



## What Is The Holdup?

*Why Is The Legislature Failing To Act On Critical Tool Kit Measures That Everyone (Including Their Own Leadership) Agrees Will Help Local Governments Rein In Spending?*

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### FROM LEADERS ACROSS NEW JERSEY TO SENATOR SWEENEY AND SPEAKER OLIVER THEMSELVES, EVERYONE AGREES THESE TOOL KIT REFORMS ARE NEEDED

**Senator Steve Sweeney:** "You know we have more work to do. The tool kit has to happen. We have to find a way to put a tool kit together... We need civil service reform... There's things we need to do, in order, now that we put this cap on governments we've got to give the governments tools so that they can live within this cap." ("Flashback: NJ Sen. Sweeney Calls for Action on the Tool Kit," [YouTube](#), 7/3/2010)

**Oliver:** "Senator Sweeney and I have made a commitment to the Governor that we will move on to other elements of the reform agenda, and it is our hope that we are to accomplish comparable ends, just as we have with interest arbitration." (Arbitration compromise press conference, 12/9/2010)

**Mayors Stephen Acropolis (R-Brick), Richard Gerbounka (I-Linden), Andrew Sarclette (D-Maurice River) and Dawn Zimmer (D-Hoboken):** "These reforms actually get at the root of the problem — uncontrolled costs. Labor costs continue to rise year after year due to an out-of-balance collective bargaining system that fails to consider the impact of a decision on property taxes. ... Consider this: nearly three of every four dollars in a municipal or county budget is used for labor and personnel costs. A broken, antiquated system leaves us with no recourse to stem these rising costs." ("Cap 2.5' Reforms Would Get At The Root Of New Jersey's Property Tax Woes," [Star-Ledger](#), 6/15/10)

**Senator (D-Hudson) and Union City Mayor Brian P. Stack:** "I urge both my colleagues in the legislature as well as fellow mayors to show their support for the governor's toolkit, which is designed to allow New Jersey's municipalities to operate with better fiscal efficiency. ... Such measures are practical, affording mayors the means to effectively govern." (Deanna Cullen, "UC Mayor Stack urges statewide support for Gov. Christie's 'toolkit,'" [Hudson Reporter](#), 11/15/10)

**Essex County Executive Joseph N. DiVincenzo, Jr.:** "Reforming the binding arbitration system is part of Governor Christie's 'Tool Kit,' which I support. These are important initiatives that counties and municipalities must have to control costs ... Labor costs are our most significant expense and we need to have the ability to manage that more efficiently," he added." ("Essex County Executive DiVincenzo Proposed Assembly Legislation Does Nothing To Reform Binding Arbitration Process," [The County of Essex, NJ Press Release](#), 10/22/2010)

### SICK PAY REFORM SHOULD END THE ABUSIVE PRACTICE OF CASH PAYOUTS FOR SICK DAYS

On December 9, 2010 Governor Christie Conditionally Vetoed Sick Pay Reform legislation and urged the legislature to act quickly on specific improvements to better protect taxpayers and provide even greater budgetary relief to municipalities:

- Phase out the practice of distributing cash payouts for sick days for government employees.
- Suspend supplemental compensation for any employee under indictment for a crime that involves his or her public office, and mandate the forfeiture of any supplemental compensation if convicted.
- Require that sick days and vacation days accrued prior to the effective date of this legislation be used before those days accrued after the effective date.

Nearly a year has now passed and the legislature has failed to take any action on Sick Pay Reform, and appear content to pass the burdensome costs of the current wasteful system along to New Jersey property taxpayers:

<b>\$43 Million</b>	Cost to New Jersey taxpayers in 2010 for Public Employee Sick Leave / Vacation Payouts.
<b>\$825 Million</b>	Accumulated sick and vacation payout liability for municipalities statewide.
<b>\$3.25 Billion</b>	Minimum cost to New Jersey taxpayers of the Democrats' proposed \$7,500 sick pay cap based on the current 434,017 state and local employees.
<b>\$250</b>	Average additional taxes for every property taxpayer in New Jersey.
<b>362</b>	Days of legislative inaction since Governor Christie issued Conditional Veto.

## **REAL CIVIL SERVICE REFORM WILL GIVE MUNICIPALITIES THE FLEXIBILITY THEY NEED TO REIN IN SPENDING**

Rather than pursue real reform to provide local officials with another tool to restrain spending, the legislature passed a special interest approved 'reform' bill that would do nothing to constrain property taxes. Governor Christie conditionally vetoed the bill and called on the legislature to give municipalities the tools they need to control labor costs:

- Towns, counties and school districts must be given the ability to opt-out of the civil service system.
  - Local governments should not be stuck in a system that they adopted decades ago, even if they find their continued participation in civil service to be unnecessarily burdensome and costly.
- Provide municipalities with flexibility to manage their workforces and remove barriers to sharing services.
  - Even the legislature's much-touted Local Unit Alignment, Reorganization and Consolidation Commission found that civil service seniority-protection rules are among the biggest barriers to shared services.
- Local governments need the ability to unilaterally institute temporary layoffs.

In the **306 days** since Governor Christie's Conditional Veto, the legislature has failed to take any action to address what mayors across New Jersey say they need to constrain property taxes.

## **AND THERE ARE OTHER CRITICAL TOOL KIT REFORM BILLS LANGUISHING IN THE LEGISLATURE**

A-1646/S-1781	Directs that one sample ballot shall be delivered to each residence address where at least one resident thereof is registered to vote.
A-2951/S-2174	Eliminate eligibility for State retirement systems for non- government groups and associations.
A-2958/S-2012	Allows gross income tax refunds to be credited against a taxpayer's delinquent local property taxes.
A-2953/S-2024	Permits layoff plans as substitute for employment reconciliation plans for joint meetings or shared service agreements under certain circumstances.
A-2955/S-2135	Employee Discipline Reform. Limits right of appeal of disciplinary action taken by employer against certain public employees.
A-2960/S-2043	Concerns collective negotiations for school employees; repeals law prohibiting school boards from imposing terms and conditions of employment.
A-2961/S-2025	Authorizes executive county superintendent of schools to require implementation of shared services arrangements and to approve school district collective negotiations agreements prior to execution of agreement.
A-2962/S-2027	Concerns collective negotiations for public institutions of higher education.

A-2963/S-2026	Amends State college law to remove certain employees from civil service system and allow boards of trustees to conduct collective bargaining.
A-4348/S-3123	Reforms Accidental Disability benefits system to prevent abuse.
A-2964/S-2172	Authorizes the establishment of probationary periods for non-tenured faculty members at State colleges.
A-3219	Amends State college law to allow boards of trustees to conduct collective bargaining.
A-3220	Amends State college law to remove certain employees from civil service system.