



## News Release

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### NEW JERSEY TAXPAYERS COALITION RELEASES ITS PROPOALS FOR 2011 FISCAL REFORM

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Randolph, NJ – March 15, 2010 – With the latest looming fiscal crisis the New Jersey Taxpayers Alliance, a collection of business and civic organizations, today releases its proposals to address the immediate and future fiscal reforms necessary to put New Jersey back on a path for growth and in the interim, survival. Admittedly the proposals will impose sacrifice but given the alternatives they are reasonable and justified if New Jersey is to reverse its precarious current financial straits.

Jerry Cantrell, NJTA president stated, “We’ve all known for a long time this day was coming and while the special interests will do go to extremes to avoid responsibility, it’s time to face the simple realities and deal with the consequences. The besieged taxpayers cannot do it alone any longer.”

As detailed in Governor Christie’s recent presentation to the joint legislature:

1. “A state retiree, 49 years old, paid, over the course of his entire career, a total of \$124,000 towards his retirement pension and health benefits. What will we pay him? \$3.3 million in pension payments over his life and nearly \$500,000 for health care benefits -- a total of **\$3.8m on a \$120,000 investment**, and
2. A retired teacher paid \$62,000 towards her pension and nothing, yes nothing, for full family medical, dental and vision coverage over her entire career. What will we pay her? **\$1.4 million in pension benefits and another \$215,000 in health care benefit premiums** over her lifetime. Is it “fair” for all of us and our children to have to pay for this excess?”

Whether it's fair is not the issue. We simply don't have that money and to continue to ignore that fact is not only irresponsible but a clear case of malfeasance on the part of the elected officials responsible.

On top of these examples are outlandish payments for time not worked in terms of sick days and annual vacation days not taken. The list of egregious abuses exceeds one's ability to comprehend.

Thus it is time for change and here is where we propose to begin.

New Jersey Taxpayers Alliance proposes that the state:

- Adopt a single statewide contract for each of the individual bargaining units/entities statewide.
  - Under this proposal there will be one contract for each of the individual bargaining units (i.e., police, firemen, teachers, superintendents, principals and supervisors, office workers, college professors, deans, presidents, etc.). There will no longer be separate contracts for each of the approximately 1600 governmental entities in the state,
  - Implement uniformity throughout relative to sick leave, terminal leaves, holidays, vacations, and/or any compensated time off, etc., **(No payments for unused sick, vacation or any of the other compensated time off days.)**
  - Mandate that every/all public sector individual contract(s) (i.e. superintendents, police chiefs, executives, directors, etc) be put online by 2012
- Freeze any/all public employee publically funded pension/retirement plans in place, eliminating defined benefits and replacing them with 401b plans, stipulating matching contributions are adjustable,
  - Eliminate part-time employees from the pension system.
- Freeze all of the separate appointed boards, commissions and authorities' memberships in place for a year. Eliminate all boards, commissions and authorities that don't have a specifically defined and legitimate role in the governing process,
  - Eliminate all appointees to boards, commissions and authorities from the pension/retirement and health benefit plans
- Adopt, mandate, create and implement transparency portals across the state at every level of government and at all the individual entities to cover documented line item expenditures down to the check register detail,
  - Adopt/pass existing legislation (S708) Transparency in Government Act
- Introduce and pass legislation that mandates:
  - Open contract negotiations at every level of government (state, county, municipal, schools, agency/authority/boards)
  - That every public sector contract be put online by 2012, and
  - Every and all NJ government lawsuit settlements be posted on line
  - Mandate that every public employee contribute *the private sector, and federal government, average* of 25% of the cost of their individual healthcare coverage.

Given the magnitude of the outstanding debt and indeed the current level of expenditures versus revenues, it is fraudulent to pretend to give away something we have every reason to know is not financially feasible.

Cantrell concluded, "So let's accept the pain created by past failures and understand that we are ALL in for a prolonged period of sacrifice. The sooner we get on the road to recovery the better we'll ALL be. Certainly it won't be nearly as dire (i.e., "draconian") as the special interests are going to claim and keep

in mind we're not just doing it for ourselves but for the sake of our children and the future generations. We made the mess and we shoulder the responsibility for fixing it. If not now, WHEN?"

### **About the New Jersey Taxpayers Alliance**

Under the leadership of the New Jersey Taxpayers Association (NJTA), New Jersey civic and business leaders today announced the formation of the New Jersey Taxpayers Alliance, a non-partisan, grass-roots organization dedicated to achieving real and sustainable tax reform in New Jersey. Comprised primarily of civic, business and professional associations, the Alliance's mission is to educate and inform New Jersey taxpayers about sound fiscal policy; provide state policymakers with objective, non-partisan research about the impact of specific tax, regulatory and spending policies; and advocate for the adoption of rational public fiscal policy as it relates to individuals, non-profit organizations, small businesses and corporations. Please visit [www.njtaxalliance.org](http://www.njtaxalliance.org) for more information.

### **NJTA/Alliance Members:**

- ◆ Altria
- ◆ Commerce and Industry Association of New Jersey
- ◆ Excellent Education for Everyone
- ◆ GRAND Institute
- ◆ National Federation of Independent Businesses, NJ
- ◆ National Taxpayers Union (Wash, DC)
- ◆ New Jersey Gasoline - C-Store - Automotive Association
- ◆ New Jersey Restaurant Association
- ◆ New Jersey Retail Merchants Association
- ◆ New Jersey Society of Certified Public Accountants
- ◆ New Jersey Taxpayers Association