \$207,000. Our mandated and statutory increases totaled \$786,104.66. We initially developed a budget with a 7.5 point 7.56 % increase to cover those costs. This equates to a \$142.50 tax increase on an average property in Metuchen valued @ \$189,966.

On March 16 the Governor announced his budget and on Friday March 19<sup>th</sup> we received the notice that our municipal aid would be cut \$372,485, a striking blow to an already thinly stretched budget.

With the additional aid cuts, and the mandated and statutory increases **Metuchen is forced** to wrestle with a 1.158 million dollar problem on the municipal level.

The Governors plan to reduce aide in such a draconian fashion is like doing surgery with a machete.

I agree that spending must be brought under control but passing the entire problem down to municipalities is not a workable approach or a proper solution.

This cut in aid will have a negative effect on all of the cities towns and Boroughs throughout our state. It will:

1. reduce services
2. deplete reserves
3. increase unemployment by laying off more workers
4. increase the drain on the unemployment trust fund
5. reduce state revenues .....unemployed workers do not pay taxes
6. reduce vital services being provided in our communities
7. hurt middle class and poorer families and
8. increase property taxes

These cuts will not elevate New Jersey but bring her to her knees.

Please look for alternatives to these cuts.

With the reinstatement of the millionaire's tax and restoration of many of the cuts in state municipal and education aid. The millionaire's tax, taxes income levels over \$430,000.

Who is the Governor protecting?

How do I explain higher taxes and reduced services when our state government is cutting taxes for the most affluent of its residents?

My last suggestion is to explore alternate ways for funding education other than through the property tax.

Other states have done it, by transferring the funding of their schools from a property tax to sales, income or property transfer tax.

Thank you for your time and I look forward to working with you to create a stronger New Jersey and a better Metuchen.

Jean M. Pierce  
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**Testimony before the 18<sup>th</sup> District Legislators  
2011 Budget  
April 14, 2010**

Senator Buono, Assemblymen Diegnan & Barnes, thank you for the opportunity to speak to you today about my concerns over the proposed 2011 budget. My name is Jean Pierce, currently a Woodbridge resident I am a lifelong resident of Middlesex County. I'm here this evening to speak specifically about the NJSTARS program and my ever increasing property taxes and to offer some suggestions for your consideration.

I understand that there is a real fiscal crisis, brought about by the worst recession since the great depression. Years of budget gimmicks and the underfunding of pension and health benefit obligations have only exacerbated the problem. But the underlying reality is high unemployment, shuttered businesses and an education system over-reliant on property taxes leaves residents wondering how they will be able to live in Middlesex County and New Jersey. Too many New Jerseyans go without basic needs such as food and health insurance and struggle to pay their rent and mortgages. Our communities are strapped and stretched when paying for local education and basic services. Schools, colleges and hospitals are under-funded and as indicated in recent reports they are becoming even more understaffed.

Governor Christie's assertion that NJ doesn't have a revenue problem, that we have a spending problem is incorrect – dangerously so. When sales taxes fall short by 5%; and business taxes fall short by 8%, and we allow the millionaire's tax (worth \$1billion) and the business surcharge to lapse – that's a revenue problem. If we misdiagnose the problem, we misdiagnose the solution.

We have serious needs to address in our communities and around the state. As a single mother, I understand the challenge of raising a family in New Jersey. When given an opportunity to leave the state, I made the decision to stay in Woodbridge and I struggled, working two-jobs in order to remain in New Jersey because I felt it was important to raise my sons in this great community with good public schools and cultural diversity.

As you know, NJ STARS is a scholarship program exclusively for New Jersey residents that covers the cost of tuition and approved fees at New Jersey's 19 community and 12 state colleges. This is a very important program that should not be cut from the budget. When Governor's McGreevey and Codey signed NJSTARS and NJSTARS II into law, I was relieved to know that if my sons worked hard they would be able to attend college without the burden of excessive student loans. And in fact my oldest son qualified for NJSTARS and graduated from Middlesex County College in 2008. Now with the proposed cuts to NJSTARS my youngest son, a junior in high school who is well within the top 15% of his class and a consistent honors student, will not have the same chance, instead relying on loans and scholarships--if available. Just when families need the support and help the most you're eliminating these extraordinarily important programs.

I purchased my current home in 2005 and have experienced consistent increases in my property tax every year, swallowing any salary increases I receive. At the time I believed I made a wise investment but things have changed dramatically. Although the value of property has diminished, my taxes continue to rise and I have to consider if remaining in my home is prudent.

I want to remain here in Woodbridge, but I need your assistance to do that. I urge you to support investment in NJ in this time of economic downturn; to examine and implement cuts that focus on waste and duplication rather than programs that affect our quality of life; to demand transparency and accountability for the funds given to our municipalities and educational institutions; and to develop revenue sources that rely on the wealthiest and most able, rather than our working poor and middle class.

Some examples of measures you can take would be to restore the rate increase on those making over \$400,000 a year, generating about **\$1 billion** in revenue. A budget of real shared sacrifice would also ask corporations to pay their fair share. We propose an 8% surcharge on the business tax liabilities of corporations making more than \$100,000 or more, which would provide **\$160 million** in needed revenue.

We can also save desperately needed funds by taking some common sense steps to close corporate loopholes. Reinstating good policies like the throw out rule and regular place of business rule would prevent big corporations from gaming the system and evading paying taxes in New Jersey. It is estimated the total savings at **\$149 million**.

By enacting a system of combined reporting, where businesses report their income and the income of all their subsidiaries, we can further cut down on Wall Street tricks and save **\$100 million** or more.

I am a working middle class citizen who continues to bear the burden of tax increases while witnessing first-hand the harmful effects of broad cuts to health care, social services and education. I understand that New Jersey needs new revenue sources, and cannot in good conscience merely cut the budget without severe consequences for our communities and our children.

Along with many residents in New Jersey I support efforts that will support programs essential to our quality of life and economic stability, with accountability for public funds, from tax revenues that are fairly imposed. In closing, I urge you to challenge the long lists of cuts enacted by Governor Christie, and to fight to maintain vital educational programs, municipal funding, and health and social services in our state; while encouraging economic and job growth in a time of economic uncertainty. New Jersey needs to build its economy, lower property taxes and preserve the quality of life that our families deserve.

Thank You.

**18<sup>th</sup> LEGISLATIVE DISTRICT BUDGET HEARING**  
**MIDDLESEX COUNTY COLLEGE**  
**APRIL 14, 2010**

**Projected budget cuts by the New Jersey Department of Children and Families will have a devastating impact upon many low income people in Middlesex County:**

- **particularly persons with disabilities,**
- **families in need of legal services who may be facing eviction,**
- **and a diverse cross section of our Hispanic and Latino populations.**

**Generally, the goal of the programs facing budget reductions is to assist those in need to maintain themselves in the community, preserve their individual dignity, and maintain their family integrity.**

**Following are some facts related to the proposed reductions in Social Service Block Grant (SSBG) funds:**

**\$69,301 CUT TO THE OFFICE FOR THE DISABLED:**

This reduction **totally defunds** the County Office for the Disabled.

- In existence for 25 years, this is essentially a one-person office that averages 100 calls per month for information and referral from consumers with disabilities or their family members.
- In 2009, OFD staff received 1,377 calls from 896 disabled residents.
- The OFD Information & Referral (I&R) services enable persons with physical disabilities, hearing impairments, visual impairments and developmental disabilities to obtain services available in the community. This maze can be difficult to navigate, particularly for newly disabled persons.
- The OFD Director coordinates the Barrier Free Assistance grant program to provide nearly a dozen home modifications annually, including the installation of wheelchair ramps and bathroom and vehicle modifications for qualifying residents with disabilities.

- The OFD Director serves as the ADA (Americans with Disabilities) County Coordinator, who is responsible to coordinate the efforts of the County to comply with Title II and investigate any complaints indicating there has been a violation of the provisions of the Act.
- The OFD Director provides outreach to persons with disabilities, including participation in numerous community forums, presentations, trainings and outings, including presentations and trainings for Rutgers University and Middlesex County College students and case workers in the County's Adult Protective Services (APS) program.
- The OFD operating budget funds a modest summer campership stipend for children with disabilities and supports an annual overnight camping weekend at Kidde Keep Well for adults with disabilities. OFD also organizes and facilitates the well-received annual Holiday Shopping event for disabled persons at the Brunswick Square Mall.
- In cooperation with the NJDHS Division of Developmentally Disabled and community-based provider agencies, OFD hosted the Middlesex County Family Forum in June 2009. Since then, OFD has provided support to the Middlesex County Family Action Steps Team to aid DDD clients and their families on the DDD waiting list to find existent services in the community.

### **\$80,894 CUT TO CENTRAL JERSEY LEGAL SERVICES**

- Central Jersey Legal Services had to lay off ten people recently because of reduced IOLTA funding. The Governor's proposed budget calls for a \$9.7 million reduction in Legal Services funding statewide. Middlesex County Division's share is over a half a million dollars which will mean an additional six people eliminated. Four positions are likely to be attorneys and paralegals, resulting in an additional 20% reduction in services to Middlesex County clients.
- This additional \$80,894 cut will directly affect the Housing/Welfare Unit and Intake Unit, where at least one of two paralegal positions will be eliminated
- Cutting the Housing/Welfare Unit in half will reduce the ability to serve clients by 50%. In FY2009, this unit assisted 689 Middlesex County residents in imminent risk of eviction and homelessness, and an additional 134 low-income residents were helped to access or save critical public benefits.
- As many as 300 low income people will be turned away next year if these cuts are implemented.

- When a family is evicted because they cannot afford legal council, the costs outweigh the benefits of the cut, because the public bears the costs of more expensive services, like emergency homeless shelters.
- Many will experience homelessness, hunger and family dissolution.
- Of the clients assisted in FY2009:
  - 447 Lived in households with children
  - 303 were single adults raising children

### **\$45,809 REDUCTION TO PUERTO RICAN ASSOCIATION FOR HUMAN DEVELOPMENT (P.R.A.H.D)**

The Puerto Rican Association for Human Development's Multi-Service Program fills a need for basic social services and crisis intervention for indigent families and individuals in Middlesex County, especially the Spanish-speaking community of Perth Amboy.

Lydia Trinidad, the Executive Director of PRAHD, was unable to address you tonight, but she asked me to relate the devastating affects these DCF cuts will have on this very important program for the vulnerable families and individuals in Perth Amboy and the surrounding communities. Right now, there are three full-time counselors to serve the more than 800 families/individuals who seek the assistance of PRAHD's Multi-Service program. The cuts will:

- Reduce PRAHD's manpower by at least 40%.
- One counselor will be laid off.
- Two counselors will be relegated to work on a part time basis
- Will dramatically reduce services to these vulnerable populations

The stagnant economy is seriously affecting PRAHD's target populations as more people are in need of these social services, including housing related issues, employment opportunities, health related challenges, counseling in the areas of financial stability, education, budgeting, domestic violence, energy assistance, family counseling, crisis intervention, etc. Serious consideration should be given to restoring funding to this much needed program which serves a minimum of 800 unduplicated

clients/families/children per year, positively impacting their daily lives and well being.

### **\$46,029 REDUCTION TO THE PUERTO RICAN ACTION BOARD (PRAB)**

Two of the New Brunswick-based Puerto Rican Action Board's programs, Multi-Service and Housing Counseling & Case Management, have received a 50% reduction in DCF funding. Mario Vargas, PRAB's Executive Director, is here tonight and will describe the devastating results of the cuts to these programs.

### **In Closing:**

It is my understanding that DCF based their cuts on the basis of minimizing the impact of services to children and families. The elimination of the grant to Central Jersey Legal Services and the Middlesex County Office for the Disabled and the 50% reductions to PRAB's and PRAHD's grants will absolutely affect families in Middlesex County. While all of these programs do serve some single individuals, the vast majority served by these programs are families with children. And these are vulnerable families: extremely low income families, families with disabled members, families facing eviction and foreclosure, on the brink of homelessness, families facing major health issues, families with language and cultural barriers to overcome. How can elected officials, in all levels of government, justify placing the State's economic burden on the backs of vulnerable residents?

Many of us who function in the arena of government and social services foresaw this difficult budget year. We also understand the need for careful scrutiny of services to assure that funds are being used efficiently and judiciously. We have all seen the need to sharpen our pencils and maximize the return on our funding. And, we recognize that sometimes during difficult times funding must be reduced. However, such decisions are often better judged on the local level.

The membership of the County Association of Human Services Directors and the State Human Services Advisory Council offered to assist the Commissioners of Human Services and Children & Families with a programmatic and fiscal review of the SSBG grants, all of which fund county-based social services. In Middlesex County there are over a dozen

SSBG grants totaling over **\$1.8 million**. It is quite probable that a collaborative review of these contracts may have allowed for valuable local input. Perhaps each of the contracts could have been minimally reduced on a pro-rated basis, thereby minimizing the reduction in the important services I have outlined tonight.

Despite numerous offers of assistance from the local level the opportunity for local input was never realized. This lost opportunity flies in the face of the Governor's budget message of *shared sacrifice* and also is contrary to the HSAC regulations which call for the review of DHS and DCF budget modifications by the local Human Services Advisory Council.

I am pleased that our 18<sup>th</sup> District Legislators have allowed this opportunity for local input this evening and trust you will take these matters up with your colleagues as you work to craft an equitable state budget for all.

Respectfully submitted,

Blanquita B. Valenti  
Middlesex County Freeholder

April 14, 2010

Local State Budget Hearing

Margaret R. Chester, Executive Director  
Middlesex County Department of Senior Services

First let me thank you, Senator Buono, Assemblyman Diegnan and Assemblyman Barnes for holding this budget hearing on the proposed budget cuts and their potential impact to the public.

I am here specifically because of my concerns for the senior residents here in Middlesex County and across the State.

I've been in senior services since 1970 and I don't ever recall a time when the state budget could adversely affect seniors so directly.

Middlesex County has approximately 130,000 residents over the age of 60 and almost 40% of them are over the age of 75. In 2009 about 55,000 seniors or their caregivers contacted my office seeking assistance, and we are already seeing an increase for 2010.

The average Social Security benefit for New Jersey elders is \$14,285 per year for an individual. For Middlesex County the average is only \$300 higher.

To get a better perspective of what this means, one in every four seniors in New Jersey relies on Social Security as their sole source of income. In Middlesex County that equates to about 32,500 who are trying to live on \$14,587 or less.

I think you will agree that elders in Middlesex County with the average Social Security benefit already cannot make ends meet.

The N.J. Senior Property Tax Freeze has helped many of our seniors remain independent in their own homes. If this Freeze is eliminated, on average it will raise their annual cost of living by \$1,042. This will probably be higher because like everyone else their property taxes will be getting raised as the State reduces support to municipalities.

For seniors and disabled individuals with income under \$24,432, the co-pay changes to the Pharmaceutical Assistance Program for Aged and Disabled will raise their cost of living by about \$430. per year in co-pays – and another \$310 in annual Medicare Part D deductible that must be paid before getting assistance under PAAD. This results in a 24% reduction in PAAD benefits.

In recent years federal, state and counties have worked to widen access to community based long-term care and re-balance care in the community rather than care in a nursing home.

The Personal Care Assistant program is targeted for reduction and this will directly impact 29,000 senior and disabled persons across New Jersey. 2,156 of these participants live in Middlesex County. A reduction in reimbursement for services will hurt the most vulnerable of our residents because it will reduce the number of experienced and qualified providers willing to do the job. A weekly rate for PCA services for the average 15 hours of client care at home is \$242.25 while the cost to Medicaid in a skilled nursing home setting would be about \$1,403. weekly. Any savings in the Governor's budget would be wiped out if only 186 of these 29,000 individuals have to be placed in a skilled nursing home because of no in-home support.

With no social security cost of living increase in January 2010, seniors on fixed incomes don't have more income to offset these added costs. This is not typically a group that can easily go out and find work to supplement their incomes.

We have already seen municipalities reduce services to seniors with layoff of senior center staff, imposed furloughs, reduced hours of operation, elimination of programs or imposition of fees because of loss in state aid.

I recognize these are hard times and hard decisions need to be made.

But, I am asking that you work to eliminate the budget cuts that directly hurt vulnerable seniors who have worked hard all their lives, raised their families, supported the American way of life – and only now in their golden years are they looking to the government for some small help! Cuts in these programs will only add to the number of seniors who will be “aging into poverty” rather than “aging with dignity”.

# Family Planning Association of New Jersey

A Reproductive Health Organization

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**Middlesex County  
Public Hearing on FY11 Budget Proposal  
April 14, 2010**

**Testimony by Michele S. Jaker, Executive Director  
Planned Parenthood Affiliates of New Jersey &  
Family Planning Association of New Jersey**

Good evening. My name is Michele Jaker and I am the Executive Director of both the Family Planning Association of New Jersey and the Planned Parenthood Affiliates of New Jersey. These two organizations represent New Jersey's Planned Parenthood affiliates as well as hospital-based centers, county health and freestanding family planning centers. Collectively, family planning providers operate 59 health centers throughout New Jersey, and provide reproductive and other health care services to over 136,000 women and men.

The Governor's proposed budget calls for the complete elimination of state funds for family planning services in New Jersey. The total elimination of this \$7.5 million budget line is devastating to critical women's health care services. If this funding is not restored, we have estimated that 40,000 current patients will not receive services next year. We will close health centers, eliminate programs and over 100 staff members (mostly nurses and medical staff) will lose their jobs.

Adding insult to injury, the administration also withdrew a waiver application that would have extended Medicaid coverage for family planning services in order to reach individuals who otherwise would not be eligible. Since the Federal Government reimburses New Jersey Medicaid expenditures for family planning at the favorable rate of 90%, this program would have moved some patients previously paid for by 100% state dollars into a program where their services were paid for with 90% federal dollars.

The waiver was specifically designed to save the state money and leverage more federal dollars. An investment of \$1 million by the state would have brought in \$9 million in federal money.

Respectfully, we here today to urge you to restore funding for family planning services and urge the Administration to seek a state plan amendment now allowed under federal health care reform to achieve the goals of the waiver.

**Women's health care is an essential service**

In his budget address, Governor Christie stated that he reviewed all line items and eliminated those that were not essential. So, this budget declares that women's

reproductive health care is not essential. Let me tell you about the services that this line item supported.

Family planning centers offer a wide range of preventive health services that include routine gynecological exams; breast and cervical cancer screening, basic birth control, screening for high blood pressure, anemia, and diabetes; screening and treatment for sexually transmitted infections (STIs); HIV testing and counseling; pre-pregnancy counseling and education; pregnancy testing; and prenatal care and/or referral. State family planning dollars **do not** support abortion services.

Our clients are primarily young women of child-bearing age who have nowhere else to turn for basic reproductive health care. And recently, many of our agencies have reported seeing more older women who have just lost their jobs or their health insurance. These women are coming to our providers for their annual gyn visits, their pap tests and breast exams.

Last year New Jersey's family planning agencies provided quality, affordable reproductive health care services to over 136,000 women and men. They provided breast examinations to over 70,000 women with over 4000 referrals for further evaluation. Family planning providers also provided pap tests to over 65,000 women last year. I'm sure every last one of those women and their families consider these tests to be an essential service.

### **Family planning saves money and improves health**

In his budget address, the Governor also talked about one-shot gimmicks and pushing more spending into coming years' budgets.

In the midst of a budget crisis, family planning is a uniquely good investment. Family planning is a cost-effective policy that actually saves the state money. Each public dollar spent to provide family planning services saves an estimated \$4 that would otherwise be spent in Medicaid-related costs. So, for the \$7.5 million saved by eliminating state funding for women's health care, the state will pay at least \$30 million more in Medicaid expenses alone.

In 2009, New Jersey family planning health centers helped prevent over 39,000 unintended pregnancies and over 18,000 abortions. As a result, New Jersey saved well over \$150 million in one year (\$142,282,906 savings in Medicaid costs for prenatal care & delivery and \$9,893,945 savings in Medicaid abortion costs). If state funding for family planning is eliminated, there will be more unintended pregnancies and more abortions. This is not only bad health care policy, it makes no fiscal sense.

Before the elimination of state funding, New Jersey ranked 36th of all states in its level of public support for family planning. Most other states already devote better resources and more effectively leverage federal dollars for the delivery of contraceptive services

and supplies. The elimination of state support will drive New Jersey even further to the bottom.

**Funding for family planning must be fully restored**

Completely eliminating state funding and withdrawing the state's application for federal funding for family planning services is fiscally irresponsible and downright wrong. The impact on women in New Jersey is devastating. It will inevitably cost the state money. And, it just makes no sense.

We recognize the unprecedented fiscal challenge facing New Jersey and the difficult choices you face in bringing the State budget into balance. An investment in family planning offers significant savings to the state as well as important health benefits to women and families. We urge you to all you can to support women's health.

Thank you for your time and support.



# PLANNED PARENTHOOD<sup>®</sup> OF CENTRAL NEW JERSEY

April 14, 2010

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**New Brunswick**  
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Perth Amboy, NJ 08861  
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12 Snowhill Street, #3  
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Good evening and thank you for providing this opportunity for public comments about New Jersey's FY 2011 budget. I am Phyllis Kinsler, President/CEO of Planned Parenthood of Central New Jersey. Our agency provides reproductive health care, community based education and professional training programs throughout Middlesex, Monmouth and Northern Ocean Counties. Our health centers are located in New Brunswick, Perth Amboy, Spotswood, Hazlet, Freehold and Shrewsbury.

These are, indeed, challenging times for all New Jersey policy makers and legislators. We recognize that it is harder than ever to balance your concern for the people of New Jersey, especially the most vulnerable New Jerseyans, with your need to be fiscally responsible. I hope to persuade you that reproductive health is more of a solution than a problem for your budget deliberations.

As a health care provider, I want to speak for PPCNJ's patients. In 2009, we provided health services to almost 16,000 individuals (15,611 women and 329 men). 6319 of those patients received services at Middlesex County health centers. 91% of them had family incomes at or below 150% of the federal poverty level – to make that number real, it means an income of \$22,051 for a family of four in central New Jersey. The majority of our patients are young adult women, ages 20-29, who are working as hairdressers, restaurant workers, retail clerks, office workers and in other jobs that do not provide health insurance. They (sometimes barely) live from paycheck to paycheck afraid that any illness or emergency expense will jeopardize their ability to support themselves. Many are also students preparing themselves for what they hope will be a better job that offers the stability to afford a healthy planned pregnancy at the right time in their lives. In 2009 we performed 10,275 Pap Smears and 7900 clinical breast exams; 1100 Pap Smears and 279 breast exams identified a condition that needed additional medical care. Those women, your sisters, wives, daughters and friends, received care before a medical need became a medical crisis. That's what preventive reproductive health care does and that's what is at stake now.

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As the CEO of a small business, I employ 49 N.J. residents, rent facilities from three N.J. landlords, purchase custodial, snow plowing, maintenance, computer and printing supplies and services from more than 30 other N.J. small businesses. The loss of our state contract to provide family planning services will mean layoffs and reduced schedules for my staff, sending more N.J. citizens to unemployment, Medicaid and charity care; reduced health center hours and services will be a financial hardship on our vendors with whom we will do less business; and reduced or terminated services for clients of other community based organizations will negatively impact those organizations.

As a taxpayer, I am frustrated and angry that N.J. will spend more money on Medicaid and family support services than it saves in family planning grants. From the day I moved to N.J. in 1986, I've listened to politicians complain that N.J. does not receive enough federal money. I find it incredible that our Governor has decided to forfeit federal Medicaid funds to provide subsidized health care for New Jersey's poorest working women and that his budget jeopardizes millions of dollars of federal family planning grants. Reducing services will make us less competitive for the federal Title X money that is leveraged by state funds.

The reproductive health care provided by New Jersey's family planning agencies is a WIN-WIN for N.J. Governor Christie's budget and Medicaid strategy is a LOSE-LOSE for N.J. You need to act, not just in spite of, but because of our state's financial crisis. New Jersey can and must do better.

**Good Evening Senator Buono, Assemblyman Diegnan and Assemblyman Barnes.**

Thank you for taking the initiative in affording the residents of Middlesex County the opportunity to express the despair Governor Christie's proposed budget will create if enacted in its current form.

**My name is Mario S. Vargas, and this evening I am testifying before you in two capacities. One as the Chairperson of the Hispanic Directors Association of New Jersey (HDANJ), and the other as the Executive Director of the Puerto Rican Action Board ( PRAB).**

For your information :

- The Hispanic Directors Association (HDANJ) brings together Hispanic-led community service agencies from across New Jersey.
- Our member organizations serve and improve the lives of seven hundred thousand mostly low-income families, with diverse services including front-line crisis intervention services, family strengthening programs, preschool education, after school programs, home energy assistance, and weatherization, housing assistance, employment training and mental and primary health services.
- Although HDANJ agencies serve all people in need, and about 40% of our clients are non-Hispanic, each agency maintains full bicultural and bilingual services and staff.
- This approach makes us unique in our ability to work to strengthen families ranging from native born of all races to recent immigrants, whose primary language is often Spanish.
- The Puerto Rican Action Board serves all Central New Jersey residents that are low to moderate income to improve their quality of life.
- PRAB is the Community Action Agency for Middlesex Count West and serves approximately 30,000 families annually of which 63% are non Hispanic through a myriad of programs that include the Home Energy Assistance and Weatherization Program, the Housing Coalition of Central New Jersey, the Family Success Center, Youth Services Program, and the largest Preschool Program in New Brunswick with 625 children.

### ***THE HISPANIC COMMUNITY IN NEW JERSEY***

- The 2008 American Community Survey indicates that close to 16.3% of New Jersey's population and 17.6% in Middlesex County is now Latino.
- Additionally, over 73% of New Jersey's Latino population is U.S. Citizens.
- In addition, according to US Census estimates the Latino population in New Jersey has grown by over 75% between 1995 and 2008.
- As our numbers grow, Hispanics are quickly becoming a significant consumer market, a crucial source of labor, and an increasingly important block of voters.
- Hispanics are an integral part of the economic development realized in New Jersey.
- Latinos are a major constituency in New Jersey and we are asking you to support our efforts to make sure that the Latino community is not adversely affected in the FY 11 Budget.

### ***NO SHARED SACRIFICE FOR HISPANICS! WE ARE BEING SLAUGHTERED!***

The proposed state budget cuts will push nearly 600,000 Hispanics throughout New Jersey back into poverty. Historically, funding for services to Hispanics has not kept pace with the increase in our population.

*Mario*

## 1. Front-Line Family Strengthening programs

- The Department of Community Affairs (DCA) proposed cut of \$3.690 million will dissolve the Center for Hispanic Policy Research and Development (CHPRD).
- By eliminating the CHPRD, the State will no longer have an entity focusing on Latinos the fastest growing segment of the NJ population.
- CHPRD assures that culturally appropriate services are provided to front-line family based programs. The CHPRD has co-funded with the Division of Youth & Family Services (DYFS) front line family service programs that have helped 300,000 largely Hispanic low-income families a year resolve problems before they threaten the stability of families.
- CHPRD offers other project support vital to the Hispanic community all of which leverage over \$8.0 million in additional funding to support these front line community services.
- If the elimination of CHPRD is implemented as recommended in the FY 2011 budget, HDANJ member agencies alone will lose approximately 368 workers, who do remarkable work for modest salaries. In many cases, about 12 smaller community agencies will close their doors resulting in further job loss and the impact on our communities will be immediate. Furthermore, a preliminary analysis of the consequential cost as a result of eliminating these 368 workers follows. The total number of full time employees of Latino community based organizations that will be eliminated if the CHPRD funding is not restored is approximately **368 workers**. The estimated maximum unemployment benefit per week per person: is **\$600**. For six months: (26 weeks @ \$600 per week) = **\$15,600 per person**. What the state will spend in 6 months for unemployment insurance if all 368 employees are furloughed due to the CHPRD being eliminated: **(\$15,600 x 368) = \$5,740,800 or \$5.7 million**. The \$5,740,800 cost for the 368 furloughed workers assumes no unemployment insurance extensions beyond the initial 26 weeks of UI benefits. The CHPRD budget is \$3.69million. Therefore, instead of maintaining funding for a safety net program that assures culturally component access for an underserved population, and keeping 368 people employed, the state of New Jersey will spend \$5,740,800 to provide no services and put 368 workers on the unemployment rolls. The \$5,740,800 is an additional \$2,050,800 in state unemployment insurance expenditures than CHPRD's FY 10 Budget.
- We have already received word that Sixteen HDANJ agencies will receive 50% cuts in their program budgets by the Department of Children and Families as of July 1 (SSBG Funding). These programs offer bilingual, bicultural assistance to a population that will not find similar front-line services in their communities, and the economic burden to meet these needs will simply be shifted to other areas.

## 2. Health coverage

- Although FamilyCare actually received a \$109 million increase needed to insure children, the \$54.430 million cut continues the adult enrollment freeze and elimination of alien adults from coverage. This continues the policy established in Executive Order 14, which eliminated 11,700 "adult aliens" from coverage as of April 1. According to a NJ Policy Perspectives study, the FY'11 budget will

result in 69,198 adults legally in the United States either losing or being denied health coverage.

- HDANJ agencies helped many of these parents to enroll over the past few years. All are low-income, between \$18 and \$36 thousand annual family income depending on family size, and are in the United States legally.
- Studies have shown that including the parents as part of the program improves the enrollment of children and the use of preventive health services.
- Finally, the only alternative for these parents is charity care, which will put an added burden on hospitals that serve immigrant populations.

### **3. After school and summer programs**

- In addition, the cut of \$5.276 million to “Reform Co-payment for After School/ Summer Child Care” will heavily impact the wrap-around programs associated with Preschools in Special Needs Districts. From the beginning, this extended day service assured that working families who cannot comply with the 9-3 school schedule could still enroll their children in preschool.
  - Any reduction in this program will be a major blow to the working families of 55,000 children enrolled in preschools depending on how the Department of Human Services (DHS) implements this cut.
  - HDANJ requests that DHS not change the wrap around program, and not seek to have working parents pay for extended day services associated with preschool.
- **I respectfully request the funding for the \$3.690 million Center for Hispanic Policy Research and Development, and the \$486,000 to the Hispanic Women’s Center to be completely restored in the FY 2011 New Jersey State Budget, and that the SSBG cuts in the Department Of Children and Families also be completely restored.**
  - I am convinced that these cuts disproportionately affect Hispanics. The Hispanic community is the fastest growing segment of New Jersey’s workforce, and these cuts will negatively affect its ability to maintain the economic gains and contributions made to Middlesex County and New Jersey as a whole.
  - The proposed State Budget clearly falls heavily on low-income and middle class New Jersey residents when other cuts such as cuts in affordable housing, school aid, school breakfast and lunch, TANF and utility payments assistance are factored in.
  - I urge the legislature and other elected officials to consider New Jersey’s commitment to protect those most vulnerable and include our recommendations in the FY 2011 budget.
  - As a last resort, I believe that asking those of us that are more fortunate to continue to contribute a relatively small additional amount to protect those among us who are most vulnerable will keep New Jersey on the right path as we rebuild our economy.

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April 5, 2010

Testimony before: Senator Barbara Buono, Assemblyman Patrick J. Diegnan, Jr.,  
and Assemblyman Peter J. Barnes III

Presented by: Dan O'Connor, 220 Central Ave, Edison, NJ

Thank you for creating this opportunity to address issues of importance to the State of New Jersey and to our local communities. My remarks today are to address the proposed dismantling of the NJ library network. Twenty-five years ago I served as a member of the Steering Committee of a NJ Legislative initiative (i.e., the County and Municipal Government Study Commission) which created *multitype* library cooperatives in order to achieve economies of scale by allowing public libraries, school libraries, college and university libraries, and corporate libraries to work together to serve the citizens of our state. The library cooperatives provided delivery of millions of materials across our libraries for a true sense of shared services – and they did this without budget increases. They shared online journals and magazine and books and DVDs. They provided continuing education for librarians to keep up with the emerging technologies now creating our new information environments. The intent of the statutes and regulations creating the library network are now proposed for elimination.<sup>1</sup>

With flat budgets year after year, the library network could not fulfill all of its objectives. Their anemic funding did not allow them to get access to high-end patent databases or pharmaceutical journals to assist emerging businesses which could not afford their own libraries. When the library community did create a shared service, The Knowledge Initiative, its funding was pulled in Trenton. Jane Oates informed me that sharing expensive online journals across government funded institutions was seen as an end run around local budgets to tap into the State budget. Thus, a later government saw sharing of services not as an economy of scale and acted against the intent of the Legislative initiative which created the multitype library cooperative system.

Another approach was also tried. Four of us visited the office of a former state treasurer, John McCormac, and asked his staff representative if we could fund online journals from a tax on retail magazine sales. We did this because we saw that as a reasonable revenue stream: a person buys a copy of TV Guide and the tax goes to fund

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<sup>1</sup> Attached to this testimony are my recent remarks to the Rutgers Board of Governors on the implications of bringing the NJ State Library and library network to Rutgers with Thomas Edison College.

online journals to support citizens and businesses. No action was taken but the next administration instituted that magazine tax and put that money into general revenues.

When the State Library and the library network moved from the Department of Education to Thomas Edison College (TEC), a number of us asked *why* Thomas Edison, why not move the State Library to Rutgers or Montclair or William Paterson Universities – or somewhere else? Today, we wonder if TEC and the State Library were to be separated, then the library components could report to OLS, NJEDge, or another entity within the Executive or Legislative domains.

Currently, there is a long established program defined in the Administrative Code to give state aid to local libraries if they meet certain standards. Last week that money was moved out of the State Library and into the Department of Community Affairs. That money appears now to no longer being connected to meeting minimum library standards. A cynic might view as a pre-emptive attack on the integrity of New Jersey library laws and regulations offered in the name of revenue sharing. I would hope that the Legislature review such forays taken before approval of a proposed budget.

You might guess that we are not a strong or aggressive field. We are not organized the way State workers or local teachers are. Our librarians earn reasonable salaries for individuals who hold the minimum requirement of a Master's degree. From our past library network and local library budgets, we can assume that we do not know how to advocate effectively to sustain the continuation of valuable library services. It is especially difficult to be heard during this particular budget year. We need your help to make our case.

Let me finish by focusing on what is happening by those who compete for the economic growth which New Jersey hopes to capture. Our economic growth might be stunted by a lack of knowledge which could be provided by high tech business information centers in NJ which extend the work already being done by our libraries and our library network. Let us hope that we have the foresight to be strategic, gather intelligence, and plan our way out of our current economic situation. In today's world, we know that economic growth is linked to providing the information and knowledge our citizens need to expand businesses, capture patents, and create new jobs with workers who can continuously educate themselves through our network of public, academic, school, and corporate libraries. Thank you.

## ATTACHMENT

April 5, 2010

Testimony before: The Rutgers Board of Governors' Committee on Academic and Student Affairs and the Committee on Finance and Facilities

Presented by: Dan O'Connor, Associate Professor, Department of Library and Information Science, School of Communication and Information

My remarks today are to bring into focus the implications of incorporating The New Jersey State Library and the New Jersey library network into Rutgers and the impact this may have on student tuition and fees. The NJ State Library reports to Thomas Edison College (TEC) and the Governor's *FY 2011 Budget in Brief* moves Thomas Edison College to Rutgers. Note that my comments today do not include the implications of moving Thomas Edison College itself to Rutgers; I am strictly addressing the movement of the NJ State Library to Rutgers and the elimination of the four Regional Library Cooperatives which provide the backbone of multi-type library services in our State which includes public, school, academic, medical, institutional, law, non-profit, and corporate libraries.

Currently the 302 public libraries in New Jersey cooperate within a well defined network and provide valuable services to our citizens. Added to those public libraries are 2,200 other multi-type libraries. Four Regional Library Cooperatives provide the services that link libraries together in sharing expensive online periodicals, journals, e-books, and the delivery of millions of materials across the State.

In the interests of time I will not recount the value of our libraries except to note that in 2007 a survey of 1,800 NJ registered voters found overwhelming support for NJ public libraries (approval ratings over 80%). More recently, during these times of economic stress, the libraries have seen their use skyrocket with over 160,000 visitors per day to the public libraries in our State. Our citizens rely on libraries to support business endeavors, help individuals find employment information, assist citizens in gaining access to government information, and respond to a wide array of reference questions.

The Governor's budget did cut many programs but for the library network it took special care to *eliminate* its program—entirely! Funding for the Regional Library Cooperatives will cease on June 30, 2010. The Governor's budget would have The NJ State Library and its Talking Book & Braille Center come to Rutgers unfunded. That is correct: unfunded.

The implications of this are severe: access to statewide online journals and magazines will cease and group contracts on other electronic resources will end; federal matching money would be left in Washington; statewide interlibrary loan and delivery of materials (at least 5 million items being transferred across our libraries) will cease; more than half of NJ's public libraries will lose access to the Internet and many will lose email service; training for librarians to use the latest technologies will end; and, many libraries will lose their websites or access to them. Thus, the actual library, and its virtual counterpart, will no longer be able to help citizens expand businesses, find government information, or help people get the information they need to find employment.

If the Governor's budget proposals were to occur, then Rutgers might be faced with a major decision: (1) dismantle the State Library, close the Regional Library Cooperatives, and cease operations for the library now serving the blind and handicapped; or, (2) fund these efforts from the Rutgers budget. To *not* fund the library commitments would create a public uproar in each NJ community where citizens and businesses would blame Rutgers for dismantling an effective and well regarded library network. This outcry by NJ citizens would create a public relations disaster for Rutgers.

To fund the library commitments would cost \$20 million which could result in a financial crisis given the current underfunding of Rutgers by the State of New Jersey. Legislators have told me that they are unable to increase taxes but that Rutgers has its own taxing authority: tuition and fees. Would it be a wise public policy to increase the tuition and fees of our students to fund public library services? Should Rutgers students be expected to support NJ's State Library and the multi-type library network?

The Rutgers Board of Governors needs to explore the full implications of taking control over the State Library and the NJ library network. With full funding, such a proposal might be attractive. With no funding, it appears to be a blueprint for disaster. Please know that you can rely on me for specific, additional information about this matter. Thank you.

April 14, 2010 Testimony before: Senator Barbara Buono, Assemblyman Patrick J. Diegnan, Jr., and Assemblyman Peter J. Barnes III

Contact: Cheryl O'Connor, 220 Central Avenue, Edison 08817  
coconnor@infolink.org home: 732-572-5489 work: 732-752-7720

Thank you, Senator Buono, Assemblyman Diegnan, and Assemblyman Barnes for this public hearing tonight. I'm Cheryl O'Connor – a resident of Edison for 34 years, a professional librarian for 41 years, and the current New Jersey Library Association **Librarian of the Year**.

I speak to you as one state leader to another to give you the facts to justify the restoration to the State Library of \$10.4 million in library network funding for statewide library services. Where those funds come from is in your realm. The benefit of those funds across the state and the ramification of their loss are in mine.

April 22 is the **twenty-fifth anniversary** of the launch of the New Jersey Library Network. Did you know that this network was established in statute as a result of a legislative study commission? The first regional library cooperative – the cooperative that served Middlesex and Union Counties – was launched on April 22, 1985.

I'm the Executive Director of INFOLINK, the Eastern NJ Regional Library Cooperative that serves 900 multi-type libraries in Middlesex, Union, Essex and Hudson Counties. Today the statewide network is 2500 libraries strong – public, school, academic, not-for-profit, medical, law, prison and special libraries. For twenty-five years the library network has fostered collaboration, cooperation, and resource sharing. Network library members are models of fiscal efficiency. The State Library leverages the network funding for results that have won state and national acclaim.

With no knowledge and with one stroke, this governor has **zeroed out** funds for the New Jersey Library Network and **eliminated** the following:

#### **Statewide Resource Sharing.**

- For the high school student who needs print materials to complete a research project for his AP history class;
- For a mother searching health related issues for her child;
- For the businessperson doing market research;
- For the graduate student completing a PhD in biochemistry; and
- For the senior citizen just looking to enjoy the fourth novel in a wonderful book series.

It is the State Library's funding from the **New Jersey Library Network budget line** that resulted in the statewide online interlibrary loan system supported by a statewide delivery service that transported over 5,000,000 items in 2009. Put a U.S. mail or UPS price tag on that!! Monroe PL received delivery 5x/week at a cost of only \$10/stop and

shipped over 12,600 books and boxes. Network funds paid for this service. This is leveraging state dollars with a state contract. I negotiate that contract and the vendor agreed to hold the cost with no increase in 2010.

**Statewide Database Access.** It is the State Library's funding from the **New Jersey Library Network budget line** that resulted in group licenses for access to authoritative online resources 24/7 whether the individual is in the public library, in the college library, in the school library, at home, at work or in the dorm room. We leverage state dollars with state contracts and provide equitable access to state residents. I have helped negotiate those contracts. Believe me, a statewide deal that costs \$1 million will cost 2500 individual libraries 30x that – or more likely, the access will disappear forever. Where is the logic for eliminating the funding for such cost efficiencies?

**Technological Advancement.** It is the State Library's funding from the New Jersey Library Network budget line that resulted in Internet access in public libraries statewide, wireless access to the Internet in public libraries statewide, and QandANJ which provides fast answers online 24/7 to questions from residents and students. Where is the logic to inhibit the implementation of cutting edge technology and make it available to all state residents through their libraries?

**Diversity Services.** It is the State Library's funding from the New Jersey Library Network budget line that resulted *Welcoming Libraries Spaces for the Autism Community and Their Families* statewide. I met with you about this Senator Buono. You may not know that another project was just launched by our projects partners – Make Friends with Autism. This is a community focused education initiative under the auspices of Children's Specialized Hospital that encourages understanding, inclusion, support, and appreciation of people and families with autism through a generous grant from Kohl's. Public libraries are receiving DVDs shortly for use with local businesses, organizations and government.

Network funding also resulted in diversity initiatives and that empowered libraries to do community analyses and identify and reach out to the full diversity of their communities. Results include song festival, a family New Year's celebration, an immigration experience film festival, outreach to Haitian, Latino, Asian Indian, Korean, Russian, Chinese and many other communities.

**Conclusion.** This is a quick overview of what the Library Network **is doing and what is going** as a result of the budget action. I'm so proud of the value the State Library and the New Jersey Library Network has provided our residents through their magnificent libraries. Take pride in this. I urge you to restore the \$10.4 million in library network funding for statewide library services. Do not discard 25 years of collaboration and progress. Anything less puts libraries back 60 years where they functioned as islands unto themselves. Thank you.

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Testimony of Chris Carbone  
South River, NJ  
Director of the South Brunswick Public Library

Shared sacrifice is a term we have heard over and over, and it is understood that times are very tough and we all must tighten our belts.

Shared sacrifice is understandable. However, the Governor's proposed budget reduces funding for statewide library services 74%. 74% is not shared sacrifice, it is decapitation.

Another term that we hear over and over is shared services. Libraries have been the poster child for shared services for decades. It is illogical that the mechanisms that have been put into place over these decades that enable libraries to share resources and negotiate group purchasing discounts are being cut.

Three budget lines in statewide library funding have been totally eliminated. Not cut, but eliminated. This eliminated funding will have a drastic effect on library services in New Jersey.

The infrastructure that enabled Interlibrary loan of materials, sharing items among libraries, is being eliminated. Last year over 3 million items were shared among libraries to get them, in the most cost efficient way possible, into the hands of our residents.

Databases of quality information that are provided statewide, used heavily by students and small businesses, are being eliminated. Most libraries, schools and colleges can not afford to purchase these on their own, and could never match the group price that the State Library negotiated.

The four regional library cooperatives, who enable further group purchasing opportunities, continuing education and joint library projects, will also be eliminated.

JerseyConnect, which provides Internet access to over 200 libraries along with webhosting of Library websites will be eliminated. Without JerseyConnect NJ will

not be eligible for a potential \$7.5 million federal stimulus grant that would provide computers, training and increased broadband capacity.

These cuts to the library funding will also cause the loss of \$4.5 million in federal funding, part of which operates the Library for the Blind and Handicapped.

In addition, Library per Capita State Aid will be cut 50%.

Libraries are essential community anchors. They are the place that New Jerseyans go, over 170,000 per day, of all ages, backgrounds and income levels, to increase the quality of their lives. Libraries are the source for continuing education, for equal access to technology and the online world, for quality family activities. Libraries are the great equalizer, with free access to ideas for all.

Libraries are used today more than ever, as our residents look for ways to improve their lives and save their dollars.

Over the last 20 years, while the State Budget has about tripled, state funding for Libraries has remained FLAT. Libraries are not part of the budget problem, if anything, they are part of the solution as they actively assist our residents in job searching and learning marketable new skills. Total funds that were eliminated are approximately \$14 million. Tremendous good and tremendous savings were achieved by NJ residents with this Library money.

It is imperative that these funds be restored, so that libraries in NJ can continue to be the shining star of shared services.

It is also crucial that bill A2555, which eliminates MINIMUM funding for public libraries, be stopped. Municipal Libraries are established by the direct vote of the people, who have chosen to provide this minimum level of funding. The formula is tied to equalized valuation of property and has worked for over 100 years. When values go down, funding goes down, with this self-correcting formula. It provides a minimum level of funding, and most libraries can not maintain services on that amount, as shown by the numbers of Friends groups, book sales, and Foundations libraries have.

Libraries have played an important role in the history of this country. To protect the future of NJ, to have a strong and informed citizenry, who can contribute and be a fully engaged member of society, it is imperative that library funding be preserved.

For more information and ways to help, please visit the website,  
[www.savemynjlibrary.org](http://www.savemynjlibrary.org).

Thank you.

# How libraries stack up: 2010

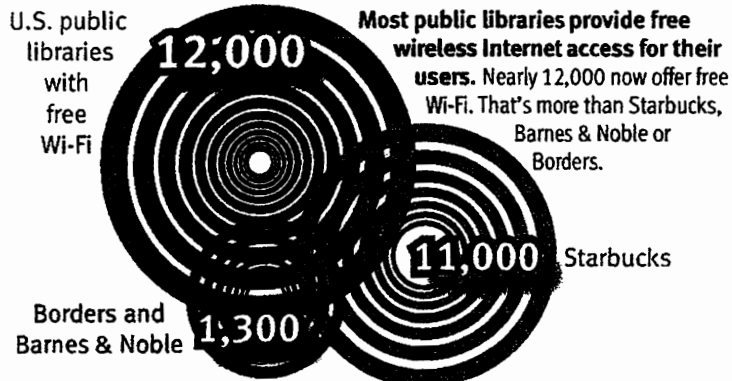
In America, we go to libraries to find jobs, create new careers and help grow our small businesses. We borrow books, journals, music and movies. We learn to use the latest technology. We get the tools and information needed to reenter the workforce. We get our questions answered, engage in civic activities, meet with friends and co-workers and improve our skills at one of the 16,600 U.S. public libraries. Every day, our public libraries deliver millions of dollars in resources and support that meet the critical needs of our communities.



Source: OCLC, 2010, primary research; ALA, 2010, "A Perfect Storm Brewing."

Here are a few of the ways that our public libraries stack up.

## Hot spots



Sources: ALA, 2009, "Libraries Connect Communities 3: Public Library Funding & Technology Access Study, 2008-2009"; Starbucks corporate communications: [www.borders.com](http://www.borders.com); [www.barnesandnobleinc.com](http://www.barnesandnobleinc.com).

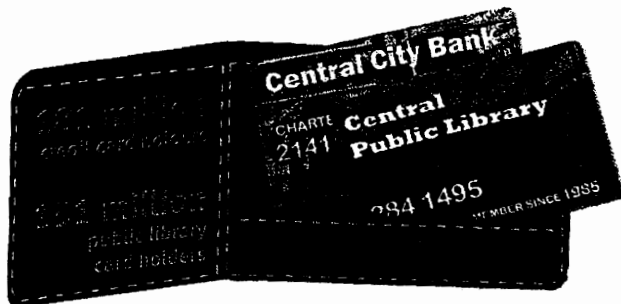
## Taking care of business



Source: OCLC, 2010, primary research.

## It's in our wallets

Library cards are about as prevalent as credit cards. Two-thirds of Americans have a library card. For many young people, the first card in their wallet is a library card.



Sources: ALA, "The State of America's Libraries, 2009"; U.S. Census Bureau, population estimates for those aged 20 and over; *Statistical Abstract of the United States*, 2010.

## Getting technical



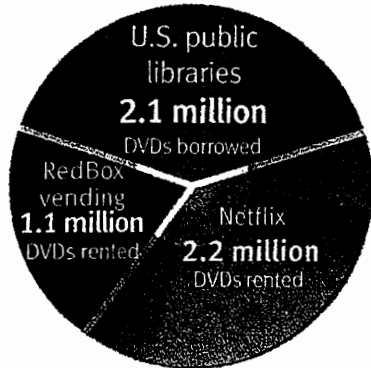
More libraries—5,400—offer technology training classes than there are computer training businesses in the U.S. Every day, 14,700 people attend free library computer classes—a retail value of \$2.2 million. That's \$629 million worth of computer classes annually (based on 286 business days per year).

Sources: ALA, 2009, "Libraries Connect Communities 3: Public Library Funding & Technology Access Study, 2008-2009"; *ReferenceUSA Business and Residential Directory*; OCLC, 2010, primary research; [www.geekssquad.com](http://www.geekssquad.com).

# How libraries stack up: 2010

Libraries are at the heart of our communities—a resource for people of any age to find what we need to help improve our quality of life.

## Movie night



Every day, Americans borrow **2.1 million DVDs** from libraries, and we spend over \$22 million for DVD rentals at outlets like Netflix and RedBox vending machines.

Sources: OCLC, 2010, primary research; [www.netflix.com/HowItWorks](http://www.netflix.com/HowItWorks); Stross, Randall, "When the Price Is Right, the Future Can Wait," *New York Times*, July 12, 2009; McBride, Sarah, "Cinema Surpassed DVD Sales in 2009," *Wall Street Journal* online, January 4, 2010.

## Let's meet

**More public libraries offer free meeting rooms** than there are conference centers, convention facilities and auditoriums combined. Every day, 225,000 people use library meeting rooms at a retail value of \$11 million. That's \$3.2 billion annually (based on 286 business days per year).



Sources: OCLC, 2010, primary research; *ReferenceUSA Business and Residential Directory*.

## Career assistance when we need it most

U.S. public libraries offering career assistance  
**13,000**



U.S. Department of Labor One-stop Career Centers  
**3,000**

**Americans turn to libraries when searching for new jobs.** Both public libraries and One-stop Career Centers provide career counseling resources, resumé assistance and help in filling out online applications.

Sources: ALA, 2010, "A Perfect Storm Brewing"; U.S. Department of Labor, [www.servicelocator.org/](http://www.servicelocator.org/).

## No ticket required

U.S. public library visits  
**1.4 billion**



U.S. movie attendance  
**1.3 billion**



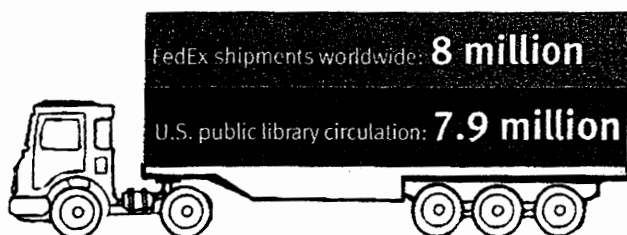
U.S. sporting event attendance  
**218 million**



**Every year, Americans visit the library more often than we go to the movies** and six times more often than we attend live sporting events (includes professional and NCAA football, baseball, basketball and hockey).

Sources: IMLS, 2007, *Public Libraries in the United States: Fiscal Year 2007*; *Statistical Abstracts of the United States, 2010*; [www.mpa.org/researchStatistics.asp](http://www.mpa.org/researchStatistics.asp).

## On the move



**U.S. public libraries circulate as many materials every day as FedEx ships packages worldwide.** We enjoy \$82 million of value every day from the materials we check out at libraries.

Sources: IMLS, 2007, *Public Libraries in the United States: Fiscal Year 2007*; FedEx company facts at [http://about.fedex.designcdt.com/our\\_company/company\\_information/fedex\\_corporation](http://about.fedex.designcdt.com/our_company/company_information/fedex_corporation)



OCLC is a nonprofit library cooperative. For more information see: [www.oclc.org/reports/stackup/](http://www.oclc.org/reports/stackup/).

Numbers from OCLC's primary research are estimates. OCLC conducted primary research in January 2010 by inviting librarians via a post on various e-mail lists to answer a questionnaire gauging the use of their public libraries for job-seeking, small business support, meeting room usage and other activities. 719 librarians from 23 states participated.

214109USF 1003. OCLC



# GASP

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## Written Testimony for the New Jersey Senate, Assembly

### Budget Hearings – Fiscal Year starting July 1, 2010

Date: March 23, 2010

To: Sen. Paul Sarlo, Sen. Brian Stack, Co-Chairs - Senate Budget Committee; Committee members

Asm. Louis Greenwald, Asm. Gary Schaer, Co-Chairs – Assembly Budget Committee; Committee members

From: Karen Blumenfeld, Esq.

Executive Director, GASP

Director, Tobacco Control Policy and Legal Resource Center

Phone: 908-377-3900; [Karen.blumenfeld@verizon.net](mailto:Karen.blumenfeld@verizon.net)

Cc: Fred. M. Jacobs, MD, JD,

Former New Jersey Commissioner of Health and Senior Services

President, Board of Trustees, GASP

Paul Anzano, Esq., of Pringle, Quinn, Anzano, lobbyist for New Jersey GASP

John Bennett, Esq., of Dilworth Paxton, lobbyist for New Jersey GASP

### **DO NOT CUT NEW JERSEY'S COMPREHENSIVE TOBACCO CONTROL PROGRAM**

New Jersey GASP is a 35+ year-old nonprofit, educational organization with the goals of smokefree air for nonsmokers and tobacco-free lives for children. First and foremost, we thank you, members of the Senate and Assembly Budget Committees, leadership, and the legislature as a whole, for its past support of the State's Comprehensive Tobacco Control Program ("CTCP").

Clearly, New Jersey is a leader in public health. New Jersey has one of the most comprehensive smokefree air laws in the nation, and is a leader in emerging trends in

40v

tobacco control legislation. New Jersey's legislature is the first in the nation to ban the use of electronic cigarettes in public places and workplaces, to mandate smokefree dormitories for all college students, and to implement a ban on almost all flavored cigarettes. New Jersey raised the age for sale of tobacco from 18 to 19, and is not in the process of creating smokefree recreational areas for children. New Jersey has the 3<sup>rd</sup> highest cigarette tax in the nation. This progress, placing New Jersey on in the national forefront on tobacco control, is in good part due to cooperative educational outreach by CTCP partners and services. Without the CTCP, these services and educational outreach will cease, setting New Jersey backwards, and losing years of institutional knowledge and momentum.

### **\$119.8 million investment, per CDC recommendation**

The New Jersey CTCP is currently funded at just over \$7 million, which is under 6% of what the \$119.8 million recommended by Centers for Disease Control.<sup>1</sup> Several years ago, the CTCP was funded at \$30 million. Then, funding for the CTCP was cut by two-thirds, down to \$11 million, and cut again, to its current level. In years past, due to New Jersey reducing CTCP funding, New Jersey's state ranking for funding tobacco control dropped a high of 11<sup>th</sup> place, down to 36<sup>th</sup> place, among other U.S. states.<sup>2</sup> Cutting funding by 100% will cast New Jersey's ranking as last, in 50<sup>th</sup> place.

State budget cuts have led to CTCP taking massive cuts to its programming, now operating at a 'bare bones' level. For example, two-thirds of New Jersey's state-funded tobacco dependence treatment centers lost state funding, directly resulting in a loss of treatment services available to smokers who want to quit. In 2003, New Jersey had 15 state-funded centers; now there are only seven state-funded centers. Eliminating CTCP funding will eliminate programming and services to help smokers quit smoking. Thousands of smokers who have used or use CTCP quit program will no longer have access.

The media budget was also decreased due to the budget cuts, resulting in fewer people being made aware of New Jersey's tobacco dependence treatment services, such as the Quit Centers, QuitLine and QuitNet. The tobacco industry spends over \$200 million in New Jersey on marketing, while the CTCP is only funded at a shy over \$7 million.<sup>3</sup>

CTCP reduces the state's healthcare costs over time, so not only does CTCP save thousands of lives, but it also saves New Jersey billions in healthcare costs. New Jersey's

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<sup>1</sup>[http://www.cdc.gov/tobacco/tobacco\\_control\\_programs/stateandcommunity/best\\_practices/00\\_pdfs/2007/BestPractices\\_SectionC\\_BudgetsByState.pdf](http://www.cdc.gov/tobacco/tobacco_control_programs/stateandcommunity/best_practices/00_pdfs/2007/BestPractices_SectionC_BudgetsByState.pdf)

<sup>2</sup> <http://tobaccofreekids.org/research/factsheets/pdf/0219.pdf>

<sup>3</sup> <http://tobaccofreekids.org/research/factsheets/pdf/0201.pdf>

health care costs from smoking are increasing each year. Recent figures show \$3.17 billion (up from \$2.92 billion, and \$2.48 billion, in years prior to). New Jersey's \$3.17 billion in health care costs from smoking is funding almost one-third, or \$967 million, from the State's Medicaid program (\$967 million is up from \$891 million, and \$755 million from years prior to).<sup>4</sup>

### **Revenue Generating Suggestions for Restoring the CTCP Funding:**

#### **1. Increase the annual tobacco related licenses fees**

New Jersey's cigarette tax is one of the highest in the nation at \$2.70 per pack. Yet New Jersey's cigarette retail licensing fee of \$50 is 80% lower than the highest cigarette retail licensing fee in the nation. The annual retail license to sell cigarettes in New Jersey has not increased from \$50 for over a decade (N.J. STAT. ANN. § 54:40A-4). Currently, all licenses relating to cigarette sales generate only \$716,875 in revenues per year, for New Jersey. Raising fees for all cigarette license (retail, vending, wholesale distributor, manufacturer, and manufacturer representative) could boost annual cigarette licensing revenues to more than \$15 million. These proposed fees would help to offset the costs of running New Jersey's seven Quit Centers, and other CTCP programs. See attached document for more details on the breakdown to created \$15 million in new revenues.

#### **2. Increase the cigarette tax to fund Charity Care and CTCP**

Raising the state cigarette tax not only can raise money for the General Fund, that can be applied to Charity Care and the CTCP, but also helps smokers to quit smoking, due to the increased cost of cigarettes. A 42.5 cent increase per pack of cigarettes, which would tax cigarettes at \$3.00 per pack, can raise \$54.5 million in tax revenues. A 50 cent increase can yield \$64.3 million in tax revenues. A 75 cent increase can raise \$93.6 million, and a \$1.00 increase per pack can raise \$117.1 million.<sup>5</sup>

#### **3. Restore the wholesale tax to 48%, on cigars/other tobacco products**

The tax on cigars and other tobacco products was rolled back several years ago, from 48% to 30% of wholesale (N.J. STAT. ANN. § 54:40B-1 et. seq.). Restoring that tax to 48% could generate additional revenue up to \$7 million, part or all of which could be used to increase CTCP funding. For your information, S1367 was introduced on February 28, 2008 (A2875 and S1241 were introduced in the prior legislative session).

Thank you again for your time, and please contact us if we can provide further information.

<sup>4</sup> <http://www.tobaccofreekids.org/reports/settlements/toll.php?StateID=NJ>

<sup>5</sup> [TobaccoFreeKids.org/research/factsheets/pdg/0146.pdf](http://www.tobaccofreekids.org/research/factsheets/pdg/0146.pdf)

**The Comprehensive Tobacco Control Program (CTCP), of the New Jersey Department of Health and Senior Services, promotes sound public health policy with positive impacts and outcomes, since its inception in 2001:**

The CTCP programs have used external and internal evaluators to document a variety of **impacts/outcomes** including:

- Quitline has assisted a total of 44,006 individuals since its inception (2000) through December 2009. During 2009 a total of 3,224 individuals received services from Quitline.
- Quitnetnet has assisted a total of 68,530 individuals since its inception (2000). During 2009, a total of 5,555 have registered to the various services offered to quit smoking. [www.njqult2win.com](http://www.njqult2win.com)
- The total Quitcenters' clients since 2001 through 2009 are 11,062. During 2009 a total of 2,113 smokers received cessation services at the remaining seven funded Quitcenters.
- A total of 12,000 youth are members of the anti-tobacco REBEL group working within 170 High Schools and 119 Middle Schools to prevent youth smoking initiation through environmental policy implementation.
- The Community Partnerships for a Tobacco Free New Jersey (CPTFNJ- one in each of the 21 counties), has recruited more than 950 Ambassadors, partnered with more than 210 NJ Hospitals, health and social services agencies and educational institutions, reached out to approximately 302 legislators, policy makers, landlords and small business to increase consumer access to cessation services and tobacco education.
- The 2008 New Jersey Smoke-Free Air Act Policy Survey (NJSFAAPS- a web-based survey sent to Local Health Departments to assess enforcement of the Smoke Free Air Act-SFAA) shows a perceived "good" compliance rate of 96.5% reported by restaurants, 90.7% reported by bars and 79.8% reported by all other indoor workplaces.
- A reduction on the adult smoking prevalence rate to 17.4% (2006) down from 19.8% in 2000.
- A reduction on the middle school tobacco use prevalence rate of 8.4% (2006), down from 9.5% in 2000.
- A reduction on the High school tobacco (all products) use prevalence rate to 24.5% (2006), down from 26.8% (2004).
- A reduction on the High School cigarette use prevalence rate to 15.8%, down from 17.3% in 2004.
- A non-compliance rate of 4.6% (to be confirmed by CSAP), down from 11.9% in 2008 (well below the mandated 20% of documented sales of tobacco products to minors).

**Eliminating CTCP funding will set-back New Jersey's 10-year progress and commitment to reducing smoking and secondhand smoke - the #1 cause of preventable disease and death in our State, Nation and global community.**

March 19, 2010

1. CTCP funding last four fiscal years:

06-07	\$13,210,360	(excise tax: \$11 million, CDC: \$1,510,360; Taxation/others \$700,000)
07-08	\$13,760,000	(same \$11 million, CDC, \$1,400,915; taxation/others: \$1,359,085 includes one-time RWJ funding for promotion SFAA)
08-09	\$10,500,319	(excise tax: \$8.6; CDC: \$1,400,319; taxation: \$500,000)
09-10	\$ 9,334,833	(excise tax: \$7,560,000; CDC: \$1,274,833; taxation \$500,000)

2. Funding allocation (includes all funding sources):

- Community Interventions: includes funding for community partnerships and youth programs located in all 21 counties in New Jersey. It also includes funding for specialized services such as Mom's Quit Connection, NJ GASP, ACS, Outreach program and the ALA youth cessation program.  
Total allocation for 09-10: \$4,958,000
- Treatment and Cessation: includes funding for Quitnet, Quitline, and 7 Quitcenters plus the Tobacco Dependence training program.  
Total allocation for 09-10: \$1,599,600
- Tobacco Age of Sale Enforcement: for the implementation of tobacco inspections to 3,000 NJ retailers.  
Total allocation for 09-10: projected \$500,000
- Research: includes funding for our independent evaluator (YTS and ATS surveillance), contracts with Department of Education- YBRS surveillance and DHSS-Behavioral Risk Factor Surveillance System.  
Total allocation for 09-10: \$ 977,250

TOTAL ALLOCATION FOR GRANTEES & CONTRACTS ALL FUNDING SOURCES: \$ 8,034,850

Did You Know? Almost 90 percent of U.S. smokers begin at or before age 18.



Features

# The Toll of Tobacco

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Tuesday, Mar 23

## The Toll of Tobacco in New Jersey

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Find out what tobacco has done to your state!

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### Tobacco Use in New Jersey

High school students who smoke	<b>15.8% (74,600)</b>
Male high school students who use smokeless or spit tobacco	<b>9.0% (females use much lower)</b>
Kids (under 18) who become new daily smokers each year	<b>9,000</b>
Kids exposed to secondhand smoke at home	<b>398,000</b>
Packs of cigarettes bought or smoked by kids each year	<b>17.1 million</b>
Adults in New Jersey who smoke	<b>14.8% (981,900)</b>

Nationwide, youth smoking has declined dramatically since the mid-1990s, but that decline has slowed considerably in recent years. The smoking rate among high school students - 20 percent in 2007 - has not declined significantly since 2003, following a 40 percent decline between 1997 and 2003, from 36.4 percent to 21.9 percent.

In addition, 13.4 percent of U.S. high school males currently use spit tobacco. U.S. adult smoking increased slightly to 20.6 percent (about 46 million) in 2008 from 19.8 percent in 2007, the first increase in adult smoking rate since 1994.

### Deaths in New Jersey From Smoking

Adults who die each year from their own smoking	<b>11,200</b>
Kids now under 18 and alive in New Jersey who will ultimately die prematurely from smoking	<b>168,000</b>
Adult nonsmokers who die each year from exposure to secondhand smoke	<b>1,010</b>

Smoking kills more people than alcohol, AIDS, car crashes, illegal drugs, murders, and suicides combined -- and thousands more die from other tobacco-related causes -- such as fires caused by smoking (more than 1,000 deaths/year nationwide) and smokeless tobacco use. No good estimates are currently available, however, for the number of

New Jersey citizens who die from these other tobacco-related causes, or for the much larger numbers who suffer from tobacco-related health problems each year without actually dying.

**Smoking-Caused Monetary Costs in New Jersey**

Annual health care costs in New Jersey directly caused by smoking	<b>\$3.17 billion</b>
- Portion covered by the state Medicaid program	<b>\$967 million</b>
Residents' state & federal tax burden from smoking-caused government expenditures	<b>\$660 per household</b>
Smoking-caused productivity losses in New Jersey	<b>\$2.60 billion</b>

Amounts do not include health costs caused by exposure to secondhand smoke, smoking-caused fires, spit tobacco use, or cigar and pipe smoking. Other non-health costs from tobacco use include residential and commercial property losses from smoking-caused fires (more than \$500 million per year nationwide); extra cleaning and maintenance costs made necessary by tobacco smoke and litter (about \$4+ billion nationwide for commercial establishments alone); and additional productivity losses from smoking-caused work absences, smoking breaks, and on-the-job performance declines and early termination of employment caused by smoking-caused disability or illness (dollar amount listed above is just from productive work lives shortened by smoking-caused death).

**Tobacco Industry Influence in New Jersey**

Annual tobacco industry marketing expenditures nationwide	<b>\$12.8 billion</b>
Estimated portion spent for New Jersey marketing each year	<b>\$226.3 million</b>

Published research studies have found that kids are twice as sensitive to tobacco advertising than adults and are more likely to be influenced to smoke by cigarette marketing than by peer pressure, and that one-third of underage experimentation with smoking is attributable to tobacco company advertising.

More detailed fact sheets on tobacco's toll in each state are available by emailing [factsheets@tobaccofreekids.org](mailto:factsheets@tobaccofreekids.org)



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## IMPACT FROM DECREASING NEW JERSEY'S CIGARETTE TAX ON YOUTH SMOKING, DEATHS & RELATED HEALTH COSTS

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*Current Cigarette Tax Rate in New Jersey: \$2.70 per pack*

### Youth Smoking Impacts from a 30-Cent DECREASE in the Cigarette Tax Rate:

- *Increase in youth smoking rates: 3.0%*
- *More state kids growing up to become addicted adult smokers: 14,500*
- *More kids growing up to die prematurely from smoking: 4,500*
- *Related increased future healthcare expenditures in state: \$257 million*
  - *State Medicaid Program's healthcare spending increases: \$67 million*

*Campaign for Tobacco-Free Kids 3.03.10, March 24, 2010*

**Notes & Sources:** Changes to future healthcare costs occur during the lifetimes of the affected youths. Tauras, J, et al., "State Tobacco Control Spending and Youth Smoking," *American Journal of Public Health* 95(2):338-44, February 2005 (and related data from authors). Hodgson, TA, "Cigarette Smoking and Lifetime Medical Expenditures," *Milbank Quarterly* 70(1), 1992. Warner, KE, et al., "Medical Costs of Smoking in the United States: Estimates, Their Validity, and Their Implications," *Tobacco Control* 8(3): 290-300, Autumn 1999. CDC, "Annual Smoking-Attributable Mortality, Years of Potential Life Lost, and Economic Costs—United States 1995-1999," *Morbidity and Mortality Weekly Report (MMWR)* 51(14):300-03, April 11, 2002.

**Cigarette Consumption, Tobacco-Related Revenue and Smoking Prevalence by Fiscal Year -- New Jersey**

Fiscal Year	Cigarette Consumption		Sales Tax on Cigarettes		Net Excise Tax Revenue		MSL	Total Revenue	Changes in Cigarette Excise Tax
	Packs of Cigarettes Consumed / Tax Stamps	Per Capita Consumption	Sales Tax per pack	Revenue	Cigarettes	Other Tobacco Products	Settlement Payments	Total Tobacco Related Revenue (Total Taxes + Settlement)	
2001	485,844,000	76.3	\$0.19	\$92,310,360	\$386,489,050	\$14,106,739	\$239,846,695	\$732,752,844	
2002	495,229,250	77.5	\$0.19	\$97,093,654	\$394,952,962	\$15,087,861	\$242,076,112	\$749,110,589	
2003	408,060,250	63.2	\$0.28	\$106,095,665	\$610,254,183	\$9,788,278	\$261,333,005	\$987,421,131	Jul 1, 02 increase \$.80 to \$1.50
2004	374,258,900	59.1	\$0.32	\$119,372,860	\$739,422,317	\$10,157,188	\$242,130,000	\$911,082,365	Jul 1, 03 increase \$1.50 to \$2.05
2005	325,273,750	49.9	\$0.34	\$109,617,254	\$779,193,298	\$11,685,755	\$246,500,000	\$1,146,996,306	Jul 1, 04 increase \$2.05 to \$2.40
2006	325,604,750	50.3	\$0.32	\$104,193,520	\$787,123,681	\$2,451,738	\$225,300,000	\$1,019,068,939	
2007	297,387,850	45.5	\$0.42	\$124,605,509	\$765,130,457	\$11,911,069	\$232,900,000	\$1,134,647,035	Jul 1, 06 increase \$2.40 to 2.575
2008	296,989,260	45.5	\$0.45	\$133,611,267	\$753,416,899	\$4,227,000	\$262,200,000	\$1,153,455,166	
2009	282,739,000	42.4	\$0.44	\$124,405,160	\$726,780,905	\$15,507,979	\$287,400,000	\$1,154,094,044	

**Source:**

Consumption data from Div of Taxation (Cigarette Tax Stamps), does not include out of state purchases, illegal/contraband cigarettes, and internet sales

Per capita consumption based on adult population size

State Sales Tax— *Tax Burden on Tobacco, Vols 35-44*

OTP Tax Revenue — *Tax Burden on Tobacco, Vol 44* (includes cigars, smoking tobacco, chewing tobacco and snuff)

Settlement Payments— *Tax Burden on Tobacco, Vols 44*

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Karen Blumenfeld 908-377-3900  
March 10, 2010

**Increase NJ cigarette-related licensing fees; create OTP-related licensing fees**

New Jersey's cigarette tax is the 3<sup>rd</sup> highest in the nation at \$2.70 per pack. Yet New Jersey's annual cigarette retail licensing fee is 80% lower than the current highest cigarette retail licensing fee in the nation. The annual retail license to sell cigarettes in New Jersey has not increased from \$50 for over a decade (The Cigarette Tax Act NJSA 54:40A-4; see attached), and generates only \$680,565 in revenues, 80% of which, or \$544,452, is earmarked for the NJ Tobacco Age of Sale program (inspections, etc).

On April 7, 2009, NY State signed into law increased retail cigarette and tobacco licensing fees, ranging from \$1,000 to \$5,000, which will generate \$16.7 million in revenues (into effect in September 1, 2009; see attached).

Raising fees for all cigarette licenses in New Jersey (retail, vending, wholesale distributor, manufacturer, and manufacturer representative), based on the proposed figures in the chart below, will boost annual cigarette licensing revenues to \$14.3 million, netting 80% or \$11.44 million (per NJSA 54:40A-4(h)), for NJ's CTCP TASE program. This figure is conservative, compared to New York's new law, since the NJ estimate only suggests a \$1,000 per retail license, vs. New York's starts at \$1,000, and goes up to \$5,000.

The left-hand column in the chart below shows the annual cigarette licensing fees revenues in New Jersey, as of fiscal year August 2009, according to the New Jersey Division of Revenue. The right-hand column lists our proposed fees:

**CURRENT CIGARETTE LICENSING FEES**

12,636 retail licenses @ \$50 each = \$631,800  
1,678 vending licenses @ \$50 each = \$33,900  
58 distributor licenses @ \$350 each = \$20,300  
18 manufacturer licenses @ \$10 each = \$180.  
119 wholesale dealer licenses @ \$250 each = \$29,750  
187 manufacturer representative licenses @ \$5 each = \$935.

**CURRENT TOTAL: \$716,875**

**PROPOSED FEES Fiscal 2009-10**

Increase to \$1,000 = \$12,636,000  
increase to \$1,000 = \$1,678,000  
increase to \$5,000 = \$290,000  
increase to \$10,000 = \$180,000  
increase to \$2,500 = \$297,500  
increase to \$5,000 = \$935,000

**PROPOSED TOTAL: \$16,016,500**

## **Create Licensing Fee Structure for Other Tobacco Products (OTPs)**

New Jersey does NOT have a licensing structure for Other Tobacco products (OTPs), unlike New York which includes OTPs (New York's OTP licensing fees mirror those for cigarettes, e.g. minimum \$1,000 and maximum \$5,000 per license, starting September 1, 2009).

Amending the current New Jersey licensing structure to include all OTPs would most likely create approximately 70+ additional *retail* licensing fees (cigar bars, hookah lounges, etc.), each at a minimum of \$1,000, which is an additional \$70,000 in revenues in *OTP retail* licensing fees, or \$56,000 to the CTCP.

In addition to new *retail* licensing fees for OTPs, the licensing fee structure could be apply to *OTP* vendors, wholesale distributors, manufacturers, and manufacturer representatives, just like it applies to *cigarette* vendors, wholesale distributors, manufacturers, and manufacturer representatives. This would create additional revenues, and in turn, 80% of which could be dedicated to the CTCP.

Adding a licensing structure for OTPs in New Jersey can be accomplished in two ways: (1) Revising the Cigarette Tax Act (NJSA 54:40A-1 et.seq.) to include OTPs; or (2) amending the New Jersey Tobacco Products Wholesale Sales and Use Tax Act (NJSA 54:40B-1 et.seq., full Act attached) to include licensing fees for OTP retailers, vendors, wholesale distributors, manufacturers, and manufacturer representatives). Currently, only a certificate of registration is required regarding OTPs.

### **Pending NJ bills**

**S384** Requires licenses to conduct business in Tobacco products under the New Jersey Tobacco Products Wholesale Sales and Use Tax Act. Fees are same as current cigarette licensing fee structure (\$50 for retailer, etc). Introduced 1/08/08 by Senators Singer and Bucco. Last Session Bill Number: S219.

**S392** Requires licenses for distributors, wholesalers and retailers to conduct business in Tobacco products under the New Jersey Tobacco Products Wholesale Sales and Use Tax Act. Fees are same as current cigarette licensing fee structure (\$50 for retailer, etc). Introduced 1/28/08 by Senator Singer. Last Session Bill Number S938.

## About New Jersey GASP

New Jersey GASP is a CTCP grantee. In the last year, our activities and accomplishments include hundreds of individual consultations and presentations on smoking-related issues. We provide technical assistance to New Jersey colleagues and residents, guide citizens, proprietors, colleagues, media, and legislators, on the smokefree-related legislation, such as New Jersey's Smoke-free Air Act and the Smoke-free Residence Housing Act for students, banning flavored cigarettes, and restricting the use of electronic cigarettes.

We also focus our educational outreach smokefree trends such as casino/gaming venues, outdoor smokefree recreational areas, smokefree cars for children, smokefree multi-unit residences, hazards of thirdhand smoke and hookah smoking, etc.

We provide regular mailings to all New Jersey municipalities and state legislators, and customized technical assistance to individual municipalities' health departments on enforcing New Jersey's tobacco control laws, as well as educational information to local, county and statewide policymakers. Hundreds of thousands of visitors view our GASP website [www.njgasp.org](http://www.njgasp.org), which provides synopses of all New Jersey state legislation on tobacco, news and action alerts on tobacco control, and emerging trends in tobacco control.

Our website hosts the nation's only on-line, searchable database of local New Jersey ordinances on tobacco control. Our local laws database has more than 400 ordinances, searchable by date enacted, enacting authority, location, category, and provisions. New ordinances are passing at the rate of one every month, mostly to create outdoor smoke free public places for children, in parks, at playgrounds and on beaches and boardwalks.

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# I·O·M·P·H·N·J

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**NJBreathes**  
Tobacco vs. Kids - Where New Jersey draws the line!

## **New Jersey's Comprehensive Tobacco Control Program: Importance of Sustained Funding**

### **History of Tobacco Control Funding**

Tobacco use is the leading preventable cause of death in the U.S., killing more than 400,000 people and costing \$96 billion in health care bills each year. Every day, another 1,000 kids become regular smokers – one-third of them will die prematurely as a result.

In New Jersey, tobacco kills 11,200 residents a year, imposing more than \$3 billion in health care costs, with nearly a billion dollars paid by Medicaid. Despite these devastating costs, state funding for New Jersey's Comprehensive Tobacco Control Program (CTCP) has dramatically decreased, from \$30 million in FY2003 to just over \$7.5 million this fiscal year (FY10). The cuts have come despite the recommendations from the federal Centers for Disease Control and Prevention (CDC) that NJ spend \$119.8 million annually to reduce smoking.

The CTCP provides funding for tobacco control, and prevention and cessation programs, including cessation services like New Jersey's toll-free Quitline, web-based Quitnet, and walk-in hospital based Quitcenters—all services designed to help smokers quit. The CTCP also funds community and school based programs, including

- The NJ REBEL program-- a statewide, youth-led anti-tobacco movement, whereby teens educate their peers (middle school and high school students) about the dangers of tobacco use;
- Community Partnerships for a Tobacco-Free New Jersey (CPTFNJ)-- a network of nineteen community-based prevention agencies, housed in all of New Jersey's twenty-one counties, which are responsible for increasing tobacco cessation and reducing involuntary exposure to second-hand smoke through community education/training and cessation advocacy; and
- Specialized Tobacco Control Community Partners-- who provide training and technical assistance for healthcare providers; smoke-free worksite programs; a mobile outreach unit to serve geographically and racially disparate populations; and a research/information clearinghouse for health care consumers and policymakers.

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Currently, New Jersey ranks 38<sup>th</sup> in the nation in tobacco control funding programs, according to a national report released in early December by a coalition of public health organizations. The annual report on states' funding of tobacco prevention programs, titled "A Broken Promise to Our Children: The 1998 State Tobacco Settlement 11 Years Later," was released by the Campaign for Tobacco-Free Kids, American Heart Association, American Cancer Society Cancer Action Network, American Lung Association and the Robert Wood Johnson Foundation.

Other key findings for New Jersey from the report include:

- New Jersey this year will collect \$968 million from the 1998 tobacco settlement and tobacco taxes, but will spend just 0.9 percent of it on tobacco prevention programs.
- The tobacco companies spend \$226.3 million a year to market their products in New Jersey. This is 26 times what the state spends on tobacco prevention.

New Jersey has implemented several strong policies to reduce tobacco use, including a statewide smoke-free workplace law (with the exception for the casino gaming floor loophole that leaves 40,000 casino workers unprotected), and a high cigarette tax of \$2.70 a pack. However, New Jersey has fallen short in funding tobacco control, prevention and cessation programs.

In New Jersey, 15.8 percent of high school students smoke, and 9,000 more kids become regular smokers every year. Eleven years after the 1998 state tobacco settlement, the new report finds that the states this year are collecting record amounts of revenue from the tobacco industry, but are spending less of it on tobacco prevention. The report warns that the nation's progress in reducing smoking is at risk unless states increase funding for programs to prevent kids from smoking and help smokers quit.

### **Increased Tobacco Control Funding: Return on Investment**

It is well established that comprehensive statewide tobacco control, prevention and cessation programs prompt sharp reductions in smoking levels among both adults and kids, by both increasing the numbers who quit or cut back, and reducing the number of smokers who start or relapse. As shown by the experience of those states that already have **well-funded** comprehensive tobacco-prevention programs, these smoking reductions save thousands of people from suffering from the wide range of smoking-

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caused illnesses and other health problems, producing substantial declines in state health care costs and other smoking-caused expenditures.

**Annual Cost Savings From An Established State Tobacco-Prevention Program**

California's tobacco-control program secured substantial savings over the first seven years of its operation just from reducing smoking-affected births and smoking-caused heart attacks and strokes. Taken together, these savings more than covered the entire cost of the state's program over that time period, by themselves, and produced even larger savings in the following years.<sup>1</sup>

For every single dollar the state has been spending on the California program it has been reducing statewide healthcare costs by more than \$3.60 -- with reductions in other smoking-caused costs saving another six dollars or more.<sup>2</sup>

Between 1990 and 1998 the California Tobacco Control Program saved an estimated \$8.4 billion in overall smoking-caused costs and more than \$3.0 billion in smoking-caused healthcare costs. In addition, these savings estimates for California do not even reflect the fact that since 1988 (the year before the California tobacco-prevention began), the rates of lung and bronchus cancer in California have declined more than five times as fast as they have in a sample of other areas of the U.S. (-14.0% vs. -2.7%). This decline is not only saving thousands of lives but also saving the state millions of dollars in medical costs with projected future savings in the billions.<sup>3</sup>

In Massachusetts, a report by an economist at the Massachusetts Institute of Technology in 2000 found that the state's program was reducing statewide healthcare costs by \$85 million per year -- which means the state was annually reducing smoking-caused health care costs by at least two dollars for every single dollar it invested in its comprehensive tobacco-prevention efforts.<sup>4</sup>

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<sup>1</sup> Lightwood, J & Glantz, S, "Short-term Economic and Health Benefits of Smoking Cessation: Myocardial Infarction and Stroke," *Circulation*, 96:1089-1096, 1997; Lightwood, JM, et al., "Short-Term Health and Economic Benefits of Smoking Cessation: Low Birth Weight," *Pediatrics* 104(6):1312-1320, December 1999; Miller, P, et al., "Birth and First-Year Costs for Mothers and Infants Attributable to Maternal Smoking," *Nicotine & Tobacco Research* 3(1):25-35, February 2001.

<sup>2</sup> Tobacco Control Section, California Department of Health Services, *California Tobacco Control Update*, August 2000, <http://www.dhs.ca.gov/tobacco> or <http://www.dhs.ca.gov/tobacco/documents/pubs/CTCUpdate.pdf>.

<sup>3</sup> Tobacco Control Section, California Department of Health Services, *California Tobacco Control Update*, August 2000, <http://www.dhs.ca.gov/tobacco/documents/pubs/CTCUpdate.pdf> or <http://www.dhs.ca.gov/tobacco>.

<sup>4</sup> CDC, "Declines in Lung Cancer Rates -- California," *MMWR* 49(47):1066-9, December 2000, <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm4947a4.htm>.

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Tobacco vs. Kids - Where New Jersey draws the line!

**More recent research has added to these findings to show that state programs secure even larger returns on investment for sustained funding of tobacco prevention at adequate levels over ten or more years.** Most notably, a more recent study of California's tobacco prevention found that for every dollar the state spent on its tobacco control program from 1989 to 2004, the state received tens of dollars in savings in the form of sharp reductions to total healthcare costs in the state.<sup>5</sup> This study confirms that the cost saving benefits from sustained state investments in effective tobacco control programs quickly grow overtime to dwarf the state expenditures, producing massive gains for the state not only in terms of both improved public health and increased worker productivity but in reduced government, business, and household costs.

Similarly, an August 2008 Australian study found that for every dollar spent on a strong tobacco control program there (consisting primarily of aggressive anti-smoking television ads along with telephone quitlines and other support services to help smokers quit) the program reduced future healthcare costs by \$70 over the lifetimes of the persons the program prompted to quit. This savings estimate was based on the study's finding that for every 10,000 who quit because of the tobacco control program, more than 500 were saved from lung cancer, more than 600 escaped having heart attacks, at least 130 avoid suffering from a stroke, and more than 1700 were prevented from suffering from chronic obstructive pulmonary disease (COPD).<sup>6</sup>

### Long-Term Savings From Tobacco Control Program Outcomes

While impressive, the estimates of current savings compared to current costs overlook a critically important component of the cost savings from state tobacco control. By prompting current adult and youth smokers to quit, helping former smokers from relapsing, and getting thousands of kids to never start smoking, state tobacco-prevention programs lock in enormous savings over the lifetimes of each person stopped from smoking. Put simply, the lifetime healthcare costs of smokers total at least \$16,000 more than nonsmokers, on average, despite the fact that smokers do not live as long, with a somewhat smaller difference between smokers and former smokers.<sup>7</sup> That means that for

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<sup>4</sup> Harris, J, "Status Report on the Massachusetts Tobacco Control Campaign, with a Preliminary Calculation of the Impact of the Campaign on Total Health Care Spending in Massachusetts," 2000.

<sup>5</sup> Lightwood, JM et al., "Effect of the California Tobacco Control Program on Personal Health Care Expenditures," *PLOS Medicine* 5(8): 1214-22, August 2008, <http://medicine.plosjournals.org/periserv/?request=getdocument&doi=10.1371%2Fjournal.pmed.0050178>.

<sup>6</sup> Hurley, SF & JP Matthews, "Cost-Effectiveness of the Australian National Tobacco Campaign," *Tobacco Control*, <http://tobaccocontrol.bmj.com/cgi/content/abstract/tc.2008.025213v1>, published online August 21, 2008.

<sup>7</sup> Hodgson, TA, "Cigarette Smoking and Lifetime Medical Expenditures," *The Millbank Quarterly* 70(1), 1992 [study's

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every thousand kids kept from smoking by a state program, future healthcare costs in the state decline by roughly \$16 million (in current dollars), and for every thousand adults prompted to quit future health costs drop by roughly \$8.5 million.

The findings of a 2004 study show that if every state funded its tobacco prevention efforts at the minimum amount recommended by the U.S. Centers for Disease Control and Prevention (CDC), just the related declines in youth smoking would lock in future reductions in smoking-caused healthcare costs of more than \$31 billion.<sup>8</sup> The related declines in adult smoking and in secondhand smoke exposure from the states making these CDC investments in tobacco prevention would lock in tens of billions of dollars in additional smoking-caused cost savings.

### Conclusion

The data is clear that a well-funded tobacco control program, sustained over time, can reduce smoking rates, and secondhand smoke exposure to nonsmokers, resulting in lower health care costs. In New Jersey, it is estimated that increasing funding to restore the program's original level of \$30 million, would result in over 21,000 fewer kids becoming adult smokers, and save the state Medicaid program over \$80 million; raising funding even higher would create even more dramatic results. In the past, the New Jersey Breathes Coalition has proposed alternate ways to raise revenue to fund this program, and would be pleased to discuss these alternatives at a later date. A well-funded tobacco control program would not only reduce overall state healthcare and Medicaid costs over time, but more importantly save valuable lives of New Jersey residents.

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results converted to 2002 dollars using Consumer Price Index for medical care prices (following CDC updating formulas and procedures)]; See also, Nusselder, W, et al., "Smoking and the Compression of Morbidity," *Epidemiology and Community Health*, 2000; Warner, KE, et al., "Medical Costs of Smoking in the United States: Comprehensive State Tobacco Prevention Programs Save Money / 5 Estimates, Their Validity, and Their Implications," *Tobacco Control* 8(3):290-300, Autumn 1999, <http://tc.bmjournals.com>.

<sup>8</sup> Tauras, JA, et al., "State Tobacco Control Spending and Youth Smoking," *American Journal of Public Health*, February, 2005 [with additional calculations by the primary authors based on the studies findings and methodology].



- ▶ LOOSE LEAF
- ▶ MOIST PREMIUM
- ▶ MOIST PRICE VALUE
- ▶ PLUG
- ▶ SHUFF
- ▶ TWIST
- ▶ **LITTLE CIGARS**
- ▶ PIPE TOBACCO
- ▶ ROLL YOUR OWN

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**Products: Little Cigars**

**SURGEON GENERAL WARNING: Cigar Smoking Can Cause Cancers Of The Mouth And Throat, Even If You Do Not Inhale.**



Captain Black Madagascar Vanilla  
UPC 71737-40770  
(21034)

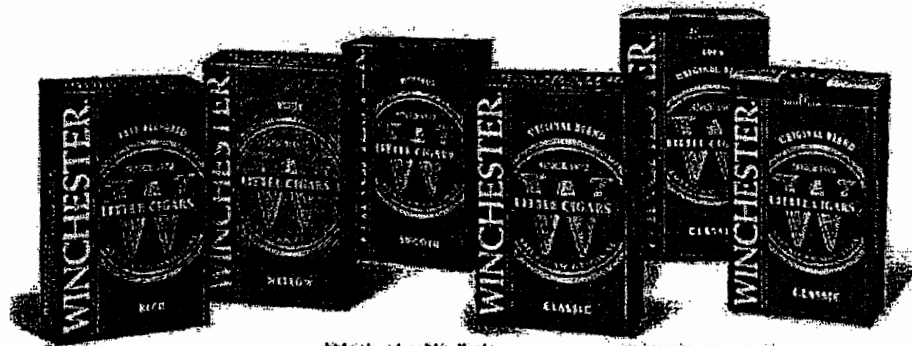
Captain Black Jamaican Sweets  
UPC 71737-49901  
(21015)

Captain Black Tahitian Sweet Cherry  
UPC 71737-40660  
(21026)

Captain Black Caribbean Peach Rum  
UPC 71737-40880  
(21036)

Captain Black Filters  
UPC 71737-49800  
(21009)

**SURGEON GENERAL WARNING: Cigars Are Not A Safe Alternative To Cigarettes.**



Winchester Full Flavored  
UPC 13760-40910  
(22001)

Winchester Milds  
UPC 13760-40970  
(22007)

Winchester Menthol  
UPC 13760-40930  
(22085)

Winchester Box  
UPC 13760-09006  
(22039)

Winchester 100's  
UPC 13760-09506  
(22012)

Winchester Soft  
6M UPC 13760-09206  
(22056)  
12M UPC 13760-09212  
(22073)

58x

Hello everyone:

I'm Dr. Chris Kotsen. I'm a licensed Psychologist and Certified Tobacco Treatment Specialist. I work at the Steeplechase Cancer Center at Somerset Medical Center. I've been running the Tobacco Quitcenter there since 2002. We are partly funded with a grant from the Comprehensive Tobacco Control Program.

I'm here to tell you that Comprehensive Tobacco Control Programs work! Putting it simply, the NJCTCP programs save lives and money for the state.

We serve smokers primarily from Somerset and neighboring counties. Recently, this past quarter we treated 12 residents of Middlesex County. Since 2002, we've treated more than 1,400 smokers in individual and group tobacco cessation counseling at our program. I have personally treated over 1,000 smokers at worksites/community programs, our clinic, or more recently at the bedside in our community hospital at Somerset Medical Center. We have helped hundreds of our patients quit tobacco and regain their health!

With over 1 million smokers left in NJ, it's important to remember that the job is not over. We have a long way to go, tobacco dependence is a serious addiction and the number 1 preventable cause of death in NJ. The Average smoker makes 8-11 serious attempts before quitting. For smokers who try quitting on their own, only three percent succeed in a given year.

It is important not to reverse the progress that has been made. If NJ comprehensive tobacco control program is eliminated, prevention and cessation programs are dramatically cut – more smokers continue smoking instead of quitting, and more youth begin smoking.

Costs to NJ resident households \$660/year in state/federal taxes, this will increase.

NJ businesses lose \$6,000/year in increased medical costs and lost productivity, these costs will increase.

Costs to NJ Medicaid nearly \$1 billion, this will increase – this increase will be immediate, not just 10-20 years later with cancer increases, but right now with increases to the ER for asthma, COPD exacerbation, heart attacks, and increased maternity complications.

In closing, I want to share a simple thank you card in the mail. The patient had lung cancer and successfully quit with us 4 years ago in our group treatment program at the Quitcenter. Her card says: "April... is my fourth anniversary. It is wonderful to be smoke free. Thank you so much for saving my life."

More than 70% of smokers say they want to quit and nearly ½ try each year. Where will they go?



# GASP

7 Cedar St., Suite A  
Summit, NJ 07901  
Phone: 908-273-9368  
Fax: 908-273-9222  
Email: [info@njgasp.org](mailto:info@njgasp.org)  
[www.njgasp.org](http://www.njgasp.org)

From: Fred M. Jacobs, MD, JD, President, Board of Trustees, GASP, Chair of NJ Breathes

Attached please find key information that supports funding New Jersey's Comprehensive Tobacco Control Program (CTCP). CTCP is currently funded at \$7.5 million, reduced from \$30 million since its inception.

Thank you for your consideration to support CTCP, and to fund this essential public health program. CTCP is successful in its efforts for smoking prevention and cessation, and eliminating exposure to secondhand smoke.

CTCP, and its grantees and partners, help to reduce the #1 preventable cause of death and disease in New Jersey: smoking and secondhand smoke exposure. Smoking and secondhand smoke cost New Jersey more than \$6 billion in healthcare and lost productivity costs.

This packet includes:

- This cover letter (1 pg).
- Impact if end \$7.5M CTCP: federal grant loss of up to \$52.5 million (1 page).
- Negative Impact from slashing CTCP funding in 5 states: Rise in smoking rates for teens and adults (1 page).
- GASP's abridged testimony provided at your public hearing last month (3 pages).
- CTCP: Positive Impact and Outcomes (2 pages).
- Toll of Tobacco on New Jersey (2 page).
- Impact from decreasing NJ cigarette tax on youth smoking, deaths & related health costs (1 page).
- Smoking rates and tobacco revenues in New Jersey (1 page).
- Revenue sources to offset cost of CTCP program (\$15 million from increased cigarette licensing fees) (3 pages).
- NJ Breathes testimony to support CTCP funding (4 pages).
- Images of packs of little cigars

4/4/10

(2)

## **IMPACT OF ENDING \$7.5 MILLION NJ COMPREHENSIVE TOBACCO CONTROL PROGRAM**

In addition to the loss of NJ's \$7.5 million Comprehensive Tobacco Control Program (CTCP),

### **Other financial losses tied to State Budget, if State funding ends for CTCP funding:**

- Loss of \$1.2 million in supplemental CDC grants (out of which GASP receives \$300K)
- Loss of \$400K in CDC grant to enhance teen statewide tobacco-free school policy initiatives
- Loss of \$960K in CDC grant to enhance and market Quitline services to New Jersey smokers
- May lose \$50 million federal block grant to Dept of Human Services (call Synar Amendment), if Tobacco Age of Sale Enforcement program is not successful in keeping noncompliance rate of selling tobacco to kids, under 20%. Currently, TASE is bare-bones funded, from a very low cigarette retail license fee of \$50 (not increased in 12 years). With no CTCP program, more difficult to carry out TASE, with end-result may be noncompliance rate over 20%, and loss in \$50 million federal block grant to Addiction Services.

### **Programs to end if CTCP not funded may include:**

- **7 Quit centers** funded by state will close; free and reduced-rate comprehensive quit services to smokers will not be available - all funded by CTCP.
- **QuitNet** funded by the state will end; provides online assistance to New Jersey smokers wanting to quit and seeking help
- **Quitline** funded by the state and federal government could end.
- Tobacco control programs in all 21 New Jersey counties will end. This includes no tobacco control education, and massive job losses of all tobacco control community partners, and county rebel (teen) coordinators. Will end the state's important teen tobacco control statewide program - all funded by CTCP.
- **NJ GASP:** A lead educational and advocacy organization with a mission for tobacco-free lives for all people. Provides technical assistance to all municipal, county and state departments on implementation of all NJ tobacco control laws, including the 2006 NJ Smokefree Air Act and regulations. Educates the public-at-large on new state laws to ban electronic cigarettes, bills to make recreational areas smokefree, ban on smoking in college dorms. GASP is a leading global educator and advocate for smokefree multi-unit housing initiatives, smokefree gaming, smokefree cars for kids, smokefree foster home environments.



# GASP

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## Negative Impacts when Reduce/Eliminate State-funded Tobacco Control Programs

States that severely cut or eliminated their statewide tobacco control program, put their constituents' health at risk, and caused immediate and long-term NEGATIVE health effects. **Of alarming concern is that increased teen and adult smoking rates resulted**, when five states severely cut or eliminated their state tobacco control programs, as reported by Campaign for Tobacco-Free Kids<sup>1</sup>. California, Massachusetts, Florida, Indiana, Minnesota:

- **CALIFORNIA cut its tobacco control state program's in the mid 1990's**, which stalled its progress in reducing adult and youth smoking rates.
  - **Between 1994 and 1996, no significant decline in smoking rates. Back on track when program funding was partially restored.**
  - Progress also halted between 2002 and 2005, following large cuts in 2003; **smoking among high school students increased from 13.2 % to 15.4%** between 2004 and 2006, and **declines in cigarette consumption came to a virtual standstill** between 2002 and 2005.
- **In 2004, MASSACHUSETTS, cut its tobacco control program to \$2.5 million.** This drastic reduction in funding has taken its toll in Massachusetts:
  - Reductions in youth smoking stalled; cigarette consumption increased.
  - Sales of tobacco to youth dramatically increased.
- **In 2003, FLORIDA virtually ended their highly successful program that focused on youth prevention:**
  - **Progress in reducing youth smoking rates has continued to be slow** in recent years as funding for the program remained minimal.
  - Cigarette use among middle school and high school students decreased faster between 1998 and 2001 than during 2002-2005.
- **In 2004, INDIANA cut funding its highly effective program by almost 70%.** Subsequently, progress in reducing smoking rates stalled:
  - Adult smoking rates in Indiana declined by more than 10 % between 2002 and 2004, but declines reversed after funding was cut in Fiscal Year 2004. **Indiana's adult smoking rate is one of the nation's highest at 26.1 %.**
  - **Smoking among high school students** declined by 32.5 % between 2000 and 2004 from 31.6 % to 21.6 %, but **increased in 2006 to 23.9 %.**
- **In 2003, MINNESOTA reduced its program from \$23.7 million to \$4.6 million.** The Target Market campaign, the linchpin of the program, was eliminated:
  - Just six months afterward, awareness of the Target Market campaign among 12-17 year olds had already declined from 84.5 % to 56.5 %.
  - **Youth susceptibility to smoking increased by 22 %.**

<sup>1</sup> <http://www.tobaccofreekids.org/research/factsheets/pdf/0270.pdf>

48 Stony Rd.  
Edison, NJ 08817  
(C) 732-371-9296  
April 3, 2010

Assemblyman Peter Barnes  
3 Stephenville Parkway  
Edison, NJ 08820

Dear Assemblyman Barnes:

I am submitting this letter to be included as my testimony in your public hearing on the New Jersey Fiscal Year 2011 Budget scheduled for the evening of April 14th at Middlesex County College.

There are some very basic budget principles to be used in proposing a rational alternative to the highly flawed Christie draft state budget:

- control expenses
- maintain existing revenue sources
- develop appropriate new revenue sources

The income and sales taxes are paid when you are working and less so when you are disabled, retired or unemployed. The property tax is a Draconian tax that can take your house away after a lifetime of hard work. The budget should be configured to limit property tax growth and rely more on other taxes.

In my field of computer science and information technology users are abandoning use of traditional phone lines and going to broadband service providers. This is happening in the areas of data and voice. Many young people do not have a traditional wire line phone because they use their cell phone. Many high tech people do not have a traditional wire line phone because they use Voice over IP (VoIP). Yet wire line bills are taxed at more than 10% and cell phones and broadband service are taxed virtually not at all. Broadband (Verizon FIOS, Optimum Online, etc.) represents a revenue source that needs to be recaptured.

While Governor Christie may want to eliminate as many government functions as possible, he should not be allowed to eliminate solid revenue sources like income taxes on people who are working. Neither should he be allowed to use unrealistically low revenue projections to turn an annually manageable budget problem into a crisis. New Jersey added 5,000 jobs in March. these are workers who will pay income tax, sales tax, and not collect unemployment benefits. By waiting until July instead of moving in January to finalize a budget you will have a better picture of the state's economic health for FY11.

I congratulate the legislature and the Middlesex County Freeholder Board on their efforts to keep property taxes steady. The Middlesex County property tax rate has stayed constant or

decreased for the past two decades. Public employee salaries and benefits eventually will be impacted by the international economy and the private sector. The current legislature has to find a legal way to minimize the damage done 10 years ago when that legislature increased pension benefits followed by a stagnant stock market in the first decade of the millennium, creating an eventual actuarial Armageddon in the state pension fund.

Dr. Margaret Dolan, Westfield School Superintendent, said it well: "clearly, the state has no interest in either the taxpayers or the students in the public schools of Westfield." Governor Christie has his children in parochial school, but he has a responsibility to all the children of New Jersey, including Edison. We need to tell Governor Christie that Edison will **NOT** stand for a nearly \$10,000,000 cut in state aid to our schools, the layoff of over 150 teachers, and the dismantling of our fine honors, music, and other programs.

Governor Christie was elected with less than a majority of the votes, his public approval rating is in free fall (3 points a week since his budget speech), and I think his picture and the article about his budget road show on page A15 of the April, 3 New York Times entitled "Bracing for a Sharp Loss of Aid, New Jersey's Top Schools Prepare a Range of Cuts" is indicative that he will not even hold the traditional Republican base. Please expose the flaws in the Christie budget and face him off on July 1st. I would not be surprised if I could bring a group of supporters to Trenton to cheer you on if you confront Governor Christie on maintaining the state's revenue stream of income, sales, and excise taxes and holding the line on property taxes.

Thank you for the leadership that you, Assemblyman Diegnan and Senator Buono are showing in trying to move the FY11 NJ budget into a position where it serves the needs of all the people, including our children and senior citizens.

Sincerely,

Frank Burke

64x

**Stevens Institute of Technology**

**Castle Point on Hudson**

**Hoboken, NJ 07030**

**Customized Training Program Overview**

**April 8, 2010**

Governor Chris Christie's Transition Subcommittee Final Report on the New Jersey Department of Labor and Workforce Development states that "The workforce training money awarded to employers helps retain and attract businesses to New Jersey. Skill enhancement of workers is a key to innovation, value-added propositions and marketplace differentiation for New Jersey's business community." The report also states that the "current market place perception of New Jersey not being business-friendly can be altered if the Department is positioned as an economic development entity..."

State Treasurer Andrew Sidamon-Eristoff, testifying at an Assembly Budget Committee hearing on April 7, 2010, stated that New Jersey is "at a particularly vulnerable stage in the economic cycle" and there should be no effort to thwart our economic competitiveness or job creation capability.

Through the Workforce Development Partnership Fund, the Customized Training program helps to create and retain high-tech, high-wage jobs in New Jersey. Our state's economic competitiveness is dependent on a highly skilled mobile workforce and a business friendly environment supported by public/private initiatives.

Over the last six years, under Customized Training agreements, Stevens Institute of Technology has created a business/academic/government model designed to help New Jersey businesses become more efficient, competitive and profitable, while enhancing the skills of their employees. With a focus on growth industries, scores of businesses have been helped and thousands of workers have increased their skill levels and marketability.

Our most recent program is emblematic of our efforts. Dr. Audrey Curtis, who acts as director of the Stevens training program, noted that our services "meet industry-specific workforce development challenges by encouraging investment in new technologies and equipment". She noted that employers in the healthcare and biotechnology fields are training their workers in effective management techniques, as well as in the implementation of new and efficient operating procedures, by incorporating IT processes and bioinformatics. Also, high-tech manufacturers are providing training for their incumbent workers to improve efficiency and quality through the implementation of Lean manufacturing applications and continuous improvement strategies. Again, these are relevant skills that employers need their employees to master to be competitive in the global economy.

10.5x

The participating companies receive quality training from Stevens' industry-tested professors holding the highest academic credentials. The training is provided at a rate of approximately 20% of what the commercial market would support.

**The results have been impressive.**

**On the industrial side:**

Cycle time and operational errors have been dramatically reduced at a major pharmaceutical manufacturer through process mapping.

Value streaming and improved project management have led to cost savings at an international consumer products manufacturer.

Implementation of "Best Practices" has led to cost savings and new customers for an urban software developer.

Improved organizational structuring has led to increased sales for a box making equipment manufacturer.

Process mapping and quality training have led to improved efficiency and cost saving for an RF microwave components manufacturer.

Process analysis and value streaming training have led to improved efficiency and lower costs for an avionics test equipment manufacturer.

**On the healthcare side:**

Process improvement training has improved hospital services from intake to medical procedures to testing to discharge.

Strategic planning training has allowed hospitals to incorporate new processes to deal with an environment of reduced revenue, changing patient demographics, and new technology.

Evidence-Based practices training has helped to ensure quality control and utmost patient safety.

Nursing leadership training has enhanced the managerial and interpersonal skills of the largest populace of New Jersey's healthcare organizations.

Cross cultural communication training has allowed the delivery of high quality services to an increasingly diverse patient population.

Performance evaluation and employee development training has led to improved access to career ladders and employee talent development.

1.A.

My name is Mildred Fruhling. I am an octogenarian and a resident of Edison Township.

In 2003, A.A.R.P., New Jersey Citizen Action and the New Jersey State Nurses' Association strongly supported the establishment of an evidence based Preferred Drug List or PDL as long as the PDL was based on clinical, evidence based judgments and non-preferred medications could still be prescribed in a timely manner when necessary.

PDLs are a proven strategy, particularly when combined with the economic leverage of multi-state purchasing pools to maintain state pharmacy assistance program benefits, saving millions of dollars annually.

In 2005, I was invited by Senator Buono to testify before the New Jersey State Senate Budget Committee at which time I castigated its members for their fiscal irresponsibility in failing to implement

a PDL during the time of a multi-billion dollar budget deficit when we couldn't afford not to have a PDL in place.

It is now 2010. Governor Christie supports establishing a PDL.

Over 30 other states already have one. Why not New Jersey?



**National Organization of Legal Services Workers**  
**International Union UAW, Local 2320, AFL-CIO**  
256 West 38th Street, Suite 705, New York, NY 10018  
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Gordon E Deane  
*President*

Robert T. (Tim) Yeager  
*Financial Secretary/Treasurer*

March 29, 2010

Robert Garza  
*Nat'l Vice President*

Vickie Roebuck  
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Elaine Lantz  
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*West VP*

Hon.  
New Jersey Assembly

Re: Legal Services Funding

Dear Hon. :

We the undersigned are members of the National Organization of Legal Services Workers (NOLSW), UAW Local 2320 and represent a significant percentage of workers at Legal Services programs in the State of New Jersey. We have more than 350 members in New Jersey who are the front line workers who provide legal assistance and representation to low income individuals who would otherwise be left without recourse. We are deeply concerned about the funding levels for legal services that are endangering our ability to provide legal access for an increasing number of low-income people.

Governor Christie's proposed FY11 budget calls for a further 33% cut in state legal services funding. These cuts will be devastating to our ability to provide assistance to the very people most affected by other budget cuts and the economy.

Legal Services provides assistance and representation in civil cases for low-income individuals. Given the present economic conditions, the number of individuals is increasing rapidly as unemployment and foreclosure rates continue to climb. They include low-paid workers, the elderly on fixed incomes, homeowners saddled with predatory loans, debt laden consumers seeking bankruptcies, and the unemployed facing benefit cuts.

For almost 30 years, federal funding for Legal Services has fallen way behind the rising cost of living. State funding increases have not made up that huge difference. Starting in the 1980's, New Jersey legal services programs were forced to turn to new sources of funds, especially Interest on Lawyers' Trust Accounts (IOLTA). Now because of the economic crisis, that source of funds has almost been wiped out. In New Jersey, the reduction in IOLTA has exceeded 80%. Even before this loss of funds, Legal Services did not have staffing levels adequate to service all those low-income clients

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who need legal help. Legal services programs statewide are today facing layoffs of attorneys, paralegals, legal secretaries, and other legal worker staff. Prior to Governor Christie's announcement, Central Jersey Legal Services (CJLS) had announced the layoffs of five attorneys, two paralegals, a social worker, and two support staff positions. Governor Christie's cut in state aid will lead to even more significant cuts in staff there that will devastate CJLS' ability to serve New Jersey's most vulnerable populations. This is only one example. Statewide, these cuts will severely limit low-income families' access to justice at the same time as the number of low-income families is rapidly rising.

In 2007, the Legal Services Corporation prepared a report "Documenting the Justice Gap in America." The report noted that, adjusted for inflation, funding from 1981 to 2007 actually declined by 50%. We recognize there have recently been modest increases, but they do not come close to restoring funding to the inflation adjusted levels of prior years.

We urge you to oppose these cuts and instead seek an increase in direct grants to legal services organizations.

We would like to meet with you to more fully discuss our concerns and the impact funding has on our ability to deliver services to the neediest in the community, as well as to answer any questions you may have. We will contact your office in a few days and hope that we can schedule a meeting.

Respectfully,  
NOLSW/UAW Local 2320

By: Joseph A. Veehoff  
Regional Organizer

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Unit Chair, LSSA  
(Attorney Union at South Jersey  
Legal Services)

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Luis C. Franco, Esq.  
Unit Chair, CJOWLS  
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**STATEMENT OF LEGAL SERVICES OF NEW JERSEY**

**to the Senate Budget and Appropriations Committee**

**Concerning Legal Services Funding**

**March 25, 2010**

**Presented by:**

**Deborah T. Poritz, Chairperson**  
**Melville D. Miller, Jr., President**

## **Legal Services' Current Financial Stresses And Status – The Consequences of Recent Funding Cutbacks**

### **The Proposed Cut in Legal Services' State Funding**

Current FY 2010 State funding for Legal Services of New Jersey is \$29.6 million. The Governor's proposed FY 2011 budget would cut Legal Services funding by \$9.7 million (33%), down to \$19.9 million.

### **Legal Services' Total Funding Already Has Been Cut By 26% During The Last Two Years**

Legal Services' two primary funding sources are the State of New Jersey (over 90% of the legal cases of low-income people take place in State courts or administrative agencies) and another state-level source, the Interest on Lawyers Trust Accounts (IOLTA) program conducted under the authority of the New Jersey Supreme Court.<sup>1</sup> Additional sources include the federal government (through the national Legal Services Corporation) and a host of other smaller governmental grants, foundation support, corporate and lawyer gifts, and other private donations.

In 2007, Legal Services' total annual statewide funding exceeded \$73 million, over \$40 million of it coming through the IOLTA program. By the end of 2009, this total had dropped to some \$54 million, and IOLTA was down to \$8 million, a *\$32 million reduction* in this one source alone. The current State appropriation for Legal Services is \$29.6 million, which includes \$9.2 million added during FY 2009 to offset part of the IOLTA decrease.

The previous IOLTA reduction itself constitutes a 26% cut in overall Legal Services funding. This cut has already led to a reduction in total Legal Services staff statewide of 11% (710 to 630), through a combination of attrition and layoffs, with additional reductions slated during the remainder of 2010 that will bring the total staff reduction to between 22% and 30%. For every \$1 million reduction in funding, Legal Services loses at least 10 staff and serves 1,100 fewer clients.

The proposed reduction in state funding would be another 18% cut in Legal Services' overall funding, on top of the 26% IOLTA loss.

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<sup>1</sup> See Court Rule 1:28A

**Civil Legal Assistance To Indigent People Is A Core Function  
Of The Justice System, Not Charity**

Low-income people face many legal problems affecting their most basic human needs. Housing (evictions, uninhabitable dwelling conditions, foreclosures), food (Food Stamps, other hunger programs), safety and family stability (domestic violence, family problems, neighborhood security), adequate income (Social Security disability and other cash assistance programs), health care (Medicaid, Medicare, Family Care, and other health access issues), education (placement, classification and other issues), and employment (wages, discrimination, working conditions, unemployment insurance) head the list. The American Bar Association has promulgated a policy that “urges federal, state, and territorial governments to provide legal counsel as a matter of right at public expense to low-income persons in those categories of adversarial proceedings where basic human needs are at stake, such as those involving shelter, sustenance, safety, health or child custody, as determined by each jurisdiction.”

Most people, especially those in poverty, or with limited education or ability to speak and represent themselves, require the assistance of lawyers in order to receive a fair shake when faced with civil legal problems, especially when such problems involve judicial or administrative agency proceedings. In a civil, ordered society, such legal assistance is neither charity nor a discretionary choice. It is central to concepts of equal justice under law and justice for all, core values of our democracy.

**Providing Essential Legal Aid – New Jersey’s  
Statewide Legal Services System**

Nearly all free legal assistance to New Jerseyans in poverty is provided through the Legal Services system, six regional non-profit corporations with offices in all 21 counties, knit together by Legal Services of New Jersey (LSNJ), a seventh and statewide non-profit which provides statewide coordination and advocacy, and offers legal representation not available through the regional programs. While each of the system’s seven non-profits is an independent and distinct entity, all collaborate closely within the LSNJ framework to achieve maximum efficiencies and effectiveness. In 2009, the system opened nearly 70,000 new cases, and provided legal information to over 1 million more – over 90,000 each month - through the community legal education and self-help material offered on LSNJ’s Web sites and in its publications.

### **Most In Poverty Must Face Legal Problems Without Lawyers' Help**

As documented most recently in a 2009 study,<sup>2</sup> 1 of every 3 indigent New Jerseyans has at least one civil legal problem requiring the help of a lawyer each year; half of those will have at least two such problems. Of those with legal problems, only 1 in 5 actually receive a lawyer's assistance. Based on the latest Census figures, over 2 million New Jersey residents live on incomes below 200% of the federal poverty level (\$36,620 for a family of three), and are thus eligible for Legal Services. Of these, some 1.42 million are 18 and over and, of these adults, 461,500 will have at least one legal problem this year, and only 100,146 will receive some form of a lawyer's assistance. The 2009 study concludes that New Jersey's poor must face an annual total of over 736,000 legal problems without the help of a lawyer. New Jersey's situation thus parallels the 2009 findings of a national Legal Services Corporation study, which found that a civil justice gap exists across the United States.<sup>3</sup> Access to civil justice is rationed severely in New Jersey.

### **The Great Recession Has Increased Sharply The Legal Needs Of The Poor**

The cited studies actually *understate* the current unmet legal need because they are based on data predating the advent of the current Great Recession. By every indicator, as a consequence of the current economy, requests for help from Legal Services offices have increased from 20 to 40% over the past two years, depending upon the type of case. Particularly dramatic have been the rises in foreclosures, evictions, domestic violence, entitlement program problems, unemployment insurance issues, employment matters generally, and health care access. The rise in demand shows no signs of abating.

### **Legal Services Has Taken Major Steps To Cut Costs, Increase Efficiency And Explore All Other Potential Sources of Funding**

Given historically inadequate funding levels (meeting only one-fifth of the need) and the severity of their clients' situations, programs have long sought to cut every unnecessary expense and achieve maximum efficiency. Steps already taken include many which are just now being proposed for municipalities and school districts, such as consolidation and joint operations. In 2003 fourteen local programs were merged into just six regional non-profits, all but one (Essex, which encompasses one-third

<sup>2</sup> *Unequal Access to Justice – Many Legal Needs, Too Little Legal Assistance*, Legal Services of New Jersey Poverty Research Institute, September 2009; [www/http.lsnj.org](http://www.lsnj.org).

<sup>3</sup> *Documenting the Justice Gap In America – The Current Unmet Civil Legal Needs of Low-Income Americans*, Legal Services Corporation, Washington, D.C., 2009

of the state's poverty population) covering more than one county. Since 1997, Legal Services has had a unified statewide technology system, including computer hardware and software, telephones, videoconferencing, purchasing, internet access, computerized legal research, financial and case management systems, and tech staff, to maximize savings efficiency and coordination. Legal Services has a statewide training system, the most extensive of its kind in the nation. Other key efficiencies include statewide bulk purchasing, a statewide electronic law and document library, and numerous statewide task forces and committees. The success of these collaborative efforts can be measured, in part, by the 17.5% increase in Legal Services' annual statewide total of new cases opened during the same 2008-2009 period that funding was reduced by 26%. Unfortunately, the potential for gains from such efficiency measures has now been largely exhausted, and without restoration funding new case openings will decline. Meanwhile, potential sources of new or increased funding have been aggressively pursued, although with little success due to the still-lagging economic times.

**Civil Legal Aid Funding Is Very Low Compared To The Criminal,  
Especially When Measured Against Need**

The criminal law analogue to the Legal Services system on the civil side is the state Office of the Public Defender (OPD). Unlike Legal Services, the OPD is funded to address 100% of the need – it offers representation in all cases where there is a criminal right to counsel. While there are significant differences between criminal and civil practice, some comparisons can offer a bit of perspective. The OPD current year state budget is \$113.5 million, compared to Legal Services' state support of \$29.6 million, nearly four times smaller. Yet the OPD projects 88,781 new cases to be opened for the current state fiscal year, contrasted with Legal Services' 2009 actual total of nearly 70,000. Legal Services has the advantage of being able to draw significant outside resources; it currently receives \$25 million of non-state appropriation dollars, even after the \$32 million cut in IOLTA funding, but its total budget is half that of the OPD, which has only state money. As noted, Legal Services only has resources to address one-fifth of the total need.

### Concluding Overview

At the earliest possible time, it is important to close New Jersey's enormous civil justice gap, and more adequately address the growing need for help with foreclosures, evictions and other recession-exacerbated problems. In the current budget environment, Legal Services' recent 26% cutbacks, the extent of client need, and reductions and efficiencies already put in place are relevant as the State considers the Legal Services line items in this year's budget. No further increases can be anticipated from any of Legal Services' principal funding sources. Legal Services is committed to continuing its mission and work with whatever funds it may have available. Our goal in this report is twofold: to be certain that decision-makers have comprehensive and accurate information concerning Legal Services' current situation and recent funding history, along with the devastating effect another 18% cut would have, and then to emphasize the enormous remaining unmet need for legal assistance on the civil side.

Katusca Blanco  
Organized Workers of Legal Services  
Cut on funding to legal services

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# N · J · A · S · L

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New Jersey Association of School Librarians

**April 14, 2010**  
**Public Hearing at Middlesex County College Center**

Good evening. I am Pat Massey, President of the New Jersey Association of School Librarians, representing over 1,100 members of the professional organization of school librarians in our state. I am a School Library Media Specialist at South Plainfield High School in Middlesex County, a trustee of the South Plainfield Public Library, and an Edison resident.

**Keep School and Public Libraries Open for Students and Families**

The Governor's budget slashes library services, eliminates library jobs, and forces libraries to close. The program and funding cuts in the proposed budget do more than ask libraries to cut excess fat, they **eliminate** essential library services in school, public, and academic libraries. Change is desperately needed in the state budget to save all library programs, staff, and services. It is now up to the state legislature to restore library funding needed to keep school libraries open for students in our schools and public libraries for families.

The NJ Association of School Librarians recognizes that the state faces a monumental budget crisis this year, and the Legislature and Governor have to make extremely difficult decisions about how to address the current shortfall. School and public libraries are cost effective. Every resource in a school library that includes books, media, computers, and other learning tools is available to every student and teacher in the school. Public libraries provide Internet access, books, DVDs, programs and services to all users. Proposed cuts to the State Library budget will have a direct negative impact on all public, academic and school libraries if approved, since access to shared online databases and services through the NJ State Library and our Regional Library Cooperatives will be eliminated. Online database provide reliable information and are heavily used in all libraries.

**Strengthen Legislation: A School Library Program in Every School**

Like the Legislature, school boards must make very difficult choices in order to address their own budget deficits. Unfortunately, some districts are choosing to reduce spending for school library media programs and staff because New Jersey does not require every school to have a library media center or a certified school librarian. There is nothing in state law or regulation to prevent a school district from reducing school library programs, services or staff even though the state's new school funding model includes school librarians in the staffing assumptions as well as library programs. This is a deficiency in law that we must address over the long term.

School, academic and public library programs are not excess "fat" that we can afford to trim. Eliminating library jobs and resources will slow our progress in childhood literacy and student achievement, and it will hurt New Jersey residents now and for years to come.

On behalf of the New Jersey Association of School Librarians, I appreciate the opportunity to present information to you. Please work to change Governor Christie's proposed budget and support education and literacy in New Jersey.

Pat Massey  
Pmassey6@yahoo.com

