

Public Hearing

before

ASSEMBLY BIPARTISAN LEADERSHIP COMMITTEE

*"Testimony from residents on their ideas of how
State and local government can improve life in the state"*

LOCATION: Committee Room 15
State House Annex
Trenton, New Jersey

DATE: February 2, 2010
3:00 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Louis D. Greenwald
Assemblyman Joseph R. Malone III
Assemblywoman Joan M. Quigley
Assemblyman David P. Rible

ALSO PRESENT:

David J. Rosen
Legislative Budget and Finance Officer
Office of Legislative Services



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Hearing Transcribed by
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(After beginning the public hearing in Committee Room 11, the Committee was divided in thirds and heard testimony in Committee Rooms 11, 15, and 16. The proceedings from each room are recorded in separate transcripts.)

ASSEMBLYMAN GREENWALD: After Deborah Dowdell will be Jon Aneson, with Greenovative Technologies. After Jon will be Anne Coll regarding Common Interest Communities.

D E B O R A H D O W D E L L: Mr. Chairman, members of the Committee, my name is Deborah Dowdell. I'm the President of the New Jersey Restaurant Association.

I'd like to thank you for the opportunity to represent 25,000 eating and drinking establishments employing over 300,000 people in New Jersey.

I view this as a great opportunity to urge the Legislature -- members of the Legislature to do something that I'm not always the biggest fan of -- thinking sometimes it's somewhat cosmetic -- but to please pass an Assembly joint resolution urging members of Congress to immediately deal with the crisis that is facing employers effective in July, which is a \$300 to \$1,000 per employee increase in the -- to cover the insolvent Unemployment Insurance Trust Fund. Frankly, that's the heart and soul of my request to you today.

Just to offer you an example: I sent out a notice to our members for two purposes last week -- to increase their attentiveness to this urgent issue and to ask them to sort of focus on what it would cost them. Restaurants are very labor intensive. A million dollars per year sales-

generating restaurant requires about 40 to 60 people to operate throughout the year. Our members are facing upwards of \$40,000 and \$50,000 increases -- they could wind up being assessed effective July of this year. If we are in jobs-creation mode, I'm telling you, this is not only counter -- this means layoffs. This is urgent.

On behalf of the Restaurant Association, I strongly urge the Legislature to send a message to Congress to deal with the immediate problem, the mid-term solutions, so that we don't get ourselves into this situation in the future.

Thank you very much for the opportunity to express our concern on this most important issue.

ASSEMBLYMAN GREENWALD: Deborah, thank you very much.

Jon Aneson.

J O N A N E S O N: (speaking away from microphone) As, by far, the largest private sector employer in the state--

ASSEMBLYMAN GREENWALD: Red is on, Jon.

Thank you.

MR. ANESON: As, by far, the largest private sector employer in the state, we also have the opportunity to speak to the most voters in the state in a more candid way beyond what the pollsters might see. And the present state of affairs has certainly served to divide the citizenry into self-interest as things have become more difficult across the board.

But if there is one issue that there is most unanimity that we find, it is the area of transparency, which is why this organization has championed it for a long time. But that level of transparency is not quite

what we see in pending legislation or in the discourse in the newspapers. The kind of transparency that those of us who are not elected leaders would like to see, being that it is our money, is not the budget -- It's the spending of our dollars, in real time, on the Internet in a very 21st century way.

As we are the private servants of the state, we are also those charged with dispensing the hospitality and the relief that people need. So to be drawn into areas of conflict-- (malfunction in recording)

A N N E K. C O L L: Good afternoon.

ASSEMBLYMAN GREENWALD: Good afternoon, Anne.

MS. COLL: Thank you for the opportunity to thank Speaker Oliver, and Leader DeCroce, and all of the Assemblymen and women who are gathered here and in the other rooms.

I cannot tell you how happy I am that you are doing this. I would characterize myself as one of the millions of disaffected citizens of the United States. This is going to go a long way to keep -- to turn that around.

So thank you. And please do continue to work in a bipartisan way and listen to us every chance you get.

I have a prepared paper that I will give, but I'm just going to kind of pull out some things.

The major thrust was: We need legislation that particularly would apply to planned real estate developments, particularly those that have been in existence for years. The developers, now, are bound by certain-- Condos have a good bit of statutes, and co-ops. I live in a 30-year-old planned real estate development. I moved there with my husband. We moved in permanently January 2001. I soon became aware that it was

governed by an uneducated, volunteer board of trustees who were dictatorial and unreasonable. Since 2002, I have advocated and testified -- Senator Ron Rice knows me well -- for the legislation.

In my research I have found out that since 1994 -- and then the next year, in '96 -- every single year a piece of legislation has been introduced. Once in my time it got through the Assembly, but that's it. It has never been enacted. And that is one of the things that greatly upsets me. This can't be. This has to change. If you have legislation, and it's in here, you have to act on it. You can't go on just reintroducing it and wasting the employees' efforts and my money, and everybody else's.

I refer you to the Assembly Task Force hearings of 1995 and 1996, and their findings and recommendations which confirm that there are abusive boards of trustees. Mine has been so emblazoned that, what has been done to me, I should be prosecuting them. But I don't have money to go through a lawsuit.

So with that, I want you to look into all legislation. In preparing for today, I have discovered that since this session started, more than 1,000 bills have been filed or prefiled with an accompanying Senate bill, most of them indicating they had been filed last year under a different number. For instance, Martha Gomez had referred to S-1971. It's no longer that. It died at the end of the session. It is now, I believe, A-1446, for the Assembly Bill of Owners' Rights. There are pieces in it I object to, and I would testify when that comes.

Basically I want to say you have to look at that. I will give you the rest of what I have.

ASSEMBLYMAN GREENWALD: Thank you, Anne.

MS. COLL: And thank you so very much for holding the hearings.

ASSEMBLYMAN GREENWALD: Anne, thank you.

MS. COLL: We need someone to hear our voice.

ASSEMBLYMAN GREENWALD: Anne, thank you.

One of the things that we would tell you also is that after the Governor's budget address, as we've done every year-- Mr. Malone, myself, Joan Quigley sit on the Budget Committee, and we hold public hearings. We have at least three around the state. In the last number of years, we've done one after we've responded to the budget.

When you ask if we will continue to do this, we do it ongoing. We hope you'll attend those as well and share with us your thoughts.

MS. COLL: Oh, I attend. I attend the Brick Council meetings every other week; I attend, occasionally, freeholder meetings--

ASSEMBLYMAN GREENWALD: Thank you.

MS. COLL: And I am active, and I am generally informed.

ASSEMBLYMAN GREENWALD: And that goes for all the members here. We hope that you'll join us at the public hearings after the budget as well.

MS. COLL: Absolutely. In fact, you will notice one of the things I'd like to see is mandated that every legislator hold a town hall meeting at least twice a year. I haven't had a legislator of mine hold one since I'm here.

Thank you so very much.

ASSEMBLYMAN GREENWALD: Thank you, Anne.

MS. COLL: And have a good evening.

ASSEMBLYMAN GREENWALD: Thank you for taking the time.

Carmela Silvestri, followed by Michael Billig, followed by Haim Bar-Akiva.

Ms. Silvestri.

C A R M E L A S I L V E S T R I: I am ready to cry. All of you -- I'm honored to be here.

But this is the first type of meeting I've been to at this level. I am a nobody, but I was a teacher, and a counselor, and a principal of two schools when I was working.

But I have had an avocation, which was to get to the bottom of why there are people who are mentally ill and stay in the system for 20, 30, 40 years. I became involved with a person who was in a motor scooter accident who had a kneecap operation. And his doctor (indiscernible) gave him five months worth of morphine. And it's now almost 40 years later. He is a mental patient. That started him on the road.

There is a friend of mine who took her child to a dentist. And the dentist said, "Take two weeks worth of Percocet." And as you know, that can lead to drug addiction. There are more people on pharmaceutical drug addiction than there are people out on the streets with drugs.

I wanted to say I've had 35 years of hands-on research. Research is my bag. And I want to make the general statement that the President's Commission on Mental Health said that the mental health system is in shambles.

And I wanted to bring out the point that millions and billions of dollars can be saved every year if we do the right thing with these people

who have problems, whether they're body problems or "mental" problems. There's no scientific research that says -- there's no brain test, there's no blood test, there's no test that says that a person is a bona fide mental patient.

But I will tell you that in New Jersey we, as taxpayers, have been paying \$100 million to \$500 million a year-- And, for example, one place alone -- which is Greystone Hospital -- at \$146,000 a patient. So when they make \$100 million to \$500 million a year -- and I have it in black and white, and it's one of these folders right here -- it's because they're bringing in sales. They don't refer to the patient as *patients*, they refer to them as *sales*. And not only Greystone makes \$100 million to \$500 million, but Ancora does, for example; Essex County Hospital does, for example; and the list goes on. And who pays for it? We pay for it big time.

And I will tell you that since World War II, when they started using drugs, 100,000 to 149,000 people lose their lives every year because of this primary thrust, which is drug medication, which means that since World War II, 5 million to 7 million people have lost their lives in hospital situations or similar types of situations where they use drug addiction (*sic*).

So I am concerned because every drug has 30 to 2,700 side effects. And the most predominant side effect that they seem to have, other than deteriorating their body toward death with -- especially their liver -- is paranoia. The very drugs that they give them cause the two major illnesses of paranoia and manic depression. And right now I know a patient whose liver is just about gone, which means that his veins could pop any time and bring him to death.

ASSEMBLYMAN GREENWALD: Ms. Silvestri, out of respect to the other people who have to go, you're over time. I was going to ask you, though, if you could maybe just sum up your thoughts for us.

MS. SILVESTRI: Yes. I believe that instead of bringing people for long-term treatment, the government, at the Federal level, wants people to get out-patient care. Once they're in, to get out-patient care -- and that means the parents getting involved or loved ones getting involved, as well as the patients. And I believe that instead of having these people expensively housed for years, they should do what the State said it was going to do under Governor Codey, which was to build housing for them; and how the people pay--

ASSEMBLYMAN GREENWALD: So you're looking for some residential housing for--

MS. SILVESTRI: Yes, because they will pay from their own Social Security \$7,000 to \$14,000 a patient a year, rather than \$100,000 or more a year at our expense.

ASSEMBLYMAN GREENWALD: Thank you.

Ms. Silvestri, do you have any testimony there that you can leave with us? (affirmative response)

It's right here.

Thank you very much.

MS. SILVESTRI: I wish something is done immediately, because there's too much violence going on with it too, as well as the drug effects.

ASSEMBLYMAN GREENWALD: Thank you very much. Thank you for your time.

MS. SILVESTRI: You're welcome.

ASSEMBLYMAN GREENWALD: Michael Billig, followed by Mr. Bar-Akiva, followed by Bea Perry.

MICHAEL BILLIG: Good afternoon.

My name is Michael Billig. I currently live in Lakewood, and I'm just your normal, everyday, average, run-of-the-mill kvetch. I don't really represent any vested interest other than those, perhaps, of the overtaxed citizenry of this state.

What I'd like to do is say thank you for the opportunity to air observations, as well as potential answers, to problems plaguing this state. I crossed the river from New York a quarter century ago to find a better way of life. Sadly, over the past 25 years, I have seen New Jersey go from a state of affluence to a state of effluence. It's no secret that, thanks to the level of crime, fees, fines, taxes, and tolls, New Jersey has become virtually unlivable for the middle class and those who aspire to it.

Obviously, it would take far longer than three minutes to enumerate all of our problems and offer solutions. But let me try to get a few points across. By now it's evident that New Jersey does not have a revenue problem, but rather a spending problem. As such, several at the State level have pushed for the cost savings of consolidation; a worthy idea and one that should be applied to the State's redundancies as well.

If public officials really listen to their citizens, there would be no need for the overpopulation of so many governmental authorities, committees, staffs, and study groups. But being realistic, I don't expect that problem to be reined in overnight. As such, let me touch on just one way to help make the State's operating stream more equitable and evenhanded.

While I came prepared to offer observations about a litany of areas, including fees and tolls, fines and penalties, corruption, and lotteries, I'd like to restrict my remarks just to taxes; in particular, property taxes, also known as the *cruel and inhuman punishment* that's visited upon those who are either brave or foolhardy enough to fiscally tie themselves to the fortunes of New Jersey. On this note, I've prepared some thoughts on the subject that I'd like to leave with you folks today, hopefully for you to read and consider. I do have the handout here with me, hopefully more than enough that you could divide them among yourselves.

In closing, allow me to rework one of the more memorable catchphrases of the previous gubernatorial administration. "Here in New Jersey, pigs don't fly." Too often they retire with fat pensions and bloated benefits, all on the public's dime.

I thank you very much for your time.

ASSEMBLYMAN GREENWALD: Joe Malone and I, who are friends -- representatives of different parties -- have said, I think, what you've said for a long time about the property tax burden. Do you have any recommendations in your handout? Can you just give me--

MR. BILLIG: I do. I've worked out an equation, a formula if you will, and some suggestions.

ASSEMBLYMAN GREENWALD: To get off of the property taxes through consolidation, as well as maybe other sources, to alleviate the burden.

MR. BILLIG: Definitely.

ASSEMBLYMAN GREENWALD: We're going to look at that, sir. And we may be reaching out to you.

MR. BILLIG: Once again, I thank you for your time.

ASSEMBLYMAN GREENWALD: Thank you, Mr. Billig.

Mr. Bar-Akiva.

H A I M B A R - A K I V A: Yes.

ASSEMBLYMAN GREENWALD: Is that correct, sir? Am I saying that properly?

MR. BAR-AKIVA: Yes, you said it the right way.

ASSEMBLYMAN GREENWALD: Oh, thank you.

MR. BAR-AKIVA: Good afternoon, honorable members of this Committee.

My name is Haim Bar-Akiva. I am one of the founding members of the Common-Interest Homeowners--

ASSEMBLYMAN GREENWALD: (indiscernible) (speaking away from microphone)

MR. BAR-AKIVA: I'm sorry, I thought that the microphone--

My name is Haim Bar-Akiva. I am one of the founding members of the Common-Interest Homeowners Coalition.

Exactly 13 years ago, in exactly this type of forum, to exactly this type of bipartisan committee, many homeowners testified about the lack of democratic governance in community associations and the need to protect homeowners living in them. Soon thereafter, a bipartisan task force issued a very good recommendation on how to improve a housing system that is in dire need of reform.

Over the years, members -- a number of bills were introduced by a few good legislators who were more enticed with the idea of doing the right thing than catering to the wishes of greedy lobbying groups.

The bills went nowhere. There simply weren't enough elected officials with strong convictions to change the course of history. So in the meantime, homeowners continue to endure abuses by their boards, corrupt practices by their management companies, and unethical behavior by their attorneys.

So the question now is this: Has anything changed in this branch of government today that should give homeowners hope for a better tomorrow? I do hope so.

Thank you for your time and attention.

ASSEMBLYMAN MALONE: Don't you vote for your trustees?

MR. BAR-AKIVA: Yes, but those, basically, are, if I may say, "rigged elections."

ASSEMBLYMAN MALONE: Okay, so you think the elections are also rigged.

MR. BAR-AKIVA: Because they set up their positions, the board of trustees.

ASSEMBLYMAN MALONE: We've heard from several people, and I just want to thank you for reiterating it again.

Thank you.

ASSEMBLYMAN GREENWALD: Thank you.

Bea Perry.

B E A P E R R Y: Yes.

ASSEMBLYMAN GREENWALD: Ms. Perry will be followed by Elisha Gurfein, who will be followed by Daniel Hogan.

Is Ms. Gurfein in the room?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Mister.

ASSEMBLYMAN GREENWALD: Mr. Gurfein, I apologize.

How about Dan Hogan? (affirmative response)

Go ahead, ma'am.

MS. PERRY: Can you hear me?

ASSEMBLYMAN GREENWALD: Yes.

MS. PERRY: Okay.

My name is Bea Perry, and I'm more than delighted to be here with you all.

I'm telling you the truth about it, this really sets a precedence for the first government that has ever given every citizen an opportunity to speak (indiscernible). And I really appreciate it on behalf of the people who are incapacitated and can not be with us this evening.

One of the points I wanted to bring out--

ASSEMBLYMAN MALONE: Mr. Chair, can I--

ASSEMBLYMAN GREENWALD: Ms. Perry, just hold on one second.

ASSEMBLYMAN MALONE: Look, in all honesty, Chairman Greenwald has done this every year that I have been on the Committee, and he's going to do it again this year. So just so you understand this is a great event tonight. And I have to give a lot of credit to Lou, because we've been doing this for a lot of years, and it's a shame that more people did not know about the hearings that we've had in the past.

MS. PERRY: Well, I guess one of the points is, I used to commute from Trenton, New Jersey, to Washington, D.C., for more than a quarter of a century. So I'm finally here now, and I'm glad to be with you.

I have a point to bring out about refinancing of some of the corporations. I have one of the papers with me to give you an example of what I'm speaking about. And I'm going to make it very brief.

But I believe refinancing, especially when it comes to that Broad Street Bank building right downtown here-- I watch the stock market and how it fluctuates. But when the interest comes down, I think we should consider refinancing, because that way we, as taxpayers -- and I'm a homeowner -- we can all go to the bank smiling. I certainly would love to have a group with me.

Somehow or another there has to be a review. And I appreciate that the Assembly people would come in and go line by line -- which I addressed before the council here several times, and I have tapes to reference what I'm saying -- that we need to go line by line as to how moneys are being spent.

And accountability: We have these contractors who come in -- these *fly-by-nights*, I call some of them -- and all of a sudden, you have a default or something happens. But as taxpayers and residents, we should all be fully kept informed as to how moneys are being spent, especially when it comes to our honest tax dollars.

Another thing that we need to bring out is that we have apartment buildings -- and I went on the Internet to check out -- and I'm going to tell you, City Side Housing is one of the complexes where several fires erupted because people did not listen to what I was saying before they even happened. They had one exit. Who ever heard of an apartment building having one exit, or a house with one exit, to enter in case of an emergency? You can't even get out of the windows because they have bars

on them. Something needs to be addressed to this. We lost several-- People have lost several family members -- lives -- and what have you. It's a safety issue. We need to really address that.

ASSEMBLYMAN GREENWALD: Thank you, ma'am.

MS. PERRY: Another thing we need -- one quickly--

ASSEMBLYMAN GREENWALD: Sure.

MS. PERRY: --is about the trucks. One gentleman spoke on trucks. I'm getting ready to take out a third mortgage on my home. And when they take these shortcuts -- especially coming off Route 1 and New York Avenue, and Olden-- Instead of them sitting at the light like they're supposed to-- I have pictures to prove this. And I said I would go nationwide and worldwide to see what can be done about that.

And that's all I have to say. And I'm looking forward to better times, please.

And like I said, somebody talked with me. And I have the pictures here -- I mean, the letters, rather. And then we can refer on that -- from that point.

And also, one other thing. By being a retired Federal government employee of 42 to 43 years, I saved the taxpayers -- which I have that letter here -- several thousands of dollars. I went smiling to the bank when I got a little raise and I gave to charities to help people who are less fortunate. And that's all I have to say.

Now I want someone to, please, get back with me as soon as possible. And I have the information.

ASSEMBLYMAN GREENWALD: Ms. Perry, we're going to also send some of your testimony over to, I think, the local mayor's office

and the police department. It sounds like some of the issues are local in nature that are affecting you.

MS. PERRY: Well, I certainly appreciate this. And God bless everybody. I'm looking forward to a prosperous new year.

ASSEMBLYMAN GREENWALD: Thank you, ma'am. God bless you. Thank you.

MS. PERRY: It was nice talking with you.

ASSEMBLYMAN GREENWALD: Is it Elisha, Mr. Gurfein.
(affirmative response)

I apologize, sir.

Daniel Hogan.

After Mr. Hogan is Matt Deiner.

E L I S H A G U R F E I N: Thank you for the opportunity to appear before you today.

My name is Elisha Gurfein. My area of expertise is finance. I teach at New York University. I've been a resident of New Jersey since 1975, having relocated from Connecticut, where I was resident for 12 years.

Connecticut has eight counties, but county government was eliminated in 1961 under the leadership of Governor Abraham Ribicoff. He and the state legislature believed that it was an unnecessary and costly layer of government. The various services were assigned to the state government and to the cities and towns. In the 12-year period that I lived in Connecticut, there were never an instance where there was evidence of a lack of government services.

Rhode Island, with five counties, has no county government. Of the 14 counties in Massachusetts, the county government in seven of them have been eliminated.

In New York, there is a movement in Westchester County to eliminate county government.

New Jersey, with 21 counties, should consider the elimination of county government. The citizens are being taxed by Federal, State, and municipal governments. The tax burden, especially in this difficult economic climate, is unreasonable and must be reduced. The duplication of functions where they exist serve no purpose and is of little value as it can be and, in many cases, is provided by the State for municipalities without the substantial costs. There are also numerous sewer authorities and such; they should be consolidated as the costs are extreme. The savings to the taxpayer would be substantial. It is time to give this serious consideration.

There's one more topic I'd like to mention that I didn't write about, and that is the area that I wrote my master's thesis on, and that is the financing of public sector pension funds. By my various calculations over the years living here and observing some of the big mistakes made in handling the State pension fund, it is my belief that unless there is serious reform of the current policies and contracts that exist with the various State employees -- notwithstanding my high regard for most of them -- this State will go bankrupt. You cannot continue this for much longer. The compounding will kill us.

Thanks.

ASSEMBLYMAN GREENWALD: Mr. Hogan.

DANIEL J. HOGAN: Good afternoon.

My name is Daniel Hogan. I'm a small business owner. I've run my business in New Jersey for the last 20 years. I'm a locksmith by trade, but I'm an entrepreneur in my heart, and that's what my passion is.

Last week, during the State of the Union address, the President spoke of the resolve of the American people during tough times. Small business is a prime example of that resolve. Each day entrepreneurs find ways to create opportunities and overcome challenges. The President suggested that we need to provide world-class education for everyone and suggested an emphasis on improving our community colleges. I agree, and would add that we also need to enhance our technical and trade schools as well. And I promise, I didn't know that Mr. Malone was going to be sitting here when I said that. (laughter) For too long, the emphasis on education has been solely on white collar and professional disciplines.

During this time, resources to develop skilled trades and technical personnel have diminished. The demand for these skills in the job market is stronger than ever. Has anyone here tried to get a plumber to their house lately?

There is no silver bullet that, overnight, will create the thousands of jobs that we've lost over the last few years. Small businesses like mine produce jobs on a smaller scale, but these jobs offer long-term, reliable careers.

I'm in the security and life safety industry, and I've identified opportunities in my business plan that will create a significant number of permanent jobs over the next few years.

Small businesses like mine would love to expand. However, the time and financial burden necessary to train employees is beyond the already challenged resources we all have. We need help.

One of the special resources I've relied on has been our small business development centers, or SBDCs. I would like to further suggest that these SBDCs are invaluable and should also be considered for additional investment to expand their role to entrepreneurs.

The Governor stated that he intends to emphasize workforce development, and I believe that a partnership of small business, along with the State, could find ways where the business community could provide the expertise and the State could share the financial burden, and jointly develop skilled training that would result in permanent jobs.

To achieve this long-term success, we need the following: workforce development grants for providing industry-specific skill training, a public voice in a department of workforce development to develop long-term opportunities for small business development, and an emphasis on technical and trade education in our community colleges and schools, and expansion of our SBDC programs for entrepreneurial education.

ASSEMBLYMAN GREENWALD: Mr. Hogan, thank you. Can you sum up?

MR. HOGAN: Yes.

And I'd like to close-- In closing I'd like to suggest that during the President's speech he made the point that he took the job during difficult times, and his intention is to work toward making things better. Our Governor has also taken the job during difficult times to resolve and make things better. No matter what your party affiliation or philosophical

differences are, you have to respect both of these men for taking on this very difficult challenge.

Last year, Richard Branson was interviewed, and he predicted it's the small businesses that are going to get America back on its feet again. These are tough times. But let's draw on the resolve we all have as Americans. And by working together, we will get our State and country back on its feet.

Thank you very much.

ASSEMBLYMAN GREENWALD: Mr. Hogan, how did you utilize the SBDC in your company?

MR. HOGAN: Yes, I do.

ASSEMBLYMAN GREENWALD: How did you utilize them?

MR. HOGAN: I've been utilizing it for business planning and ongoing business planning. In fact, I was just successfully able to secure a line of credit from my community bank with the help of the Rutgers Small Business school (*sic*). So it's an invaluable source of education, because education doesn't stop at school.

ASSEMBLYMAN GREENWALD: There are some excellent people there, and we've fought for funding for them, and to maintain them in the budget over the course of the last decade. They are underfunded. And I think it's important to hear from businesses like yours, because we hear during the budget process from the "lobbyists" that represent them. They share your stories. It's very powerful when we hear from people who are directly using.

I want to thank you for coming today. And I hope that you will come back as the budget process unfolds and not just talk about what

they are doing, but maybe what more we could be doing to grow and expand that. Because it does return revenue to the State by employment and new jobs.

So thank you for being here today.

MR. HOGAN: Thank you, all.

ASSEMBLYMAN GREENWALD: Thank you, sir.

(indiscernible) (speaking away from microphone)

Matt Deiner, followed by Ralph Evangelista, who will be followed by Sondra Greenberg.

Go ahead, sir.

M A T T D E I N E R: Mr. Chairman, I'm here to speak about some of the problems faced today by small manufacturers who call New Jersey home. I own and operate a manufacturing business located in Lakewood.

Not too long ago, New Jersey was known as the manufacturing hub of the country. This is no longer the case. Manufacturers have been leaving the state in droves. Manufacturing jobs are permanent jobs. I offer my employees pensions, health benefits, and 52-weeks-a-year employment. The Assembly, Senate, and governors in the past have seen fit to help the building trades, construction industry, and the unions through the financing of building of schools, hospitals, and other publicly financed projects. Many of these jobs -- albeit good jobs -- are temporary. Manufacturing jobs are permanent.

Unfortunately, most of the material used in these publicly financed projects are purchased from out-of-state manufacturing companies, leaving small manufacturers like myself out in the cold as far as trying to be a supplier -- even to bid on these projects.

I am now in the unfortunate position of having to lay off good people from our facility. Some have been with me for years. The buzzword these days in Washington and in Trenton is *jobs*. There's presently a jobs bill in the Assembly, sponsored -- and this is not a set up, because I have never met you before -- by you.

UNIDENTIFIED MEMBER OF COMMITTEE:
(indiscernible) (speaking away from microphone)

MR. DEINER: And also by you, Assemblywoman Joan Quigley. It's Assembly Bill 1685.

I look at this as a jobs bill. It will help provide manufacturing jobs. The Senate also has something, S-2088. I don't know what it's been-- It doesn't really matter.

UNIDENTIFIED MEMBER OF COMMITTEE:
(indiscernible) (speaking away from microphone)

MR. DEINER: The Assembly is not the problem. But you passed this bill last year by a wide margin.

ASSEMBLYWOMAN QUIGLEY: (indiscernible) (speaking away from microphone)

MR. DEINER: Well, you should--

ASSEMBLYMAN GREENWALD: We've been saying that for years. (laughter)

ASSEMBLYWOMAN QUIGLEY: We appreciate that.
(laughter)

MR. DEINER: You blew the doors off of it. You passed it by a wide margin. Unfortunately, it died in the Senate. This bill has been in the works for years.

I would hope, with the current economic conditions, you would again champion this bill and fast-track its passage.

As an aside -- I could be wrong on this -- I think it's either 44 or 46 other states in the union that already have this legislation and have had it for years -- similar legislation.

ASSEMBLYMAN GREENWALD: You know what, sir? Let me make a recommendation for you, if I can.

MR. DEINER: Yes.

ASSEMBLYMAN GREENWALD: Why don't you call my office tomorrow. I am sure that Assemblywoman Quigley, and myself, and Joe Malone would be willing to reach out to our Senators to see if we could get a Senate sponsor for you on the legislation. Clearly it's had some success in the Assembly. Let's see if we can help you move it in the Senate.

MR. DEINER: That would be great.

ASSEMBLYMAN GREENWALD: Does that take care of it?

MR. DEINER: Yes. I was just going to thank you for your leadership. Let's get on track with getting jobs for manufacturers back on track.

ASSEMBLYMAN GREENWALD: One of my staff will get you my phone number at our office, and we'll make sure that our Senators take a look at it. And we'll make sure that Mr. Malone's office and Assemblywoman Quigley, and myself -- we'll get back to you this week and see if we can get some Senate sponsors for the bill.

MR. DEINER: Good deal.

ASSEMBLYMAN GREENWALD: Okay?

MR. DEINER: Thanks.

ASSEMBLYMAN GREENWALD: Thank you, sir.

Mr. Evangelista.

RALPH J. EVANGELISTA: Good afternoon.

I'm Ralph Evangelista. I'm a CPA, master's in taxation. I'm also a college professor at Monmouth University. I run a business. I have approximately 18 employees.

I just wanted to let you know I hear the screams and cries of my clients. People have moved out of the state because they felt taxes were very high here. They felt that there was no value, and that there was more of a value and it was more of a benefit to move out to other states such as Florida, the Carolinas. They went to Pennsylvania, and they also went to New Mexico. So I've seen people come and go. And even when I plan, I hear them jumping up and down as far as why the taxes are going up.

So I want to cover a couple of areas where-- I've seen the tax go up. I've been practicing for 25 years as a CPA. And one of the areas I noticed is the corporate minimum tax, which used to be \$25 when I began. It is now anywhere between \$500 and \$2,000 per business which, for some people, is very excessive. We had, in our business, an inventor who never had a profit and never sold anything. The product he developed never really took off. So he was in business for five years, and he had to pay \$2,500 worth of taxes -- his minimum tax -- plus an annual reporting fee of \$250. So, for him, it was a lot of money.

I kind of look back at the history of these things -- and why did the taxes actually go up? And I remember when I was sitting at a committee, and there was somebody who stated they studied the top 50 businesses in the state. I'm pretty sure it was based on dollar volume. And

they've said that the 50 largest businesses in this state only paid minimum taxes. So that's the reason they raised it.

So I think for people who are not in the top 50 businesses in the state, I think it's a big burden when they have to pay anywhere between \$500 and \$2,000 as a minimum tax. And the reason why those taxes did come up -- it was called the Alternative Minimum Assessment. And the reason why that came about was because businesses were allocating income out of the state. So I think maybe you can come up with another way to tax businesses who do allocate income out of the state, and not beat on the businesses that are small and really have a tough time paying for this minimum tax.

The other area that I look at--

ASSEMBLYMAN GREENWALD: You're a CPA, sir?

MR. EVANGELISTA: Yes, I am.

ASSEMBLYMAN GREENWALD: Do you have any tax recommendations that other states are using in order to do that, that you could leave with the Committee?

MR. EVANGELISTA: I do not.

ASSEMBLYMAN GREENWALD: Could you send them to us?

MR. EVANGELISTA: Give you some recommendations?

ASSEMBLYMAN GREENWALD: Well, you're an expert as a CPA. I'm not. I'm a lawyer. That's not going to do us any good in tax here. So I mean, if there are some recommendations-- I assume you--

MR. EVANGELISTA: I don't have any here today.

ASSEMBLYMAN GREENWALD: We don't need them today. The idea is to get this dialogue going. So if there's something you might be able to forward to us, we'd love to have it.

MR. EVANGELISTA: Okay.

ASSEMBLYMAN GREENWALD: Okay.

MR. EVANGELISTA: So moving right along here-- Over the years they came up with this licensed professional fee. Now they're charging \$150 for a professional working for a corporation, LLC, or a partnership, which makes New Jersey quite unattractive to professionals, especially those professionals who are not yet established here in the state.

So what is it that the professionals receive for the \$150 they're now paying? We already pay. As a professional, I pay my fee to the State Licensing Board. And now the State is charging an additional \$150 on top of that for what benefit? And I'm sure other professionals see that as well.

Another situation we ran into in dealing with taxation-- Our firm got a phone call from a collection agency. And what they were doing was, they were calling regarding a gross income tax that was withheld from an employee for the second quarter of 2009. There was an overpayment that we had applied from the first quarter that was apparently missed by the State. So no notices were sent by the State. The only notice we received was from a collection agency. And even they called before sending a notice. Many taxpayers may be intimidated and pay when a collection agency calls, even though they don't owe any money to the State.

Another issue is double--

ASSEMBLYMAN GREENWALD: I'm going to ask you to sum up.

MR. EVANGELISTA: Okay. I will.

Double taxation on S Corporations: pay the minimum tax of \$2,000; as well as the New Jersey Gross Income Tax -- so income can flow through to them individually, and pay as high as 10.75 percent.

And the last point I have here is that business losses can only be deducted against like business gains. So in other words, if you have a partnership business loss, you can only deduct against a partnership gain. So I would suggest that we have the businesses losses being able to be deducted against other businesses losses, such as maybe S Corporation losses in addition to partnership losses and gains.

ASSEMBLYMAN GREENWALD: Thank you, sir. Thank you very much.

Mr. Malone.

ASSEMBLYMAN MALONE: When you follow up with the Chairman's request -- if you could put this into sort of a two- or three-page summary of your suggestions so we can take a look at that and maybe act on some of the suggestions you have.

MR. EVANGELISTA: Sure.

ASSEMBLYMAN MALONE: Thank you very much.

ASSEMBLYMAN GREENWALD: Thank you.

Sondra Greenberg.

After Ms. Greenberg is Robin Sims. Is Robin in the room?
(affirmative response) And after Ms. Sims is George Wirth.

Go ahead.

S O N D R A G R E E N B E R G: My name is Sondra Greenberg, and I served as mayor of Englewood for seven years. I wasn't kicked out, but the charter changed, so I had just a three-year second term.

I have worked for the rights of minorities, particularly African-Americans, for 60 years.

I thank you for this chance to get an extremely troubling matter for Englewood before you.

I beseech you, whether by a special legislative act or a generic legislation, to exempt the City of Englewood from any further requirements to build affordable housing, regardless of how many ratables we build. Lee Porter, the Director of Fair Housing Council, wished me well in this presentation. I spoke to her three hours ago. She wants all of you to know that Englewood did its fair share long before any other communities even thought about it.

But they have not been counted. Much of it was before 1980. My neighbor, Byron Baer -- the late Byron Baer -- with whom I worked many years, fought to have our -- recognition of our affordable housing. But somehow it was not done.

But at this point, I would like to say that we -- that the-- My focus is particularly on the public schools and the effect of the continued pressure to build more affordable housing units. We hurt the very children we're trying to serve if we build ratables to pay for an already costly city, and then are required to build more affordable housing.

So what Englewood is caught in is a descending spiral. There is no way that we can build the ratables that we need to pay for health, schools -- which are expensive -- and not have more that we have to do.

So what I would like to say is that we always believed in affordable housing in Englewood, way before the other communities, and we still do. But we want to see all of the communities take their responsibilities. We're very happy that the RCAs have been eliminated. That certainly did not do the efforts of helping the poor very much, I believe.

This is from something gathered by our present Councilperson At-Large, who wanted very much to be here today. Her name is Lynn Algrant. She is the one who took Gordon Johnson's -- Assemblyman Gordon Johnson's place.

ASSEMBLYMAN GREENWALD: Ma'am, I'm going to ask you to sum up if you can.

MS. GREENBERG: Yes. Nearly 10 years before the enactment of fair housing, Englewood built 523 affordable units, an additional 350 units which continue to be occupied under Section 8. Ironically, the bulk of these units do not count toward Englewood's affordable housing requirements because it predates the council in 1980.

Now, in the letter that Ms. Algrant wrote, I would like to point out that -- "Here in Englewood, nearly 58 percent of the students are on free or reduced lunch." Two years ago I got the report from the agriculture department on all the cities that had over 20 percent of the students on free or reduced lunch. And it certainly correlated with test scores, as do ours.

ASSEMBLYMAN GREENWALD: Mayor, can we have a copy of that letter? Can you leave that with us?

MS. GREENBERG: I certainly will.

ASSEMBLYMAN GREENWALD: Mayor, thank you very much.

MS. GREENBERG: You're very welcome.

ASSEMBLYMAN GREENWALD: We appreciate your time.

Mayor, what years were you mayor?

MS. GREENBERG: You want me to tell you?

ASSEMBLYMAN GREENWALD: Yes.

MS. GREENBERG: I was elected in 1975, and again in '82.

ASSEMBLYMAN GREENWALD: Thank you very much.

Robin Sims.

Robin, nice to see you again.

R O B I N S I M S: Hi, nice to see you.

My name is Robin Sims. I'm the President of the New Jersey Coalition of Families; and President of VOR; also a member of Advocates for New Jersey Developmental Center Residents.

I'm going to try to get through my points as quickly as possible, but I wanted to read this quote to you: "For the great enemy of the truth is often not the lie -- deliberate, contrived, and dishonest -- but the myth, persistent, persuasive, and unrealistic. Too often we hold fast to the clichés of our forebears. We subject all facts to a prefabricated set of interpretations. We enjoy the comfort of opinion without the discomfort of thought." And that was said by John F. Kennedy.

How can we help New Jersey? We can know the truth and expose the myth.

I have four myths here that I would like to talk about. One is that -- the most important -- that individuals and their families want them

to leave the developmental centers and move into community waiver settings. Most of the consumers currently targeted for community placement -- this is the truth -- are under the Bureau of Guardianship Services. These guardians have been ordered by the State Division of Developmental Disabilities to recommend placement in the community. The Bureau of Guardianship services' budget and the Bureau itself should be eliminated, and family members -- and perhaps retired social workers, doctors, lawyers, etc. -- be solicited to provide a neutral resource to speak to the clients to determine their ability to understand the issue, and to staff to get an honest assessment as to their appropriateness for giving up ICF/MR services. A recent study, which I will include, from six of the seven developmental center families-- Of those who responded, 96 percent are opposed to community placement for their loved ones.

Myth number two is that the community is cheaper. Most studies have compared apples to oranges. Placement in an ICF/MR requires an active treatment plan with goals and objects that are worked on throughout every day. Our cost comparison study that we'll give you -- which has been peer reviewed and published in the American Association for Individuals (*sic*) with Developmental Disabilities -- was done by two researchers from New Jersey and was updated as late as January 2009. The community is not cheaper when you compare apples to apples.

Community waiver programs, like group homes, are only part of the services that these people need. And room and board in a group home, unlike the ICF/MRs, is not reimbursable. And I have more comments to that, but I will skip that.

DDD is currently spending in their budget millions of dollars in an attempt to move the innocents out. They've contracted an organization to supply transition support coordinators at the rate of no less than \$50,000 per worker. These persons are not social workers, and they are not psychologists, and some do not even have college degrees. They are given free reign to troll the clients medical and personal records looking for victims. They do not ask the family or even the staff prior to doing this. This is not a practice that is done in the community group homes.

Agencies like UMDNJ's School of Public Health and Developmental Disability Planning Institute at NJIT also have very lucrative contracts to produce propaganda to families with loved ones in the developmental centers. This money could and should be used in better ways. NJIT contracts for this year alone are over \$600,000 and provide no direct service to families.

ASSEMBLYMAN GREENWALD: Robin, if I could, because people are waiting, I'm going to ask you to just sum up your thoughts. You know this issue from your heart.

MS. SIMS: Okay. In final thoughts, it is necessary to have a full forensic audit of all DDD records and contracts. There should be an effort made to eliminate spending within this department that does not directly provide services to clients and families across placements. And duplicate services to those already within the Division, that they're providing, should be ended, including outside case management, information and referral database services, and others. It is necessary to eliminate the Bureau of Guardianship Services, which costs the State, I'm sure, millions of dollars, and replace it, as other states have, with

guardianship from the community. This will save the State money and provide a firewall between the Division of Developmental Disabilities and the clients' best interests.

ASSEMBLYMAN GREENWALD: Robin, thank you.

MS. SIMS: I have my full testimony here, along with a packet, and along with a brochure that was done over 10 years ago at the proposed closure of North Princeton.

And just to say -- we need to do a study, because 10 years after the closure, the Division doesn't know where all these people are. The people who are leaving now -- the Division doesn't know where they are. And we are planning a genocide if we intend to go forward without a look back, and an accountability for each and every individual and their dollars.

ASSEMBLYMAN GREENWALD: Mr. Malone.

ASSEMBLYMAN MALONE: I had the opportunity to talk to the Governor yesterday. And one of the issues I did bring up was third-party contracts, and some of the duplication, and some of the efforts we have to make to ensure these contracts are legitimate and that we are not duplicating services and creating excessive administrative costs, so that actual clients can get the services they specifically need.

And I know how adamant Lou is about this. So I think you have a friend.

MS. SIMS: In your packet is the 10-year analysis of the contracts between DDD and the Developmental Disability Planning Institute, with not only the amounts of money, but also the highlights of what they're actually looking for and the propaganda that's inherent in

these contracts. And, again, this year's contract -- year 2008 is the last one, with \$608,000.

ASSEMBLYMAN GREENWALD: Robin, we'd like to get a copy of that, obviously.

MS. SIMS: I have two packets for you.

ASSEMBLYMAN GREENWALD: We'll make sure there are copies made for the members.

You raise legitimate concerns that took place in the past. And the goal going forward is to make sure those atrocities don't happen, that the patients are followed, and that healthcare is improved. If we can't improve the healthcare, then there is no sense to do it. Whatever Federal lawsuit is out there facing the State now would be multiple times worse if it's not done well. So the--

MS. SIMS: The fact is, we don't know where the clients are, and we need to find out. We've lost people. We've asked for a 10-year mortality study. And I urge the Legislature to insist upon that from the Division of Developmental Disabilities. Ted Kastner, who was part of the research on the cost comparison, has volunteered to do that study pro bono.

ASSEMBLYMAN GREENWALD: Okay.

MS. SIMS: It will cost the State nothing.

ASSEMBLYMAN GREENWALD: Robin, if you can make sure that that information is given to our staff.

MS. SIMS: That's all in there. Thank you very much.

ASSEMBLYMAN GREENWALD: Okay.

Mr. Wirth.

GEORGE WIRTH: Yes, thank you for this opportunity.

ASSEMBLYMAN GREENWALD: Mr. Wirth, if I can, you will be followed by -- is there a Billy Ricci in the room? (affirmative response) Billy will be followed by Kim Todd, Kim will be followed by Ann Martinelli. Is Ann in the room? (affirmative response)

Go ahead, sir.

MR. WIRTH: Thank you for this opportunity.

I'm a retired State Corrections officer with over 30 years of State service. I was also a juvenile officer for five years. And there are three legislations past, present, and future that disturb me.

As you can see, I don't have any notes. I've lived it, so I can just talk from the heart, and we'll go on from there.

In the past, we've seen what mandatory minimum sentencing has done to the criminal justice system, especially the prisons. It was supposed to be an end-all be-all, where sentencing was going to be the same, whether it was Hudson County or Hunterdon County. The mandatory minimums were supposed to equalize justice so one judge couldn't give somebody 30 years and another one give somebody three months.

What happened with that was, a little tinkering went on by the Legislature. And they put this real estate clause in there of 1,000 feet of a school zone, 1,000 feet of a daycare center. Well, let's throw a playground in there too. What happened was, this was condensing Essex County into one big criminal zone with mandatory minimums. I went through hundreds of sentencings throughout the state -- Hunterdon County, Warren County, Ocean County. Then you go to Essex County, you go to Hudson County, you go to Bergen. The judges would tell the defendant there for sentencing, "My hands are tied. You have to do this three-year

sentence. You were near a school zone, you were near a daycare center.” But when you did the court trip to Hunterdon County or Warren County, the judge could have a little more leeway. He would say, “Forfeit the automobile, give me two years probation, and a \$5,000 fine.” That defendant walked. I’m not saying it’s good or bad, but it packed our prison system with predominantly people from the cities -- African-Americans. And a lot of them didn’t belong there. And that was bad legislation disguised as good legislation. And I don’t know what the agenda was, but it kept me packed with money. I was making money like there was no tomorrow, because I was working doubles, days off, for years. Most years, Corrections officers who wanted to could make more money than the superintendent year for year. I had a room in one correctional facility right in the middle of the prison where I lived just to work overtime.

Present legislation -- that was the past. My legislator, Bonnie Watson Coleman, had some bills passed last month to rectify some of those situations. I know that.

ASSEMBLYMAN GREENWALD: Mr. Wirth, you’re asking us to look at sentencing guidelines and restrictions within those guidelines that you believe would have a reduction in costs.

MR. WIRTH: Right.

Now we go into the future, and this is the part that still can be, shall we say, *fine-tuned* for an agenda. During Governor McGreevy’s administration, there was one little small piece of--

ASSEMBLYMAN GREENWALD: (indiscernible) (speaking away from microphone)

MR. WIRTH: There was one small piece of legislation that really didn't make any sense. It was in the juvenile system, where a juvenile who was sentenced for an arson charge and got out of the system free and clear of the judges, parole, and everything else -- and his case was supposed to be sealed -- was then legislated against as an adult. If he owned a shotgun, or went hunting, or fishing, the Legislature said, "Hey, we're going to do a little reach-over retaliation on you." It's called *retroactive*. And what they did is they said this, "If you were a juvenile, and your case was closed, and you satisfied everybody, and you're living a great life with no action, no mental health issues you ever had, we're going to tell you, 'If you're found with a gun-- If you have a hunting license, and we see you -- stop you with a shotgun, or if we know you own a gun, or live in a house with a gun, we're going to come and bring you -- and arrest you, and bring you back in the criminal justice system.'" Well, that defeats the whole process of rehabilitation.

We spend, in this state, millions and millions of dollars to rehabilitate somebody. The recidivism rate is 70 percent in this state, somebody said. The good people in the 30 percent -- the last thing in the world they need is legislation to bring them back into the criminal justice system.

And a final point if, I may, or is that it--

ASSEMBLYMAN GREENWALD: (indiscernible) (speaking away from microphone)

MR. WIRTH: Senator Ron Rice -- when I was watching in the Senate -- came to the floor and said, "Right down the street from where I live, an African-American woman was killed. And I looked on the

television, I looked in the *Star-Ledger*. I tried to read what happened, and nothing was mentioned.” How do you look a little further-- When there is a murder in the African-American community -- especially Essex County and Hudson County -- sometimes it doesn’t even make the newspaper. But what is making the paper later is Michael Vick -- the puppy mill in Scranton, Pennsylvania, is being put on the front page of the Trenton papers. The animal rights issue is making a bigger -- can we say -- *media play* than murders are in minority communities. A lot of the times the legislators will respond to that with legislation so they can also ride that media wave -- in other words to try to capitalize it for their own political gain. And this is wrong. Where animal rights -- whether it’s a sheep, a goat, a cat -- is getting more media, and you have senators right now who are crafting legislation to bring penalties for animal rights on par or slightly above some of the minority communities. And that should be looked at.

ASSEMBLYMAN GREENWALD: Mr. Wirth, thank you.

MR. WIRTH: Thank you.

ASSEMBLYMAN GREENWALD: Thank you very much.

Bill Ricci, who will be followed by Kim Todd. Kim will be followed by Ann Martinelli.

BILL RICCI: Good evening, legislators.

My name is Bill Ricci. I’m a Principal Engineer for the New Jersey Department of Transportation, where I’ve been employed for the last 24 years.

I just want to briefly touch upon some examples of our current conditions in the Region North Construction Unit.

As of September 9, 2009, we had 138 consultant employees in our Unit and 78 DOT employees in our Unit. Out of the 78 DOT employees in the Unit, over 45 of those employees are either Res Engineers like myself, or supervising engineers who are fully responsible for managing and executing our construction projects -- responsible for ensuring that the contract is done to plan specifications, ensuring that they're on time, projects are on budget, also ensuring that contractors are in compliance with SBE goals, EEO goals.

Out of the 138 consultants we have, only nine are Res Engineers. Out of those nine, eight are previously retired DOT personnel. This explains what is going on throughout the state briefly in our construction unit, design unit, and inspection units. As of August 2009, in our construction unit, 44 percent of those construction projects were inspected by in-house forces, 56 percent were inspected by consultant forces.

In our Bridge Inspection Unit, 16 percent were done by DOT forces, 84 percent were done by consultant forces. In our design unit, 19 percent of the work was performed by DOT forces, 81 percent of the work was performed by consultant forces. Based on a cost analysis that was prepared by the Division of Budget, Bureau of Program Analysis in 2007 -- which I have in front of me -- which compares in-house costs versus consultant costs-- Based on the summary -- and I don't want to go over it in detail -- if you just take the units of construction inspection, engineering design, bridge inspection -- in 2007 you would save taxpayers \$73 million a year by doing the work in-house. That was based on a TTF program at the time -- \$750 million a year. We are currently at a program of \$1.3 billion a

year. Basically that amount is probably roughly \$140 million a year. We are spending or wasting taxpayer money, is the way I see.

I also--

ASSEMBLYMAN GREENWALD: Mr. Ricci, if I can--

MR. RICCI: Sure.

ASSEMBLYMAN GREENWALD: I think we get the understanding of your concept. With the early retirement that went through, are we staffed enough at DOT to do this? Would we have to hire people?

MR. RICCI: Absolutely.

ASSEMBLYMAN GREENWALD: Absolutely what?

MR. RICCI: Absolutely we would have to hire more DOT forces to realize a tax savings for the citizens of New Jersey.

ASSEMBLYMAN GREENWALD: Okay. So we would have to hire more people.

MR. RICCI: Absolutely.

ASSEMBLYMAN GREENWALD: We keep constantly hearing that we have to downsize State government.

MR. RICCI: That's an inaccurate statement based on the analysis. And I have a 200-page document in front of me that I will leave with you.

ASSEMBLYMAN GREENWALD: You're making a very interesting point that I don't think is made enough, and I think it's a point that needs to be raised. We did the early retirement. We put a hard back-freeze on the early retirement.

MR. RICCI: Assemblyman, basically when you do an early retirement, you're cutting DOT forces. The only way to provide the services is to increase consultant forces, therein increasing the cost to the taxpayers.

ASSEMBLYMAN GREENWALD: Okay.

MR. RICCI: Can I continue?

ASSEMBLYMAN GREENWALD: Can we have a copy of what you have?

MR. RICCI: Sure.

ASSEMBLYMAN GREENWALD: Okay. Thank you.

If you can-- I apologize for interrupting you. I'm going to give you another minute. But if you can, make the points.

MR. RICCI: I'll be quick.

Just in Governor Christie's transition team -- in his report -- the Subcommittee on Transportation also -- on Page 5, paragraph under cost and red tape reduction -- paragraph 2, they indicated the same. The lowest cost, as an objective -- with the lowest cost as an objective, using fully allocated cost analysis, seriously study permitting DOT to increase staff levels, providing service in, i.e., construction inspection, maintenance functions, design and engineering. In-house is more cost-effective than using contracted services. So it's part of Governor Christie's transition team report.

In closing, just through experience -- just to give you a brief example -- I'm a Res Engineer on a project. I have consultant forces working for me. Those consultant forces over the past few years receive 5 percent salary increases per year. Their consultant firms, on top of that,

receive a 7.5 percent increase to their profit and overhead per year, per man.

In closing, I would just like to ask that the legislators basically do the right thing -- and it might be the hard decision. It may not be the most popular decision. But do the right thing. Bring these services back in-house in the Department of Transportation, bring back work to the citizens of the State of New Jersey -- put them back to work. This could all be accomplished with saving taxpayers millions of dollars a year.

Thank you, all. And I will also, at any time, meet with any one of you individuals -- Assemblymen and Assemblywoman -- to discuss these points further. And I will leave you these copies of these studies.

Thank you very much.

ASSEMBLYMAN GREENWALD: Thank you, sir. Thank you very much.

Kim Todd, followed by Ann Martinelli, who will be followed by Monique Wilson.

Is Mr. Boyer still here? (no response)

KIM TODD: Thank you.

On behalf of the New Jersey Association of Community Providers, our Board of Directors, and the 35,000 people with developmental disabilities our agencies support in the community, we thank you for this opportunity to talk.

Our organization provides the essential services and supports for people with developmental disabilities, including group homes, supported living, and a full range of community services.

New Jersey's fiscal climate presents an opportunity to revise our continued costly investment and overreliance on institutional care to better meet the needs of people with developmental disabilities and their families. Due to our continued reliance on institutional care, New Jersey has been unable to provide the essential community services that are needed by the thousands of people sitting on the community services waiting list for decades. Youth transitioning to the adult system have very few opportunities. Their adult lives are compromised by not having the essential community services and supports in the community. We also have aging parents who fear, on a daily basis, the risk of their loved ones being placed in the institutions.

This year, the New Jersey Division of Developmental Disabilities will expend a third of the \$1.3 billion budget to support 2,900 people, or 8 percent of the people, who need the services. There's a lot of debate about whether people need institutional care. I'd like to point out that the assessments that are done for people in institutions are based on Federal guidelines. They are Federal, individual habilitation plans that have very strict guidelines in terms of review for community placement.

In 2008, we spent \$694,723,480 to support these seven institutions while the rest of the nation has transitioned away from institutional care. New Jersey does not have ICF/MRs in the community. And 11 states operate no institutions at all. As you can see, this is a costly sum to provide support for 2,900 people.

In 2008, these services were provided at a cost of \$642 a day, or an annual cost of \$234,434. Each year these costs rise by 9 percent. Today, the daily rate has escalated from \$642 to \$710 a day, or \$259,150

per person annually. Four years from now, based on a 9-percent increase, we will be looking at \$1,000 a day.

Our institutional census is not moving. Last year, the net gain in the community was 12 people. Last year it was 24. The previous year -- at the end of the Olmstead \$50 million, we had a negative 13 person placement in the community. We're putting people in institutions for reasons of the lack of an accessible residences, because you didn't have a \$5,000 ramp. That's a pretty interesting way to segregate somebody and to take away their civil rights.

In addition, New Jersey spends millions of dollars for annual upkeep and capital renovations. I believe the capital improvement plan for the institutions for the next five years is \$80 million, and that's on top of the prior costs.

We believe there is a solution--

ASSEMBLYMAN GREENWALD: Kim, I'm going to ask you, if you can, to summarize those for me.

MS. TODD: I'm getting right there. We believe there is a solution. And I thank Assemblyman Greenwald for hearing us. We have Assembly Bill 1673 and its companion document S-811 in the Legislature. It's proposed, bipartisan legislation to rebalance the DD system. It is based on the successful implementation of strategies of other states. And we believe it provides a responsible plan to provide services to all of the people who need developmental disability services in the community and in the institutions. It is a bill that offers choice.

Much of the conversation is around fear. There have been 140 closures across this nation. There are several states -- I think it's 39 -- that

have closure plans. There's a blueprint, there's a model. Not taking this step will provide New Jersey a situation where you are unable to provide services, really, for anybody. And we will have thousands of people in waiting, thousands of people at risk, and uncontrollable cost at institutions.

Thank you.

ASSEMBLYMAN GREENWALD: Thank you, Ms. Todd.

Ms. Martinelli.

ANN C. MARTINELLI: Good afternoon, everyone.

My name is Ann Martinelli. I am President of Advocates for Alternatives. We are an advocacy group for individuals with developmental disabilities and their family members.

For us, it's very simple: We are all the same. Everyone belongs, everyone has a right to live in the community. We all do. Everyone in this room lives in a community. We do not segregate because someone has a developmental disability. We don't know any family who has said, "I want my loved one to live in a segregated, congregate living arrangement," yet that is what most families have lurking on the horizon if their loved one needed an emergency placement today.

Families who have supported their loved one in the family home, who are waiting for community services and want it in their own community, are one step away from an institution in the event of an emergency, because our State has not kept up with much of the rest of the nation.

Maryland recently closed their last institution. Governor Patric of Massachusetts ordered the closing of four of his state's six institutions over a four-year period. Yet New Jersey continues to talk about it. "We

can't do it," is a common theme. Eleven states in our country have no institutions. The majority of the other 39 have plans to close their institutions. Yet, New Jersey continues to talk about it. If they can figure it out, why can't we?

A-1673 and S-811 are unprecedented. This legislation addresses the looming waiting list that so many families dread. They address the individuals who want to live in a setting that is not an institution. They address the redeployment of staff who currently work in the developmental centers. Finally, they address the New Jersey taxpayer whose hard-earned dollars are poured into institutions with 9 percent unsustainable annual budget increases. A-1672 and S-811 answer the question of: How can we rebalance the DD system and State resources so all will be served equitably? It will end the fear families have of having their loved one placed in an institution because there are not enough community resources. It will put New Jersey into the 21st century and move us where most other states in our country have been for years.

We believe our State can change. We believe the proposed legislation will effect positive change for everyone in New Jersey who has a developmental disability.

I thank you for listening and for acknowledging the rights of our family members to be fully engaged citizens.

Thank you.

ASSEMBLYMAN GREENWALD: Monique.

As Monique is coming forward, is Steven Dovidio in the room?
(affirmative response)

Mr. Dovidio, you're next.

Mark Valli. (affirmative response)

Denise Garner. (affirmative response)

Thank you, Monique. Go ahead.

MONIQUE DUJUE - WILSON: Thank you.

Good afternoon.

I want to thank all of you on behalf of myself and all of the people in New Jersey for giving us this additional opportunity to speak publicly about any issues, concerns, ideas, or fears that we may have.

I remember giving testimony in 2008 to both the Assembly and Senate Budget Appropriations committees about my fear as a mother of a young man transitioning into adult life. Fearful that if my voice was not heard, my son and so many people who have successfully made it through the educational system would not have the supports and services readily available to continue to develop and grow into the independent citizens special education promised us after 21.

I feared the lack of support would impact me as well -- that I may not be able to work, resulting in two lives reflective of so many of us across the State of New Jersey that are denied the opportunity to achieve both personal and economic independence. Isn't that part of the American Dream?

People are waiting to continue education, work, volunteer, to socialize, to retire before they die. People are waiting to live, to have choices about how they live and where they live. We must address the implications of the waiting lists and the severe human consequences it creates. Please do not deny my son and all the people I represent here today the opportunity to have independence and live productive lives.

We do not sit as often as we should -- nor do we have the opportunity, availability, understanding of our employers, and the accessibility -- to sit face-to-face with the very people who make decisions, create policy, manage the system, and create the laws that are supposed to be for the good of. We do not always have the chance to share our stories and our lives. See me and see thousands. Hear me speak about our very different struggles to keep our families together while we all wait, and hear our common struggle. We work hard and live hard each and every day to hold our families together while we wait.

Thank you to the legislators who heard and stood up to do the right thing, the human thing. You supported and sponsored an opportunity plan that is A-1673 and S-811, a plan to rebalance resources to support and promote community living for people with developmental disabilities, a responsive system that has the capacity to provide supports in a timely fashion, a plan that allows opportunity for choice to people who have had so few.

Today, on behalf of all families in New Jersey who love, support, dream, and live each day with a family member with disabilities, I ask that you support and pass A-2673 and S-811 for my son -- and his name is Khary Dominique Wilson, and he is 23 years old -- and all the people with intellectual and developmental disabilities who, too, have names, various ages, and lives to live, and who are all waiting -- people waiting to live. We cannot continue living to wait.

Thank you for hearing me.

ASSEMBLYMAN GREENWALD: Thank you, ma'am. Thank you very much.

Steven Dovidio.

Mr. Dovidio is going to speak about property taxes, outsourcing or selling off State assets.

The next speaker will be Mark Valli.

S T E V E N D O V I D I O: I woke up this morning and heard this on 101.5. I jumped on it real quick, made a phone call. So I'm not even prepared. I'm thinking all in my head of what to say. There's no way I'm going to get it all in three minutes, so I'm going to-- Since I don't have a solution to property taxes, I'm going to debate that.

ASSEMBLYMAN GREENWALD: (indiscernible) (speaking away from microphone)

MR. DOVIDIO: Since I don't have an answer to property taxes, I'm going to--

The outsourcing: how many times have I read in the paper or seen how many outsourced jobs from the State that, to me, I think end up costing the State more money, when I see all the different corruption for, like -- over the past couple of years with OSI, Payco, with taxation, with Parsons, with Transportation. There's one other one I wanted to think up.

Anyway, to me, in the long run it seems like it's not saving the State any money, it's costing them money. I know, right now in the department of Motor Vehicles, they have -- with all the jobs that -- people we need to hire here -- they have 61 people that the State paid from India to come over here -- paid their way, paid for their visas, and are training them on how to do jobs to ship over to India. That boggles my mind. Where is the money saved? It's costing us. At a time where we have a 10-percent unemployment rate, we're bringing in people from another country?

The other issue I have is -- how many times I'm going around and I'm seeing State vehicles. I go over, a lot, to Pennsylvania. That's where my family is from. Every time I go over there I see State vehicles at night and weekends. I go to Bingo on Tuesday night. There's a lady who uses her State vehicle every Tuesday night to go to Bingo. Sunday I went grocery shopping. There was a woman with four kids and another woman loading up groceries in the back of a State vehicle. They're only several instances. We shouldn't have all these State vehicles out there then. Bring them back in and make the people use their own vehicles. That's got to save a heck of a lot of money for the State.

ASSEMBLYMAN GREENWALD: Sir, I would ask you that the next time you see a State vehicle on the weekend, or something like that, why don't you write down the license plate, give our office a call, and let us look into it. Okay?

MR. DOVIDIO: Okay.

ASSEMBLYMAN GREENWALD: Thank you, sir.

Mark, welcome. It's nice to see you again.

Mark will be followed by Denise Garner, who will be followed by Ned Ward. Is Ned in the room? (no response)

Go ahead, Mark.

MARK VALLI: Thank you very much.

I want to thank the Committee for taking the time to hear us out.

My name is Mark Valli. I'm the President and CEO of New Jersey After 3. We're an independent, nonprofit agency. Right now, we're serving children in after school programs in over 110 schools. That's over

12,000 kids statewide in urban, suburban, and rural communities of New Jersey, all in an effort to build a public-private partnership to expand and improve the quality of after-school opportunities for New Jersey's kids.

We're two things when I describe us to people. Number one: We are an evidence-based model. And we can say that because we did a three-year study of our programs that demonstrated real and quantifiable gains in both behavioral and academic gains for children in our programs. We're also-- The second thing we are is, we are a network of 45 nonprofit after-school providers, including Boys and Girls Clubs and YMCAs around the state.

Why is after school worthy of public support? I'll give you two main reasons: number one -- the need and the demand. There's a 2009 poll that says that right now, there are 400,000 kids who, if they had access and opportunity for after-school programs, would sign up today -- and that's by the Afterschool Alliance -- 400,000 children. We know that the public, in general, supports after-school programs by 90 percent, and support public support of after-school programs by 80 percent, and that's all in the same document -- and I have that cited here and I'll give it to you in my packet.

We also know that households have changed: more dual-income households than ever before, more single-family homes than ever before. The workforce has fundamentally changed in the last 30 years, and after-school programs address that major need.

There are also four public benefits to after-school benefits. So when you invest in after school, you get four benefits: You keep kids safe during the most dangerous times -- the hours from 3 to 6 when juvenile

crime triples and kids participate in an adverse behavior. Number 2: You expand student learning time and improve student achievement -- and I have several studies in my packet that I can document for you. You promote positive youth development, and most importantly, you support working families who are in the midst of this global workforce development change.

So why New Jersey After 3? Why are we a good public partner for the State? Number one, evidence and results that we've documented -- our results through our outside evaluation -- we've delivered for the State and delivered for the kids that we serve. Number two, cost efficiency. For example: the State invests in us about \$8 per child per day -- I think that's 2008 or 2009 money. A national study of over 100 after-school programs says the average cost should be about \$22 to \$26 per child, per day. So we're costing the State just about a third of what it really should cost to run an after-school program. And number three, return on investment -- how many programs can say that? Over six years, we've returned over \$35 million in matching revenue that we've been able to leverage with the State funding. That's a 40 percent rate of return. This year alone, we have \$3.5 million in outside investment that supplements the State investment in us. And that's a 76 percent increase in private money over last year.

So I'll wrap up and say that we're addressing three major State priorities, and that we're addressing gang and crime prevention, which I know is very important to the new administration; urban school reform, which is also very important -- we're a national leader on that; and workforce development issues, which I've discussed before.

Thanks again for the opportunity to testify today. I truly

appreciate it.

ASSEMBLYMAN RIBLE: Thank you; there are some questions.

ASSEMBLYMAN GREENWALD: Mark, where do you predominantly serve in the state?

MR. VALLI: We're all over the state; we're in 17 counties. I think we're in 28 school districts. The majority of our programs are in the former Abbotts, but we're also in places like Jackson, New Jersey -- now we're the primary program in all six of the elementary schools, and you wouldn't call that an urban district. We're in Morristown; we're in Mount Olive; in Flanders, which were new to me when we got there. So we're literary all over the State of New Jersey.

ASSEMBLYMAN RIBLE: Just using Jackson and Morristown, for example: It sounds like your program is successful. Do you find, with the after-school activities of soccer and dance and everything else in those communities, do you find that you're having a hard balance there? Or do more people want to come to your programs, instead of the others?

MR. VALLI: Sure; sometimes we'll lose students during a particular sports season, or a child will be pulled out of a program early to be able to participate in those things. So sometimes-- It's up to a parent, really, to decide where their child is going to be. The nice thing about our program is, they're all school-based. They're non-profit run, but they're based in the school. So it takes the burden of transporting children to and from a variety of activities off the shoulders of a lot of parents.

ASSEMBLYMAN RIBLE: All right, great. Thank you.

ASSEMBLYMAN MALONE: What's the average charge to a parent to have their child in the afterschool program?

MR. VALLI: Well, we limit the cost per child of our program -- including the matching funds that our partners provide -- to no more than \$1,500 per child.

ASSEMBLYMAN MALONE: Okay, so the average cost per child would be \$1,500 a year.

MR. VALLI: Well, I said that we limit it to-- Our actual average cost per child is \$1,100.

ASSEMBLYMAN MALONE: \$1,100.

MR. VALLI: So--

ASSEMBLYMAN MALONE: Is there any reduction for a second child, or a third child, or is it all the same?

MR. VALLI: Most of our programs are free. There are-- Many of our programs do charge a parent fee, and all of them will have some sort of sliding scale so that a child who can't afford to pay can participate, no matter what. But many of our programs are free, and the non-profit agency will raise the additional dollars, or the school district will provide the additional dollars, to make sure that that kid has a place to go.

ASSEMBLYMAN MALONE: Okay. Thank you very much.

ASSEMBLYMAN RIBLE: Mark, thank you.

Denise?

D E N I S E G A R N E R: Thank you for the opportunity to testify. My name is Denise Garner, and I am a resident of Jackson Township. And for the last eight years I've been an Environmental Commissioner.

For those years, my responsibility as a Commissioner was to assess all properties that have come into the township. In assessing these properties, I've noticed issues with the overgrowth, the traffic issues, and such. When I'm-- And after today, in listening to all the testimony that you have heard, you're obviously looking for a solution to all of these issues. And what I would like to present to you is a software system which is called *GIS*, and under that will give you the ability to look at all of these areas through geographics. It enables you to assess each of their needs and-- You know, property tax issues, combining services. There was a gentleman early on who was from South Plainfield. His issues were emergency response. And, under this system, it gives you all those types of needed packages. It would also streamline-- I'm losing track here, but what I'm trying to convey is we're trying to cut costs here in the State, and this would give you an ability to streamline and regionalize issues that are very important. There's a big issue in the State where they're duplicating services. I noticed that they have issues with trying to place individuals with disabilities. This would be able to-- At least key areas where they could at least look at it from a perspective of a family -- a five-mile radius -- where they could maybe facilitate these types of housing developments instead of putting them 10 miles or 50 miles away from a family member. Not only that, I mean, it just goes into many areas -- building services, economic development, health services, general information technology. And not only that, assessors, which is another big problem we have here with the taxations that, as property owners, we face -- parks and services and fire and rescue and planning. That's pretty much what I wanted to bring to you.

And, of course, I also want to say, the gentleman that was before me -- not before me, but who sat in this seat -- and talking about offshoring: I've been unemployed for two years. As a highly technical individual -- and I'm up against a lot of these HIBs, which is another issue that the State needs to really look into. I do apply to all the companies; and they are corp-to-corps, and most of these of these corp-to-corps are out of New Jersey or they are outside of the United States. I've had a couple of them ask me to lie on my résumé, which I will not do. I've changed my name, and they've called me, and as soon as they heard that I was a white woman, they instantly did not-- They discriminated against me. So you've got a lot of issues, and I feel that was another issue that I needed to bring forth to you.

ASSEMBLYMAN RIBLE: Thank you for taking the time to come in here today.

MS. GARNER: Not a problem.

ASSEMBLYMAN MALONE: Denise, keep up your good work in Jackson, please.

MS. GARNER: Well, I'm trying to regionalize things through the Metedeconk, too, which is an important issue right now, because we are looking at mass development on the headwaters. And out of that, a lot of issues come out of that: contamination, and so forth. So that also is a tax burden to all the residents of the State.

ASSEMBLYMAN MALONE: Keep in touch.

MS. GARNER: I will; thank you.

ASSEMBLYMAN GREENWALD: Good luck to you too, by the way.

MS. GARNER: Thanks.

ASSEMBLYMAN GREENWALD: Ned Ward, Mr. Ward? Paul Bracy? Mr. Bracy, you're next. John Laezza -- you're after Mr. Bracy, sir.

Go ahead.

N E D W A R D: Thank you, Assemblyman Greenwald, and all of the other Assemblymen.

I, too, am an entrepreneur, and still not retired. I'm in my 50th year, and now on the Township Committee of our community. And we are seeing benefits rising substantially faster than salaries. And we, like many other communities in the State of New Jersey, have a deficit. And I would like to see -- it's a difficult couple of things -- that pensions for public employees become more aligned with the private sector. Right now, it's 20, 25 years and out. And I don't think there's a private company that I could even think of that would allow you to -- well, even retire, but with no pension, or a very reduced one.

Also, with regard to calculating the pension: Right now, many of them are not based on the last year's salary, it's the last year's salary, overtime, sick leave, pay, any other thing that is accumulated -- and it's predicated on -- whether it's 50 percent, or that's probably what many of them are, 50 percent -- it's an inflated figure. And I don't think it's a very accurate figure. Yes, it's very good for that person, but it sure isn't good for the community. And I suspect it goes on at the State level, county level, whatever.

So I would like very much to see that happen. Also, I'd like to see health care become more aligned with the private sector than the public

sector, or -- excuse me, Obamacare -- and I'm not for that at all. But right now, the employees -- they don't have a gold plan, it's a platinum plan. I have never, ever personally had a plan as good as they have today, and I paid for my own plans all these years. I feel that they should have a hard cap -- the company, or the community pay -- I don't have a precise number, but if you were to pick \$10,000 -- over \$10,000 it's the employees for the healthcare. And also, with regard to the healthcare, the co-pay. I would like very much to see that -- right now, there's none. And I've never, ever had a plan that I didn't have a co-pay.

So -- and I'm going to get off the stand here in a second. I heard someone with regard to COAH. The original intent was admirable. People working in a community should be able to live within the community. We have had a vacancy in our "COAH units" for five months. I guess no one just could fill the bill, fit the box, whatever it is. Which I find rather astonishing.

Anyway, I thank you all very much. I've got lots more, but that's a start.

ASSEMBLYMAN GREENWALD: If you could summarize it, sir, and send it to us, we would like to see it. And what town are you on -- council on?

MR. WARD: Harding Township.

ASSEMBLYMAN GREENWALD: Harding Township?

MR. WARD: Morris County.

ASSEMBLYMAN GREENWALD: Now, are you all negotiating your benefits as well, and have you been successful at negotiating some of these ideas in your community?

MR. WARD: Absolutely not.

ASSEMBLYMAN GREENWALD: And why is that?

MR. WARD: Because of the unions. First of all, in regard to the police -- their contract is not up.

ASSEMBLYMAN GREENWALD: Right.

MR. WARD: We would like to-- I mean, we do have choices. We can just let some of them go; and, by the way, we're talking about it, because we're going to close our gap.

ASSEMBLYMAN GREENWALD: Joe, Joan, and I were just in a Budget Committee hearing last week where the League of Municipalities recommended some mayors come in and share with us some of the roadblocks that they are experiencing in this. So we've put together a task force from that Committee to address some of these issues. That's why I'd like you to summarize your comments and send it to us so that we can follow up with that as well.

MR. WARD: I would be very happy to do that.

ASSEMBLYMAN GREENWALD: On your pension issues, sir; it's-- Right now, it's the highest three years of service. What would you recommend -- highest five, highest ten, lifetime average? What do you think?

MR. WARD: Whatever it be, I'd like it to be pure, not with all the bennies thrown in, because that artificially raises it.

ASSEMBLYMAN GREENWALD: Sure.

MR. WARD: And I think that-- And I also, for sure, would like to see them not retire at 20 or 25 years; at 40 or 45 they can be double

dippers, triple dippers. And I don't think that's a very equitable way to do that.

ASSEMBLYMAN GREENWALD: Sir, thank you. Good luck to you.

MR. WARD: Thank you very much.

ASSEMBLYMAN GREENWALD: Mr. Bracy, followed by John Laezza, followed by James Zarzaca.

Make sure your red light is on, sir.

P A U L B R A C Y: It is.

Good afternoon. Paul Bracy, founder of Keep It Real: Appeal APA Now. I thank you for the opportunity today.

I had the privilege in 1971, as an undergraduate student at Trenton State College, to do the field research for the creation of what later became one of the greatest districts of its kind -- under my mentor, Dr. Carmine DeSopo -- which was Burlington County Special Services. He also had the pleasure of serving as an assemblyman--

ASSEMBLYMAN GREENWALD: Yes, he did.

MR. BRACY: --at a later point in time.

The reason Burlington County Special Services was created is to find an outstanding educational environment for students who previously fell under the cracks. I don't have to sell what Burlington County Special Services has done -- it has an international reputation. Here's my problem: I believe -- I've devoted my lifetime to dealing with the most difficult populations -- I believe in the concept of "no child left behind." And I live in a real world. I've devoted my lifetime towards working aggressively and highly successfully with that target population.

New Jersey recently -- as part of the No Child Left Behind -- 10 years ago, was instructed by the Federal government to implement what they called the Alternative Proficiency Assessment as a part of No Child Left Behind. My problem is this: Burlington County Special Services was created for that very purpose, and has done an amazing job. We have evaluations that we've utilized extremely well, prior to the last 10 years. An IEP is based on a thorough evaluation. An IEP is a binding legal document -- it's an Individual Educational Plan. Every three years, that IEP is re-evaluated. The prior Commissioner of Education -- who I believe was not interested in the best interests of the population I'm honored to serve -- decided to come up with another idea. However, given the fact that we have a pretty decent Department of Education, her brainchild was we will outsource the APA program to a company, Pearson -- which is based out of Iowa City, Iowa. So this assessment form, which is actually meaningless because it's based on subjectivity -- any evaluation is based on reliability and validity. You have to be able to prove the results. There's no grey area. The APA, as it existed in the State of New Jersey under the guidance of the prior Commissioner of Education, is purely based on subjectivity. Now, let me present a scenario for you--

ASSEMBLYMAN GREENWALD: So let me ask you this: Tell us what your recommendation is.

MR. BRACY: I'll get right to the recommendations, and I'm hoping there's an opportunity for a follow-up.

The recommendations are as follows -- I'm very serious about this as well.

ASSEMBLYMAN MALONE: (indiscernible)

ASSEMBLYMAN GREENWALD: Mr. Malone's a lifetime educator--

MR. BRACY: I know Bill. And Bill knows Carmine quite well.

ASSEMBLYMAN GREENWALD: Carmine sat next to me in the Legislature.

MR. BRACY: He knows that everything I said is gospel.

Then you know what I'm talking about as well. So let's get to the chase, and let's really end this madness. Here are my recommendations:

Governor Christie, issue an immediate -- like tomorrow -- an immediate cease and desist order, pending a 90-day review of the APA -- one. Two: Furlough all State Department of Education employees assigned to the APA, pending the review. Three -- and this is really what I want to see happen before September of next year, or you will deal with the folly for another year until you change it -- abolish the APA and terminate all Department of Education employees assigned to review the APAs; and insist that all students who cannot take the ASK or high proficiency test, given their handicapped conditions, be evaluated via the use of an Individual Educational Plan, which we now have, and have had, for over the last 30 years. And it's re-evaluated every three years. There is absolutely no reason for the APA as it exists currently and has for the last decade in New Jersey. Taxpayers have wasted millions and millions of dollars. You have an Individual Educational Plan. By adhering to that plan, and by re-evaluating every three years, you are meeting the same needs that the Federal government said we should initiate as a follow-up to No Child Left Behind. I need to share this point, this is a critical point--

ASSEMBLYMAN GREEN: Excuse me, if you can, to sum up.

MR. BRACY: I am.

ASSEMBLYMAN GREENWALD: Okay.

MR. BRACY: Every state in the union has different options. All the Federal government said was come up with an alternate assessment form. Now, if the State of New Jersey, through the Commissioner of Education, was not pleased with what Dr. DeSopo created, and an Individual Educational Plan -- which has been highly successful for my entire educational career, which is over 35 years -- then what they could have done is what the State of Pennsylvania did: targeting this population that I'm addressing and provide them with a 30-minute interview -- videotaped interview -- which included all educators that were relevant, the parent and guardian -- which is basically what you do at an annual IEP review meeting. That would have cost virtually a few pennies, because it's being done in-house using district employees to conduct this assessment.

ASSEMBLYMAN GREENWALD: I noticed that all your notes are handwritten. Is there anything that you can leave with the Committee, in particular these bullet points?

MR. BRACY: I'm hoping I get a call back by the Governor and the Commissioner of Education.

ASSEMBLYMAN GREENWALD: Okay.

MR. BRACY: Now, I have faced three reprimands from administration for pursuing this issue. I lost my Teacher of the Year Award because I dared address this issue. It is time to address this issue now. The APA is a fallacy. It's wasted money that taxpayers have wasted over a decade. I've got to finish this one point.

ASSEMBLYMAN GREENWALD: Paul, I'm going to ask you, because we're being respectful of everyone else here.

MR. BRACY: Okay, I understand. I need to finish this one point.

ASSEMBLYMAN GREENWALD: But I see your passion on this. Just, if you can, make this point. I'd like you to leave the information so that we can turn it over, okay? I have no way to send it to the people that you want unless I've got something.

MR. BRACY: Yes, I understand.

Assume you had a worker who entered the State Department of Education with one purpose -- to evaluate the APA. He has worked in the State Department without a salary increase over 10 years. He started at initial entry salary at \$60,000, plus your benefits package. You have given that person \$600,000 over the last 10 years, plus lucrative benefits, to evaluate a subjective assessment tool.

Joe, you came from education.

ASSEMBLYMAN MALONE: (indiscernible) Where do you live?

MR. BRACY: I live in Mount Holly.

ASSEMBLYMAN MALONE: If you want to come to my office, and you can put whatever you have in writing--

MR. BRACY: I'd be honored.

ASSEMBLYMAN MALONE: And we can type it up for you so the Committee can have it, so we can really get to some of these issues you have. If Assemblyman Cryan was here-- The alternative assessment-- I mean, you're not animated at all compared to the way Joe was. (laughter)

MR. BRACY: Thank you; thank you.

ASSEMBLYMAN MALONE: Just be calm. You've got some friends on this Committee, and we'll get that typed for you, and then we can get it distributed.

MR. BRACY: If you don't do it by September next year--

ASSEMBLYMAN GREENWALD: Mr. Bracy, here's the problem: A lot of what you're saying, we don't deal with everyday -- you do. So I need you to kind of break it down--

MR. BRACY: I know. I'm just going to leave you with this.

ASSEMBLYMAN GREENWALD: Okay.

MR. BRACY: And Joe, I'll get back to you. If you don't do it by September, by the end of this--

ASSEMBLYMAN GREENWALD: We got that message. Then we're going to be another year with it.

MR. BRACY: --the State of New Jersey will have to conduct--

ASSEMBLYMAN GREENWALD: I understand.

MR. BRACY: --another meaningless assessment for another year. How many more millions are you going to lose?

ASSEMBLYMAN GREENWALD: Okay. If you can get it to Joe, then Joe will share it for us with the Committee.

MR. BRACY: I'll be in touch. Thank you for your time.

ASSEMBLYMAN GREENWALD: Thank you.

John?

J O H N F. L A E Z Z A: Thank you.

ASSEMBLYMAN GREENWALD: Okay. John will be followed by James Zarzaca, who will be followed by Nancy Henry. Is

Nancy in the room? (no response) Nancy Henry? Nancy Henry, going once . (laughter) How about Charles Caruso?

C H A R L E S H . C A R U S O: I'm going to be leaving; I don't need my three minutes to talk.

ASSEMBLYMAN GREENWALD: Are you on the same issue, sir? Yes, you are; okay.

MR. CARUSO: I don't have that much to add.

ASSEMBLYMAN GREENWALD: Okay. It's shocking. Paul -- he covered a lot of territory.

MR. CARUSO: He did. Thanks for listening.

ASSEMBLYMAN GREENWALD: Okay; how about Edward Mercer? Mr. Mercer, you'll be after James Zarzaca. And Nancy Henry-- Nancy Henry is not in the room? Okay; thank you.

I'm sorry, sir.

MR. LAEZZA: Thank you, Assemblyman Greenwald. It's been about 39 years since I've been through these hallowed halls as a director of Local Government for the State of New Jersey under Governor Cahill and Governor Byrne. So I've spent many, many of my 58 years in the practice of government finance, government auditing, financial consulting -- both as a State employee, as a local government employment, as a partner in an Ernst & Young accounting firm -- so that local government has been very close to me my entire career.

I come here today basically to try to give you the thought process that's been going through my mind since 1970. The buzzwords you hear today about shared services and consolidation have been going on since 1970. They haven't changed. When the Sales Tax first got involved

in the State of New Jersey, that was going to be the savior of property tax relief -- \$25 million was to distributed to local governments on a formula basis. The second year into that program, the State government decided not to appropriate it for redistribution, but kept it to balance the State budget.

Then the savior came in 1976 -- Governor Byrne passed the income tax. It was my responsibility to write the regulations for the Cap Law -- the original Cap Law. And, once again, that was supposed to be the savior of property tax relief. It didn't happen. The Cap Law was supposed to control how government spending was going on. I probably was the only who opposed each of those types of legislation because the Cap was only going to be a continued increase.

If the Legislature wants shared service or consolidation to happen in the State of New Jersey -- which it should happen -- it will have to be done by a constitutional convention. There are over 350 units of government in the State of New Jersey that have populations under 10,000 people. That's an abomination. There should be no more than 200 to 250 units of government in the State of New Jersey. Likewise, for school systems. The authorities have been run rampant, because that was a way to go circumvent property taxes and come up with user fee revenues. This is a continuum that's going on in the State of New Jersey. Today you heard some academia from New York State telling you that county governments should be eliminated. County governments should be eliminated. In 1974, I did the same thing that gentleman did: wrote my masters thesis in public administration at Rider College on how to eliminate county government. And back in 1974, you could have saved some \$3 billion in savings for

county government. When I think -- that's another constitutional convention that the State may have to get into to make it happen.

Those are the areas of major savings in property tax relief. Property tax rebates are only a salve that's trying to soothe senior citizens and some of low income, and that's a problem that will continue to go on. There are a number of areas such as that.

With regard to the unemployment fund: When you look to local governments, they have school guards, specials -- schools have cafeteria workers who should be seasonal employees, but every July and August they are all taking from the unemployment fund. Every week they're off from -- school is closed, school guards are getting unemployment. If you multiply that by 566 municipalities and 305 (*sic*) school districts, that's a lot of money coming out of the unemployment fund. These are people who have been retired, in most cases, and it's not something that they should be going against.

With regard to the pension system: Once again, that has not been abused by the people who are working in local governments, like tax collectors who have two and three jobs as tax collectors, because they're paying in. It's been abused by the people who have taken these jobs on boards for \$7,500 a year, or \$10,000 a year, and in their final years they get an appointment by somebody to a \$100,000 job -- and whap, they're bilking the pension system.

When Governor Whitman borrowed the money for the pension system, and there was a "holiday" on pension funds for local governments, that was never a holiday for local government; it was a way State government could use their money, because when they gave the holidays to

local governments, the State reduced State aid by like amount. It was not property tax relief, it was monies that the State government used to balance their budget, saying that they weren't raising taxes, but they were putting it on the local governments.

ASSEMBLYMAN GREENWALD: Sir, I'm going to ask you, if you can, to sum up.

MR. LAEZZA: Sure.

To sum up, there are some major sources that have to be better in the State of New Jersey. There can be large reductions in all the departments of government. And the worst part of local government are those communities that have Civil Service. Civil Service has made it a basis that government will fail, because Civil Service is a drag on local government.

Thank you for your time.

ASSEMBLYMAN GREENWALD: Thank you very much.

ASSEMBLYMAN MALONE: Do you have (indiscernible)

MR. LAEZZA: Yes, I did. I gave it.

ASSEMBLYMAN GREENWALD: Thank you.

James Zarzaca?

J A M E S Z A R Z A C A: Ladies and gentlemen of the Assembly. Thank you for holding this forum today, and providing us with the opportunity to speak. My name is James Zarzaca; I am a resident of Willingboro, New Jersey. My father was the first sergeant hired when the Willingboro Police Department was started in 1959. He was a nationally competitive shooter.

I am also a recently retired officer from the same police department. During my years on the police department, I was a firearms instructor, a Remington shotgun armorer, and a Glock master armorer. I mention this so you understand that I have been around firearms extensively my entire life, and now I am coming from a public safety perspective.

I would like to address some pending legislation dealing with firearms and our Second Amendment. I've recently read Assembly Bill 1384, cited as the Citizens Protection Act. I'd like to say kudos to Assemblymen Carroll, and -- I'm going to say it wrong -- Chiappone, and DiMaio, and all the co-sponsors who have introduced this bill. This bill is long overdue and would go a long way towards returning to the citizens of the state the right to protect themselves. I would like to encourage the entire Legislature to pass such a bill with a few changes that I would mention later.

As pointed out in the bill, Article I of the New Jersey Constitution states: All persons are, by nature, free and independent, and have certain natural and unalienable rights, among which are those of enjoying and defending life and liberty; of acquiring and possessing and protecting property; and of pursuing and obtaining safety and happiness. The bill then goes on to list a number of statistics as justification for the need to change the existing legislation. These statistics prove that crime rates are lower and people are safer in areas where law-abiding citizens are allowed to carry weapons.

I would like to point out a few more important statistics to illustrate the need to allow citizens to protect themselves. According to

most recent data released by the FBI and the Uniform Crime Report, there were nearly 1.4 million violent crimes in the U.S. in 2008. Aggravated assaults accounted for 60.4 percent, and robbery for 32 percent of those violent crimes. Nationally, offenders have used firearms in 66.9 percent of all murders; 43.5 percent of robberies; and 21.4 percent of aggravated assaults. New Jersey State Police have also conducted a number of gang surveys -- 2007 was the last one. They reported that street gangs were present in 43 percent of the state's municipalities, which is up 10 percent from the 2004 survey. Sixty-nine percent of all residents in the state reside in a town with a street gang presence. In the southern half of the state, where I happen to live, more than 55 percent of the towns report a gang presence. This is more than double the 25 percent reported in 2004. Most common violent crimes committed by street gangs were assaults, aggravated assaults, robberies, and thefts.

Contrary to what anti-gun proponents would have you believe, police cannot protect you. It's a reactionary job. The crime is committed against you, and you call the police. They show up after the fact; hopefully they can solve the problem and catch the perpetrator. I've arrested dozens of people for crimes including weapons offenses, aggravated assaults, robberies, vehicle thefts -- not a single case was heard in Superior Court. With the exception of one domestic violence assault, every crime I every handled was plea bargained or downgraded by Superior Court. So instead of limiting the rights of citizens, maybe the Legislature needs to spend its time revising court procedures.

ASSEMBLYMAN GREENWALD: (indiscernible) can you summarize (indiscernible)?

MR. ZARZACA: Absolutely. I think they need to-- I like this legislation; they need to simplify it. People should be able to protect themselves. I was going to include that I thought that the main issue -- my point would be, for this new law -- would be to make it so there's less red tape and less backlog with the State Police. I've been waiting two months to get my retired officer's permit to carry, because of the backlog. If they made these permits indefinite, like the firearms ID cards are now -- they're good until you move -- it would eliminate this backlog. It's a simple thing to add into the legislation that's pending, and it's going to eliminate this problem the State Police are having. They obviously they can't handle the amount of paperwork.

Yes sir?

ASSEMBLYMAN RIBLE: As far as your retired permit to carry-- Are you waiting for initial?

MR. ZARZACA: I got that last year. I retired December 1 of last year. So I am waiting just for renewal. It's been over two months now.

ASSEMBLYMAN RIBLE: As you may or may not know, I am a retired police officer, and I have my permit to carry as well. And the turnaround is never-- Within three weeks, I get it, so you may want to double check on that.

MR. ZARZACA: I've been waiting since December 1 again.

UNIDENTIFIED MEMBER OF AUDIENCE: (indiscernible)

ASSEMBLYMAN GREENWALD: He should call his Assemblywoman. (laughter)

ASSEMBLYMAN RIBLE: If you could get his name and number.

MR. ZARZACA: Yes. Yes, I'd like to work with you on that, and try to clear that up with you.

ASSEMBLYMAN RIBLE: As a former retired officer.

Now we're hearing this constantly. It's really permeated throughout government. (indiscernible) probably overloaded on applications. But there may be another way to skin the cat.

MR. ZARZACA: Real quick, I would also like to mention, we still have the assault weapons ban -- you know, the Federal ban has been lifted -- New Jersey is one of the few states that still has theirs. Most of the weapons were never really assault weapons -- they're not automatics, they are semi-automatics. These are weapons that people use in sporting events throughout the country -- three-gun shootouts, they call them, is a very common one for police training. We can't even use them in the state. I can't do it. I have to go-- The last one I went to was last year, I had to drive to Tennessee to compete in a shoot, because I can't have those weapons in the state.

ASSEMBLYMAN RIBLE: I'll follow up with you-- Just one last thing that you should know: There is a county issue with these permits, and every county has to approve the psychological evaluation if there's been-- Because, you know, you have to sign off on the waiver that you've never been to a shrink. The county is responsible for getting that back to the State Police, so maybe -- I live in Monmouth County; maybe Monmouth County is much more efficient, and that's why (indiscernible). But I'll talk to you more in-depth.

MR. ZARZACA: Well, knowing Burlington County, I would not be surprised. Okay, thank you.

ASSEMBLYMAN RIBLE: Thank you. (indiscernible)

ASSEMBLYMAN GREENWALD: Thank you, sir.

Ed Mercer. Ed will be followed by Barry McDonough and Frances McDonough -- I assume you're related? Okay. You don't want to associate with him, is that why you're-- (laughter)

E D W A R D E. M E R C E R: Thank you, Assemblyman Greenwald and members of the Committee.

My name is Edward Mercer. I want to speak to you about energy. I happen to be the State Energy Manager -- manager of Energy Conservation. The reason I'm here is that Sheila Oliver, the Speaker, sponsored a bill that I co-authored about four years ago. It was written into law last January. The bill is A-1185. This is a critical piece of information for any legislator. The reason is, is called *performance contracting*. This has been going on in the private sector for 25 years. I've only been with the State for 11 years. I did this in a private industry. We authored this bill; it is designed to work for school boards, municipalities, county government, and State government.

To this day, one full year later, there has not been one single project at any level that has implemented it. And the reason is: rule making.

At the end of the bill, it charges the Director of the Division of Local Government Services, the Department of Community Affairs, the State Treasurer, the Board of Public Utilities, the Commissioner of Education, and about a half a dozen other people to sit down and make some rules. You think that's ever going to happen? Of course not. Someone needs a way to go back and implement this without all this

onerous talk here about who's going to write the rules. All you need is one DAG to sit down and say, "What do we need here?" Someone from Local Government Services. We all know that the statutes are different: we've got Chapter 18, Chapter 40, Chapter 52. The munis and the school boards themselves don't even know how to bid this kind of work -- they're looking for guidance. I serve on multiple committees on the county level, on the local level, on energy committees. And people are coming to us all the time asking us for help. We have no guidance to give them. All we can tell them is that the law has been passed, but there's no rules.

There are two other recent bills that equally affect the economy in New Jersey. We're talking about hundreds of millions of dollars in jobs. The other two bills are CHP -- Combined Heat and Power -- and District Energy, which was just signed two weeks ago in the lame-duck session -- that's Senate 752. I'm sorry, I don't have the CHP bill number. Those pieces are critical to New Jersey's economy.

I ran the numbers with Joe Sullivan from the Board of Public Utilities, and we are looking at an immediate impact to the State of New Jersey, in construction alone, of \$550 million; thousands of jobs; sales tax on the material; labor tax on the wages.

This is the start of the economic recovery of New Jersey, and it lies in these three energy bills. My fear is that these two latest bills will follow the same path of the A-1185 bill of last year. I come here seeking your support and your help to find a solution to get these bills moving.

ASSEMBLYMAN GREENWALD: Mr. Mercer, when a bill like that is introduced, do you see it in your capacity and weigh in with the legislators?

MR. MERCER: I'm sorry, sir?

ASSEMBLYMAN GREENWALD: When a bill like that is introduced, do you not see it in its introductory form, or do you only see it after it's passed? One of the things that would be helpful-- You know, we hear from different government groups, the departments say, "Well, you can't do it without us, we've got to weigh in."

MR. MERCER: Right, right.

ASSEMBLYMAN GREENWALD: And again, it comes back to-- We don't do it every day. I mean, it would be helpful to us if we heard from someone like you when the bill was introduced to give some insight as to some of the roadblocks that might be in there.

MR. MERCER: The original draft, sir, was strictly a State government bill, because I'm most familiar with Chapter 52, okay? And the idea was to create a model -- and this was during Governor Cody's time--

ASSEMBLYMAN GREENWALD: Right.

MR. MERCER: To create a model that the munis and the school boards could fashion their own bills after. And somehow, when Governor Corzine's administration came in, they got pressure from lobbyists, or whatever, and it all got rolled together.

ASSEMBLYMAN GREENWALD: Again, do you see it when it's introduced, or do you only see it after it's passed?

MR. MERCER: But how do we solve this issue?

ASSEMBLYMAN GREENWALD: Well, now, what we'd like to do is get recommendations from you -- we'll have to do it by amendment -- what we would rather, though, is when a bill is introduced, before it's

passed, is to hear from someone like you with your expertise to be able to address the issue prior to.

ASSEMBLYMAN RIBLE: You know, I think in your case-- You're not unhappy with the bill -- the bills' okay, except for the provisions that require everybody and their grandmother--

ASSEMBLYMAN GREENWALD: Yes, to sign off.

ASSEMBLYMAN RIBLE: --to get together. And I think if the Lieutenant Governor's heading up this task force that has to come back in 90 days to go over these-- Something like you're talking about here should be able to be cleared up relatively simply with an Executive Order just telling all these people "sit down at the table, resolve the issue, and let's move on." And I would urge, maybe to the Chair, just to get a letter pointing out exactly what you've just said, and say, "Look, guys, get off the dime; let's go. We need to move on this so we can produce jobs and move the economy along." I don't think-- It shouldn't be real complicated for the Governor's Office just to get these people who need to get together and say, "Gang, you get together and get it done now. I want it done within 30, 60, 90 days," and that's it. Not to chew on an old rubber boot kind of thing.

MR. MERCER: I'll reach out to you; I'll send the papers to you.

ASSEMBLYMAN GREENWALD: You want to make sure the rest of the members get it. Thank you, sir.

MR. MERCER: Thanks.

ASSEMBLYMAN GREENWALD: Mr. and Mrs. McDonough?

Is there a Richard Dow? Mr. Dow, you can stay seated right now. You'll be after the McDonoughs. And then Greg Speck, okay after these two.

R O B E R T B. M c D O N O U G H: Good evening. I just heard about this Committee meeting this afternoon when my wife called me. And basically, where I'm coming from, it's how can we save New Jersey some money.

Well, I have two concerns regarding how the State could save money. Well, one concern I have is-- I run a small business in the state, and I'm faced with an increase in my workman's compensation taxes -- from what I understand, it will take effect in July -- because the fund is now out of money. And I have read that this could cost my company as much as an additional \$1,000 per employee to help the state revitalize the fund. This will cause me to consider letting go at least half of my employees, because I cannot afford to pay this additional added money over what I am now paying. New Jersey needs to find funds from other sources. I'm a small business; I think we need to maintain small businesses and keep people working.

My next suggestion is that we need to try and get people who have not been convicted of a crime released in a timely manner. I have researched that we incarcerate an inordinate number of people for crimes that could be adjudicated much faster in the courts, thereby saving the need to have these low-level people -- I don't want to call them criminals, yet -- kept in jails at very high, excessive bails. This causes their families to find means, however they can, to try to get them released. I understand that it costs over \$30,000 to keep one person in the county jail -- or more, if they

are then sent to prison. We have people in county jails who have bails in excess of \$650,000 for crimes that do not warrant such a high bail. They sit and wait for the over-burdened court system to eventually put them on a docket for a trial that in many cases would end up with an acquittal. The county jail system, in my mind, is a make-work program that allows the counties to hire people so they have jobs at the expense of the people they are charged to supervise in jails. This is like modern-day slavery, as far as I'm concerned. The state should not be known as a state that puts everyone that makes a mistake or commits a minor crime to keep them in jail for so long. New Jersey could save millions of dollars by not just offering a plea, which then has a person end up in the system, but using the courts to move people through to a faster acquittal. Fine the person, but don't put them in limbo for an extended period of time that costs taxpayers excessive dollars that could be spent on more productive activities for the needs of the people.

I just hope that the new administration can correct the years of problems that we, the people of New Jersey, have now come to face.

And basically, that's all I want to say.

ASSEMBLYMAN GREENWALD: Thank you, Mr. McDonough. What type of small business do you have?

MR. McDONOUGH: I have a-- I'm like the North American affiliate of an Italian manufacturing company -- plastics company. I'm in the pet business; we manufacture various pet products. What we do is, we bring components in from Italy, and then we assemble in a warehouse up in Saddle Brook.

ASSEMBLYMAN GREENWALD: And I understand your unemployment tax issue-- Is there anything you could recommend to us, any taxes or over-burdening regulations that you've seen over the past few years with your business, that you feel that have been just a little too harsh, that have been roadblocks to your business?

MR. McDONOUGH: Well, right now, my payroll is a little over \$1 million a year. It's in excess of \$20,000 a week -- that's with no overtime. And because my business is labor-intensive, if I get a flurry of orders, then we have to have overtime. And, you know, the people I have working for me are-- They've been there for seven, eight, nine, ten years, in some cases. Payroll taxes, I think, are excessive. Sales taxes for products that I have to buy that I'm not tax-exempt for-- I mean, these are all things that enter into what the cost of doing business is in this state.

ASSEMBLYMAN GREENWALD: Okay, great. Any other questions? (no response)

Mr. McDonough, thank you.

F R A N C E S B R A Z M c D O N O U G H: I'm Frances McDonough. I'm a teacher, for over 30 years. I've just heard about this on the radio this morning, and I felt that my husband and I should come to speak. So I'm a little nervous, and I hope I get my point across.

I agree with my husband, of course, about how to save money for New Jersey. I know this is rampant in the whole United States, that we incarcerate so many people and throw people in jail. And I know from personal experience the bails are too high to me, so they sit there, even before they get a trial, or get convicted. It could go on for over a year, which it has. This is burdening the New Jersey taxpayer. The county jails

are overcrowded. There are so many non-violent people thrown in there with violent people, and they get assaulted.

Many of these people -- they're not true criminals, but they have to sit there, because families can't make the bail for them. And they often lose jobs. And when they do come out, they end up going on welfare, which, first of all, we're paying -- the taxpayer -- to keep them in these county jails, and then you lose your job, or you'd lose years of school. You could end up on welfare, and there's the taxpayer again. Inmates, in my mind, are treated as a commodity, where you're not innocent until proven guilty. And the Eighth Amendment about the right to make bail doesn't work. This is costing the state and taxpayers huge amounts of money, and everyone is losing. To me, it seems like it's all politics. And everyone is suffering. Most are forced to take the plea or they have to go to jail -- a trial while in jail, after over a year. And you're not allowed to go on with your life or become a productive citizen, and so it's just costing everyone money.

Also, we have to overhaul the New Jersey prison system, because we have many people in there who suffer from mental disability, or they have an addiction. These are not crimes in and of themselves -- they need help, not punishment. By being put in prison, they're unable to come out and have a productive life, and there's no future or hope for them. It's a crime what's happening, and I've never had an experience with the prison system until not too long ago.

The other issue, which is affecting all the United States again -- and I know it's a very strong issue with some people -- overhauling Megan's Law and the registry. It's too costly, and it's not effective. People who are true child predators know how to come out and hide and do it again. They

do have a lot of people on Megan's Law who are young men, who have had -- either they were lied to by a teenager -- teenagers went looking for them and lied about their age; or they were in a relationship which was very consensual; the girl-- There was no rape, there was no force -- rapists get off easier. Murderers get off easier. You are punishing these people for life, and they didn't even know they were committing a crime. They're not child predators; there was a big difference-- I thought Megan's Law was for child predators. And it wasn't until things happened that I'm finding out there's a lot of people on Megan's Law who are not child predators. And it's hurting the taxpayer, because it's costing a lot -- these people have to go on probation for life. That costs the taxpayer money. And they're punished for life. And the registry-- And these people, most of the people who are caught in this consensual-- Of course, they're going to come out. They're going to be the ones who register all the time. They're going to have a hard time finding a job, or a place to live; but the true ones -- the old men going after kids -- they're not going to register. They're just going to disappear into the woodwork. So you're punishing the wrong people.

ASSEMBLYMAN GREENWALD: Okay.

MS. McDONOUGH: Yes.

ASSEMBLYMAN GREENWALD: Well, you did very well for being nervous.

MS. McDONOUGH: Yes; thank you.

ASSEMBLYMAN GREENWALD: Thank you.

Anything else, or-- Okay. Thank you very much.

Any comments or questions? (no response)

Thank you very much.

Richard Dow? Mr. Dow wants to talk about the property tax crisis. Greg Speck? You're after Mr. Dow, sir.

RICHARD DOW: How are you doing? My name is Richard Dow, I'm from Mount Holly. I've been involved in my local township politics and government, as well as the county, for many years now. And they constantly keep referring me back here to you guys, so here I am.

What I'm here to say is we need to reduce property taxes, and here's how, in my opinion, we need to do it. With the public schools, we need to change our schools' funding from property taxes to income taxes. This would level the field for all students statewide -- north, south, east, west. No longer would the level of education a child in New Jersey receives have anything to do with the wealth of his parents and/or the town he lives in. There would also be cost savings in uniform construction, buying power, and reduction of redundancy in administration. At a minimum, we need to force schools to regionalize -- 616 school systems, some with one or none schools, is not working. School tax amounts to 60 to 70 percent, on average, of the property tax bill. Vouchers and charter schools will help, and should be implemented and continued, but the system in place is not sustainable.

We have to regionalize. We also should be looking at regionalizing services and merging towns -- 566 municipalities, it's not working. With the exception of metro areas, we need to regionalize, to a county level, our police, fire, and ambulance medical services -- 21 counties, 21 police departments, 21 fire departments, 21 ambulance and med services, plus metro departments. At a minimum, we need to regionalize, to a county level, tax collection, assessors, parks and recreation, animal

control. The tax collection assessment on the county level is being looked at, from what I understand due to Mr. Sweeney, in Gloucester County, but it's not moving fast enough. Towns can't individually afford parks and recreational programs in these economic conditions. State/county open space taxes are already being used for parks. If rolled into a county program, that would reduce the cost on the townships immensely.

Animal control is presently done on the local level, sometimes with the police department and, of course, we have the SPCA. Most animals are handed over to the county shelters. By regionalizing, you eliminate the middleman.

Finally, in regionalization you can streamline the system, eliminate redundancy, and clearly organize our emergency services with defined mission definition -- one SWAT division, one marine division, one forensics -- instead of this redundancy that we have where one department ends up just taking over for another department, to another department. Especially when it regards water -- you could have the Camden Police Department pick up a floater. The State comes in and takes it over, and then the Coast Guard could come in and take it over. On the township level, as Governor Christie has commented on recently, the State has to look at the MUA situation -- the MUAs in the towns. They're out of control, as far as what they're paying their people. And the reality is that they should just be another group within the towns' public works.

Lastly is an issue that Governor Christie campaigned on, was COAH. The suggestions I had made, if put in place, folks won't need to flee the cities for the better school systems in the townships. My family has been in this state since the 1600s. As a matter of fact, my great-great-

grandpa's great-great-grandpa's great-great-grandpa and his brother marched into this town on a Christmas battle that everybody knows about. And my family has helped build these cities, and they're falling apart and it breaks our hearts. I've worked here in Trenton for many years, and now I cover Camden -- both are beautiful cities, filled with great buildings, homes, parks, and people who need a hand up maybe, but not a handout. Handouts don't work; long term results are right down the street. We need production jobs back in this state.

And that's all I got.

ASSEMBLYMAN GREENWALD: Thank you.

Greg Speck.

G R E G S P E C K: Hi, there. My name is Greg Speck; I live in Freehold.

Why can't we pump our own gas? Have you judged us all to be so incompetent that we can't manage that simple task ourselves? Maybe if station owners didn't have to hire unnecessary employees, gas would be 30 cents a gallon cheaper.

Why do hairdressers need to be licensed by the State? Is it such a complex and difficult task, that the State has seen fit to inject itself into who can cut a bang? Who can color brown to blonde? Is it really so difficult that you guys need to be involved? The history of this State license, as I understand it, is back in the 1940s and 1950s, when black people started moving up from the South, the black ladies who cut hair-- The white ladies who cut hair didn't take too kindly to the competition from the black ladies who cut hair, so they had this license passed. And, consequently back then, many black folks were functionally illiterate -- they

couldn't pass the test, and they couldn't get the job. So, therefore, they couldn't work, wages remained high, competition remained low.

But illiteracy isn't really that big a problem anymore, so the license exam is superfluous, useless, and burdensome. So why don't you just abolish the thing? I mean, I'm not a hairdresser; it's just an observation. Just abolish the license, and let go anybody who has anything to do with it. Look at all the regulations that strangle us. Look at all the laws that punish us.

Now, frankly, I don't hold this body in too high a regard because as far as I'm concerned, every problem we have in this state -- every one -- begins and ends in Trenton. You're the ones who tax us, you're the ones who spend our money, you're the ones who incur debt in our names. And any look at the budget is a verdict that you've all done a very poor job. Now, you've got, what, an \$8 billion or \$10 billion shortfall in the budget upcoming? And you know working around the margins of the problem is not going to get to fiscal sanity.

So one of the biggest structural expenses is the pension. Now, there's been a lot of articles about the pension, and I've been following it for some time, but it's been so poorly managed by you guys before Corzine took office; for the 10 years before there was Enron-style accounting that was going on, and consequently you're like \$40 billion or \$50 billion in the hole, right; something like that? And you've proven yourselves incompetent with regards to management of the pension, so why not just stop it? I mean, the pension doesn't exist that much, really, in the private sector anymore, so why don't you just say, from this day forward, there are no more pensions. Roll out a 401(k) with a 50-cent on the dollar match,

maybe a little bit more for police, fire, and corrections, and maybe have buy-out packages for anybody who hasn't hit their 10th anniversary as a State employee. Give them back their pension money, plus 10 percent or 15 percent, roll them into a 401(k), and be done with it. And eventually phase out the whole pension, all of it. It just isn't feasible anymore.

You guys have proven that you can't handle it, and you don't want to do this -- it's not what your job description is. I mean, you have an army of people managing the thing, an army of people policing the thing. You could just abolish the whole pension administration, over time, and then there's that many less employees. Now you've got \$8 billion, \$10 billion to close in the hole, and the only way you're going to do that is by being radical -- there's a radical step for you.

Another radical step -- something you guys probably haven't considered -- is higher education. Now, in the 2009 budget, you have \$2.1 billion for higher education -- \$322 million of which was grants. You could withdraw all the State funding for higher education and you could even double the grants. So if you had \$600 million or more that you would give away to state residents to go to the college of their choosing, you could save yourself \$1.5 billion, and you're not even firing anybody, necessarily, because Rutgers and UMDNJ would just become private schools -- which is what they were in 1946, at least Rutgers was -- a private school. You know, it's not in the Constitution that you have to have State schools. I remember some articles, some years ago, about professors at Rutgers working six hours a week and making \$100,000-plus each. And remember your former colleague, now the prisoner -- Wayne Bryant -- who had that comfy little no-show job at UMDNJ. All that kind of stuff ends overnight

when you take the tax money away. Because when people are spending their own money, they do it a lot better. And if they don't, who cares? It's not taxpayer money, and you're not a stakeholder. So extract yourself from higher education.

Now, I know what I'm talking about is radical stuff -- you're going to take away pensions from a heavily unionized state, you'd meet nothing but resistance. But how else are you going to close \$8 billion and \$10 billion? How else do you see doing that?

And health care also is, now and forever, a major expense. And I don't pretend to know everything about it, but one of the things that drives the cost is these mandates, and guaranteed issue that I'm sure you're familiar with. Now, I read to you now from a book called *The Cure: How Capitalism Can Save American Healthcare*, which I gave to my representatives Jennifer Beck, Caroline Casagrande, Declan O'Scanlon; and Chris Smith, for that matter -- Congressman. This you'll find interesting. "In 1994, a New Jersey family policy, with a \$500 deductible and a 20 percent co-pay, cost between \$500 and \$1,000 a month. By January 2002, after the introduction of guaranteed issue, that same policy cost between \$3,000 and \$17,000 a month. It now costs more to buy health insurance in the State of New Jersey than it does to lease a Ferrari. Any time you find out-of-control prices, it's a symptom of a dysfunctional market. And any time you find a dysfunctional market, you will always, and everywhere, find the heavy handed of the state."

So where you pull back from health care and from -- well, specifically health care, pull back on the mandates. Pull back on the guaranteed issue. Where you pull back, the free markets will step up. Now,

we probably all remember here how awful it was for car insurance 10, 15 years ago. Remember the GEICO commercials at the time? Save 15 percent or more, save 15 percent or more, and then at the end it was “everywhere except New Jersey.” Well, now I have GEICO, and we have lots of insurance companies competing for our business. So what happened?

ASSEMBLYMAN GREENWALD: We fixed it.

MR. SPECK: Exactly. There you go.

ASSEMBLYMAN GREENWALD: (indiscernible)

MR. SPECK: Score one in the column.

ASSEMBLYMAN GREENWALD: I sponsored that bill.

MR. SPECK: There you go. Apply the same principles to health care. Now--

ASSEMBLYMAN GREENWALD: We actually did, in New Jersey. We beat the national curve. We dropped our insurance enrollment by 11 percent, while the rest of the country is (indiscernible). Last year we registered 100,000 (indiscernible) without insurance, taking them out of charity care and (indiscernible). Across the state, the taxpayer (indiscernible)

MR. SPECK: Okay. Well, I’m going to leave this book with you. You guys can share it, read it, what have you. There’s a lot of great ideas. The guy who wrote it is a doctor, born and raised in Canada, so he had the whole socialized medicine thing. He became very disillusioned with it, came to America, so he’s got a great perspective. There’s a lot of good ideas here. But \$10 billion is a lot of dollars to close, and you’re not going to close the hole unless you’re radical. And raising the retirement age from

55 to 56, increasing the contributions by half a point -- to the pension, that is -- not going to cut it. You're going to have to take on the unions. And I know a lot of you guys are beholden to the unions for support, and it's politics. But there's no way out.

So good luck to you, and hope you like the book. Thank you.

ASSEMBLYMAN GREENWALD: Okay. Mr. Speck is the last person we have to testify at this point. We're going to take a 15 minute break. There are some people who may still be dwindling in. And then we will come back in about 15 minutes, and see if we have anyone else (indiscernible).

(HEARING CONCLUDED)