

NJ  
10  
C 582  
1991a

**PUBLIC MEETING**

before

**ASSEMBLY STATE OPERATIONS AND PERSONNEL COMMITTEE**

"The issues of State employee layoffs, changes in New Jersey government's departmental structure, and the realignment of State government"

January 16, 1991  
Room 403  
State House Annex  
Trenton, New Jersey

**MEMBERS OF COMMITTEE PRESENT:**

Assemblyman Anthony J. "Skip" Cimino, Chairperson  
Assemblyman George Hudak, Vice Chairperson  
Assemblyman Byron M. Baer  
Assemblyman William E. Schluter

**ALSO PRESENT:**

Anne C. Raughley  
Office of Legislative Services  
Aide, Assembly State Operations  
and Personnel Committee

\*\*\*\*\*

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

New Jersey State Library





ANTHONY J. "SKIP" CIMINO  
CHAIRPERSON  
GEORGE HUDAK  
VICE-CHAIRPERSON  
BYRON M. BAER  
ARTHUR R. ALBOHN  
WILLIAM E. SCHLUTER

**New Jersey State Legislature**

**ASSEMBLY STATE OPERATIONS  
AND PERSONNEL COMMITTEE**  
STATE HOUSE ANNEX, CN-068  
TRENTON, NEW JERSEY 08625-0068  
(609) 292-9106

**COMMITTEE NOTICE**

**TO: MEMBERS OF THE ASSEMBLY STATE OPERATIONS AND  
PERSONNEL COMMITTEE**

**FROM: ASSEMBLYMAN ANTHONY J. "SKIP" CIMINO,  
CHAIRPERSON**

**SUBJECT: COMMITTEE MEETING - January 16, 1991**

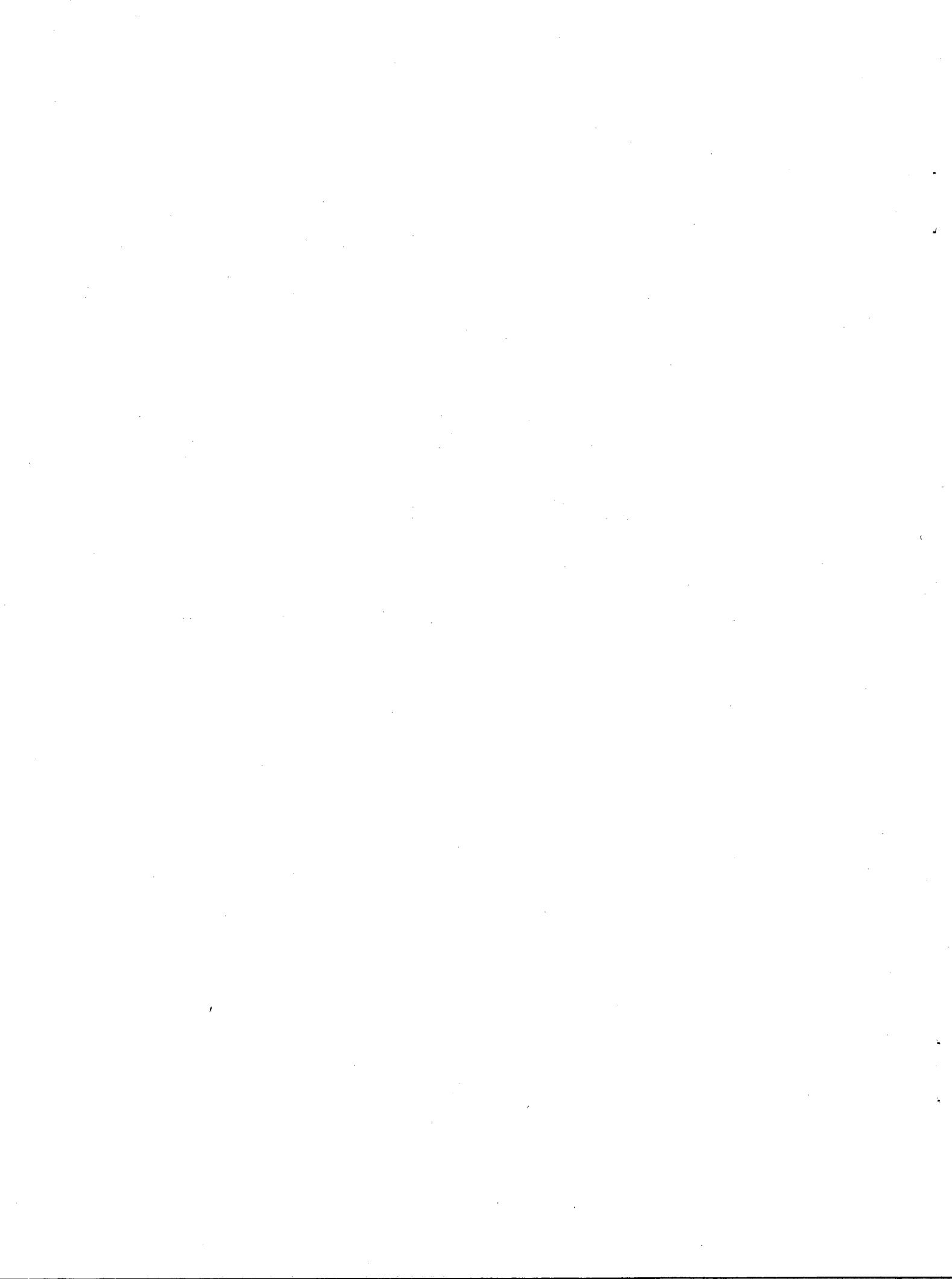
---

The Assembly State Operations and Personnel Committee will hold the first in a series of meetings on the issues of State employee layoffs, changes in New Jersey government's departmental structure, and the realignment of State government on Wednesday, January 16, 1991 at 10:00 a.m. in Room 403 of the State House Annex.

Topics covered at this meeting will include possible reductions in the State workforce in an effort to curb State personnel expenditures, with particular emphasis on alternatives to employee layoffs. Employee layoff rights and the formalized "bumping" process will also be discussed.

Anyone wishing to offer testimony concerning these topics at the meeting may contact Anne C. Raughley, Aide to the Committee, at (609) 292-9106.

Issued 1/10/91



## TABLE OF CONTENTS

	<u>Page</u>
David Kehler President Public Affairs Research Institute of New Jersey, Inc.	5
Assemblyman Joseph D. Patero District 14	14
Beth Blair Legislative Liaison New Jersey Department of Personnel	17
Henry S. Maurer Manager, Regulations Appellate Practices and Labor Relations New Jersey Department of Personnel	18
Robert Yackel Public Employees Committee New Jersey AFL-CIO	36
Robert Angelo Executive Director American Federation of State, County, and Municipal Employees	39
Joyce Dimari Employee of Vineland Developmental Center	43
Vincent Trivelli Legislative Coordinator Communications Workers of America District One	44
Kenneth R. Peres, Ph.D. Research Director Communications Workers of America District One	46
Robert W. Pursell New Jersey Area Director Communications Workers of America	56

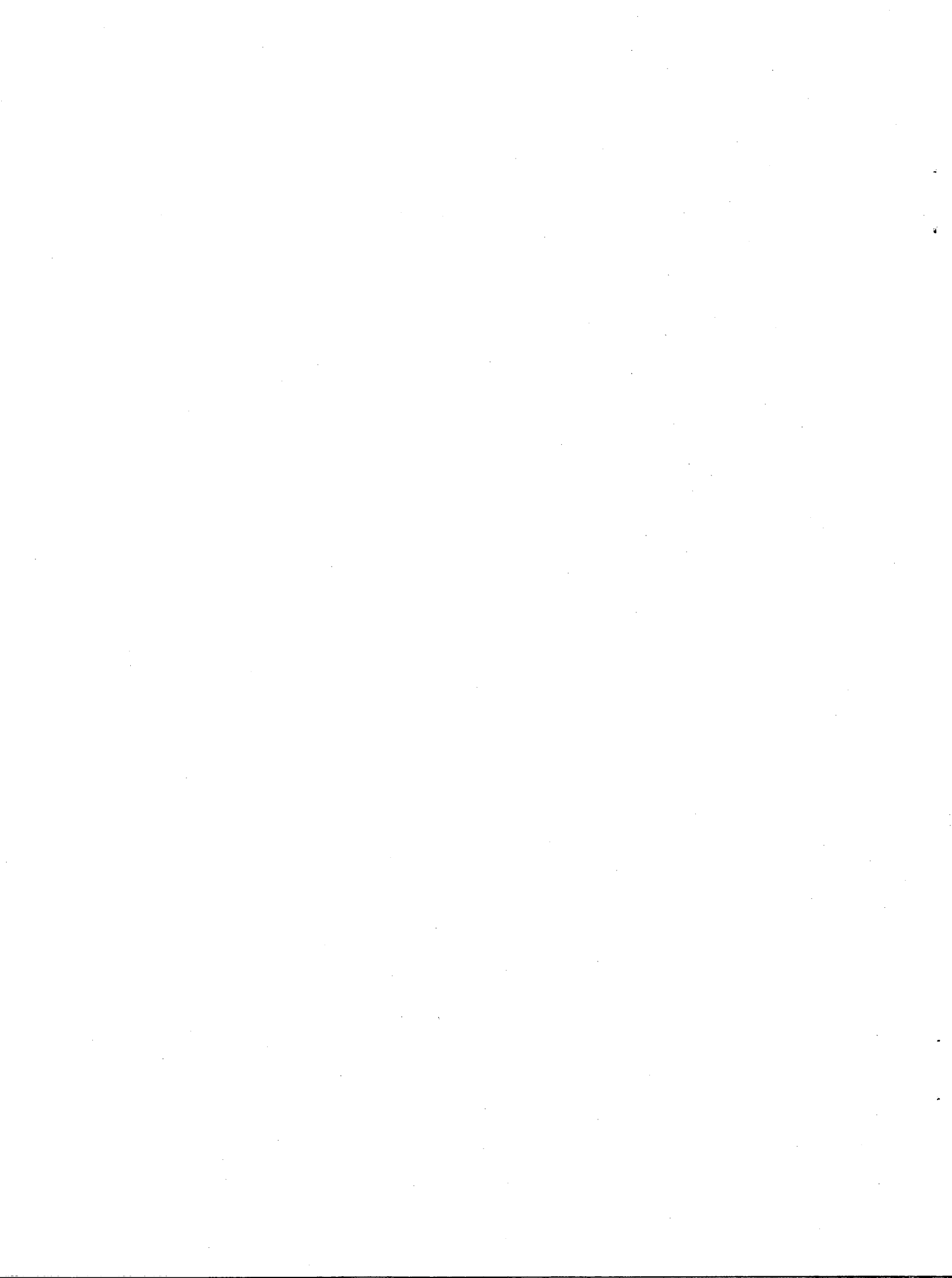


TABLE OF CONTENTS (continued)

	<u>Page</u>
Bernice Zickwolf President Communications Workers of America Local No. 1039	62
Donald L. Klein Executive Vice President Communications Workers of America Local No. 1040	62
Donald R. Philippi Business Manager New Jersey Public Employees Union Local No. 195	66
James Reilly Business Agent New Jersey Public Employees Union Local No. 518	71
Dr. Donald Silberman Executive Vice President Council of New Jersey State College Locals	73
Dr. Thomas H. Wirth Senior Staff Representative Council of New Jersey State College Locals	75
<b>APPENDIX:</b>	
Statement submitted by Kenneth R. Peres, Ph.D.	1x
Letter addressed to The Honorable Anthony J. "Skip" Cimino from Robert W. Pursell	9x
Statement submitted by Bernice Zickwolf	14x
Miscellaneous package of materials submitted by Dr. Thomas H. Wirth	26x

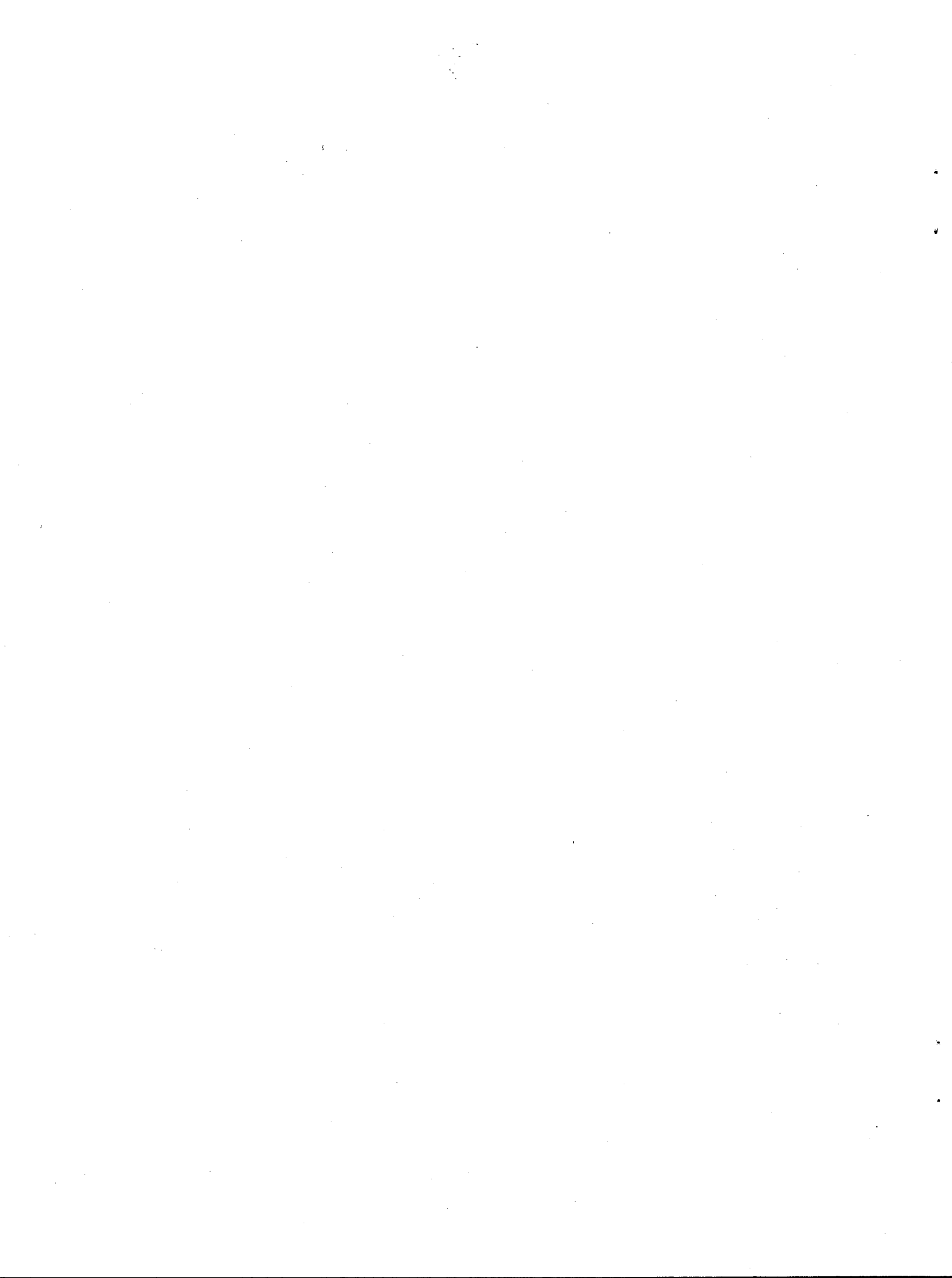


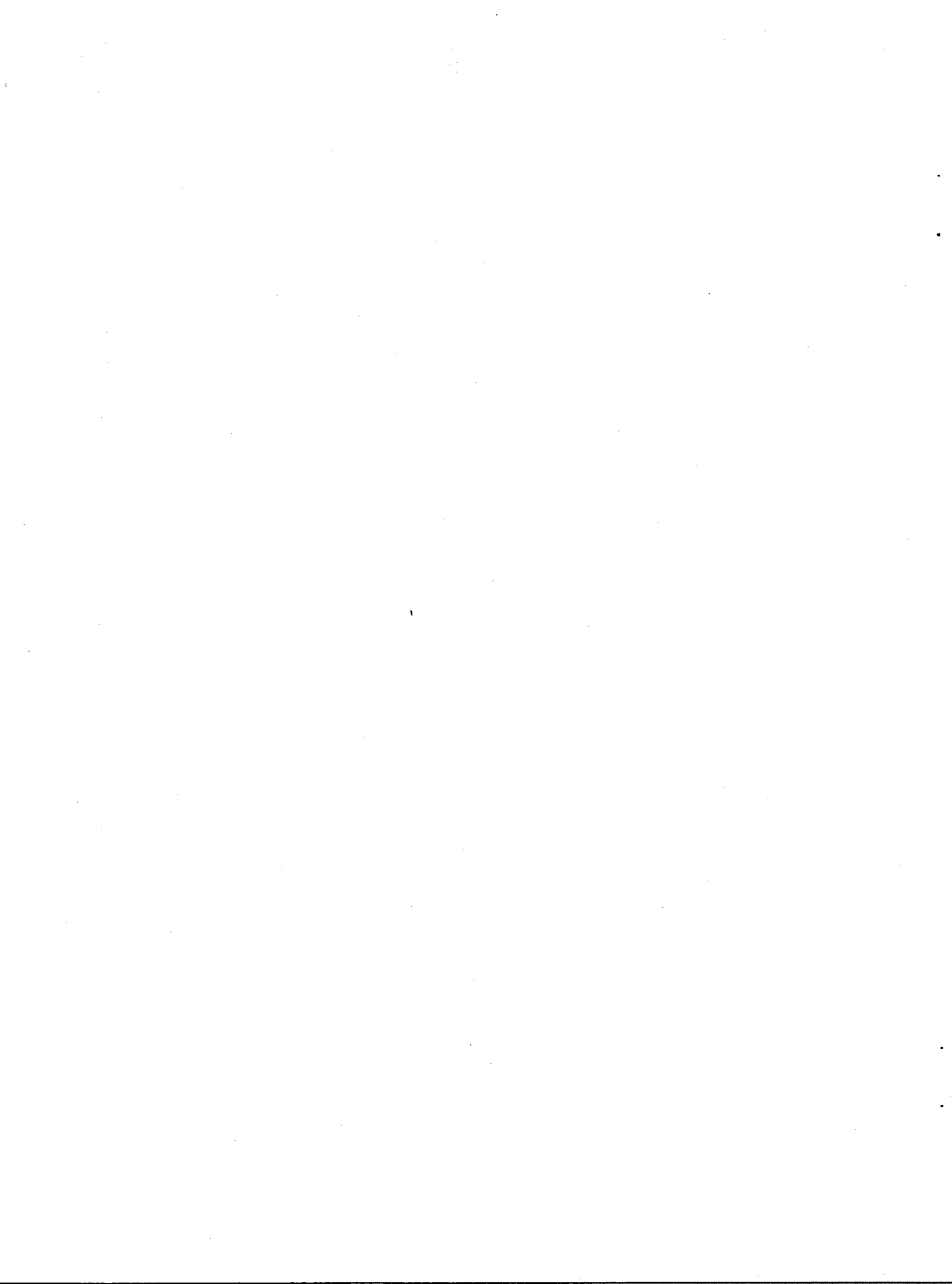
TABLE OF CONTENTS (continued)

APPENDIX (continued):

	<u>Page</u>
Memo addressed to the Committee, plus attachment, from Dominick D. Critelli President International Federation Professional and Technical Engineers Local No. 195	53x

\* \* \* \* \*

mjz: 1-79



**ASSEMBLYMAN ANTHONY J. "SKIP" CIMINO (Chairperson):**

If everyone would take their seats, please, I would like to get started with this morning's meeting. I would like to ask Anne Raughley from the Office of Legislative Services to call the roll, please, as to the Committee members who are present.

**MS. RAUGHLEY:** Assemblyman Schluter?

**ASSEMBLYMAN SCHLUTER:** Here.

**MS. RAUGHLEY:** Assemblyman Albohn? (no response)  
Assemblyman Baer? (no response) Assemblyman Hudak?

**ASSEMBLYMAN HUDAK:** Here.

**MS. RAUGHLEY:** Assemblyman Cimino?

**ASSEMBLYMAN CIMINO:** Here. Thank you very much, Anne.

We are going to go about three hours in length today, just to give people some idea of how long we intend to be here. We have a list of speakers, those who wish to give testimony. We are hoping to get through that as expeditiously as possible.

I would like to make an opening statement as Chairman of the Committee. Thereafter, I will certainly ask for comments from my colleagues, Mr. Hudak and Mr. Schluter. Mr. Baer will be joining us at some point later this morning.

I want to thank everyone for coming out this morning. I have asked for these hearings because it is my sincere belief that precipitous action in the area of State employee layoffs may well be the final straw to break the back of New Jersey's economy. I will approach these hearings with an open mind, but, I must confess, with a deep mistrust of this administration's level of understanding, command of relevant information, and its compassion.

That may sound harsh, but I have lived through a year of swallowing administration proposals such as widespread tax increases and the Quality of Education Act, only to later learn that compelling reasons for these programs did not exist or that the administration's approach was the wrong one. I

questioned the administration regularly before I cast my vote. I had my doubts, but I was told time and again by those who were supposed to have reliable information that: "This is the way it must be done if we are to avoid calamity."

So I went along, as did most of us. Now, after the dust has settled and upon reflection, I have moved to repeal the sales tax on paper products; the Governor is backing off on the shift of teachers' pension costs to local districts; we have already repealed the tax on commercial vehicles; and the administration cannot even meet the statutory deadline for providing information on available State aid to education figures. Obviously, we have made some mistakes. Obviously, we have had some bad information. It is equally obvious to me why those mistakes were made.

We made them because dialogue, thoughtful analysis, and exploration of alternatives were all prevented, blinding us to the unreliability of the information we were given. If the Legislature offers anything in our constitutional system of checks and balances, it is the opportunity for cautious deliberation. I believe in this system and I believe this Legislature must act to check the runaway juggernaut of the administration. If I am to draw a line and say, "No more!" it is here on the issue of people's jobs that I will make my stand.

I say this, as some will point out, because my district includes a significant number of State employees. I say this because I know that the loss of 10,000 State jobs will have a chilling effect on the economy of Mercer County, which is already suffering under the strain of a national recession. I say this because I do not see 10,000 job opportunities in the private sector where layoffs are quite common, thus leaving nowhere for these newly unemployed to go. I say this because I believe it is better to keep people on the payroll than to put them on the welfare roll. I say this because I cannot understand how a \$2.8 billion tax increase is inadequate -- is

inadequate -- to keep this State out of a deficit, and I cannot understand why it makes sense to first raise taxes and then lay off 10,000 potential taxpayers.

So, I ask my fellow Committee members to join me in a pledge to listen, to question, and to explore: To listen to the administration which is proposing these layoffs; to question this administration as to the anticipated savings; to explore the alternatives to layoffs; and, if layoffs are needed, to explore the fairest approach. To listen to the employee representatives resisting these layoffs; to question them on what employees are essential, and to explore equitable procedures for a reduction in force, if that becomes necessary. If layoffs are the answer, I would rather save three \$20,000 positions in the classified service and give up a \$60,000 project specialist, no matter to whom they are related.

Finally, let me ask my fellow Committee members and all who testify before this Committee to keep in mind that we must focus on what is best for the State of New Jersey and its citizens, including those citizens who are employees of this State. Unlike the unilateral efforts of the past year, let us make an effort to cooperate to find a common ground and a solution we can all live with. Let us bring people together, rather than driving them apart. Let us take our time on this one, and let us listen for a change.

With that, I will turn it over to the Vice Chairman of the Committee, Mr. Hudak, if he has any statements he would like to make. Assemblyman Hudak?

ASSEMBLYMAN HUDAK: Thank you, Mr. Chairman. I would like to state that I reiterate what the Chairman said. I, too, am concerned about my fellow workers here in the State. It is a very drastic situation that we are being faced with and being asked to consider when we are talking about 10,000 people who are working today, but perhaps will not be working shortly.

What are we going to do with those people? Where are they going to get the jobs that they so sorely need to raise their children and to provide for their families? I am very, very concerned about that, too, Mr. Chairman. I would like to join with you in taking a very fair approach to the problem we face fiscally in this State, but I also want to be very fair to the people who work for the State.

I think I will reserve further comment until we hear from the public in attendance.

ASSEMBLYMAN CIMINO: Thank you very much, George. Assemblyman Schluter?

ASSEMBLYMAN SCHLUTER: Thank you, Mr. Chairman. I do not represent as many State employees as you do, but I do represent a substantial number. I have represented Mercer County in the past, including Hamilton Township, and therefore know of the concerns of many, many State employees.

I would say that 95%, no, perhaps 99% of the State employees are hard-working, conscientious, professional people, and a reduction in force, as contemplated by some of the numbers that have been bantered about, would be devastating.

You have a pledge from this side of the aisle, Mr. Chairman, that we will cooperate with you. We will work with you. We will hear testimony. We will meet at any time for as many hours as you want, to try to work out a fair and equitable solution. This particular issue knows no party label and no purpose is served by pointing a finger at one administration or the other administration. We want to find solutions. You have my pledge that we will be as helpful as we can.

ASSEMBLYMAN CIMINO: Thank you very much, Bill.

Also with us this morning is Assemblyman Joe Patero. Assemblyman Patero would like to make a statement this morning. (Assemblyman Patero was not in the room at this point) Okay, all right, then we will move on, if we can, with the list of those who have asked to testify this morning.

First we will call on Mr. David Kehler, President, Public Affairs Research Institute of New Jersey, Inc. Mr. Kehler?

D A V I D K E H L E R: Mr. Chairman and members of the Committee, it is an honor for me to appear before you today as you consider some very tough issues.

My name is Dave Kehler. I am President of the Public Affairs Research Institute of New Jersey. We are a nonpartisan, nonprofit policy analyst organization based in Princeton. We have done some work on the issues of the State government work force, and we have some expertise in matters of state government cutbacks from activities across the country.

I am going to speak on three areas: First I am going to talk about agency consolidation. Second I am going to talk about work force reduction. And third I am going to share with you some observations about ways by which we can strengthen the State government budget process to prevent these sorts of problems from recurring in the future.

First, I would like to speak about the consolidation of State government departments. I, personally, have never been involved in consolidating departments, although I have had significant positions in governments around the country. I will say that the principal problems of having too many departments in a state government are two: First, duplication of effort, and second, poor policy coordination.

We have 19 departments in New Jersey State government, and from my perspective there is no reason to assume that that is either too few or too many. Simply fusing departments together will not necessarily provide much more than token savings. For consolidation of State government departments in New Jersey to realize, say, eight-digit savings, what would be required would be program restructuring and program consolidation. What I mean by that is, for example, in 1988, the Kean administration did a study where they found that there were 63 employment and training programs. If some agency

consolidation were effected to consolidate programs of that sort -- and I know that work is going to be undertaken on that front -- that would be the kind of thing that could effect real savings. Simply merging some departments without consolidating programs will not have a meaningful impact in cost control.

I don't think there is any applicable generalization about consolidation in the absence of a particular plan, so I can't give you a sense of anything today because we don't have anything on paper in terms of what is being considered. I will say, though, that super agencies are not inherently more efficient than the kinds of decentralized agencies that we have in New Jersey.

The strength of a super agency seems to be in policy coordination. California is the state that has taken the greatest steps in terms of developing super agencies. There are eight state government agencies in California government. California has a lower ratio of public employees to state population, maybe in part because of the super agencies, but the real value of the super agencies has been in program consolidation.

There is one area where I think we ought to be thinking about a consolidation, though, and that is folding the Department of Personnel into the Treasury. For the direct State services portion of the State government budget, controlling head count is crucial. The status quo arrangement has not provided effective information, useful information on which everyone can agree to approach this matter. We don't know, for example, how many middle managers there are. We don't have reasonable trend data on the growth of middle management, and where the growth of middle management has occurred.

Successful complement control efforts in other states have always been very centralized, and I think that consolidation of Personnel and Treasury would provide proper

reporting to the Legislature and the public, and a stronger information base for making reasonable decisions about the size of the State government work force. A final thought on that: Personnel is not entirely a direct service agency to the public. It is largely a service agency to the government. That is one area where I think some consideration should be given.

In terms of personnel reduction, Mr. Chairman, you have spoken of the possibility of 10,000 jobs being cut from the State government work force. No state has ever reduced 10,000 jobs from its work force. That has never occurred. The proportion of reduction that that represents has only occurred once in the United States since World War II, and that was in West Virginia in the 1980s. Apart from West Virginia, that proportion of cut the 10,000 FTEs would represent has never occurred.

Now, it is inevitable that there will be some cutback in personnel. We have a growth by figures developed by the Research Institute state government-wide, and that includes authorities and higher education -- an increase from 87,350 FTEs in 1980, to 111,586 FTEs in 1989. That is a significant amount of growth. Under the circumstances, I think it is reasonable to expect we will have some layoffs.

A 10,000 person cutback, though, could not be easily accomplished. In terms of a one-shot proposition, it is unthinkable. There are bumping rights that many employees have and the result, I think, would be chaos. It would even be difficult to phase in a 10,000 worker cutback. Cutback management, I think, to be effective, has seven hallmarks, and I would like to commend them to you as you consider testimony that you will be receiving from others today, and as you look at proposals that may emanate from the administration in the weeks ahead.

The first hallmark is that there needs to be a determination to manage more efficiently, not merely to manage with fewer people. A second hallmark, that cutbacks must be targeted through comprehensive and rigorous work force needs assessment. A third is that we should avoid widely accessible early retirement incentives. The results in every state with an experience in this in the 1980s -- I am thinking of Utah, Rhode Island, Washington, and also Arkansas -- have been that more people leave the State service than desired, and that the kinds of people the State service would like to retain, often leave. So, I would suggest that widely accessible early retirement incentives are examples of nonmanagement, rather than good management.

I also think that hiring freezes are acceptable only for a brief period of time while a real strategy is being developed. A consequence of a hiring freeze could be that a unit which has 10 engineers and two clerical people will lose the two clerical people, and the engineers will have to do clerical work. I think that protracted hiring freezes are another example of nonmanagement and should be avoided.

I think we should focus our initial cut efforts on middle management in New Jersey. The evidence is anecdotal, but powerful, that there has been substantial growth in middle management in New Jersey, and we have excellent examples from the private sector on how middle management ranks can be reduced. To that end, I would like to raise the possibility that you might consider legislation that would suspend bumping rights of middle managers. I am very concerned about potential disruption from bumping down in the work force in terms of the service output to the public. So this is something which, to my knowledge, has never been done. Bumping is common throughout the United States. I don't know that any jurisdiction has suspended, by law, bumping rights of middle managers, but this is something that I would like to raise with you today for your consideration.

I think we need a much better data base on our State government work force, specifically in this middle management area. That is one of the reasons why I believe that Personnel and Treasury might well be consolidated.

And finally, the seventh hallmark of cutback management is that it must be led by someone with great influence with the Governor and very close to the Governor. In some states there is a cabinet level position, secretary of administration. In other states a very powerful cabinet level budget director is in charge of this kind of function when it is necessary. Here in New Jersey, for this to work, someone very close to the Governor must spearhead it.

Now, the third part of my presentation is I would like to commend to you some ideas that you may want to consider in making sure that this never happens again. I think that is an objective that all of us in this room would share.

I think we need better program review of our State government operations. We need to determine very clearly what each program's objectives are. We need to determine whether those objectives have been met. We need to know if the objectives still meet current needs of programs created many years ago. We need to determine if there are better alternatives to the status quo in meeting those objectives. We need to be very sure that we don't have duplicative programs. We also need to know whether the value of our programs exceeds the cost of providing them.

Finally, I think in terms of looking at the budget process itself, we need to improve the evaluation data contained in the State government budget document. That needs to be real information that would enable you to evaluate those programs in an informed way. That is reform number one: Improve program review.

Second, I think the Governor ought to provide an annual productivity report. Each year at the same time he

gives his budget message, he ought to say what he has done to make State government more efficient.

Third, I think the Governor ought to provide an annual report on the State government work force and on the use of consultants. If you have read the Governor's "Audit Report on the Use of Consultants," one of the striking conclusions of that report is that we don't really know how much is being spent on consultants in New Jersey State government. There ought to be an annual report on that, and that should be made public and made available to you as you consider the budget.

I think there also ought to be a requirement that the out-year estimates of spending commitments made this year be published in the budget. The OMB has that data. That would be helpful to you in evaluating decisions now having impact on future budget years.

My fifth recommendation gets to the issue of the accuracy of revenue estimates. I think we put too great a burden perhaps on our revenue estimators here in New Jersey. We have had a somewhat erratic performance of revenue estimating, and one of the causes of the recent State government budget snafu has been estimating inaccuracy.

One way of developing a dialogue on that which I think is immensely helpful, is for the economic assumptions which underlie the revenue estimates to be published in the budget document so they can be scrutinized, criticized, and informed decisions be made on them.

My concluding thought is that it has become commonplace around Trenton in recent weeks to say that other states have budget problems, too. I don't think that is particularly germane to our circumstances. We in New Jersey have to resolve this for our own benefit. There are states in this country which don't have budget problems, and they are going to be much stronger competitors with us economically if we do not do the right thing here now.

I would say, dismiss comparisons with Massachusetts, New York, and so on, and focus on things here in New Jersey. If we do that, and if we work together -- labor, management, the public sector, and the private sector -- things will improve here.

Again, it has been an honor to be with you today. I would be very happy to answer any questions you might have.

ASSEMBLYMAN CIMINO: Thank you very much, Mr. Kehler. Are there any questions for Mr. Kehler? Assemblyman Schluter?

ASSEMBLYMAN SCHLUTER: Thank you, Mr. Chairman. Thank you for your testimony, Mr. Kehler. I found it very informative. Two specifics, with your wide ranging knowledge of this subject: New Jersey has one statewide elected executive.

MR. KEHLER: Yes.

ASSEMBLYMAN SCHLUTER: Do you see any merit for New Jersey to consider an elected auditor general or controller or somebody not only for auditing and financial control, but perhaps for a lot of management structuring involvement?

MR. KEHLER: I absolutely do favor a stronger State audit function. I think an elected State auditor provides a very strong check on the executive branch. I had a lot of experience in state government in Pennsylvania some years back. During that time, the Auditor General, who is now the current Governor of Pennsylvania, Bob Casey-- Casey used the Auditor General's Office to correct many errors of state government. With subpoena power and with investigative personnel he was able to right wrongs in state government, eliminate wasteful expenditures, and fight corruption. I found that to be a very, very positive aspect of government.

I would like to say something about the number of constitutional officers, though. In many states, there are many constitutionally elected officers. In Texas, in California, in Washington, and in Oregon, many of the cabinet

level officers are elected, and that has generated much duplicative expenditure. Each one will have a program for the elderly. Each one will have a veterans' program, and the like. I think our consolidation in New Jersey is generally favorable, but I think that an elected auditor general would be a real plus. In saying this, I have nothing but praise for our current Auditor, Rick Fair, who is an outstanding public servant, a very, very fine public servant. The function now is a little different from what you suggested and what I endorse.

ASSEMBLYMAN SCHLUTER: One more question, then, with your indulgence, Mr. Chairman: Would you care to comment on what the Public Affairs Research Institute has commented on in the past and its relation to perhaps controlling costs at this time, and that is a Pension Review Study Commission?

MR. KEHLER: Sure. I think that is a very good idea. A State government pension policy is crucial. Costs incurred today will be paid by taxpayers tomorrow. There is a great track record of having expertise provided by such pension review bodies in other states and pension policy in those other states has been well informed by such review commissions.

Pension costs are not now a very strong pressure on the State government budget in terms of the wide range of things we are doing. But pension policy in this past year has been one of the most hotly debated topics. Had we had a Pension Review Commission, it could have informed the debate about the transfer of those retirement costs from the State government to some of those local school districts. I think that would have been helpful for everyone to understand what has been a very difficult policy issue with which to grapple.

The development of information by a Pension Review Commission could very well have helped us to answer the fiscal consequences of the transfer of those teacher pensions. With those fiscal consequences being endowed still up to the present, I think it is an excellent lesson on why such a

commission could be helpful. I know that many public employees think that it could develop punitive policy toward public employee pensions. Experience in other states has not borne out that fear.

ASSEMBLYMAN CIMINO: Let me note that Assemblyman Baer has joined us. Good morning, Byron.

ASSEMBLYMAN BAER: Good morning.

ASSEMBLYMAN CIMINO: Do you have any questions for Mr. Kehler?

ASSEMBLYMAN BAER: No, thank you. I am reading the testimony.

ASSEMBLYMAN CIMINO: A couple of questions this morning. I think you have spoken in a very cogent and a very articulate way about consolidation and work force reduction and budget policy. To what extent would the Governor's Management Review Commission's work be helpful, not only to this Committee but to this Legislature in the establishment of policy?

MR. KEHLER: I've read all of the reports issued to date. I think they have provided an excellent data base on some very focused issues. I am particularly taken with the one concerning consultants, because it is germane to our topic today. Procedures involving the effective and responsible use of consultants need to be beefed up. I think there may be legislative opportunities for doing so.

The audit, as an activity, needs to be conducted with the other agencies as well. The audit, so far, has focused on some generic issues and then some particular agencies. It should continue even more so. As legislators, you might want to think about how the spirit of that kind of activity can be continued and how we can ensure that what good ideas emanate from it will be implemented. What will be the follow-through? Who will be charged with following through on it? Maybe not every idea in the audit is a good one, but those that are good and that ought to be adopted must be carried out.

We had good experience with the Governor's Management Improvement Program in the Kean administration, where some very fine ideas were proposed. Maybe some ideas that were less attractive were proposed, but the follow-through was not what it might have been. We can't allow that to happen again.

ASSEMBLYMAN CIMINO: Thank you very much. Further questions? (no response) Thank you very much for your testimony, Dave.

Next we will call on Mr. Henry Maurer of the Division of Appellate Practices, Department of Personnel. Excuse me, Henry. Before you come forward I know that Assemblyman Patero is on a tight schedule, so let me have him come forward first. I'm sorry. Assemblyman Patero. Joe, good morning.

A S S E M B L Y M A N J O S E P H D. P A T E R O: Thank you, Mr. Chairman, for giving me this opportunity to address the Committee today. As you know, we have probably one of the largest groups of State employees concentrated in our area, and we represent them. I felt it was important for me to address your Committee today on some proposals that can be looked at.

First of all, I want to commend you on the statement you made. I agree wholeheartedly with what you said. I think we have to straighten out the ship. It is just going out of whack.

As you know, we have talked about this. I was a personnel manager for Johns Manville, and I really know what layoffs mean. At this time and age, I think this is the wrong approach by our administration to go laying off people, because of the effect it will have on our Unemployment Trust Fund, which is not hurting yet, but it could be on shaky ground in the next few months. Also, something that we have a serious problem with, the Uncompensated Care Trust Fund, which is a problem now. This means that a lot of people will be without health benefits if they are laid off.

Again, these are just some proposals that I am suggesting. It is something that has to be agreed upon between the administration and the bargaining units. It is something that I feel should be looked into.

I have a statement which I have given to every Committee member, which I would like to read. It is only a page-and-a-half:

Mr. Chairman, first I would like to thank you for this opportunity to discuss possible approaches to dealing with the State government's fiscal difficulties with a minimum of hardship to our work force and minimum disruption to State services.

Before outlining the two suggestions I have to offer, I would like to point out that part of our present problem is a legacy of the last administration, which negotiated an end-loaded contract with the State workers. What Governor Kean did was to minimize the pay increases during the part of the contract that impacted his budget and shifted most of the increases to a later time. I think the increases should have been concentrated in the early part of the contract period, when the State was best able to afford it.

This made no sense, because it was well-known that in 1989 the State's economy and tax revenues were just beginning to decline and the worst was yet to come. To defer most of the costs to a later date in that case was quite irresponsible.

First, I am preparing legislation for introduction to allow the payment of unemployment benefits to any worker whose work hours are reduced during a given week, if the worker's union agrees and the employer agrees to maintain all employee benefits. This legislation would not require that any employer furlough workers, including the State, but if workers are furloughed, it would provide unemployment benefits to make up some of their lost income, subject to their union's consent.

If State workers were furloughed, the unemployment benefits made possible by the legislation would entail no cost to the Unemployment Trust Fund because the State pays all of its unemployment insurance costs.

The savings to the State would be almost \$5 million for each day the State's workers were furloughed. Therefore, if the workers were furloughed one day per month, the savings would be about \$57 million; two days a month, \$114 million; up to a maximum savings of \$237 million if workers were furloughed one day each week. It would be up to the State and its unions to negotiate how extensive such a program would be.

While a furlough program would provide the State with these cost savings, the State's workers would retain their benefits -- which I think is most important; in other words, they would have their health benefits and they would have their jobs also, which is more important -- their job status, and would regain their old pay levels when the furlough program was ended as the State economy recovered from the recession.

My second suggestion is to negotiate a delay in the next scheduled cost of living adjustment for State workers until there is certification that State revenues have sufficiently recovered to cover the cost. That could save the State as much as \$200 million. If the economic recovery is strong enough, perhaps the losses to the workers during the delay period could be repaid as a bonus.

In this way, there would not be a permanent reduction of the workers' base pay levels, just short-term help for the State during the fiscal crisis.

I do not regard any of these proposals as pleasant undertakings, but times are difficult and I believe that they may represent a reasonable contribution to the State's economic difficulties. I, for one, do not want to see mass layoffs of State workers contribute to the overall recessionary conditions in New Jersey or add to our uncompensated health care burden.

Nor do I think that the hard-fought gains in the living standards of State workers should be permanently reduced.

ASSEMBLYMAN CIMINO: Thank you. Are there any questions to Assemblyman Patero? (no response) Hearing none, thank you very much, Assemblyman.

ASSEMBLYMAN PATERO: Okay, thank you.

ASSEMBLYMAN CIMINO: Now, if we may, to Mr. Maurer and Ms. Blair, from the Department of Personnel. Good morning.

B E T H B L A I R: Good morning, Mr. Chairman. My name is Beth Blair. I am Legislative Liaison for the Department of Personnel. We are here to provide information regarding the past and present makeup of State government and also to explain our Department's role in layoff procedures.

The Department of Personnel exists to provide for a comprehensive, effective, managed human resource policy designed to protect the rights and needs of the public, employer, and employee in an environment free of political coercion. It is also the Department's responsibility to ensure that all appointing authorities which participate in the Civil Service system abide by these policies.

Assemblyman Cimino has asked us to provide information pertaining to the number of State employees and how they are categorized. The current total number of State employees is 78,829. This number consists of career service or classified employees and unclassified employees. This total does not include State colleges' staffs or those employed by regional authorities.

The career service portion of the 78,829 total is 66,776, or 85% of the State employee work force. Most of the career service employees -- 59,000 -- are regular Civil Service employees; in other words, employees who have gone through the required application, testing, and certification process and have acquired permanent status. The total number of unclassified positions at the present time is 12,053. This

amount includes a large number of direct service employees, such as uniformed police officers and teachers, who make up 55% of the unclassified positions.

Now Henry Maurer will discuss the State's layoff regulations and procedures.

HENRY S. MAURER: Thank you, Beth. Before giving an overview of the State layoff regulations, I want to give just a brief history because it is important. Following the enactment of the Civil Service Reform Act, the Department of Personnel revised all of its regulations. The most work was done by far on layoff regulations. The current layoff regulations became effective January 16, 1990, exactly one year ago, but they followed a three-year process of proposals, repropoals, redrafting, public hearings, and written comments. A great deal of input went into putting together these layoff regulations. As a result, we have regulations which are, we believe, very comprehensive and fair to the public, to the public employer, the State, and to public employees.

The general structure of our regulations is this: It is the agencies themselves -- that is, each individual department or autonomous agency -- which decide the number of positions to be eliminated and which positions are to be eliminated, not the Department of Personnel. But following those decisions, then it is the Department of Personnel, based on our regulations and our procedures, which determines employee rights.

One of the primary reforms in the Civil Service Act was to provide for voluntary alternatives to layoffs. Provision is made in our rules for such alternatives as leaves of absence without pay, but without loss of seniority; reduced work hours; temporary demotions; and other steps which would either avert or lessen the need for layoffs. One point to emphasize, however: These are, by our rules, and in fact by

the statute -- by Title 11A -- voluntary alternatives. The employees must agree to these alternatives.

There are other steps which do not require employee consent, which are also reported in our rules: spending controls; hiring freezes; promotion freezes, reassignments. These steps can also be taken by agencies to avert or lessen the need for layoffs. I would also add that our rules provide that both the voluntary alternatives and the pre-layoff actions are to be taken in consultation with the affected unions.

Now, our rules provide, as you probably know, for a 45-day notice of layoff to all permanent and probationary employees who may be affected by a layoff. However, we have something in addition to that under our new rules. Thirty days before those notices go out, the agency must provide a comprehensive set of information to our Department about the proposed layoff, so that our Department can review it to make sure that all the steps are being followed. So in effect there is, at least as far as our Department is concerned, a 75-day, or two-and-a-half month notice of layoff. The key is advanced planning to try to take those steps to protect employee rights and also to lessen the disruption that occurs after a layoff.

Now, once those positions are identified, which ones will be eliminated, then we get into what is popularly known as the "bumping process." Our rules provide for what are called "lateral displacement rights," which is the right to replace or displace the least senior employee in the same job title or a comparable job title within one's department. Then, if there are no lateral opportunities available, there are demotional displacement rights, where one can displace the least senior employee at a comparable job title at a lower level.

For example, let's say a principal clerk typist position is being eliminated. We first look at whether there is a least senior principal clerk typist within the department whom that employee can displace, at the employee's choice of

job location, by the way, so that the employee is not forced to go from an office in Cape May up to Hackensack. If that is not available, then the employee can, as the popular phrase goes, bump down to the next level, which would be a senior clerk typist.

In addition, if the employee is actually laid off, then he or she has special reemployment rights, the right to go on a list which takes precedence over all other lists; over the open competitive examination list and over promotional lists. It is basically a system of once one has seniority, they have the absolute and preferred right to come back to a position with that State agency; in fact, within State government, because those special reemployment lists are statewide. So if this principal clerk typist is laid off, that list applies not only to the department from which he or she may have been laid off, but to all openings in State government.

Finally, to protect the process, we have appeal rights which are provided to employees of two types basically: a determination of rights appeal if the employee feels that his or her seniority has been calculated incorrectly, or bumping rights have been calculated or arranged incorrectly. They have the right to appeal that and the Merit System Board reviews that. There is also a right to appeal what is called the good faith of the layoff, if the employee makes a claim that they have been laid off not for reasons of economy or efficiency, but for some improper reason -- discrimination, union activity, political activity. The Merit System Board reviews that as well.

That is basically an outline of a rather technical area of our layoff rules which, by the way, I have some copies of, if you are interested. At this point, if there are any questions which you have for Beth or myself, we would be glad to answer them.

ASSEMBLYMAN CIMINO: Thank you, Henry. It is always nice to see you. Beth, you are certainly welcomed to the Committee. I appreciate your coming in this morning.

Henry, the rules that we refer to when we talk about the alternatives to layoffs are, in fact, Chapter 8, entitled "Layoffs." Is that correct?

MR. MAURER: That is correct.

ASSEMBLYMAN CIMINO: These are the rules that we are going to follow? I know it is further away, but, you know--

MR. MAURER: I trust--

ASSEMBLYMAN CIMINO: The statutory guidelines-- These have been articulated in the rules underneath the statutes. These are the rules that we will follow if, in fact, we get the layoffs this year?

MR. MAURER: That is correct.

ASSEMBLYMAN CIMINO: Okay. Let me ask you a question: You mentioned -- and as I understand it you have always been forthright-- You have said that the layoffs would come from the agencies or the departments themselves. Is that accurate?

MR. MAURER: That is correct.

ASSEMBLYMAN CIMINO: Okay. Have you, in fact, received any layoff plans?

MR. MAURER: My understanding is that there have been some departments which have provided layoff plans to our Department. I don't have a list of those, but we could provide that, if you wish.

ASSEMBLYMAN CIMINO: Would you, please?

MR. MAURER: Of course, one Department I am well aware of, and that is the Department of Personnel.

ASSEMBLYMAN CIMINO: Does the Department itself have layoff plans?

MR. MAURER: Yes, it does. The Department of Personnel has-- In fact, I received my layoff notice

yesterday; not my particular position, but the general notice of layoff that has been given to every Department of Personnel employee of the potential layoffs effective March 8.

ASSEMBLYMAN CIMINO: Can you tell me if in the discussion the departments have submitted layoff plans? Has there been any discussion with regard to the articulation of the alternatives to layoffs by those departments?

MR. MAURER: It is a requirement in our rules that the departments say in their plans, that they include a discussion-- I will read this directly: "A summary of alternative and pre-layoff actions that have been taken, or have been considered and determined inapplicable." So, that is a requirement.

ASSEMBLYMAN CIMINO: Okay. Have any of the departments-- Do you have firsthand knowledge of any of the departments having implemented any pre-layoff plans?

MR. MAURER: No, I do not.

ASSEMBLYMAN CIMINO: Okay. Beth, do you?

MS. BLAIR: No, but we could find out that information for you from our Director of Administration.

ASSEMBLYMAN CIMINO: The rules that are before us deal with the Merit System Review Board being part of this, do they not?

MR. MAURER: Yes.

ASSEMBLYMAN CIMINO: Okay. Under these rules, can the Merit System Review Board adopt emergency rules? Does it have that capability?

MR. MAURER: Well, every agency of State government can adopt emergency rules with the Governor's concurrence.

ASSEMBLYMAN CIMINO: So then, in effect we could-- Is there any plan-- Do you know of any plan to change the alternative to layoff rules as they currently stand? Is there any plan before anyone to change these rules as they are?

MR. MAURER: Well, I don't know about anyone, but I--  
There is nothing on the--

ASSEMBLYMAN CIMINO: Let me narrow the question: Is there any plan by the Acting Commissioner, in concert with perhaps the administration, to change the rules that were adopted in January of 1990?

MR. MAURER: I am not aware of any plans.

MS. BLAIR: Neither am I. We can find out when the next Merit System Board meeting is and let you know that.

ASSEMBLYMAN CIMINO: Is it possible under changed rules to narrow the bumping rights?

MR. MAURER: Well, that is a matter that is set by the rules. So the rules could be changed, if that is the determination of the Merit System Board -- to change bumping rights.

ASSEMBLYMAN CIMINO: So, then, the bumping rights could be changed from departmental down to division levels, and then narrow the ability of people to bump. Is that accurate?

MR. MAURER: If that is the determination.

ASSEMBLYMAN CIMINO: Has the Department of Personnel participated in any early retirement plan policy initiatives?

MR. MAURER: I don't believe that is a matter that is under our jurisdiction, because it--

ASSEMBLYMAN CIMINO: Would you not be consulted as to the impact of any early retirement plan initiatives on the work force, on the people who you are, in fact-- I mean, the Department is really in jurisdiction of the State employee work force. Would you not be consulted on that?

MR. MAURER: Well, I am sure that our Commissioner would be consulted.

ASSEMBLYMAN CIMINO: Beth, can you, as the Legislative Liaison--

MS. BLAIR: I'm sure he would be, but I don't know of any concrete plans that have been discussed at this point.

ASSEMBLYMAN CIMINO: Would you find out for the Committee if, in fact, any options have been discussed?

MS. BLAIR: Sure.

ASSEMBLYMAN CIMINO: I guess I would ask this question then: Is there any plan, or have there been any policy initiatives to talk about a forced attrition?

MS. BLAIR: Again, I am sure the Commissioner would be consulted about that also, but--

ASSEMBLYMAN CIMINO: Beth, how long have you been with the Department?

MS. BLAIR: Since October.

ASSEMBLYMAN CIMINO: Since October, okay. Maybe, Henry, you can, with a little greater length of time there-- Maybe you can answer this: What is the level of attrition that normally occurs?

MR. MAURER: I think the figures are about 8% per year.

ASSEMBLYMAN CIMINO: About 8% of 78,000 people then is in the neighborhood of 6100 people?

MR. MAURER: That is the last figure I saw.

ASSEMBLYMAN CIMINO: That is the normal turnover ratio?

MR. MAURER: That's right.

ASSEMBLYMAN CIMINO: So, if we were to freeze everything and not put people into those jobs, we are now talking about 6100 people not being-- If we did that today, under the parameters you are speaking of, within the next year we could look at -- and we froze and we held vacancies, we would look at 6100 people not being here next January?

MR. MAURER: Well, there is a hiring freeze right now.

ASSEMBLYMAN CIMINO: I understand that. This goes-- Well, the hiring freeze is a selective hiring freeze, is it not?

MR. MAURER: From the material I saw, and it was actually a document from the Office of Management and Budget, not our Department, it was quite a comprehensive hiring freeze. OMB can make exceptions to that, but it is the entire executive branch, as far as I know.

ASSEMBLYMAN CIMINO: How many people do you need to notify, as the Department, through the various agencies to effectuate 10,000 layoffs?

MR. MAURER: Well, this is conjecture: As I said, each department-- The layoffs would be department by department.

ASSEMBLYMAN CIMINO: I understand that.

MR. MAURER: Now, assuming that all departments are affected, which if we are talking about the scale of 10,000 is quite likely, it is-- Probably each employee in that department -- in each of those departments would have to receive a layoff notice. I am talking about the permanents and the probationary employees, which constitute the vast majority. So, the vast majority of employees would receive a layoff notice -- if that is your question:

ASSEMBLYMAN CIMINO: So, the vast majority of the employees of this State-- I mean, an overwhelming number of employees of this State would all receive layoff notices, I would imagine, to effectuate -- if we concur with what Mr. Kehler said about the bumping and the bumping down. Virtually everybody is going to have to receive a layoff notice.

MR. MAURER: That is correct.

ASSEMBLYMAN CIMINO: Okay. Does the Department of Personnel-- Let me ask you this: Can the Department tell us how many project specialists were hired in the decade of the '80s?

MS. BLAIR: I don't have that information now, but we could get it for you. Well, did they just start-- I am not sure what year they started keeping--

ASSEMBLYMAN CIMINO: Well, 1981 to 1990 would be sufficient.

With regard to the Department as well, do you have any idea how many unclassified personnel and, correspondingly, the breakdown of where that personnel would be? How many total

unclassified personnel were hired in, let's say, that 10-year cycle?

MS. BLAIR: I do have a listing of unclassifieds. (witness looks through her papers at this point) What we have is the number hired. Between January 20, 1982 and January 15, 1990, there were 3869 additional unclassifieds. That does not mean there were not more hired; that just means the additional from over 1981.

ASSEMBLYMAN CIMINO: Okay. My final question, and then I will turn it over to the members of the Committee: Does the Department have a demographic study as to the issue of-- I mean, we talk about the numbers of people here. We talk about 10,000 people possibly being laid off. We talk about 78,000 people. If you add other people we get to 87,000, or whatever the number of people.

Within the context of what we talk about in terms of those who may be laid off, can we determine, for instance, how many of those people will be-- Let me be very candid about this: It would appear to me that what is going to happen here, if this happens, is that the lower echelon personnel--

Let me ask this as a question: Will the lower echelon personnel be the ones most adversely affected by a layoff?

MR. MAURER: I can't answer that because it depends upon what each individual department does, and it can differ from department to department.

MS. BLAIR: It also depends on what alternatives they take, too.

ASSEMBLYMAN CIMINO: Can the Department cull out for us the effect of that, male versus female, single female, head of household versus married-- I mean, do we have that kind of data available to tell us where this impact will come?

MS. BLAIR: Until we would know who they were laying off, I don't know how you could do that, really. Again, it would depend on each department, how they choose to handle this.

ASSEMBLYMAN CIMINO: Okay. So, you will be kind enough to bring back to us what the layoff plans are of the various departments which have already submitted those, as well as the additional data?

MS. BLAIR: Yes.

ASSEMBLYMAN CIMINO: Thank you very, very much. Questions from other members of the panel? Assemblyman Hudak?

ASSEMBLYMAN HUDAK: Mr. Maurer, it has been indicated that under current regulations and policies on bumping rights, for every one laid off, six workers are affected. With the implementation of Civil Service reform, the new Title 11A, would this still hold true, do you think?

MR. MAURER: I can't agree or disagree with the figure of six people affected for every one impacted. Certainly there is a--

ASSEMBLYMAN HUDAK: If six isn't the number, what--

MR. MAURER: There is a pyramid effect.

ASSEMBLYMAN HUDAK: --to the best of your knowledge and experience, is the number then -- if it isn't six?

MR. MAURER: Again, I really can't come up with a figure. There is a pyramid effect. There is no doubt about that. For example, in our Department, I know there are nine permanent people initially being affected, and that will affect, obviously, more than nine. Whether it will be 27, 36, I'm not sure.

But one thing I can tell you is, there is one change that we made in the rules as a response to Civil Service reform which will limit, to some extent, that ripple effect, or that pyramid effect. This may sound a little technical, but I will try to make it simple. It is called the "least senior concept." What it means is that an employee who is bumping down, instead of bumping as the old rules provided any less senior employee, so that the employee bumping down could choose, "I want," you know, "this position here," or would get

a choice of 20 other positions-- Instead, that employee bumps the least senior in that particular category. So that is one significant change which we feel will have a substantial effect in reducing that ripple effect.

ASSEMBLYMAN CIMINO: Anything further?

ASSEMBLYMAN HUDAK: I will reserve further questions.

ASSEMBLYMAN CIMINO: Sure. Assemblyman Baer?

ASSEMBLYMAN BAER: Yes. I am a little bit puzzled about your response relative to the hiring freeze that has been in place -- the comprehensive hiring freeze you referred to. What is the actual number of persons' positions that have been left vacant as a result of that in the last year, as contrasted with this 8% figure of 6100?

MR. MAURER: I don't have that information, but we can obtain that either from our own records or, more likely, from the Office of Management and Budget, which basically has the position control for State government.

ASSEMBLYMAN BAER: All right. I realize there is a need to have a procedure where certain positions may be critical, but nonetheless, we need to have an overview of how exceptional that is and how that is handled.

Now, in response to Assemblyman Cimino's question about the nature of the people being laid off, where you indicated you would not have this data until after they are laid off, doesn't that make it impossible to take into account the potential impact in your planning, if you don't develop this information in advance?

MR. MAURER: We have the information. It is before they are laid off, because the information that is supposed to be submitted to our Department 30 days before the 45-day notice goes out -- in other words, 75 days before the layoff -- is supposed to include the listing of which positions are to be eliminated.

Now, at that point, we still don't know who is actually going to be out, because then our Department has to do the review and the calculations to see who is remaining on the work force and who is not. So we don't know which people will be out at that time. We would know at some date in advance of the actual effective date of the layoff, however, who is in and who is out.

ASSEMBLYMAN BAER: How much in advance?

MR. MAURER: We really don't have history to go on, because we have not had significant layoff activity for several years. But I would suspect that at least a few weeks in advance of the actual effective date of the layoff, we would know who is remaining on board and who is not.

ASSEMBLYMAN BAER: Well, I was going by your answer, of course, to Assemblyman Cimino's question. Perhaps when you said you couldn't know until after the layoff-- You know, I realize you may have misspoken, not chosen the words with the precision that you intended.

As Assemblyman Cimino was questioning you about that in terms of classes of employees, is there a procedure, or do you think you ought to have a procedure, since you say this is really a new experience -- and I guess for many of us it is -- facing an economic impact of this size -- a procedure where there is a deliberate effort to analyze what the potential impact of that would be on various classes of employees, and have the opportunity to consider the policy implications of that and whether to modify the plan and the policy?

MR. MAURER: Well, first of all, the information we do have in advance may not identify the particular people who will be out, but it will identify which positions are being eliminated. That information we will have in advance for each department in which there is a layoff.

Could we use better information for work force planning? Absolutely. I am not going to disagree about that.

ASSEMBLYMAN BAER: Well, I hope-- I would like to request -- through the Chairman -- that you submit material to the Committee providing more details as to how you intend to do this, not only to assure that things will be done in an orderly way, but also so that classes of employees will not be found after the dust has settled and it is too late, because nobody bothered to look at it, and that there is a disproportionate impact.

Now, in terms of the layoffs that have already been handled in New Jersey, what data do you have so far as the significant work force reduction since the beginning of this last recession is concerned? I am not sure what date you would want to pick, but maybe it relates more to -- not so much to some precise economic indicator, but the beginning of the State's action in this direction. Have you got any data on that, and most particularly, the cost savings that have been achieved?

MR. MAURER: Well, I am not sure where you are beginning from. The last layoff that took place was in the Department of Agriculture, which was significantly reduced in size. It was small to begin with. I could get the figures. I recall that perhaps 30 or 40 positions were eliminated. This was at the beginning of this administration. But since that time, we have some pending -- as I indicated to the Chairman -- layoff plans that departments have presented to us based on the -- based primarily on the 8% across-the-board cut that the administration asked each department head to make.

ASSEMBLYMAN BAER: I hesitated to provide a precise date because I was concerned that perhaps you might not have dated to a particular date that I might choose. So I wanted to leave that open so you would have the flexibility to pick a date. But there must be some point from which you can give us that information. I wanted to make it easy for you.

MR. MAURER: Well, again, I am not sure what the starting point-- Before the Department of Agriculture--

ASSEMBLYMAN BAER: Pick your starting point, and give us some information.

MR. MAURER: The last one before that was 1987 in the Department of Labor.

ASSEMBLYMAN BAER: Well, I mean in a more current period.

MS. BLAIR: Do you mean since Governor Florio has enacted the budget cuts? Is that what you are talking about?

ASSEMBLYMAN BAER: Yes.

MS. BLAIR: Okay.

ASSEMBLYMAN BAER: I mean, if you have something significant before then, but to the best of my knowledge, we had a policy announced a week or two before the end of the Kean administration. That is my recollection. Correct?

ASSEMBLYMAN CIMINO: Excuse me, Assemblyman. Beth, is your microphone on? The audience is having difficulty in hearing you.

ASSEMBLYMAN BAER: The other one; it's the other one. Press the button on. That does it. And bring it close to you. It won't pick up for the audience unless you bring it much closer. Not that one, the one on your right. That is the one that works the amplifier. The other one goes into the recorder.

MS. BLAIR: (witness complies) The Department of Personnel was the first department to incorporate layoffs, and that just happened this past Friday -- the 19 layoffs. That was just to make up for the budget deficit in 1991. No other State departments, as of yet-- We have received pre-layoff plans from other departments, but no other layoffs have been made.

ASSEMBLYMAN BAER: All right. I am correct, am I not, that there was no significant activity at the tail end of the

last administration? There was only something announced in the last week or two before they left, so there was no opportunity for any impact then. Reaching back that far is meaningless. The changes in personnel were all in the other direction, going up.

Since you don't have data in terms of layoffs that have already been performed -- gone into effect -- although I appreciate that you are going to be getting us some figures on that, what about the impact of layoffs where the policies have already been established and the plan is in the works and it is just a matter of time for it to be carried out, as opposed to some of these other policies that are under consideration and other policies that are being negotiated? But those that are already in the works-- Have you got numbers you can project in terms of employees and savings you can project from them?

MS. BLAIR: On the pre-layoff plans we have, we could get some kind of a number of what we have so far, yes.

ASSEMBLYMAN BAER: Thank you. Now, in view of the diversity of figures we have seen in terms of the actual work force -- State work force, State employees -- and the increase over the last 10 years-- I know the Census has some figures, and they figure it a particular way. Different entities figure it differently. But, can you detail what the increase has been over the last 10 years, using the data that you use and figure on full-time employees -- State employees?

MS. BLAIR: You're asking what the number of increases has been the last decade of total State employees?

ASSEMBLYMAN BAER: Yes.

MS. BLAIR: We do have that number, but I'm sorry, I don't have that with me. We could get that to you.

ASSEMBLYMAN BAER: It didn't seem that that would be a likely question?

MS. BLAIR: I just brought the unclassified; I did not bring the classified.

ASSEMBLYMAN BAER: Okay.

MS. BLAIR: I know the greatest year--

ASSEMBLYMAN BAER: Do you have that on the unclassified? We would love to have it.

MS. BLAIR: Sure. Do you want me to give it to you? I only have one copy of it now, but--

ASSEMBLYMAN BAER: Yes, if you have it with you. Yes.

ASSEMBLYMAN HUDAK: No, she doesn't have it.

ASSEMBLYMAN BAER: Oh, maybe I didn't hear you. I thought you said you did have it with you.

MS. BLAIR: I just gave that information to--

ASSEMBLYMAN CIMINO: Yes, 3300 or 3400. I forget the exact number, but it is somewhere in that range, of unclassified for the last 10 years.

ASSEMBLYMAN BAER: Oh, all right. Fine. Thank you very much.

ASSEMBLYMAN CIMINO: Assemblyman Hudak, then Assemblyman Schluter.

ASSEMBLYMAN HUDAK: Mr. Maurer, just another quick question: So far this morning we have been discussing layoffs and bumping rights and talked about the pyramid effect. It seems to me that the people who can least afford it are at the bottom of that pyramid, and they are the ones who are going to be affected by what we are talking about this morning. They are very important to me.

I would like to ask you a question, though, if you could comment on it: What are the layoff rights of the so-called "unclassified" employees, such as the Senior Executive Service and the project specialists? Do they have bumping rights, layoff rights, which we have been discussing this morning for the lower echelon people?

MR. MAURER: The unclassified employees, which include project specialists, do not have any bumping rights, so they cannot bump another employee.

ASSEMBLYMAN HUDAK: What about the people who are above them, the so-called project specialists, who are working for other project specialists? I don't even know if that is possible, but I think it is. Are there any bumping rights there?

MR. MAURER: No. Again, if the position of an unclassified employee is being eliminated, that employee cannot bump anyone else. Of course, just to be entirely truthful, there are some employees who are on a leave of absence from their career service positions, but it is a very small number. They would have a right to return to those positions.

ASSEMBLYMAN HUDAK: Do you mean they are project specialists at this point, but they have a right to come back to their other jobs? Is that what you're saying?

MR. MAURER: Yes, that's right, but it is a very minimal number. The Senior Executive Service is a little bit different, because as you may know, there is a requirement that 85% of the Senior Executive Service come from the career service.

ASSEMBLYMAN HUDAK: Right.

MR. MAURER: If one is separated from the Senior Executive Service, that person does have a right to return to the career service. At that point, they may retain their job; they may bump someone else. We don't know what will happen.

ASSEMBLYMAN HUDAK: Okay. I think you have pretty much cleared up what I wanted to know.

ASSEMBLYMAN CIMINO: Thank you very much. Assemblyman Schluter, thank you for waiting.

ASSEMBLYMAN SCHLUTER: Thank you. This question is for either of you: In the discussion about the possibility of narrowing the bumping rights, did I understand that that is subject to the Administrative Procedures Act and subject to regulation? Or, is that something that the departments can do policy-wide on their own?

MR. MAURER: No, it is a matter of rules in the Administrative Code.

ASSEMBLYMAN SCHLUTER: In the Administrative Code?

MR. MAURER: That's right, yes.

ASSEMBLYMAN SCHLUTER: So, no action can be taken by any department unilaterally to narrow or change, in any way, the bumping rights? They have no latitude.

MR. MAURER: That is essentially correct, yes.

ASSEMBLYMAN SCHLUTER: Okay. I just wanted to be sure, because there was a discussion. I know the Chairman asked for some figures on the number of additional unclassified and others starting in 1982. Do you know how many additional unclassified -- and I think you gave a figure of 3869 for the eight years ending January 1990 -- do you know what the additional unclassified were in the subsequent year, which if you go by date would have ended yesterday?

MS. BLAIR: After January 16, 1990, 780

ASSEMBLYMAN SCHLUTER: Seven-hundred-and-eighty additional unclassified.

MS. BLAIR: That is the number hired, yes.

ASSEMBLYMAN SCHLUTER: That's the number hired. Is that additional-- Does that figure compare with the 3869?

MS. BLAIR: That is above the 3869.

ASSEMBLYMAN SCHLUTER: But does it-- Is it comparable? Are we talking about apples and apples? The 3869 is additional unclassified?

MS. BLAIR: Well, as I said to Assemblyman Cimino, the 3869 is just the additional above the '82 number. For example, in 1986, 6000 employees were hired. So you can't really-- This is just the additional over each year.

ASSEMBLYMAN SCHLUTER: Okay, but what is that 700 you just mentioned?

MS. BLAIR: Since January 16, 1990.

ASSEMBLYMAN SCHLUTER: Is that additional or overall?

MS. BLAIR: That is over and above the figure from 1990.

ASSEMBLYMAN SCHLUTER: So then it is not comparable to the 3869. Is that correct?

MS. BLAIR: What do you mean by "comparable"?

ASSEMBLYMAN SCHLUTER: It is not just additional. It is just overall hires. They are not additional.

MS. BLAIR: Right.

ASSEMBLYMAN SCHLUTER: So, Mr. Chairman, when they do produce the figures, if they could give us the current figures up-to-date, so that we could have them year by year, not only just ending in 1990--

One final thing I think you may have answered: Are all project specialists unclassified?

MR. MAURER: Yes, that is an unclassified title.

ASSEMBLYMAN SCHLUTER: That is an unclassified general category.

MR. MAURER: Yes.

ASSEMBLYMAN SCHLUTER: Thank you.

ASSEMBLYMAN CIMINO: Thank you both very much. We appreciate your taking the time to come in this morning.

MR. MAURER: Thank you.

MS. BLAIR: Thank you.

ASSEMBLYMAN CIMINO: Next we will hear from Mr. Robert Yackel of the Public Employees Committee, New Jersey AFL-CIO. Good morning.

R O B E R T Y A C K E L: Good morning. Mr. Chairman, members of the Committee: We would like to thank the Committee for the opportunity to present our views on the alternatives given State worker unions -- the ultimatums given to State workers by the Governor's Chief Counsel on Labor Relations. All public employee unions which represent State workers have a negotiated contract for employees at this time, with the exception of the State Police and the PBA, which are in binding arbitration at the present time.

These contracts were negotiated in good faith by the unions. The wages, benefits, and working conditions that were agreed upon at the bargaining table were agreed to by both the unions and the administration.

We appreciate the respect we received from Senate President Lynch and Speaker Doria. We want to participate in finding a solution to the fiscal problems of our State, but we do not feel that the entire burden should be placed on the backs of our members.

We feel there is a need to review an audit of State government, one that we can see and read and evaluate in an intelligent manner. We feel that there is a lot of wasteful spending in the areas of duplicating of services, such as data processing and centralizing payroll.

We do not feel that contracting out the services of public employees' work saves the taxpayers any money. It just changes which pocket it comes from, such as Motor Vehicles. We feel there are more sensible ways to produce cost-saving measures, rather than put more people on the unemployment rolls and add to the already escalating Uncompensated Care Fund.

We can realize a \$70-million saving alone just by instituting Assembly Bill No. 4300, a 1% employer tax, recommended by the Governor's Commission on Health Care. Seventy million dollars just on State workers could be saved.

We also know that the normal amount of employees who separate from State government in a year is between 6000 and 7000 people. That, coupled with a promised early retirement incentive, should meet the goals of the administration in cutting the State payroll.

Mr. Chairman, we are available to work with you, members of the Legislature, and the legislative leadership to come to a solution to this problem. I think there are a lot of questions here that need to be answered. Sitting here this morning, it reminds me of the Abbott and Costello routine,

"Who's on first? Who's on second?" Nobody has an answer. Nobody knows how many people they are talking about laying off. Nobody has an actual budget figure.

We heard \$600 million, \$800 million; then I heard \$1.3 billion. It's unconscionable that this kind of stuff goes on in State government. Then to have the State workers be given an ultimatum of rolling back 20% of salaries and benefits that they have negotiated over the last 20 years -- it's unbelievable -- or face a 10,000 worker layoff-- Where the hell do the 10,000 people come from? Are we just going to put a key in the State House door and close up State government? Or, are we going to try to address the problems in an intelligent manner?

One thing I want to make perfectly clear here this morning is, all the unions in this State, and organized labor, are solidified. We are together. There is no split in the public employee sector, and we have the private sector watching this very closely. It seems that the ripple effect has already started. Gerald Dorf, the Governor's special counsel, comes up with this plan of rollbacks or layoffs -- one or the other -- and the next day in the newspaper I read that a county in Central Jersey did the same thing. Then today I see again that somebody else is trying it.

So, it is a ripple effect. It is not reasonable; it is not smart. I think it is something where this Committee -- and I have to commend you for having the fortitude to have this hearing, and several in the future -- can come to some kind of a realization as to where we are going in this State, and what priorities are to be set by this administration and future administrations.

Thank you. (applause)

ASSEMBLYMAN CIMINO: Ladies and gentlemen, I know this is an issue that has a good deal of emotion to it. If we could refrain from applause and what have you-- I understand

positions, but the purpose of a public hearing is to give testimony only.

Thank you very much, Bob. Any questions for Mr. Yackel? (no response) Thank you very much.

MR. YACKEL: Thank you.

ASSEMBLYMAN CIMINO: Next we will call on Mr. Robert Angelo from the American Federation of State, County, and Municipal Employees.

R O B E R T A N G E L O: Good morning, Mr. Chairman.

ASSEMBLYMAN CIMINO: Good morning.

MR. ANGELO: With me is Joyce Dimari, who I will introduce in a second, if I may. First, I would like to compliment you and the Committee on this morning's hearing. Obviously, AFSCME, which represents 10,000 workers in State service, is critically concerned with this issue.

Before I read my statement, though, I have to respond to some comments that have gone before me by representatives of the Department of Personnel, which I think everyone on the panel was questioning.

Let's make no mistake about who is getting laid off, if there are layoffs. It is not going to be high-priced executives. It is not going to be a great number of unclassified or project specialists. If there are layoffs in State service, it is going to be women and minorities who go out the door. It is going to be people making less than \$15,000 who are bumped out of that system. There are going to be very few people making over \$30,000 who are going to lose their jobs. It is going to be clerical workers; it is going to be hospital workers; it is going to be road workers, who are at the bottom of the State salary scale.

I don't think AFSCME is alone. I think you will hear after me: "We are not going to let that happen." I think what I am hearing from the Legislature, and from you Assemblymen, is that you are not going to let it happen. If there are going to

be cutbacks; it is not going to affect the people who can least afford to suffer the indignity and the economic devastation of being laid off.

But whatever they said before me this morning-- They didn't want to answer a lot of questions, and maybe the Commissioner of Personnel should have been here himself to answer some of these questions. The people who are going to be laid off are at the bottom. That is how the system works. He explained the pyramid very accurately, as the people at the bottom of that pyramid are going to come out of the doors. Make no mistake about it in your deliberations.

Secondly, I have to respond to a comment by Assemblyman Patero, who has been a longtime friend of AFSCME, of the labor movement. But I have to take exception with his recommendation that in any way we roll back negotiated raises. You will hear this morning from all the public sector unions, just like the Governor's \$125 an hour project specialist, Gerald Dorf, heard from us last week, and that is, we are not going to give back anything from our contracts. We are not going to roll back any raises. I think that is a unified position that we are all going to take.

Now I will try to read my statement in a much more calm manner. (laughter)

ASSEMBLYMAN CIMINO: I thought you were calm.

MR. ANGELO: Actually I am being fairly calm from my normal behavior.

ASSEMBLYMAN HUDAK: Just a little forceful.

MR. ANGELO: In last week's "State of the State Address," the Governor predicted that 1991 would be a year of jobs and promises delivered. Unfortunately for State workers, 1991 looks like it will be a year of layoffs and broken promises. Isn't it a cruel twist of fate that many of you here can remember three years ago when the State had a billion dollar surplus, and the State workers came before the

Legislature and asked for a pay equity program to correct the discriminations that exist in our salary system against women and minorities? A billion dollar surplus, and we couldn't find any funds for a \$20 million to \$40 million to \$60 million program to correct the illegal discrimination.

Yet, the minute we have a deficit, where do we go to find someone to plug up that hole? They come to the State workers. Well, you know what our response is: "Hell, no!" Elected officials and public administrators, fueled by the perceived cry for blood from the so-called "antitax" movement, feel that layoffs are both the political and fiscal solutions to today's budget crisis.

What is needed is for decision-makers to view layoffs as individual tragedy stories that will befall State employees and, more importantly, the people we serve. Each story will have the same sad ending, where those who can least afford it will be made to sacrifice the most. It is not fair. Don't let it happen.

State government has the critical responsibility to provide for those unfortunate citizens who cannot provide for themselves -- the poor, the mentally ill, the mentally retarded, the homeless. By laying off State workers who provide the essential care and services, government will be denying to those they are charged to protect the vital care they must have to live.

Layoffs must be avoided at all costs because the cost to our State is unacceptable. The cost to State workers facing the ax is too high in personal terms, and the impact on clients of State service is devastating -- or, would be devastating.

AFSCME's 10,000 employees work in mental hospitals, they work in developmental centers caring for retarded citizens who cannot care for themselves, nursing homes for our veterans, day-care centers, and community-based facilities. Due to hiring freezes and tight budgets, these operations are already

operating at below minimum staff levels. Unless the State is prepared to lay off the mentally ill and lay off the mentally retarded and lay off the disabled vets and kids under DYFS' care, they cannot lay off AFSCME workers. To do this would be immoral, insensitive, and probably illegal.

We are suggesting six points that the Committee can consider as a way to save State services and to make up the deficit:

1) We echo the call of Bob Yackel for enactment of the payroll tax to get rid of the Uncompensated Care Fund. He cited the figure of a \$70 million savings to the State this year. Some of the bigger numbers in terms of real savings to the State Health Benefit Plan, which is funded out of General Fund dollars, would probably be somewhere in the neighborhood of \$300 million across all the governments, state and local.

2) We think it is time that we meet head-on our responsibilities to keep State services intact, even if that means using a portion of the new Income Tax Program that was enacted last year to reform our educational system. There has already been a call in the other house to use a portion of that money for property tax relief. Well, I say if we are going to use a portion of that money for anything, we have to plug the hole in the deficit so we can maintain our vital State services.

3) Don't come to the State workers to renegotiate their contracts. Go to the vendors and the consultants and the contractors and the people who are making a living and making big profits on State contracts. Go to them. Ask them to renegotiate their prices. Don't ask us to renegotiate raises.

4) I think we ought to eliminate or severely reduce contracts for consultants, which has already been mentioned here this morning.

One question that was halfheartedly answered by the previous representatives of the State -- which I think Assemblyman Schluter asked about unclassifieds being laid

off-- True, they have no bumping rights, but somebody has to make the decision that we are going to lay off all the unclassifieds before we get into the career service. They can lay off 10,000 people in career service and not lay off one unclassified worker, and somebody has to make that hard decision that those without bumping rights, those without protection go first.

5) We are suggesting that the State look at the number of regional offices that exist around the State and see if we can't make savings in capital accounts, rather than in personnel accounts.

Finally, we echo suggestions that have been made by other labor organizations to get rid of unnecessary managerial and administrative positions.

I have a copy of this statement for you, Assemblyman, and I have enough copies for the Committee.

I would like to introduce for some remarks, Joyce Dimari, who is a cottage training technician at Vineland Developmental Center. If you are not familiar with it, the Vineland Developmental Center cares for probably 1200 or so mentally retarded citizens. I asked Joyce to join me this morning not so the Committee could hear from those of us who fight day to day in the halls on these issues, but from someone who could be affected by the proposed layoffs and the devastation that would have in her life. Joyce, if you would?

J O Y C E D I M A R I: Good morning. My name is Joyce Dimari, as Mr. Angelo said. I have been employed at Vineland Developmental Center for six years. In my job as a caregiver, I am required to arrive at work every day with a positive attitude and a pleasant disposition. At the present time, I find that very difficult. You know, I leave home filled with insecurity, anxiety, and anger.

I have listened to the ratios here today and it doesn't make me feel comfortable. It doesn't matter at what

level they start. It is just the fear that I may lose my livelihood. I have always felt that my job was secure because I felt that the people I take care of were important enough to make sure that I was there for them. Unfortunately, it appears that cutbacks, when they are necessary, affect those who can least afford it -- the handicapped, the poor, the needy, the laborers, the single parents, and the struggling individuals as a whole.

After the last election, I dealt with the tax increases, the auto insurance hikes, and the overall escalating cost of living with some optimism. I was told it was going to make things better. As a single mother of two and the sole support system, I struggle everyday to maintain my household and supplement my daughter's college education. It seems to get more difficult. Whenever something is done to rectify mistakes made by the powers that be, the little people suffer -- factory workers, health care workers, child-care providers, and the elderly, who seem to get hit the hardest.

I was reading in the paper the other day that they call it a "recession." The only problem I have with the temporary setback is that I, and many others in my situation, cannot bounce back. Most times what little we have we lose. Through all of this I still managed to remain optimistic until now with this layoff. You know, just the idea of it has robbed me of all of my optimism.

ASSEMBLYMAN CIMINO: Thank you. Are there any questions for Mr. Angelo or Ms. Dimari? (no response) I want to thank you very much for taking the time to come in this morning.

Next we will hear from Mr. Vincent Trivelli and Mr. Kenneth Peres from the Communications Workers of America.

V I N C E N T T R I V E L L I: I want to thank you, Mr. Chairman. The Communications Workers of America wants to thank you for holding this hearing today. In a moment I am going to

introduce Ken Peres, who is a Research Economist with our union. We also have two people from locals who want to speak on privatization and on the training consolidation function, which you know much about.

Let me just make it clear, so that the Committee understands, that we will be here to answer questions on the position of the CWA on this current fiscal problem.

First off, we have presented to the administration -- and Ken Peres will go into this in more detail -- many ways to save this State money. We presented a list of more than 500 project specialists, some of whom make as much as \$90,000 a year, and many of whom are on the same tasks as a bargaining unit person, but do it at two and three and four times the salary. It is our position that those people should go before there is any discussion of laying off one single direct State service worker.

We believe the direct State services workers in this State provide important services to the people of New Jersey, and that either laying off 10,000 or reducing the quality of life for those people by 20%-- That will have a ripple effect. We have seen it in counties already -- in Union County, in Essex County, in Bergen County -- already talking about laying off hundreds of people. That quality of life reduction will be translated into the private sector as well. It will have a devastating effect on the quality of services that are provided in this State. It will have a devastating effect on the quality of life for all working people in New Jersey.

This union will not renegotiate this contract. It was negotiated with Governor Florio. It was signed with Governor Florio, who has a very real understanding of the fiscal problems of this State. These State workers have sacrificed. They have wage freezes. They have had hiring freezes. Our pension fund is being pre-funded, and provided millions of

dollars to the State budget in an attempt to balance it. We do not believe that State workers, or the clients they serve, should suffer any more.

I am going to turn this over to Dr. Ken Peres, who has done some economic analyses of the State.

ASSEMBLYMAN CIMINO: Doctor, good morning.

K E N N E T H R. P E R E S, PH.D.: Thank you. Assemblyman Cimino, members of the Committee, fellow citizens, brothers and sisters: My name is Kenneth Peres. I am Research Director for District No. 1 of the Communications Workers of America. I have a Ph.D. in economics.

Despite raising over \$2 billion in new revenue, Governor Florio is now claiming that New Jersey faces a dire crisis in the next fiscal year. He projects an \$800 million shortfall, a gap of about 6.5% depending on the size of next year's budget.

The Governor's solution is simple: Balance the budget primarily on the backs of New Jersey's State workers.

Specifically, Governor Florio wants to force State workers to pay for a substantial portion of the projected deficit by accepting either 10,000 layoffs now, with no guarantees about future layoffs, or a 20% cut in pay with no guarantees about future payoffs.

The Florio administration apparently has abandoned its effort to institute fairer taxes and better services, a program that we supported. Instead, the Governor has a policy of lash and slash. He is lashing out at State workers and slashing governmental programs.

We will fight against this attack with all our resources:

- 1) We will protect the jobs and incomes of our 38,000 members. That is our job as a union. The job of government is to improve the quality of life of its citizens and workers, not impoverish them.

2) We will fight just as hard to protect what we consider to be the best interests of New Jersey State government -- the quality and availability of government services.

This is not rhetoric. It is common sense. Just think for a moment about just who would be laid off. The members of CWA, along with the members of the other State worker unions, are the people who actually build the roads, issue licenses, guard prisoners, tend the sick, supervise foster care, issue fines to environmental polluters, and assist the elderly. We are the people who directly provide needed government services to the citizens of New Jersey. The quality and availability of government services -- and thus the quality of life for many New Jersey citizens -- depends on State workers. Massive cuts in the number or their standard of living will erode their ability to deliver quality services.

3) The Governor has made a political choice. He has decided to attack State workers, rather than focus attention on the important reasons and special interest groups behind the current crisis:

- \* An unfair tax system that still favors large corporations and wealthy individuals.

- \* A Federal government policy that shifts costs onto the states while paying billions to bail out savings and loans and fund military adventures.

- \* Government employment bloated through runaway growth in unclassified titles, special project positions, and contracting out.

Governor Florio's fix is wrongheaded. Not only will it devastate the delivery of government services for years to come, but the so-called savings may just not be realizable. These "savings" will have to be balanced by the payment of unemployment and welfare benefits, as well as reduced State and local tax receipts based on workers' lower incomes. And after

all this pain and suffering, the Florio lash and slash strategy will still not solve the structural deficiencies in New Jersey's fiscal system.

4) We will fight for an alternative to Governor Florio's lash and slash program. This program is built on three components:

- \* Creating a fairer and more stable revenue system.

- \* Implementing a plan of cutting government fat -- not muscle -- to create a more efficient and cost-effective way to deliver government services.

- \* Expanding the services which increase the quality of life of New Jersey's citizens.

I will briefly examine the following areas:

- \* The hidden story behind the current fiscal crisis.

- \* The point that State workers did not create the crisis; don't solve it at our expense.

- \* The social cost of Florio's lash and slash plan.

- \* A fair and equitable alternative.

The most publicized explanation for the fiscal crisis is the current recession. However, the rest of the story -- the real news behind the headlines -- has not been publicized. This hidden story cannot be blamed on the recession. It resulted from direct and conscious decisions made here in Trenton and in Washington, D.C. There are at least three hidden stories:

Hidden story number one: Tax breaks for the rich and wealthy citizens and corporations in New Jersey cost at least \$2.7 billion. Between Fiscal Years 1986 and 1990, Governor Kean and the Legislature granted \$2.7 billion in special interest tax breaks. The cost of just the corporate net worth, the elimination of the corporate net worth tax, the provision of the loss carry forward, and the enterprise zone tax breaks amounted to \$230 million in Fiscal Year 1990 alone.

Hidden story number two: A tax system structured to be unfair and unstable. Last year, the CWA supported aspects of Governor Florio's plan which made the tax system more fair. However, these reforms did not go far enough.

The tax system, thus the revenue stream, is structured to be unfair for three basic reasons:

1) The property tax is structured to be unfair. It is levied against the one major property investment made by most middle- and low-income citizens, their home. Yet it is not levied against the most significant investments made by wealthy individuals, their stocks and bonds. Billions of dollars are lost.

2) The sales tax suffers from the same problem. The services utilized by middle- and low-income residents are taxed; the services primarily used by wealthier citizens and businesses, such as accountants, lawyers, and business services, are not taxed.

3) The erosion of the corporate income tax base has cost New Jersey hundreds of millions of dollars. The entire fiscal system is strained because people -- some people, special interest groups -- do not pay their fair share. Revenue collections are lower than they should be. When the economy slows down, the narrow tax base is unable to create enough revenue to support government services. A fair tax system would produce the same, or more revenue at lower rates.

Hidden story number three: The Federal government shifts billions of dollars in costs to the states, but gives billions to bail out the savings and loans. A study done by Fiscal Planning Services, Inc. found that New Jersey State and local governments experienced Federal cuts amounting to \$4.923 billion between Fiscal Years 1982 and 1988. Some services were cut, but many had to remain in place because of Federal mandates.

This is not a question of money -- these billions of dollars that are not going to New Jersey anymore. The money is there. The President and the Congress have had little trouble locating hundreds of billions of dollars to bail out failed savings and loans. The question is whether citizens and state governors and legislators will continue to allow the money to flow into a subsidy program for bankers, rather than assist the mass of citizens with programs to increase housing, mass transport, health care, and cleaning up the environment.

Even with those inequities, it seems to be politically expedient to make State workers the scapegoat, rather than institute fair taxes on rich New Jersey citizens and large corporations. However, New Jersey's budget problems have little to do with the number of workers or the amount of their wages.

In 1988, New Jersey ranked 24th among the 50 states in the number of State workers per 10,000 population. According to the Office of Legislative Services, the largest portion of increase in State government workers was located in the Department of Corrections, mandated because of the increase in the capacity of the prison system.

New Jersey ranks 46th out of the 50 states in its State and local government payroll as a percentage of State personal income -- 46th. New Jersey State workers are paid less than state workers in New York. New Jersey State workers have already made considerable sacrifices, including a nine-month wage freeze in the current contract, and increased work loads which have resulted from the hiring freeze.

Now, we heard the Governor talk about, or implicitly deal with the savings from lash and slash strategy, but the reality is different. First, government services will be devastated. Workers are just the most visible target of the cuts, but hidden behind the layoffs is a significant reduction in the availability and quality of government services. Thus,

while State workers will be laid off, the people who will also suffer are those who receive the services.

Second, the Florio fix will save much less money than the administration would like to admit. You have to deal with the ripple effect of the layoffs or wage cuts throughout the economy. It won't just be 10,000. It will be hundreds, if not thousands more in the local economies around the State. Some of the laid off workers will have to go on welfare, Unemployment Compensation costs will increase, and reduced income for workers will mean less State and local tax revenue. A study of the effects of layoffs of private sector CWA workers found out that the social costs of these layoffs amounted to almost \$26,000 per worker.

Third, the Florio plan, as others have shown, is inherently unfair.

We have an alternative to the lash and slash strategy. Elements have been mentioned already.

1) Cut the fat, not the muscle, as Bob Pursell or Vince and our previous press conferences have pointed out. Estimated savings there are \$200 million when dealing with overpaid State bureaucrats, wasteful subcontracts, and overpaid consultants.

2) As previously mentioned also, reform the Uncompensated Care Trust Fund; estimated savings, \$50 million to \$70 million.

3) Close corporate tax loopholes and reform the corporate tax structure. Last year's tax reforms did not include basic corporate tax reform. In this way, large corporations, especially, were able to continue to benefit from the hundreds of millions of dollars in tax cuts previously granted by the State of New Jersey. We say, "Enough!" It is time for all New Jersey citizens to pay their fair share.

4) Place a surcharge on the rich. A 15% temporary surcharge on those earning over \$150,000 a year would generate approximately \$200 million in additional revenue.

5) Actions by the Governor and Legislature to demand that the Federal government increase assistance to State and local governments. That has an unknown revenue impact.

We should not allow the Federal government to shift costs onto states and leave essential programs underfunded, yet waste billions of dollars on the savings and loan debacle.

So, this entire program combines fair tax reform with efficient cuts and amounts to approximately \$885 million. Not only would such a plan prevent thousands of layoffs, but it would preserve the vital services provided by State workers.

Unfortunately, the problems of our society are not getting any better. We need to expand State services, not eliminate them. We need increased investment in public schools, roads and bridges, environmental cleanup, more drug treatment centers, better care for abused children, better health care programs, and more housing, not less.

These are the services that State workers provide. Cut our jobs and these services will deteriorate.

It is time for Governor Florio and the Legislature to do what is right, not to treat State workers as scapegoats.

Don't make State workers the easy target. Don't punish the citizens who depend on government services. We ask you to do what is right for the State of New Jersey and all of its citizens.

Thank you.

ASSEMBLYMAN CIMINO: Thank you. Questions for either Mr. Trivelli or Dr. Peres? (no response)

Let me ask one question, a follow-up on what I had asked and what Assemblyman Baer had asked of the Department of Personnel: Do you have any idea what the effects of those layoffs which have already been forecast or implemented have been?

MR. TRIVELLI: Forecast or implemented? Those are very broad terms. With the 10,000 layoffs that are forecast by

the Governor, we think the effects would be devastating. Up until this point, there have not been very many layoffs. There have been discussions of layoffs in DMV, which we oppose. We believe the workers there are providing important services to the State. There have been certain pockets of discussions at the State colleges, where some of our people were brought in and told by a college president that certain things were going to happen, but then that was backed off from. There was an attempt to lay off parole counselors. They could lay off the parole counselors, and then that was slowed up.

So to date, there have been limited effective layoffs. There has been an important effect from the hiring freeze that has gone on, which has been a limited hiring freeze. There has been continual hiring of project specialists; continual hiring of confidential secretaries. But there has been a cutback in the people we represent in the last year, year-and-a-half, by about 2000 people. So direct State workers have already suffered. When you reduce the work force of direct State workers by about 2000 people, the remaining people have increased caseloads, an increased amount of work. The caseloads at DYFS -- the Division of Youth and Family Services -- are once again on the rise, and we hear tales of people who have 40, 50, 60, 80, 100 cases apiece, trying to deal with abused children and other family problems.

Those will be the impacts of these kinds of layoffs. They have not come to us with any plan for the 10,000 layoffs. We are distressed at that. The Department of Personnel has not received layoff plans, nor did they come to this Committee with layoff plans. It is our understanding that if this is to happen, it will happen in the near future, and we believe there needs to be an open discussion of where those layoffs will be once they come about.

ASSEMBLYMAN CIMINO: Has there been, Mr. Trivelli, any discussion at all, other than with Mr. Dorf, by members of the administration with the Communications Workers of America?

MR. TRIVELLI: Other than very brief-- Prior to the one meeting with Mr. Dorf, there were some very brief discussions basically to the extent that, "We will talk to you about all of this." There were no details given, or whatever. Then we had the one meeting with Mr. Dorf, in which this ultimatum was presented, which included -- and I just want to make sure that people are clear -- a 20% wage cut for people, plus health care reductions for State employees of an unknown amount. Plus, in that side of the package, unspecified layoffs; no guarantee that there would not be layoffs of our people. Or, on the other side, layoffs of 10,000 people -- State employees. We don't know which departments or which divisions, but either of those scenarios would be devastating to the State of New Jersey.

ASSEMBLYMAN CIMINO: I should have asked this of the AFSCME representatives while they were here, as well as you: As employee representatives, do you have the demographic data we would seek as to the implications of who would be adversely affected?

MR. TRIVELLI: We will provide what we can. We believe -- and I would agree with Bob Angelo -- that the people who will eventually be laid off, will be the lower paid people. There will be minorities and women who are lower paid in this State because of the discrimination the State payroll has on them. You will have, especially with the article that was cited by the Department of Personnel, where someone bumps the least senior-- That will ensure that the least senior people, the lower paid people, will be bumped out of the system, in any kind of a massive layoff. The effect of that would be devastating on those families.

We still have people who work for the State-- If the contract we have now is lived up to, which we certainly believe that it should and will be, in the year 1992, no one who works for the State will make less than \$15,000. We have people now

who make less than \$15,000 a year. To ask those people, who have to have second jobs in the evening to make ends meet-- To lay off those people would be devastating. Or to ask those people to take a 20% wage cut, when they only make \$15,000 or \$14,000 or \$13,000, would be a dramatic-- Those people are one paycheck away from a disaster in their lives, and they are performing important services to the State. They would suffer, and the clients they serve would suffer.

ASSEMBLYMAN CIMINO: How would the CWA view any attempt to change the rules that Mr. Maurer articulated this morning and to further narrow bumping rights?

MR. TRIVELLI: We would have a severe problem, to say the least, with the narrowing of bumping rights. When Civil Service reform was passed and those provisions were put in through regulations -- and we had long struggled with the Department of Personnel over those regulations-- The original policy, we believe, of Civil Service -- and there were comments from the sponsors of that legislation and others -- was to protect the services in the State and to make layoffs the last resort in any kind of a fiscal problem.

The early proposals of the prior administration would have made layoffs easy and therefore the first resort, and would have severely limited the bumping rights of people; would have severely limited the return rights of people; would have severely limited where people who are designated could move in this State. We fought the previous administration on that, and the regulations, we believe, though not far enough, do go toward the aspect of making a layoff the last resort, and difficult, so that all other aspects in terms of laying off project specialists and alternatives to layoffs are gone through first before we start reducing services to the people of New Jersey.

ASSEMBLYMAN CIMINO: Thank you. I see that Mr. Pursell has come into the room. Additionally, there are two

other individuals within the CWA who have asked to testify. Perhaps Mr. Pursell would like to come forward and say something, as well as, I guess, Bernice Zickwolf, if she is in the audience. (indiscernible comments from audience; no microphone) We're still doing CWA. We will get to you, I promise you.

R O B E R T W. P U R S E L L: Thank you, Skip. Members of the Committee: You will have to excuse me. I had to step out to a meeting with the Treasurer. No good news came out of that meeting either. It wasn't about the budget; it was about another matter. Since I wasn't able to hear the earlier presentations, you will have to excuse me if I cover some areas that have already been mentioned. I believe you have copies of a statement that I have prepared. I am just going to make several points out of that statement.

ASSEMBLYMAN CIMINO: If I may just make a point, too: Dr. Peres, do you have copies of your statement? Not everyone on the Committee has received one. If we could have copies of that, as well-- Thank you. (Dr. Peres complies) I'm sorry.

MR. PURSELL: Less than eight months ago, our union entered into a contract with the Florio administration. Unlike other unions, we actually signed our agreement with the administration. If you recall some of the problems we had achieving that contract-- We had a fact finder's recommendation, most of which was implemented. However, the union, even in obtaining the contract that we are operating under, was forced to concede two \$300 cash payments that the fact finder had recommended as just and fair.

While we were concluding our contract, the massive tax increases were going into effect. We had serious reservations and opposition was expressed concerning the regressive sales tax increase, especially the extension of that tax to paper products and the other areas it was extended to. During that period, Steve Perskie, who was Chief of Staff, refused to even

meet with our union to discuss our union's position concerning regressive taxes, how the budget deficit should be addressed, and what kind of revenue measures should be obtained.

Subsequent to that, the Management Review Commission began issuing audit reports, all of which were directed at services that our members provide. The first one was the consolidation of training, where a recommendation was made to eliminate 104 of our positions. I remember meeting with Skip on that matter out at Local No. 1039. Once again, before that audit report was issued, we, at the last minute, obtained a copy of it and asked to meet with Steve Perskie again to see if our concerns could be addressed before an executive order was issued. Again we were refused a meeting with the administration.

For the next project, GMRC attacked the Sick Leave Usage Program and the Sick Leave Injury Program, implying that State workers, in particular, were using too many sick days, that the entitlements were too great, and that the accrual of sick leave should be severely limited or abolished. The Sick Leave Injury Program recommended light duty, which in theory sounds like a good proposal, but in reality would be used to harass people to come back to work, releasing them from their illness, and would result in violation of job specifications, forcing workers to do out-of-title work in order to perform light duty.

Next, GMRC attacked the vehicle maintenance system in the State, and recommended eliminating another 222 jobs of workers who, I might add, average a salary of \$21,000 a year.

Finally, two hours before the "State of the State Address," we were called into a meeting with equally the First Assistant Attorney General, where we were told that ideologically the administration was opposed to the State performing vehicle safety inspections and emission control inspections, and that 550 unionized employees would be out of work as soon as they could put that proposal into place.

ASSEMBLYMAN CIMINO: Say that again. Two hours before the "State of the State Address--"

MR. PURSELL: Two hours before the "State of the State Address," we were given a copy of the GMRC report, and were told that 550 of our members would be -- our members and other union members -- laid off as a result of them contracting with private firms, private firms which, by the way, will charge a fee of anywhere between \$5 and \$15 to perform emission control testing. Safety inspections were not even part of that. It is likely, if they had their way, that safety inspections would be out the window as well. If safety inspections are performed, these private firms would charge extra fees in order to perform those safety inspections.

As these GMRC reports were being issued and the economy was worsening, the CWA was attempting to meet with the administration to point out areas to them where savings could be effectuated without impacting on the direct services that the public receives. You have heard about the project specialists, the Senior Executive Service, the special investigators, the consultants. Continuously, at the last Merit System Board meeting, six or seven confidential aides were appointed, four of them at salaries over \$70,000. Two more are about to be appointed on Tuesday at the next Merit System Board meeting.

We pointed out approximately 1300 management positions that could either be abolished totally or those workers could be classified into other titles at significantly lower salaries, a savings of probably close to \$150 million. In addition to that, we pointed out areas of costly subcontracting -- or engineering work that is performed by the Department of Transportation which is being contracted out to private firms, work which in other states is performed in-house by state workers at considerably less money than it costs to contract that work out to other firms.

In addition, there is costly subcontracting of pharmaceutical work in the institutions. Previously, pharmacists who were employed by the State dispensed prescription drugs to clients in these institutions. Now there are firms being contracted with, automated pharmaceutical services -- and there is another firm which Mr. Klein will mention later -- that are hired at exorbitant contract fees, resulting in inaccurate doses of medicine being dispensed to patients in the institutions. There is also costly subcontracting of maintenance and housekeeping work. Firms are being hired which don't even do the work. They supervise our workers doing the work and create problems in that respect.

This is all being done in the context of the union already having agreed to a six-month wage freeze in 1989; a three-month wage freeze in 1990; our pension system being prefunded at a cost to the public sector unions as well. Our union has already lost 2000 members to attrition, through the hiring freeze which also results in a promotion freeze, with existing members being expected to do more and more work of the workers who either quit, retire, or are laid off. This is all being done at the same time that political patronage continues to run rampant.

Through the series of news conferences that we have run, we have pointed out a number of areas. Duplicate personnel functions-- At the State colleges, in particular, there has been a 39% increase in management positions, at a time when enrollment in the State colleges has decreased and the number of faculty members has actually decreased. There is really no reason for the State colleges to continue under the autonomy law which was passed back in 1986, which has resulted in significant increases in duplicate personnel and payroll functions being performed by colleges which previously had no services performed either by GSA for purchasing or the Department of Personnel for hiring and qualifying for

positions, and through Treasury's centralized payroll system for the processing of checks and other payroll functions.

Unfortunately, all of this has fallen on deaf ears within the Florio administration, despite the fact that we have provided them with information -- the same information that we provided the Chair of the Committee with, concerning the consultants, the special investigators, the Senior Executive Service appointees, the project specialists. Instead of any of these proposals of the union being considered, they have not even contacted us to sit down and discuss any of the proposals in detail. In fact, the only reaction that has taken place was the hiring of a special counsel in the Governor's Office at \$125 an hour, to come to the union to seek contract concessions from us.

On January 9, the day after the "State of the State Address," despite the fact that Governor Florio said during his "State of the State Address": "In 1990, we laid a firm foundation for 1991. More important, we are ready to deliver on our promises because we listened and we changed things that needed changing; 1990 was about investing; 1991 is about dividends--" Well, as far as we are concerned, our contract was a promise. The Florio administration entered into a promise to pay us raises at a specified period of time -- the 4-1/2% raise last September, in particular, and the 5-1/2% raise that is due this July. That promise, as well as the other promises the Florio administration made, should be kept. Instead, he has hired a special consultant to come after our 5-1/2% raise, our increment that is due this year, our past raise that we received -- the 4-1/2% raise on September 29, 1990 -- and last year's increment, the merit increment that workers receive for satisfactory performance.

All of this they want implemented by February 1 of this year. The ultimatum that was presented to us was, "You either take these contract concessions, or we are going to lay

off 10,000 of your members." That was said to us directly by the special team that the Florio administration has invested with the authority to come to the unions and seek to reopen negotiations.

Frankly, our members are expecting dividends for the investment they made last year. There is no way, given the rejection of our proposals that the Florio administration has obviously made that none of the Senior Executive Service appointees have been dealt with, no project specialists have been dealt with, the consultants and the special investigators are still on the payroll, none of the subcontracting issues we raised have been dealt with-- There is no way we are going to be put into a position of choosing between \$400 million worth of contract concessions or 10,000 layoffs.

We're saying -- and we hope the Legislature will back us on this -- that the agreements we entered into in good faith with the Florio administration must be adhered to; that the 5-1/2% raise that comes due July 1 has to be paid; that the increments that come due this year are an obligation the State has-- It is a promise that the Florio administration made to us, and it must be kept, the same as other citizens are expecting the dividends from the investments that were made last year in terms of no JUA surcharges, lower insurance rates, improved tuition aid, a cleaner ocean, a better State-run Motor Vehicle inspection system, and better jobs and roads.

A leaner government can be achieved through eliminating political patronage and the management hacks who perform no useful function. The same way that citizens are expecting to reap those dividends, we are expecting to reap our dividends as well; that the raises that we negotiated in good faith will be provided to us on schedule, as negotiated.

We will work with the Legislature to help forge a budget which will ensure that the vital services performed by our members remain, while we are protecting and honoring the

contract promises that were made by the unions and the Florio administration last year.

Thank you for convening this forum for us to present this information. If there are any questions, I will be glad to attempt to answer them.

ASSEMBLYMAN CIMINO: Thank you very much, Bob. To Ms. Zickwolf and Mr. Klein, I want to hear your comments, and I know this Committee wants to hear them. If I may ask-- We have given great latitude with regard to the union, inasmuch as we had Mr. Trivelli and Dr. Peres and brought Mr. Pursell forward as the Area Director. So if you could, in your comments, not be redundant as to what has already been stated, but simply synopsise your statements, it would be greatly appreciated. Bernice, perhaps you would like to start first.

B E R N I C E Z I C K W O L F: I would like Don to go first.

D O N A L D L. K L E I N: Thank you, Bernice. I will be very brief. Thank you for allowing us to come to you today.

Today we speak of the budget deficit and Governor Florio's promise to streamline State government. I want to apprise you of his first initiative which he maintained was a correction of wasteful spending.

In August of 1990, Florio signed an executive order calling for the consolidation of all State training of its employees under the Department of Personnel, a.k.a. Civil Service. Florio's press release boasted a savings of \$5.1 million. I want to report the story behind the story; a story fraught with deception and tragic betrayal of State training personnel.

The consolidation plan is nothing more than a kingdom-building venture, secretly engineered in back rooms and sprung unexpectedly. Existing labor laws requiring that prior notice of any change in terms and conditions of employment be discussed with the union were violated.

Upon learning of the executive order, Bob Pursell wrote to Steven Perskie, then Chief of Staff, to voice the union's concerns. A meeting with Andrew Weber, then Commissioner, Department of Personnel, was set as a result of this communication. In the meeting, Commissioner Weber and Assistant Commissioner William Scheuer profusely apologized to CWA officials for violating labor laws regulated by their own Department. Weber imposed a 90-day moratorium at the insistence of the union, promising to negotiate in good faith.

During subsequent meetings, Scheuer openly admitted to political maneuvering to achieve his 10-year desire to be responsible for all State training. He told us that he expressed this desire to Brenda Bacon of Florio's staff. As a result, Bacon commissioned a "study" of statewide training. The results of this so-called study were authored by Scheuer himself. Of course, in his overzealous quest for power, Scheuer characterized the present system as wasteful and the present staff of trainers incompetent. Ironically, the deficiencies in that training system were an indictment of Scheuer's own Department, which serves as a watchdog agency overseeing statewide training functions.

The alleged incompetent trainers successfully passed Civil Service qualifying standards.

Some of the members of the "study" team, officially called the "Governor's Management Review Commission" -- GMRC -- are now being offered newly created, high-paying positions in the Human Resources Development Institute -- HRDI -- the Department of Personnel's proposed training unit. An example of such an appointment is one James Requa. Mr. Requa was accredited as a commission member working for Public Service Electric and Gas. CWA has ascertained that Mr. Requa, a project specialist, by the way, was on an approved paternity leave of absence from the training department of Ancora Psychiatric Hospital while employed at PSE&G. Any other State

employee would be fired for this action, yet Regua is protected by William Scheuer, now Acting Commissioner, Department of Personnel.

Although Scheuer freely admitted that the proposed plan will not realize any savings to the taxpayer, Stanley Van Ness was quoted, touting a \$100 million savings.

CWA has negotiated, despite its opposition, in order to provide some protection for its members. An agreeable settlement was reached and drafted for signing. Guess what? Andrew Weber, now Chief Counsel to the Governor, will not sign the agreement, despite promising to negotiate in good faith.

Governor Jim Florio and his staff are guilty of discriminating against classified civil servants. These tenured, dedicated workers have set a career path, satisfied Civil Service requirements, and moved ahead to advance their career goals in various training offices. They are now faced with layoffs and immediate loss of seniority rights.

The affected workers are the very same people who volunteered their time to secure Jim Florio's job as Governor. Now he's abandoning them in favor of political cronyism!

The Department of Personnel is the recognized State agency responsible for protecting the rights of employees in accordance with State law. Clearly, the agency, through its representatives, is guilty of a scam.

Therefore, I respectfully request that you exercise your authority by:

- \* Disallowing the consolidation of State personnel training functions.

- \* Advising the GMRC of a very viable alternative to save tax dollars. That is, assign a fixed amount of moneys to be saved, within a certain time period, by each of the line departments.

- \* Advising the GMRC to review the use of taxpayer money for nonstate sponsored professional/technical training

programs, for tuition aid, and for the extremely expensive Certified Public Manager Program -- CPM. The latter programs appear to have little or no effect in improving service delivery.

Again, those training programs are going to go on, and they involve huge sums of money. Middle managers go and get their master's degrees on the State, while others do not get any State aid.

ASSEMBLYMAN CIMINO: Do you have a copy of your statement for the Committee?

MR. KLEIN: Several, yes.

ASSEMBLYMAN CIMINO: Thank you very much.

MS. ZICKWOLF: I was originally going to say "good morning," but this is "good afternoon." I would like to thank the Committee, and also Skip Cimino, for convening this hearing.

I must say this is the worst thing that a Governor could do, to issue orders, or proclamations of 10,000 people to be laid off. I can remember -- if I am not dating myself -- when the President, Franklin Delano Roosevelt, was in a critical crisis like this. He created jobs; he did not eliminate jobs.

I would just like to say that there are 38,000 workers which we represent. There is a vast and valuable resource. There is an army of men and women with knowledge accumulated over the years and experience in knowing how to interface with the public. We are the service providers; the people who care. Instead of privatizing the services we offer, which is an invitation to uncertainty, inefficiency, and waste, use us, instead, to make the existing system work.

Pay attention to us. We know how the government works. Take our suggestions. Respect our counsel. We are the people who have done a remarkable job under extraordinary conditions. Our loyalty, our dedication, and our years of experience should compel no less.

MR. PURSELL: Skip, one clarifying point: It has been mentioned about unclassified employees. I just want to make clear that not all unclassified employees are the type of political appointees that people generally think of when you think of unclassifieds. The unions do represent about 2000 unclassified workers in the Department of Military and Veterans' Affairs and the New Jersey Network. The doctors and other physicians in the State institutions are unclassified. The Education Department has unclassified education program specialists. They are union-represented employees, so when mention is made of laying off unclassified employees, we are not talking about career service teachers, doctors, staff assistants within the Department of Military and Veterans' Affairs, etc. That was just for clarification purposes.

ASSEMBLYMAN CIMINO: Thank you very much. Thank you for coming this morning.

Next will be Mr. Donald R. Philippi, from Local No. 195. Good afternoon.

D O N A L D R. P H I L I P P I: Good afternoon, Mr. Chairman. Thank you very much for setting up these hearings. I think you are going to open the eyes of the citizens of New Jersey by some of the things you are doing here today. I am going to make some opening remarks before I get into my statement -- the statement you have.

First of all, there is no hiring freeze. Will you legislators quit telling the public and the Governor's Office that there is? Every week there are confidential appointments, and there are people being laid off -- lower class. Yesterday, the Department of Personnel-- Did they tell you here today that they gave layoff notices to people and sent them out the door yesterday? Did they tell you that?

ASSEMBLYMAN CIMINO: Yes, they did.

MR. PHILIPPI: No, they did not. I never heard them say they did.

ASSEMBLYMAN CIMINO: Mr. Maurer was one of the--

MR. PHILIPPI: Are these people being hired -- confidential agents -- with others going out the door? What about the SES? How come all these people who went in and are getting \$55,000, \$60,000, \$65,000, a computer, special benefits, publications, are now asking to go back to their old titles? How sweet it is. When things might happen, now they are asking, "Let me go back to my other job. I had all my benefits from SES. I want to go back because I might take a hit."

Let me tell you-- I am going to supply you figures about who took the hit in this State. We took the hit -- 195 -- the people who plow the snow, who take care of the electric lights on the highways, the ones who clean these buildings down in the Complex, except for your subcontractors; the people out in the institutions, the colleges, the craftsmen; the carpenters, the plumbers, the people who keep the heat going. We'll show you the figures on how many people were in our union back in 1982 and how many are in it now, and we'll show you that there are less. All right? We'll show you what the other State bargaining units show. We'll show you who took the hit.

We took enough goddamned hits. Last year, \$48 million you took out on the refund of the pension. What did we get?

ASSEMBLYMAN CIMINO: Excuse me. I can understand--

MR. PHILIPPI: We got nothing. The teachers-- Didn't they get taken care of? Didn't the PBA get taken care of?

ASSEMBLYMAN CIMINO: Mr. Philippi, I understand, and I appreciate your concern and your patience today with the long list of folks to, testify. However, if we can refrain from moving into language that is less than comfortable before the Committee, it would be greatly appreciated. We all understand.

MR. PHILIPPI: I have heard legislators say a lot worse on the floor.

ASSEMBLYMAN CIMINO: Well, this is not the floor, and it is not the caucus room. It is a public hearing.

MR. PHILIPPI: All right. I would like to proceed with some of the items here. You were wondering who took the hit.

Now, besides that, let's talk about the great Dorf give backs and the \$125 an hour flushes. I don't know if you know his son is over there getting paid too. He's on the payroll. Do you know the Department of Law and Public Safety, Mr. Chairman and members of the Committee? They have 600 lawyers over there. They are all in the Department of Law and Public Safety. Frank Mason's office has 15 professional people. And they have to come out and hire Gerry Dorf? I mean, come on, it's ridiculous.

Asking us for give backs from the contract. Why is this needed? Why is this needed? The money should be in the budget for our negotiated increase. In the "Budget Message" that is coming out on the 29th, if the \$140 million isn't in there to cover the 5.5, there is no telling what our members are going to do.

They are upset, let me tell you. They are plenty upset. I was out the other night in the snowstorm. Those DOT maintenance crews are down to nothing. Some of our people are making around \$20,000 to \$24,000. The contractor is out there making \$25 an hour. You ought to ask for the figure of what they made in the snowstorm -- the outside contractors -- compared to what the State workers got in that storm. Your eyes will open up.

Now, let's talk about the great GMRC and their Commission. What the hell authority do they have? Who created them? Is there any legislation? Who created them? Did any legislators question what authority they have?

ASSEMBLYMAN CIMINO: Is that a rhetorical question, or is it a real question?

MR. PHILIPPI: I am trying to find out. You read everything they do. You see the things coming out. I don't

see one legislator saying, "What authority do these people have?" What authority does Van Ness have? What authority does Scheuer have? All the people on the committee?

ASSEMBLYMAN CIMINO: I think, quite frankly, they were appointed by the Governor's executive order. The Governor has the opportunity and the ability to appoint a committee like that to look at savings and--

MR. PHILIPPI: Does he have the authority to make changes in all of our contract conditions--

ASSEMBLYMAN CIMINO: I don't think--

MR. PHILIPPI: --without talking to the unions? Did you see the reports? Did you see what some of them said?

ASSEMBLYMAN CIMINO: We are here--

MR. PHILIPPI: Let me show you and the Committee something on sick leave. All right? Let me show you some facts on medical facilities they claim they have, and the doctors' reports. Incidentally, I have a list here of the 600 project specialists. If you think you would use it, I will give it to you. Here's the list.

Now, I am on a task force appointed by the Commissioner of Personnel -- all right? -- to study some of these recommendations. We did our homework. Let me just show you. Here are some of the departments, what they list concerning their medical facilities. They claim: State workers are abusing sick leave; they are abusing SLI; they are abusing Workers' Comp.

Agriculture has no nurse, no doctor, no facility. Banking has no nurse, no doctor, no facility. Commerce has no nurse, no doctor, no facility. Community Affairs, the same. Corrections, the same. Education, the same. Environmental Protection has one nurse, one doctor, and a facility. Health, Higher Ed, Human Services -- except for institutions; I'm talking about the Central Office -- Insurance, and Judiciary have no nurse, no doctor, no medical facility. Are the State

workers abusing anything? Who the hell is sending them out to the doctors who are costing more money?

Now, DOT has the best medical facility. They have four regional offices. They have a large staff of nurses. They have a doctor full-time. Treasury has seven nurses -- I got a figure of -- two full-time, two in Trenton, that's four regionalized. This says (referring to paper he is reading from): "The New Jersey Department of Transportation and Environmental Protection are the only departments that have a nursing staff, medical facilities, or a doctor who is the treating physician on the job."

Do you think they really care then? Do you think they care about the State workers, their medical, or their injuries? They don't give a damn about us. Reporters are a bunch of garbage. All right? They don't know what they are talking about. Mr. DeFuria is with me. He is the President of the Motor Vehicles Inspectors Local No. 518. You heard Mr. Pursell say that the First Assistant Attorney General called him in at the last minute and told him, "We are getting rid of your 600 people." His 600 people! Probably 100 from the CWA and some other fringe groups. They are the ones who are going to take the hit.

That report is going to backfire on the administration, let me tell you. All right? When they find out that that new tax is going to hit them for an emission test, when they wake up to the facts, it is going to turn around and we are going to keep these guys, because they are doing one hell of a good job. They didn't back up the lines. They don't manage the system. You have high-paid guys over there who are supposed to be able to run and manage.

The EPA says-- The report of the EPA says, "The management of Motor Vehicles has failed." Not the inspectors, not the guys who put the tubes in the test -- all right? -- for emission testing. They say it is the way it is done, and the way it is managed. They didn't back up those lines.

When from the Governor's Office the rule came out to Colonel Pagano, "Cut overtime; cut the people down--" That is why the lines backed up. Don't throw the blame on the inspectors, the State workers. This is what's happening.

Now you ask, "Do you have suggestions?" Do we have suggestions? Do you know how many we handed in? Here's one at a college-- We handed in 49. They don't give a damn about them. They are paying honorariums 20 grand to come in and speak, and they are telling our people that they should go on furlough and layoff. They are paying honorariums -- the colleges -- as speakers.

I could go through a long litany. I would rather submit this so a lot of people can see it, you know. Jim Reilly from 518 is here to make some comments on the seriousness of the situation over there. Nick (referring to Mr. DeFuria) is the President, but he is not going to say anything at this time. So, Jim, do you want to come up?

J A M E S R E I L L Y: Thank you very much, Don. Are you finished with that?

MR. PHILIPPI: Yeah, but I will sit over here with you.

ASSEMBLYMAN CIMINO: It's the other way around, isn't it? Is he finished with us? (laughter)

MR. REILLY: I didn't want to be derogatory.

ASSEMBLYMAN CIMINO: Go ahead.

MR. REILLY: Mr. Chairperson, ladies and gentlemen: I would like to thank you for the opportunity to speak. My name is James Reilly. I am an acting, working business agent for Local No. 518. I have had 21 years with the service, so I am not-- I have been here before. Marty Herman, Third District-- I testified under one of his committees as well.

In my years I have passed and failed many vehicles, and in those years they failed for many different reasons -- insurance, tires, stoplights, exhaust leaks, and so on. This April will mark three years since the headlight rejection has

been removed. Any of you people who see the difference in the headlights on the roads, I can only ask-- There has been a change.

In the early '80s, as I reiterated before, I did testify under Marty Herman. This was when the garages were brought on board and were allowed to make repairs and reinspect our rejections, if the customer wished, or he could return to us to be rechecked. This committee also put some money into the system which, for many years, was collected by our system, but was earmarked for other things.

Nothing to date -- in anything that has been stated at any of the meetings -- has been mentioned about school buses. We check them twice a year. New Jersey is one of the safest states in the nation where school buses are concerned. This has to say something about the people who do their jobs at the inspection stations.

Any private contractor who bids on our State-run system will want to make a profit. The idea of \$6 to \$15 just for the emission test-- Just take the middle of the road, say, \$10 per vehicle, and multiply that by our five million vehicles in this State. It has been stated, "No new taxes," but the expense is being passed upon the public. Isn't this still some kind of tax? The public has to pay.

In closing, I will not say that the system does not need to change, but let those who do not make a profit and want to work -- rather than go on unemployment -- do the job. Thank you.

ASSEMBLYMAN CIMINO: Thank you. Any questions for Mr. Reilly? (no response) I want to thank all of you. We appreciate your coming in today.

MR. PHILIPPI: Thank you, Mr. Chairman and members.

MR. REILLY: Thank you.

ASSEMBLYMAN CIMINO: And, Mr. Philippi, will you please leave that information with us -- the specialists and

the list of recommendations? If you would be kind enough to do that-- (Mr. Philippi responds from the audience; indiscernible to transcriber, no microphone)

The final testimony today will be by Dr. Donald Silberman and Dr. Thomas Wirth, Council of New Jersey State College Locals. Good afternoon.

D R. D O N A L D S I L B E R M A N: Good afternoon. I want to thank the Committee for the opportunity for us to present our information. Dr. Thomas Wirth, who is the Senior Staff Representative of the Council of New Jersey State College Locals, will be presenting some more detailed testimony.

I am Dr. Donald Silberman. I am the Executive Vice President of the Council of New Jersey State College Locals. Mr. Philippi is a hard man to follow. I am just a soft-spoken college professor. I don't own a gun. I am not a know-nothing. I understand that adequate State services need to be funded through taxation. I support equitable funding of urban school systems. I happen to be a resident of Jersey City, and I am familiar with that issue.

I supported the increase in the income tax based on the taxpayer's ability to pay, which was passed by the Legislature and the Governor -- a progressive tax. I am not a member of that unholy alliance of the National Rifle Association, and certain members of the opposition party of the current administration who have supported a conservative front group called "Hands Across New Jersey." I just happen to be an officer of a State employee union, and I have been refused the request our union made, together with other State employee unions, to meet with the Governor, which was not the course of action he took toward his enemies.

I think the motto of the current administration in its present quandary may be, "Punish your friends and reward your enemies." Our members are being asked to have the salary increases that they negotiated and are currently being paid

rolled back, and future increases that were negotiated given back. That proposal has been made to our union, together with other State employee unions, not by the Office of Employee Relations, with whom we negotiated our contract, but with a hired gun, a so-called labor consultant, Gerald Dorf, who is being paid \$125 an hour, when we have an adequate team of employee relations professionals who could meet with the unions and entertain various proposals from us on cost-saving measures that might be alternatives to rollbacks and give backs of our negotiated salaries.

I just want to call your attention to one matter that is of concern to us at the State colleges; that is the College Construction Program that is planned, or underway, on various State college campuses, which is the result of autonomy and a bond issue that was passed. The building construction programs that I talk about are funded from college reserves and the commitment of student tuition increases for the purpose of paying off the bond issues. The use of reserves and the commitment of student tuition moneys severely restrict the flexibility of colleges to meet the fiscal crisis.

So we are asking that these building programs be deferred. Now, some of the building programs are modest, and some of them are grandiose. Some of the plans involve much needed facilities, needed for classrooms, for educational programs, and for student services. Other elements of building plans on the campuses involve what we could call "managerial palaces," efforts perhaps to build a kind of pyramid to perpetuate themselves in the future, rather than to meet the needs of academic programs and student services. But we are asking that all of the building programs be deferred until the current fiscal crisis passes, so that the colleges will have the flexibility to meet the fiscal crisis.

Now I want to turn to our senior staff person, Dr. Thomas Wirth, who will present further testimony.

D R. T H O M A S H. W I R T H: Thank you. Mr. Chairman and members of the Committee: We have had a lot of concern, and I think you have shown a lot of very rightful concern, about the lack of availability of information to yourselves. We have been wrestling with this problem as a union now for several years, and we have made it our top priority to try to get as much solid information as we possibly can out of the colleges and out of the State. We have had tremendous difficulty in doing this.

We have had to file -- just in order to get personnel rosters with salaries-- We had to file a lawsuit, and it took us months and months and months before we finally got compliance with the playing requirements of the law, that records such as personnel rosters and salaries are publicly available information. This is clearly information that is on, at least on properly run personnel computer banks. But it was not information that we were able to get very easily.

As a result, our data on the multiplication of managerial personnel is limited. But nonetheless, it shows substantial trends. In particular, we find that in the State colleges, between 1985 and 1989, we have the figure that Bob Pursell mentioned of a 39% increase in the number of executive administrative managerial employees, as those are defined on the affirmative action report forms, at the same time that the number of faculty and the number of students diminished. Now, something is seriously wrong with operations that are proceeding in that way.

We have better data, more recent data on Trenton State College, in particular. This data is very striking because it occurs in one year, between July 1989 and November 1990, based on personnel rosters, so that we could actually count individuals. It showed that during this time when everybody knew there was a fiscal crisis, and that it was going to get worse, 14 additional executives and managers were put on. The

payroll rose by \$809,000 a year, which is a 23% increase in the managerial payroll in one year at Trenton State College. Now, what are they thinking about in the middle of a fiscal crisis?

We have further information about Trenton State College with which you may well already be familiar. We have a million dollars that Trenton State College has spent on free houses for the vice presidents -- one million dollars. When that matter was called into question by the Governor himself, the response of the College President was to perform a little shell game and find some donated money that had been dedicated to another purpose, and transfer it so that he could claim that this was now being provided by private donation. Well, that private donation would have been available for other and better purposes -- for the education of students even perhaps -- but now it has been provided to buy houses for three vice presidents, the only three vice presidents in the whole system who get free houses. That is worth a lot of money to each one of those people, and takes their salaries way off the salary scale, and takes them totally out of any kind of comparison with the kind of compensation that other State employees receive. That is one example.

Further at Trenton State College we've got the housing program. They have gone into the residential real estate business. They bought up 30 to 40 houses. They have almost taken over entire neighborhoods, much to the dismay of the neighbors, all to put together a program which is the brainchild in the mind of the President, which the employees do not want, and is nothing but favoritism to a selected few.

We could go on and on in this regard. Another thing that happened at Trenton State is that they bought the Ewing Township Municipal Building. Nobody really knows what they need the Ewing Township Municipal Building for. It cost \$3 million. What for? To have conferences or something. I mean, now, is that a priority at this time of crisis? I ask you.

Well, if you put all of this money right here at Trenton State College that I have been talking about-- Now, that is not mortgages or anything. It is cash money out of the College reserves; cash money that could have been used to deal with this crisis; cash money up-front to buy houses for vice presidents. Now, is this the kind of use of State resources we expect of responsible public officials? I would say, "No."

However, after having all of this basically pretty well aired, and certainly known to the Governor's Office, we come back with ultimatums on us to give up -- to either give up our hard-won salary benefits that we achieved in negotiations, and which, quite frankly, were the very bare necessities that we could possibly come back to our people with and still have the contract ratified -- and we had trouble with that -- or, we are being told we are going to have to face layoffs.

Well, we say we just can't contemplate those kinds of alternatives when the kinds of things that I have been talking about continue to go on. There seems to be nothing anybody is doing about it. There is not even any indication that it is going to stop. Aside from one expression of concern from the Governor, there has been no indication that anybody has even heard about it, but it has been all over the press for quite some time.

Now, if we extrapolate this kind of thing to the things that we haven't found out about yet -- and we know there are lots of things we haven't found out about yet -- there has to be at least \$20 million in the State colleges' budgets that shouldn't be there, but should be available for dealing with this crisis.

We are prepared to work with somebody out of the Governor's Office to uncover the things that are going on, if we can work with somebody who has the power to order information to be produced in some kind of a reasonable time frame. We are faced, at this point, with a situation where we

luckily have been able to ask certain questions long enough in advance to get some answers, like a couple of years ago, and we have a little bit of data from year to year to show what has been happening. You have some of the results in the package I gave you.

We feel two things: First of all, this is what we have been able to turn up working part-time -- one person working part-time over the last few years, off and on, on this project, among all the other things we had to do while running a union. But, you know, it isn't going to take a large operation of determined people to put together a reasonable and coherent body of data about what is going on.

A second point I want to make is, it is coming out in this crisis that the autonomy law is creating a lot of problems in terms of accountability, like:

How are these things going to be stopped?

Who is going to be making the decisions about layoffs versus other things that might be much more appropriate?

Just how are these things going to be brought under control?

But we do want to say that we are very, very concerned that it is coming to us to solve problems that are not of our making, and that really should not exist.

ASSEMBLYMAN CIMINO: Thank you very much. Are there any questions for Dr. Silberman or Dr. Wirth?

DR. SILBERMAN: I just want to take the opportunity to add one further comment: It seems to me that a lot of people have discussed the issue of not cutting back State services. There is a lot of lack of information and understanding out there about the need that the citizens of New Jersey have for these vital services. In the area of higher education, what is absolutely needed is to raise the educational level of the citizens of the State, if we are going to be successful in competing in the global economy of the 1990s and the 21st

century. To not adequately fund higher education at this time will have a disastrous impact on the ability of the State of New Jersey to economically compete. To move out of the recession and the fiscal crisis we are in, we should be increasing funding for the retraining and for the education of as many citizens as possible, and that includes all levels of education as well as higher education.

Thank you very much.

ASSEMBLYMAN CIMINO: Thank you. That is going to conclude our hearing for this afternoon. We would like, at this point, to let the public know that we are going to request the information from the Department of Personnel that was indicated earlier, and I expect that to be handed over expeditiously to the Committee. Once that happens, we will move forward for the purposes of future hearings, at which time, once we have received the pre-layoff and the layoff notices with regard to specific departments, I am sure we will begin to look at the implications in each of those departments.

I want to thank everyone for coming today.

(MEETING CONCLUDED)



**APPENDIX**





OFFICE OF THE VICE PRESIDENT

**TESTIMONY OF DR. KENNETH R. PERES**

Delivered Before the New Jersey Assembly State Operations and  
Personnel Committee

January 16, 1991

**I. INTRODUCTION**

Assemblyman Cimino, members of the Committee, and fellow citizens, my name is Kenneth R. Peres. I am research director for District One of the Communications Workers of America and have a Ph.d. in economics.

Despite raising over \$2 billion in new revenue, Governor Florio is now claiming that New Jersey faces a dire crisis in the next fiscal year. He projects an \$800 million shortfall - a gap of about 6.5% depending on the size of next year's budget. Though significant this deficit is much smaller than the 13.8% projected shortfall in New York or the whopping 28.6% in Connecticut.

The Governor's solution is simple: balance the budget primarily on the backs of New Jersey's state workers.

Specifically, Governor Florio wants to force state workers to pay for a substantial portion of the projected deficit by accepting either 10,000 layoffs now with no guarantees about future layoffs OR a 20% cut in pay with no guarantees about future layoffs. The Florio administration apparently has abandoned its effort to institute fairer taxes and better services - a program which we supported. Instead, the Governor has adopted a policy of Lash and Slash. He is Lashing out at state workers and Slashing governmental programs.

We will fight against this attack with all our resources.

First, we will protect the jobs and incomes of our 38,000 members. That is our job as a union. The job of government is to improve the quality of life of its citizens and workers - not impoverish them.

Second, we will fight just as hard to protect what we consider to be the best interests of New Jersey state government - the quality and availability of government services.

This is not rhetoric. It is common sense. Just think for a moment about just who will be laid off. The members of CWA along with the members of other state worker unions, are the people who actually build the roads, issue licenses, guard prisoners, tend the sick, supervise foster care, issue fines to environmental polluters, and assist the elderly. We are the people who directly provide needed government services to the citizens of New Jersey. In many important ways, the quality of life for many citizens rests on our shoulders. The quality and availability of government services - and thus the quality of life for many New Jersey citizens - depends on state workers. Massive cuts in the number or standard of living of state workers will erode their ability to deliver quality services.

Third, the Governor has made a political choice. He has decided to attack state workers rather than focus attention on the important reasons and special interest groups behind the current crisis:

- an unfair tax system that still favors large corporations and wealthy individuals;
- a federal government policy that shifts costs onto the states while paying billions to bail out savings and loans & fund military adventures; and
- government employment bloated through run-away growth in unclassified titles, special project positions, and contracting out.

Governor Florio's fix is wrongheaded: not only will it devastate the delivery of Government services for years to come but the so-called savings may just not be realizable. These "savings" will have to be balanced by the payment of unemployment and welfare benefits as well as reduced State and local tax receipts based on workers' lower incomes. And after all this pain and suffering, the Florio Lash and Slash strategy will still not solve the structural deficiencies in New Jersey's fiscal system.

Fourth, we will fight for an alternative to Governor Florio's Lash and Slash program. This program is built on three components:

- \*Creating a fairer and more stable revenue system
- \*Implementing a plan of cutting Government fat to create a more efficient and cost effective way to deliver government services; and
- \*Expanding the services which increase the quality of life of New Jersey's citizens

I will briefly examine the following areas:

- the hidden story behind the current fiscal crisis
- state workers did not create the crisis, don't solve it at our expense
- the social cost of the Florio's Lash and Slash plan
- a fair and equitable alternative

## **II. THE HIDDEN STORY: SPECIAL INTEREST TAX BREAKS, UNFAIR TAXES, AND FEDERAL CUTS IN STATE/LOCAL AID**

The most publicized explanation for the fiscal crisis is the current recession. And this has been an important factor. For example, sales tax collections have been strained ever since auto sales and housing construction contracts reached their peak in 1986. As the current recession deepens, even the more stable income tax will grow less quickly.

However, the rest of the story - the real news behind the headlines - has not been publicized. This hidden story cannot be blamed on the recession. It resulted from direct and conscious political decisions made in Trenton and Washington, D.C. There are at least 3 additional factors which have created this particular fiscal crisis.

### **Hidden Story #1: Tax Breaks For the Rich & Wealthy Cost At Least \$2.7 Billion**

Between 1986 and 1990 Governor Kean and the Legislature granted \$2.7 billion in special interest tax breaks. The cost of just the corporate net worth, loss carry forward, and enterprise zone tax breaks amounted to \$230 million in FY 1990.

These tax cuts have had three primary consequences:

- \*They reduce government revenue and add to fiscal crises.

- \*The billions lost in special interest tax breaks could have been used to reduce everyone's taxes and/or increase government services.

- \*They increase the unfairness of State taxes because they disproportionately benefit wealthy individuals and larger corporations.

### **Hidden Story #2: A Tax System Structured To Be UnFair & Unstable**

The New Jersey tax structure is unfair. Last year, CWA supported those aspects of Governor Florio's reforms which made the tax system more fair; specifically, the income tax reforms and property taxpayer rebates. However, these reforms simply did not go far enough.

The entire tax system is structured to be unfair for three basic reasons.

First, the property tax is structured in an unfair manner. It is levied against the one major property investment made by most middle and low income families, their home. Yet, it is not levied against the most significant investments made by wealthy individuals, their stocks and bonds. The result: billions of dollars of property are excluded from taxation; hundreds of

millions of dollars in revenue for school districts and state and local governments which could be used to lower property tax rates for average citizens and to increase services are foregone. A Citizens for Tax Justice study estimated that Governor Florio's reforms leave the top 1% of taxpaying families with average incomes of \$906,200 paying a smaller percentage of their income in property taxes than 95% of New Jersey property taxpayers.

Second, the sales tax suffers from the same problem. The services utilized by middle and low income residents are taxed; the services primarily used by wealthier citizens and businesses such as accountants, lawyers, and business services are not taxed.

Third, the elimination of the corporate net worth tax cost New Jersey \$745 million from FY 1986 - 90. And this was not the only break corporations received. New Jersey lost millions of dollars because of leveraged buyouts. For example, Macy's paid \$200 million in federal taxes before its buy-out but received \$32 million refund afterwards (Barrons, 1/23/89). As the corporate tax base has been eroded those citizens unlucky enough to be left in the tax base have had to make up the difference.

The entire fiscal system is strained because special interest groups do not pay their fair share of taxes. This has three consequences. First, revenue collections are lower than they should be. Second, whenever the economy slows down the narrow tax base is unable to create enough revenue to support government services. Third, a fair tax system would produce the same or more revenue at lower tax rates.

The very structure of New Jersey's taxes forces middle class taxpayers to pay more and more, while much of the wealth of rich citizens and large corporations is not taxed. Does the so-called tax revolt surprise you? In this era of decreasing incomes and scarce jobs, the forever taxed middle class is upset. They should be: instead of just paying their own taxes they are paying also for special interest tax breaks which benefit wealthy individuals and large corporations.

**Hidden Story #3: The Federal Government Shifts Billions of Dollars in Costs to the States But Gives Billions to Bail Out the Savings & Loans.**

Facing its own fiscal problems in the 1980's, the Federal government shifted many responsibilities to State and Local governments while withdrawing Federal monies. The New Federalism was a systematic plan to shift costs away from the federal government onto state and local governments. A study done by Fiscal Planning Services, Inc. found that New Jersey state and local governments experienced federal cuts amounting to \$4.923 billion between Fiscal Years 1982 and 1988. The groups most affected were children and families which lost \$2.18 billion;

4X

elderly programs lost \$1.55 billion and employment and training programs lost \$1.14 billion. Some services were cut but many had to remain in place because of Federal mandates.

It is not a question of money. The money is there. The President and Congress have had little trouble locating hundreds of billions of dollars to bail out failed Savings and Loans. The question is whether citizens and State Governors and Legislators will continue to allow the money to flow into a subsidy program for bankers rather than assist the mass of citizens with programs to increase housing, mass transport, health care, and cleaning up the environment.

### **III. STATE WORKERS DID NOT CREATE THE CRISIS, DON'T SOLVE IT AT OUR EXPENSE**

It seems to be politically expedient to make State workers the scapegoat rather than institute fair taxes on rich New Jersey citizens and large corporations. However, New Jersey's budget problems have little to do with the number of workers or the amount of their wages.

\*In 1988, New Jersey ranked 24th among the 50 states in the number of state workers per 10,000 population. The same ranking as in 1981 (Advisory Commission on Intergovernmental Affairs, 1990).

\*According to the Office of Legislative Services, the number of full time employees on the State payroll increased by just 4,048 positions or 6.1% between FYs 81 and 91. Yet, the Department of Corrections increased by 5,672. Thus, the number of all other paid full time workers actually decreased by 1,624.

\*New Jersey ranks 46th out of the 50 states in its state and local government payroll as a percentage of state personal income (ACIR).

\*New Jersey state workers are paid less than state workers in New York. For example, in 1987 (the latest year for which we have statistics) a clerk typist working for the State of New Jersey earned \$15,069 while in New York the same title paid \$18,972. Social workers in New Jersey were paid \$31,380 while in New York they received \$37,503 (Maurer and Kalls, 1989).

\*New Jersey's state workers have already made considerable sacrifices - including a nine month wage freeze in the current contract and increased workloads which have resulted from the hiring freeze.

#### IV. THE COSTS OF A LASH & SLASH STRATEGY

The Lash and Slash strategy promises to solve the state deficit by laying-off workers, slashing government services, and reducing government spending. While the simplicity of Governor Florio's policy is politically attractive, the reality will be devastating for many New Jersey citizens.

First, Government services will be devastated. Workers are just the most visible target of the cuts. Hidden behind layoffs is a significant reduction in the availability and quality of government services. Thus, massive layoffs will not only be felt by fired workers, but by all the citizens who directly and indirectly depend on the slashed programs. The issue here is not just our jobs and incomes but the efficacy of those vital government services required by many New Jersey citizens.

Second, the Florio fix will save much less money than the Administration would like to admit. While the State may "save" money previously spent on workers' wages and benefits there will be a host of increased costs. The loss of 10,000 state worker jobs or a 20% cut in pay will have a ripple or multiplier effect causing hundreds if not thousands of private sector workers to lose their jobs as demand contracts. Unemployment compensation costs will increase. Some of the laid-off workers will be forced to go on welfare - especially, given the current recession. In addition, reduced income for workers means lower tax revenue to local and state governments.

A study of the effects of lay-offs of private sector CWA workers found that the social costs of layoffs amounted to \$25,772 per worker laid off (Midwest Center for Labor Research, "Social Cost Analysis of Layoffs of AT&T Workers, October, 1990).

Third, the Florio Plan is inherently unfair. While state workers are forced to make all the sacrifices, wealthy individuals and large corporations are left unscathed. Why is it only State workers who are being asked to sacrifice? Shouldn't all sectors of the society pay their fair share of taxes?

The lack of tax fairness is at the root of the so-called taxpayer revolt. Simply put, taxes for most New Jersey citizens are much higher than they should be, and much lower for wealthy individuals and large corporations. Taxpayer revolts will continue as long as the government refuses to insure that everyone pays their fair share.

The ultimate result of the Lash and Slash policy will be less government at greater cost for New Jersey's citizens.

**V. THE ALTERNATIVE**

There is an alternative to the Lash and Slash strategy. It is an alternative that will serve All the citizens of New Jersey.

**1) Cut the Fat, Not the Muscle. Estimated Savings: \$200 million**

Eliminate overpaid state bureaucrats, wasteful subcontracts and overpaid consultants. CWA New Jersey Area Director Bob Pursell will give testimony detailing this portion of CWA's Tax and Budget Program later.

**2) Reform the Uncompensated Care Trust Fund. Estimated Savings: \$50 million**

The Uncompensated Care Trust Fund (UCTF) reimburses the state's hospitals for treating patients with no health care coverage. Like every employer who provides health coverage to its employees, the State of New Jersey pays a 19% surcharge on hospital bills to finance the UCTF. However, employers who do not provide health coverage do not pay into the fund. A 1% payroll tax on all employers would create a level playing field, eliminate the 19% surcharge on hospital bills, and save the state approximately \$50 million.

**3) Close Corporate Tax Loopholes and Reform the Corporate Tax Structure. Estimated Revenue Increase: \$435 million.**

Last year's tax reforms did not include basic corporate tax reform. In this way, large corporations, especially, were able to continue to benefit from the hundreds of millions of dollars in tax cuts previously granted by the State of New Jersey.

We say enough. It is time for all New Jersey citizens to pay their fair share of taxes.

Possible corporate tax reforms include:

Reinstating the Corporate Net Worth Tax = \$ 170 million (revenue estimate from NJ OMB, 1989)	
Closing the Leveraged Buy Out Loophole = 45 million (revenue estimate from Citizens for Tax Justice, CTJ)	
Taxing Savings Institutions as Corporations = 75 million (revenue estimate from CTJ)	
Eliminating the Loss Carry Forward Provision = 30 million (revenue estimate from NJ OMB, 1989)	
Instituting a Temporary 8% Surcharge = 115 million (revenue estimate from CTJ)	
Total	\$435 million

**4) Place a Surcharge on the Rich. Estimated Revenue Increase: \$200 million.**

A 15% surcharge on those earning over \$150,000 a year would generate \$200 million in additional revenue.

**5) Actions By the Governor and Legislature to Demand That The Federal Government Increase Assistance to State and Local Governments. Revenue Impact: Unknown**

We should not allow the Federal Government to shift costs onto states, leave essential programs underfunded, yet waste billions on the Savings and Loan debacle.

This program which combines fair tax reform with efficient cuts in government amounts to \$885 million. Not only would such a plan prevent thousands of layoffs, but it would preserve the vital services provided by state workers.

Unfortunately, the problems of our society are getting worse, not better. We need to expand state services, not eliminate them. We need increased investment in public schools, roads and bridges, and environmental clean up, more drug treatment programs, better care for abused children, better health care programs, more housing -- not less.

These are the services we provide. Cut our jobs and these services will deteriorate.

It's time for Governor Florio and the Legislature to do what's right -- not to treat state workers as scapegoats.

Don't make state workers the easy target. Do what's right for the State of New Jersey and all its citizens.

Thank you.

8X

# Communications Workers of America

10 RUTGERS PLACE • TRENTON, NEW JERSEY 08618

(609) 392-2771



January 16, 1991

The Honorable Anthony J. "Skip" Cimino, Chairperson  
Assembly State Operations and Personnel Committee  
State House Annex, CN 068  
Trenton, New Jersey 08625-0068

Re: Committee Meeting on Layoffs, State Government Departmental  
Structure and Realignment of State Government

Dear Mr. Cimino:

First, let me take the opportunity to thank you and the members of the Committee for arranging this meeting on the issue of layoffs and restructuring of Departments in State Government.

Our Union represents 38,000 State Workers located in 18 of 19 Executive Branch Departments of N.J. State Government. On May 23rd, 1990 - less than 8 months ago - our Union signed a contract with the Florio Administration. Our Union takes collective bargaining very seriously. A contract between labor and management obligates both parties to certain courses of action over the term of the agreement. On labors' side, we agree to work under set terms and conditions of employment for a specified wage. On managements' side, they obtain labor peace for the duration of the agreement in exchange for increases in wages and benefits which become payable at set periods during the life of the contract.

Governor Florio was directly involved in the discussions which led to the agreement we signed with his administration less than eight months. The Union conceded two \$300 cash payments which a Factfinder had recommended in order to reach an agreement with Governor Florio.

At the same time we were finishing negotiations on our contract, massive tax increases were being pushed through the Legislature. Despite the Union's objection to the increase of the State Sales Tax, a 1% increase in that tax was imposed on the citizens. In addition, again against our opposition, the sales tax was extended to products previously exempt from the State Sales Tax. During this period the Union attempted to meet with Steve Perskie, then Chief of Staff, to voice our objections and offer alternatives to a regressive tax increase - Perskie refused to meet with the CWA!

As the months progressed, the revenue picture worsened. The Sales Tax receipts decreased as the impending recession approached. As the economy took a dive, the Florio Administration increasingly attacked the rank-and-file workforce. Through the Governors Management Review Commission, various so-called audit reports were

9x

issued. In August, the GMRC recommended and the Governor accepted (Executive Order #12), the consolidation of training functions. Several hundred of CWA's members were to be unilaterally transferred to the Department of Personnel. These workers would be stripped of their union representation in the process. Worse yet, 104 trainers would be eliminated. No recommendation was made to cushion the blow of the consolidation plan. Once again, Perskie refused to meet with the Union and the consolidation plan was announced and the Executive Order issued without consultation with the Union.

For their next project, the GMRC attacked the sick leave programs of the rank and file. Implying there was wide spread abuse of sick leave the reports essentially recommended the amount of sick leave entitlements be reduced, sick leave usage should be reduced, and annual accrual of sick leave be limited or abolished. The Sick Leave Injury Program was targeted for productivity improvement which likely will result in increased use of employer physicals to harass workers back to the job before their own Doctor's prognosis and imposing "light duty assignments" which are likely to be in violation of duties listed in a worker's job classification.

Following the attack on sick leave, the GMRC attacked the Motor Vehicle Maintenance system. The GMRC recommended consolidating the maintenance garages which will eliminate 222 jobs of workers who average around \$21,000.

Interestingly, not one of the GMRC reports recommends the termination of any management personnel. Two hours before the State of the State address, the Unions were brought into a meeting where we were told another 550 unionized workers would be dropped from the State's payroll. This time work performed by unionized State employees would be contracted to a private sector, for profit company. The thrust this time was ideological. Why should government perform a function which a company could perform for a profit? Motor vehicle emission and safety inspections can and should be performed by State Government. There is no reason why a private company should be contracted to perform inspections at cost of \$15 when the State can perform them for less than \$5.00. In the case of contracting inspections to profit making companies, the State is also intending to give these companies the use of State land and equipment in addition to the fees motorists will now have to pay for inspections.

As the GMRC reports were being issued and the economy was worsening, the CWA was supplying to the Florio Administration information on where money could be saved. When it became clearer that our suggestions were falling on mostly deaf ears, the CWA went public. Through a series of news conferences, we outlined,

modestly, areas where over \$250 million in savings could be generated without any reduction in services or layoffs of rank and file workers.

We first pointed out the Unions had already done more than their share in balancing the budget over the past several years. Our contract provided for a six month wage freeze in 1989 - our workers that year really only received a 2 % raise. In 1990, we agreed to a three month wage freeze. During the past two years there has been a hiring freeze in place that has cost the jobs of over 2,000 CWA members. At the same time, promotions have been halted and our members have been constantly asked to perform more work. As attrition takes its toll on the workforce, workers are being expected to pick up the duties of workers who retire, quit or are laid off.

Meanwhile, political patronage has continued to run rampant. During our first news conference, we listed titles the titles which should be eliminated. The titles contain over 1,300 incumbents - appointees whose jobs you could eliminate and the public would never know the difference since these 1,300 appointees provide no direct service to the public.

On 12-5-90, the CWA also proposed the conversion of the Senior Executive Service appointees to their previous titles. The bonuses and raises given to these appointees would be retracted and these management positions, if really necessary, would be converted to existing classifications with the Civil Service system which more accurately reflect the duties performed by these employees. Another 126 Special Investigators employed by the Department of Law and Public Safety, would be converted to their proper Civil Service title. Many of these appointees could also be eliminated without any appreciable reduction in service to the public.

Half of the existing Administrative Law Judges could be eliminated by using arbitration as a disciplinary review process instead of costly administrative law hearings. Duplicate personnel and payroll functions were targeted for elimination by the CWA.

The Union also recommended an immediate end to the Job Analysis Project (better known as the title consolidation project). Finally, the Union recommended elimination of double dipping into the pension system by Cabinet members, high level management appointees and legislators and, I'm sure, much to this committee's dismay, rolling back the raises given to the Governor, Cabinet, Judges and Legislators.

On 12-19-90, the CWA upped the ante by conducting a News Conference where we released the names, work locations and salaries of 515 Project Specialists, 126 Special Investigators, and 115

Consultants. Reports in the media described Governor Florio as supportive of removing anyone from the payroll who doesn't perform a useful function. Meanwhile, to date, to the best of our knowledge not one manager, Project Specialist, Special Investigator, or Consultant has been removed from the payroll.

Instead, Governor Florio hired a Special Counsel, at \$125 per hour, to meet with the Unions about balancing the budget. More on this later.

On January 3rd - just 2 weeks ago - the CWA outlined millions of dollars of savings which could be effectuated by eliminating costly subcontracting of engineering, pharmaceutical and housekeeping maintenance work in the Departments of Transportation and Human Services. We also outlined restructuring proposals for dealing with the bloated managerial bureaucracy in the State Institutions. Abby Demel, President of Local 1031, presented detailed information about the 39% growth of managerial positions in the State College system at a time of decreasing enrollment and shrinking numbers of faculty and support staff.

The Florio Administration, unfortunately and tragically, has not implemented one of the Union's cost cutting measures. No one from the Administration has even asked to sit down with the Union to learn more about the Union's plans for dealing with the budget deficit. Meanwhile the deficit continues to grow by leaps and bounds while political hacks, unnecessary management appointees and highly paid and improperly classified appointees continue to draw down millions and millions of taxpayers' dollars.

In his State of the State address, Florio claimed:

"...In 1990, we laid a firm foundation for 1991. More important, we're ready to deliver on our promises because we listened, and we changed things that needed changing...1990 was about investing. 1991 is about dividends..."

Imagine our shock when the day after the State of the State Address, Florio's new \$125 per hour Special Counsel met with the CWA and told the promise made on May 23rd, 1990 needs to be broken. That the dividends our members were expecting for this year wouldn't be paid. Worse yet, the dividends received for last year were to be revoked!

That is what we were told. Despite the rosy picture painted by Florio the previous day, we were given an ultimatum:

EFFECTIVE 2-1-91

1. GIVEBACK THE 5 1/2% RAISE SCHEDULED FOR 7-1-91
2. GIVEBACK THE MERIT INCREMENTS DUE THE NEXT FISCAL YEAR
3. GIVEBACK THE 4 1/2% RAISE NEGOTIATED AND PAID 9-29-90
4. GIVEBACK THE MERIT INCREMENTS PAID IN FISCAL YEAR 1991
5. PAY AN UNSPECIFIED INCREASED CO-PAYMENT ON HEALTH BENEFITS

The Unions were put in the untenable position of choosing between contract concessions - Florio's broken promise - or the layoffs of 10,000 workers. Worse yet, we were told even if we chose the contract concessions there would still be hundreds of layoffs. Finally, even if we agreed to the contract concessions and averted massive layoffs, there would be no agreement to restore any of the contract concessions in the future. We would be expected to negotiate a new contract in 1992 starting from 1990's wage levels!

We are here today to state there will be no contract concessions. We implore the legislature to ensure full funding of Florio's 1990 promise to CWA and the other Unions. Florio signed a contract and he should be forced to abide by its terms. State workers deserve to reap the dividends from their sacrifices in 1990 the same as any other citizen deserves increase homestead rebates, no JUA surcharges and lower insurance rates, improved tuition aid and educational facilities, first time mortgages and the right to home ownership, cleaner oceans, a better State run motor vehicle inspection system, and better roads and jobs. Leaner government should be achieved by eliminating political patronage and management hacks who perform no useful function.

Florio's call for contract concessions, reduction in public services and layoffs must be vigorously opposed by everyone. The testimony received by this Committee should be used to forge a budget which preserves the vital services performed by our members while protecting and honoring the contract promises made in 1990 to the State's Unions.

Thank you, once again, for providing us with the forum and opportunity to put forth our proposals and suggestions for coping with these hard times.

Sincerely,

Robert W. Pursell, Area Director

13X

*Local 1039*  
Communications Workers of America

---

BERNICE ZICKWOLF  
President

AFL-CIO

1     Testimony of Bernice Zickwolf, President CWA Local 1039

2     January 16, 1991

3     I would like to thank the members of the Committee for their  
4     cooperation and understanding in CWA's efforts to protect our  
5     membership and the people of New Jersey we proudly serve. In  
6     particular, Chairman Cimmino has demonstrated his concern for State  
7     workers in this most difficult period. Governor Florio's threat,  
8     by the way, to lay off 10,000 State employees---to rip their  
9     contract to shreds---is unorthodox economics in time of a  
10    recession. During the worst downturn in our nation's history, the  
11    Great Depression, President Franklin Roosevelt deliberately added  
12    government workers. He created an alphabet soup of public works



13 projects to give people jobs and to energize the nation's economy  
14 as he strengthened its infrastructure. But Governor Florio intends  
15 just the opposite. He will lay off thousands of urgently needed  
16 service providers and throw them into the unemployment lines,  
17 delivering a terrible financial blow to the State's economy. His  
18 actions will not create a better climate. Instead, they will bring  
19 on a dark night of privation and leave a trail of human misery. And  
20 they will also disrupt agency after agency by reductions in force  
21 where offices are already short-handed. And by protecting the  
22 project specialists at the top while firing the civil servants at  
23 the bottom, he is sending a message of fear and despair to every  
24 public employee who works for this state. He is telling them,  
25 "You're civil service test didn't mean a thing. Your years of  
26 public service do not mean a thing. Your achievements do not mean  
27 a thing. Your job contract does not mean a thing. Because I am  
28 going to keep the overdogs and fire the underdogs." I submit to  
29 this committee, that no Governor in the history of our state has

30 ever spread so much panic and disorder among our public employees.  
31 By the way, from the Governor's actions, you would think that this  
32 recession was the end of the world, that there will never be an  
33 upturn in the economy or in tax collections. Anyone who thinks that  
34 has no realistic view of how industrial economies perform. It is  
35 the view of a frightened man behind the smiling face.

36 As President of CWA Local 1039, I see the Florio Administration  
37 moving to eliminate State Worker jobs not only through layoffs, but  
38 through two even more insidious paths of destruction. First, the  
39 Governor plans to eliminate many services altogether. For example,  
40 as the CWA disclosed this week, he plans to cut more than a quarter  
41 of a billion dollars out of Medicaid care for the poor. Secondly,  
42 if he can't destroy a public service outright in the name of  
43 economy, letting the victims fall where they may, he intends to  
44 privatize it, my subject today.

45 Certainly it is well documented that the State of New Jersey has  
46 contracted private firms to handle State business. We are now  
47 faced, however, with a new form of contracting out. For those who  
48 do not believe that Governor Florio is intent on transferring  
49 services from the public work force to the private work force, I  
50 would direct their attention to his State of the State address,  
51 when he said New Jerseyans are asking the question, "Is Government  
52 on my side or in my way." Governor Florio also stated that he felt  
53 that we need to pare down the size of State Government and find  
54 ways of doing the work cheaper. The Department of Human Services  
55 is clearly being manipulated to close several institutions and  
56 transfer their clients to the private non-profits for care.  
57 Recently, they have organized within the State of New Jersey under  
58 the umbrella group People Count to further privatization. Under  
59 the leadership of Catherine Decheser and Tom Blatner, People Count  
60 is out to decimate State government as we know it and transfer  
61 the social services it provides to the private sector.

62 In his paper, THE LIMITS OF PRIVATIZATION, Paul Starr, the  
63 distinguished Princeton sociologist, states that, "Under the  
64 recently coined label privatization, such policies now come  
65 recommended with the most extraordinary claims as a more  
66 comprehensive approach to the problems of modern government than  
67 ever before." Further Mr. Starr states that, "Indeed, some  
68 supporters tout privatization as a sovereign cure for virtually  
69 all ailments of the body politic. They prescribe it as a tonic  
70 for efficiency and economic growth, an appetite suppressant for the  
71 federal budget, a vaccine against bureaucratic empire building and  
72 a booster for individual freedom, including the opportunities of  
73 disadvantaged minorities....The proponents see few limits to  
74 privatization because they are convinced that government is  
75 generally and incurably incompetent. In the picture of our  
76 political world that they draw a bloated, parasitic public sector

77 picture that blocks the bustle and growth of an otherwise  
78 burgeoning private economy. To change that picture, they say we  
79 need to put as much of government as possible in private hands."

80 Mr. Chairman and members of this committee, This is precisely what  
81 lies ahead for the State of New Jersey. The DMV Inspection Station  
82 issue is an example of our point:

83 # The State plans to trim its budget by sending motorists a secret  
84 bill---the bills they will get as subjective, private garage owners  
85 act as judge and jury over their car's fitness to perform. Instead  
86 of impartial state inspectors, people with no interest in making  
87 garage owners rich, the private foxes will be put in charge, and  
88 many of them will run up unnecessary bills for the motoring public.

89 # Again, the Department of Transportation is contracting out  
90 highway design to private firms at a significantly higher cost to  
91 the motoring public.

92 # The Department of Human Services is planning to close several  
93 institutions and place clients now cared for by the Division of  
94 Developmental Disabilities into private hands. The argument is that  
95 the private sector can care better for these clients. But this  
96 argument is suspect. First, the State has been removing from its  
97 institutions those individuals who require the least time and  
98 attention. The private sector has been skimming off the cream.  
99 This Committee may be in for a shock if it believes that private  
100 providers are going to want to care for the incurably ill.  
101 Second, if the State were to set up teams to provide residential  
102 living programs in the community, there would be nothing private  
103 talent can provide that public employees could not also deliver.  
104 Why deny loyal public employees the chance to create new service  
105 opportunities, stripping them of their jobs and contracts, and turn  
106 their work over to private providers?

107 Third, the benefit of retaining such services by the State will  
108 result in ongoing public scrutiny of these programs. Public  
109 employees who are protected by civil service repeatedly criticize  
110 the administration and its operating methods. But the private  
111 sector is not known for its whistle-blowers. Employees who are not  
112 protected fear to criticize because they may lose their jobs.

113 Fourth, there is a collective aspect to State authority, the  
114 reasons for which governments are instituted among men. It is we,  
115 the people of New Jersey, who have a collective debt that we owe  
116 our veterans. It is up to us, as an entity, to see that their  
117 medical care is superior. It is up to us, a public servants, to  
118 guarantee that the rights of our clients are respected,  
119 particularly those who cannot speak for themselves. Our workers  
120 report back to a single department head. But under privatization,  
121 there will be a vast diffusion of authority, a loss of control, a  
122 breakdown in the center, where the oversight function will be

123 fractionalized and clients will be forgotten.

124 Last week, Elsie Richards, a supervising nurse at Greystone Park  
125 Psychiatric Hospital, testified at a news conference that "the  
126 basic needs of these patients cannot be met because there is not  
127 adequate staff." She says on some wards there is only one  
128 registered nurse for sixty patients! So I ask you, is it some  
129 peculiar deficiency in the nurses we now hire if patients are not  
130 receiving proper care and making faster progress? On the contrary,  
131 our workers are understaffed. We are starved for talent and starved  
132 for dollars to do the job right. By what stretch of the imagination  
133 do the advocates of privatization believe that they can do the job  
134 better? Saying that the private sector can do the job better than  
135 the public sector is an invidious comparison. You are comparing two  
136 runners: one of them half-starved and malnourished, and I refer to  
137 our State workers, in a race with well-fed private providers  
138 hopping the low hurdles while we have to vault the high ones,

139 trying to care for the clients in greatest need of care.  
140 # The fifth argument against privatization is that State employees  
141 are not on the payroll to make a buck. There are thousands of us  
142 who believe in public service. We may come home tired at the end  
143 of the day, but we take pride in the knowledge that we helped our  
144 fellow men and women and children. We have demonstrated our zeal  
145 and our loyalty to our clients already.

146 Bear in mind as you consider this issue: instead of making our own  
147 military hardware, the Defense Department outsourced production to  
148 the private contractors, and the history of fraud has been  
149 enormous. Bear in mind that the taxpayers bailed out Chrysler with  
150 billions of dollars a few years ago and now it appears we may have  
151 to do it all over again. Bear in mind that when government  
152 deregulated the savings and loan institutions, we opened a  
153 Pandora's box of calamity for which future generations may pay  
154 forever. And bear in mind that we, the only industrialized nation

155 without a national health insurance plan, are getting a \$600-  
156 billion dollar bill from the private sector every year and that 40  
157 per cent of our citizens are not covered in the bargain.

158 Where is it written that the private sector has a monopoly on  
159 efficiency, zeal, hard work, and integrity?

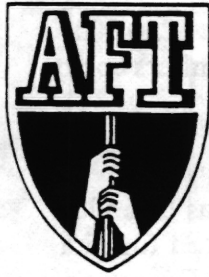
160 I would like to close with this thought. In the 40,000 workers  
161 which we at CWA represent, there is a vast and valuable resource.  
162 There is an army of men and women with knowledge accumulated over  
163 the years and experience in knowing how to interface with the  
164 public. We are the service providers, the people who care. Instead  
165 of privatizing the services we offer, which is an invitation to  
166 uncertainty, inefficiency and waste, use us instead to make the  
167 existing system work better. Pay attention to us. We know how  
168 government works. Take our suggestions. Respect our counsel. We are  
169 the people who have done a remarkable job under extraordinary

170 circumstances. Our loyalty, our dedication, and our years of  
171 experience, should compel no less.

25X

1950

# COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS



NJSFT-AFT/AFL-CIO  
420 CHESTNUT STREET  
UNION, NEW JERSEY 07083  
201-964-8476



January, 1990

## WASTE AND MISMANAGEMENT IN THE STATE COLLEGES

### MANAGEMENT PROLIFERATION

The number of Executive/Administrative/Managerial (E/A/M) personnel in the eight traditional State Colleges increased by 39% between AY 1985-86 and AY 1989-90, even as the number of faculty and the number of students served decreased.

At Stockton, the number of E/A/M personnel increased by 97% during this period.

*(These figures are taken from EEO-6 affirmative action report forms filed by the colleges with the DHE. They summarize employment trends over many past years, and are therefore useful, despite the fact the EEO category "E/A/M" is not precisely congruent with, and slightly underestimates the size of, the group under discussion: non-bargaining-unit executives and administrators. For AY 1989-90, however, we have complete rosters of state college employees to use as a basis for future comparison.)*

Data from Trenton State College confirm that management proliferation continues. The number of non-bargaining-unit executives and administrators increased from 75 to 89 between July 1989 and November 1990. There are a new Vice President and a new Dean, 8 more Managing Assistant Directors, 4 more Managing Administrative Assistants, 3 new Assistant Vice Presidents, a new Director of Facilities, and a new Dean II. The combined annual salaries of these non-unit executives and administrators increased by 23.5% – from \$3.5 million to \$4.3 million – in sixteen months.

*(These data have been extremely difficult to obtain. The 1989 EEO-6 forms, which we requested in February, 1990, were not received until October. Complete staff rosters were requested in October, 1988, and were not received until Summer, 1989, and then only after legal action was initiated. Our request for copies of personnel action reports, required by Salary Adjustment Committee regulation, was transmitted on October 3, 1990, and there has as yet, two and one-half months later, been no response. Indeed, we have learned indirectly that these reports may never have been filed. There can be no doubt that the colleges are intentionally hiding the facts about management proliferation.)*

### Duplication of Payroll Systems

"Autonomy" has generated enormous administrative duplication. Paychecks, for example, once efficiently issued by Centralized Payroll, are now being issued by nine separate computers utilizing nine separate programs tended by nine separate staffs supervised by nine separate Directors. Nine separate sets of consultants were employed to develop the nine separate colleges' software, integrate it with their hardware, instruct their personnel, and certify the

reliability of the nine separate payroll systems. The annual cost is probably at least \$250,000 a year in salaries alone at each college. Yet, the number of complaints from unit members about inaccuracies continues to be much higher than it was before "autonomy."

### Hiring Executives to Raise Funds

At one State College, a new Vice President for Institutional Advancement was hired last year at an annual salary of \$72,000. Five other well-paid subordinates were hired for him, including Director of Communications, Director of Development Research, and Director of Corporate and Foundation Relations. The labors of all these personnel increased donations from \$43,127 in FY 1988-89 to \$130,003 in FY 1989-90 — not enough to pay two of their salaries.

### MANAGEMENT SALARY ESCALATION

Removed from Civil Service control by "autonomy," managerial salaries are escalating. Far from exercising oversight, the DHE is an integral part of the State Colleges' management. Moreover, the Department does not have the personnel or the expertise to administer a job content evaluation system to replace that of the Department of Personnel.

### College Presidents' Salaries

Most of the State College presidents' salaries increased by 35% between FY 1987 and FY 1989 (from \$65,000 to \$87,500). In December, 1989, the Board of Trustees of Jersey City State College approved an increase in the president's salary to \$110,000 effective July 1, 1990, in direct contravention of Salary Regulation No. 11-90, which caps the presidents' salaries at \$93,500. At Trenton State College, the Board of Trustees authorized a 15.6 % increase in President Eickhoff's salary effective September, 1989, and an additional 7.5% increase for September 1990. The implementation of these salary increases was deferred, but they indicate an irresponsible pressure for salary improvement far exceeding the state-wide negotiated raises. The enclosed resolution of the Governing Boards Association indicates that this pressure continues. At Montclair, the Board has just increased President Reid's salary from \$85,000 to \$93,000 (9.4%) effective July, 1991.

### Improper Payroll Titles

Colleges are assigning improper payroll titles to employees in order to inflate their salaries. At William Paterson College, for example, we find the following:

Functional Title	Payroll Title	Annual Salary
Associate Vice President	Dean II	\$72,200
Director of College Relations	Associate Dean	\$68,800
Director of Maintenance	Associate Dean	\$68,800
Associate Vice President/Controller	Dean II	\$67,000
Director of Personnel Resources	Director I	\$65,500
Director of Faculty & Staff Relations	Director I	\$65,500
Director of Information Management	Director I *	\$65,500
Director of Information Processing	Director I *	\$65,000
Chief of Police	Associate Director I	\$54,300
Director of College Relations	Executive Assistant II	\$52,700

\*It is not usual to have two directors in the same area (data processing)

## **MISMANAGEMENT**

Trenton State College is a prime example of the mismanagement which autonomy has generated.

### **Rent-Free Housing**

The college continues to provide rent-free housing for its three vice presidents — the only state college to do so. The college paid \$625,000 for these properties up front, and renovations will push the total cost close to \$1 million. A one-million dollar donation to the college has been diverted to this purpose, and the money will have to be replaced by college funds, because it was previously earmarked for Loser Hall.

### **Presidential Pavilion**

Loser Hall — a proposed \$6 million "Reception and Office Facility" containing presidential and vice presidential offices, a board room, private dining rooms, and other administrative offices — has been designated by the college as a matching project for JEC bonds. This means the college must construct the building as a condition of receiving JEC money, thereby making an extravagant and unnecessary building into an irrevocable top priority in a time of extreme fiscal crisis.

Meanwhile, the accreditation of the School of Education is endangered by lack of up-to-date computer equipment costing less than \$100,000.

### **Programs Recommended for Reduction/Elimination to Get New Building**

The Armstrong Hall renovation and addition was chosen by the college to be among the first projects to receive JEC funds: A-3944, currently on the Governor's desk after passing the Legislature last week, appropriates these funds. The building houses the School of Engineering Technology and the Technology Education and Vocational Education Programs. Many of these same programs, however, have just been designated for substantial reduction or elimination as a result of a massive program review. The program review is supposedly part of a quest for quality, but in fact a desperate attempt to cope with the consequences of fiscal mismanagement.

### **Purchase of Residential Property**

In addition to houses for the vice presidents, the College and/or the Trenton State College Development Corporation has purchased at least 34 other residential properties in the vicinity of the College as part of a college-subsidized housing program for certain selected employees. The college utilized \$6.7 million of its reserves to pay for them and purchase the Ewing Township municipal complex, for which the college has no immediate need. One of the college's vice presidents is former mayor of Ewing Township and is still a member of the township council. Commitment of college funds to such peripheral purposes when the need for fiscal constraint has long been clear is unconscionable.

### **Illegal Operation**

The Trenton State College Development Corporation, headed by Peter Mills, one of the vice presidents who is receiving a rent-free house owned by the Corporation, has been operating in a wholly improper and illegal manner since it was established. The details, along

with a delineation of numerous other instances of mismanagement at Trenton State College, are set forth in the enclosed November 27 letter to Governor Florio.

### CONCLUSION

The first priority in the State Colleges' response to the State's fiscal crisis must be the elimination of the administrative waste and the correction of the rampant mismanagement which exists there.

Equally urgent is the postponement of all construction projects requiring college matching funds or indebtedness — projects which tie up college reserves and cripple the colleges' ability to cope with the crisis.

# COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS

NJSFT-AFT/AFL-CIO  
420 CHESTNUT STREET  
UNION, NEW JERSEY 07083  
201-964-8478



November 27, 1990

Governor Jim Florio

Attorney General Robert J. Del Tufo

Members, Board of Higher Education

Members of the Legislature

Ladies and Gentlemen:

The Council of New Jersey State College Locals hereby petitions the Governor, the Attorney General, and the Board of Higher Education to intervene to stop the unlawful mismanagement of Trenton State College.

In flagrant disregard of the laws of the State of New Jersey and the publicly expressed objections of the Governor and the Chancellor of Higher Education, President Eickhoff continues to provide rent-free housing to Trenton State's three vice presidents.

The houses at issue are among at least 37 residential properties in the vicinity of the College purchased by the Trenton State College Development Corporation and/or the College as part of a College-subsidized housing program for certain selected employees. The operations of the Trenton State College Development Corporation are a continuing outrage.

When the Development Corporation began purchasing the residential properties, it did so without Board of Higher Education authorization. When the Attorney General ruled in 1989 that such authorization was necessary, the College itself continued to purchase homes. BHE authorization was forthcoming only in June, 1990 -- after most of the properties had been purchased.

None of the purchases was specifically authorized or acted upon by either the Board of Trustees of the College or the Board of Directors of the Corporation, nor were prices paid approved or otherwise reviewed.

The Board of the Corporation has met only twice in its entire history -- once in August, 1988, and once in October, 1990. Annual meetings are required by its by-laws. Even this schedule

*Jax*

is clearly inadequate to carry out its fiduciary responsibility for spending millions of dollars of taxpayers' and students' money.

No annual budget has ever been submitted to or approved by the Board, in violation of its by-laws. Nor have any detailed reports of its transactions been made available to the Board of Directors, the Trenton State College Board of Trustees, or the public.

There is no evidence that the Board's executive committee has ever met; no executive committee actions have been presented to the Board for ratification. Such ratification is required by the by-laws.

All decisions as to what properties to acquire, what prices to pay, what renovations to authorize, and which architectural and construction firms to employ are personally made by Peter Mills, the President of the Corporation, member of the Corporation's Board of Directors, and the College's Vice President for Administration and Finance. Mr. Mills is one of those administrators receiving a rent-free house; he selected it, and it is undergoing a massive renovation which he authorized himself. His receipt of these benefits directly violates the by-laws of the Corporation, which provide that, "No member of the Board shall have a financial interest in any contract or other transaction entered into by the Board."

The Corporation employs Smith and Francis of Princeton as counsel. Employment of private counsel violates Executive Order No. 6 (1990) which provides that "The Attorney General shall have the sole authority to provide legal advice of any nature whatsoever to any State entity." (22 N.J.R. 1013.)

The Corporation's Board has even attempted to override New Jersey Statutes. Its by-laws provide that "The Board shall be entitled to hold and maintain the assets of the Corporation in such amounts and in such form as it may from time to time deem appropriate, without regard to whether such investments, by nature or by extent, are authorized by the statutes of the State of New Jersey. (Emphasis supplied.)

No bidding guidelines have been adopted by the Corporation's Board, nor is there any indication that a bidding procedure was used to select counsel, architects, consultants, or contractors.

President Eickhoff was aware from the beginning that we, the bargaining agent for the faculty and professional staff, vehemently oppose inequitable and selective forms of compensation like this college-subsidized housing program. Heedless of objections from us and from the community, he pushed ahead. Now the real estate market is in decline and the College is stuck, renting houses at negative cash flows of up to \$1500 per month.

The Corporation also purchased the Ewing Township municipal building. The College has only the vaguest need for this facility; it is still occupied by Township officials. Mr. Albert Bridges, one of the vice presidents receiving free housing, is a former mayor of Ewing Township and is currently a member of the Township Council.

Over \$7 million of college funds have been squandered to date. These funds came almost exclusively from student tuition. College maintenance personnel are diverted from the campus. In addition, two College executives and two other College employees spend much or all of their time administering a real estate operation rather than a college.

These properties were acquired pursuant to the "long range financial plan" adopted by the Trenton State's Board of Trustees in December, 1988. That document also provides for the expenditure of \$263 million for new construction, repairs and renovations during the next 20 years, most of which will be financed by bonds sold for the College by the N.J. Educational Facilities Authority. With interest, this program, if implemented, will cost students over half a billion dollars in the form of tuition increases during the life of the bonds.

The long range financial plan is hopelessly flawed. It assumes six percent annual increases in State appropriations from FY 1989 onward, whereas appropriations have now declined for the third consecutive year, even as we enter into a new budget crisis of unprecedented proportions. The maximum tuition increase projected in the plan was 12%; the most recent actual increase was 19.5%. In the last six years, tuition at Trenton State has increased by 98%. Despite these facts, the financial plan has not been revised, and is still cited by Eickhoff to justify his outrageous actions.

The Board of Trustees resolution approving the long range financial plan in December, 1988, also contained the following provisions:

BE IT FURTHER RESOLVED: That the Board authorizes the transfer of such funds required to implement the long range financial plan between the College and the Trenton State College Corporation with the approval and signature of the Board Chairperson and the Chairperson of the Corporation, and

BE IT FURTHER RESOLVED: That the Board authorizes the Educational Facilities Authority to transfer all unencumbered College property currently held by the Authority to the Trenton State College Corporation.

These shocking blanket resolutions are still in effect, despite the fact that the long range financial plan is complete nonsense.

November 27, 1990

They give complete authority over all the College's funds and assets to two individuals without any further oversight whatsoever.

Among the high priority capital projects authorized by Trenton State's Board of Trustees is a \$5.4-million-dollar "reception and office building" which will "provide accessible and gracious entry to visiting dignitaries, professional colleagues, representatives of the media and others" and where "visitors to the campus can be properly received and entertained." The building will include executive suites for the College president and vice presidents, a board room, several conference rooms, a "reception" dining room and a "private" dining room. That such a structure would be even contemplated in these austere times is a disgrace.

As a result of the fiscal irresponsibility set forth above, Trenton State College is in dire straits. To cover his mismanagement, President Eickhoff has implemented a college-wide process to identify departments and programs for "reduction or elimination." He has acknowledged in the press that he will have to "downsize" the college. Trenton State has already lost 23% of its enrollment since FY 1980.

N.J.S.A. 18A:3-14(r) provides that the Board of Higher Education shall:

Exercise visitorial general powers of supervision and control over such institutions of higher education as may be utilized by the State. Its visitorial general powers of supervision and control are hereby defined as visiting such institutions of higher education to examine into their manner of conducting their affairs and to enforce an observance of the laws of the State.

This matter clearly demands the immediate implementation of these powers, as well as decisive corrective action by the Governor and the Attorney General.

Sincerely yours,

*Marcoantonio Lacatena*  
Marcoantonio Lacatena  
President

cc: Members, Governing Boards Association  
George Canellis, Esq.

# COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS



NJSFT-AFT/AFL-CIO

420 CHESTNUT STREET

UNION, NEW JERSEY 07083

201-964-8476

May 14, 1990

To: Council Members

From: Marco Lacatena, President

1. Enclosed is an important memo from Turnbull to Vice-Presidents for Administrative and Finance at the State Colleges regarding CD/Tuition Reimbursement, sabbaticals, professional staff leaves, and merit. Note that merit is not to exceed \$174,000 for this year (FY 90) and that it still requires a special appropriation. Therefore, although the merit process is going forward, the people may not receive the money unless the special appropriation passes. Also note the breakdown on the other side of the memo.
2. On the other side of this memo is an article of interest.
3. As announced at the Council meeting of May 11, Tom Wirth will be on sabbatical effective May 14 through September 21, but will be available certain days during May 14-23.

34X

# State college brass get free rides

## Despite budget crunch, cars are still perks

By Mark J. Magyar  
Record Trenton Bureau

TRENTON — The state's medical university is threatening to lay off 800 staffers and cut emergency services to the poor, yet administrators continue to be chauffeured around in late-model sedans purchased with tax and tuition dollars.

Te Governor Florio and legislators, it's frustrating that dozens of administrators at the University of Medicine and Dentistry and other state-funded colleges continue to receive cars as a fringe benefit when the state is facing a \$1.4 billion bud-

get crisis — and when big tuition hikes are proposed to cope with a projected \$79 million cut in state higher-education spending.

Florio has already cut more than 600 state government cars, including 260 given as "perks" to deputy and assistant commissioners and division directors. But he does not have the authority to do the same for cars driven by university vice presidents and provosts.

"Because of the state-college autonomy law, we have no power to take away cars given out by colleges and universities —

even though tax dollars are paying for them," said Michael McKittish, acting head of the state's General Services Agency, which oversees state cars.

"We don't even know how many cars the colleges have."

A survey by The Record found that the number of cars assigned to administrators ranged from 12 at Rutgers University to one each for the presidents of Ramapo and Jersey City state colleges. Some institutions are restricting the cars' use to official business; others allow personal use.

Education officials say New Jersey universities and colleges must offer cars to

See CARS Page A-10

A-10 THE RECORD

# CARS: Perks for college brass

From Page A-1

match the benefit packages of institutions in other states. But legislators from both parties say college administrators should make sacrifices, too, when budget times are tough.

State Sen. Richard Zimmer, R-Hunterdon, is pushing legislation to outlaw use of any college- or state-owned cars for commuting and other personal trips. Sen. Donald Rice, D-Essex, asked Thursday that the state budget bill specifically limit the number of cars given to UMDNJ administrators.

"It's one thing to give out cars when times are good," Rice said. "But when UMDNJ says it doesn't have enough money to send out ambulances to emergencies in Newark and other cities, it's time to start looking at how they're spending the rest of our tax money. And those chauffeur-driven cars are a good place to start."

At UMDNJ, President Stanley Bergen and nine of his deans and vice presidents are assigned late-model sedans that cost \$15,000 to \$18,000 each. Six of those administrators have "driver-messengers" as well.

"Providing driver-messengers to UMDNJ top officials allows them to work more effectively and efficiently during the hours they spend on the road," said UMDNJ spokesman Stuart Dim. While UMDNJ is currently reviewing its entire budget, the school would not save much money by selling the cars, Dim said.

But Rice said the chauffeur-driven cars are "indefensible" in light of Bergen's announcement last month that UMDNJ might have to lay off as many as 831 faculty and staff, curtail emergency services to the poor of Newark and other urban communities, and hike tuition 15 percent or more. New Jersey residents now pay 9,093 in tuition at UMDNJ. Out-of-state students pay \$11,933.

Medical schools in other states are not as generous as UMDNJ in their provision of cars to top administrators.

Vicki Katz, public relations officer for the State University of New York at Stony Brook, which had its own medical school, laughed when asked if her school provided any chauffeurs.

"This is a state university," she said. "The only one who gets a car is the president of the university, and he has to drive himself."

The Medical School of Virginia at Virginia Commonwealth University does not even provide its president with a car.

UMDNJ limits use of its cars to commuting to and from home and official business only. Rutgers University, by contrast, also allows other personal use of the 12 cars it has assigned to its acting president, seven vice presidents, three provosts, and university counsel.

The Rutgers cars, mostly Ford Tauruses, range from 1983 to 1989 models, and cost an average of \$11,000 to \$12,000.

"It's obvious these cars are being given out as perks," said Zimmer.

"I'm not sure how much power the Legislature and governor have to mandate cuts. But too many cars are being driven around for personal use, instead of on official business, and we should do something about it."

Zimmer's bill would outlaw commuting or other personal use of college- or state-owned cars, require clear markings on all such vehicles, and fine violators \$100 to \$500. And after two years of being unable to find out how many cars are given to college administrators, Zimmer has introduced a sec-

ond bill that would require annual disclosure at budget time. The numbers of cars vary from campus to campus, a Record survey showed.

New Jersey Institute of Technology last year paid \$20,976.30 and \$17,384.50 for a pair of 1989 Oldsmobile 98s for its president

and provost. A \$11,560 Oldsmobile Delta 98 is assigned to an NJIT vice president. Ramapo State College in Mahwah leases a 1989 Oldsmobile for its president. Jersey City State College leases a 1987 Oldsmobile for its president. But William Paterson State College in Wayne leases a 1990 Chevrolet Lumina for its president, as well as a 1988 Oldsmobile 98, a 1988 Olds Cutlaks, and a 1988

Buick Century for its three vice presidents. Ruth Scott, a Rutgers spokeswoman, said senior college administrators expect to receive cars as part of their compensation packages.

"Most universities around the country do the same thing," she said. "The cars are owned by the university and covered by university insurance. Administrators who have them

must report it to the Internal Revenue Service, and they have to pay taxes on personal use of the vehicles."

Rutgers does not have chauffeurs, however. T. Alexander Pond, the acting president, "is the only one who is ever chauffeured, and then it is usually by a campus policeman," Scott said. "It's not like 'Driving Miss Daisy.'"

The Record  
5/13/90

FROM PAGE ONE

SUNDAY, MAY 13, 1990

35X

# COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS



NJSFT-AFT/AFL-CIO  
420 CHESTNUT STREET  
UNION, NEW JERSEY 07083  
201-964-8478



January 25, 1990

Chancellor T. Edward Hollander  
Department of Higher Education  
20 West State Street, CN 542  
Trenton NJ 08625

Dear Chancellor Hollander:

Pursuant to New Jersey's "Right to Know" law; Article VIII, Section C of the Agreement; and the "Resolution Approving the 1987 Affirmative Action Status Report and Adopting Recommendations to Address Affirmative Action at New Jersey Colleges and Universities" adopted by the Board of Higher Education on January 19, 1990; the Union hereby requests copies of the EEO-6 reports filed by the nine state colleges with the Department and the Federal Government in Fall, 1989.

Sincerely yours,

A handwritten signature in cursive script that reads 'Thomas H. Wirth'. The signature is written in dark ink and is positioned above the typed name.

Thomas H. Wirth  
Staff Representative

36X

IN FEB 1.90

# COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS



NJSFT-AFT/AFL-CIO  
420 CHESTNUT STREET  
UNION, NEW JERSEY 07083  
201-964-8478



October 1, 1990

Dr. Edward Goldberg, Acting Chancellor  
Department of Higher Education  
CN 542  
Trenton NJ 08625

Dear Chancellor Goldberg:

The UNION hereby reiterates its request for copies of the EEO-6 reports filed by the nine state colleges with the Department of Higher Education and the Federal Government in Fall, 1989. This request was originally made in a 25 January 1990 letter to Chancellor Hollander, a copy of which is enclosed. The requested information has yet to be received.

Sincerely yours,

A handwritten signature in cursive script that reads 'Thomas H. Wirth'. The signature is written in dark ink and is positioned above the typed name.

Thomas H. Wirth  
Senior Staff Representative

37X

INFEPA 10.01



STATE OF NEW JERSEY  
DEPARTMENT OF HIGHER EDUCATION  
CN 542  
TRENTON, NEW JERSEY 08625

OFFICE OF THE CHANCELLOR

March 8, 1990

Thomas H. Wirth  
Staff Representative  
NJSFT-AFT/AFL-CIO  
420 Chestnut Street  
Union, New Jersey 07083

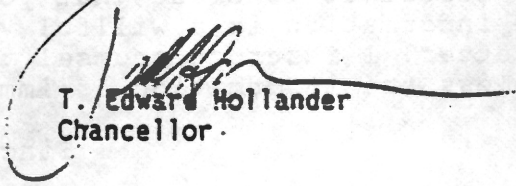
Dear Tom,

We have received your letter requesting copies of the EEO6 reports filed by the nine state colleges in Fall, 1989.

Unfortunately, we have not yet received all of those reports. Additionally, we are responsible for checking the data once it is received. Therefore, we are unable to provide them to you at this time.

We would agree to provide you with the requested information as soon as it is feasible.

Sincerely,



T. Edward Hollander  
Chancellor

# COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS

NJSFT-AFT/AFL-CIO  
420 CHESTNUT STREET  
UNION, NEW JERSEY 07083  
201-964-8476



April 27, 1989

Chancellor T. Edward Hollander  
Department of Higher Education  
20 West State Street, CN 542  
Trenton NJ 08625

Dear Chancellor Hollander:

On October 20, 1988, I wrote you pursuant to the Right to Know Act requesting the name, payroll title, official position, place of employment, salary, gross compensation, length of service, and starting date of employment of each person employed by the Department of Higher Education and each of the nine state colleges.

On January 23, 1989, you wrote me stating that you intend to supply the information I requested. A copy of your letter is attached.

As of this date, no information has been received.

Law and regulation requires that this information be maintained. Moreover, such information is readily available in any properly managed organization.

I am forced to conclude that your failure to provide the requested information is a willful violation of the law. By copy of this letter, I instruct counsel to initiate appropriate legal action unless the information is immediately forthcoming.

Sincerely yours,

*Marcoantonio Lacatena*  
Marcoantonio Lacatena  
President

ML/bl  
enc.

cc: G. Canellis, Esq.  
Presidents of the State College Locals  
Members of the Joint Appropriations Committees of the New Jersey Legislature

Certified Mail No. P 777 614 925

EXHIBIT "A"

39X

# COUNCIL OF NEW JERSEY STATE COLLEGE LOCALS



NJSFT-AFT/AFL-CIO  
 420 CHESTNUT STREET  
 UNION, NEW JERSEY 07083  
 201-964-8476



## THE FACTS ABOUT MANAGEMENT PROLIFERATION

The chart below shows what has happened in the past four years in eight of the nine State Colleges. Executive/Administrative/Managerial personnel have increased by 39%, even as the number of faculty and the number of students served have decreased.

College	Year	Managers	Faculty	FTE	Enrollment
Glassboro	1985-86	42	328		5724
	1989-90	65	335		5750
	% Change	+ 55%	+ 2%		0%
Jersey City	1985-86	43	264		4344
	1989-90	60	250		3800
	% Change	+ 40%	- 5%		-13%
Kean	1985-86	61	343		7557
	1989-90	75	328		7150
	% Change	+ 23%	- 4%		- 5%
Montclair	1985-86	54	455		8906
	1989-90	71	437		8400
	% Change	+ 31%	- 4%		- 6%
Trenton	1985-86	49	341		6254
	1989-90	62	333		5750
	% Change	+ 27%	- 2%		- 8%
Ramapo	1985-86	32	129		2716
	1989-90	50	131		2574
	% Change	+ 56%	+ 2%		- 5%
Stockton	1985-86	31	165		3890
	1989-90	61	162		3900
	% Change	+ 97%	- 2%		0%
Wm Paterson	1985-86	51	346		6332
	1989-90	62	317		6000
	% Change	+ 22%	- 8%		- 5%
All Colleges	1985-86	363	2371		45723
	1989-90	506	2293		43324
	% Change	+ 39%	- 3%		- 5%

*NOTE: The above data are taken from the EEO-6 affirmative action reports which the colleges filed with the DHE and from the Governor's budgets. In Trenton State's EEO-6 report, the number of E/A/M personnel was under-reported (perhaps deliberately). The correct figure was obtained from a personnel roster of the college. At Glassboro, 3/4-time faculty were apparently counted as full-timers in the EEO-6 report. Again, the correct figure was obtained from a personnel roster. At Ramapo, the Unit Directors are included in management.*



NON-UNIT MANAGERIAL/ADMINISTRATIVE EMPLOYEES AT TRENTON STATE COLLEGE

NAME	JULY 1989 TITLE	1989 SALARY	NOV 1990 TITLE	1990 SALARY
Eickhoff, H.	President	87500	President	108701 *
Brucker, E.			Vice Pres	84030
Mills, P.	Vice Pres Adm & Fin	76956	Vice Pres Adm & Fin	80035
Bridges, A.	Dean Admiss & Records	61733	Vice Pres	73489
Klepper, W.	Dean	67299	Dean	72583
Kamber, R.			Dean	72583
Ollio, P.	Dean	69790	Dean	72583
Chapman, B.	Dean	69790	Dean	72583
Bressler, G.	Assoc Vice Pres	69790	Assoc Vice Pres	72583
Hantjis, A.	Dean	69790	Dean	72583
King, J.	Assoc Vice Pres	64807	Asso Vice Pres	69991
Dubois, P.	Dir Lib Servs	63306	Dir Lib Servs	65839
Tola, R.	Director I	60300	Director of Facilitie	62713
Jankowicz, R.	Director I	60300	Director I	62713
Bittner, R.			Dean	62217
Watson, Y.	Director II	54688	Dean II	61733
Hardgrove, C.	Dir Adult Ed	56983	Dean	61733
Wineberg, B.	Director II	50782	Asst Vice Pres	60473
Stout, R.	Director II	54688	Director II	56876
Brodowski, J.	Assoc Dir Lib Serv	54688	Assoc Dir Lib Serv	56876
Lankford, W.	Director II	52735	Director II	56876
Worthington, D.	Registrar	54688	Registrar	56876
Snyder, M.	Director II	54688	Director II	56876
Wodynski, M.	Director II	54688	Director II	56876
Dewitt, P.	Assoc Dir I	46506	Director II	54845
Rydell, B.	Assoc Vice Pres	64807	Assoc Vice Pres	54436
Ostrander, P.	Assoc Dir I	52088	Assoc Dir I	54172
Iacovelli, J.	Dir Fin Aid	46064	Director I	53752
Aaron, D.	Director II	48829	Director II	52814
Wheeler Jr, R.	Director III	49609	Director III	51594
Cotman-Hogan, C.	Asst Dean	44645	Director III	51594
Boatwright, J.	Director III	47836	Director III	51594
Cruser, P.	Exec Asst III	49609	Exec Asst III	51594
Drake Jr., R.	Exec Asst III	41780	Asst Vice Pres	51512
Petrano, E.	Bursar	47245	Bursar	51347
McHugh, K.	Director II	42970	Director I	50392
Wood, K.	Director III	46064	Director III	49750
Walker, J.	Assoc Dir Athletics	47245	Assoc Dir II	49136
Thomas, W.	Assoc Dir Media & Tech	47245	Assoc Dir Media & Tec	49136
Davis, R.	Assoc Dir II	47245	Assoc Dir II	49136
Riederer, S. (Graner)	Exec Asst III	38260	Exec Asst III	47907
Fleishman, S.	Exec Asst II	44995	Exec Asst II	46795
Matelson, H.	Mng Asst Dir I	44995	Mng Asst Dir I	46795
Lomax, N.	Director IV	44995	Director IV	46795
Cherashore, S.	Mng Asst Dir I	44995	Mng Asst Dir I	46795
McConnell, C.	Mng Asst Dir I	44995	Mng Asst dir I	46795
Fassbender, R.	Supv Coll Hlth Servs	41322	Supv Coll Hlth Servs	46573
Freudenthal, N.	Asst to Vice Pres	41780	Asst to Vice Pres	45124
Gary, J.	Assoc Dir I 10 Mo	41780	Director Counseling	45124
Allen, J.	Director IV	41780	Director IV	45124
Hutchinson, S.			Mng Asst Dir II	44791
Sanchez-Lazer, T.	Exec Asst III	38565	Exec Asst II	44221
Wieberger, S.			Mng Asst Dir I	43452
Cubberly, R.	Mng Asst Dir I	40172	Mng Asst Dir I	43452

Cancio, M.	Mng Asst Dir II	37888	Director III	42975
Gottesman, C.	Research Asst St Coll	40801	Asst to Dean	42434
Jenkins-Gaines, S.	Mng Asst Dir II	39345	Mng Asst Dir II	42434
Pandya, D.	Mng Asst Dir I	38565	Mng Asst Dir I	41780
Christofferson, M.	Mng Asst Dir II	34794	Mng Asst Dir II	40919
Coleman-Boatwright, P.	Mng Asst Dir I	38565	Mng Adm Asst I	40919
Wodynski, J.			Mng Asst Dir II	40919
Perry, M.	Director III	37203	Director III	40535
Aynat, L.	Assoc Dir II	35430	Director III	40535
Sgroi, A.			Mng Adm Asst I	39404
Esposito, A.			Mng Asst Dir I	38436
Leverson, K.			Mng Asst Dir I	38436
Parrish, R.			Proj Spec	38289
Perkins, J.			Assoc Dir III	38198
Gipson, C.	Mng Adm Asst III	33047	Mng Adm Asst II	37889
Roth, K.			Mng Asst Dir II	37889
Hastie, J. (Baumert)	Mng Asst Dir III	26437	Director III	36848
Scott, C.			Mng Asst Dir I	36765
Cooper, F.			Mng Adm Asst I	36765
Vasile, A.			Exec Asst III	36765
Lemelin, R.	Mng Asst Dir II	33518	Mng Asst Dir II	36374
Lee, J.			Mng Asst Dir II	36374
Scarpati, A.			Mng Asst Dir I	35093
Bressler, M.			Mng Adm Asst I	33344
Allen-Collins, L.	Mng Asst Dir III	29081	Mng Asst Dir III	32995
Romspert, M.	Mng Adm Asst II	23977	Proj Spec	32240
Richards, R.			Mng Adm Asst I	31829
Washko, Judith M.			Mng Asst Dir II	30314
Clerico, A.			Mng Adm Asst III	30245
Degennaro, A.			Proj Spec	30000
Kelly, K.			Mng Asst Dir II	28870
Smith, C.			Mng Adm Asst II	26184
Baldwin-Way, S.			Mng Asst Dir II	25854
Bressler, D.	Proj Spec	21924	Proj Spec	23678
Disdier, A.			Proj Spec	18000

FORMER EMPLOYEES

Digiorgio, A.	Vice Pres Acad Aff	80798
Ireland, M	Proj Spec	23672
Hutchinson, P.	Proj Spec	36957
Vaughan, J.	Proj Spec	21845
Manning, K.	Mng Adm Asst I	32061
Rosenblum, J.	Director I	60300
Sancho, P.	Dir Acad CP&P	50782
Peskin, C.	Director I	55992
Binns, M.	Proj Spec	24000
Hourian, K.	Mng Asst Dir II	29147
Kilcher-Reilly, M.	Mng Asst Dir III	29081
Salley, D.	Proj Spec	24230

TOTAL	75 Employees	3527850	89 Employees	4337496
-------	--------------	---------	--------------	---------

\* Authorized by the Board of Trustees 12/7/89, to be paid when "general financial circumstances warrant the expenditure."

Note: If no salary appears for 1989, the employee was either not then employed or was employed in a bargaining-unit position.

**PRESIDENT'S SALARY**

On a motion by Mr. Byrd the Board approved the following resolution increasing Dr. Maxwell's salary and living allowance:  
(Yes-Moore, Byrd, Coram, Fatemi, Guigon, Jackowitz, Roche; No-none)

**RESOLUTION**

- WHEREAS:** the Board of Trustees has the authority and responsibility (N.J.S.A. 18A:64-6(g)) to set the compensation of the president, and
- WHEREAS:** the president has received no salary increase for the past two and one-half years (July 1987-December 1989), and
- WHEREAS:** at its meetings on October 16, 1989, November 13, 1989, December 11, 1989 the Personnel Committee of the Board of Trustees researched, discussed and reached consensus on the question of the president's salary, and
- WHEREAS:** the Personnel Committee has determined that \$115,000 per annum represents a competitive presidential salary level based upon salaries for presidents at "comparable" public institutions in the City of New York, the State of New York and the State of Pennsylvania, and
- WHEREAS:** the board has endorsed the findings and recommendations of the Personnel Committee, and
- WHEREAS:** based upon established criteria, the board has on three separate occasions ranked the president as "Superior" in the twelve (12) major areas of responsibility which are formally evaluated every five (5) years, be it
- RESOLVED:** that the Board of Trustees on this 11th day of December, 1989 recommends and approves a salary of \$110,000 for President Maxwell to be effective July 1, 1990, and be it further
- RESOLVED:** that appropriate action be taken to adjust the president's living allowance as of July 1, 1990 in accord with established policy, and be it further
- RESOLVED:** that the Board of Trustees recognizes and approves the president's request to defer implementation of this salary increase until faculty and staff have been granted salary increases and pending a review of any impact on the College of potential budget reductions in 1990 as a result of state budget deficit.

"comparable" in mission, size, budget, enrollment, and number of employees, organizational and operational complexity, and presidential responsibilities and expectations.

**Resolution Concerning an Increase in Compensation  
for the President of Trenton State College**

December 7, 1989

**Whereas:** A primary obligation of the Trenton State College Board of Trustees is to ensure that the College adheres to the highest standards of academic and professional quality; and

**Whereas:** The ability to achieve academic excellence is dependent upon the maintenance of a strong dynamic, creative presidency; and

**Whereas:** The Trenton State College Board of Trustees is authorized under the provisions of N.J.S.A. 18A:64-6 to: "appoint and fix the compensation of a president of the college, who shall be the executive officer of the college;" and

**Whereas:** It is essential to the future of the institution to ensure that presidential compensation remains competitive with that of higher education institutions throughout the region and the United States; and

**Whereas:** The Trenton State College Board of Trustees has determined through research that the compensation granted the President of Trenton State College is currently not commensurate with that of many presidents of similar public higher education institutions in neighboring states, and that starting salaries for college presidents at equivalent institutions of high quality greatly exceed the current compensation level of the president at Trenton State College; and

**Whereas:** An inadequate compensation level could be a serious detriment in future presidential searches, and could prejudice the identification of the best possible candidate for the presidency of the college; and

**Whereas:** The Trenton State College Board of Trustees wishes to recognize and reward the outstanding leadership provided by its present president, who has not received an increase in salary since September, 1987;

**Therefore, Be  
It Resolved:**

*That the Trenton State College Board of Trustees authorizes an increased level of compensation for the President of the College, equivalent to an increase of seven and one-half percent for each of the years in which the President's salary has not been increased; and*



NEW JERSEY STATE COLLEGE  
GOVERNING BOARDS  
ASSOCIATION, INC.

150 WEST STATE STREET  
TRENTON, NEW JERSEY 08608  
(609) 989-1100

GLASSBORO STATE COLLEGE  
JERSEY CITY STATE COLLEGE  
KEAN COLLEGE OF NEW JERSEY  
MONTCLAIR STATE COLLEGE  
RAMAPO COLLEGE OF NEW JERSEY  
STOCKTON STATE COLLEGE  
THOMAS A. EDISON STATE COLLEGE  
TRENTON STATE COLLEGE  
WILLIAM PATERSON COLLEGE OF NEW JERSEY

**FY 1991 RECOMMENDATION REGARDING  
PRESIDENTIAL COMPENSATION POLICY**

Salary Adjustment Committee regulation 11-90 specifies that "the Chancellor of Higher Education shall recommend future administrative caps based on market considerations to the Salary Adjustment Committee after consultation with appropriate institutional representatives on the Board of Higher Education." In accordance with this guideline, and following consultation between the Chancellor and representatives of the New Jersey State College Governing Boards Association (GBA), the Chancellor and Association concur on an appropriate salary range for state college presidents for FY 1991 and FY 1992.

The Chancellor and trustee representatives of the Association agree that the maximum of the range should not be reached by any state college president during FY 1991. In accordance with law, the trustees have authority to set presidential salaries as appropriate within this range, and to report such action to the Salary Adjustment Committee and the Chancellor.

The factors used to determine this range and the particular salary set by each state college board of trustees for its president include: national compensation data for comparable institutions from the 50th to 75th percentile; local economic conditions and any special circumstances that may exist meriting an increase in compensation; regional higher education compensation comparisons and considerations; time in office of a state college president; competitiveness in the marketplace for state college presidents, especially concerning recruitment of a new president due to a vacancy; considerations with regard to each state colleges' mission, budget, enrollment and academic complexity; and other special circumstances that affect trustee evaluation of the presidency, including performance.

During the current fiscal year, the Chancellor, in cooperation with the GBA, will refine the process for recommending salary guidelines affecting the authority of trustees to fix presidential compensation, including reviewing existing higher education market data that is relevant to establishing annual competitive compensation guidelines for state college presidents.

Finally, following GBA executive committee review of this proposal, the Chancellor and representatives of the GBA shall meet as soon as practical with members of the Salary Adjustment Committee to formally propose concurrence in the recommendation.

August 14, 1990  
Revised August 23, 1990



NEW JERSEY STATE COLLEGE  
GOVERNING BOARDS  
ASSOCIATION, INC.

150 WEST STATE STREET  
TRENTON, NEW JERSEY 08608  
(609) 989-1100

GLASSBORO STATE COLLEGE  
JERSEY CITY STATE COLLEGE  
KEAN COLLEGE OF NEW JERSEY  
MONTCLAIR STATE COLLEGE  
RAMAPO COLLEGE OF NEW JERSEY  
STOCKTON STATE COLLEGE  
THOMAS A. EDISON STATE COLLEGE  
TRENTON STATE COLLEGE  
WILLIAM PATERSON COLLEGE OF NEW JERSEY

---

## RESOLUTION 90-10-01

### A Resolution Regarding Presidential Compensation Policy

- WHEREAS:** In accordance with provisions of the State budget and appropriations act, each state college board of trustees holds the authority to fix presidential salary; and
- WHEREAS:** Salary Adjustment Committee (SAC) regulation 11-90 specifies that the Chancellor of Higher Education shall recommend to SAC future administrative caps after appropriate consultation with institutional representatives; and
- WHEREAS:** GBA trustee representatives, in cooperation with the Chancellor, recommend changes in the process for adopting salary guidelines affecting trustee authorities; and
- WHEREAS:** The Association's Executive Committee has reviewed and endorsed the approach recommended regarding presidential compensation policy for FY 1991;

*Now therefore be it*

- RESOLVED:** That the Association endorses the action of the Executive Committee and requests that Association representatives meet with SAC regarding the recommendation.

October 2, 1990

46x

# The Montclarion

November 29, 1990

Montclair State College, Upper Montclair, New Jersey, 07043

Vol. 68, No. 10

## Donations to MSC increase 300 percent

By Jennifer Thees  
Staff Writer

Donations to MSC increased three hundred percent for the 1989-90 Annual Fund Drive over the previous year. Five hundred forty contributors donated a total of \$130,003 as compared to 210 donors contributing \$43,127 in the 1988-89 drive.

The donations were collected from Montclair State Foundation (MSF) Trustees, MSC faculty and staff, parents of students enrolled full-time and friends of the college.

As of June 30, 1990, the MSF's investment totaled \$2,305,016 as compared to the year before totaling \$1,066,808. Scholarship assets of \$918,816, custody account assets of \$561,596, endowment funds of \$609,382 and a general operating fund of \$215,222 were set up. The MSF also supports numerous programs and activities.

Corporations and foundations which continue to support MSC are Nabisco Brands, Inc., Hoffmann-LaRoche Inc., Merck & Co., Inc., Meyer Foundation, The Prudential Foundation and Schering-Plough Corp. In 1989-90 their contributions totaled \$29,500 as compared to \$26,500 in 1988-89.

These increases in donations do not directly affect the cost of tuition said Dr. Jesse Rosenblum, vice president for the Institutional Advancement Development Office (IADO).

"The margin makes us (MSC) distinctive and excellent and lets us stand-out," said Rosenblum, referring to the programs of the college.

The IADO is making efforts to increase contributions by creating a network which will increase contact with the external community. This coming year's goal is \$156,000, or twenty percent above last year's contributions.

With this idea in mind the IADO, whose function is to keep track of and

encourage financial contributions to the college, hopes that bringing the community closer to the college will make them "feel a part of the college and be supportive of its efforts," said Rosenblum.

Private donations, such as parents, alumni, corporate and major company sponsors, are directed towards programs which benefit the student. Such organizations, such as the Montclair State Alumni Association and MSF, are non-profit and tax-exempt programs which designate certain funds towards scholarships and adding to the college's resources.

These funds are separate from the actual cost of tuition. The budget is approximately split up so the state pays seventy percent and tuition takes thirty percent of the cost. Therefore, the monies collected by private and corporate donors "provides us with a margin that we would not have. It gives support to individuals in programs that haven't had

support previously," said Rosenblum.

The efforts presently underway are aimed at "communicating better with our constituencies." Posters encouraging the people of the community to "Be A Part Of It" by the Fine and Performing Arts Department have been elicited through libraries and other public places in the local community. Brochures have been circulated to announce cultural activities held at the school as well as public programs of car and eye screening or art exhibits.

Cultivation events are held which help the school come in contact with the contributing companies. The School of Business holds a reception for the alumni while the Fine and Performing Arts has a 'Friends Group' for their sponsors.

"I feel advancement, market, promotion, and development is not the job of one or two persons. To be successful, it must involve the entire college community. We will need everyone's help in that endeavor," said Rosenblum.

## President Reid gets \$8,000 salary increase

By Michael Frazee  
Correspondent

President Irvin Reid was given an \$8,000-a-year raise by the Board of Trustees which will make his annual salary \$93,000, said Tom Auch, Vice President of Administration and Finance.

The increase will make Reid the highest paid president of the nine state colleges in N.J. Seven of the nine college presidents are tied for second making \$87,500, according to *Fitzgerald's Legislative Manual of the State of New Jersey*.

Money for the raise will come from general revenue, 70 percent of which comes from the state and 30 percent from tuition, Auch said.

The raise, which will take effect on July 1, 1991, comes after the recent 13 percent tuition increase and at a time when Reid is asking each academic and administrative office to cut its budget by 10 percent.

When Reid was asked if he thought his raise was appropriate at this time, he smiled and declined to comment.

Most students polled on the raise had the same question as Susan Comito, Bohn Hall Resident: "What did he do to deserve this?"

"We took into consideration the total budget of college and its sources, and based on his performance, in our judgement it was fair to give it to him," MSC Board of Trustees member Joseph R. Harris said but declined to give specific examples of Reid's performance.

At the Nov. 15 public meeting of the board, Dr. Joan Ficke, Internal V.P. of the Faculty Union, objected. "I felt that it sent a poor message to the students and families who are struggling with tuition."

"The union feels that the timing was poor and it was higher than the raises to many faculty, professional staff and librarians and it was unfortunate given the financial climate," Ficke said.

The union's recent three-year-contract  
cont. on p.3

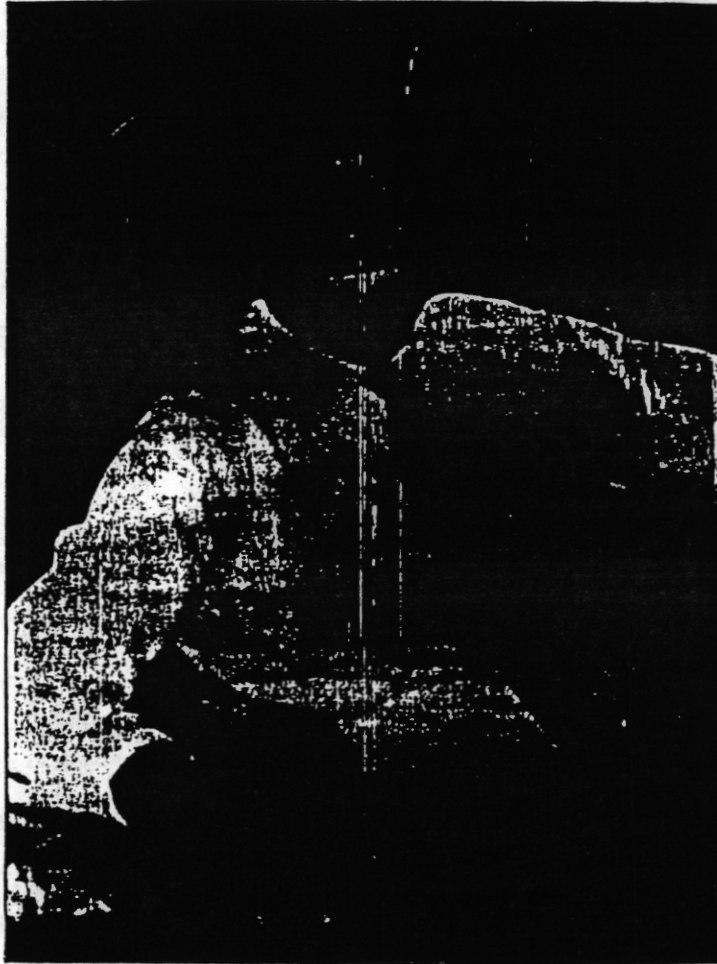


Photo by Kristin Marcuseca

Dr. Irvin Reid has the privilege of being the highest paid state college president in N.J. at \$93,000 a year. No wonder he's smiling.

### Raise cont. from p.1

has its raises spread out over the life of the contract at four, four-and-a-half, and five percent increases. Reid's increase is more than nine percent and all at once.

Student alternate to the Board of Trustees, Paul Prior, defended Reid. "He does a lot for MSC and there is no doubt in my mind that he deserves it. He's constantly tried to raise funds and lobby the governor and legislators and he has fought for the global education program while working to improve existing programs," said Prior.

Prior did say that one thing about the raise bothered him. "The board did nothing to explain his salary increase to the campus," said Prior.

Angel Mossucco, President of Students Toward a New Direction said, "Instead of taking raises the administration should do its job by making this college accessible to students from all incomes and backgrounds."

"It's ridiculous. Is this where our extra money is going," said sophomore Jennifer Applegate.



# Montclair State College

UPPER MONTCLAIR, NJ 07043

## POSITION ANNOUNCEMENT

DATE October 2, 1989  
 TITLE/RANK VICE PRESIDENT FOR INSTITUTIONAL ADVANCEMENT  
 DEPARTMENT Division of Institutional Advancement  
 DESCRIPTION

The Vice President for Institutional Advancement reports directly to the President and serves with the Provost, and two other Vice Presidents as a member of the President's Executive Committee, the senior leadership team of the institution. The Vice President is responsible for ongoing annual and constituent giving campaigns and will spearhead the upcoming capital campaign for buildings and endowments. The Vice President leads the Division which includes alumni relations, external relations (community and governmental), marketing, public information, publications and some auxiliary services.

### QUALIFICATIONS

Masters Degree required; Ph.D. preferred, with consideration of law or other professional degree and evidence of outstanding relevant experience. Other qualifications include: at least 5 years successful fundraising experience in higher education, or a record of other achievements essential to effective institutional advancement; and interpersonal skills to work with a highly productive faculty in identifying educational needs for which fundraising is required, and in involving faculty in articulating these needs to potential donors.

### SALARY RANGE

\$52,349. - \$73,279.

### STARTING DATE

January 1, 1990

SEND LETTER  
 AND RESUME TO  
 (INCLUDE V NUMBER) &  
 NAMES AND ADDRESSES  
 OF THREE REFERENCES

Dr. William Berlin, Chairperson of Search Committee  
 For Vice President for Institutional Advancement

MONTCLAIR STATE COLLEGE  
 BOX C316 V 98  
 UPPER MONTCLAIR, NJ 07043

### APPLY BY

Nominations must be received by October 25, 1989  
 Review of Applications will start November 15, 1989

### COLLEGE

Montclair State College is a multipurpose public college founded in 1908. It includes five schools: Business Administration, Fine and Performing Arts, Humanities and Social Sciences, Mathematical and Natural Sciences, and Professional Studies. The Bachelor of Arts, Bachelor of Science, Bachelor of Fine Arts, Bachelor of Music, Master of Arts, Master of Arts in Teaching, Master of Business Administration and Master of Education degrees are offered to approximately 13,000 full and part-time students.

### COMMUNITY

Montclair State College is situated on a 200 acre campus in Upper Montclair, New Jersey. This area of northern New Jersey is linked by public transportation to New York City which makes it possible to take advantage of the opportunities and resources of the city, just 14 miles away. The surrounding suburban communities also provide a wide variety of commercial, educational, cultural and religious facilities.

Montclair State College does not discriminate on the basis of sex, race, color, religion, national origin, age, or handicap in the operation of its educational program or activities in accordance with all relevant Federal and State Civil Rights legislation.

49X

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION INSTITUTION



# Montclair State College

UPPER MONTCLAIR, NJ 07043

## POSITION ANNOUNCEMENT

DATE April 18, 1990

TITLE/RANK Director of Development Research

DEPARTMENT Development

DESCRIPTION The director is responsible for organizing, developing and administering a comprehensive major donor research program for Montclair State College. Reporting to the director of development, responsibilities include: donor and prospect research for individuals, corporations and foundations, prospect tracking, and development and management of a computer records system.

REQUIREMENTS Bachelor's degree and related professional experience or equivalency required. Experience in prospect research and a strong research background is a must. The successful candidate will be a detail oriented person with good writing/communication skills. A general knowledge of computer systems and data base management is essential.

SALARY RANGE \$24,936-\$34,916 (starting salary dependent on qualifications)

STARTING DATE July 1, 1990

SEND LETTER Ms. June Launay  
RESUME TO Chairperson, Search Committee  
(PHONE NUMBER) MONTCLAIR STATE COLLEGE  
BOX C316 V 69  
UPPER MONTCLAIR, NJ 07043

APPLY BY June 1, 1990

COLLEGE Montclair State College is a multipurpose public college founded in 1908. It includes five schools: Business Administration, Fine and Performing Arts, Humanities and Social Sciences, Mathematical and Natural Sciences, and Professional Studies. The Bachelor of Arts, Bachelor of Fine Arts, Bachelor of Music, Bachelor of Science, Master of Arts, Master of Arts in Teaching, Master of Business Administration and Master of Education degrees are offered to approximately 12,500 full and part-time students.

COMMUNITY Montclair State College is situated on a 200 acre campus in Upper Montclair, New Jersey. This area of northern New Jersey is linked by public transportation to New York City which makes it possible to take advantage of the opportunities and resources of the city, just 14 miles away. The surrounding suburban communities also provide a wide variety of commercial, educational, cultural and religious facilities.

Montclair State College is in compliance with all relevant federal and state civil rights legislation.

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION INSTITUTION

56X



# Montclair State College

UPPER MONTCLAIR, NJ 07043

## POSITION ANNOUNCEMENT

**DATE** April 23, 1990  
**TITLE/RANK** Director of Communications  
**DEPARTMENT** Institutional Advancement  
**DESCRIPTION** Reporting directly to the Vice President for Institutional Advancement, the Director of Communications is responsible for the direction and management of a comprehensive and integrated communications and marketing program directed at national, regional, statewide and local audiences including internal constituencies in support of the college's mission and goals.

**ALIFICATIONS** This position requires a baccalaureate degree, a master's degree is preferred. Progressively responsible experience at a college or university is needed. Strong managerial, leadership and communication skills are imperative.

**SALARY RANGE** \$36,848-\$51,593 (starting salary dependent on qualifications)

**STARTING DATE** July 1, 1990

**SEND LETTER  
OF RESUME TO  
(INCLUDE V NUMBER)** Dr. Jesse H. Rosenblum  
VP Institutional Advancement  
MONTCLAIR STATE COLLEGE  
BOX C316 V 70  
UPPER MONTCLAIR, NJ 07043

**APPLY BY** June 1, 1990

**COLLEGE** Montclair State College is a multipurpose public college founded in 1908. It includes five schools: Business Administration, Fine and Performing Arts, Humanities and Social Sciences, Mathematical and Natural Sciences, and Professional Studies. The Bachelor of Arts, Bachelor of Fine Arts, Bachelor of Music, Bachelor of Science, Master of Arts, Master of Arts in Teaching, Master of Business Administration and Master of Education degrees are offered to approximately 12,500 full and part-time students.

**COMMUNITY** Montclair State College is situated on a 200 acre campus in Upper Montclair, New Jersey. This area of northern New Jersey is linked by public transportation to New York City which makes it possible to take advantage of the opportunities and resources of the city, just 14 miles away. The surrounding suburban communities also provide a wide variety of commercial, educational, cultural and religious facilities.

Montclair State College is in compliance with all relevant federal and state civil rights legislation.

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION INSTITUTION

51X



# Montclair State College

UPPER MONTCLAIR, NJ 07043

## POSITION ANNOUNCEMENT

**DATE** April 23, 1990

**TITLE/RANK** Director of Corporate and Foundation Relations

**DEPARTMENT** Development

**DESCRIPTION** Montclair State College seeks an experienced professional to direct and implement the College's corporate/foundation relations program. This individual is responsible for developing corporate and foundation fund raising programs and activities, cultivating relationships, providing guidance to members of the College community on matters relating to financial support from corporations and foundations and will be a key participant in planning and conducting a future major capital campaign. The director, reporting to the director of development, will work closely with senior administrative officers and faculty on identifying gift opportunities, planning solicitations, writing proposals and reporting to donors. A high level of direct contact and communication with foundation and corporate officers is expected.

**QUALIFICATIONS** Bachelor's degree required; earned graduate degree preferred. Candidates should have experience and demonstrated achievement in institutional advancement, with at least three year's experience working in the corporate or foundation sector. Experience should be, preferably, in a college or university environment. The ability to speak effectively and write well is required.

**SALARY RANGE** \$33,420-\$46,795 (starting salary dependent on qualifications)

**STARTING DATE** July 1, 1990

**SEND LETTER  
RESUME TO  
(ENCL. V NUMBER)** Mr. Gregory L. Lockard  
Chairperson, Search Committee  
MONTCLAIR STATE COLLEGE  
BOX C316 V 68  
UPPER MONTCLAIR, NJ 07043

**APPLY BY** June 1, 1990

**COLLEGE** Montclair State College is a multipurpose public college founded in 1908. It includes five schools: Business Administration, Fine and Performing Arts, Humanities and Social Sciences, Mathematical and Natural Sciences, and Professional Studies. The Bachelor of Arts, Bachelor of Fine Arts, Bachelor of Music, Bachelor of Science, Master of Arts, Master of Arts in Teaching, Master of Business Administration and Master of Education degrees are offered to approximately 12,500 full and part-time students.

**COMMUNITY** Montclair State College is situated on a 200 acre campus in Upper Montclair, New Jersey. This area of northern New Jersey is linked by public transportation to New York City which makes it possible to take advantage of the opportunities and resources of the city, just 14 miles away. The surrounding suburban communities also provide a wide variety of commercial, educational, cultural and religious facilities.

Montclair State College is in Compliance With All Relevant Federal And State Civil Rights Legislation.

**AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION INSTITUTION**

52X

LOCAL OFFICERS

DOMINICK D. CRITELLI  
President  
DONALD J. BUCHANAN  
Vice President  
CONNIE M. VISCONTI  
Treasurer  
WAHEEDAH MUHAMMAD  
Secretary  
JOSEPH ASH  
Sgt.-at-Arms

Local 195

International Federation  
Professional & Technical Engineers

49 WEST PROSPECT STREET  
EAST BRUNSWICK, N.J. 08816  
201-390-0350 390-0351  
FAX# 201-257-3033

LOCAL TRUSTEES

LLENWOOD DAVIS  
JOSEPH "PEPE" SUAREZ  
MICHAEL CANNETO

UNIT OFFICERS

DONALD ADANUNCIO  
President, Maint.  
JOHN STARK  
President, Crafts  
DENNIS KISH  
President, Insp.-Invest. & Sec



DONALD R. PHILIPPI  
Business Agent

JOSEPH "PEPE" SUAREZ  
TONY MELLACI  
DELORES GORCZYCA  
GERALD NEWSOME  
Presidential Assistants



TO: Members of the Assembly State Operations and Personnel Committee

FROM: Dominick D. Critelli, President, Local 195, IFPTE *DD Critelli*

DATE: January 16, 1991

Local 195, IFPTE, represents approximately 8000 public employees working in various state departments, institutions, and colleges in the areas of operations, maintenance, crafts, inspection, and security. The services our people perform are considered "essential." Our people are required to report to work, even if state government closes down for the day or has a late start due to inclement weather. They are the workers who clear snow, floods, accidents, etc., from state highways. They provide building and plant upkeep and heating and cooling services in the state hospital and college facilities, as well as perform driver license testing, state police communications, security on state grounds, and bus driver services for the Departments of Education and Human Services (in the Day Care Centers, institutions, etc.). Our inspectors and investigators provide services to the public that allow for their protection. In essence, these "essential" services provide for the safety, health, and well-being of every citizen in the State of New Jersey. A layoff of these people would only add productive workers to the unemployment lines, not to mention the possible need for food stamps and social assistance. Nothing is gained!

Eliminating the present Motor Vehicle Inspection Program as it now exists is also not the answer to fiscal concerns. Sacrificing safety for dollars gains no one anything. We are asking the Governor to reconsider the administration's position on this matter.

Another concern at this time involves the matter of salary accounts, capital accounts, and various other accounts--how many we do not know! It seems unreasonable, and almost criminal, that when our people are presented with the need for fiscal constraints, the reason given is "salary" accounts are low. However, at the same time homes are constructed for state executives, certain departments are paying speakers \$20,000 per speech, and state services are being contracted out at a greater cost and with less efficiency; and we are being told that "capital" accounts, among others, are sufficiently funded to allow this to happen. It is apparent that state public employees are always the scapegoats for the sins of state government--be they past or present.

53X

TO: Members of the Assembly State Operations and Personnel Committee  
FROM: Dominick D. Critelli, President, Local 195, IFPTE  
DATE: January 16, 1991  
Page 2

Recently, during his State of the State Address, Governor Florio spoke of the possibility of 7000 jobs being created in the State of New Jersey, which is good; however, in the same breath he spoke of streamlining state government, which would seem to indicate a reduction in force and a possible loss of state services.

There have to be various avenues of approach to avert layoffs. We have brought certain suggestions to the Governor's attention, and we are willing to continue to do so in order that everything possible may be done to avert the loss of jobs anywhere in the State of New Jersey.

Again, let me repeat--LET'S NOT SACRIFICE SAFETY AND SERVICE TO THE PUBLIC FOR DOLLARS!

54X

## A truck worth its salt



Thomas Franklin

Motorists on Route 21 in Clifton drive cautiously along with a State Highway Department truck as it spreads salt on the icy roadway Friday. Sign on the back urges "Give us a Brake, Slow Down."

55X