

# Public Hearing

102  
10  
4514  
12207

before

## ASSEMBLY STATE GOVERNMENT COMMITTEE

"Establishment of statewide Initiative  
and Referendum in New Jersey"

**LOCATION:** Petit Jury Assembly Room  
Morris County Courthouse  
Morristown, New Jersey

**DATE:** April 2, 1992  
7:45 p.m.

### MEMBERS OF COMMITTEE PRESENT:

Assemblyman Robert J. Martin, Chairman  
Assemblyman John Hartman, Vice-Chairman  
Assemblywoman Virginia Haines  
Assemblyman John E. Rooney  
Assemblyman David C. Russo  
Assemblyman Byron M. Baer



### ALSO PRESENT:

Donald S. Margeson  
Office of Legislative Services  
Aide, Assembly State Government Committee

**New Jersey State Library**

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

April 2, 14 and 23, 1992

Morris County Courthouse  
Washington Street (Rt. 24)  
Morristown, New Jersey

Directions to the Courthouse:

From Rte. 287 Northbound:

Take Exit 31 (South Street exit).  
At end of exit (at traffic light), turn left onto Rte. 24 West.  
Proceed on Rte. 24 to **Morristown Green** (it will lie ahead to the right).  
Turn right (so that Green is on your left), then go 3/4 way around Green.  
After completing passage of third side of Green, turn right onto  
Washington Street (Rte. 24 West). Go to top of hill. At light turn  
right onto High Street. Half way down block is public parking on left.  
Looking back at Washington Street you will see Courthouse. Western  
Avenue is on right of Courthouse. Entry is 1/2 way up Western  
Avenue. Ask directions once inside to Petit Jury Assembly Room.

From Rtes. 10, 46, 80 and 287, all Southbound:

Take Rte. 287 South; exit at **Madison Avenue exit**.  
At top of ramp, bear right on to Rte. 24. Proceed on Rte. 24 to **Morris-  
town Green** and follow above directions.

. . .

Dover Township Municipal Building  
33 Washington Street  
Toms River, New Jersey

Directions to Municipal Building from Garden State Parkway:

Take **Garden State Parkway** and exit at **Exit 82** (Toms River exit).  
Exit will bring you onto Rte. 37 East.  
Continue heading east. At second traffic light make a right which will be  
**Hooper Avenue**.  
Continue on **Hooper Avenue** and at the second traffic light make a right.  
This will be **Washington Street**.  
Continue on **Washington Street**; the **Dover Township Municipal Building**  
will be approximately the sixth building on your left hand side.  
There is meter parking in front of the Municipal Building and there is  
further parking in the back of the Municipal Building.

# TABLE OF CONTENTS

	<u>Page</u>
Senator John H. Dorsey New Jersey Legislative District 25	5
Assembly Speaker Garabed "Chuck" Haytaian New Jersey Legislative District 23	8
Congressman Richard A. Zimmer United States Congressional District 12	11
Senator William E. Schluter New Jersey Legislative District 23	18
Christine Todd Whitman Chairman Committee for An Affordable New Jersey	25
Joseph Steigauf President Morris County Council of Education Associations, Inc. (MCCEA)	32
Larry Haverly Executive Director Taxpayers Political Action Committee (TAXPAC)	35
Thomas Favia President Jersey City Education Association	38
Samuel Perelli State Chairman United Taxpayers of New Jersey	40
Arlene Cusick, R.N. Legislative Chairperson New Jersey State School Nurses Association, and President Essex County School Nurses Association	45
Art Olson Vice-Chairman New Jersey Hands '91	48



## TABLE OF CONTENTS (continued)

	<u>Page</u>
Michael Papaera Joint Passaic Chambers Legislative Council	49
Jerry Tomkiewicz Hudson Coordination Hands Across New Jersey	53
John Budzash Taxpayers Task Force	55
Lee Alan Adlerstein, Esq. United Jewish Federation of Metro West	55
Pat Van Ostenbridge Music Teacher Green Brook School District	64
Barbara Tomkiewicz Hudson Coordination New Jersey Hands '91	66
Yvonne Balcer Jersey City, New Jersey	66
Martha J. Slezak President Morris County Vo-Tech Education Association	73
David T. Brender Registered Voters Organized to Limit Terms, and New Jersey Coalition for Initiative and Referendum	77
Jack Shakoor IGA supermarket owner Boonton, New Jersey	80
Bernard Laufgas Executive Director The Public Watchdog, Inc.	82
Barbara Eames New Jersey School Boards Association	82



## TABLE OF CONTENTS (continued)

	<u>Page</u>
Felix Auer Madison, New Jersey	85
Neal Kramer Madison, New Jersey	87
Ed Szabo Stillwater Township Taxpayers Association	87
Joseph Long President Federation of New Jersey Taxpayers	89
Doreen Ali College Republicans	90
John Ware Taxpayers Political Action Committee (TAXPAC) and United Taxpayers of New Jersey	91
<b>APPENDIX:</b>	
Testimony submitted by Senator William E. Schluter	1x
"States With Petition Voting Rights for Citizens" plus attachments submitted by Larry Haverly	7x
Testimony submitted by Thomas Favia	10x
Testimony submitted by David Muha Vice-President Public Affairs Morris County Chamber of Commerce	16x



TABLE OF CONTENTS (continued)

APPENDIX (continued):

Page

Testimony submitted by  
Bernadine Silver  
Legislative Chairman  
Federation of New Jersey  
Taxpayers, Inc.

18x

mjz: 1-92

\* \* \* \* \*



**ASSEMBLYMAN ROBERT J. MARTIN (Chairman):** If I may have your attention, please, we would like to get started. I apologize for the delay. There were a few minutes where they were trying to set up the machinery so this evening's hearing could be recorded.

I would like to begin by telling you that we are pleased that you could come. Good evening. My name is Bob Martin. I am an Assemblyman from Morris Plains. I represent portions of Morris, Essex, and Passaic Counties from the 26th District. I am Chairman of the Assembly State Government Committee. At this time, I would like to call the hearing to order.

As you know, this is the first of three public hearings that the Assembly State Government Committee will hold on the issue of Initiative and Referendum. The second meeting will be held in Toms River on April 14, at 7:30 p.m., and the third public hearing will be held on April 23 at the Legislative Office Building in Trenton, at 10:00 in the morning. It is my expectation that we will not release a bill until after those public hearings, after we have had a chance to digest what the public testimony is. After that we will take whatever action is deemed appropriate by the Committee.

My purpose in calling these hearings is to provide the opportunity for a full and fair public discussion of I&R, and to allow the members of this Committee to hear the opinions and concerns of those on both sides of the issue. I might point out that I am the only member -- present member of this Committee who sat on the Assembly State Government Committee in 1986, when it was chaired by Congressman Dick Zimmer. At that time, we held hearings and released a bill which was approved by a majority in the Assembly, but which failed to be approved by the Democratic controlled Senate. Although we heard extensive testimony in 1986, it is important now, especially

for the new members of this Committee, that we again have a thorough review of the issue before taking any action.

I ask that the witnesses consider all of the different I&R proposals as being variations on a single theme, and feel free to comment, favorably or unfavorably, on any of the elements of those various proposals, both before the Assembly and before the State Senate.

It is my hope that by the end of these hearings, the Committee will have formed a consensus on an I&R proposal that will be supported by enough members of the Legislature to be placed on the ballot this year. I might point out that to do so, we would have to-- A bill would have to be released by both Houses by a three-fifths majority by the beginning of August.

I believe it is incumbent on this Committee, and on the Legislature as a whole, to provide the voters with the final say on whether a statewide system of I&R should be established in New Jersey. I know that all of you have taken the time and trouble to be here tonight for the opportunity to express your views, so I will try to accommodate everyone who wishes to speak.

I have spoken to several members of the Committee. What I would like to do is try to take testimony until 10:30. After that-- I think we will pretty much try to close it at that point in time. While I reiterate that I want the Committee to have the benefit of as much public input and discussion as possible, I would ask all of those who testify to please be considerate of the speakers who will follow you, and take only as much time as you need to make your opinions known. You might keep 10 minutes as an outside limit, and hopefully five minutes as more of a benchmark, in order to be able to speak your mind on the issue.

With those thoughts in mind, I would ask the Committee members present to introduce themselves before we begin to take

testimony. If I may, I will begin from my right and ask the members of the Assembly to introduce themselves and tell you what legislative district they represent. John?

ASSEMBLYMAN ROONEY: John Rooney, District 39. That is the northeast corner of Bergen County. I have been in the Legislature since 1983, and I have supported every version of I&R since 1983. I chaired the Committee that wrote the last version of the I&R bill. I see my former colleague in the Assembly -- Assemblyman, Senator, and now Congressman -- Dick Zimmer. I applaud him for his early pioneer work, and also John Dorsey, the Senator from this district. I also congratulate him for his early work on I&R.

I believe this is an important issue. I have always supported it, and I will continue to support it. Right now I think the only thing for me to do is to find out which form of I&R is the best form that this Committee should hear.

Thank you, Mr. Chairman. I am glad to be here tonight.

ASSEMBLYMAN MARTIN: Ginny?

ASSEMBLYWOMAN HAINES: Thank you, Mr. Chairman. Virginia Haines from the 10th District, which is the northern part of Ocean County and the southern part of Monmouth.

UNIDENTIFIED SPEAKER FROM AUDIENCE: We can't hear you.

ASSEMBLYWOMAN HAINES: Virginia Haines, from the 10th District, which is the northern part of Ocean County and the southern part of Monmouth County. I am a new Assembly member, having been in office only two months. It is a pleasure for me to be here in Morris County. It was a nice trip up. I just hope the trip is going to be as nice going back, and that the weather is not snowy.

ASSEMBLYMAN MARTIN: John?

ASSEMBLYMAN HARTMAN: My name is John Hartman. I am the Assemblyman from the 15th District, which encompasses the State capital of Trenton, as well as some of the surrounding areas.

ASSEMBLYMAN MARTIN: I might point out that to my right is John Kingston, who is an aide to the Assembly Majority, and to my left is Don Margeson, who is the staffer for the Office of Legislative Services, the Committee aide for the Assembly State Government Committee. Next to him is Sally Welsh Biesty, who is my legislative aide in the 26th District. Next to her is Byron Baer. Byron?

ASSEMBLYMAN BAER: I am the Assemblyman from the 37th District. I have an open mind on the issue of I&R. I think one of the key questions, and one of the key challenges, is whether safeguards can be crafted so that I&R results in a true expression of the public will based on an informed public, rather than the result of which special interests can pour the greatest amount of money in, or how a question can be twisted around so that the public is presented a question in a manner that is not straightforward and where they do not get the necessary information.

There are various questions relating to safeguards that I think are important which the Committee should explore, because this is not just a yes or no question. It is important to go into the details so that we can see that safeguards can be found to truly protect the public and so that we can determine if a provision can be crafted that will result in a true democratic expression of the public will.

ASSEMBLYMAN MARTIN: Byron, will you please introduce your aide?

ASSEMBLYMAN BAER: My aide is Dave Smith, who has served with this Committee for the last two years, and is very knowledgeable on these issues.

ASSEMBLYMAN MARTIN: I might point out that Byron, in the last legislative session, was Chair of the Assembly State Government Committee.

I would like to begin by calling as our first witness the person who, as far as I know, has been the original

proponent of I&R for as long as I have lived in Morris County. Morristown is part of Senator Dorsey's district, so I think it is appropriate both from the fact that this is his district, and he is the most long-standing proponent of I&R, that he speak first on this issue. Senator Dorsey?

**S E N A T O R   J O H N   H.   D O R S E Y:** Thank you very much, Chairman Martin. I, too, remember the last time that we had a public hearing when you were in the Majority in the Assembly. I believe it was in Passaic County at William Paterson College. Congressman -- then Assemblyman -- Zimmer was the Chairman of the Committee and you were the Vice-Chairman before you moved up to be Chairman of the Committee. I remember that after that debate it took about two or three more months, and finally an I&R bill, which was a slight modification, or version, of that which I had originally sponsored, a bill which Assemblyman Zimmer, when he first came to the Legislature, asked if he could sponsor in the Assembly, was finally released to the Senate.

I remember distinctly that several months -- about six or eight months -- after it came to the Assembly, Assemblyman Zimmer worked very hard to get an agreement with then President Russo that he would post the bill. I can remember that Assemblyman Zimmer came to me and he was quite excited. Senator Russo promised him that he was going to post the bill and, indeed, Senator Russo promised him that he was going to support the bill.

Then the day came when the bill was posted. I said to Senator -- then Assemblyman Zimmer, "Are you sure you still have Senator Russo's support?" "Oh, yes, he absolutely promised me." It so happened that Senator Russo posted the bill, but was in California for the Super Bowl, and was not there when the countdown came. So we failed in that instance.

Now we do approach I&R in quite a different circumstance in 1992 than we did in 1987 -- January of '87 --

when it was last before the Senate. We approach it in the context that it was a platform plank of the party in the last election. We approach it this year in the context that last year Senator Lynch, as leader of the Democratic Party in the Senate, advised that he had found "religion" in terms of I&R and suddenly wished to be, as he said, "on an even playing field" in terms of I&R with the Republicans. Then, frankly, to our surprise -- at least those of us who had supported Governor Florio in his State of the State Message on January 15 of this year -- announced that he, too, favored I&R. So perhaps after these many years we have finally reached the point in time when I&R will, indeed, become a reality.

I do not wish to speak long, because I know it is more important for you to hear from the citizens who are here. I understand that the present debate that ranges -- and I also understand from leadership -- that this bill this year will come from your Committee and will come from the Assembly to the Senate for its final vote. The issue now seems to be some concentration in thought as to the issue of the percentage of signatures that should be required.

Now, I want to point out to you, very briefly, historically, that after I&R was first introduced by myself in 1976, and after we had had a number of hearings before the then Senate Judiciary Committee in connection with it in '78 and '79, we made, perhaps, the largest compromise that one could make in terms of a bill. That was that instead of the concept of direct Initiative and Referendum, the context in which the voters simply enlist enough signatures on a petition and the question is listed on the ballot, we arrived at what I would refer to as the New Jersey Experience; i.e., that there would not be direct I&R in New Jersey; that there would, indeed, be an intervening period of time in which the Legislature, itself, would have the opportunity to reflect on a particular measure or petition put forth by the people.

We arrived at this compromise that essentially there was a buffer; essentially then one could not say that there would not be an intervening institution, so that the concept of I&R and the use of it would not be in a helter-skelter fashion and, indeed, one could not say, as a member of the Legislature, "I was elected in a republic form of government representation in which I am to represent, and it is not a pure democracy."

That was a very meaningful concession which I think was made. It was a concession that is built into the bills that I have now sponsored for the last 12 years. It is a concession that is a very significant concession if you think about the process. It is one that I am not unhappy about, because when the debates originally occurred, it was a concept that then bought votes to the concept of I&R on the basis that the Legislature would still play a meaningful role.

Notwithstanding that my party and your party has taken control of the Legislature and is, in fact, doing God's work, I believe there will always be a need for, on behalf of the people, Initiative and Referendum. I believe we have arrived at the proper compromise; namely, indirect Initiative and Referendum, so that the elected representatives will always have the opportunity to consider that which the people petitioned for, and perhaps intervene so that it is not used in the way that the opponents of I&R claim it would be used -- too frequently and in a rather meaningless fashion.

But under those circumstances, and with a system in which we have built in the concept of indirect I&R, I think it is important and I think it is appropriate that the concept of a lower threshold for signatures be utilized, and that there not be grafted into the bill the concept of regional minimum number of signatures, or a minimum number of signatures from every county or from every district.

Having made the basic compromise of having gone from direct to indirect Initiative and Referendum, I believe that is

appropriate justification so that the process which has a circuit breaker in it should be available for the benefit of the people with relative ease. And it certainly would be, in my opinion, a disservice to legislators generally and to the people, if they were to take an I&R bill and craft a mechanism in terms of the number of signatures or in terms of the regional distribution of signatures, etc. to essentially make the process unworkable and infeasible. That simply isn't fair. It is not intellectually honest.

So, having said that, I would urge you to continue your deliberations. I would urge you to move quickly, as we certainly would hope to dispose of this matter by July 1 of this year. I would hope that we could continue the concept of I&R, but make the process usable in a very reasonable way.

Thank you very much, Mr. Chairman. (applause)

ASSEMBLYMAN MARTIN: Thank you, John. I think those of us from Morris County know that Senator Dorsey is the Senate Majority Leader. It is encouraging for those who support the bill that someone in his place is now -- having been so long an advocate, now has an opportunity to provide leadership in the upper House, which has not always been there for this particular legislation.

If I may sort of move the rotation-- We intend to follow a chronological order, but I do see the Speaker of the Assembly, and he has asked for a few minutes to be able to speak at this time. So, with your indulgence, I would like to ask Speaker Chuck Haytaian to address the Committee on I&R. (applause)

**S P E A K E R G A R A B E D "C H U C K" H A Y T A I A N:**  
Assemblymen, thank you very much. Mr. Chairman, Assemblypeople on the Committee: First of all I want to thank you for putting me on. I have been traveling and it has become very difficult getting from one place to another in the State of New Jersey

today, because there are an awful lot of miles I have to take care of and travel over. I do have a--

ASSEMBLYMAN MARTIN: We did promise Assemblywoman Haines that there would be no snow after this hearing, so we will extend the same promise to you.

SPEAKER HAYTAIAN: I was down in her area of the State -- I was down in Eatontown, in Monmouth County -- and it was snowing, but it stopped; it stopped. (laughter) It has gotten warmer and everything is fine.

I do have a prepared statement, and I would like to say just a few words after that.

Before I begin, I want to thank Chairman Bob Martin and the rest of the Committee for undertaking the difficult task of forging a consensus on Initiative and Referendum. My position on Initiative and Referendum has always been clear and forthright. I support giving the citizens of New Jersey the opportunity to have a more direct voice in State government.

Two-and-a-half months ago, when the new Republican Majority assumed control of the Assembly, I made a promise to the people of New Jersey that they would see action on a constitutional amendment granting them the right to Initiative and Referendum. Although I unequivocally support I&R, I was not about to circumvent the democratic process by putting the proposal on a fast track to the Assembly floor, without proper legislative review and without input from the citizens of our State.

The importance of this issue warrants more than a superficial review. Tonight is the first step in a legislative process that I know will ultimately produce an Initiative and Referendum proposal that is sensible and fair. Throughout this process, I suspect many special interest groups will come forward and voice their opposition to I&R because they are worried about giving New Jersey citizens too much say in the affairs of our State. I am certain others will oppose I&R

because they fear it will allow one region of the State to trample on the rights of another. Some opponents will cite the California and Massachusetts experience as a reason for opposing I&R here in New Jersey. Consequently, I also expect to hear from many citizens, citizen groups, and organizations which support I&R, and which want citizens to play a more active role in the formulation of major policy initiatives.

Like any legislative proposal, we will hear many pros and cons about Initiative and Referendum, but that is what the governmental process is all about. I am confident that this Committee will listen to the concerns of all interested parties, and consider them when it begins work on the actual legislation. I believe the time has come to finally enact Initiative and Referendum. The people want it, and they deserve to have it. More importantly, I&R will make certain that the Governor, the Legislature, and the State government adequately address the needs and concerns of the people in the future.

Former politician and diplomat, Chester Bowles, once said, and I quote: "Government is too big and important to be left to the politicians." I don't think I could have said it better. State government should not be an institution dominated by those elected to serve. It should be a partnership with the people. Initiative and Referendum will open up State government to more people and make certain they are never shut out of the legislative process. We must never forget that State government does not belong to the politicians, or to the special interests. It belongs to the people. I am confident that the I&R proposal crafted by this Committee will be in the best interests of every New Jersey citizen and our State government.

Ladies and gentlemen, I applaud this Committee, and its Chairman, Bob Martin, for taking up this proposal within the first three months of this Majority. I know that during

the previous campaign, as well as during the 1986-'87 session, that I&R was on the minds and in the hearts of many people. As I remember it, we passed it in the Assembly, and the vote was 41 to -- whatever. As I remember, there were 40 out of 50 from our side of the aisle voting for the I&R bill in 1986-'87. That's 80 percent. I believe that if we get 80 percent from both sides of the aisle, that this initiative can be on the ballot this year.

I hope you will craft a piece of legislation-- By the way, I lean toward the Franks bill, which is the former Zimmer bill, which I voted for in that '86-'87 session. I believe in I&R. I think its time has come.

Mr. Chairman, thank you very much. (applause)

ASSEMBLYMAN MARTIN: Thank you, Mr. Speaker.

At this time I would like to call the former Chairman of the State Government Committee, now Congressman -- my Congressman, who represents parts of Morris County-- We are a little saddened by the new redistricting, but we are sure that Congressman Zimmer will continue to serve and represent New Jersey. Congressman Zimmer. (applause)

**C O N G R E S S M A N R I C H A R D A. Z I M M E R:**  
Thank you very much, Mr. Chairman. It is good to see so many friends on that side of the table from the Legislature, so many friends from the lobbying community on the other side, and some good citizen activists here this evening.

As John Dorsey said, this has been a long fight, and certainly John deserves credit for making Initiative and Referendum a salient issue in our time. I don't know whether the general public knows that I&R has been debated in this State for nearly 100 years. We had a strong movement in favor of I&R before the first state in the country to adopt it did so -- South Dakota, in 1898. This has been an important issue in this State for that period of time, but I believe that 1992 is

the time when we have our best prospects for enacting I&R in nearly the century that it has been debated in this State.

I believe that is the case for a number of reasons, most of which Senator Dorsey alluded to. We have had overwhelming majorities elected in both Houses on a platform of giving the people the right of Initiative and Referendum. We have had a tax revolt which demanded not just a rollback of taxes, but also, to their credit, the leaders of the tax revolt insisted that we change the system in the process of government by instituting reforms, including Initiative and Referendum. We have seen tremendous numbers of incumbents defeated, many of them in large part because they would not support Initiative and Referendum.

I think the public has made its feelings clear on this. They want I&R; they want it now. And I think, frankly, it is now or never. If we can't get I&R with these majorities in the Legislature pledged to institute it, with the Governor of the other party having endorsed it, with the public sentiment so overwhelming in favor of it, then I don't think it will ever be possible. I think the special interests will have shown that they can block I&R even under the circumstances that are most auspicious for it.

I am glad you are holding hearings to thoroughly investigate and examine this issue, although I think if you compiled all the transcripts of all the hearings we have held on this, going back to when John Dorsey first had his legislation, they would form a stack several feet high. I think you will find, as the previous hearings did, that most of the opposition to I&R is based on theoretical concerns that have proved themselves simply unfounded in practice.

Woodrow Wilson, the great former Governor of New Jersey, opposed Initiative and Referendum when he was a political science professor. He didn't think it was going to work. But when he saw it in action, he realized that the

theoretical concerns were unfounded; that it did work; that you could trust the people to be wise, to be prudent, to be cautious. Once in a while the public makes an error when they vote on Initiative and Referendum, but then again, the public sometimes makes mistakes when they vote for us, their elected officials. I think that is the price of democracy, and I think when you see the paucity of horror stories that the opponents are able to dredge up, and you look behind the facts even in those so-called horror stories, you will see that the public is not swayed reflexively to vote against -- to repeal all taxes. The public has found the ability to reject even the most seductive programs that scared many of the business community and others to death.

The fact is, the public does pay attention. The fact is, the public does think these things over, and ultimately, when they are in doubt, most voters will vote no. Sometimes that is an unfortunate result, but all it does is continue the status quo. So if they have to err, they will err on the side of caution, and err against an initiative, regardless of how much money is spent on its behalf.

I understand that there will be a great deal of discussion about requirements of percentages of signatures and geographical distribution. I agree with Senator Dorsey that the fact that this is an indirect initiative process is an enormous concession. I think it makes the process a sounder one, because it involves the Legislature more intrinsically in the process, but it does make it much more difficult to achieve the objectives for I&R. It delays the process. Passions have a chance to cool. You don't get immediate results, and therefore it makes the process more difficult.

The percentages of signatures that are required under what is now the Franks bill are quite high compared to most of the 23 states and the District of Columbia which currently have the right of Initiative and Referendum. When combined with

the indirect initiative feature and the fairly stringent geographical distribution requirements, it makes it one of the most difficult, if not the most difficult, I&R process to get on the ballot in the entire country.

To make those percentages even higher, or to impose further geographical distribution requirements, such as requiring signatures from every county, or, what's worse, every legislative district, I believe, would take a difficult process and move it to the realm of impossibility in terms of getting the question on the ballot as a practical matter. That is why I certainly oppose any more stringent requirements. I would be much more willing to take less stringent requirements than more stringent requirements, because I do trust the public to make wise decisions, even if a larger number of questions get on the ballot.

That is why if I were still a member of the Legislature and the so-called voter friendly I&R proposal came before me, I would vote yes on it. Obviously I have some pride of authorship in the I&R bill that I once sponsored, and I think those numbers are very good as a final product. But you are going to have people pushing you very hard in the other direction, and I would much rather have a bill with a lower signature requirement and fewer geographical requirements than one with higher requirements, because I&R should be a last resort. It should be difficult to achieve, but it should be possible to achieve. That is the balance I think we have reached, and any tightening up, I think, would make it really an academic exercise, a nullity. The State of Wyoming, for instance, has such difficult requirements that, at least as of 1986, when we had the last round of hearings in the State Government Committee, Wyoming had never had a question qualify for the ballot. I would not want New Jersey to follow that example.

I would be glad to answer any questions.

ASSEMBLYMAN MARTIN: Let me just pose a question, and then I think John Hartman has a question. Dick, I know because I was there at the time, but that product which is now called the "Franks bill" -- ACR No. 1-- That is essentially your bill. When you prepared that final product, that was in the spirit of compromise and was the result of trying to accommodate the concerns of South Jersey and a whole series of other issues that came before the Committee through the testimony at that time, right?

CONGRESSMAN ZIMMER: That is correct. We tried, in good faith, to lean over backwards to address specific concerns that were raised by the opponents. There were concerns about one county, or one region dominating the process. There were concerns about abusing the process for parochial objectives. I think we more than answered them. Some of the provisions I wasn't terribly happy with, but I accepted them in the spirit of compromise.

ASSEMBLYMAN MARTIN: There is a South Jersey proviso in there that requires a certain number of the votes to be borne out of the eight counties in South Jersey, so there could not be something that disproportionately affected them, as well as some language in there that prevents one county from gaining more than 15 percent of the total amount, so it couldn't be just generated from a specific small regional area. Those were part of those compromises.

CONGRESSMAN ZIMMER: Right.

ASSEMBLYMAN MARTIN: I think Assemblyman Hartman has a question.

ASSEMBLYMAN HARTMAN: Actually I was going to mention the 15 percent requirement, but I guess when you are the Chairman you get to ask all the good questions.

CONGRESSMAN ZIMMER: I can elaborate on that a little bit. The 15 percent, I believe, was in the legislation in its original form, and the North/South split was added to it. So

it is really sort of a belt and suspenders. It is a double geographic distribution requirement. Most states have none. Some of the South Jersey legislators were asking for every county to have a say in the petition circulating requirement. I just thought to give one county a veto really could short-circuit the process; could block the entire process. Secondly, it could raise some serious constitutional problems.

ASSEMBLYMAN HARTMAN: Beyond that I would just like to mention that you were in the Assembly, and I am now receiving opposition from well-funded special interest groups. Since you have been doing this for, I guess, 10 years now, I would like to commend you for being so strongly in favor of I&R.

ASSEMBLYMAN MARTIN: Are there any other questions of Congressman Zimmer? (no response) Hearing none, I thank you.

CONGRESSMAN ZIMMER: Thank you very much, Mr. Chairman.

ASSEMBLYMAN BAER: I have one.

ASSEMBLYMAN MARTIN: Oh, one.

ASSEMBLYMAN BAER: I assume, having known you for a long time, Congressman, both in the Legislature and since, and knowing of your interest in this, that you recognize the reality that this is not particularly a partisan issue. There are people on both sides of this in each party, although we heard mention -- heard reference to the legislation not proceeding in '86 when it went over to the Senate. I know you recognize that in the following term, when the Assembly was controlled by the Republicans in the Committee and on the floor, the legislation did not emerge, as well as the fact that in the most recent situation where it failed to come out of Committee, with a vote to remove it from Committee in the Senate. There were people in both parties on both sides of the issue.

I assume you recognize this and want to see bipartisan consideration for the legislation. You are not seeking to make a partisan issue here. Is that correct?

CONGRESSMAN ZIMMER: I do not want it to be a partisan issue. Frankly, I wish it were a little more bipartisan. I do know the most recent vote in the Senate had both parties -- had substantial numbers of both parties voting against considering I&R, but as--

ASSEMBLYMAN BAER: And the problems of it coming out of Committee have been in both.

CONGRESSMAN ZIMMER: That is correct, but as the Speaker pointed out, when the bill came forward under my sponsorship in the Assembly, only one Democrat voted, out of the 41 votes, in favor. I would hope that under the leadership of the Democratic Governor, we will have much better and stronger support from the Democrats this year.

ASSEMBLYMAN BAER: Right, and in the term following the one you mentioned, it did not even get moved out of the Republican-controlled Assembly Committee, nor was it brought to a vote on the Republican-controlled Assembly floor. So I just thought-- You know, I hope we don't spend a lot of time on these partisan aspects tonight, but since it was raised I thought you, in fairness--

CONGRESSMAN ZIMMER: In fairness, the opponents have been on both--

ASSEMBLYMAN BAER: --would want to address that, too, so we could focus on the merit of the issues.

ASSEMBLYMAN MARTIN: If I may interject, I think Mr. Zimmer made his point. I think you made your point. So far, in earlier statements, there really has not been a taint of this being a Republican or a Democratic issue. What we have suggested is that there are some proponents, there are some adversaries. We are going to take all of the testimony and we'll see where it goes. In the past, it has had a checkered history. We'll see now, with a Republican Majority in both the Assembly and in the Senate, where it goes from here.

CONGRESSMAN ZIMMER: I don't think we need to engage in finger pointing. This is a new session of a new Legislature, and I would hope that both parties would march forward on this important reform.

ASSEMBLYMAN MARTIN: Thank you, Congressman Zimmer.

CONGRESSMAN ZIMMER: Thank you. (applause)

ASSEMBLYMAN MARTIN: I would like to call Senator Schluter, and after him, Christine Todd Whitman. Senator Schluter, from-- Is it the 23rd District?

SENATOR WILLIAM E. SCHLUTER: Yes, the 23rd District.

ASSEMBLYMAN MARTIN: I would also like to point out that Assemblyman Dave Russo has joined us. Dave, maybe you could just introduce yourself and tell the audience where you are from.

ASSEMBLYMAN RUSSO: I am an Assemblyman from the 40th District, which is northwest Bergen County and a portion of Passaic County. I am happy to be here.

ASSEMBLYMAN MARTIN: Senator Schluter?

SENATOR SCHLUTER: Thank you, Assemblyman Martin.

Members of the Committee, I am here to speak in opposition to I&R, but before I go ahead with my prepared text -- and you all have copies of that; I will not cover everything, I will just highlight it -- I do want to take exception to what has been said -- and I do it respectfully -- by the Speaker and others, that the opponents of I&R are lobbies and regional interests. I think there are many opponents, and I include myself among them, who are genuinely opposed to I&R because they believe, as a political science situation, that it is not good for government. And that is where I classify myself.

I am opposed to I&R for a number of reasons. I see little redeeming value in I&R. I think it is a cruel hoax which will raise the expectations of New Jersey citizens,

without any chance of producing consistent beneficial results. I want to explain by a series of nine observations and arguments:

Under I&R, the State agenda and policy will, to a large extent, be set by pressure groups, demagogues, and consultants. I&R issues will be simplistic and emotional.

Now, accountability is the cornerstone of good government, in my mind, and there is virtually no accountability from those nonelected interest groups and others who are involved in I&R.

Next, money -- big money -- will be the catalyst that drives I&R. This money will go to the political consultants who will manage the I&R campaigns. I can give you, contrary to the previous testimony, a number of horror stories involving big money. Incidentally, I will be happy to answer any questions you might have after I get through. The situation in California has shown that more money is spent each year in the campaigns of I&R ballot questions than in all other political and candidate campaigns combined.

Number three, I&R leads to government by pandering. Legislators will have even less reason to make tough decisions when they have the excuse: "Let's have the voters decide." We will not make the decisions ourselves. Wording of ballot questions can become very difficult because of the impreciseness of the English language, and we have seen this.

Experience has shown that I&R countercampaigns, and the countercampaign strategy, are often mounted by interest groups to defeat I&R, to get a distorted result.

Next, number four, I&R will divert attention away from the remaining 95 percent of the issues that the Legislature takes up. While the press and the public are focusing on some of the emotional issues being considered for referendum, scores of important bills will be passed by the Legislature without adequate analysis, review, and public attention. In my

opinion, with I&R as a part of our system, clever lobbyists will have a field day in passing special interest laws through normal legislative channels, because less attention will be paid to these areas.

Number five -- and I disagree with the former speakers here, respectfully -- there is no such thing as limited I&R, or indirect I&R. The subject matter of I&R cannot be limited because the very proposals advanced for I&R contain provisions to amend the process by statute and constitutional amendment. I will qualify that by saying, if you do advance a proposal that says that no constitutional amendment can be advanced by I&R, there would be a limitation, but I do not think that is a possibility, from what I have heard.

ASSEMBLYMAN MARTIN: That is under consideration, at least by me.

SENATOR SCHLUTER: Thank you. There will be a six-month waiting period, or a period of time where an I&R petition gets before the Legislature, and the Legislature has six months -- or whatever period of time -- to consider offering legislation to address that particular issue. What makes you think that the Legislature will introduce legislation for that particular issue, when the reason it is on the ballot, or the reason the petition got signed in the first place, was because there wasn't enough support in the Legislature to do it by themselves? The easy out for legislators will be, "Well, we are not going to take a stand. We'll let the public decide through a referendum."

Number six, and I think this is very, very important, and it is a difficult one because political parties are not very popular. But I believe that I&R will put one of the final nails in the coffin of political parties in New Jersey. Political parties do need reforming, but they have served a very essential purpose in government in New Jersey and in the United States. Political parties help to develop a consensus

on issues. They serve to bring together a body of ideas which are associated with their candidates. Political parties can influence elected officials, in a good sense, in carrying out public policy.

Under I&R, a political party would merely be a flag of convenience used to get a candidate on the ballot and elected. There are many reasons for the demise of the political parties: the media, the lack of volunteers, the fact that legislative leadership PACs have become so strong.

Number seven, yes, there are problems with our government process in New Jersey leading to frustration and various agonizing concerns of the public. But I&R will not necessarily correct these failings; rather, we need comprehensive reform of campaign finance and election and conflict of interest laws. I share Congressman Zimmer's efforts in these directions. I think the case for these reforms has been well-documented.

Next, the supporters of I&R argue that big lobbies in Trenton oppose I&R and all lobbies are bad; therefore, I&R is good. I do not agree with that philosophy. The lobbies in Trenton, as we legislators understand, can give us a lot of good information. They serve a very useful purpose. We have: the New Jersey Farm Bureau, the education groups, the business groups, and a number of those organizations which sincerely believe that if I&R comes to New Jersey there will be chaos in the legislative process. We have other individuals, like former Senator Raymond Bateman, former Assemblyman Al Burstein, and others, who oppose I&R, and they certainly are not tools of the special interests.

Finally, our system of government has been very successful because it is based on a fundamental premise of due process. Due process means consensus building, analysis, public input. Under I&R, in my opinion, you can toss due process out the window.

These are the reasons why I oppose I&R. Our system of government must be based on the power of our ideas and the commitment of our elected officials.

Thank you very much. (applause)

ASSEMBLYMAN MARTIN: Senator Schluter -- then Assemblyman Schluter -- also served on the Assembly State Government Committee with me at some point in time, with Assemblyman Baer. I forget where we all fit in.

Are there any questions for the Senator? Assemblyman Russo?

ASSEMBLYMAN RUSSO: Bill, you have been in favor of limiting campaign contributions in general. I know that. You talk about "big money," and big money, from what I have heard -- in your view -- will move from the parties, in essence, to these ballot questions.

The first thing is, can you limit the amount of contributions that individuals would make with regard to a ballot question?

SENATOR SCHLUTER: My understanding is that court rulings have said that you cannot limit the amount of contributions that can be made to I&R questions, whereas you can limit the amount of contributions that are given to political parties and to individual candidates and candidates' committees.

ASSEMBLYMAN RUSSO: You also mentioned the importance of the ballot questions. Now, could you amplify that a little bit with regard to whether it is companies or whatever?

SENATOR SCHLUTER: My point there, Assemblyman, was that sometimes the language on a ballot question becomes very misleading, or it directs the voter in a particular--

Let me, if I may-- Let me give you a sample of that. Last year we had on the ballot in New Jersey -- and I don't know how many people remember this -- a question about health care. This was put on the ballot through a piece of

legislation which was sponsored in the Senate by Senator Contillo. Now, let me read the question to you. It wasn't a matter of should Congress get busy and look into the health care situation, with an idea toward some sort of Federal health care program. Here is the question:

"Shall the State urge the United States Congress and the President of the United States to enact a national health care program which provides high quality, comprehensive, personal health care, including preventive, curative, and occupational health services? It is universal in coverage, community controlled, rationally organized, equitably financed, with minimal out-of-pocket expenses to taxpayers; is sensitive to the particular health needs of all persons, and aims at reducing the overall costs of health care."

Now I ask you, is that pandering? Is that a question that everybody can say they embrace and they like?

ASSEMBLYMAN RUSSO: They wanted Congress to do that bill?

SENATOR SCHLUTER: Pardon me?

ASSEMBLYMAN RUSSO: They wanted Congress to do that?

SENATOR SCHLUTER: They wanted Congress to do it.

ASSEMBLYMAN RUSSO: Okay.

ASSEMBLYMAN MARTIN: Well, I understand your point, Senator. I voted for that; I would think we all voted for that. I hope Congress can follow through on it, but it may also be a reason why we need I&R as well, because if we are going to engage, as legislators, in a silly exercise like that -- which I think most of us would think is predominantly wishful thinking -- maybe the people could do a better job if they got their hands on real legislation. (applause)

SENATOR SCHLUTER: I will finish up by saying, yes, I think we could do a better job, and, yes, we should be doing a better job, but that is where our efforts should be directed: Toward reforming our own institution through campaign finance

reform -- which you have been working on, Assemblyman, as well as others who are here.

ASSEMBLYMAN ROONEY: Mr. Chairman?

ASSEMBLYMAN MARTIN: We have one question from Assemblyman Rooney.

ASSEMBLYMAN ROONEY: Just a comment: On that particular referendum you spoke of, that referendum was illegal. It should not have been on the ballot last year for the simple reason that when-- The previous year we had tried to put questions about auto insurance and other issues on the ballot. Our State government went to court and had it removed from all of those counties because it was not pertinent to the issues of those municipalities and counties which put that ballot question there. It was a nonbinding referendum.

According to the court, the only time you can use a nonbinding referendum is when you, personally -- the municipality, the county, the State -- can do something about that. We could not do anything about Congress in enacting such a program. Therefore, it was illegal. Yet, we didn't go to court on that, but we did go to court on the issues of the previous one.

The reason I bring this up is that, in answer to the one for the nonbinding referendum two years ago, we put a bill in that would allow a nonbinding referendum on any question, just in case we don't get initiative and referendum. So I hope that that goes through.

SENATOR SCHLUTER: May I close with one semi-facetious remark, Assemblyman, that--

ASSEMBLYMAN ROONEY: You won't fall for that.

SENATOR SCHLUTER: Maybe all these questions on the ballots are going to serve to make a lot of lawyers rich, with litigation and court cases and so on.

ASSEMBLYMAN ROONEY: You're a lawyer, though, right?

SENATOR SCHLUTER: I am not a lawyer.

Thank you very much.

ASSEMBLYMAN MARTIN: At this time we will hear from Christine Todd Whitman, Chairman of the Committee for an Affordable New Jersey. After Christine, we will try to take some opposing views. We'll take Joe Steigauf, President, Education Association of Morris County, next. Christine?

C H R I S T I N E T O D D W H I T M A N: Thank you, Mr. Chairman and members of the Committee. I am delighted to be here, although I am in the somewhat awkward position of making this kind of a statement immediately following, and in opposition to, my Senator, with whom I usually agree, I must say.

I appreciate the opportunity to be here tonight. I am pleased that you are bringing us one step closer to giving the people of New Jersey a stronger voice in determining the future of our State through Initiative and Referendum. I strongly support the concept of Initiative and Referendum. I not only believe that it would put power squarely in the hands of the people, but that it would make lawmakers more responsive to the voters.

Mr. Chairman, as you and your Committee begin to craft Initiative and Referendum legislation, I urge you to include some of the following positions -- provisions:

I suggest that the legislation provide for indirect initiative. Under indirect initiative, the Legislature would be able to address any issue before it could be placed on the ballot. Indirect initiative gives us the best of both worlds. It guarantees that the principles of representational democracy are not subverted, yet it retains a safety valve that permits the people to act in their own behalf when the Legislature does not.

I prefer the process of indirect initiative because it does not subvert the legislative process by allowing the Legislature to leave tough choices to the people. It forces

the Legislature -- and here I am in direct contradiction to the previous speaker -- to face difficult issues and to make policy, which is why we elect them. With Initiative and Referendum, shore communities could set a precise deadline for the Legislature to create a stable source of funding to pay for beach restoration projects. Frustrated voters could place a term limitation proposal before the Legislature and force the Legislature to enact meaningful campaign finance reform. Angry taxpayers could force the Legislature to revisit the entire \$2.8 billion tax hike enacted last year. Should the Legislature refuse to act, these questions would be placed on the ballot for the voters to decide.

With indirect initiative, fewer questions would actually reach the ballot than in other systems of Initiative and Referendum.

However, another important safeguard in keeping the process of Initiative and Referendum manageable, is limiting the number of referenda that can be considered in any given year. It would allow ample time for the Legislature to address critical issues thoughtfully. Such limits would ensure that New Jersey voters were not confronted by California-style ballots, with scores of questions that require extensive -- and confusing -- interpretive materials.

Some argue that Initiative and Referendum would unfairly discriminate against a minority of voters such as in southern New Jersey. Others say that Initiative and Referendum would not allow sufficient opportunity for debate about, or consideration of, the subtleties of complicated issues. Indirect initiative guards against, in fact forestalls, these problems by ensuring that a proposal could only be placed on the ballot when the Legislature fails to act.

New Jersey already has a form of limited indirect initiative: It occurs each time we amend our Constitution. The fundamental difference between that process and what I urge

you to adopt is the genesis of each. When we amend the State Constitution, the process begins in the Legislature. When we begin with Initiative and Referendum, we begin with the people.

I also ask you to keep the signature requirements for each initiative at a reasonable level. The proposal I have endorsed would require a successful petition to contain valid signatures equal to 3 percent of the total number of votes cast in the last gubernatorial election to make statutory changes, and 5 percent in cases where the people want to amend the Constitution.

I realize that these numbers are low. However, we need a starting point from which to begin the debate on setting a practical signature standard that on the one hand doesn't permit the system to be abused by special interests, but on the other allows genuine grass-roots movements to initiate a proposal successfully. I can think of no greater disservice to the people of New Jersey than to enact Initiative and Referendum only to have it rendered ineffective by an unrealistically high signature requirement. That would be a fraud on the voters and on democracy.

Mr. Chairman, please consider including a provision that requires a calculation of how much each initiative would cost the State. A fiscal note, similar to those now prepared for legislation, should be completed before a question reaches the ballot.

Initiative and Referendum was impelled, in part, by voters' dissatisfaction with the taxing and spending habits of State government. It is crucially important that Initiative and Referendum not become a tool of those who want government to spend money it does not have.

Not only should a fiscal assessment be prepared, but all proposed initiatives should be subject to a constitutionality review. Most legislators don't draft every word of their bills themselves because they are not all

lawyers. We also can't expect members of the public to have all the necessary skills to make their proposals technically correct and constitutional without some help.

Finally, I urge you to act to make sure Initiative and Referendum does not become a pawn of the special interests. It should become law, but only if you establish a system of accountability for those who lobby on any ballot question.

We must know who is lobbying for what and who is financing them. Without this information, it will become impossible for voters to assess the credibility of the argument that is being presented to them.

Mr. Chairman, I strongly support Initiative and Referendum. The people of New Jersey should have the right to make the laws that govern them. Only with Initiative and Referendum will the power to shape the future of our State be taken away from lobbyists, special interest groups, and powerful politicians, and given to the people.

The historian Edward Gibbon once wrote: "It is sometimes easier to face a cannon than public opinion." It is reasonable to fear the first; it is a mistake to disregard the voices of those our Constitution has made sovereign -- the people of New Jersey.

Thank you for providing us all with the opportunity to speak to this issue this evening. (applause)

ASSEMBLYMAN MARTIN: I might point out, as I mentioned on Monday at a State Government Committee meeting, that we are considering campaign finance reform at the same time. We have been sort of doing that by day and doing I&R by night. It is also our hope that sometime by June, we will be able to release a bill, at least from our Committee, for consideration by the Assembly, that would deal with limitations on campaign contributions and certain disclosures that would deal with aspects you talked about: identifying who is lobbying for what, and other reforms along that line.

Are there any questions for Ms. Whitman?

ASSEMBLYMAN BAER: Yes.

ASSEMBLYMAN MARTIN: Assemblyman Baer?

ASSEMBLYMAN BAER: You suggest limiting the number of referenda to be considered. You made reference to California. Would you give the Committee a rough idea, quantitatively, of how many referenda you think should be permitted in a year?

MS. WHITMAN: I would think that a maximum of five would be a reasonable number for the kind of depth they need to be considered with.

ASSEMBLYMAN BAER: And, when it comes to limiting them, do you have a suggestion as to how that would be achieved? Would it be the first five, the five that come in with the greatest number of signatures by a deadline, or what method--

MS. WHITMAN: Assemblyman, quite frankly, I would not want to try to second guess the work your Committee is going to be doing to address that. But I don't think, whether you take the three and five, or the eight and twelve numbers of signatures, that we can reasonably expect that you are even going to see more than five in a year. It is going to be more difficult than many people propose or speak to, to get that number of signatures and that kind of support for a ballot question, I believe. I think it is going to become a self-regulating process, but I would certainly leave the exact numbers to the wisdom of the Committee.

ASSEMBLYMAN BAER: Well, of course, the Committee has not reached a conclusion yet on the number of petitions -- or signatures required, or the question of geography.

MS. WHITMAN: Right.

ASSEMBLYMAN BAER: By the way, relative to geography, you recognize that just as the shore can initiate a referendum for the purpose of getting stable funding for certain shore purposes, the rest of the State might initiate referenda to

rule out shore communities charging any beach fees. You understand that?

MS. WHITMAN: That certainly could happen. Again, I am not afraid of the intelligence of the voters, or the Legislature as they would consider something like that. They would probably act on it before it even came on the ballot.

ASSEMBLYMAN BAER: All right. Now, you indicated that you thought it would be a good idea to have a fiscal note -- or some other procedure that would indicate the cost of a procedure, for those who may not know what a fiscal note is -- so that if voters had before them a particular proposal they would understand the cost consequences of that.

Do you feel, likewise, on the other side of the coin, that if a proposal is submitted to the voters to reduce revenues by some amount, or eliminate some revenue source, that the voters should have presented to them what activities or programs would be cut, so that the voters would understand the consequences of that action?

MS. WHITMAN: That is highly appropriate, if they are able to identify that. Obviously, if the question is put in such a broad spectrum that it does not deal with a particular department or agency, it would be very difficult to identify specific cuts that would be made. It is the process you all are going through right now as you deal with the budget. The Legislature, I think, is very able to handle that.

ASSEMBLYMAN BAER: Well, do you think that should be required, just as you are saying--

MS. WHITMAN: I would certainly like to see that required if--

ASSEMBLYMAN BAER: --that with a program you would like to require a fiscal note? If there was a cut in revenues, would you think there should be a requirement that the initiative that is introduced would have to identify it?

MS. WHITMAN: No, because that would require the voters to make decisions on policy and program that I don't think they would have all the background and necessary information to do. If you are talking about an overall cut in the budget-- Let's say there was an initiative to put a "no-growth" in. They would understand the implications of that and the fact that there would be specific cuts that would be required to achieve that. Even if you had no growth, you would still be talking about cuts, because you do have inflation. That is best left to those who administer the department. The Governor is still the final-- He has the final responsibility, or she has the final responsibility -- (applause) -- for putting a budget together.

ASSEMBLYMAN BAER: But isn't that part of the "we know best" approach that has been criticized; that is, having a proposal like that before the public without informing them of what the consequences are, so that they only find out later.

ASSEMBLYMAN MARTIN: Assemblyman Baer, I think she has answered your question. You made your point. I think--

ASSEMBLYMAN BAER: Well, this is obviously a serious question.

MS. WHITMAN: Well, I can answer one other part.

ASSEMBLYMAN MARTIN: Well, it is a serious question, but she has answered it, I think, as well as anyone could. Obviously, if it is a general question, the public doesn't have the ability to be able to determine what area you would cut with respect to revenues. I think she has--

ASSEMBLYMAN BAER: That wasn't my question, with all due respect.

ASSEMBLYMAN MARTIN: All right. One more, Byron.

ASSEMBLYMAN BAER: My question was in the context of requiring that information be presented to the public when they make the decision requiring that that be part of the proposal, so that they would be informed. Yes, through you, Mr. Chairman.

ASSEMBLYMAN MARTIN: Well, I got your point. You may answer it, if you would, Ms. Whitman?

MS. WHITMAN: My only final response to that -- because I have answered it the best way I could -- is, if the Legislature did not act and this particular proposal came to the ballot, I am very sure that all of the constituencies involved would make it abundantly clear what programs they felt would have to be cut, in order to support their case not to have that kind of a cut go forward. I am not worried that the public, in that kind of a major initiative -- that the public would not see a great number of programs trotted out before them and held up as, "This is what you are going to lose, should this proposal go forward."

ASSEMBLYMAN MARTIN: Is there anyone else with questions for Ms. Whitman? (no response) Thank you. (applause)

Representing the Morris County Education Association is Joe Steigauf, the President. Next after Mr. Steigauf will be Larry Haverly, Executive Director of TAXPAC -- Morris County's own.

J O S E P H S T E I G A U F: I may be the first special interest speaker.

ASSEMBLYMAN MARTIN: That's because you teach at the high school where my daughter is a student.

MR. STEIGAUF: Well, I think because I probably tend to represent more of the children. I hope some of the other people, such as the school boards, the superintendents, the school administrators, and the PTA would speak to this issue.

Thank you, Mr. Chairperson, and members of the Committee. Welcome to Morris County. My name is Joe Steigauf, and I am the President of the more than 7000 members of the Morris County Council of Education Associations -- the MCCEA. I am also a physics teacher at Morristown High School.

The position of the Morris County Council of Education Associations is clear and consistent. The MCCEA opposes any form of Initiative and Referendum. I&R would undermine New Jersey's system of representative government. I&R would threaten New Jersey with "all-or-nothing" propositions written by narrow special interest groups.

Morris County residents expect quality education from all our school districts, from our elementary districts and from our vocational school right to our community college. Could quality education continue if I&R were adopted? We think not.

The history of I&R in other states has been a disaster. As a result of Proposition 13 in California, schools were closed; teachers and staff were laid off; and programs were cut. The situation isn't any better in Massachusetts. Proposition 2 1/2 was the ruination of quality education in many school districts. Massachusetts was able to maintain quality education in the early '80s because of a budget surplus, but eventually the surplus was depleted, and then the real trouble began. Proposition 2 1/2 reduced education funding by more than 6 percent. More than 19,000 school employees were laid off during the '80s. Thirteen school districts have gone bankrupt, including those in the cities of Chelsea, Brockton, Bedford, and Quincy. More are expected to fold.

Is that what we want for our schools in Morris County? Absolutely not. Do we want Initiative and Referendum in Morris County? Absolutely not. We want to continue to provide quality programs. We want to provide student health services. We want to continue to provide extracurricular activities to Morris County students. In Morris County, we want our students to be able to compete internationally. I&R would threaten that goal by giving those who worship their wallets more than they care about children, a chance to cut programs and lay off staff.

We believe the evils of I&R far outweigh any potential benefits. For this reason, the more than 7000 members of MCCEA urge you to reject any form of I&R, so that quality education can continue in Morris County.

Thank you. (applause)

ASSEMBLYMAN MARTIN: Joe, I know you spoke about the evils in California and Massachusetts. Are you willing to write off the educational talent in the other 21 states that have I&R?

MR. STEIGAUFG: Well, I was looking at the map, and I wondered, other than California and Massachusetts, and possibly Illinois, where are the urban 30 in most of those states? I think New Jersey has the urban 30, and in QEA, that is where a major thrust in major funding has been put. I would say that is going to be cut as much as anything else. (applause)

As far as I know from both Massachusetts and California, in the towns that can afford it, they are putting additional money into the schools. They are not against funding their own schools; they are just afraid of funding schools in places where they think they are wasting money.

ASSEMBLYMAN MARTIN: Any questions for Mr. Steigauf? Mr. Hartman has a question -- Assemblyman Hartman.

ASSEMBLYMAN HARTMAN: Thank you for your testimony. I appreciate your comments.

The one question I have for you is: You mentioned you are concerned that a narrow special interest group -- I think that is what you said -- would control the process. Since about the only narrow special interest groups I see are the ones opposing I&R, can you give me some instances of some groups which you consider narrow special interest groups which oppose this, which you are concerned would place on the ballot propositions which you do not like?

MR. STEIGAUFG: Well, I am not sure-- I can't name them in the other states, and I can't name them in New Jersey.

But someone put 2 1/2 on and caused a Massachusetts school to lose that funding. Now, whether that was a broad interest group or a narrow interest group, I don't know. Clearly, I represent a narrow interest group.

ASSEMBLYMAN MARTIN: Anyone else? (no response)  
Thank you, Mr. Steigauf.

We will now take testimony from Larry Haverly. After Larry, Thomas Favia. Is he here? (affirmative response from audience) You will be next, sir. Mr. Haverly is head of the TAXPAC of New Jersey -- is that right? -- the Executive Director.

L A R R Y H A V E R L Y: Thank you very much, Mr. Chairman. I would like to thank the Committee for holding these hearings, because we have long worked for, and tried to achieve, Initiative and Referendum, and we are very hopeful that this year it will happen.

It was the time of the American Revolution, and citizens were struggling for freedom. Thomas Jefferson was one of the first to see that this included the right to vote on issues. He proposed the statewide referendum for inclusion in the Virginia Constitution. Other states followed. The idea grew and expanded. Today, broad-based Initiative and Referendum voting rights -- commonly called I&R -- are an established and accepted part of many, many states' constitutions.

Today, we citizens of New Jersey are asking for Initiative and Referendum rights. Our freedom requires that we have the ability to propose or reject issues when we strongly disagree with what is going on in Trenton. I&R is a necessary, vital safety valve in these times when the moneyed special interest groups are strong and when citizens have lost faith in the responsiveness of government.

Twenty-nine of the states already have constitutional provisions which recognize the citizens' voting rights of

collecting signatures to place a matter on the ballot. This is a solid majority of the states, and shows that petitioning by citizens is a well-recognized, proven, and nonradical voting right.

There has been some confusion about the number of states, since four of these -- Kansas, Louisiana, Virginia, and Wisconsin -- only provide for recall, and not other forms of petition. Also, two more -- Maryland and New Mexico -- only provide for petitions with regard to laws already passed by their legislatures. This is the referendum. Hence, you sometimes hear 23 or 25 as the number of states, but 29 is the number that do have petition voting rights in their state constitutions.

Please note that states with these voting rights are in all parts of the United States. It seems to be more of a historical accident that New Jersey did not get these voting rights long ago. In the past 15 years that I have been active, the matter has not been corrected because of strong opposition from the large, powerful, wealthy special interest groups with paid lobbying staffs in Trenton. This is a sad reflection on our times, and we hope it will be corrected this year.

New Jersey has already established these voting rights for many local political entities, so there is no reason to delay providing them at the State level. Many counties and municipalities have expressed support for State I&R. In polls and votes, the citizens have expressed their support. It was one of the items in the nearly one million petitions collected by the Hands Across New Jersey Group in the last two years. It was a plank in the Republican platform last year. It is clearly a measure desired by the citizens. And I would just like to remind everyone that in our State Constitution, it says: "All political power is inherent in the people."

TAXPAC favors an I&R where it will be hard, but not impossible, to place a matter on the ballot.

We favor the indirect initiative whereby matters are first referred to the Legislature for six months to see if the issue can be resolved without having to go on the ballot. We favor the provisions of ACR No. 33, which is before the Committee, and we will testify on details of I&R at a subsequent hearing of this Committee.

Citizens are calling for change, all over the country as well as in New Jersey. They do not like things as they are. They changed the Legislature last November. Now a desirable change would be, at long last, to allow the citizens their rights of I&R. This would give the voters a renewed interest in the political process and the knowledge that on matters they feel strongly about they are not powerless. They do not have to feel hostage to the special interest groups. TAXPAC again reaffirms their request that the Legislature move forward with I&R.

ASSEMBLYMAN MARTIN: Thank you, Larry. Larry has been involved with the taxpayers for -- I don't know how many years, at least 10 or--

MR. HAVERLY: More than 15.

ASSEMBLYMAN MARTIN: Well, 15. Are there any questions for Mr. Haverly? (no response) Thank you.

Before the next speaker comes up, just for the edification of the audience, there have been a number of different proposals that I alluded to earlier. The bills that are currently before us-- One talks about a signature amount in order to achieve the initiative requirement of 3 percent for a State statute, 5 percent for a constitutional amendment. The Zimmer bill which we talked about, which may be at the upper limit -- at least that is the way he characterized it -- had a requirement of 8 percent and 12 percent. That was a bill that passed in 1986. The 8 percent would be a fraction of those who had voted in the last gubernatorial election. So there has been some discussion about what people prefer, as far as what

those different criteria may be. We are interested in hearing where people stand with respect to either those numbers or other proposals that may be before us.

Mr. Favia is President of the Jersey City Education Association. Sir?

**T H O M A S F A V I A:** Thank you, Mr. Chairman. I am not going to bore you too much with this written report I have handed out. Some of the items here have already been addressed, and I am sure people are a little bored with hearing the same things over and over again. But in my prepared statement I address the issue of I&R, because it is an issue of those who have and those who have not.

The thrust of I&R is really taxes. This is where the momentum and the basis of the I&R issue have come to the fore and have gained such popularity. The issue of taxes affects cities like Jersey City and the urban areas greatly. I am sure taxes affect everybody--

**ASSEMBLYMAN MARTIN:** I can tell you that the issue of taxes affects Morris County and every county.

**MR. FAVIA:** But the difference in Morris County, and maybe Hudson County and Jersey City, is that we have less and less and less. The State had to come in and take over Jersey City. One of the reasons they came in, was because they said we were providing a poor education. On the basis of that, they took over a district that was bankrupt. One of the first actions of the State Superintendent was to increase the Board budget by \$30 million, and subsequently, his second year, \$30 million, money we have been crying for for years and could not get. But because the State took over, the money came forward, and we are addressing a lot of our problems.

We have class sizes of 35 and 40. We have deprived children. When we talk about health care, our children in the City do not get it. We just had a baby born in a bathroom in one of our high schools only this week, and the mother was not

even aware of her daughter being pregnant. There is no help there.

Now, if you are going to put a dollar value on the lives and the futures of children like this, then we cannot, in good conscience, vote for I&R, because the issue is solely taxes. If the Federal government replenished the 12 percent of money that they denied us in the last 10 years to New Jersey, maybe our schools would have the necessary funds. No one addresses that issue.

In Massachusetts and California, as was stated here-- Those were states that when I began teaching 35 years ago I looked to as what good education was all about. We look at those two states now as being the pits of what good education is, because those systems have been devastated by the lack of money. If special interest groups such as ours -- which is the Education Association -- are to save the lives of these children, then so be it.

I firmly and strongly feel that if we are going to address the needs of education, I&R will never serve the purpose of an educational system that we would be proud of. Anything in this issue today that we hear about is education versus Germany and Japan and so forth and so on. So we put our whole stock in the future of this country in education. If I&R could address those needs, I would be for it. I don't see a glimmer of hope in I&R.

I urge every responsible legislator -- and this is why we elect you -- to defeat this proposal. (applause)

ASSEMBLYMAN MARTIN: Just for your information, what I have been doing is going straight down the list of people who were first in time as far as identifying themselves in Trenton saying they wished to be witnesses, with the exception of the first couple of persons. I am trying to take a proponent and then an opponent. I am going down the two lists as I can best identify those persons.

The next person to testify will be Sam Perelli, State Chairman, United Taxpayers of New Jersey. After him will be Arlene Cusick, Legislative Chairperson of the New Jersey State School Nurses Association, and President of the Essex County School Nurses Association. Sam?

**S A M U E L P E R E L L I:** Assemblyman Martin, probably for the 15th or 16th time, I thank one of the Committees, either the Senate Committee or the Assembly State Government Committee, for the opportunity to reiterate the feelings of the United Taxpayers of New Jersey and what we feel are the feelings of the overwhelming majority of the voters and taxpayers in our great State.

Each time I come before a Committee, I marvel at the testimony. I also remember that my doctor told me, "Don't you dare carry the two feet of testimony in, because you are not supposed to lift anything too heavy," so I only brought a little part of it. This is part of the hundreds and thousands of words that have been entered into testimony -- opposing it, and supporting it.

I am always fascinated that some of the opponents come in claiming that they represent vast majorities of people throughout the State. I would like to enter into testimony one particular item. It is a letter that was sent out to the State Legislature on the stationery of the 7-Eleven Corporation, representing 225 stores in our great State and the thousands of employees and their franchises, claiming that Initiative and Referendum is a terrible idea. The implication was that their employees do not like the idea. So I took the liberty of Faxing that little piece of information to the Chief Executive Officer, and I will enter into the testimony the spanking that individual got for even having the audacity to use 7-Eleven stationery to testify, or submitting letters to a body of the State Legislature to convince them that this is a bad idea.

Here we have the credentials of the Loss Prevention Manager talking heavy politics in our great State.

I suggest that one of the questions you should ask of anyone who comes before you -- if I might -- should be: Did you poll your membership, and what were the results of the poll? I think that is an interesting question. Here is a case where we are talking about thousands of employees. They were never polled. I questioned the New Jersey School Boards Association, which never took a poll of their school boards -- I know my school board. Something like 25 school boards that we called personally never knew what Initiative and Referendum was; never knew that the New Jersey School Boards Association, which collects from our hides -- our taxpayer hides -- over \$7 million a year in dues, opposes Initiative and Referendum. Likewise, the New Jersey League of Municipalities, which opposes it and uses taxpayers' money, the dues we pay in each municipality, opposing it. We are dealing with that on a local level.

I note with interest that the teachers' union failed to tell you that in Massachusetts they, in fact, use the system and collect signatures, and participate in that system. Make one call up there and you will find out how it is used. You might want to call the head of the Massachusetts Education Association and have them come down and relate to you the questions they have been successful in putting on the ballot. I don't want to bore you with what the questions were.

I would like to present into evidence a little headline which I have had a lot of fun using -- a little history lesson. Many of the reporters, and many of the members of the Legislature, forget that this headline, which says, "Thousands protest against income tax," was from 1976 -- 1976. I refer back to the gentleman who represented the Education Association in Jersey City, where we, the people from the great State of New Jersey, invested our hundreds of millions of

dollars. Notice I used the word, "invested," because that is what I thought we were doing. We passed an income tax. That income tax was supposed to be the save-all of New Jerseyans. It was supposed to stabilize our property taxes.

But, whoa, I didn't come here to talk about taxes today. I came here to debunk the arguments. Here we are 10 years later, after hundreds of millions of dollars of our hard-earned money were invested. Our State Legislature-- Did anybody in our Legislature have any review or oversight? Did any one of you, the older ones that is, go into Jersey City and say, "Let's see where our hard-earned dollars that we collected from the people of our great State-- Where did that money go?" (applause)

Did anyone get indicted? Did anyone get convicted on where this money-- No, no grand juries. "Let's just go in and take it over. We don't care where the money went." And you wonder why we need the equalizer which we all "Initiative and Referendum."

Let's look at the geographic distribution you are going to be considering. Let me give you a little history of what I call-- When my mom used to make soup, she said, "You know, you have to be very careful when you make soup. If you overcook it, it's terrible, it's distasteful, and it's inedible." I say to you that these pieces of legislation that you have in front of you, with the exception of the brand-new, voter-friendly Dorsey/Kamin bill, are that kind of soup -- distasteful and inedible.

Years of promises-- I was there. I saw it. Mr. Byron Baer saw it. He was wise enough to oppose it. I give him credit. He says the same thing in every room: "I don't want Initiative and Referendum." I give him credit. Much to our dismay, we threw out the rascals, but we find out that we still have a lot of rascals left. (laughter and applause) How sad, after all the hard work. We all know what the "Jersey

bounce" means, and I think every legislator knows all about the Jersey bounce. It might have to happen again. That is not a threat, but a promise of times past.

Distribution requirements-- I say, "What a great idea." What a great idea to have South Jersey, the 10 southernmost counties have to participate in the process, or nothing passes in New Jersey. What a great idea. Let's apply it to the normal law-making process. Any bills that you folks put through, if 10 of the southernmost counties don't participate, it doesn't go through the Legislature. What a great idea. (applause)

Strict reporting requirements, which we, the proponents of the new Dorsey/Kamin voter-friendly bill have initiated-- I hope those strict reporting requirements are required of anyone who runs for public office in New Jersey. That is how much I like strict reporting requirements.

Assemblymen Rooney, Baer, Russo, from your geographic districts-- There isn't one district in this State that has been hit harder by tax appeals than your districts, and I didn't come here to talk about taxes. No one district has been hit harder by these appeals. No one district has had their tax base eroded as dramatically as in your districts. Do you think that in order for you to have some kind of equity, in order for the voters of your districts to be able to say, "We are going down to Trenton. We have the proper number of signatures. We didn't have to go to every other county," because maybe the other counties didn't give a damn about your plight, but at least you would get it before the State Legislature-- Do you think you are being fair with your constituents by saying, "Well, if you have a good idea, you better go and see the rest of the gang in the State, or it's not going to wash." Of course, they say the same thing to the contiguous districts along our coastline. But you have a special problem, and you folks ought to be able to present that particular agenda before the Legislature.

We are one New Jersey. We have South Jersey legislators going around saying, "Oh, those bad guys from the north are going to be placing their toxic waste dumps down here, and they are going to be putting this gigantic pipe into our aquifer, and sucking out all of our water." It is interesting to note that one of the major opponents of this legislation-- After the good, hard-working people of the State of New Jersey helped them to create gambling in Atlantic City, we became stupid and inept. We didn't know what good questions were on the ballot after we voted for gambling in Atlantic City. Isn't that terrible? Don't we deserve it? We deserve it, because we should have kept our eye on legislators like that. But we will take care of that when that particular gentleman comes up around here running for Governor.

ASSEMBLYMAN MARTIN: You're on a roll, Sam, but you are going to sum it up?

MR. PERELLI: Do you know how difficult it is to sum it up? (laughter) I ask you, on behalf of the hard-working voters of this State, don't try to work overtime to protect us from ourselves. We know what is best for us. (applause) And I ask Senator Schluter-- I have no objection to him going around this State, because we are on a couple of panels where he opposes it. I think the thing that disturbs me most is that the Senator, or any legislator, who wouldn't at least say, "Let us put it on the ballot -- the question -- and let us allow the people of New Jersey to decide for themselves if they want the process--" I look at you, Assemblyman Baer, and I say to you, how dare you not at least, even in your opposition -- at least put it on the ballot, and let us decide?

ASSEMBLYMAN MARTIN: Sam, he has said that he is going to keep an open mind. We are all here to keep an open mind. I really don't want you to, you know, single out any individual on this Committee. (applause)

MR. PERELLI: Thanks. See you in Trenton. Any questions?

ASSEMBLYMAN MARTIN: Any questions? (no response)

MR. PERELLI: Did I do that good a job? (applause)

ASSEMBLYMAN MARTIN: Arlene Cusick? Then after Arlene, Robert Hoffmeier, New Jersey Hands '91.

FIRST UNIDENTIFIED SPEAKER FROM AUDIENCE: This one you can cut short.

ARLENE CUSICK, R.N.: How rude.

SECOND UNIDENTIFIED SPEAKER FROM AUDIENCE: How about you shut up?

FIRST UNIDENTIFIED SPEAKER FROM AUDIENCE: I said this one you could cut short. We wouldn't miss it.

UNIDENTIFIED MEMBER OF COMMITTEE: Everybody is going to get a chance.

ASSEMBLYMAN MARTIN: Sir, you really are out of order. Ms. Cusick is an R.N. and is the President of the Essex County School Nurses Association; also, Legislative Chairperson for the New Jersey State School Nurses Association.

MS. CUSICK: Thank you for introducing me, Mr. Chairperson. My name is Arlene Cusick, and I am the Legislative Chairperson of the New Jersey State School Nurses Association. I am also President of the Essex County School Nurses Association. I thank you for allowing me to address you on this extremely important issue.

The certified school nurse in New Jersey is an invaluable member of the health team who promotes positive attitudes toward health via delivery of health services, health counseling, or health education. The nurses' influence encompasses the total school population.

No longer employed just to dispense Band-Aids, today's school nurse assumes multiple roles. She is responsible for New Jersey mandated screenings, immunizations, and health records. Additionally, a school nurse is regarded as a

resource person in areas such as: health curriculum, substance abuse, teenage pregnancy, Child Study Team evaluation, and child growth and development.

The school nurse's role is also that of an advocate for students. With changes in the family structure and composition, in the health care system, in student health needs, and in cultural life-styles and attitudes, students need someone with whom they can share concerns. Generally, the school nurse is one person in the school system who is a constant in the student's school experience at various levels.

I&R would devastate the quality of care that students now receive from school nurses. Under current New Jersey law, every school district is required to employ a certified school nurse. It doesn't matter whether the district is a large urban district with 30,000 pupils or a small rural school with 200 pupils.

In Massachusetts, student health care services were devastated as a result of I&R. There, school nursing services were considered a frill. School nurses were laid off and student health services were discontinued. Students no longer have access there to a school nurse who provides efficient and effective medical care. Is this what we want for New Jersey's students? I don't think so.

All New Jersey certified school nurses are required to have: a bachelor's degree from a four-year accredited college program; student teaching experience; and a current New Jersey registered nurse license. This background enables them to detect medical and social problems in students.

If school nurses are laid off because of I&R mandates to reduce cost, how will these services be provided? I would like to offer some specific instances where a school nurse made the difference:

During a New Jersey-mandated scoliosis screening, a school nurse noted a dark raised growth on the back of a

14-year-old male student. Upon further examination by the school physician, a referral was sent home to the parents. Subsequently, a malignant melanoma -- or skin cancer -- was surgically removed from the student's back.

A 14-year-old student entered the high school with a history that included a prior suicide attempt after the death of her mother. This troubled girl visited the nurse on several occasions and gradually developed a trusting relationship. On a particular visit, she shared a troublesome dream. The nurse, aware of the message the dream conveyed, alerted the Child Study Team and, through intervention, the student was placed in a mental health facility the very next day. At the present time, she attends a school for emotionally disturbed children and is doing well.

A 16-year-old student confided to the nurse that she was pregnant and was undecided about a course of action. The school nurse was able to refer her and her single parent to an appropriate outside agency to guide her decision making. Additionally, the nurse was able to help them plan so that the student would be able to return to school and continue her education.

These are but a few instances where I, as the school nurse, know I made a difference. Every day, school nurses in schools throughout our State find themselves in similar situations. If I&R is enacted and school districts lay off school nurses to curb costs, who will detect problems in our students? Who will counsel pregnant students? Who will dispense life-saving medication for the child who has diabetes or asthma?

Quality student health care is essential to the future of our State. The health of our children cannot be entrusted to votes on oversimplified questions under I&R. I&R is a reckless and irresponsible process. For the sake of our students' health, please reject I&R in New Jersey.

Thank you. (applause)

ASSEMBLYMAN MARTIN: I don't think anyone disputes the fact that school nurses perform a valuable service. I thanked the school nurse in Morris Plains yesterday for patching up my daughter who had an injury on the playground.

Are there any questions for Ms. Cusick? (no response) Thank you.

MS. CUSICK: Thank you.

ASSEMBLYMAN MARTIN: Robert Hoffmeier, New Jersey Hands '91? After Robert will be Michael Papaera. Is he here? (affirmative response from audience) You will be next.

A R T O L S O N: Good evening. Robert Hoffmeier was not able to attend. My name is Art Olson. I am the Vice-Chairman of New Jersey Hands '91, and I have been asked to make a statement for him.

ASSEMBLYMAN MARTIN: Where are you from, Art?

MR. OLSON: I'm from Warren County -- Washington.

ASSEMBLYMAN MARTIN: Welcome to Morris.

MR. OLSON: Thank you. It was a long drive.

New Jersey Hands '91 supports the concept of Initiative and Referendum. A substantial number of municipalities in New Jersey already have I&R. I have not noticed overcrowded ballots when I voted. Events in New Jersey, since January 1990, demonstrated the frustration of the population with politicians who ignore their opinions. The public must have a check on the government, as well as the means to do what the government itself will not do.

New Jersey Hands '91 would like the Legislature to put a workable I&R on the ballot in November which we could support. Thank you for holding these hearings. I would also like to thank you for rolling back the sales tax 1 percent. (applause)

ASSEMBLYMAN MARTIN: After Michael, will be Jerry Tomkiewicz, Hudson Coordination, Hands Across New Jersey. Is he here? (affirmative response from audience) Okay, you will be next.

M I C H A E L P A P A E R A: Thank you, Chairman Martin, and the Committee, for allowing me to speak tonight.

My family owns a small can company in Clifton.

ASSEMBLYMAN MARTIN: I'm sorry, you are going to have to speak a little louder. Your family runs a--

MR. PAPAERA: My family owns a small can manufacturing company in Clifton. I am here as a representative of the four Passaic County Chambers of Commerce, which oppose measures which would implement Initiative and Referendum in New Jersey.

Rather than an opportunity for citizens to become directly involved in government, I&R is viewed by the Chambers as a measure which would actually close out most citizens from the lawmaking process. Instead of permitting individuals to be involved, I&R would open the door to special interest groups to exert undue influence. By adopting expensive campaigns to promote self-serving measures, they could place on the ballot issues that would not be in the best interest of all citizens. To oppose these issues, businesses and other groups would be forced to mount similarly expensive campaigns.

I&R would prevent the give and take of the legislative process, which permits compromise solutions and the fine-tuning of laws to reflect diverse interests. It would replace the time-honored legislative process with a simplified yes or no approach. It may be emotionally appealing, but it fails to incorporate the complexities of most important issues.

The Chambers of Passaic County oppose I&R as a misleading concept that will not work in the best interests of the citizens of New Jersey, and we urge defeat of the measures that would implement it in our State.

One other comment I have is: I generally agree with Sam. When the income tax was passed, it was supposed to be the savior of all saviors. My personal concern is, Initiative and Referendum is thought to be the savior of all saviors. But if it passes and it does not work, what happens?

ASSEMBLYMAN MARTIN: I don't think anyone is suggesting-- I can't speak for Mr. Perelli; I can only speak for myself. When I voted for it in 1986, I did not perceive it as the savior of all saviors. What I thought it was, was an opportunity for the public to have a direct say in the legislative process. I saw that as their right. I think, as expressed by Congressman Zimmer earlier, the public may make mistakes, but I think what they are saying is that they want to have the opportunity to decide. If they make mistakes, I assume they will, in time, recognize them and make self-corrections. But I don't think there is any single method where we are going to have a savior for New Jersey. I think the saving part of it is going to come out of our own work product.

I understand your concern, and I am glad you're here to express your view.

MR. PAPAERA: Thank you very much.

ASSEMBLYMAN MARTIN: Assemblyman Hartman has a question.

ASSEMBLYMAN HARTMAN: I admit I think Senator Schluter brought up some interesting points on what may be wrong with Initiative and Referendum. I support Initiative and Referendum, but I am here to try to find out how we can properly make the best bill possible for the entire State.

Your group -- the New Jersey Chamber, and some others earlier -- said they were concerned that special interests were going to take over the State. I mentioned it before and I will mention it again: The only people who oppose this are special interest groups. The New Jersey Chamber-- (applause)

Really, I am not trying to be funny, but if you read through the list of some of the groups who support it -- and we have the list -- these people-- I don't know how much money they give to candidates directly. We spent over \$50 million in legislative races last year. I mean, how much comes from PACs,

I don't know, but I imagine a large amount. I hope that when people testify further, if they are from a special interest group--

Don't say special interest groups are going to take over the State, because I am not going to believe it. I am down there in Trenton every day and I know what special interest groups -- when they take over the State what happens. So, that's it.

MR. PAPAERA: Did I say they were going to take over the State? I said, "exert undue influence."

ASSEMBLYMAN HARTMAN: Okay, I stand corrected -- "exert undue influence." I'll use your words. It doesn't change--

ASSEMBLYMAN ROONEY: Mr. Chairman?

ASSEMBLYMAN MARTIN: A question from Assemblyman Rooney.

ASSEMBLYMAN ROONEY: Just a follow-up question: You stated that you are from Passaic County?

MR. PAPAERA: Yes, Passaic County.

ASSEMBLYMAN ROONEY: Who are some of your members?

MR. PAPAERA: I meet every Friday with the Passaic County Governmental Affairs Committee. There are 14 members. Someone asked before about taking a poll. We took a poll last Friday -- at last Friday's meeting -- and the vote was 14 to 1 against Initiative and Referendum. The one person who was for it would be against Initiative and Referendum if there were term limitations.

ASSEMBLYMAN ROONEY: You said 14 governmental--

MR. PAPAERA: No, 14 businesses in my group. We meet every Friday.

ASSEMBLYMAN ROONEY: And that is representative of Passaic County?

MR. PAPAERA: The North Jersey Regional, the Greater Paterson, the Greater Wayne, and the Pompton Lake Chambers.

ASSEMBLYMAN ROONEY: Do you have some names of companies that might be representative in this?

MR. PAPAERA: I know there are representatives from Public Service and New Jersey Bell. There is a trucking company in Paterson. There are Realtors, and my company.

ASSEMBLYMAN ROONEY: You know, I participate, as a local Mayor, in a group called the Northeast Bergen Industrial Association; also, the Rotary up there. I find it totally the opposite. It would probably be 14 to 1 in favor of Initiative and Referendum. Two of the companies you have mentioned are notorious special interest groups. They are notoriously, and have been notoriously, in favor of defeating Initiative and Referendum any time it has come up. I don't find it spreads, but I think what you should do is go out and poll your members. I would like to see some results of actual polls, with the companies actually answering, not just a governmental representative, because all of the lobbyists--

Let's get down to the nitty-gritty. The lobbyists down in Trenton are the ones who will lose on this particular issue, because their influence will be lessened. All the special interest lobbyists will be less-- Perhaps their jobs are at stake, and maybe this is job protection for them. But I don't think you are representative-- I am seeing polls from the citizens that are 60/20 -- as high as 70/20, in favor of Initiative and Referendum. Everyone I speak to, and corporations and businessmen, are in favor of it.

I think your numbers are way off. If you have something to prove me wrong, please prove me wrong.

MR. PAPAERA: I can get you the names from my group. Okay? Thank you very much.

ASSEMBLYMAN MARTIN: Thank you. I would like to ask Jerry Tomkiewicz-- Jerry, I assume that Barbara Tomkiewicz is related to you?

J E R R Y T O M K I E V I C Z: She might be related, but that doesn't mean she is with the same organization, though.

ASSEMBLYMAN MARTIN: Well, she is listed on the witness list as being with the same organization.

MR. TOMKIEVICZ: I don't think so. I believe she is with New Jersey Hands '91 -- Hudson Coordination.

ASSEMBLYMAN MARTIN: Oh, I see. I'm sorry.

MR. TOMKIEVICZ: My name is Jerry Tomkiewicz, from Hudson Coordination of Hands Across New Jersey.

ASSEMBLYMAN MARTIN: Jerry, before you begin-- Lee Adlerstein? (affirmative response from audience) You will be next, sir. Please proceed.

MR. TOMKIEVICZ: The time for the concept of I&R has come. The time for the concept of I&R is now. The time for the concept of I&R is here.

Russia, after 70 years, as a country has I&R. Just recently, Initiative and Referendum was allowed in South Africa; it passed. More than 20 states in this country have it; in fact, 23. I think it is interesting to notice that it seems that the 23 states that have it, seem to be mostly in the West, while in the East we do not have it. I notice that we seem to be losing legislative representatives from New Jersey and from the East, to the West. Do you think maybe a lot of people may be moving to the West because they have Initiative and Referendum?

No state that has it has ever rescinded it. More than one million people signed a petition for Initiative and Referendum within the last two years. Numerous polls have been taken concerning Initiative and Referendum, and the polls have generally been in favor of it. However, we just don't need Initiative and Referendum. We need a good one, not just one in name only either, but one that everyone -- everyone -- can live with. We need one that everyone will be happy with, because

one unhappy person in New Jersey, is one unhappy person too many.

I&R -- we have to start on it. It is not going to be perfect, but there is nothing to say that we can't improve upon it. However, we do have to work on a level playing field. The majority of the people in this State do not believe we are working on a level playing field. We welcome everyone to join in to find an I&R that is workable, and is applicable to everyone.

What you see on the national level, we are now experiencing on the State level -- different symptoms of gridlock. I&R can basically overcome that. We don't just have the D's and R's; we have the I's and the P's. We have independents. More than 50 percent of the people who vote in this State vote independently. And we have the P's, and "P" is for the people.

Now, as far as the question of threshold, some say it is too low; some say it is too high. Certainly it is a question of finances; people paying for people who would go out and do these things. These are questions that have to be answered. They have to be addressed. We are not interested in for I&R or against I&R. We are interested in everyone working together. That is what coordination is about -- working together.

We see signs saying, "New Jersey Works," but the general perception of the people who see these signs, who happen to notice that they are traveling on very poor highways, is that some are questionable with regard to safety.

You have the Zimmer bill; you have the Franks bill. The Franks bill seems to be shorter than the Zimmer bill. Maybe things were left out. These are things that have to be addressed.

As far as the term "grass roots," this is a term that has only come into being in the last two or three years. Also,

the people are angry. Not only are they angry across the whole country, but they are angry in New Jersey. The general perception of people is that "PO" is for politics, and for politicians. We need to have changes. I don't know the words, "special interests," but apparently all of you know about them, because I hear them a lot. And the term, "lobbyist--" You have used the terms, so I guess you know what it means, too.

Some other understandable points: Take, for example, the affordable bond issue. Hands Across New Jersey went out to the people and explained about affordable bond issues. Unfortunately, some people were not too happy about it, because that \$7 million could have gone to them so they could put their particular position across. The same thing as far as campaign financing. As far as education-- I hear the words, "quality education." I didn't realize, all these hundreds of years, that we didn't have quality education.

The thing is, basically, the people should decide. Why? Because the people are the ones who have to pay the bills.

Thank you.

ASSEMBLYMAN MARTIN: Lee Adlerstein represents Metro West Jewish Federation. After Lee, we will take John Budzash, from the -- I want to get this right now -- Taxpayers Task Force. Where's John?

J O H N B U D Z A S H: Here I am.

ASSEMBLYMAN MARTIN: Oh, there he is.

L E E A L A N A D L E R S T E I N, E S Q .: Mr. Chairman, thank you. The United Jewish Federation of Metro West is an umbrella agency which serves Jewish communities in Essex, Sussex, and Morris Counties; also parts of Union County, which comprise a rather substantial community. We have a Community Relations Committee which has debated various public issues over the years, including the issue that faces the Committee tonight. After due deliberation, our Committee voted overwhelmingly against the idea of Initiative and Referendum.

To a large extent, our decision came out of our experience as a minority religious community, and a certain amount of distrust of what majorities can do, from time to time, if they are not accountable the way that Legislatures are accountable. We feel that what the Initiative and Referendum does, dangerously, is-- It changes the system of checks and balances which has been built into our governmental structure since the early days of the Republic, and even before that.

You have, right now, a bicameral Legislature. You have a Governor who comes into the legislative process through his veto power. One important reason why this system was set up, was to check what government could do to people. If Initiative and Referendum is set up, however well-intentioned the people are who would want to institute that system and use it, we feel there could come a time at which that system could be used to violate the rights of religious minorities, and other minorities, in our society; that it could be used to foment various stresses and strains which we do not need to have exacerbated within our communities; that the best place for those stresses and strains to be dealt with is through the normal electoral process and the normal legislative process; that it would build a picture of unpredictability into our governmental structure which ultimately could prove dangerous, if not tomorrow, then the day after tomorrow.

Let me just close by mentioning an event that has caused concern within our community, and that is a case that came down from the United States Supreme Court about two years ago called Jones vs. Social Services, which was a case out of Oregon. You may recall that in that case, which involved the use of an illegal drug on the part of an Indian tribe, the Supreme Court of the United States changed the governmental test under the Free Exercise Clause of the First Amendment dealing with religious liberty. What the Supreme Court decided in that case was that instead of showing compelling

governmental need where a state wants to, basically, intrude on a religious practice, the state only has to show that it is treating all of its citizens equally, and if it happens to impact more on one religious group rather than another, it is really unfortunate for that religious group, but it could still be legal.

We feel that kind of a legal environment which is being created under the Supreme Court at the present time, which gives additional potential power to government in connection with what government can do to minorities-- If power is not properly checked, it is, again, a potentially dangerous thing when that additional power is in government's hands, and it can be misused, probably not by people in this room, because I have heard many people who are extremely well-intentioned who favor Initiative and Referendum, but on another day, in the wrong hands, with people who are not accountable, it is not a wise device to build into our governmental system.

We respectfully request that the Committee reject Initiative and Referendum on that basis. (applause)

ASSEMBLYMAN MARTIN: I understand that you are unequivocally opposed, but if there was a bill that this Committee were releasing, or which came up, I assume you would want one that would have some protections for what are traditionally Bill of Rights -- First Amendment, Fourth Amendment, those kinds of things. But it is categorized a little differently, as I am sure you are aware, in the New Jersey Constitution. Certainly equal protection, strict scrutiny, and those kinds of things, you would want to see protected.

MR. ADLERSTEIN: Yes. We would encourage the Committee, if the consensus is clear that the Initiative and Referendum is something that is going to come into being-- We would want as much protection built in as possible, but we

oppose the idea as a whole because we think that even those protections could potentially be eroded by the governmental process, including the Initiative and Referendum process itself. That is the problem that one would confront. We think that once you cross the line, you are engaging in what would be constitutional mischief, and that ought not be the way the State goes.

ASSEMBLYMAN MARTIN: Thank you. John Budzash is next. After John-- Is Pat Van Ostenbridge here? (affirmative response from audience) Pat, you will be next.

MR. BUDZASH: This is fun, isn't it? A whole bunch of people came out to a town meeting. That is really what this is. You have people over here, and some of them are looking at these people and saying, "They're nuts; they're crazy." And some of those people are looking at these people over here and saying, "They're nuts; they're crazy." You know, the truth is, if you went back 100 years ago and this was a town meeting, you would have just about-- Every single person who had a family in this town would be here tonight to talk about the issues that were going on, because they had a role in what was going on. It was called "participatory democracy."

Now, unfortunately, through the years we have kind of gotten away from that. We gave the Legislature more and more power, and they took it. They made more and more laws that gave them more and more power. They set up a bureaucracy that is pretty good for them.

Now, here we are today. You have people who drove 100 miles to come here tonight to speak. I am going to give you a little complaint, though, okay? I appreciate the fact that we are here and we are able to speak tonight, but the first hour-and-a-half out of a three-hour meeting was really donated to politicians, who could have said their stuff on the floor -- on the Assembly floor. (applause)

ASSEMBLYMAN MARTIN: You may not like the way I run the meeting, John, but I thought it was important that the people who had sponsored the legislation go first and at least explain a little bit about the legislation. Someone like John Dorsey-- I know you are a proponent of I&R, but he has been there since 1976 advocating it. I think he has the right to go first.

MR. BUDZASH: Exactly.

ASSEMBLYMAN MARTIN: He also happened to sign up early on in the process, and this is his home district. So I make no apologies for the way I run the list. If you don't like it, I'm sorry. When we do it in Toms River, maybe we will do it ass backwards and accommodate you.

MR. BUDZASH: No. Again, you have a lot of people who came a long distance to speak tonight and we are running out of time. I have a lot to say, so you can shut me off when I get a little too windy.

When people here speak of the powerful special interest groups -- okay? -- what that really translates into is well-funded and money that is going to be doled out to politicians for campaigns, trips, favors, tickets to concerts, or whatever. Okay? - You find, as Sam mentioned, and a few other people mentioned, that the major groups that are opposing this -- the teachers' union, the AFL-CIO, the Business and Industry people-- They have never really polled their memberships. Now, maybe the local ones did, I don't know.

The girl I am dating right now, and have been dating for quite some time, is a teacher. She has never been asked whether she is opposed to I&R or not. They have just assumed it. I am an AFL-CIO member. No one has ever asked me, or any of my coworkers who are also AFL-CIO members, if we are opposed to I&R. There is also a new organization called, "New Jersey Business and Industry for Initiative and Referendum." They are only a week old and they have over 100 members already. So I

think that gives you a pretty good idea, as John Rooney mentioned, that a lot of the people in business and industry are actually for I&R. They are not afraid of it.

Senator Schluter, an excellent man-- I am very much aware of his opposition to I&R. New Jersey Common Cause sponsored a hearing -- or a debate, that is, on Initiative and Referendum and term limits a few months back. That was done in November, and Bill Schluter was there in opposition to I&R. He mentioned the bill he spoke about here. It is 300 pages long, and is identified as A-2362. He said how he had trouble getting it anywhere, and that the real thing we need here in New Jersey is not I&R, it is campaign reform. He was touting this bill. It was interesting. I brought up to him, "Gee, when you have something like that and it isn't successful going anywhere in the Legislature-- In California, 23 out of 27 initiatives last year were put there by politicians. Maybe if the citizens really felt that your campaign reform act, or proposal, was a good one, we could get behind it and put an initiative on the ballot."

What he did was send me a little letter, send me the outline, and then he sent me the 300-page document. So it is obvious that even though he is opposed to it, he has some sort of little thing in the back of his mind where he thinks it may work and may benefit the people of the State by passing a good piece of legislation.

He mentioned that our government was successful. How successful is a government that is several trillion dollars in debt? The State budget just keeps going up and up and up. Let's get realistic. We are not successful. We need to address a lot of issues that a lot of politicians, unfortunately, will not address. Sometimes, if the people can put the effort onto them, put a little push, they will address that situation.

Today, on the Senate floor, Senator Kyrillos said, "What prompted this" -- and he was speaking about the rollback in taxes -- "was the hoards of people storming to the State House in the summer of '90." Well, I think that was very accurate. The people put a push on. We were tired of the taxes. The Legislature responded. But if it were just me, an average citizen, calling and saying, "Hey, I'm sick of this tax," how far would that message get? It was just through the luck of God that I was able to call a radio station; the radio station had a good format, and that allowed the massive rally that I asked to have in Trenton, that brought about the changes in government that we have seen in the last year -- actually the last year-and-a-half. We have gotten the soft paper tax repealed. We got the audits increased from the 11 agencies to all 19 State agencies. We got the truck tax repealed, and now we have the sales tax rolled back. That is a lot of progress for a State with no I&R.

But we didn't have just these weird circumstances that occurred in the summer of '90-- When I called the radio station, if we didn't have the radio station, none of this stuff would have occurred. It just would have gone on status quo.

I am asking you now, don't be like Governor Florio and wait until it is too late -- after his party was slaughtered at the polls last November -- to allow the people to have something they want. No one individual should have the ability to force I&R on the people of New Jersey, but no group of people should have the ability to withhold it from the people. Put it on the ballot and let the people say what they want. Everybody sits here and proposes--

I have spoken to various Senators and Assemblymen from around the State, who say: "I represent 150,000 people, and they are opposed to it." Well, if they are really opposed to it, let them say it on the ballot. There is nothing the people

of the State have to be afraid of. There is nothing we are going to do to divide the State. It has never been used to divide or conquer a state. As far as fear, that is one of the biggest things that people seem to have with I&R. The people over here fear the people over there. You think we are going to take away education. Well, the people over here have kids -- okay? They have kids; they want their kids to be educated. They don't want to shortchange the teachers. They want to make sure that they have the ability to control their property taxes so they will have a home for their children and they have food on the table for their children. (applause)

When you get down to it, I&R, if it is used for taxes-- My personal attitude is, I am not going to use it for taxes. I want to see accountability laws. I want to see laws for the children. I want to see tough laws for child abuse. I want to see criminal sanctions for people who mess with kids. Now, that is my prerogative; that is what I want to see done with I&R. You can have your own separate issues, and you can have your own separate issues over here, but the point is, the majority is going to rule. That is what built this country.

The Jewish fellow who was up here and spoke before about what happens with a majority-- I assume he was speaking about the Holocaust. That was a horrible situation, but that was one country. A majority of countries banded together and fought the Germans. A majority of the people who fought in that war were not Jewish. They were Catholics; they were protestants; they were nonsectarians, whatever. They banded together to right a wrong. It is a case that majority is not going to do evil. Majority is going to see evil and make sure it is not done; make sure it is corrected. The people will stand together.

Again, with the NJEA, the people who were up here speaking from the teachers' associations before-- As I said, my girlfriend is a teacher. I have respect for teachers. I

have nothing but respect for good teachers, but I have nothing but distain for bad teachers. The teachers have to realize that you have to get rid of the bad ones, and keep more good ones, because right now in New Jersey, there is a very, very poor quality of education going on here in the State, from what I have seen.

A teacher that I graduated from high school with-- I won't mention her name; I wish I could, though. This woman graduated kids from high school who couldn't read "cat" and "dog." They couldn't add two plus one. She is still a teacher today. She is a disgrace. She shouldn't be in the educational system. The teachers I had in elementary school-- To me, they deserved salaries of \$100,000 a year. They inspired kids. They got them out there and moving. We need something to modify the education system, but that is up to them to do as teachers. They are within the system. Hopefully, they will do it. They won't fear the people who want I&R, because we are not going to work against you. We are going to work to try to make things better in education. We are going to try to make things better for the children.

You have to remember one thing: A few people mentioned stuff about California. California may have lost a little bit in education here and there. They may have gained a lot. They still have free college for people who have been residents for over a year. In New Jersey, I deliver mail, so I talk to a wide variety of people every day. I speak to dozens of people every day. I deliver to the State Board of Education. I see 12 people in an old schoolhouse that is big enough and modern enough and in good enough condition that it should be used to educate children, but it is not. The Board of Education took it over and put just a handful of people in it. That is a waste of taxpayers' money. They could use a smaller facility.

There are a lot of things the people of the State have seen as waste and could address through Initiative and Referendum; a lot of things that I have spoken to legislators about where they had good proponents. Assemblyman Rooney, I have spoken to you before. I liked one of your bills in the past about I&R. Again, it went nowhere. Why did it go nowhere? Because very often a small committee can bottle up a good piece of legislation and hold it. A special interest group can control just enough people on that committee to stop it from moving any further.

Now, we are not accusing you all of being bad people; far from it. We are looking to you to be good people and to put something on the ballot that people want, and at least give us a shot at it. You have to remember also, you trust us to vote for you. You trust us to vote on constitutional amendments. You've got no choice. We have to vote on them. Why not allow us to vote on other laws also and to put initiatives on the ballot? We are not that stupid. Most of us are fairly educated and you can trust us. We are not going to do anything to harm the State, the country, the children, the teachers, the workers, or anyone else. (applause)

Thank you.

ASSEMBLYMAN MARTIN: Next will be Pat Van Ostenbridge, a teacher from Green Brook. Then we will take Barbara Tomkiewicz, Hudson Coordination, New Jersey Hands '91. Hi.

**P A T V A N O S T E N B R I D G E:** Thank you, Mr. Chairman, and members of the Committee. My name is Pat Van Ostenbridge. I am a music teacher in the Green Brook School District, and I appreciate the opportunity to share my concerns about Initiative and Referendum with you this evening.

One need only look north to Massachusetts to see the devastating effect I&R has had on their schools to understand why I have concerns. Proposition 2 1/2 has caused drastic cuts in education, and the music and art programs have been no

exception. Quincy has eliminated music, art, and industrial arts. Salem has removed elective music and art courses from its curriculum, along with sports and guidance. Cambridge and Amesbury have no arts programs. After outraged parents attended a public hearing in Sandwich, the Board reinstated the arts program, but it was greatly reduced.

New Jersey, on the other hand, has recognized the importance of the arts in education. Many of our districts include courses in fine and performing arts in their graduation requirements. The Quality Education Commission includes the arts in its discussion of a thorough and efficient education, as well as its description of what should be included in the basic curriculum.

The arts are a vital part of a thorough and efficient education, especially in the age of the computer. Too often we are so busy teaching technology that we forget to teach the child. We teach the facts, but forget the feelings. The arts give children a means of self-expression which they may not find in other areas. Education in the arts helps teach the creativity and cooperation our children will need if they are to compete with the rest of the world. We are not simply programming our children for success; we are educating human beings for the 21st century.

The erosion of our arts programs is already happening. Budgetary constraints are forcing school districts to make difficult choices. I&R will accelerate this process through referenda which affect school funding. The current economic and political climate make schools a prime target for those who would seek to gain short-term tax relief without consideration of the long-term impact on education. And we all know that the arts are the first to go.

Art and music are not frills, but an integral part of the education this State is obligated to provide for our

children. As responsible legislators, I ask you to reject any form of I&R.

More people should be involved in politics, but they should be involved in this political process; in communicating with legislators, attending hearings, and campaigning for honest, intelligent lawmakers who can be trusted to apply their best judgment to the questions of the day. The system of representative government works, even if some voters don't like everything every representative does.

The public's true initiative -- as we found out in November -- is voting. Please continue to represent your constituents to the best of your ability. Again, I urge you to reject any form of Initiative and Referendum.

Thank you.

ASSEMBLYMAN MARTIN: He has not asked to speak, but I at least want to acknowledge our Assembly colleague, who is a sponsor of the Dorsey/Kamin proposal, Dick Kamin. He is in the back of the room. (applause)

Next up will be Barbara Tomkiewicz.

B A R B A R A T O M K I E V I C Z: (speaking from audience) In the interest of brevity, I would like to be replaced with one of the members of our community from Jersey City, Hudson County, Yvonne Balcer.

ASSEMBLYMAN MARTIN: While she is coming up, let me announce that Martha Slezak will be next.

Your name again, please?

Y V O N N E B A L C E R: My name is Yvonne Balcer. I live in Jersey City. A little background: My husband's family has been in Jersey City since the 1870s. Most likely my children will be the last of the family there, because they are leaving the State.

Now, I am a citizen who, first of all, attends every public meeting: the Board of Ed meetings, Council meetings, caucus meetings, and I read budgets. I get copies of

bondings. It is interesting to know-- They talked about Jersey City's education. Let me just say one thing: In 1980, 12 years ago, the Board of Education spent \$90 million on education. Twelve years later, that budget is \$268 million. Well, the children have gone down in population. We now have approximately 28,000 kids, and that number is only 28,000 because we now have a day care program.

In 1980, the State budget was \$6 billion. It is now roughly \$15.6 billion. In Jersey City, the local budget was \$91 million; it is now \$250-odd million. Education is more than Jersey City. Education costs more than the local budget, and that is only 12 percent of the population.

Let's talk numbers: Twenty years from now when I am ready to retire, we are going to ask children to take this budget I am looking at, with the same increases-- We're looking at maybe a billion dollar budget very shortly. They also must pay into my Social Security. We will need two workers for every person who is retired 20 years from now. Right now it is approximately four. When it first started it was 16.

You will chase the children away from the State. The only ones you will have here will be special interest groups and people who don't pay to the system. I want to explain how taxes work, because I was one of those people who was severely hurt by taxes and I have seen seniors die from taxes. Do you want to talk about fair stories? My mother-in-law chose to die, instead of paying taxes. We went through reval in Jersey City in 1988. I was paying \$3000 for a home that she bought for \$18,000 in the '60s. The City came along and reassessed it to \$375,000. "Don't worry," they said. "It doesn't mean you are going to have to pay more taxes." Well, when I got my tax bill, I had to pay nine quarters -- four quarters in nine months. I had to pay \$16,000 in taxes, because not everybody pays taxes in Jersey City. We have special interest groups

that work for the City and for the Board of Ed which have "sweetheart" deals.

Let's talk about special interests. We have Senator O'Connor in the 31st. He is employed on the Board of Ed, so Dr. Scambio, who is the State Superintendent, says, "All our things are State mandated." Well, gee, he works for you. He does Workers' Compensation cases. We have Assemblyman Joe Charles. I have a copy of his contribution. He was considered maybe to become Mayor, because our Mayor had a lot of problems. Thank God he is not there anymore.

But nevertheless, of 147 contributions, about 20 came from citizens. The rest was PAC money. One of the people who gave him the money said, "Well, gee, he is for the Business Retention Act." Well, the Business Retention Act does not want to pay property taxes. Hey, I don't want to pay them either, but that means that I must pay more than my fair share. And by the way, I am only now paying \$10,000 a year for property tax, so, you know-- I am one of these people who really is saying, "More taxes?" Be serious. I have a family to feed.

We have a serious, serious problem. I want to talk to you about why we need Initiative and Referendum. I have a copy of the school funding. By the way, Dr. Scambio, State Superintendent-- When she came into office, the budget was approximately \$180 million. Again, I am talking about \$268 million. She says, "For our kids." Those children's parents do not pay into the system. We have a very strange system here where we have people who introduce laws and then they skirt the effort. I pay more property tax than the black who owns Newport. I pay more property tax than Colgate in Jersey City, because they have special interests for them. We give them all abatements, which means that they don't pay any Board of Ed taxes or any county tax. What is rising in my community is the Board of Education tax. It is now higher than the local tax -- the government.

The children who use the public schools-- The majority of them live in public housing. Well, public housing is owned by the City, which operates the system. It does not tax itself. So, the majority of the children who are benefiting from this system live in housing projects where their parents do not pay a dime in taxes at all.

The next thing is: We have a waterfront community that they bond -- infrastructure money, water and sewer, that I pay for, going down to the waterfront. They worked out deals in which they rewrote the abatement law, which says you don't have to be a resident to receive it. Well, Senator O'Connor did that, special interest money behind him. I have a copy of the people who gave their money. There is too much money floating there. I have no money at all, because I am paying for everyone else's taxes.

Let's talk about something else. Oh, the tenants, who are very strong in New Jersey. Do you know that in Jersey City you cannot pass along a tax increase to a multifamily house? So here I am, a three-family house, and I pay for everyone who doesn't. Thirty percent of the City carries the tax load. That is not just an exaggeration. I have a copy right now of "Money" magazine, which shows the most expensive neighborhoods to live in. They rate people from 1 to 300. The most expensive place to live, according to the population and income, is Hudson County, New Jersey. The average tax bill is \$5700 and some. I pay double that. I have used my children's education money so we can float new programs. You can pour and empty the money into education, and that will not solve the problem.

I work in a Catholic school, and I don't get paid anything near that. But I know what the system is. The system is-- We have told parents, "We will raise your children, and you will have no responsibility." In the public school system in New Jersey babies are encouraged to get their shots, and

they don't. We do not hold parents accountable. We want to feed them, clothe them, do everything for them, and have the taxpayer pay more money.

You are going to have a reverse of the sunbelt. You are not going to have these kids here. So, then who is going to pay your taxes? Who is going to be here? If they have to pay more Social Security-- Who is going to buy a home when we are assessed at 3.7 percent in taxes -- 3.7 percent means \$37? California's tax rate is 1 percent, \$10, so my home, which has an assessment of approximately \$300,000-- I pay more taxes than they pay in California on a million dollar home, with a pool. What do I have in my backyard? I have chromium, because I am paying for everyone else's wish list.

It is atrocious what they are doing with the money for education. They are renting Cadillacs. They are taking trips. That is where everyone's tax money is going. It is atrocious, what is happening. I go to those meetings. Do you know that May 17, 1989 -- take down this number -- the most expensive school system in the United States. Now, we have 500 school systems in the State of New Jersey. I am talking nationwide. There are tens of thousands. The most expensive teacher's salary -- Jersey City, New Jersey. May 17, 1989, The New York Times-- Please look it up, because they used that in California to raise their salaries, as a comparison.

Well, who are the taxpayers? They are senior citizens who own homes. People in my age group inherit houses. We can't afford to buy them. When you buy a home, you must be able to pay 29 percent of your income. You can't pay 29 percent of your income, because in Jersey City that is taxes. We are being taxed to death. My children have told me, "Ma, I am leaving this State." By the way, I used by children's education money to pay for other people's educational dreams -- my children's money. I now have to borrow money to send my children to school. It is an unfair system.

ASSEMBLYMAN MARTIN: Yvonne, I don't mean to cut you off, but I think you have made your point quite clearly.

MS. BALCER: I want to make one more point: I want to talk about bonding. In Jersey City we need to control our bonding. There are countless agencies, not even the public schools. We have \$600 million in bonds for people who pay the taxes. There are only 40,000 property owners. We are responsible for \$600 million in taxes. Enough is enough.

Thank you. (applause)

ASSEMBLYMAN BAER: Mr. Chairman, I would like to ask a very brief question of Ms. Balcer.

ASSEMBLYMAN MARTIN: Yes.

ASSEMBLYMAN BAER: Ms. Balcer, I just want to ask you a brief question: As I listened to the things you were describing, which have to do with bonding and spending plans in Jersey City and rent control and tax abatement and other issues, it strikes me that these, for the most part, are things that are being decided at the local level.

MS. BALCER: (speaking off mike from this point onward) No, sir, that is incorrect. The abatement process--

ASSEMBLYMAN MARTIN: Ma'am, do me a favor. Just let him finish his question, and then we will let you give your answer.

ASSEMBLYMAN BAER: I think the municipality decides whether to grant tax abatement, whether to adopt, on a case-by-case basis, a rent control ordinance or not, whether to adopt a bonding ordinance or not, even though the enabling legislation, of course, comes from Trenton. By the way, these powers that the municipalities have have been in effect for a long time.

Now, it is my understanding -- and I may be mistaken in this -- that Jersey City is one of the communities that presently has Initiative and Referendum. Is that correct?

And, has there been any effort to try and use it to address these policies that are acted on at the local level?

MS. BALCER: First of all, sir, I want to respond that, number one, the majority of people do not pay into the tax base, only a small percentage, the one- to four-family homeowners. That is like 40,000 out of 200-odd people. So you have a lot of people who receive the services.

Number two, you have people like O'Connor and Joe Charles, who actually go down to Trenton and introduce legislation for a certain block of people. They will never get out of the area, because the people who receive it are not the people who are paying the taxes. We want to make this equitable. The taxes must be on property or income.

Joe Charles introduces bills which he receives money from in his private law practice. There are a lot of issues. In terms of a tax appeal, people-- I have read stacks of things for years. I can ask my Council some things, and they don't know what they are voting on. They use this system to manipulate the system. That is why we have a redevelopment agency under indictment and the Mayor under indictment. They take too much liberty, and they totally ignore me because I don't have Initiative and Referendum. We need it; we need it locally. (remainder of statement indiscernible; no microphone)

ASSEMBLYMAN BAER: I think you have answered the question. There is not Initiative and Referendum locally. Apparently I was misinformed. Thank you.

ASSEMBLYMAN MARTIN: Technically you are correct, Byron. Jersey City has a strong Mayor-Council form under Faulkner that has a limited form of Initiative and Referendum.

ASSEMBLYMAN BAER: Oh, it does then. Thank you. I thought it did.

ASSEMBLYMAN MARTIN: Martha Slezak?

M A R T H A J. S L E Z A K: Thank you, Assemblyman Martin, and members of the Committee. My name is Martha Slezak, and I am the President of the Morris County Vo-Tech Education Association. I have been a teacher at the Morris County Vocational-Technical School for the past 20 years, and a teacher for 24.

I am here to address the issue of Initiative and Referendum -- a few brief comments -- as it relates to vocational education, which is near and dear to me. As a staunch supporter and believer in vocational education, I fail to see how Initiative and Referendum can help any educational group generally, or vocational education specifically.

Morris County is a very affluent county. Its constituency has a difficult time accepting a need for vocational education. The prevailing attitude is that all our students go on to higher education. In reality, nothing is further from the truth. I shutter to think what could happen to our vocational school if I&R did become a reality. Misinformed taxpayer coalitions or elitist people could put us out of business with the flick of a voter lever.

I am a parent; I am an educator. I know that not every student goes to college, and I am realistic enough to believe that not every student should go to college.

To think that individuals, elected by no one, could have the power to vote on every aspect of public policy, severely undercuts the ability of the people who are elected to do those jobs. But, more than that, our vocational student population does not need any more obstacles to prevent them from receiving training. We service more than just the future craftspeople for our society. We train a special needs population who could otherwise become forgotten numbers; numbers lost in an academic environment unable to develop a skilled trade for future employment.

Our vocational school needs encouragement and support from the community, something that is waning in Morris County.

Initiative and Referendum will impact upon New Jersey's responsibility to provide a thorough and efficient education for all students. Do not allow I&R to break down our education system by turning it into a whipping post for taxpayers' frustration. We cannot allow Initiative and Referendum to dictate what happens to the children in our schools.

I thank you very much. I&R must be defeated!

ASSEMBLYMAN MARTIN: Assemblyman Rooney has a question.

ASSEMBLYMAN ROONEY: I don't know if you are aware of what is going on in Bergen County. Our Bergen Vo-Tech has instituted a magnet school program. Unfortunately, the other schools are actually opposing it. We are trying to attract sci-tech type students to provide a better education for them. I think this would be an excellent application of I&R, to allow people to speak as to whether they want this type of a school, and to encourage a better form of education for those students who have an aptitude for science and technology.

I think the school systems are fighting it because they are losing-- Again, it is a turf battle I see. I think this is a clear indication where Bergen Tech is going to the forefront in trying to provide a better form of education, something different, and the NJEA and all of the other school boards are opposing it. I think the people should speak. I think on an issue like this it proves exactly the opposite of your point. I think the people know better, because overwhelmingly they would support something like this to provide a better education for our students. I don't think that some of the interest groups that have been represented are doing that.

MS. SLEZAK: If I may make a comment on that, Assemblyman Rooney, we have a share-time facility and Bergen

County has a share-time -- an all-time facility. I have been involved with the vocational school for the past 20 years, so I know what is coming into that building; I know what is going out of that building. But what I am finding is, we cannot keep up with the technology because we simply do not have the money. We simply cannot afford half the state-of-the-art equipment. By the time we get half the state-of-the-art equipment into our school -- and that we usually get through donations from local businesses -- it is outdated; it is outmoded, and it is a very expensive proposition.

I know that we in Morris County rely on the tax base -- the Morris County taxes to support our school. We just don't want to see ourselves going down the tubes, because here in Morris County-- I should say that the vigor for vocational education is severely, severely waning.

ASSEMBLYMAN ROONEY: I disagree. I don't think we have to throw money at every school district to get every piece of equipment that comes out. I think we could specialize and use specialty tools. These are the things that our school districts are lacking the foresight to realize; that not every school needs the same things. If you have specialty schools, if you have magnet schools, you can diversify the money and you can then fund properly what should be funded, not what should not be funded.

I really disagree with you on those issues. I think Bergen County is doing a good thing, because the Bergen County Vocational-Technical School is going ahead with this. They are going ahead with the program despite the opposition from the local school districts.

MS. SLEZAK: May I invite you, Assemblyman Rooney, to visit our school. I would be happy to show you around.

ASSEMBLYMAN ROONEY: I would be happy to come.

ASSEMBLYMAN MARTIN: Let me just give you some indication. It is about 22 after 10. I intend to hear at

least Tom Blomquist and Jack Shakoor. Is he here? (affirmative response from audience) Then Bernard Laufgas. Is he here? (affirmative response from audience) And Barbara Eames and Felix Auer. From there we will take a--

UNIDENTIFIED SPEAKER FROM AUDIENCE: I don't believe you have my name. I am with the Federation of--

ASSEMBLYMAN MARTIN: We have some people who have signed up. What I have tried to do is get through most of the list of the people who pre-signed up. Anyone who isn't on this list-- It may be an inconvenience, but, you know, we are not going to go until midnight. It is close to 10:30 now. Those people will be the first people who will have an opportunity to speak in Toms River at our next hearing.

UNIDENTIFIED SPEAKER FROM AUDIENCE: But I'm from Morris County.

ASSEMBLYMAN MARTIN: I understand that, sir, but I am doing it--

UNIDENTIFIED SPEAKER FROM AUDIENCE: I came a long way.

ASSEMBLYMAN MARTIN: Well, we have people from Toms River who came up here as well, so it is sort of--

UNIDENTIFIED SPEAKER FROM AUDIENCE: But I thought this was supposed to take care of the North Jersey area. Toms River is South Jersey.

ASSEMBLYMAN MARTIN: I don't want to have a debate with you, sir. I am telling you how I am running the meeting. I am taking those five people.

UNIDENTIFIED SPEAKER FROM AUDIENCE: I think everybody should be heard at a meeting.

ASSEMBLYMAN BAER: Mr. Chairman, am I correct that you also intend to receive written testimony from people--

ASSEMBLYMAN MARTIN: Sure.

ASSEMBLYMAN BAER: --for the record; that if someone isn't able to testify tonight and can't make another meeting, you will receive written testimony from them?

ASSEMBLYMAN MARTIN: That is correct. Thank you, Mr. Baer.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Mr. Chairman, could you just limit the rest of the speakers to five minutes?

SECOND UNIDENTIFIED SPEAKER FROM AUDIENCE: Two minutes.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Two minutes, right. (several people speaking from audience at this point requesting to be heard, but no microphones)

ASSEMBLYMAN MARTIN: Let me take the next five speakers and we will see what we can do here.

Tom Blomquist?

D A V I D T. B R E N D E R: Mr. Chairman, my name is David Brender. Mr. Blomquist is not here tonight. I am a member of the same organization, and I would like to speak for him.

ASSEMBLYMAN MARTIN: You're on -- Registered Voters Organized to Limit Terms. You didn't look like Mr. Blomquist. I know him.

MR. BRENDRER: Good evening, ladies and gentlemen. Thank you for holding the hearings around the State as you are doing, giving most of us the chance to present our opinions on this matter, which we would not normally have the chance to do were the hearings held only in Trenton.

I am a representative of Registered Voters Organized to Limit Terms. At the same time, I am speaking for other members of the New Jersey Coalition for I&R. Some of the members include: the New Jersey Business and Industry for I&R, the Coalition for Legal Reform, the Coalition for a Better New Jersey, and Tax Revolt North, of which I am on the governing board. We are also representing: the Bergen Taxpayers' Association, Public Watchdog, the Fathers' Rights Action Committee, and a bunch of other organizations. I want to get right to the point.

Our organizations, for the most part, are nonpartisan, made up of Republicans, Independents, and Democrats. I, myself, am a registered Democrat. Last November, Republicans were elected, in large measure, in the numbers they were, to be bold and to institute dramatic change; to reverse the roughshod approach of Governor Florio during his first year of passing highly unpopular, socialistically motivated legislation.

I&R is the only way to prevent the repeat of 1990, when a very forceful Governor ran through a compliant, ill-informed, ill-prepared, and cowardly Legislature of the same party the most dramatic social engineering program in the history of the State of New Jersey. If I&R had been in place, there is no doubt that Governor Florio's program would never have been passed and, if it had, probably would have been repealed through the referendum process.

I, and the groups I speak for, do not favor I&R being loosely available to every special interest group with their own small or radical agendas. I&R should be saved for only important, far-reaching issues, thus Assemblyman Franks' bill, which calls for signature requirements of 8 and 12, is more to our liking than any bill that requires only 3 or less percent.

Assemblyman Catania, when I spoke to him about two weeks ago, told me he was against I&R because he didn't want to see New Jersey turned into a situation like California. There are a number of very distinct and clear differences between the bill Assemblyman Franks has proposed and Senator Dorsey and the situation in California, most notably the change between a direct and an indirect I&R. At the same time, California requires 5 percent of the voters of the last gubernatorial election in order to get an issue on the ballot.

The organizations I speak for do not favor such a low limit. We do not want to see I&R used frivolously, but only for the more important issues.

Speaking for myself -- and this is not the consensus of the group -- I would also like to see included a provision that paid signature gathering be prohibited from the I&R process, so that access to the ballot is only dependent on the merit of the issue, and not the money available behind it.

ASSEMBLYMAN MARTIN: I think the big issue with that is whether it is constitutional or not. I think there is some indication that it may well be unconstitutional. I think we would all probably-- I shouldn't speak for everyone. I know that many of us would prefer to not allow the pay, but if it is-- What we don't want to do is pass something that is ruled as being unconstitutional under the Federal Constitution, which would throw the whole I&R out after enactment.

MR. BRENDER: I remember the wording in some local legislation I have been involved with something to the effect that if any one section of this law shall be declared unconstitutional, it is the intent of the Legislature that the entire remaining portion stand.

ASSEMBLYMAN MARTIN: Well, your memory is good. It is called a "severability clause." But the courts have also said that if it goes to the very heart of the issue, you can't sever it out if it is part of what is the essence of the law.

MR. BRENDER: I will defer to the legal wisdom of the body before me then.

This is 1992, and Congress, in its infinite arrogance, abused the public confidence to the point of rebellion, kiting checks, passing pay raises in the middle of the night, despite a public outcry, and exempting themselves from ethics and hiring requirements they require of the rest of us. I am not accusing the New Jersey Legislature of the same violations, although QEA was passed in the wee hours of the morning, and the Sports and Expedition Authority gained the ability to refloat their bonds and make the people of the State of New Jersey liable for their payment, so they could go out and build

another convention center which may or may not succeed. That was also done in a lame duck session after the voters had expressed their displeasure at the party in power.

I wish to remind you that I&R is part of the Republican platform. It is part of the reason Democrats like myself actively campaigned, and proudly so, for parts of the Republican ticket. And it is a large part of why the Republicans won so large a majority.

The only check the public has on special interests who can afford full-time lobbying will be I&R. Last November showed you that I&R is what we want and what we deserve. All we ask is that you put this bill on the ballot for the public to vote on. Let us make the decision at large whether we want I&R. The only opponents will be those special interests who will then lose their unequal share of the power base. I urge you to support Assemblyman Franks' version of the bill, although we could live with just about any I&R you come up with.

Thank you. Are there any questions?

ASSEMBLYMAN MARTIN: I would just make an observation: I think you are correct. No one has addressed it, but if you have such an easy way -- such a low number of signatures, one of the things that can happen is that special interest groups can-- It is much easier for them to put something on the ballot. There may be reasons why a group would do that: to confuse, or just to muddy up the water. It has to be looked at closely.

Thank you.

MR. BRENDER: Thank you.

ASSEMBLYMAN MARTIN: Jack Shakoor, Boonton IGA.

J A C K S H A K O O R: I would like to thank the Committee for giving me the opportunity to testify on the proposed constitutional amendment to establish the process of I&R.

My name is Jack Shakoor. For the past five years I have owned and operated a 14,000 square foot -- which is

relatively small -- IGA supermarket in Boonton, New Jersey. I reside with my family in Wayne, New Jersey.

Very simply, when I learned that New Jersey was considering changing to the Initiative and Referendum form of government, I was appalled. As a small businessman, every dollar counts. I have spoken with other IGA grocers in states with I&R. They tell me the horror stories. While the bigger supermarkets will experience lower profits, I can very well be put out of business. The food industries in those states spend millions every year to fight detrimental, negative, and unworkable ballot questions which the legislature was elected to deal with. Complicated questions are reduced to simple yes or no responses.

To pass this type of legislation, which would cost me and my industry millions of dollars every year, is wrong. The cost would be passed on to the consumers who shop in my store and every other supermarket. In this tough economy, when operating on a slim or no profit margin, I&R would impact me more than others.

Money aside, I personally feel that I elected the Legislature to speak on my behalf, both in Trenton and in Washington. This is what democracy is all about. I am proud of this form of government, which every other nation in the world has tried to emulate. Some people say that I&R will give people a voice in government. Well, what do you think happened at the ballot boxes last November? We, the people, spoke loud and clear. It is a very simple process. If the legislators that we elect do not speak for us, they do not get reelected.

As a businessman in Morris County, I urge you to oppose Initiative and Referendum, and I thank you very much. I would just like to point out that the Northeast is one of the most competitive areas in the country in the supermarket business. In other parts of the country you buy an item for \$1.00 and you sell it for \$1.29. You make a profit and you pay

your bills. In the Northeast, we must buy it for \$1.00, sell it for .89 cents, and still make a profit and pay our bills. It is very difficult. The big supermarkets keep the margins slim; they keep the prices low for the consumers. I&R would definitely eventually raise the prices, and would thereby put the smaller guys out of business, because the big guys can handle the lower profit for a while, and then the prices will be passed on and they will make their profits back.

I urge you to definitely defeat this. Thank you.

ASSEMBLYMAN MARTIN: Hearing no questions, I will call Bernard Laufgas, The Public Watchdog.

B E R N A R D L A U F G A S: (speaking from audience) I would like to waive my turn at the present time, but I would like to be put on the list for Toms River.

ASSEMBLYMAN MARTIN: Okay. Thank you, sir, and you will have that chance. I will give Neal Kramer a chance to speak if he is here. I will add one more person to our list.

Now, Barbara Eames?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Mr. Chairman, I still protest this meeting. I believe the people who came to Morris County--

ASSEMBLYMAN MARTIN: Sir, you are out of order, okay? You made your point. I am asking you now, out of courtesy-- You make your point.

UNIDENTIFIED SPEAKER FROM AUDIENCE: We are hearing from people from other areas, and it is not right.

ASSEMBLYMAN MARTIN: I'm sorry you don't like the way we are running this hearing. Blame it on me. Barbara Eames.

B A R B A R A E A M E S: For the record, I live in Whippany, in Morris County, if that makes you feel any better, sir.

Good evening, or perhaps I should say "good night." I would like to commend you for your attention this evening, and everybody else who is out here, too.

Before I speak to you directly on the issues of Initiative and Referendum, I would like to share with you two personal experiences that are very germane to tonight's discussions: Last spring, I circulated nominating petitions for Art Albohn and Rod Frelinghuysen for the 1991 elections. I was extremely dismayed to discover that a surprising number of intelligent, educated friends and neighbors were unable to sign the petitions. This was either because they were not registered to vote, or because they couldn't remember which party they were registered for, indicating to me that they had not voted in a primary election in a very long time.

Secondly, I have served on my local Board of Education for three years. During that time, the Board has tried to grapple with some extremely difficult, sometimes emotional issues. Generally speaking, there is little public in attendance at any of our meetings, unless we are on the verge of making a difficult decision. At those times, a reasonable number of people will attend, many of them, of course, to oppose a possible Board decision.

My main concern about the process of Initiative and Referendum is that it is an attempt at an artificial, quick-fix solution for a problem that is the fault of the public, not the Legislature. Representative democracy would work as our forefathers intended, if people would participate in the process and vote. We have all heard the statistics about the disturbingly low number of citizens who vote in local, State, or national elections. That is the real problem with our political system.

The system itself isn't broken. It would work if people would study the issues adequately and vote for legislators who supported their views. The New Jersey School Boards Association has four specific concerns relative to Initiative and Referendum:

1) The purposely deliberative process established by our State Constitution is far preferable to the kind of oversimplified public discussion that would take place in an atmosphere dominated by the media and the ad campaigns of special interest groups. In California, the process has become a very expensive one as well, with more than \$30 million being spent in 1984 on just nine initiative campaigns.

2) If people do not have the time or interest to read about the issues and spend 15 minutes at the polls, why would we ever believe they would be motivated to study and understand the complex issues which confront our society today and vote intelligently on a major issue which could be reduced to a paragraph on a ballot?

3) Petition drives by special interest groups will dominate the political process and lawmakers will be forced to react in response to those influences, rather than in the best interests of the public at large. (background noise from audience)

ASSEMBLYMAN MARTIN: Barbara, just a second. We've got two more people after this. People have been good. Could you give her the courtesy? We have had discussions. She is very intelligent and has well-thought-out ideas. At least give her the attention she deserves. Thank you.

MS. EAMES: Thank you, Mr. Martin.

Even some sponsors of I&R acknowledge the possibility of abuse relative to special interest groups and have already specifically excluded certain issues from the process; for example, the siting of hazardous waste facilities.

4) It is likely that capping, or reducing taxes would be a major focus of petition drives, as has happened in California with Proposition 13 and in Massachusetts with Proposition 2 1/2. With education as the largest, single public expenditure, it will undoubtedly be a prime target.

We have good friends in Holden, Massachusetts, who I spoke to this afternoon. Since Proposition 2 1/2 went into

effect several years ago, their school board has eliminated all foreign language programs from the middle school. There is no arts program K-8. Music, computers, and after-school sports programs have been cut. The PTA funds the basketball program. Social studies teachers have been eliminated, and regular teachers have picked up the load. Most of their busing will probably go this year.

Members of the Committee, I strongly support the belief of not only the New Jersey School Boards Association, but that of the education and business communities of this State that Initiative and Referendum is an extremely dangerous idea. What is broken in the chain of governmental process is the public's lack of participation, not the responsiveness of the legislators. If the legislators are not responsive, the public can unelect them, as they did very effectively last November. The public did what it needed to do last fall. I urge you to do your part to preserve the integrity of our system of representative democracy by defeating legislative proposals for Initiative and Referendum.

Thank you very much.

ASSEMBLYMAN MARTIN: Thank you, Barbara.

Felix Auer, then Neal Kramer. You have two minutes, no more. And I will personally take you down to Toms River, sir, the next time, if you want to go. You may ride down in my car with me.

F E L I X A U E R: I am Felix Auer, from Madison, Morris County. When you were sworn in, you gave your oath as legislators. Some of the wording of the oath is that you will act under the authority of the people. I think you should keep that in mind.

There were two issues in the last election in which the Majority was elected: taxes, and Initiative and Referendum. The performance on taxes is somewhat disappointing. A token 1 percent of the sales tax has been

reduced, which will be offset by the Homeowners' Rebate being abolished, so it is a wash. The indirect taxation of State-mandated activities in countless municipalities is increasing, so the tax burden is actually increasing, instead of decreasing, in spite of last year's election.

Initiative and Referendum will give the voters -- the people -- equality with the third House of the Legislature. By the third House I mean the army of registered lobbyists, with huge funds for campaign contributions, which are more powerful than the electorate. Remarks have been made about low voter participation. There is such a feeling of impotence on the part of the voters which causes low voter participation.

An argument against Initiative and Referendum is that the Legislature, as a deliberative body, can weigh issues and it has great accountability. The number of bills passed-- How many of the bills you vote on have you really read and studied thoroughly? Any proposal with Initiative and Referendum which will be brought before the electorate will be far more discussed and researched and examined than the average bill you vote on in the Legislature.

Finally, there is the question that the electorate has given you the respect of electing you. -- You ought to return that respect and respect the people who vote for you. The feeling that the people do not have the mental capacity to pass on Initiative and Referendum means that the people shouldn't-- If you take that position, it means that you do not respect the people who voted for you. Maybe you know something your supporters don't know. It is quite clear that each legislator has a choice: They can be either the obedient lap dogs of the lobbyists of the third House of the Legislature, or they can be true representatives of the people and form a partnership for Initiative and Referendum.

Thank you. (applause)

ASSEMBLYMAN MARTIN: Neal Kramer, also from Madison.

**N E A L K R A M E R:** My name is Neal Kramer, from Madison, New Jersey. I will tell you who I represent: I represent one-half of the registered voters at 30 Niles Avenue in Madison. I also have a prepared statement. I didn't make copies for everybody, but you can find it very easily. It is from the Constitution of the State of New Jersey. These words were written between the 12th day of June and the 10th day of September 1947: "All political power is inherent in the people."

Why are we even talking about whether I&R is a good idea or a bad idea? It's the law. Government is instituted for the protection, security, and benefit of the people, and they have the right, at all times, to alter or reform the same, whenever the public good requires it.

Thank you. (applause)

**ASSEMBLYMAN MARTIN:** Any questions? (no response)  
There were a couple of lawyers who looked into the question of whether I&R already existed in the Constitution. I don't think they got-- Let's put it this way: It was not decided as favorably as you would like, which is why we are going through this exercise.

At the suggestion of my colleague, Dave Russo, we are willing to try and take a number of people if they will confine themselves, according to my watch, to two minutes. This gentleman-- If you want to have a two-minute opportunity--

**E D S Z A B O:** I'll do in two minutes--

**ASSEMBLYMAN MARTIN:** Good.

**MR. SZABO:** --what they do in 10.

**ASSEMBLYMAN MARTIN:** We will take you first, sir. Is there anyone else who wants a two-minute pop? (laughter) In part I am doing this out of respect to my colleagues. I promised I would try to get them out of here at 10:30, because some of them are going to Bergen County, some to Toms River, and John is going to Mercer County. But, also, in fairness to

your own testimony, we don't quite give it maybe as much careful attention as we should after over three hours of listening to others. So I mean, you have to understand. We would rather hear you fresh in Toms River, than perhaps a little late at night. But we will give you two minutes to make your point. If it is as good as Neal's, I think we will remember it. You're on.

MR. SZABO: Give me the hook when the two minutes are up. I will talk very quickly.

My name is Ed Szabo. I live in Stillwater Township in Sussex County. I represent the Stillwater Township Taxpayers Association. I polled my group. We have 12 directors; we have three officers; and we have 110 families, out of about 4200 people who live in Stillwater. We have a small cross section, but I think it is a very important one.

We are here to support voter friendly versions of the I&R which were sponsored by Senator Dorsey -- SCR-40 -- and Assemblyman Kamin's ACR-57, I believe.

The average taxpayer is not organized to lobby like the NJEA, the New Jersey Chamber of Commerce, the Business and Industry Association, the AFL-CIO, the New Jersey Food Council, the Association of Environmental Authorities, the School Boards Association, and 600 other groups which are in the "Legislative Manual of New Jersey." I feel sorry that you have to put up with all of them. (laughter)

Last year, these lobbyists spent over \$10 million in New Jersey and, through the loophole reporting that existed, they said they spent \$30,043 entertaining lawmakers, the Governor, and his staff. The Legislature and legislators were influenced. We, the average citizens, cannot compete with those lobbyists, but our taxes sure do, because they come out of our hides every single time. We carry, and we support, what comes from these groups. When they put their hands out, the taxpayers have to pull their wallets out.

I&R can assist the legislative process by reflecting the will of the people; by making the tough decisions politicians are unwilling to make. It will even improve voter interest, instead of apathy and disgust. There are 615 registered lobbyists listed in the "New Jersey Legislative Manual," as I have said. Not one of them represents my interests. Those 615, and their supporters, are a drop in the bucket in the total taxpayer group.

We are unrepresented because they are listened to, not the millions of people who, in fact, voted for the legislators. As one of those who really is represented -- who is not represented, excuse me -- by one of these special interests, you get to feel that if they are against I&R, you should automatically be for it. That is the only possible reaction the average person who has no association with these special interest groups can come to. No matter what happens, it costs me every one of those times that they have their hands out to you people, and I am sorry you have to put up with it.

Thank you.

ASSEMBLYMAN MARTIN: Joe Long.

**J O S E P H L O N G:** I thank the Committee for hearing me. I am Joe Long. I am from Jefferson Township, in Morris County. I am President of the Federation of New Jersey Taxpayers. We are a statewide group. We have individual members and groups throughout the State.

I just want to talk about the Florio \$2.8 billion tax package, where he had no meetings. All right? And also the insurance mess. This could have been brought up if we had had Initiative and Referendum. We are also for the 3 percent for the law; 5 percent for the constitutional change, no restrictions.

The late Senator Frank Graves wrote me a letter saying that he was all for Initiative and Referendum. He was a personal friend of mine.

I am a pipe fitter. Our membership is 800 to 900 in the pipe fitter local. We had no polls on I&R. As far as I know, no other union had any polls taken. All right? To me, I&R is like a boiler. A boiler has a safety on it. If that gas burner keeps going up, pressure builds up and it blows up. It could go up as high as three or four stories. That is why we need I&R. We have to have that safety valve.

Thank you. Two minutes, or less. (applause)

ASSEMBLYMAN MARTIN: The last person will be Doreen Ali, College Republicans. What college do you go to?

D O R E E N A L I: I go to Kean College, in Union, but we do have College Republicans everywhere in the State, and we have contacts everywhere.

ASSEMBLYMAN MARTIN: Well, I hope so. (laughter)

MS. ALI: Please excuse me. I wasn't prepared to speak today.

ASSEMBLYMAN MARTIN: You have at least one at Seton Hall Law School; I can tell you that much.

MS. ALI: I wasn't prepared to speak tonight, but I felt I had to speak out on behalf of College Republicans. As I said, we are all over the State, and we do have contacts all over the State.

We are young people. Regarding the I&R issue, we feel it is very important to our futures relative to certain issues, such as taxes, which have been mentioned.

I have never done this before, really. But we would like to stay here in New Jersey -- in this State -- and we feel that in order to raise our children here, in order for us to stay here, we need Initiative and Referendum, as I said, regarding certain issues. Of course, we are active in the State of New Jersey, and we would like to be able to stay here, as I have already stated.

We feel this is a nonpartisan issue, even though we are College Republicans. We feel that if our opponents are

going to say that they want equality, then the only way I feel they are going to get their equal chance, is to have everybody have an equal say, and that is through Initiative and Referendum. I don't know why they are not supporting it.

As I said, young people in New Jersey do support I&R, and we would like to see it enacted in the State of New Jersey. Thank you.

UNIDENTIFIED MEMBER OF COMMITTEE: I would give her a B+ for that. (laughter) You get a B+. I'm a tough grader, by the way.

ASSEMBLYMAN MARTIN: Sir, go ahead.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Randolph Township Concerned Citizens are going to have their own I&R meeting during the week of April 20, either Wednesday or Thursday. We will have Senator Dorsey there; we expect Assemblyman Frelinghuysen. We will also have Larry Haverly and Sam Perelli. I think what we need is more education on I&R. That is our purpose.

ASSEMBLYMAN MARTIN: Thank you. I want to thank my fellow--

J O H N W A R E: Sir, could I make a one-minute remark?

ASSEMBLYMAN MARTIN: You're on. We've done everybody else, so--

MR. WARE: My name is John WARE. I am with TAXPAC, Larry Haverly, and UTNJ, Sam Perelli.

When I reflect on all these good legislators who are working for my good, it keeps recurring in my mind -- Shakespeare's "Taming of the Shrew." I make only one remark, and that is about I&R: If it is so bad, what is wrong with letting it go on the ballot and allowing the people to vote on it? If it is so bad, they will vote it down.

That is my only comment about I&R.

ASSEMBLYMAN MARTIN: I don't think anyone else on the Committee has any closing remarks. We will just sort of fade away.

Thank you. This will be continued.

(HEARING CONCLUDED)

**APPENDIX**



April 2, 1992

I&R (INITIATIVE AND REFERENDUM)

TESTIMONY BY: SENATOR BILL SCHLUTER

2 North Main Street  
Flemington, New Jersey 08822  
Tel.#: (908) 788-3800

PRESENTED AT: ASSEMBLY STATE GOVERNMENT COMMITTEE HEARING

Morris County Court House  
Morristown, New Jersey

I am opposed to I&R for New Jersey for a number of reasons. In fact, I can see no redeeming value whatsoever in I&R - - - it is a cruel hoax which will raise the expectation of New Jersey citizens without any chance of producing consistent, beneficial results.

Let me explain my position through a series of nine observations and arguments.

I. Under I&R, the State agenda and policy will be set by pressure groups, demagogues and consultants. Experience in other states has demonstrated that I&R issues will be simplistic and emotional - - - they will not go to the core of state policy concerns and the efficient management of state government.

Accountability is the cornerstone of good government, and

there is virtually no accountability from these non-elected interest groups and professional "hired guns". However, where elected officials have the prime role in state policy, there is accountability based on the fact that the record of these officials can be carefully scrutinized and evaluated - - - and the citizens have the ability to vote these officials out of office if they do not perform well.

II. Money - - BIG MONEY - - will be the catalyst which drives I&R. And this money will go to the political consultants who manage the I&R campaigns.

When the casino gambling question was approved by the New Jersey voters in 1976 by a margin of 60% to 40%, the millions of dollars spent by the casino industry accounted for 98.5 per cent of total money spent on that public question.

In 1989, a public question on a "bottle bill" for Mercer County was defeated by a comfortable margin. Almost one-half million dollars was spent by the opponents with approximately half of that amount coming from out-of-state. The proponents only spent around \$30,000.

The situation in California has shown that more money is spent each year in the campaigns of I&R ballot questions than in all other political and candidate campaigns combined.

III. I&R leads to government by pandering. Legislators will have even less reason to make tough decisions when they have the excuse: "Let's have the voters decide!" We will have

government by polls. Believe me, there is nothing wrong with the concept of polling. The problem is that polls measure what is on the public's mind and have very little ability to tell us what is the most rational solution.

Wording of ballot questions will be extremely imprecise. There will be a built-in bias in the language of every question, further proof that the concept of I&R is going to produce pandering.

Experience has shown that an I&R "counter-campaign" strategy will often be used by interest groups to defeat a public question. Consultants will be able to conjure up one or more public questions which are slightly different than the one which they wish to defeat, and have these questions placed on the ballot. There will be so much confusion in the voter's minds that all of the questions on this subject will be defeated.

IV. I&R will divert attention away from the remaining 95 per cent of the issues with which the Legislature will be dealing. While the press and public are focusing on some of the emotional issues being considered for referendum such as establishing a profession of denturism or outlawing boxing in New Jersey (as well as one or two major issues that have been oversimplified - - - i.e., eliminating tenure for teachers), scores of important bills will be passed by the Legislature without adequate analysis, review, and public attention. Among these less sexy issues will be the changing of standards for certain

regulated industries, technical laws affecting insurance coverage, health care, pensions, extension of permit expiration dates, and the like.

With I&R as part of our system, clever lobbyists will have a field day in passing special interest laws through normal legislative channels because less attention will be paid in these areas.

V. There is no such thing as limited I&R! The subject matter of I&R cannot be limited because the very proposals advanced for I&R contain provisions to amend the process by statute or constitutional amendment.

Proponents of limited I&R say that there will be a six month waiting period after a public question has been presented to the Legislature for that body to act. What makes one think that the Legislature will act? No - - - the Legislature will have an easy way out with the excuse of: "Let the public decide". Indeed, Legislators will have even greater incentive to duck issues.

Finally, the Supreme Court has ruled that campaign contribution and spending for I&R ballot questions cannot be limited. Such is not the case for campaigns of candidates for public office.

VI. I&R will put one of the final nails in the coffin of political parties in New Jersey. Political parties do need reforming, but they have served a very essential purpose in

government in New Jersey and in the United States. Political parties help to develop a consensus on issues; they serve to bring together a body of ideas which are associated with their candidates; and political parties can influence elected officials - - - in a good sense - - - in carrying out public policy.

Under I&R, a political party label will merely be a "flag of convenience" used to get a candidate on the ballot and elected.

VII. Yes, there are problems with our governmental process in New Jersey. People feel alienated because their elected officials seem unresponsive. And those proponents of I&R are sincere in their efforts to address this condition.

But I&R will not correct these failings. Rather, we need comprehensive reform of our campaign finance, election and conflicts-of-interest laws. The case for these reforms has been well documented.

A current phenomenon which serves to confuse the process and make it less responsive is the growth and influence of legislative leadership PACs. This has been caused by the direct linkage of excessive campaign expenditures and control over the legislative agenda.

VIII. The supporters of I&R argue that big lobbies in Trenton oppose I&R and all lobbies are bad. Ipso facto - - - I&R is good.

This argument, in itself, is demagoguery and pandering.

The New Jersey Farm Bureau, the School Boards Association, New Jersey Education Association, New Jersey Business and Industry and other reputable lobby organizations oppose I&R.

The reasons that many lobbies in Trenton oppose I&R are valid - - - they do not want chaos to be created in the legislative arena - - - they do not want "legislative lightning" to strike down a body of law which has been built up over years of rational consensus.

IX. Finally, our system of government has been very successful because it is based on a fundamental premise of DUE PROCESS. Due process means consensus building, analysis, public input, patience and dedicated Legislators who work hard and are willing to make the tough decisions.

With I&R, you can toss due process out the window. And, it will be even more difficult to find Legislators who will make the rational, tough decisions when they have the alternative of saying: "Let the voters decide".

We must defeat I&R. Our system of government must be based on the power of our ideas and the commitment of our elected officials.

## STATES WITH PETITION VOTING RIGHTS FOR CITIZENS

More than half the states (29) have constitutions which provide their citizens with Initiative, Referendum or Recall. These states are as follows:

	<u>Initiative</u>	<u>Referendum</u>	<u>Recall</u>
1. Alaska	X	X	X
2. Arizona	X	X	X
3. Arkansas	X	X	X
4. California	X	X	X
5. Colorado	X	X	X
6. Florida	X		
7. Idaho	X	X	X
8. Illinois	X		
9. Kansas			X
10. Louisiana			X
11. Maine	X	X	
12. Maryland		X	
13. Massachusetts	X	X	
14. Michigan	X	X	X
15. Missouri	X	X	
16. Montana	X	X	
17. Nebraska	X	X	
18. Nevada	X	X	X
19. New Mexico		X	
20. North Dakota	X	X	X
21. Ohio	X	X	
22. Oklahoma	X	X	
23. Oregon	X	X	X
24. South Dakota	X	X	
25. Utah	X	X	
26. Virginia			X
27. Washington	X	X	X
28. Wisconsin			X
29. Wyoming	X	X	

Source: Congress Research Service, Library of Congress, Report JF941, 76-95A, 597/110 (May 1976).

*It is time New Jersey joins the majority of states  
in allowing its citizens Petition Voting Rights.*

## HISTORY OF INITIATIVE

The idea of Initiative did not exist at the time the USA was forming and the first state constitutions were being written. Initiative was really pioneered in Switzerland, starting in 1831. Initiative was recognized as valuable, and provisions were added to constitutions of various states in the USA, starting around the turn of the century. So far, 23 states have adopted it and the dates are as follows:

1898 South Dakota  
1900 Utah  
1902 Oregon  
1906 Montana  
1907 Oklahoma  
1908 Maine, Missouri  
1910 Arkansas, Colorado  
1911 Arizona, California, Idaho  
1912 Nebraska, Nevada, Ohio, Washington  
1913 Michigan  
1914 North Dakota  
1918 Massachusetts  
1959 Alaska  
1967 Wyoming  
1968 Florida  
1970 Illinois

**NUMBER OF SIGNATURES REQUIRED FOR INITIATIVE IN THE VARIOUS STATES**

**Minimum Requirements**

	<u>Legislative Initiative</u>		<u>Amendment Initiative</u>	
	<u>%</u>	<u>Signatures</u>	<u>%</u>	<u>Signatures</u>
1. Alaska	10	20,343	—	—
2. Arizona	10	86,699	15	130,048
3. Arkansas	8	55,081	10	68,851
4. California	5	372,174	8	595,479
5. Colorado	5	50,668	5	50,668
● 6. Florida	—	—	8	363,886
7. Idaho	10	38,743	—	—
8. Illinois	—	—	8	180,813
9. Maine	10	42,686	—	—
10. Massachusetts	3(a)	50,525	3(a)	50,525
11. Michigan	8	191,725	10	239,656
12. Missouri	5	104,296	8	166,874
13. Montana	5	18,351	10	36,702
14. Nebraska	7	39,510	10	56,442
15. Nevada	10	35,426	10	35,426
16. North Dakota	1.6 (b)	13,055	3.2 (b)	26,110
17. Ohio	6 (c)	183,198	10	306,662
18. Oklahoma	8	93,683	15	175,656
19. Oregon	6	63,578	8	84,770
20. South Dakota	5	14,723	10	29,444
21. Utah	10	64,911	—	—
22. Washington	8	150,001	—	—
23. Wyoming	15	27,962	—	—
<b>Average</b>	<b>7.4</b>	<b>81,778</b>	<b>8.9</b>	<b>152,883</b>
<b>Proposed for NJ</b>	<b>8</b>	<b>160,000</b>	<b>12</b>	<b>240,000</b>

(a) Plus 25% vote of legislature in 2 successive sessions.

(b) of population in prior census

(c) only 3% if subsequently passed by legislature

Reference: David Schmidt, Citizen Lawmakers, Temple Univ Press,(1989) p 296.

**TESTIMONY BY THOMAS FAVIA  
BEFORE  
THE NEW JERSEY  
ASSEMBLY STATE GOVERNMENT COMMITTEE  
ON  
"INITIATIVE AND REFERENDUM"  
APRIL 2, 1992**

Thank you, Mister Chairperson and members of the committee for providing me this opportunity to testify against Initiative and Referendum. My name is Tom Favia and I represent 2,500 members of the Jersey City Education Association who opposes "I&R."

In New Jersey, there are two types of school districts: those who have and those who have not. Urban school districts like Jersey City tend to be among those who have not.

Abbott vs. Burke declared that our poorest school districts must be brought up to the level of our wealthiest. Will "I&R" encourage parity and excellence among school districts? Probably not.

Resources in Jersey City are scarce. Students rely on the schools to provide many essential services.

Students in Jersey City depend on the schools to provide their only hot meal for the day.

Extra-curricular activities provide students with their only opportunity to learn valuable social skills while developing their minds and bodies.

Pregnant teenagers turn to school-based health clinics for necessary medical care --- sometimes their only medical care.

Well-trained school counselors provide counseling and guidance for students who have substance abuse problems.

What will happen to these needed services if "I&R" is adopted? These services are likely to be in jeopardy.

"I&R" severely impacted education in Massachusetts' urban school district.

Initiatives in that state forced drastic school services cuts. In Boston, class sizes grew to more than 50 students. In the Wells School District, another urban area, class sizes swelled to an average of 56 students per class.

There was no money to provide an adequate number of teachers --- in fact a whole generation of teachers has been lost.

Today, school districts in Massachusetts continue to "level down" educational quality, increase class size, and reduce staff --- 2500 more school staff have been laid off since, June, 1991.

In 1986, a school roof was deemed to be unsafe in the Brocton School District. The school had to be closed. Today, six years later, that same school is still closed because there is no money to fix the roof.

Old, urban buildings are deteriorating just like many of our schools in Jersey City. Several classes are held in the corners of the library because there is a shortage of classrooms.

Because of limitations imposed by Proposition 2 1/2, the community cannot raise taxes in order to reduce class size, make necessary repairs, and provide safe, well-equipped classrooms.

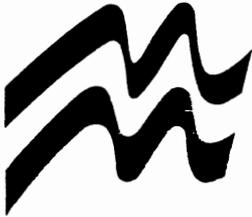
The "I&R" process is easily abused by one-issue groups. In a declining economic environment, education and educational issues have become a target of public annoyance with public finance and taxation issues in general. Schools are likely to be their next target.

Quality public education has been a topic of great concern in Jersey City. It is essential to the future of our state.

The interests of our children cannot be entrusted to votes on oversimplified questions.

For the sake of all our children, please reject any "I&R" legislation.

Thank you.



MORRIS COUNTY  
CHAMBER OF  
COMMERCE

TESTIMONY OF DAVID MUHA  
VICE PRESIDENT, PUBLIC AFFAIRS  
MORRIS COUNTY CHAMBER OF COMMERCE  
BEFORE THE  
ASSEMBLY STATE GOVERNMENT COMMITTEE  
MORRISTOWN, NJ  
APRIL 2, 1992

Mr. Chairman my name is David Muha, and I am here on behalf of the 1,100 member companies of the Morris County Chamber of Commerce.

The Morris County Chamber of Commerce opposes Initiative and Referendum. The reasons for our opposition are consistent with the arguments presented by thousands of companies, both large and small, in all 21 counties. For the sake of time I will not repeat these arguments.

I would like to address the notion that only "big business" opposes Initiative and Referendum. Mr. Chairman, most of our companies have fewer than 20 employees. The size of the company has no bearing on the chamber's opposition to any of the various Initiative and Referendum proposals. The Morris County Chamber of Commerce opposes I&R because complex legislative problems cannot be solved with simply worded ballot questions.

An example we saw in the voting booth last fall best illustrates this point. A non-binding referendum was placed on the ballot. It read:

"Shall the State urge the United States Congress and the President of the United States to enact a national health care program which: provides high quality comprehensive personal health care including preventive, curative, and occupational health services; is universal in coverage, community controlled, rationally organized, equitably financed, with minimal out of pocket expense to taxpayers; is sensitive to the particular health needs of all persons; and aims at reducing the overall costs of health care."

The voters approved this measure by a greater than 5-1 majority. Mr. Chairman, health care is a complicated issue. You and your colleagues have grappled with it for quite some time and yet the issue persists still today.

In theory, if we had I&R in New Jersey, the voters could resolve this deadlock by crafting a similar binding initiative. The way the question is worded, petition signature requirements of 3%, 8% or 80% would not keep it off the ballot. How could anyone be against universal coverage at minimal cost to taxpayers? Especially when we're not asked what level of taxation we'd be willing to incur.



Federation Of  
New Jersey Taxpayers, Inc.  
P O Box 86  
Summit, NJ 07902-0086

I speak for the FEDERATION OF NEW JERSEY TAXPAYERS INC., WHICH HAS been in existence since 1967. To-day we address ourselves to nothing that is really new. Plainly explicit we believe the Governance of New Jersey has gone wild. Its expansion of bureaucracies, take-over and intrusion at all levels have become so costly that the average resident is financially worried:

We have been in the forefront of many battles, some we have lost, some we have won. This BATTLE, we cannot afford to lose. The last election was blatantly expressive of the people's demands. With due research plus the 'VOICE OF THE PEOPLE' TO STRENGTHEN our case, we offer the following remedies to cure a SICK STATE.

- 
1. Sales TAX MUST BE REDUCED BY AT LEAST 1% TO WHERE IT WAS BEFORE FLORIO INCREASED THE BUDGET BY \$2,8 billion.
  2. INCOME TAX MUST BE ROLLED BACK TO WHERE IT WAS BEFORE FLORIO DELIBERATELY INCREASED IT WITHIN ONE MONTH AFTER HE WAS ELECTED.
  3. STATE GRANTS TO MUNICIPALITIES AND ESPECIALLY CERTAIN EDUCATION GRANTS MUST BE CUT.
  4. ALL 'PERCS' MUST BE REDUCED OR ELIMINATED.
  5. FREEZE ALL PENSIONS AT PRESENT LEVEL.
  6. REDUCE ALL LEGISLATORS AND TOP ECHELON PERSONNEL'S SALARIES INCLUDING THE GOVERNOR BY 10% .
  7. HOMESTEAD REBATES AS NOW DISTRIBUTED SHOULD BE DISCONTINUED. IF THE STATE IS GOING TO RETURN SUCH MONIES, THEY SHOULD BE GIVEN DIRECTLY TO PROPER MUNICIPALITIES IN ONE LUMP SUM AND DISTRIBUTED BY THEM TO THOSE PROPERTY OWNERS ENTITLED TO SUCH REFUND. IT WILL BE DONE FOR LESS COST, IF ANY.
  8. INITIATIVE AND REFERENDUM BILL MUST BE PASSED WHICH THE PUBLIC DEMANDS.

Bernadine Silver  
Legislative Chairman  
Federation of New Jersey Taxpayers Inc.

april 1, 1992





