



The Christie Reform Agenda: Taking Action to Provide Real Property Tax Relief

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Comprehensive Legislative Package Gives Power to the People and Local Governments

Trenton, N.J. - Governor Chris Christie took the necessary next step in bringing bold, fundamental reform to New Jersey by presenting to the Legislature a 33-bill package of reforms aimed at solving New Jersey's property tax crisis. The bill package, representing the legislative component of the Christie Reform Agenda, will put a hard cap on property tax increases and state spending at 2.5 percent, while giving municipalities, school districts, higher education institutions and county governments the necessary tools to control their costs and live within the cap.

"For far too long, New Jerseyans have been on the receiving end of higher and higher taxes imposed by state and local governments, which have been unable or unwilling to curb costs. Today, that comes to an end," said Governor Christie. "With this package of bills, we are now taking action to bring to an end the current property tax crisis and giving people real relief. After talking about the direction we need to move, we now need to get down to business and enact these reforms.

"Today, we take an important step closer to lasting property tax relief. I am committed to working with the legislature so we can act and get this done to finally fulfill a long overdue obligation to the people of New Jersey to bring property taxes under control," said Christie.

The centerpiece of this legislative package is "Cap 2.5," a constitutional amendment creating a 2.5% cap on the increase in the property tax levy by municipal, school and county taxes and a 2.5% cap on spending for State government operations. Under Governor Christie's proposal, the property tax levy cap allows for adjustments in the event a municipality adds new ratables, and provides a single exclusion from the cap: debt service payments. Current law provides for a 4% cap with at least 13 broad exclusions that render the cap virtually meaningless.

The package of bills provides key reform in a number of other critical areas for local government entities to directly address cost drivers and make living within "Cap 2.5" realistic and realizable. The Governor has recommended reform in the areas of civil service, collective bargaining, employee pensions and benefits, red tape and unfunded mandates, election reform and shared services. The 33 specific legislative reforms are:

Municipal and County Tool Kit

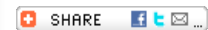
- 1) Constitutional amendment to impose a 2.5% cap on increases in the property tax levy increases for municipal, school and county taxes, cap banking is allowed.
- 2) Constitutional amendment to place a 2.5% cap on spending for State government operations (excluding state aid to municipalities and school districts and direct property tax relief); cap banking is allowed.
- 3) Reform in selection of arbitrators for union contracts.
- 4) Arbitrators are mandated to consider impact of union contracts on property taxes, no such requirement in current law.
- 5) Arbitrators are barred from making contract awards that exceed 2.5% cap, inclusive of all salary, benefit and other economic contract provisions
- 6) Pension benefit reform - eliminate eligibility for State retirement systems for non- government groups and associations.
- 7) Pension benefit reform - cap sick leave and carry forward of vacation for current employees.
- 8- 9) Shared services reform - when local units decide to share services current law requires buyout of union contracts, bumping and other civil service protections that destroy the efficiencies of the merger; this proposal eliminates certain civil services protections when services are shared. (2 bills required to amend different statutes).
- 10) Allow furloughs by local government to save costs.
- 11) Allow counties and municipalities to opt out of civil service municipalities by ordinance or referendum initiated by 15% of the voters.
- 12) Public employee discipline reform - reclassify many offenses as minor to avoid lengthy and costly hearings for relatively trivial infractions.
- 13) Police employee discipline reform - reclassify many offenses as minor to avoid lengthy and costly hearings for

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relatively trivial infractions.

- 14) Firefighters discipline reform - reclassify many offenses as minor to avoid lengthy and costly hearings for relatively trivial infractions.
- 15) Employee discipline reform - revise appeal process of employee disciplinary hearings to reclassify many offenses as minor.
- 16) Revise layoff rules to allow less senior, but more essential employees to avoid bumping.
- 17) Give Civil Service Commissioner more day-to-day control as when the Department of Personnel was a freestanding department.
- 18) Increase testing and appeal fees for civil service promotional exams.
- 19) Allow Civil Service Commissioner to make seasonal appointment for 9 months.
- 20) Allow municipalities to offset property tax refunds against State income tax refunds.
- 21) Expand parties that may bring challenges to Council on Local Mandates to includes groups, like the League of Municipalities. (Currently, only individual municipalities can do this and is too costly for one town to "go it alone.")

Educational Tool Kit

- 22) No school contract award in excess of 2.5% cap, inclusive of all salary, benefit and other economic contract provisions.
- 23) School districts could once again impose a "last best offer" contract under certain circumstances.
- 24) Executive county superintendents approval of all union and superintendent contracts. No approval of contracts with:
 - Salary/benefit increases exceeding the 2.5% cap;
 - Pupil contact time per day as set by regulation;
 - Minimum number of work as set by regulation;
 - Prohibition on contracting out auxiliary/ancillary services.
- 25) Executive county superintendents would be required to implement sharing of school business functions across districts and with municipalities.
- 26) Pension reforms similar to those affecting municipalities.

In addition to the bills primarily affecting municipalities, school districts and county government, the Governor has also recommended a number of key reforms to assist higher education institutions in New Jersey lower costs, economize, and manage their budgets more effectively. Governor Christie is proposing the following reforms for higher education:

Higher Education Tool Kit

- 27) Revise fact finder decision standards (when awarding a new employee contract) to account for decrease in state aid level, effect on tuition, and benefits already provided to employees
- 28) Designate State colleges and universities as employer of record for collective bargaining.
- 29) Allow state colleges and universities to hire faculty members for a probationary period.
- 30) Remove classified employers from Civil Service status and include them within each institution's personnel system.
- 31) Allow separate workers compensation program management for college and universities.

Election Reform

- 32) Require only single ballot to each household instead of multiple ballots to all voters residing in household.
- 33) Move school and fire elections to November.

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