

STATEMENT BY WILLIAM G. DRESSEL, JR.,  
EXECUTIVE DIRECTOR, NEW JERSEY LEAGUE OF MUNICIPALITIES,  
CONCERNING GOVERNOR CORZINE'S PROPOSED BUDGET  
FOR FY 2008-2009.  
PRESENTED TO THE SENATE BUDGET AND APPROPRIATIONS COMMITTEE  
WEDNESDAY, MARCH 12, 2008  
RUTGERS: THE STATE UNIVERSITY STUDENT CENTER  
NEW BRUNSWICK, NJ.

Thank you, Madam Chair and members of the Committee.

I will speak briefly, then turn things over to Mayors McDonough and Martin.

I just want to raise a few rhetorical questions about the proposed CMPTRA cuts for municipalities under 10,000 and 5,000 residents, but important to all municipalities.

Will budgetary consideration be given to municipalities that are already involved in extensive inter-local services arrangements? If so, (And here's why this is important to all municipalities.) where will the money come from?

Not too many years ago, before service sharing and consolidation became the rage in Trenton, municipalities were told to reduce costs through privatization of services. Many did. Will budgetary consideration be given to municipalities that pursued that strategy, in the past, or which might want to consider that, in the future? If so, where will the money come from?

If three contiguous municipalities, all currently under the arbitrary 5,000 threshold, were to consolidate this year, and become a municipality with more than 10,000 residents, are there any assurances that their CMPTRA funding next year will be based on their former aggregate funding? If so, where will the money come from?

If a municipality of less than 5,000 consolidates with one of more than 10,000, will its CMPTRA funding be based on the former aggregate? If so, where will the money come from?

If any municipality, currently below one of the thresholds, grows enough, by the next census, to exceed one of the thresholds, are there any assurances that they can expect to receive their former CMPTRA funding? If so, where will the money come from?

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And finally, what assurances, if any, can you give mayors that this year's arbitrary population thresholds will not be adjusted up in the future, to help the State meet further budget short-falls? Depending on how that question is answered, we may know where the money will come from.

I don't expect any answers to those questions. But they are the kinds of questions that should have been considered BEFORE any proposal was made to reduce municipal property tax relief funding by close to \$190 million.

We would also encourage you to wait until the questions about consolidation are studied by the Local Unit Alignment, Reorganization and Consolidation Commission. The Legislature's Special Session for Property Tax Reform created the LUARC over a year ago. The Commission is charged with studying and reporting on the structure and functions of county and municipal government, including local taxing districts, their statutory bases, the fiscal relationship between local governments and the appropriate allocation of service delivery responsibilities from the standpoint of efficiency. The Commission will also consider optimal service levels, ratios of employees to population served, cost structures for service delivery and other best practices.

Until he does so, and the Commission sets to work, you cannot be sure that the arbitrary 5,000 and 10,000 thresholds make any sense at all.

I would now like to introduce the League's First Vice President, Mayor Tim McDonough of Hope, to better express our concerns with the Governor's budget proposal.