
Committee Meeting

of

ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

"Testimony regarding State mandates imposed upon local entities"

LOCATION: Committee Room 16
State House Annex
Trenton, New Jersey

DATE: August 26, 2010
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman John F. McKeon, Chair
Assemblyman Reed Gusciora, Vice Chair
Assemblyman Peter J. Barnes III
Assemblywoman Linda R. Greenstein
Assemblywoman Pamela R. Lampitt
Assemblyman Scott Rudder



ALSO PRESENT:

Carrie Anne Calvo-Hahn
Office of Legislative Services
Committee Aide

Kate McDonnell
Assembly Majority
Committee Aide

Thea M. Sheridan
Assembly Republican
Committee Aide

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

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ASSEMBLYMAN JOHN F. McKEON (Chair): Good morning, everyone. I'm sorry for being a little bit tardy, as we were collectively putting together some last-minute changes to the agenda.

Welcome to a very unique and important meeting of the Assembly Environment and Solid Waste Committee. A few weeks ago this Committee was assigned the critical task by Assembly Speaker Oliver to examine State mandates that are really a driving force beyond -- behind property taxes, and asked us to look into that and recommend reforms to save taxpayers money.

I've had the honor of serving in both State and municipal government, and gratified to Chair this Committee. And we have incredible talent sitting to my right and left who are also excited about taking on this role.

Now, I know that most mandates -- that all mandates are developed for the sake of good intentions, with public health, and safety, and welfare in mind. But particularly, as legislators -- they then go to a rule-making process. They're subject to interpretation, perhaps, by the various bureaucracies, and they come out in a way that maybe goes beyond that good intention. And even beyond that, maybe some of them are duplicitous, some are antiquated, others are just luxuries that we can't afford any longer. So that's what this Committee hearing today is going to be all about.

There's not going to be any action items, per se. There are other pieces of legislation that are out there that may touch on some of these things. There are other pieces of legislation, no doubt, that will be

born from today's testimony. And so I tell you that today certainly is a start.

It's also a good time to announce that we're going to continue holding hearings through the month of September and into October that will deal with educational mandates, as well as shared services, and even municipal consolidation. We may also be vetting the issue as it relates to a component of civil service, particularly as to bumping rights. And, again, this Committee is excited that the Speaker has chosen us as a part of the team to deal with these specific issues.

I also admonish all of the witnesses that there are many other issues. This is only a part of the solution -- whether it's arbitration, whether it's issues having to do with pension reform, and others -- we understand that there are a lot of other things that are going to be looked into by this Legislature, and would be an important part of our bigger role in looking to save property taxes, but aren't necessarily going to be the subject of these hearings on a going-forward basis. I think when you heard that list -- we've got plenty to do without necessarily delving into those areas.

Beyond always thanking staff, we probably have spent about a hundred hours over the summer leading up to these meetings today. We're going to hear from the League of Municipalities, New Jersey Health Officers Association, local boards of health, New Jersey environmental authorities. Unfortunately, the Association of Counties, as much as they've been involved pre-meeting, can't be here today. And we'll find a way to hopefully make public their written testimony and talk a little bit about some of their issues. The New Jersey Library Association, New Jersey labor unions-- And, again, thank you for working with us, hand-in-hand.

The other thing I want to note to you is that -- I don't mean -- boring isn't the right way to put it. But we really need to get into the weeds here. And so we're going to be dealing with particular policies that are -- require us getting into a little bit of detail to understand reasons for them and ramifications if there's going to be, maybe, relief; and then ultimately with an eye on -- will that indeed save money?

So with that, I'm going to allow any of the members who would like to -- similar to myself -- say a few words if they so desire, and then get right to work.

So thank you all for being here today. Again, we're excited about the depth of our responsibility. Failure is not an option. We will, by the fall, come forward with some significant reform that will be born from responsibilities that we were given.

Any of my colleagues wish to be heard?

Welcome, Assemblywoman.

ASSEMBLYWOMAN GREENSTEIN: Thank you.

ASSEMBLYMAN McKEON: We're good? (affirmative responses)

Okay, then, the first group of witnesses will be through the League of Municipalities. They've asked Mike to bring them up together. And we will have them introduce themselves as they come before us.

I know we have two mayors and two managers with us who are busy people.

If you do-- After we get through your testimony, we might like to keep you around to the best that you can, because there may be some additional questions that could come up after other witnesses are here.

MICHAEL CERRA: Thank you, Mr. Chairman.

Since I have a panel of four, I figured we'll go two and two; the mayors, then the managers.

ASSEMBLYMAN McKEON: That would be terrific.

MR. CERRA: I'll speak briefly.

Michael Cerra, on behalf of the State League of Municipalities.

First of all, I'd like to thank the Chairman and the Speaker for scheduling this hearing and the hearings that will follow, and the members of the Committee for taking what would be a really nice beach day -- but to be here on a really important public policy issue.

ASSEMBLYMAN McKEON: We're going to keep the curtains closed for a reason. (laughter)

MR. CERRA: I know, don't need that image.

But we appreciate you taking your time on some of these very important public issues.

I think that just the scheduling of this hearing has already had a positive effect, because it's created a dialogue not only between local governments -- whether it's municipalities or counties -- and the Legislature, but also with the agencies. I've been talking to DEP and DCA, and I think meetings will follow. So I think a dialogue is moving ahead, and that's very positive.

At the outset, I think we'll say that we recognize that some of the issues we're raising here are probably small in the big picture. But it's more of a cumulative effect. We recognize -- to reiterate some of the comments that the Chairman just made -- most of these mandates were done for good reasons. They are to achieve a good public policy objective.

We recognize that. And from the outset we want to say that calling for reform, calling for changes, figuring how to build a better mousetrap is not necessarily a call or retreat on public policy objectives. We almost view this as more of a public administration debate than a public policy debate. It's about how to get things done. And it's not really the mandate or the objective. But the issues is, often: How do we fund it, and how are we going to get it accomplished? And we're here to offer some of our thoughts and some of our solutions, and move forward.

I'm joined by Mayor John Bencivengo, of Hamilton Township; and Mayor Anthony Persichilli, of Pennington. The Mayors are the Co-Chairs of our Mandates Committee.

ASSEMBLYMAN McKEON: Welcome, Mayors. Thank you, both, for being here.

MR. CERRA: And to follow up, we have two managers who can get into the weeds, as you mentioned: Marianne Smith, the Manager of Hardyston; and Richard Krawczun, the Manager of Lawrence, here in Mercer County.

So with that, I'll pass the baton to the Mayors.

Thank you.

ASSEMBLYMAN McKEON: Mike, all I will say to you is: Wasn't it Senator William Proxmire who said, "A few million there, and few million here, and now we're talking about real money."

MR. CERRA: If we all could only have that problem.

Thank you.

MAYOR JOHN F. BENCIVENGO: Millions add up to billions.

Thank you for having us here today to discuss mandates. I've been involved with the League and the conference (*sic*) on Mandates for a pretty long time. And I can really talk about what has affected Hamilton Township -- which is the eighth largest community in the State of New Jersey, 92,000 people. We most certainly have a wonderful cross-sector of residents -- hardworking people.

We have tried to do our best to keep our taxes down. I'm happy to say over the last three budgets we have had no tax increase. So we have been in pretty good fiscal shape due to our budgetary restraints and the number of things that we had to do to get our house in order when I was first elected mayor.

What really brings--

ASSEMBLYMAN McKEON: Congratulations. That's no easy feat.

MAYOR BENCIVENGO: Not in this economy. I can tell you, we watch our budget every single day -- give advice to some people who don't do that. But we think it's the best policy, because money is spent frivolously on many things that are not needed. And today I want to talk a little bit about mandates and why I feel it is important for us to get some sort of reform -- our house in order on this, because basically what it does to the local unit -- it puts it in havoc.

When I took office in 2008, I acquired a \$16.5 million deficit. It was a large, large deficit to handle due to some really irresponsible financial tricks. In spite of all that, it didn't matter. We still had to fund mandates that were brought down by the State, and said, "You have to fulfill these."

One that was brought to my attention that I bring up at every hearing -- because, to me, it's so outrageous when people are losing their homes, there are thousands of foreclosures, and there are people who can't put food on the table -- we're worried about a truck wash that DEP wants us to install for nearly \$300,000. I've said this before: I don't understand the urgency of a truck wash when it nearly represents three-quarters of a tax point for the residents of Hamilton Township. What is the purpose of that? It's something that can wait. It's not something that immediately has to be instituted -- or needs to be. And I think about -- when we talk about reform -- is a test. What is the test that says we absolutely have to put this truck wash in? What is the reason for this at this particular time?

My hardest-- The thing that I have the hardest time with is that no matter what, when somebody bureaucratically says, "We have to do this," and does not fund it, and puts it into the local units' hands, it creates the great possibility of us raising taxes. Many of these come at a time when we are trying to balance everything that we have to make ends meet to provide services. We can't have it both ways. We can't take the gross receipts money, we can't take money that is given to us every year as aid from the State, and then expect the State to dictate to us money to be spent on mandates. That's literally impossible. We can't have that looming over us constantly.

No sooner we save a million, we have a million dollars in mandates that the State decides they want to produce. It's unfortunate, because you're never going to have responsible towns if it's an uphill battle that can never be absolutely, successfully solved.

And mandates, specifically those that affect the other part of it all -- that change the ability to raise money or to change the revenue stream -- still, we don't get any answers, or no -- we get no issues solved.

So my real thing is that I wanted to be general about Hamilton Township and how it affects us. This is speaking to the choir because you've heard it before. But when are the Assembly and the Senate going to act on unfunded State mandates? We have waited, we have given you testimony on a number of occasions, we have given you evidence, we have cried till we were blue in the face, and we still don't get any answers. We're tired.

You can't have your cake and eat it too. We can't run towns, we can't give services, we can't produce a quality of life for our people unless we have the ability to do so. And it takes money to do that.

Now, we have our house in order. What gives the State the right to mandate and not fund things that you want? If you want them, pay for them or give us a solution to pay for them. We can't afford it any more.

So we ask your help for maybe -- this is may be the third or fourth time I've been to -- testimony before a committee on unfunded State mandates. And, quite frankly, I'm glad it's at a level where we're starting to listen. But the listening has got to be turned into action. Without action, our towns are going to be tremendously in trouble. There's more to come from the State -- I can see it -- because it's in turmoil. But we can't have it, again, both ways. We can't take all that money away from the State and then not fund the mandates; or continue to issue mandates to local units

and expect them to fit them in their budget, and have real tax relief in this state. It's not going to happen.

I want to thank all of you for listening to me and probably boring-- You're tired of hearing the same old thing. But I have to tell you: Mandates, to me, are a way to give instant tax relief in this state, right now, to the people who need it most. And when I tell you, when you go into a town like Hamilton Township, and you have the average, blue-collar mentality, and you see people losing their homes in that town, there's a problem. We have to start thinking about what we're going to do and help people. And one place instantly-- If you said to me tomorrow that we do not have to build that truck wash, I'm going to save one point for the residents of our town. And if you said to me, I don't need \$312,000 in training for my police right now, I can save another tax point. And this goes on, and on, and on. It's hundreds of thousands, it's millions of dollars. And we have to do something about it. We have to take action now.

Thank you very much.

ASSEMBLYMAN McKEON: Mayor, can I just ask you a question?

MAYOR BENCIVENGO: Sure.

ASSEMBLYMAN McKEON: There might be-- I know we didn't-- You asked to kind of speak from a bigger picture, and we're happy to hear that. But let me ask you about the police, for example. Is your-- I mean, if you go through the list of mandates for police, such as annual firearms certification, there isn't much you could look at on that long list that doesn't serve a good public safety purpose. Is your point on that that each individual town, mayor by mayor, should decide the level of training

necessary, for example, for police officers, versus having a uniform standard? I'm not--

MAYOR BENCIVENGO: Well, first of all, let me make it clear -- and I didn't do that. I used police training as just a -- it was a round number of \$312,000, and it was close to another tax point. But the truth of the matter is, I believe that public safety is the most important thing to have in a town. So it's very, very important that our public safety is not affected. And maybe the test for a mandate would be partially looked at through public safety and what affect it would have on the residents.

But maybe there is not -- you know, requalification is not necessary but only once a year. It's something-- I just think that it's overburdened. The system is overburdened with decisions that are made at a level that never really comes down to the understanding that the local unit does have some knowledge about their town, what it can do, and its feeling that it's in a safe place at a time when-- Listen, we have a police chief, we have five captains. These people can make decisions based on our town. If the State is going to mandate stuff, give us some funding for it then, give us some money. If you're going to say, "Do it," fund it.

And so when it comes to public safety, I think that should be part of the test. However, there are a slew of others that are not necessary. And there's a long, long list of mandates that could be curbed right now and give tax relief to every single town in this state, small or large. Again, we've been fiscally responsible. We have done nothing in the last three budgets not to be fiscally responsible. There are towns that are irresponsible. Maybe the towns that are responsible should be rewarded, and those that

need a lesson be taught one. But overall, every single town can use mandate relief, because it's tax relief.

ASSEMBLYMAN McKEON: The next question I have -- just wondering-- Had you ever had the opportunity to -- and you can use the truck wash as an example -- with State mandate-State pay, and that constitutional change going back to whatever it was -- 2008? -- 1998. Have you availed yourself of the commission on Mandates to attempt to get relief in any way? And trust me, I'm not saying you should have. I'm just asking if you have.

MAYOR BENCIVENGO: I think we've talked to the commission on Mandates. It doesn't seem to go anywhere. That's another agency that is there -- but where's the action. I use the word *action* because, you know what, you can all sit here -- we can all talk, and we can all sound good, because some of it's about politics, some of it's about good government. I believe good government is good politics. And I'm sure you do too.

ASSEMBLYMAN McKEON: Of course.

MAYOR BENCIVENGO: So my point is that we can talk a good game, but some of us have to take action. And it's time to take action. I'm telling you-- The towns are at a point where they have had it. And the time is going to come where towns are going to be pegged against the State of New Jersey, and it's going to get ugly. Because guess what? We're responsible for the survival of our residents, because they come to the mayor. They knock on the mayor's door, they call the mayor's phone, and they give us the trouble. And when they can't live, and they can't put food on the table, they come to us. Trust me.

MR. CERRA: Mr. Chairman, if I could follow up on that-- Specifically on the Council on Local Mandates -- the League, as well as the Association of Counties and a number of other groups, were part of a bill that just passed the Senate on Monday, which would expand the number of entities that can bring a file before the Council -- which is something that the League supports, and I believe most of the groups support as well.

The Council on Local Mandates has done -- I think has done -- been very effective. I think the problem is that in the past, individual towns may not necessarily be interested in bringing a challenge, because you have to hire attorneys. And there's a cost to the challenge, to itself.

With this change -- passed the Senate on Monday, and we hope it will gain support in the Assembly -- and I know that's under the purview of another committee.

ASSEMBLYMAN McKEON: Another committee is going to deal with that specific mechanism. We're going to be looking at legislation, frankly, just to change certain rules and regulations on mandates.

MR. CERRA: That expansion, allowing other groups to bring the challenges, might create an economy of scale that makes it a little more cost-effective to pursue everything. At least that's our hope, and that's one of the reasons why we're supportive of the bill.

ASSEMBLYMAN McKEON: Any other questions for the Mayor?

ASSEMBLYWOMAN LAMPITT: Just a quick question. From an operational standpoint, mandates have been introduced so that there's continuity and consistency throughout the state. Agreed?

MAYOR BENCIVENGO: Yes.

ASSEMBLYWOMAN LAMPITT: So that stormwater management in one particular town is being managed the same way in other towns, so that there's connectivity and there's consistency in how we do things.

Do you feel that through another mechanism, mandates like these that you have questioned could be more permissive, and our mayors would do these particular issues willingly and maybe do them a little bit more cost-effectively? Is that what you're--

MAYOR BENCIVENGO: No, I'm alluding to the fact that we will do anything that is a mandate that is legitimate. However, we want it funded. You can't keep going to the people to fund these on the spur of the moment, because somebody decides they want to institute a mandate.

ASSEMBLYWOMAN LAMPITT: How much of the series of these mandates--

MAYOR BENCIVENGO: It drives budgets crazy. I mean, you get your budget solved, and now you have a mandate to deal with. It's just not right. The only money comes--

And as you know, Assemblywoman, the money comes from the people, and it's the way it is. So I think we have to start looking at -- if a household--

ASSEMBLYMAN McKEON: Ours too, by the way.

MAYOR BENCIVENGO: Huh?

ASSEMBLYMAN McKEON: Ours too.

MAYOR BENCIVENGO: I know.

ASSEMBLYMAN McKEON: We just don't print it.

MAYOR BENCIVENGO: I know it does.

ASSEMBLYMAN McKEON: It still comes from the people.

MAYOR BENCIVENGO: I know it does. Maybe there's a solution: We don't spend more than we bring in, and we stop this nonsense. Because basically every household that has to pay their mortgage, and their taxes, and put food on the table have to do the same thing. And maybe when we create a mandate we should ask, "Can we afford this? Is it something that weighs between putting somebody on the street, feeding their children, or worrying about some water flowing down a curb that goes into a sewer that's marked with a -- 'Oh, this goes to a stream?'" Do we really need to spend that money on that label -- that this sewer goes to a stream? I mean, these are things that are just -- it's not necessary when you look at it.

ASSEMBLYWOMAN LAMPITT: The League produced a vast list of mandates here, which is great -- to be able to review these. But of these mandates, how many of them are, what you would say, antiquated -- they're part of the 20th century and haven't really gone into the 21st century? How many of them could technology help to manage? How many of them are we just not keeping current with? So out of the list, how many are we just not keeping current with and not staying up-to-date about with technology -- which I think is a different issue? I think if we were to address how we're not staying current, that's one particular issue, and I think that we could approach it differently. I think looking at public safety and mandating hours of training is something that-- I believe if you ask your residents, they would continue to want to make sure -- encourage that.

And, Mayor, you sat down -- and I commend you for recouping the deficit that you had. However, many of our towns aren't doing the

same thing, they're not making those prudent choices and those hard choices. And many of the mandates are in there because the towns are in the same conditions as you found yours. And this is the reason why mandates have erupted and have blossomed.

MR. CERRA: Assemblywoman, I think it's probably a bit of a mixed bag. But I do think there are a number of mandates here that are probably outdated. We're fortunate that the creator -- the original creator of this mandates list -- the person who really did sort of the leg work on it -- is here. It's Marianne Smith, who is Hardyston-- So if I could punt on that until she gets up, I think she's probably the best person to speak to that.

ASSEMBLYWOMAN LAMPITT: No, not a problem.

Just a quick question, Mayor. Of your budget, how much of it goes to school tax, how much of it is your operational, how much do you work off of, and how much of your operational budget is actually due to salaries?

MAYOR BENCIVENGO: Well, first of all our schools represent about 53 percent of the budget. The municipal side of the budget is about 20 percent. I would say that 65 to 70 percent of the budget is salaries.

ASSEMBLYWOMAN LAMPITT: Thank you.

MAYOR BENCIVENGO: At 20 percent, you don't have much room to fool around with your budget.

ASSEMBLYWOMAN LAMPITT: Right. And my point about this is not to really put you on the spot, but you're the first mayor up. And there's really-- If I was looking at an overall budget, and I was looking at,

“Where am I going to find the opportunities for real cost savings,” I would look at the bigger piece of the pie.

MAYOR BENCIVENGO: Right. And unfortunately, in our town, it’s a separate government from our government. Our schools are done through a school board, and we don’t have much to say about that. So that makes it difficult.

ASSEMBLYMAN McKEON: Other questions for this mayor?
(no response)

It’s like yelling, “Dad.” Everybody looks. You say, “Mayor,” and seven people pick their heads up. (laughter)

Mayor, thank you.

MAYOR BENCIVENGO: Thank you.

ASSEMBLYMAN McKEON: Mayor.

MAYOR ANTHONY PERSICILLI: I’m the Mayor of a very small town. We call ourselves the one with the doughnut holes that Assemblyman Gusciora speaks about all the time. That’s another issue. We can talk about consolidation some other time -- and whether it makes any sense.

I will take a second and say, in Hopewell Valley it doesn’t make sense, because most of our people are volunteers. The Council, everybody, doesn’t get paid. I don’t get paid. So if we combine within our own little town, we’re not going to save very much money. Our police are paid two-thirds of what the township is paid. So if you’re thinking about consolidations in the form of a mandate, then you’re really going to have some problems with the little town of Pennington.

I only want to take a couple seconds, because I was happy to hear the Chairman speak about some of the broader issues. I was going to talk about two or three of them, spend about three or four minutes on each of them.

ASSEMBLYMAN McKEON: Please, you're welcome to.

MAYOR PERSICHILLI: But I think I'd like to talk about what we consider to be some of the major cost drivers. And I'll do it very quickly, because Marianne will come up and talk about her list and some of the things on that particular list.

You talk about police, and salaries, and so forth, and training. One of the things that does impact all of us -- and that's binding interest arbitration. It's a mandated process of settling collective bargaining disputes between local government and police or fire employees' union. The process allows a public safety union to bring in a third-party arbitrator whenever economic issues, such as salary percentage increases, longevity pay, or shift and rank differentials remain unresolved after at least three negotiation sessions. After considering guidelines contained in the law, the arbitrator has the power to impose the terms of the new contract. Since 2000, salary schedule increases have averaged approximately 4 percent per year. Previous arbitrations ranged up to 8 percent. However, the movement between the salary steps, which could cost as much as \$15,000 per officer, is not considered by interest arbitrators as a cost to employers. As a result, a 4 percent increase to the salary guide can cost an employer upwards of 10 percent, depending on the way the award is structured.

We don't have civil service employees, but our other employees watch very closely what we do with our police and public works employees.

So if an arbiter comes back -- an arbitrator comes back and says 5 or 6 percent, we can't turn to the people who are working in our offices and say to them, "We're not going to give you 5 or 6 percent." We feel all of them should be treated equally. So we have a major problem when an arbitrator comes up with a high percentage.

Let's talk a few seconds about civil service. We're not a civil service town, but ideally a lot of municipalities -- I'm sorry -- a lot of municipalities are. We'd like the ability for civil service communities to opt out of civil service. We the people can amend our Constitution, our basic framework of Civil Rights and self-government. Further, we the people can vote to enter civil service, but we cannot rescind a personnel policy decision made decades ago and leave the civil service system. Once that decision is made, the State statute mandates that future generations of municipal employees are bound by it and can't get out.

I know when I worked part-time for the State for about six months after I retired, I learned an awful lot about State operations. I did look very closely at a report that was done out of the state of Missouri, where they eliminated civil service. So it can be done, and the cost savings with the state of Missouri was tremendous. So I just want you to think about civil service, although that's not on your agenda for today.

Finally, I would be remiss if I didn't talk about COAH reform. There's little doubt that affordable housing is a real and persistent need in our state. However, the assessments and calculations by COAH are the subject of current controversy.

We're a very small town, built out. We're a mile square. We have no place to develop, and yet we spent \$25,000 last year preparing a

plan for, what I think, no reason whatsoever, because all of a sudden we're talking about it once again. Every time we talk about it and a new plan comes up, we spend another \$25,000. That's a half a point in our little town. I wish I had a point -- a \$300,000 point town such as yours, Mayor, but we don't. Fifty thousand dollars is a point. So we can't afford to spend any more money.

But these are three of the major cost drivers that I think you need to keep at the back of your head and continue to look at. It's nothing new. You've heard it. There's a lot of controversy about it. But please do consider it as you go through the other Committee meetings.

I'd like to turn it over now to Marianne.

ASSEMBLYMAN McKEON: Any questions for the Mayor?

MAYOR PERSICHILLI: Oh, I'm sorry.

ASSEMBLYMAN GUSCIORA: Mr. Chairman.

ASSEMBLYMAN McKEON: Assemblyman.

ASSEMBLYMAN GUSCIORA: I just wanted to thank both Mayors for coming, and the business managers who are coming ahead of us. I think this is the *carpe diem* moment for the Legislature. I hope we do seize the day. We're getting a wealth of information.

And I congratulate you, Mr. Chairman, for bringing us all together.

I just hope we all do take what you have to say and formulate some legislation to bring relief. Because at the end of the day, the goal of this Committee needs to be to lower property taxes. And I think that we need to continue this dialogue. You have an Assemblyman who voted, when we had the State mandate-State pay, and now we're learning that

there are still mandates that are falling through the cracks and you can't get relief. So I would hope that we would be able, at some point, to bring the commission in here to study that issue, because it should be easy for municipalities to go to the Council and get relief, and make sure that the State is paying their proper share.

ASSEMBLYMAN McKEON: I appreciate that, Assemblyman. And I know that particular piece of legislation is being worked on right now as it relates to reforming the commission. And we do have representatives from several of the departments here today who are going to testify. So we'll hear from them also.

Mayor, thank you.

Mayors, thank you both.

Marianne Smith, from Hardyston; and Rich Krawczun.

I'm sorry, Rich, if I'm mispronouncing your name -- Manager in Mercer. Please come up.

It's nice to see you both in person. I feel like I know the voices for sure.

M A R I A N N E S M I T H: Yes, and we appreciate the opportunity to have spoken to you, Assemblyman McKeon, and go over some of these issues a little bit in more detail in a more informal fashion.

I appreciate the opportunity to give testimony before the Chairman and the distinguished panel of Assembly representatives.

As you know, my name is Marianne Smith. I'm the Township Manager of Hardyston Township. But more importantly, for the purposes of this hearing, I am the author of the famous list of mandates.

ASSEMBLYMAN McKEON: The dreaded list.

MS. SMITH: Yes. And I'm very encouraged to hear that you, too, acknowledge that time is of the essence.

This more formal effort to acknowledge mandate impact on municipalities began several years ago when I had been at an Assembly Budget hearing. And Assemblyman Greenwald, the Chairman of the Committee, had asked if we could put together a list that was comprehensive to put some meat around the bones of what it actually meant to municipalities. So that was several years ago. We're very encouraged that the Red Tape Commission also acknowledged the importance of mandates, and this list was also noted in the final report. So we're anxious to be part of the solution and also, as you've said, get down in the weeds, roll our sleeves up, and actually look at things that would be achievable. Because there has been a lot of intellectualization -- if that's a word -- on what we could globally do, or what's right and what's wrong. But now I think it's really time that change is put into effect.

And on a personal level, I think the concern I have is that despite it being at the forefront -- mandate relief -- there continues, even during this very dire economy -- to be additional mandates that have come up since then. And we-- As the State is in the same condition -- we're broke, you're broke -- we're all in the same state of economic conditions. So moving forward, not only do we need to look at what exists to see if there's possibilities for reversals or review -- maybe augmenting some of those mandates; but moving forward, it's very important, we believe, to very critically analyze anything that may incur additional mandate requirements and, therefore, cost.

You have received, as part of your packet from the League, not only the list, but also a letter that goes through some specific areas. There are some global concerns, particularly relating to permitting and some of the things that were raised before -- the bigger issues of COAH and DEP regulation in some cases.

But what I wanted to start with was possibly just highlighting some of the smaller things that-- While they may seem like nickels and dimes, there may be practical solutions that exist to save money and still accomplish, maybe, the same goal.

Some things like recycling coordinator. That's a whole new certification that's required. There has been a delay in the implementation requirement by a municipality. But the reality is, every time a new certification is created, it enables an employee to either ask for additional salary or you have to hire somebody else. We currently have a system where it's required that your public works director goes through a certification process. Possibly that particular education should be included in the certification process for your public works director. And in the meantime, public works directors or municipal engineers could be grandfathered as the recycling coordinator. It doesn't mean that recycling isn't a priority for the State of New Jersey or for municipalities. But how do you accomplish that goal in a more cost-effective manner?

Similarly with a qualified purchasing agent. You have certified public -- certified finance officers as a requirement, statutorily. That's a person who has a vast knowledge of purchasing and finance obligations to keep things on the up and up. And could that be part of--

Yes.

ASSEMBLYMAN McKEON: I don't mean to-- On those two issues though -- and we talked about these, so I don't--

MS. SMITH: Yes.

ASSEMBLYMAN McKEON: So I don't-- And we do have to get into the weeds.

But first with recycling coordinator. The DEP pays for 75 percent of the training of the individual, plus the towns have been given a significant -- *significant* is a relative term. But when we changed the fee on solid waste from \$1.50 to \$3.00 a ton, that extra \$1.50 gets kicked back to the towns. So although you're right, there's a cost, I guess -- 25 percent of the training is paid for by the municipalities, most of it by the State; you're getting a whole sum of money now that you get to put into clean communities. So, I mean, I don't know if that's a good example.

MS. SMITH: Well, I could get you more detail on that.

ASSEMBLYMAN McKEON: And let me just stop -- qualified purchasing agents. That's permissive. You don't have to do that. That's up to the town.

MS. SMITH: I'm sorry. On the recycling coordinator, I can get you more detail on it. But it depends on whether you collect your own garbage. If it's private haulers, you're not necessarily having the data coming through the landfill in a way that you're actually getting the benefit. There are some loopholes in there, which my public works director could give me more detail on, and we can forward that to you.

ASSEMBLYMAN McKEON: We'd like to work with you on that, because private or public, it's supposed to be \$1.50 a ton. You still

know what you pay for disposal every year based on your tonnage, I assume.

MS. SMITH: Right.

ASSEMBLYMAN McKEON: And that money is collected, and it's kicked back, for the most part, to the individual communities, which is supposed to be used to keep the tonnage down so you recycle more.

MS. SMITH: But like I said, I will get you that information. There is a glitch in that system on that particular item.

Prevailing wage was something that--

ASSEMBLYMAN McKEON: That's a big deal. Why don't you get into that?

MS. SMITH: Right. Well, we know that that's a Federal mandate on construction projects on your larger-- And there's a threshold where prevailing wage on different types of jobs becomes an obligation. However, there is P.L. 2009 c. 249 -- makes a kind of broad reference to maintenance being under the umbrella of the prevailing wage requirement. Now, it's not specifically defined, which could be a gray area where-- You know, if you need to hire a plumber to come in and fix a faucet or do some minor work that normally you'd just call a local person, it's definitely under a bid threshold -- it's just minor repairs -- or a street sweeping, or something like that, that's a maintenance-oriented -- if you don't have your own. That could be interpreted that we have to pay prevailing wage, which could be a major cost driver over time on minor-type maintenance issues.

The public library issue is explained a little bit more broadly in the material that you got. We don't personally have a public library in Hardyston, but I do understand that--

ASSEMBLYMAN McKEON: Are you part of the county system?

MS. SMITH: Yes.

ASSEMBLYMAN McKEON: Okay.

MS. SMITH: Libraries are not -- their budgets are not based on zero-based budgeting. They're based on a percentage. And so they get a set amount of money. And the municipalities still have to fund maintenance on their buildings. And it's permissive. Libraries are allowed to return or gift back -- maybe *gifting* isn't the right word -- but give to the municipalities any surplus they have at the end of the year, but they're not required to, although the municipality is obligated to provide maintenance on those public facilities.

So we're drawing attention to that one because while everyone is put under a higher level of scrutiny -- and that's nothing against public libraries, obviously they serve a very important purpose in our society -- but that they would be accountable to the same types of standards that every other governmental agency is.

So I don't know if anyone has any questions on that.

ASSEMBLYMAN McKEON: I think we're going to have -- I'm going to say a lot of questions.

MS. SMITH: Sure.

ASSEMBLYMAN McKEON: I'd like to walk through some specific things so you can help us maybe start directing us toward legislation.

But I would like, sir, for you to speak. And then maybe you can both stay here, and we can walk through this together.

RICHARD S. KRAWCZUN: Thank you.

Good morning, and thank you for the opportunity to be here. I think it's quite refreshing to finally be able to kind of vent some of the frustrations or some of the ideas that we have at the local level.

My name is Richard Krawczun, and I'm the Township Manager for Lawrence Township, in Mercer County. I have some prepared comments that I would like to read, because I think it goes into some of the detail of some of the items that we're confronted with both as a mandate and part of the permitting process for some of our operations.

ASSEMBLYMAN McKEON: Rich, if you don't have it, we'd like to make copies of that so the Committee can have--

MR. KRAWCZUN: I think they were attached.

ASSEMBLYMAN McKEON: They are. Okay, great.

MR. CERRA: It was attached to our--

ASSEMBLYMAN McKEON: Thank you.

MR. KRAWCZUN: Over the last 30 months, Lawrence Township has paid to the New Jersey Department of Environmental Protection \$102,969. Included in these fees are registration fees for underground storage tanks; stormwater permit fees of \$9,000; recycling compliance monitoring fee at \$2,282 per quarter; a solid waste recycling center fee of \$8,792 annually; pesticide licensing fees; air quality permit fees; medical waste generator registration fee; wetland permit fees; and finally, \$15,300 as a penalty for our first violation of noncompliance with the Underground Storage of Hazardous Substances. Not calculated is the operating costs directly incurred by Lawrence Township to either file or

comply with the stated permits. And I would like to highlight just three of these items and their associated requirements.

First: the operation of our compost facility. Lawrence Township operates, as a shared service with Princeton Borough and Princeton Township, the Joseph Maher Compost Facility. The facility is approved for Class B and Class C materials. Class B materials are brush, trees, tree parts, tree stumps, and unpainted and untreated wood; and Class C are leaves, grass clippings, and wood chips. The facility accepts, stores, processes, and transfers materials Monday through Saturday. Residents of any of the three participating municipalities may bring or take finished product for no charge, and commercial landscapers may bring or take product for a fee.

The annual license fee for the facility is currently \$8,792, and there is a quarterly inspection fee of \$2,282.50, or \$9,130 annually. The total annual charge is \$17,922. In addition, there are three, five-year air permits for the compost facility in the amount of \$3,600; one for the site, two for equipment. Unlike the Municipal Land Use Law that requires a municipality to provide a detailed billing for disbursements from an applicant's escrow account, none of the New Jersey DEP charges provide such information. How were the amounts calculated? What are the expenses that require such high permit fees? I asked that question.

The activity at the facility is regulated by 126 permit requirements. Requirements 1 to 39 are general conditions applicable to all recycling centers, requirements 40 to 66 regulate Class B material, and requirements 67 to 126 are applicable to Class C; and some of the 126 requirements contain additional sub-requirements.

On the item of air permits: The New Jersey DEP, Division of Air Quality, requires that air permits be obtained for each emergency generator operated by a municipality. Previous to the new regulations, the emergency generators were tested monthly on automatic timers. Now, personnel are required to keep log books, verify on a New Jersey DEP Web site if air quality permits the test running of the generators on a specific day, and requires personnel to be at the location to run the test. Add to this there is now a permit fee of \$350 to \$500 per location that is paid every five years.

My last item is our underground storage tank penalty. In an "Alert" from the New Jersey State League of Municipalities dated July 1, 2004, towns were made aware that the New Jersey DEP would begin performing enhanced inspections of underground storage tanks at public sites. This was the only notice that could be found advising of this new procedure. There had been no training, for example, similar to what was offered with the initiation of the stormwater regulation, no warnings for violations, no public advertisement.

On September 12, 2007, the Lawrence Township Department of Public Works underground storage tank was first inspected. Two violations were found, and I've noted what their administrative code citations are. One, failure to perform an acceptable method of release detection. The Township was testing, but the method was not compliant. Had training or notice been properly provided, the Township would have been in compliance. The Township had budgeted and was in the process of replacing the Veeder-Root Detection System at that time. The information was shared with the inspector, and a copy of the invoice was forwarded to

the inspector upon completion of the work. We realized our system was not operating. We were doing manual testing. You may recall when-- Basically, tanks receive a dipstick, and you monitor the amount of usage. The automated system does that electronically.

The second violation was the cathodic protection system had not been tested, but the test was performed within 10 days, and the system passed. The results were provided through our inspection contractor.

Then, on February 26, 2008, Lawrence Township receives, from the New Jersey Department of Environmental Protection, correspondence that, "all violations have been corrected, and no further action is required." That same piece of correspondence did note that a draft of a notice may be, in fact, applied to this issue.

On August 7, 2008, Lawrence Township received a draft settlement agreement. Now, 11 months later, the Township receives a penalty for \$30,000, or the amount would be reduced to \$15,000 if we did not contest the agreement. It took almost one year from the inspection, and five months after correspondence, that stated all violations were corrected. The amount of the fine was identified on a matrix that showed ranges of fines for one of three levels of violations. We had met with New Jersey DEP officials in an attempt to appeal this matter, but our request was denied, as was our request to have the level of violation categorized at a reduced level, resulting in a lower penalty.

These examples, I believe, demonstrate some selected mandates that are placed upon municipalities that are costly to taxpayers in both permit compliance and fees.

I bring these, again, to your attention-- It deviates a little bit from some of the mandates we've been talking about. But the permit fees themselves are financially onerous and require not only the costs I pointed out over the 30-month period of almost \$103,000, but the fact of compliance just to file our application for our permit to run the compost facility. We also hired a consultant to assist in that matter. We now have to ask for more trucks to be permitted at the facility. We have to hire a traffic engineer to provide a traffic report. It's those types of regulations that make it not only operationally difficult, but financially difficult as well.

ASSEMBLYMAN McKEON: Thank you very much.

Any specific questions on this point to the witness?

Maybe we can take you both through a number of things.

Please, go ahead.

ASSEMBLYMAN RUDDER: It's not as much of a question -- more of a comment.

And, Mr. Chair, I just want to thank you again for holding this hearing.

I served on Council or Mayor for 10 years in my town of Medford. And it's sort of death by a thousand great ideas. And that's one of the first things you learn when you are the local official. You have little control over what the State's going to mandate, and you have very little expectation that you're going to get funded for that, and you get very little notice that that's even going to happen. So you're going to be in the middle of your budget -- as I think you're explaining here -- you're going to be in the middle of the summer, in the middle of your budget, and some other great idea comes out from DEP, DOT, or some other agency, and we

have to deal with that. And so I appreciate that we're going to get into the weeds on this, because it's examples like that -- where you're talking about permit fees. "We're going to have to make a minor adjustment." Well, that's not a minor adjustment. It may look like a minor adjustment from a bureaucratic perspective. But when you're actually on the ground, on the field, you have to hire traffic engineers to conduct a different survey -- these things all add up.

So it's death by a thousand great ideas. And, quite frankly, that's what's driving property taxes through the roof. So I appreciate your testimony. I really do want to get down into the weeds as we approach this, because it's all those individual, great ideas that are costing townships a lot of property taxes.

ASSEMBLYMAN McKEON: Thank you.

MS. SMITH: Mr. Chairman, I just wanted to mention, we do have a few other things that I know your assistant had even mentioned you might want to have us bring up, because you may have other testimony later in the hearing.

ASSEMBLYMAN McKEON: Tax map and other things.

MS. SMITH: Yes.

ASSEMBLYMAN McKEON: Yes, that's terrific. However you want to get through it, there were some specific -- I don't want to call them *action items*, but things we would want to get through that we could vet together.

But I think the Assemblywoman had a question.

Thank you for your comments.

ASSEMBLYWOMAN LAMPITT: And thank you for putting this together. I think this is extremely helpful. And I'm sure that you're keeping it current as well, and adding all of the new, unfunded mandates.

But obviously, looking through the list, there are issues on here that you feel are -- and should be mandated -- correct?

MS. SMITH: Yes.

ASSEMBLYWOMAN LAMPITT: Like the Megan's Law list.

MS. SMITH: Yes, and even the law enforcement items.

Personally, I am not an expert on what is appropriate and what isn't. Obviously, it would be the appropriate agency. I think what we've always asked for is that there be a mechanism where there are regular reviews to see whether something still is prudent by people who really are professionals in that area.

ASSEMBLYWOMAN LAMPITT: And we're not doing that currently?

MS. SMITH: Not to my knowledge.

ASSEMBLYWOMAN LAMPITT: The League is not doing that?

MS. SMITH: I mean, the League looks at things. I'm not going to speak for Mike, but I don't think they would feel qualified to make decisions relative to public policy.

ASSEMBLYWOMAN LAMPITT: Well, not decisions, but recommendations. I mean, you're the ones who live and breathe this every single day. And hearing back from the League about their recommendations, I think, is important. And we're listening. So if you're constantly monitoring these particular issues-- I know you have

committees, I know you have people who are dedicated and very focused, and probably know these issues better than we do. And as Assemblyman Rudder pointed out, it's all about the weeds. It's all about these little issues.

But looking at this list, what would be helpful is if you added a column and said, "These are the ones we really think, and these are the ones we say -- we understand why a Megan's Law list" -- very pertinent for this week with the gentleman in Lumberton, New Jersey, who abducted his son. If we didn't have that list and have things readily available-- God forbid something should have happened to that young child. So I think we just need to take these sorts of things a step further as well.

The other thing that you brought up -- which was grass clippings and things like this. We all have to be creative, and we all have to be thinking about what is going to save us money. In the Township of Cherry Hill, they were collecting grass clippings in plastic bags, and they have now, since, stopped doing it, saving the Township \$100,000. So it's not just what's obvious, it's what's being creative as well. And keep on challenging the municipalities to be able to do so.

So it's one thing to be able to say collecting, and maintenance of, and everything else. But if we keep on drilling down and drilling down, it could be that, quite possibly, it's the collection of them in plastic bags that's costing the labor to open them. And it's not really a mandate that's costing us money, it's maybe the process that's costing us money.

So, as I mentioned earlier -- and Assemblywoman Greenstein pointed out as well -- my comment earlier, which is about the process, and where are we with the process, and are we at the 21st century with the

processes of these sorts of mandates? And we look back to the League to actually evaluate and give us feedback for those sorts of things.

MS. SMITH: And I think most municipalities -- I can only speak for my own, obviously -- are really trying to be-- Because it's a necessity. Many of you -- I look in your bios -- serve or have served in a municipal government capacity, so you understand you have to be creative, you have to be innovative. Hardyston Township has about 30 shared service agreements. We provide construction services for five other municipalities. We just did a shared service agreement to provide public work services for another town. And I don't think we're alone. I think other towns are doing that. That's why the list that kind of was enumerated in the League's letter points out some of the things that we feel maybe should be the first things that are looked at. That is a 13-page -- very long-- And some of them, as you say, may be necessary.

But in a time where we're having to make very tough decisions-- Just for instance -- and I think another committee had met on this particular bill -- but the bill that is up regarding changes for EMS, requiring two certified EMTs in an ambulance. Some municipalities already have paid EMS. Others -- myself and one of the other mayors -- we have volunteers that 100 percent cover. But if we had to require two EMTs, they wouldn't be able to do that. So it's those things, moving forward. Now, would it be great to be able to make sure that every person got that level of care? Absolutely. But in a perfect world. Right now we're not in a perfect world. So we have to make adjustments. Everything in a vacuum is a priority, definitely. It has merit.

I think we stand ready and very excited to work shoulder to shoulder to look at each one of these things. If you need comment from the League or municipalities individually, we'd be happy to participate in that, you know, roll-up-your-shoulders (*sic*) process.

ASSEMBLYMAN McKEON: Let's run through some specifics with you.

MS. SMITH: Sure.

ASSEMBLYMAN McKEON: Master plans: The townships' general law is that every six years the community has to renew -- or review its master plan and readopt it. Give us just a thumbnail of what the cost might be associated with that. Every town is going to be different, depending on its size -- but professional fees.

MS. SMITH: It could be anywhere from a \$50,000 price tag on up. And is six years the appropriate number of years? Starting from that aspect. It's a good thing -- we're big on planning, we think that's really key. You can't go anywhere without having a plan. But is six years necessary? Could that be expanded out to be more consistent with other requirements?

ASSEMBLYMAN McKEON: Chuck Richman is going to come up next, the Assistant Commissioner of DCA, and that's going to be one of the topics we breach with him. But what, just in your professional opinions, the two of you, would be an appropriate number of years? Or should it even be a number of years, as opposed to DCA, on a case-by-case basis, making a decision if it's even necessary?

MR. KRAWCZUN: I think that the idea of a reexamination of your master plan is not a bad idea. I think that it's actually productive. I

think it makes you think about what needs to be updated. I think good examples now are a lot of sustainable practices and green building items that haven't been thought about. But I do think that an extended period of time -- maybe as high as 10 years -- would be much more cost-effective.

MS. SMITH: I would agree, because if you do need a reexamine -- I mean, if you make a change, you have to do a smaller version, but you don't have to do the whole master plan reexamine -- redoing of the whole process. You would just-- If you were going to change your housing element, you would focus on that, go through the process, public hearing, everything. But it would be selective to just what you need to do instead of, in six years, arbitrarily -- even if nothing has changed in your town. And some of the smaller towns really don't have much that might have changed in six years. They may be built out, they may have already established their policies, and they really have no change. But they have to make that investment every six years. So by expanding it to 10, you're almost cutting that obligation financially in half.

ASSEMBLYMAN McKEON: And even if it went to 10, you might want to do green pathways or whatever it is. You can just do a certain component and maybe petition DCA to say, "It's 10 years, and here's the only components we think have changed enough for us to review." I'm just--

MR. KRAWCZUN: I think you're right. For example, the Municipal Land Use Law has recently, over the last couple of years, been amended to permit a sustainable element of the master plan to be included.

ASSEMBLYMAN McKEON: Right.

MR. KRAWCZUN: Lawrence Township -- we had then taken it upon ourselves to incorporate that element into our master plan. So we didn't wait for a reexamination or the required six years. We thought this was something to be proactive about.

ASSEMBLYMAN McKEON: I think--

MR. KRAWCZUN: So you're not-- I guess my point is you're not precluded, at any time during that six years, from taking a look at any one of your elements of the master plan and making amendments.

ASSEMBLYMAN McKEON: I think this is going to be an area that you may see come out of this Committee, as it relates to proposed legislation, to move forward to provide some relief without any great sacrifice to public policy.

Do planning documents also go as a part of that?

MS. SMITH: If you go down the road of plan endorsement -- Highlands performance, COAH, plan endorsement -- I think I said that already -- they're all different agencies. You have to make similar submissions. Sometimes there's a tweak different here or there -- an additional document. And I know it would take money on -- from a technological standpoint, like you said. But there are redundancies in processes, not only for municipalities, but for your businesses that may want to come and invest in New Jersey. It becomes very cumbersome. You're producing the same documents, you're sending multiple copies to different agencies. If there was some type of system where technologically there was a depository where that information became available to the agencies that needed to review it-- So that, we think -- again, that's not

going to happen overnight -- but would be key to streamlining processes and reducing costs.

ASSEMBLYWOMAN LAMPITT: Can I just ask a question on that?

ASSEMBLYMAN McKEON: Of course.

ASSEMBLYWOMAN LAMPITT: Do you think that there's-- Given the fact that there are timing issues, and there are scheduling issues, and everything else-- There are obviously redundancies, and the cost of the professionals to do so, and naturally the cost for reproduction and everything. Is there a way for you to take this mandate list and give us an idea of what your recommendations would be specifically to the specific issues of supplying information to State agencies?

MS. SMITH: As far as redundancies?

ASSEMBLYWOMAN LAMPITT: That's right, reducing the redundancies.

MS. SMITH: I'm sure that it's possible. We'd have to look at all the checklists for each different type of permitting process.

ASSEMBLYWOMAN LAMPITT: Right.

MS. SMITH: And maybe work with staff -- DEP staff on what makes sense to them. Because if you had more of a uniform application where you just had plug-ins for -- COAH needs this extra piece of paper, and this guy needs this -- it's much more easy to follow.

ASSEMBLYWOMAN LAMPITT: Okay.

MR. CERRA: And if I may, I'll volunteer to undertake that at the risk of assigning myself more work. But that's something I deal with. The one problem with that is that some of these planning priorities and

processes are in transition right now. There are discussions of the future of COAH. Even right now there is a statewide task force on TDR that has been meeting, that we've been part of with a number of other groups, which we cite in our statement. So some of this is ongoing, and that's something that is probably going to have to be changed on the fly quite a bit. But I think that is something that I can undertake and probably get to you in a reasonable period of time, as a draft, subject to changes on a weekly basis.
(laughter)

ASSEMBLYWOMAN LAMPITT: In pencil.

MR. CERRA: Exactly.

MS. SMITH: And I think anything that we produce similar to the original mandate list -- it's a work in progress.

ASSEMBLYWOMAN LAMPITT: It's a living, breathing document.

MS. SMITH: Exactly. And working together, if there's something that needs further massaging, or somebody has a better idea -- that's how you make a great cake at the end of the day.

ASSEMBLYWOMAN LAMPITT: That's right.

ASSEMBLYMAN McKEON: On this end of it, it's more like making sausage usually, as opposed to a great cake. (laughter)

MS. SMITH: There was the one other issue that we know you wanted to touch on, which was the tax map issue.

ASSEMBLYMAN McKEON: For whatever my list is worth, certainly you can talk about the tax map. But I want to talk about audits too.

MS. SMITH: Okay.

Did you--

MR. KRAWCZUN: No, you can take the tax map issue. I'll talk about the audits.

MS. SMITH: Tax maps -- when you go -- when you get a reval order, you have to sort of have your tax maps recertified. That is an expensive process. It could, depending on the number of line items on your tax map -- properties within your municipality -- it could be-- We just went through the process. It was about \$90,000.

Now, for Hardyston, it would have been kind of ignorant to not update our tax maps, because we sustained a lot of growth since our last reval, since the last time the maps were certified. But a borough, perhaps, who has had like one subdivision in 10 years, or no changes-- For them to have to go through that process is kind of a waste of money.

ASSEMBLYMAN McKEON: Can I just ask you -- I'm sorry for not knowing -- how often-- Do you have to do this every five years, every two years?

MS. SMITH: Typically, revals are 10 years. You're ordered by your -- by the county tax board to do a reval depending on how low your ratio gets -- assessed value to market value.

ASSEMBLYMAN McKEON: But this process is only kicked in by a reval.

MS. SMITH: Correct. The requirement is kicked in by the reval. But even so, like I said, for us it wouldn't have been wise to not do a map, because we would have lost additional new properties that became separate lots and blocks. And we could make sure they're all on the tax rolls. But if a borough is essentially built out, and there has been no

changes to property lines of any substance that results in a plus or minus in valuation, that might be a cost that-- In a perfect world, do it. It's nice to have a new map. You make sure everything is perfect. But is it going to make or break it? Is that a priority over something else that the State really feels is important for public safety or some other priority that may have a higher purpose?

ASSEMBLYMAN McKEON: Is it DCA or the county tax board that oversees revals when it comes to--

MR. KRAWCZUN: It's the Division of Taxation, through the county (indiscernible).

ASSEMBLYMAN McKEON: Division of Taxation. So if we thought about legislation just to make that discretionary upon revaluation -- through Division of Taxation -- looking at it on a case-by-case basis, that would provide relief to towns that really don't need to redo a tax map?

MS. SMITH: And you could maybe establish a criteria. If less than five lots have been--

ASSEMBLYMAN McKEON: More than 5 percent grow, or whatever.

MS. SMITH: Some threshold that triggers the need to be required to do a map.

ASSEMBLYMAN McKEON: Okay. Thank you.

Does anybody have any questions on that point as we go through it that way? (no response)

MR. KRAWCZUN: You had mentioned, Mr. Chairman, about audits.

ASSEMBLYMAN McKEON: Yes.

MR. KRAWCZUN: I'm not sure what your questions are.

ASSEMBLYMAN McKEON: We understood that DCA and the Comptroller's Office do separate and distinct audits. And why do two as opposed to just one, one-size-fits-all? Am I right about that?

MR. KRAWCZUN: Well, the Local Fiscal Affairs Law requires that each municipality, within six months of the close of their fiscal year, conduct an audit of their financial operations. That audit is completed by a registered municipal accountant.

The municipality-- My understanding is that -- not necessarily have to go through an audit by two different State divisions, but we have to file our report -- audit -- with two different State divisions: the Comptroller's Office and the Division of Local Government Services.

ASSEMBLYMAN McKEON: In that regard, different than reproduction of maps -- and that can be more of a logistical and expensive process. Is that really -- then if it's just a second copy of the audit going to a different office -- is that a big deal? I'm asking--

MS. SMITH: There's not that much of a heavy lift other than making sure it gets there. But it speaks, again, to the point of redundancy -- to have two State agencies reviewing. We're not telling you, by any means, how to do your business. But if one State agency reviews an audit and another State agency reviews an audit, is it possible to create a system that we deposit our audit in one place? It's just--

ASSEMBLYMAN McKEON: Okay. But from a local perspective, it's really sending--

MS. SMITH: Two copies.

ASSEMBLYMAN McKEON: Two copies.

MS. SMITH: But somebody has to remember to have to do that. Every one of these little tick-off points-- You have to have this laundry list and make sure that you're complying with filing dates and whatnot -- not necessarily in this case, but potentially face fines and a whole other realm of enforcement for noncompliance.

MR. KRAWCZUN: Mr. Chairman, I can speak a little bit differently to that question in that I had been employed at one time by the Division of Local Government Services and, after their employment, had been on the municipal side. And I think that having the audit information in one location and permitting the municipalities to answer to one entity not only creates clarity, but it creates consistency. And it also creates an intangible benefit of institutional knowledge about the municipalities and their operations.

At my time with the Division of Local Government Services in the Department of Community Affairs, I had the opportunity to interact with a lot of different municipalities. First, going back in history to the Distressed Cities program. So we had first-hand knowledge of their budgetary, financial operations and review information in one comprehensive look at the municipality -- what they were doing, what their labor contracts may look like, what their history of tax collections were, their difficulty in administering certain programs, understanding their tax lien situation. And there was a strong staff of people who had knowledge of municipal finance and municipal operations. And I think that it was quite beneficial, and I think it created a great rapport between a State agency or a State division that could actually be of assistance, because they understood

the problem that the municipality was up against when the mayor or the finance people came in and said, "This is our problem."

So I think it's not a heavy burden to file two audits. We can do that electronically if it's-- But the idea of: What's the affect, what is the importance of having that information, and what are you going to do with it? I can file reports all over the State of New Jersey electronically. But if you can't do anything positive with it, then it's (indiscernible).

ASSEMBLYMAN McKEON: Point taken. A little different question as to what they're doing with them.

ASSEMBLYMAN RUDDER: Can I comment on that?

ASSEMBLYMAN McKEON: Of course.

ASSEMBLYMAN RUDDER: In general -- and I agree with this too -- some of the challenges with the various departments not communicating with each other-- So the DCA, the DEP, and the DOT aren't communicating with each other. They all have very similar requests, similar mandates that they request from municipalities. And that is part of the problem. And if there was a central clearinghouse within State government where you upload one time only-- And then if different agencies need access to these documents, they can go to the central clearinghouse, and pull up your township, and look at the audit or whatever other requirement that was -- where you submitted your paperwork for, etc. I think a large part of it is just our -- the State-level lack of communication amongst departments. And I think that could help solve that problem too.

MS. SMITH: Just on that point too, we deal with assumptions; the State is no different. Paper-- I mean, think of the storage of all these

documents. If it could somehow be reduced to something that's in one spot that everybody can access-- You know, facilities to store all this is a--

ASSEMBLYMAN RUDDER: It's a green solution, Mr. Chairman.

ASSEMBLYMAN McKEON: Assemblywoman.

ASSEMBLYWOMAN LAMPITT: No, I was just teasing. I was just saying I have that already.

ASSEMBLYMAN McKEON: Speaking of paper, the Open Public Records Act was something else raised by the League. Can you comment on OPRA, that mandate and its costs?

MS. SMITH: First off, I think that Mike has said before, and probably even in his letter, we are completely supportive of transparency and open government. We think that the public deserves the opportunity to see whatever documents are available. But some of the things that may help us relate to possibly being able to post things on a Web site rather than a publication-- But if that were to be -- no public notices -- using, again, technology over paper. But we wouldn't necessarily support that if it became a mandate that every municipality had to have a Web site. It would possibly be something that would be permissive if people would prefer to post their public notices on a Web site as opposed to a print publication -- that that might be a way of saving considerable legal notice costs. But like I said, if you're a smaller -- some municipalities have -- most have Web sites, but some smaller municipalities may not.

ASSEMBLYMAN McKEON: Well, you leached into the open notice requirements beyond OPRA. Let me ask you a question on OPRA for a moment. Beyond the time that it takes to respond and the amount

that I guess you get reimbursed for-- Is your system such -- and I've heard this -- you guys will tell us -- where people will order documents that they're entitled to; then the time is done and they don't pick them up.

MS. SMITH: Correct.

ASSEMBLYMAN McKEON: How might you suggest solving that? By taking a deposit up front, or up-front payment? That seems fair to me.

MS. SMITH: You do have to notify the requester what the cost will be, and then they have to ask for you to produce the documents. But, I forget, do they have to pay up front? They can pay at the end.

MR. CERRA: At the end.

MS. SMITH: They have to be notified of what the cost is before they commit to pay for it. So possibly--

MR. CERRA: It's at the end.

ASSEMBLYMAN McKEON: It is at the end?

MS. SMITH: Yes.

ASSEMBLYMAN McKEON: I think so too. At least my experience--

MS. SMITH: So possibly if it's an up-front cost, they would be more inclined to make sure that it was a legitimate-- And, you know, I'm not going to be the judge of what's a legitimate request or not. But sometimes you could get multiple requests or large requests. It takes a lot of manpower to be able to produce it, and then it sits there for a couple of months and nobody picks it up; and then it's taking up space, and it becomes just a larger problem.

ASSEMBLYMAN McKEON: I would think, for the most part, if someone paid up front, they're going to come and get it. At least you're reimbursed, on some level, for what it is that you did. So I think that's something we should further look to, to make a change on.

Public notice requirements.

MS. SMITH: With respect to the publication versus a Web site? (affirmative response)

As I said before, the concept of being able to utilize a Web site as an alternative to a print publication-- There are pros and cons. Not everybody has access to a computer; however, not everybody picks up a newspaper. Everyone has the opportunity to go pick up a newspaper, everybody has the opportunity to go to the library and look at a computer. So we are open to the concept. But, again, we'd be fearful if there became a new requirement that municipalities had to have a Web site.

ASSEMBLYMAN McKEON: Suppose you had a Web site already. It wouldn't cost anything.

MS. SMITH: Exactly. That's what I'm saying. But those who didn't -- it would become a new mandate for them to get a Web site.

MR. KRAWCZUN: But there might be an opportunity, when you're required to advertise something on two occasions, to allow for one time in the newspaper and your Web site, and one time only on the Web site. For example -- ordinances would be a good example. I also think that if a municipality is holding an auction of surplus property, there are two advertising requirements. That would be another example. Therefore, it can't be criticized that you didn't put it in more than one spot. And you've

gone to the public and addressed those people who may not go to your Web site on a daily basis to look for your legal advertisement.

MS. SMITH: It's a nice compromise.

ASSEMBLYMAN McKEON: Library appropriations. It was touched on, but maybe you can flush out for the Committee what the significance of that is.

MS. SMITH: Actually, Mike, would you--
Do you have a library?

MR. KRAWCZUN: We have a county library system.

MS. SMITH: We are too.

MR. CERRA: I can speak to it. I think this is obviously an interest that has gathered a lot of attention through the years. And we all recognize the importance of public libraries. I think the issue is the statutory funding requirement and the fact that it's not really means tested. And there is the option now for libraries to return surplus to municipalities, and there's another bill on the Governor's desk dealing with the issue.

ASSEMBLYMAN McKEON: Libraries are funded at 3.3 cents of assessed value.

MR. CERRA: Right.

ASSEMBLYMAN McKEON: So the-- And that's the bottom line. The mayors or BAs don't have latitude.

MR. CERRA: Correct.

ASSEMBLYMAN McKEON: And if you were called upon, in tough budget times, to let a cop go versus letting a librarian go -- and I hate to even use that, but I mean, I'm just articulating what I've heard from other mayors -- at least give me that choice.

MR. CERRA: Right. That's exactly it.

ASSEMBLYMAN McKEON: "The library piece is out of our purview, and we have tough decisions to make, and we should be a part of it."

MS. SMITH: Even more so, as an example, you have to let a cop go, but because you have to make repairs to the library that has a \$100,000 surplus from their budget this year-- But you have a responsibility to maintain their building. So you have to let staff go in order to make their repairs on a physical structure that is somehow your responsibility. But they're sitting on money that they could have utilized to do it.

MR. CERRA: And it forces-- My point exactly. It forces the decision -- the type of decision that no one wants to have to make -- make that type of decision. If there was more flexibility in this funding, you could prioritize and make the tough decisions that elected officials are expected to make.

ASSEMBLYMAN McKEON: I know my friend Pat Tumulty has a different -- not different view, but will give us the point from a library's perspective, which will be very well taken. But I wanted you to place that on the record on behalf of the League.

MS. SMITH: I would say, too, that I don't think our intention would be that they would have no surplus. They probably, I'm sure, have -- I don't know the inner workings -- but they have intermittent needs that they would need to have some kind of cushion. But in general, if there could be some review of that, that makes it more in line with what other government agencies have to basically structure themselves around--

MR. CERRA: It simply means we need -- more flexible than the current structure is.

ASSEMBLYMAN McKEON: It would be nice to get them out of the cap right? That would solve the problem.

MR. CERRA: We support that, Mr. Chairman. (laughter)

ASSEMBLYMAN McKEON: Court mandates.

MS. SMITH: We just wanted to raise that issue. We don't know necessarily whether the Legislature or the Judiciary has more control over those particular mandates. But there have been a lot of new mandates that have come down relative to court security. Again, I mean, it is a priority. You want to make sure that your judicial staff is safe. But it has created very large expenditures, particularly if you have an existing building that has to be renovated to be able to accommodate compliance with those requirements.

So, depending on whether -- what needs to be done -- a lot of it relates to bulletproofing, wandering, and in some cases the walk-through structure. It does require, if you're doing the wandering, you always have to have an officer in the courtroom, plus two to wand. So there's a lot of overtime costs, plus equipment costs, and capital improvements that have, obviously, costs.

MR. CERRA: And we recognize there may be a jurisdictional issue. But, again, it comes to an issue where it's not means tested almost. It is a one-size-fits-all approach where, in particular buildings in particular parts of the state -- particularly when there are shared courts -- maybe there should be more flexibility on that. But in our discussions with you, we

don't know who has the jurisdiction to deal with the court security mandates.

ASSEMBLYMAN McKEON: I think it's the AOC who ultimately--

MR. CERRA: Right.

ASSEMBLYMAN McKEON: And what regulations-- They're not going to be here today, they couldn't be -- but what regulations they apply, or on what. I think they come annually to the court. And that's something, again, we should look at, because perhaps we could leave that in the good judgement of the towns and BAs as to what level of security they feel is necessary.

MS. SMITH: Anything could happen anywhere, but clearly some municipalities may have more of a likelihood of a need for higher-level security because there's more traffic, and more court dates, and whatnot. But in a smaller municipality, that might be overkill.

ASSEMBLYMAN McKEON: Well, Ms. Smith, that's my point. Because municipalities make decisions all the time -- and chiefs and police directors -- as to how many cops to have on the street and where to post them. And so why should this small part of keeping the community safe not fall under their jurisdiction?

MS. SMITH: You may have a town that has one officer on duty out covering the whole town, and three other officers on overtime in the court.

ASSEMBLYMAN McKEON: I agree with that, and I think it's something else that we're going to try to address to provide some relief.

I, at least in the pre-list that we compiled, didn't have anything further. Is there anything further that you would like to bring to our attention of specifics? And, of course, I don't know if any of my colleagues -- they've been asking questions through -- have any.

MS. SMITH: I just wanted to really give you a heartfelt thank you for this Committee, and the Assembly, and administration that there is real focus on this. And I think this kind of dialogue is where solutions can come out of. And we appreciate the opportunity.

ASSEMBLYMAN McKEON: Thank you.

Linda.

ASSEMBLYWOMAN GREENSTEIN: Yes.

Thank you, all, for your very interesting testimony.

Just a quick question. Someone started asking this, I guess, but I just want to confirm it. In going through all of these, do you have some mandates that you could literally say, "We should do away with these?" I realize a lot of these are complex; they need discussion. But are there-- Have you compiled a list of mandates that you feel are absolutely unnecessary and really don't even need discussion; they're just mandates that should go away?

MS. SMITH: Personally, being altruistic, I believe that everything that has been mandated, I'm sure, came out of significant consideration and it serves a purpose. But because we're at this point that we are as a country, we have to really start -- something has to go. So we have to start prioritizing. And things at a local level, county, State -- even good things -- are going to get -- they're going to be casualties of war because we just don't have enough money.

So to answer the question, specifically, I don't think anything is, like, a horrible thing. But it needs-- But some things maybe could be ratcheted back, some things could be extended. So it could be nickels and dimes, but they will add up. And, again, some of the environmental things-- The environment is important, but maybe we can structure it in such a way that it's not horrendously negative, but that the cost is at least spanned out over time. And I think a really big thing is being able to have processes that are -- not consistent, but you know what you're getting into. There's some sense of security of what the process is, what the outcomes might be -- that there are not so many surprises, and twists, and turns.

ASSEMBLYWOMAN GREENSTEIN: I guess the follow-up to this -- and we somewhat discussed it before too -- do you feel that, in a way, we've taken with these mandates a one-size-fits-all approach, and maybe we need to tailor it more to individual -- let's say individual sizes of towns and that sort of thing?

MS. SMITH: Absolutely.

ASSEMBLYWOMAN GREENSTEIN: Because that may help to do this better and more cheaply.

MS. SMITH: Absolutely.

ASSEMBLYWOMAN GREENSTEIN: More inexpensively.

MS. SMITH: Yes. (laughter)

ASSEMBLYWOMAN GREENSTEIN: Okay. Thank you.

ASSEMBLYMAN McKEON: Any other members?

MR. KRAWCZUN: I just wanted to thank everyone before you-- That's all. Thank you.

ASSEMBLYMAN McKEON: You're very welcome. We'll talk to DEP -- some of them are here -- to tell them to stop messing with you with that fine. (laughter)

MR. KRAWCZUN: I just wanted to reiterate something on my comment -- that it's not only the mandate, it's the cost to comply with a permit fee just to start with the compliance, and there's a big difference. I think that we need to have someone help us -- and I mean help us -- I'm asking for help -- to stop local taxpayers from being obligated to pay fees that are actually paying for the operation of a State agency through the municipal operations.

ASSEMBLYMAN McKEON: It's a very interesting point. As I made some notes here -- and I don't know if my colleagues -- I would bet they might have -- and Assemblyman Barnes wants to speak. But supposing we wave all fees for municipalities, as the State-- But, of course, that will have a very big, I would imagine, consequence from a perspective of our own budget and what we take in.

In a similar way for fines-- I mean, I can see financial incentive for getting something fixed, but maybe fines should be paid and held in abeyance until something's abated and then returned to municipalities. It's just a thought.

Assemblyman Barnes.

ASSEMBLYMAN BARNES: Yes, Mr. Chairman, thank you.

I've enjoyed your testimony. I think it's very common sense -- all the witnesses -- common sense. And I appreciate you being here today.

As a Councilman for 12 years in a big town, I understand the problem of mandates. But I'd like to give a different perspective, if I may.

Sometimes the mandates -- the theory goes that mandates -- and I particularly feel strongly about environmental mandates and, of course -- ironically you're in front of the Environment Committee today. The thinking goes that the local towns and counties won't do the right thing. And so historically, in New Jersey -- at least in my opinion anyway -- New Jersey has had a lot of environmental challenges -- poor water quality, poor air quality, not enough parks and recreation, not enough open space. In fact, you don't have to go too far back -- less than 10 years -- where you read stories about people dumping turpentine and paint down the sewer. And that's the reason for a lot of the environmental regulations. So I think that we can't lose sight of why a lot of the mandates have come down.

The real nuts and bolts-- The list is great. I know it's painstaking. You put a lot of time in it. But I think the role of the Legislature, the role of our Committee, is to really go through the mandates and really -- I don't think throw them all out, but use some common sense and our best judgement to try to determine really what we don't need. Because you're right, we are facing dire economic circumstances. Nobody can argue with that. But I'd hate to see all environmental regulations that have an impact on towns thrown out. Because I don't think that's the right way to go either.

MS. SMITH: No, and I don't think we're suggesting that.

ASSEMBLYMAN BARNES: I know you're not suggesting it. I'm not putting words in your mouth. I'm being respectful to you.

MS. SMITH: Sure.

ASSEMBLYMAN BARNES: None of the three of you come from towns that have mandated libraries. Is that correct?

MS. SMITH: Correct.

ASSEMBLYMAN BARNES: At least that's what I've heard. Your testimony indicated that today.

MS. SMITH: That's correct.

ASSEMBLYMAN BARNES: I come from a town that has over 100,000 people in it. If I were to pick two areas that are used more than any others -- that I've learned not only as an elected official, but as a resident -- and that would be libraries and parks. In my town of Edison, you go to any of the three branches, and there are people there all during the day using computers, reading magazines, reading books -- not only using the circulation, but actually sitting down and reading books in the library.

So I would respectfully admonish you in a nice way. But if you don't come from a town that has a library, you really can't appreciate the larger towns and cities -- the input that goes into library boards and the use of the libraries. I know that you support libraries. But really, the larger towns and cities use libraries more than just book circulation -- applying for jobs, Internet searches, focus groups. In one of my towns -- in Metuchen -- their historical societies come in. So we really have to use, I think, a surgeon's scalpel and not just take a hammer to a lot of the regulations.

I see that a representative of the Highlands is here today. I don't know if that person is going to speak or not. But I'm sure that if she did speak, she'd talk about water quality for the State of New Jersey. The Highlands provides water -- and I learned this, I didn't know to the extent that it did -- but it provides water not just to northern New Jersey, but to a large segment of the population. So we really have to focus on cutting, yes;

but we have to use, I think, our good judgement and good sense in the manner in which we do it.

But thank you for being here today.

MS. SMITH: Thank you.

ASSEMBLYMAN McKEON: Thank you, Assemblyman.

I know Assemblyman Gusciora had a question also.

ASSEMBLYMAN GUSCIORA: Thank you.

This is just on another topic: the loss of revenue generated from the Gross Receipts and Franchise Tax. Have you quantified how much of a loss it is to the municipalities? And is there any pass-through or accounting that you're doing on-- Because now the State is raiding all that money. Is there any local accounting that you have to do and then just pass the money back to the State, so to speak?

MS. SMITH: No, that's collected at the State level. We get it back in the form of State aid. So it would just-- Our allotment or appropriation was just reduced. So, I mean, there's a lot of accounting that goes on to make up for the loss of income, obviously.

ASSEMBLYMAN GUSCIORA: Have you quantified how much loss it is?

MS. SMITH: In hours, to make up--

ASSEMBLYMAN GUSCIORA: Yes.

MS. SMITH: I haven't done it specifically.

But, Mike, I don't know if you--

MR. CERRA: The League can provide you with a municipality by municipality breakdown of that loss.

MS. SMITH: But would that -- the loss of time?

Are you referring to the loss of time?

ASSEMBLYMAN GUSCIORA: And you have no administrative costs associated with that though? You're not losing doubly?

MS. SMITH: Not in collection. Is that what the question is?

ASSEMBLYMAN GUSCIORA: Yes.

MS. SMITH: But in dealing with the loss of revenue, obviously, there's a lot of administrative time to have to recalculate budgets to accommodate the loss.

MR. CERRA: That was a revenue source that was collected locally for years and then was--

ASSEMBLYMAN GUSCIORA: We did away with it in 1997.

MR. CERRA: The collection point was transferred to the State for administrative reasons. So the collection end of it, I think, on our end is probably minimal. It's more the loss of the raw dollars themselves.

ASSEMBLYMAN GUSCIORA: And what percentage of your budgets are lost now that we're raiding those funds?

MS. SMITH: It depends, budget by budget. I mean, the majority of the towns lost about 20 percent of their State aid revenue which, depending on how much COMPTRA they were getting previously-- In our particular case, most of that 20 percent was from the Energy Receipts Tax. So it probably represented maybe 1 percent of our revenue. But 1 percent of a \$10 million budget is a lot of money.

MR. KRAWCZUN: Assemblyman, in Lawrence Township, the combined loss of COMPTRA and Energy Receipts Taxes was \$1.023 million, which is about \$0.04 on a tax rating.

ASSEMBLYMAN GUSCIORA: It's a big hit.

MS. SMITH: And I just wanted to speak to the issue of the libraries as well.

We had another speaker who was on the call with Chairman McKeon who did have a library, and he had raised concerns about that. We were kind of speaking on his behalf, but neither of us claim to be experts. And we do support, obviously-- Libraries, parks are very important parts of the community.

MR. CERRA: Through the Chair, I think our comments were meant to be more of a constructive discussion of how to build a better mousetrap.

ASSEMBLYMAN BARNES: Yes. And, through the Chair, I agree. That's why I prefaced what I said by -- I thought your comments were all common sense. You're coming across -- at least as far as I'm concerned -- very down to earth, common sense, practical. And so I didn't mean to suggest otherwise.

What I did mean to suggest, though, was that if you don't come -- if you live in a town that does not have a library, which the three of you do, you really can't, I think, appreciate the amount of use and the different uses that libraries are put to in the last 5 or 10 years. I mean that respectfully, but I do mean it. If you're in a county system, it's easy to come in and say, "Cut the library." But if you live in a big town, big city -- Newark, Jersey City, Woodbridge, Edison, Hamilton Township -- I don't know, I think you might take a different perspective. That's what I'm trying to say.

ASSEMBLYMAN McKEON: Excuse me, on that point. We'll get to the library. But it's different because -- I don't mean to say it's not

their problem. It's all tax dollars, but it doesn't fall in their budget if the county handles it. So it's not in their cap, it's not in their budget, and it's just a service that's handled differently -- no different than other county services -- as opposed to many municipalities who have chartered libraries.

I agree with your comments.

All right, here is what -- assuming there are no further questions for these witnesses--

We're sorry we took so long, but obviously the League -- who has been talking an awful lot about mandates for a long time now -- it was important to get through a lot of that.

I'm going to ask us to take about a 12-minute break. We'll come back at 12:15. I would expect that the remainder of the hearing will move much, much more rapidly. We're going to start off though with a very important witness, Chuck Richman, Assistant Commissioner from DCA -- having diligently paid some attention to what was going on here -- to make some comments on some of the thoughts we have.

I don't know what your plans are. As you're BAs, not mayors -- I'm sure your mayors have given you the day off -- with no accumulated time, of course, or comp time -- and if you could hang around, it might be very helpful.

MS. SMITH: Sure.

ASSEMBLYMAN McKEON: All right. Thank you.

MR. CERRA: Thank you, Mr. Chairman.

ASSEMBLYMAN McKEON: Twelve minutes, and everybody back in their seats, and we're going to get to it.

(RECESS)

AFTER RECESS:

ASSEMBLYMAN McKEON: Thank you, everyone, for being patient with a couple members who are still finishing up what they're doing, making some contacts. They'll be coming in shortly.

Mr. Richman, Chuck Richman, Assistant Commissioner at DCA.

Thank you for being here, Chuck.

ASST. COMMISSIONER CHARLES A. RICHMAN:
My pleasure, Mr. Chairman.

ASSEMBLYMAN McKEON: Let me start by saying, I don't know if you have any prepared remarks or if you'd like to just give us general observations, and maybe we'll ask some questions.

ASSISTANT COMMISSIONER RICHMAN: I think, as you suggested-- I did take notes on many of the comments. If I could go through them; and then maybe a couple of general observations about mandates.

ASSEMBLYMAN McKEON: Please. We look forward to what you have to say, Chuck.

ASSISTANT COMMISSIONER RICHMAN: Thank you very much.

I'm sure you're aware -- just in a general sense, two things. One: A number of the comments by the Mayors, when they spoke about civil service reform -- the mandates, arbitration, consolidation-- The

Governor has put forth a toolkit that addresses some of those. And I would hope that the Committee is informed by aspects of that toolkit. I think in that package of 30-some-odd bills, there are reforms that will make substantial and meaningful impacts on the cost of municipal governments.

ASSEMBLYMAN McKEON: Appreciate that. I think the Legislature is working at its own pace with its own systemic reforms. But we appreciate you bringing that to our attention.

ASSISTANT COMMISSIONER RICHMAN: Of course.

And maybe I'll start with one of the comments in the League's documents -- and working a little bit backwards. They spoke of different State agencies -- and I guess I'm going to combine two things: planning -- and different planning requirements -- and the municipal master plan timing requirements. There clearly is a need to align and make consistent a variety of State planning activities and the way they require municipalities to respond. The State plan and the statute that created it required an update on a three-year cycle. It can't be done. It's never been done. And three years is way too short a period to do that. Municipal master plan is now on a six-year cycle.

I can't tell you if 6 or 10 is right. What I suggest to you is two things: One, we engage the planning community in that discussion. But the second, and maybe more important, in terms of the quality of what we get out of this process is, we try and align our local planning with being informed by both the Census and the American Community Survey. Both of those surveys are done at the national level, but really get to, on a 10-year cycle, the data that should inform municipalities in progressing through the master plan.

ASSEMBLYMAN McKEON: What's the American Community Survey? I'm not--

ASSISTANT COMMISSIONER RICHMAN: That survey replaced the aspects of the old Census, when the Census used to drill down and get substantial data on housing, on transportation, and a variety of other activities. The Census, I guess two decades ago, went to a short form and only dealt with population. The American Housing Survey is done either annually or every other year as a sample and, over a five-year period, really can inform, in great detail, the characteristics of a community and gets down to housing stock, age and quality of it; it gets to transportation issues. And I think those two planning national surveys -- given that they're done on an end-of-the-decade period -- we ought to think about aligning our master plan activities with that. I think that would make the process sounder, in terms of the quality. And 6 or 10 years -- I think we need to think about a little bit more.

ASSEMBLYMAN McKEON: DCA has ultimate -- puts their imprimatur on master plans, don't they?

ASSISTANT COMMISSIONER RICHMAN: No.

ASSEMBLYMAN McKEON: Oh, they don't?

ASSISTANT COMMISSIONER RICHMAN: No.

ASSEMBLYMAN McKEON: I'm just wondering if doing it all in one year would be overwhelming.

ASSISTANT COMMISSIONER RICHMAN: That could be. That's a legitimate issue in terms of who prepares master plans for the municipalities, since much of that is done by consultants. And that's kind of the balance there. So I don't know that you could do it in one year. But

to the extent there's a proximity to the richest data, I think we ought to at least think about that and consider that.

There was some discussion about the submission of annual audits and the Comptroller and Local Government Services receiving them. As you are aware -- two different functions. The audit serves the purpose for local government to inform the review of the budget. It's used to ensure that the cash position of the municipality is, indeed, what's reflected in the budget and what's reflected in the submission by the municipality. We don't -- and the staff at Local Government Services -- do not drill down, as the Comptroller does, to look at -- whether by complaint or when they observe within the reports -- something that looks peculiar. And they'll go in and do a performance and management audit.

So at least in one of the documents I saw from the League, they suggested there was a duplication of work. That is not true.

ASSEMBLYMAN McKEON: I think we clarified that, Mr. Richman, in that it was really--

ASSISTANT COMMISSIONER RICHMAN: Can we work-- I'm sorry, Mr. Chairman.

ASSEMBLYMAN McKEON: No, that's okay.

ASSISTANT COMMISSIONER RICHMAN: Can we work on a better way to do a filing? Surely. Is there a way to have a single point of contact for filing? That's something worth exploring. We do that now, in State government, and we're gaining on it in State government for businesses that work with the State. They come in through the portal, and they -- their basic material is dispersed all at various government agencies.

A municipal portal is certainly something worth exploring on their various filings.

On the Web notification versus newspaper notification: The key there is transparency and how you reach the greatest audience. I don't feel comfortable, and our staff didn't feel comfortable, on weighing in as to which was best. I know from our experience that newspapers-- When we do Section 8 -- open Section 8 lists for people to apply, we get our greatest response through newspaper and people bringing copies of that. But I can't tell you generally how the public deals with that.

The cost of complying with the State's affordable housing program is well-documented. There's legislation that has passed the Senate. The Governor has proposed a variety of options that would streamline that while preserving at least 10 percent of new growth for affordable housing. There are significant savings on the paperwork side to reforming the affordable housing process, and those moneys could more easily be put into providing housing. And I urge, again -- while it's not directly before your Committee, it is a form of mandate, and it was raised by the League, and something certainly to look at and should be considered.

There was some discussion about changing regulations and how often they may happen. A guide for the Committee to think about is how we do the municipal -- the Uniform Construction Code. If we update that on a three-year cycle so there's stability-- We also look to national standards. I think both of those elements are important. Whether it be municipalities or regulated communities that have to spend money with municipalities, having stability for some period of time in any regulatory process is essential to how -- whether it's the municipality having to spend

money or the private sector spending money on a mandate -- they know the lay of the land. They know what's required of them.

ASSEMBLYMAN McKEON: Commissioner, I think everybody -- business, private, or otherwise -- wants predictability. It's a good way to look at it. But the three-year cycle on the UCC is done by your entity, right, by DCA?

ASSISTANT COMMISSIONER RICHMAN: Yes, by DCA, based upon a national standard.

ASSEMBLYMAN McKEON: And so your point is, even though that wasn't raised by the League, per se, you think expanding that beyond three years might--

ASSISTANT COMMISSIONER RICHMAN: Well, I urge-- The concept of stability for a period of time in regulation helps keep costs at a reasonable level. Each time you churn regulations, people have to change to adhere to them.

ASSEMBLYMAN McKEON: And town inspectors and building officials won't have to reacclimate themselves every--

ASSISTANT COMMISSIONER RICHMAN: That's correct. Every time you change the Code, there's a learning curve, courses that have to be-- We're spending about a million dollars a year to continue education.

ASSEMBLYMAN McKEON: Is it the Legislature that requires the UCC be changed or updated every three years?

ASSISTANT COMMISSIONER RICHMAN: The three-year cycle is by-- I have to check for you. I know the national code council's are on a three-year cycle. I just don't recall if our statute also aligns with them.

ASSEMBLYMAN McKEON: Okay. That's something we'll look into also to see if that's something we might do if we have the ability to.

ASSISTANT COMMISSIONER RICHMAN: There was criticism -- and legitimate criticism, I think -- of having to -- municipalities having to submit a wide variety of paper to various State agencies. And the League spoke about COAH, stormwater, traffic, plan endorsement. Now, the concept of plan endorsement was thought to be a way of reducing the amount of paperwork, and making coordination at one location and the submissions at one location. I think it's a good idea that went astray. It took multiple years for municipalities to get through that process.

The Office of State Planning is -- the Lieutenant Governor announced that it will be transferred from DCA to the Secretary of State's Office. And part of that is to realign its mission and to reduce the paperwork in a way that promotes what we -- a (indiscernible) or two, I guess, talked about commonsense principles. We do burden municipalities in those areas with excessive paperwork. And we need to find a way to, again, create a portal where it's easier to get them done.

Cathy Starghill is the Executive Director of the GRC, Government Records Council. She's away this week. We're committed to having her work with you as you look at issues that have been raised by the League and others about the turnaround times, about the question of people asking for documents and not getting them. A number of municipal officials have raised issues about the -- is seven days too long a period, too short a period, depending upon what you're dealing with? Kathy can certainly help to inform you of that.

And we're committed -- as we are, frankly-- And Commissioner Grifa asked me to say that as you move forward, our staff is available to you to drill down, as you suggested, on individual mandates and to help inform the debate on which makes sense and which would work together.

I'll leave it to your questions, sir.

ASSEMBLYMAN McKEON: Thank you.

I'm just going to start by one -- and I'm not the Governor, and so the Governor certainly would have--

ASSEMBLYMAN RUDDER: Do you have any announcements?

ASSEMBLYMAN McKEON: I'm sorry?

ASSEMBLYMAN RUDDER: No announcements?

ASSEMBLYMAN McKEON: No announcements. (laughter)

But if I might suggest something to the Governor, it might be to have the respective agencies -- whether it's DEP, Department of Community Affairs, Treasury, whoever it might be -- to be able to, themselves, internally, come up with the list of things that they, who should know better than anyone, feel might -- again, antiquated, duplicitous, very expensive without a lot of great return relative to the public policy behind it. I know, on some level, it's asking for bureaucracy to be self-destructive. But particularly in the financial strains that you're all under, relative to hiring freezes and a lack of resources -- that you might find, for a change, people within those bureaucracies -- and I don't mean that in a negative way -- that they'd be happy to say, "We really don't need to do this. We can't get done what we have to otherwise, and things that should be more priorities in our learned opinion--" Nobody knows better than DCA as it

relates to -- and, for the most part, more than any entity they govern and oversee -- municipalities.

ASSISTANT COMMISSIONER RICHMAN: I think we've undertaken some of that through the Red Tape Commission and Executive Order 2. Executive Order 15 -- which involves looking at State government structures -- we're obviously informing the Governor's Office on that. But I certainly will report back your request that we provide that.

ASSEMBLYMAN McKEON: And I appreciate someone of your stature being here also, because that sends a good signal to the Legislature that you do want to work with us. And I really thank you, in that regard, for being here.

ASSISTANT COMMISSIONER RICHMAN: And I can tell you that both the Governor's Office -- when we discussed this yesterday -- and Commissioner Grifa are absolutely committed to working with you. We'll be-- You're talking about shared services and consolidation at future hearings. DCA is intimately involved in that, and we certainly wish to participate in that. So we'd like to be a partner.

ASSEMBLYMAN McKEON: I don't know if Commissioner Grifa has forgiven me yet for our cross examination during the budget hearings. (laughter)

ASSISTANT COMMISSIONER RICHMAN: She does not hold grudges.

ASSEMBLYMAN McKEON: I'm glad to hear that.

Does anyone have further questions for the Commissioner?

And, again, I would like to hear back from Commissioner Grifa, through you, as to them taking on that challenge, and getting back to this Committee, ASAP, with some legislative thoughts so we can go forward.

Please.

ASSEMBLYMAN RUDDER: Thank you, Mr. Chairman.

Thank you, Commissioner, for being here. Again, it is a great sign that you are here and the administration is participating fully in this process.

Question -- and this is just sort of maybe a little bit vague -- but as we were talking about before, with regard to municipalities and other entities that have to report various documents to the State, and the inability that I've seen for State departments to communicate with each other-- Are you guys-- Has the DCA -- are there any other agencies that are already looking at sort of a clearinghouse -- maybe it's the Department of the Treasury -- for where -- whether it's a municipality or a private company that's doing business with the State or have to provide reports to the State -- that it's a one-stop-shop where they can upload documents and other agencies can access as needed?

ASSISTANT COMMISSIONER RICHMAN: There is an effort underway by the Lieutenant Governor in the New Jersey portal -- My New Jersey -- where you sign in for the business portal to allow all the various State agencies to share data with a company that has to be, in any way, regulated by the State. So a company has to, through Treasury, have some ID number, and it also has an inspection number from the Division of Local Government -- fire safety. All of that is going to be on one site and accessed by the various State agencies. Plus, we will be able to

communicate back to that company if there is something we become aware of that is an obstacle to them.

We've engaged, preliminarily, about the sharing amongst State agencies. It's easier to deal with the private sector than break down silos, to be perfectly frank. But that has to go. You're right. And there are basic documents that municipalities -- that are used by various State agencies that ought to be shared electronically. We have to get there.

ASSEMBLYMAN RUDDER: Great. Thank you.

ASSEMBLYMAN McKEON: Thank you very, very much, again, Commissioner Richman.

ASSISTANT COMMISSIONER RICHMAN: Thank you.

And, again, we'll be happy to provide you--

ASSEMBLYMAN McKEON: We're going to look forward to hearing back from you, and are very happy to entertain thoughts that you'll have from a legislative perspective.

ASSISTANT COMMISSIONER RICHMAN: Very good. Thank you.

ASSEMBLYMAN McKEON: We will be working on that with you -- on several matters that did come up today.

ASSISTANT COMMISSIONER RICHMAN: Thank you, Mr. Chairman.

ASSEMBLYMAN McKEON: Thank you.

Patricia Wright, Assistant Director at the Division of Taxation.

Welcome, Assistant Director. Thank you for being so patient.

PATRICIA WRIGHT: No problem. Thank you so much for allowing me to speak today. I appreciate the chance.

I am the Assistant Director at the Division of Taxation, here on behalf of the Division of Taxation. My job is Property Administration, so I have a hand in the local property tax matters. So the main area -- the only area really I'm talking about today is the tax map area.

If it is okay, I would like to go through my prepared comments.

ASSEMBLYMAN McKEON: Of course it is.

MS. WRIGHT: And, of course, any questions after that.

Thank you.

Three of the assessor's main duties are to discover the property, list the property on the tax rolls, and then value it. State law currently exempts some townships with a population of less than 2,500 from even having a tax map, actually. Townships with fewer than 2,500 inhabitants may prepare a tax map. Even if they don't have to, we recommend that they do so.

A tax map is probably the most important tool in identifying properties for assessment. Without a tax map, it is almost impossible for an assessor to be sure that he is assessing all of the taxable land within his municipality. In some cases where maps have been drawn for the first time, substantial areas never before assessed have been located and placed on the tax rolls. And all tax maps must be prepared by a licensed New Jersey land surveyor.

The tax map is drawn to scale and shows the outlines and dimensions of every parcel of land in the taxing district, and also condominiums. The map identifies each parcel with a block and lot number, except those areas allocated to roads, streets, highways, and tidal waters outside riparian rights -- grants. The names of adjoining counties

and municipalities, locations of rivers, streams, brooks, railroads, right-of-ways, and easements are also shown in their proper locations.

The Director of the Division of Taxation is given full control over the preparation, maintenance, and revision of all tax maps. And I did put the statutory cite, in my prepared comments, at 54:50-1. In order to implement this function, the Director has issued Tax Map Specifications. State law permits the municipality to finance the cost of a tax map over a five-year period. Tax maps must be approved for the purposes of revaluation in accordance with another statute, 54:1-35.35. Accurate, current maps provide the revaluation firm -- which is an outside firm, not a firm that's always 100 percent familiar with the town -- with all the real property designated on the tax map, and as compared to the MOD-IV tax list, to ensure that all property -- or what we refer to as *parcels* -- are valued, assessed, and become part of the municipal ratable base. This is a significant benefit for the municipality in terms of municipality revenue generation.

Taxation's role is one of oversight on behalf of all property owners statewide. Regulations have been established at 18:23A, and they outline general provisions for approval of the tax maps, size of the tax map sheets, what details the tax maps must show, etc. By having these rules, tax maps are uniform in all 566 municipalities statewide. Assessors, appraisers, taxpayers, and others who use these maps have an advantage of being able to go from town to town, or county to county, and read the maps in the same way.

The regulations also include very detailed drawings for the preparer to follow. Many times tax maps first come to our office in poor

condition. This can delay the revaluation since the tax map needs approval before the revaluation work can begin.

The costs to produce a tax map are directly related to the quality of the preexisting tax map. If a town updates its tax map changes on an ongoing basis, a new map is significantly less expensive. Some municipalities use in-house engineering or contract out for these services. The annual costs can range from \$3,500 for a low-intensity, \$7,500 for a medium-intensity, and \$15,000 for high-intensity growth municipalities.

The Division of Taxation periodically monitors the costs involved in the preparation of these tax maps. In 2008 and 2010, Division personnel surveyed the engineering firms responsible for producing maps. Based on the cost of updating maps with multiple year changes, the average 2008 cost ranged from \$14 to \$19 per parcel. In 2010, the range was from \$15 to \$20 per parcel. These costs per parcel apply to municipalities which have not maintained their maps and have significant areas of growth. In this scenario, a tax map for a typical municipality of 7,000 parcels could cost anywhere from \$105,000 to \$140,000.

A municipality that maintains its tax map and is built out without a lot of growth going on incurs less cost in producing the accurate tax map. The City of Trenton, for example, spent approximately \$13,000 to update 24,851 parcels at a cost of \$0.52 per parcel, because that City does annual maintenance of the tax map.

Finally, GIS -- or what we refer to as *Government Information Systems* -- stores land information in a computer database. The database is made up of geography -- lines and attributes, information about the lines. The starting point of this technology is the municipal tax map. This allows

many municipal offices to use the information needed in their job duties. One layer may store parcel boundaries and property characteristics; a second, zoning information; a third, utility lines; a fourth, easements; and so on. The future of digital tax map-- The future of tax maps -- I'm sorry -- is digital. But still, the cartographic data necessary to produce digital maps must be maintained to be of value in the creation of a quality mass appraisal.

ASSEMBLYMAN McKEON: Thank you very much, Assistant Director. Your testimony was very scholarly and informational.

Is the bottom line that the League's request for some level of relief, on a case-by-case basis, is not looked upon favorably by the administration?

MS. WRIGHT: I'm really here to give information today. I wasn't here to give a policy statement.

ASSEMBLYMAN McKEON: Well, the information -- at least what I was gleaning from it -- would seem to fit that the law, as it's currently in place, is well-reasoned, actually probably saves money or creates revenue for communities. I didn't see much room for movement in what you read. Maybe I missed it. At least that's my interpretation.

MS. WRIGHT: Well, the Division will always entertain -- the Division of Taxation will entertain listening to any group's particular areas of concern. But, yes, I mean, there are certain standards that have to be maintained, and I'm not able to say that we could change them today.

ASSEMBLYMAN McKEON: So no ideas, per se, looking at that aspect of the mandate that you think -- from your experience, or your

Division's experience -- that wouldn't throw the baby out with the bath water?

MS. WRIGHT: A revaluation is normally a 10- to 15-year window. Obviously, the revaluation process changes as the market changes. We could have people wanting to do a reval now just to actually substantially lower their values. But I just want to let you know, too, that when someone does a reassessment -- which is a substantial change in the assessment process within a town -- they do not have the mandate to change their tax map. So there are alternate avenues. And there are orders for revaluation; but reassessment is another area that you can utilize where the tax map does not require a revision.

ASSEMBLYMAN McKEON: Just help me understand that better. I'm familiar with a revaluation. I just don't know reassessment.

MS. WRIGHT: Sure. A revaluation is ordered by the county board, and it's always done by an outside agency.

ASSEMBLYMAN McKEON: That I know. I just told you that.

MS. WRIGHT: Reassessment?

ASSEMBLYMAN McKEON: Yes.

MS. WRIGHT: Reassessment is a substantial change in the assessment practice within a town. But it's normally done in-house by the assessor. And sometimes -- especially nowadays more so -- only a very -- a portion of perhaps the inspections or a small portion of the job is given to an outside firm. So it's not a look inside at each and every parcel, interior and exterior. It's just an overall change in the assessment standard of the town -- practice of the town.

ASSEMBLYMAN McKEON: Okay.

Marianne and Rich, I asked you to stay. I don't see Rich; I see Marianne.

Any thoughts that you have just while this witness is here? And if you have one, I'd ask you to come up so you can be on the record.

MS. SMITH: I think this was just one of the smorgasbord items that actually another (indiscernible) had brought up. But you're saying that already there is an exemption for towns with populations under 2,500. Our goal was to acknowledge those small towns with very minimal growth and possibly-- We were just asking -- beyond population -- if there was no effective change that occurred-- But if the Department feels that they've kind of addressed it under the population, I don't think there's--

ASSEMBLYMAN McKEON: How many towns -- if anybody knows -- are under 2,500, of our 566?

MS. WRIGHT: I don't know that. I'm sorry.

ASSEMBLYMAN McKEON: Yes, I just thought-- It's all good.

MS. SMITH: It was just an item that we threw out there to say, "Take a look at."

ASSEMBLYMAN McKEON: Carrie, give me the answer. (laughter) I'm just kidding.

ASSEMBLYMAN RUDDER: Eighty-seven.

ASSEMBLYMAN McKEON: Eighty-seven. Thank you, Assemblyman.

Thank you, both, very much.

I'm sorry. Any questions for the Assistant Commissioner (*sic*) -- or Assistant Director? (no response)

Thank you very much.

MS. WRIGHT: Thank you.

ASSEMBLYMAN McKEON: John Saccenti. I hear you have a dental appointment, and we kept you here.

J O H N S A C C E N T I: Eye, actually.

ASSEMBLYMAN McKEON: Thank you, John. I'm sorry. I called you a little bit out of order, but I--

MR. SACCENTI: I appreciate it very much.

ASSEMBLYMAN McKEON: Why don't you come up?

MR. SACCENTI: I have some copies of my statement.

ASSEMBLYMAN McKEON: Thank you. We'll get them given out for you.

MR. SACCENTI: My name is John Saccenti, and I represent the New Jersey Local Boards of Health Association.

If you get a chance, take a look at the statement. I'll just go over it briefly and hopefully--

ASSEMBLYMAN McKEON: Thank you.

MR. SACCENTI: --try to answer some of -- any questions you may have afterwards.

The New Jersey Local Boards of Health Association represents the interests of the over 450 local boards of health in New Jersey. Under State law, the responsibility for public health lies in the hands of the local boards of health. Board members are either the elected officials of the

town, as the mayor and council; or officials appointed by the mayor and council or other governing body in each of our municipalities.

It is our responsibility to provide public health services by either creating our own health departments or contracting with an existing health department that can serve and reach out to the members of each of our local communities. Local boards of health do this by providing the services through -- both protection and health services -- through the 110 existing health departments that are presently functioning in New Jersey.

It is our belief that the protection of public health is one of the key functions of any government. At this time, we can find no mandates that are either redundant or unnecessary, or that do not serve the public's health. Local public health services are best delivered at a local community level. Our present system maximizes the resources without raising barriers to delivery of services. We're talking about people's lives here, not necessarily potholes.

The primary concern of the New Jersey Local Boards of Health Assembly is the ability of our local boards to effectively meet those responsibilities. We have many specific mandates included in the Public Health Practice Standards, and it's difficult to meet them all without continued financial support or increased financial support. We're reaching out and trying a variety of different methods, sharing services on the local level. We're networking with hospitals to provide services to the local community. So we're doing as much as we possibly can. But the elimination of any mandates -- required inspections of restaurants, for example, or anything like that -- would not serve the public interest.

I believe that's kind of the extent of my-- It's probably refreshing to have somebody say, "We don't want any changes in mandates."

ASSEMBLYMAN McKEON: Well, it depends who you are in this whole thing. (laughter)

But I appreciate your testimony.

We've had a chance to speak. The gist of what you're saying is that there are a lot of applications for consolidation that may happen from town to town. As a matter of fact, a lot of health departments do that. But as it relates to your mission and the specific mandates, if you will, there's nothing your organization has identified.

MR. SACCENTI: That's correct. There's no redundant public health mandates that we feel should be eliminated that exist. And the consolidation of services is an ongoing process. It's done-- It's forced by a financial necessity, and it's also forced by the concern of the members of local boards of health in conjunction with our health officers -- who are the experts in public health matters -- to maximize the resources and to make sure that -- identify new ways of delivering services that are going to meet the changing needs of each of the members of our community. It's something that's done on the local level. And really any kind of mandate to require some form of inappropriate consolidation could set up artificial barriers to the delivery of public health services to a community.

ASSEMBLYMAN McKEON: Okay. I don't know that we have anybody here to challenge you on that point. (laughter) I think for the most part, even the League -- at least not to my recollection of their

meetings with us and/or even in written form -- spoke much about health regulations, per se, as ones that--

MR. SACCENTI: Consider this a preemptive strike.

ASSEMBLYMAN RUDDER: One comment, Mr. Chairman.

ASSEMBLYMAN McKEON: Please.

ASSEMBLYMAN RUDDER: And I think that it's pretty consistent across the board too. I mean, it's not that a mandate that's coming down is necessarily harmful or wrong. It's just that the funding is not following it often. And I think in your testimony you sort of relate to that -- is that the mandates that are there -- they're not redundant and they're helpful from your perspective. And the funding should just follow that. And I think that's just something to keep in mind. I think Assemblyman Barnes made that comment too. There is a lot of thought that goes behind some of these initiatives or mandates. It's just that the funding has to follow it. And I think that needs to be a major course of our decision process as we do these reforms.

I'm almost of the mindset that there should be, like, a moratorium of sorts on all great ideas that are well-intended. (laughter)

ASSEMBLYMAN McKEON: Some will argue that has been going on for at least 10 years.

ASSEMBLYMAN RUDDER: Unless there's funding to back it up. So all these great ideas that we have -- whether they're done bureaucratically or through legislation -- should have a hold on them unless we have some funding to back it up.

MR. SACCENTI: I'd like to thank the Committee, and thank Assemblyman McKeon particularly, for having us come today. And if we

can be of any value to you -- any informational resources that you want from us -- please feel free to contact us.

ASSEMBLYMAN McKEON: Thank you very much.

MR. SACCENTI: Thank you.

ASSEMBLYMAN McKEON: You know, it's frustrating when you think about it. That's supposed to be what the law is, as of 1998. And going back to when the Mayor--

And thank you. You're welcome to stay, but it's not directed to you.

When the first Mayor who testified talked about the vehicle washing-- I want to look into that or drill a little deeper. Because understanding that the harmful contaminants-- We just spent six hours down in Toms River talking about runoffs and all the harm that does to our waterways and estuaries. So there's good policy purpose beyond the washing. But how is it, if that's a new mandate, that that's able to go through, if it's an opposite to what the law is? Frankly, it's a constitutional change. I thought we were pretty careful about that stuff -- making things like that permissive.

ASSEMBLYMAN RUDDER: And I agree. I mean, if you look at the intention-- I mean, it actually makes it very, very difficult for things to go to the Council on Funded Mandates, and it makes it very difficult-- The constitutional change requires that there be three-quarters of this Legislature that would agree that this should be an unfunded mandate. And, quite frankly, I was asking Thea-- There's not been, in anybody's memory, where that's actually -- that process has taken place. And I think that's something, from an internal process here, through the Legislature,

through the administration -- is to really-- There are rules on the books that we may not be following.

ASSEMBLYMAN McKEON: I don't recall that either, as long as I've been here.

In any event, perhaps John Hayes (phonetic spelling) and David Glass will come up and talk about that one component -- see what they have to say.

Watch the two of them run out of the door now. (laughter)

Thank you very much.

Margy Jahn, from Freehold Township, New Jersey Health Officers Association.

Margy, I hope you didn't mind that I called John before you. I know he had somewhere to be.

MARGY JAHN: No, that's fine.

ASSEMBLYMAN McKEON: Thank you for being here so long.

MS. JAHN: I think this is on, right? (referring to PA microphone)

I appreciate the opportunity to be here and to make a few comments. Actually, I think it was appropriate that I actually follow Mr. Saccenti in his-- And I think I echo much of what he says from the public health perspective. I have a small, prepared statement here for you.

But just in general, I just wanted to kind of say my intention of being here, myself, is actually to speak more to, perhaps, what Assemblyman Rudder had just said with regards to: we have a lot of great ideas, necessary laws that are good and help our public. The problem is

finding the money to actually support those. In public health, we continually battle with new mandates and new criteria, and no moneys with which to do that. And it's a constant struggle for us, because we're passionate about what we do, and we believe in what we do. And somewhere along the line it becomes very difficult.

Recently, the Department of Health and Senior Services readopted the Childhood Lead Poisoning Regulations. In New Jersey, as Mr. Saccenti had said, local health departments -- whether county or local units -- are largely funded by local tax dollars. Thus, when unfunded State mandates are imposed on public health departments, the local taxpayer is left to close that financial gap. Oftentimes in public health, as I said, we battle the need to balance public health improvement initiatives with the cost to provide improved services. For years, we have continually taken on new programs with little or no funding, largely because, as I said, as professionals, we recognize the imparted value of improved services and better health outcomes for the citizens. However, as New Jersey's financial climate has become critical, public health departments can no longer absorb additional mandates without some type of compensation.

My colleagues and I want to commend the State Health Department for taking the initiative to further improve the well-being of children who are found to have high lead levels in their blood. Obviously, we're not opposed to improving the health outcomes of lead-burdened children. However, in these economically trying times, the financial burden placed on health departments, municipalities in trying to comply with the proposed changes, we believe, is ill-timed and insensitive to the current budget restraints that are being mandated by Governor Christie.

In the past several months, we at the New Jersey Health Officers Association have made multiple attempts to dialogue with the Department of Health regarding these proposed changes -- by way of conferencing, testimony -- while continuing to offer support to actively assist in revising the more problematic regulations. So it's not that we're not looking. We'd like to work with the Department to find a creative way to make these regulations work.

In addition, I think we had mentioned on the phone that we had testified before the Red Tape Commission as well, as we believe this regulation is a classic example of an unfunded mandate. Unfortunately, our issues and questions have remained unanswered. And, in fact, the Public Health Council -- who is the governing body for the State Health Department in an advisory capacity -- voted against the proposed lead regulations, citing specifically the concern for the timeliness of the regulations and for the economic feasibility. The Department summarily disregarded the Council's advice and moved forward with publishing the regulations.

In addition, Governor Christie's recent budget eliminated \$2.4 million which was allocated to local municipalities for Public Health Priority Funding. That's the only funding that we receive from the State. The State Health Department, in their impact -- economic impact statement for these regulations, stated that the rules will continue to impose costs and that these current costs are partially covered by this Public Health Priority Funding. With cuts in Public Health Priority Funding, local health departments are already under financial strain to meet the current standards, let alone the changes in the regulations.

Essentially, just as an aside, the regulations themselves are proposing to lower the action level for lead-burdened children. In a sense, it will probably -- almost definitely double the amount of work that has to be done, because the number of cases will increase by 100 percent.

The mandatory use of an electronic database also requires electronic -- additional costs to local boards of health in terms of additional staff time, and property owners may also incur additional costs as discussed below, because they would have to abate or use interim controls when lead hazards exist. So these are all written in the economic impact statement submitted from the Department of Health. Yet, at the same time -- while the funding -- they continue to move the regulations without the additional funding while in complete knowledge of the loss of the Public Health Priority Funding.

We are hard-pressed to see the logic and sensitivity of the Department in pushing the regulations without financial consideration. Merely acknowledging the economic impact does not relieve the State's obligation to support a mandate. And as was mentioned earlier, local health departments are severely underfunded and lack the infrastructure to comply with the overly prescriptive requirements of the current proposal.

With me -- I brought a copy or summary of the DHSS' responses to the public hearing and public comments, where they actually, again, admitted that they understand there are going to be additional costs, but there is nothing they can do about it. I also have a table of the current projected trends in the case management that will likely ensue, for changes in these regulations -- so showing the additional work that is going to be

required. And that information comes from their annual reports that they produce annually.

I wish to thank Assemblyman McKeon and the other members of the Committee for allowing me to testify on behalf of the New Jersey Health Officers Association. And I'm happy to answer any questions you might have.

ASSEMBLYMAN McKEON: Thanks.

This gets to the point that we were kind of kicking around. And one might not question the wisdom of such a rule -- goes to health, and children's health of all things. But we're not supposed to do that if it's not funded. And I trust that your testimony is accurate that it isn't. It certainly is, as it relates to what was reduced from the budget. And although no one is here from the Department of Health, this Committee is going to write to them directly and ask for their response to this and to note -- confirm that it's unfunded, and then proceed from there.

MS. JAHN: I think-- With one comment-- And one of the things that the State does bring out in the regulations is that they feel that this -- by putting the effort and the work up front, in the long run this will actually prevent dollars spent down the road dealing with those children who are lead-burdened and the medical costs that are associated with the lead poisoning. I think we're in 100 percent agreement with that. In fact, public health -- that's one of our biggest things. You need to invest now to take care of the costs that we incur in the future. And I think you'll see that coming down from the Federal level over the next several months. We are certainly in agreement, but the reality is that to implement this, to save money in the future, you need the money up front. And that's wherein lies

the difficulty. We just don't have the money. We see the value, and we believe in the value. It's just somewhere along the line something has to give.

ASSEMBLYMAN McKEON: Thank you, Ms. Jahn.

Any questions for this witness? (no response)

Seeing none, I'm going to call Ellen Gulbinsky, Executive Director of the New Jersey Environmental Authorities.

MS. JAHN: Thank you very much.

UNIDENTIFIED SPEAKER FROM AUDIENCE: She left.

ASSEMBLYMAN McKEON: Oh, Ellen had to absent herself. She did submit written testimony which will be, I'm sure, reviewed by all the members of our Committee.

As it relates to the DEP -- while you're here -- there are a couple individuals who are going to come up and testify who might touch in areas of the environment. But I would, John and David, like to hear from DEP as it relates to -- and you don't have to get up to testify now -- I appreciate that. But particularly as to the hazmat washing, since that was raised. That was raised in the list provided to us by the League. I just want to get the track. I'm not questioning the good policy reasons, but the -- where it came from. It could have come from this Committee for all -- and probably did -- but as it relates to the funding aspect of it and how that trickles down to municipalities. Okay?

Pat Tumulty, New Jersey Library Association.

Pat, thank you for being so patient.

Is Steve Gardner here by any chance? Steve may have left.

Pat is the last scheduled witness -- invited guest, so to speak. And there are others -- one or two others who are going to testify after.

PATRICIA A. TUMULTY: Thank you, Assemblyman.

As he said, I'm Pat Tumulty. I'm with the New Jersey Library Association. We're certainly happy to be here.

The New Jersey Library Association is extremely concerned that municipal library funding was included on the list of mandates developed by the State League of Municipalities. Public libraries in New Jersey are created by the people through a referendum. And as such, the required minimum funding for libraries is a tax agreed to by the communities which established them. Funding for libraries, therefore, has been chosen by the people, and they are not a State mandate by the Legislature. Nothing else on the list that you were reviewing today was established by a referendum. Public library funding is not, therefore, unlike open space funding, which is also established by referendum.

For over 20 years, municipal free public libraries were exempt from the "cap" legislation. But when that legislation was revised in 2007, municipal libraries were not included as a cap exemption, and this put the 245 municipalities which support municipal and joint libraries -- were drastically impacted by that action. County library funding however -- and you talked about county library funding a lot today -- has always been considered a dedicated tax, listed separately on the homeowners' tax bill. So dedicated taxes, such as open space, are exempt from the 2 percent cap. So the issue really is that county libraries and municipal libraries, which were both established by a referendum, are being treated differently by the

State. There must be parity in how funding for municipal and county libraries are represented on a tax bill.

And I urge you to rectify this situation as quickly as possible. Our goal is not another exemption to the cap legislation, but rather to create parity between those communities that support municipal libraries and those communities that support county libraries. It's about giving them both the same process.

We're very fortunate. We're very happy that there has been legislation already introduced to make municipal libraries a dedicated tax line. S-2068, sponsored by Senator Nia Gill and co-sponsored by Senator Sandra Cunningham, was passed by the Assembly (*sic*) 40 to nothing on June 28. It's companion legislation, A-2679, sponsored by Assemblyman Chivukula, is currently in the Assembly Housing and Local Government Committee. So it is our-- We urge you, and we urge this Committee, to support this legislation and see that this legislation is passed as quickly as possible. Because then it would bring the fiscal parity between municipal communities that support municipal libraries and those who support county libraries.

Now, several of the people on this Committee have legislative districts that -- you can clearly see what is happening-- And I will use Assemblyman Gusciora, because this is my district too. So you have the town of Trenton and Hamilton -- must keep it in their municipal budget. Princeton -- Princeton Township must keep it in their municipal budget. But then the townships of Ewing, Lawrence, all the others who support Mercer County do not, because it's considered a dedicated tax. And this is creating the inequity between these communities. The reality is: In New

Jersey, more communities represent library funding already as a dedicated tax line than the 245 that do not.

So we clearly believe this is an unfair burden to municipalities. We're bringing you a solution. Make this a dedicated tax line.

The New Jersey Library Association -- we've been trying for several years to correct this inequity. We have strong support from our State Librarian who believes, again, that this was established by the public, so it is not an unfunded mandate. And in the past, the League of Municipalities has also supported our efforts to resolve this issue. And I was certainly happy to hear Mike say that he also felt municipal libraries should be out of the cap. So this is one way to do it without doing a cap exemption.

So we urge you to support the legislation -- the legislative solution that we've put forward -- and resolve this issue before the budgets go forward next year.

Thank you.

ASSEMBLYMAN McKEON: Pat, thank you very much.

I shared with you -- and I'll say it publicly -- I'm going to join as a sponsor of that legislation, and encourage Chairman Green to post it, and the Speaker to post it to join the Senate, and put it on the Governor's desk. It makes sense to what you're saying and will provide some relief to mayors. Nonetheless, it will still be the same amount, ultimately, to property taxpayers. But that's the -- I think the cost is well-spent and consistent--

MS. TUMULTY: And consistent.

ASSEMBLYMAN McKEON: --with how libraries are run throughout the state -- at least those smaller towns and at the county system.

Any questions for this witness? (no response)

MS. TUMULTY: Thank you very much.

ASSEMBLYMAN McKEON: I'll just say this too: If the Governor decides not to support this, I would then, very frankly, up front, go back -- because you have mayors and BAs who are saying, "I've got some tough decisions to make, and it's not fair that this one aspect of something that falls under my budget is out of my control." And I don't disagree with them in light of the cap and the fact that there is no exception for libraries.

MS. TUMULTY: We'll try our hardest to get it passed.

Thank you.

ASSEMBLYMAN McKEON: Eileen Swan, Executive Director of the Highlands Council.

Eileen, you didn't note that you wanted to necessarily testify. You're welcome to.

E I L E E N S W A N: I think it's-- If I may, it's very brief, and it's probably good news.

Eileen Swan, Executive Director, Highlands Council.

ASSEMBLYMAN McKEON: We all can use some good news.

MS. SWAN: Well, I guess it's just really to clear the air to make sure this isn't an issue. Because I have seen this raised by certain legislators in letters, most recently in Morris County -- the question of the Highlands work being an unfunded mandate. And I think Assemblyman

Barnes spoke to the importance of the protection of water, not only for the Highlands, but 5.4 million residents statewide.

Simply put, the legislators who crafted and sponsored this bill were very wise in that they did set aside funds -- the Highlands Protection Fund -- and moneys from the -- dedicated from the State realty transfer fee, which go to really all the costs associated with plan conformance. So where municipalities with preservation area lands are required to conform, or those in the planning area that may voluntarily conform, the Highlands Act said that the reasonable costs associated with conformance would be born by the Highlands Council, through the Highlands Protection Fund. No municipality should have to pay a penny that doesn't come from the Highlands Council for conformance. And above and beyond that, we've assisted municipalities with issues such as affordable housing planning, where they were required to do it anyway. So as much as we can, we assist them with anything that comports with the goals and policies of the regional master plan.

So it's one issue that I hope I've taken off your things to look at.

Thank you.

ASSEMBLYMAN McKEON: Thank you very much, Executive Director.

As I always need to, congratulations and compliments on your continued wonderful work with the Council. I appreciate it, as we all do.

MS. SWAN: Thank you.

ASSEMBLYMAN McKEON: Jeff Tittel, I think, has absented himself. I know that he came up angrily and threw his ticket up here when the Mayor was speaking as it related to that one particular regulation.

Bill Wolfe, NJPEER.

And that's the last of the witnesses who have signed up to speak.

B I L L W O L F E: Good afternoon.

Bill Wolfe, Director.

ASSEMBLYMAN McKEON: Good afternoon, Bill.

MR. WOLFE: I'm Director of PEER. That's a support group for the professionals who work in the regulatory agencies at the Federal and State level.

I'll sit in this chair. It might be a lucky chair -- follow that library testimony. It was superb.

I would hope--

As you know, Mr. Chairman, the National Environmental Policy Act provides for what's called the *categorical exclusion*. That's a mechanism to alleviate the environmental review burdens for certain minimum impact activities that deserve that kind of flexibility. And I would make a part of the record, and will provide the staff, the *Washington Post's* article yesterday tracing the evolution of that mechanism as it pertains to the regulations of the Mineral Management Service and the role of BP.

And there were over 2,000 categorical exclusions for oil and gas drilling in the Gulf of Mexico. And most of the Mineral Management

Service regulations were, in fact, drafted by BP and the oil and gas industry as industry standards.

So if a categorical exclusion was good enough for BP, I would respectfully request the categorical exclusion in the State mandate-State pay debate for environmental and public health regulations. Because as even the League's advocates argued, they're not engaged in a policy debate. It's about government administration. And if we can't come to the consensus that certain things should be off the table in that kind of debate, then I fear for going forward.

And I want to focus just on two regulations that were discussed today.

ASSEMBLYMAN McKEON: I would be happy for you to do that. I just want to make sure I understand the gist of what you're saying. You're indicating that -- I just want to follow your point -- that if we allow the agencies to not follow up on current regulations or determine, in their discretion, as to what to enforce, it could lead to a situation where it would result in the kind of catastrophe like the BP explosion?

MR. WOLFE: Well, I threw BP out there as kind of a witticism more than a policy example. But the point is -- the idea of taking things off the table and using law to take things off the table-- In the regulatory and statutory arena, under the Environmental Policy Act, there is a mechanism called *accountable exclusion*. So I'm just saying, categorically, I would like to see environmental requirements just outside the scope of the discussion. Just like the library tax is a dedicated fee and shouldn't be discussed as a State mandate, I believe that there are funding mechanisms to fund environmental programs that, by definition, make them -- and I'll go into

just a tiny bit of detail in this -- that make them, conceptually, not State mandates; and that, as a matter of policy -- regardless of whether they're legally and constitutionally a State mandate -- that perhaps, as a matter of policy, they shouldn't be on the table before this Committee to discuss, because the environment has a certain public -- level of public support, as your earlier comments in introducing the topic-- There are certain things -- luxuries that we cannot afford. Environmental and public health protections are not luxuries. As a matter of fact, every scientific and public poll that I -- whether it's the science on the health and environmental risk that's present, or whether it's a political poll of the public preference and support for environmental protection -- to me, it would lead me to the conclusion that environment deserves some special status. And this is an environment committee. So I come to that committee with that kind of request -- just generically across the board.

ASSEMBLYMAN McKEON: Fair enough. Make your point.

MR. WOLFE: Now, the two points I'd like to make on two particular rules that were discussed -- and I'll make it part of the record. The Hamilton Township example -- there was only one provision to the stormwater rules mentioned. It dealt with truck washing. Those regulations are mandated by the Federal government under the Clean Water Act. They've been under development at EPA for more than 15 years. They've been under development by the DEP for more than 10 years. And those regulations -- they do have a Federal backstop, and thankfully they do. But they also, in fairness -- they do go beyond the Federal minimums. And I don't think you'll get DEP to acknowledge that.

But in being honest with you, they do -- they are more stringent than the Federal minimums.

But the point that needs to be made is that professional engineers evaluated Hamilton Township's implementation of those stormwater rules. And the Delaware River Keeper issued a report -- and it was not by environmental -- it was not written and done by environmental advocates. It was done by professional, licensed engineers in New Jersey. And they evaluated and found major deficiencies in Hamilton Township. I will submit that report and make that part of the record. But it needs to be pushed back. And Hamilton Township really portrayed the false reality that they were doing-- I think they said, "We're doing our job, and we think that this truck washing requirement is--"

ASSEMBLYMAN McKEON: They just haven't done it, is what you're saying.

MR. WOLFE: Exactly. And it's not just truck washing they haven't done. They haven't done the core program.

The second thing that report looks at is DEP's actual monitoring and enforcement compliance evaluation of the municipalities, and how they go through that process; and it is a check-list process. DEP does a cursory, paper review of a checklist developed and submitted by a town. And that evaluation -- the underlying reality -- the ordinances, the actual site plan reviews, the actual physical construction of facilities was all evaluated by engineers. And they determined that there was massive noncompliance on the part of Hamilton Township, on the part of the development community in Hamilton Township, and on the part of the DEP for their failure to actually enforce the requirements. I think the

Committee should know that. And if we're getting into the weeds, the weeds are where I love to be. Because I'm criticized for being in the weeds. And frankly the weeds -- if you go into the weeds, we win. We win that debate.

The second thing I wanted to talk about -- that was mentioned today as a specific rule -- is the underground storage tank requirements. Now, the Lawrence Township spokesman gave you the impression that he was blindsided by those requirements; that the Department had not provided an advanced, heads-up compliance advisory as to what the compliance obligations were of the Township.

Again, the underground storage tank requirements have been at EPA and DEP for more than a decade. So this is nothing new. And I spoke with the gentleman privately and was told that it wasn't necessarily that DEP didn't put them on notice as to what the requirements were; it's that they were operating under the assumption that the DEP was not enforcing those requirements against municipalities.

And I said, "Well, that, to me-- You just made the matter worse, because you're telling me the only reason you didn't comply was you didn't think the State was going to enforce them." So, again, the reality is very different from the presentation you've been given. And the DEP enforcement provides extensive, what are called *compliance advisories* to the regulated community, including municipalities, as to what their regulatory obligations are. And the Department -- I'm one of the fiercest critics of DEP. And in this case, they're absolutely right on both counts, and they really shouldn't be-- I'm sure the Department can't get up and say the

things I'm saying, frankly, for political reasons. But in this case, I want to defend the Department.

And last -- because the conversation strayed very broadly into municipal finance, I think it's fair that I can bring in--

ASSEMBLYMAN McKEON: Take a moment, please.

MR. WOLFE: Just last week, the Christie administration's Comptroller issued a report about the municipality revenue laws dealing with tax abatements. So if we're going to look at State mandate-State pay with your concept in mind -- that State mandate-State pay relief is property tax relief -- then that opens the scope to not only just the cost side of the equation, but the revenue side of the equation.

So given that that's now on the table -- and you put it on the table, and so did several other people -- I want to bring the Comptroller's report and put that on the table. I also want to bring in -- and I'll submit these for the record -- I want to bring in several other studies that show the underlying driver of property tax increases -- or what is known as the *ratables chase*. The builders have failed to uphold their responsibility and their burden in financing the costs for services and infrastructure that they are imposing on the municipalities across the town (*sic*).

And there was a debate just last year and the year before on a bill to provide impact fee -- expansion in the impact fee bill -- to do that. And if the League of Municipalities was truly representing the interests of the taxpayers and their residents, they would broaden this debate to say, "We want to bring back the idea of impact fees." So I don't understand why, as local officials, they're not doing that.

And in closing -- because Chuck Richman put it on the table, and you inquired-- We're talking about an area that interfaces two policies that the Governor, under Executive Order No. 2 -- which are described as common-sense regulatory principles -- and Executive Order No. 4, which is the State mandate concern-- I would hope that the other types of commonsense regulatory principles that are within the scope of Executive Order No. 2 -- with respect to cost-benefit analysis and its role in trade-offs for protections of environmental health and environmental protection -- were scrutinized in the weeds.

And I will put just two examples on the table--

ASSEMBLYMAN McKEON: You said *finally*.

MR. WOLFE: Right. The perchloric rule was rejected on cost grounds, and several other Drinking Water Standards rules have been rejected by DEP on cost grounds. I think as a matter of legislative oversight and policy, we cannot have a policy which says, "Bureaucrats behind the scenes will do technical evaluations and make conclusions that conflict with law." Because the statute is operative here. The New Jersey Safe Drinking Water Act does not allow the DEP to consider costs in how they set drinking water standards. So if you're going to have an Executive Branch agency making those kinds of policy calls without any legislative oversight or scrutiny, you should be on notice. I think the people of the state need to be on notice that that's the kind of stuff that's going on under this rubric of costs are paramount, and tax cutting, and revenue reduction. And everything else under the sun is on the table, but somehow public health can't be on the table.

ASSEMBLYMAN McKEON: Bill, thank you very much--

MR. WOLFE: Thank you.

ASSEMBLYMAN McKEON: --for your thoughtful testimony.

That's it, unless somebody is here that I've missed as it relates to formal testimony.

A couple different thoughts: I'm not going to, God knows, involve myself in a debate with Mr. Wolfe, but -- little irony of what you had to say. On one level, redevelopment is a very important process for this state. And it's only funded, particularly in these economies, through various abatement and pilot programs, which I think was the gist of that report that just came back. So what happens in the alternative to that is the ratable chase, where land that is undeveloped ends up being built upon. And I agree with you, in the long run, it has a greater impact on the taxpayer and municipal services. So there's a balance in all of this. And before we just throw everybody under the bus on the whole abatement piece and pilots, we should think about the bigger picture that that serves by fostering blighted areas and regenerating them as opposed to just building on virgin ones.

In any event, I just very briefly want to note that the Association of Counties -- and it's food for thought for all of us -- had made a number of points to us. And I guess August just made it difficult for them to be present today. And, frankly, I think we would have been here with them for several hours if they were, over and above what we have.

As we probably all already know, they're looking to have the State take over all the various prosecutor offices. And they all continue to take that position among each and every one of the counties -- that they would prefer to have the State provide that law enforcement function as

opposed to making it a county one. And, of course, the State then -- if it takes over the function -- would be financially responsible for it.

Secondly, they spoke to us about their constitutional officers -- meaning the surrogate, the clerk, the sheriff -- in effect indicating that they have no direct authority over them because they're constitutional officers, yet they're financially responsible for them. And beyond just direct financial responsibility for the places where they work, and salaries, and benefits, also even to defend them for various suits that might arise from those areas that often result in litigation. And we're suggesting that we could sort of have the office of Law and Public Safety here -- the AG's Office -- at least take that role in light of the fact of their independence.

They also spoke about -- big surprise -- the County Environmental Health Act -- combination really -- more health than environmental, per se -- involving the cost of water and air inspections, and the fact that they're not compensated for that.

They made some points on prevailing wage, which were made, and we didn't really focus all that much on -- from the municipal side of things. And I'm certain we'll hear again from the board of education side.

And lastly they referenced -- well, not lastly -- equal to the towns, they referenced the AOC and their oversight on physical court facilities -- feeling as if that should -- if they're going to pay for it, they should make those decisions, not be told to do so.

And lastly, they talked about psychiatric hospitals. It's very interesting and ironic. The county said the State makes a decision as to where an individual who lives in that county may end up being placed, yet

they pay for it. They think that if they pay for it, they should make the decision.

We're going to hear from local boards of ed that they don't want to make the decision as to where special ed individuals are placed, because it creates a lot of pressure on them from family members who are advocates, and otherwise to do something different that may be -- than actually falls within the needs of that individual. Because like any advocate, they want to get them more. So on one level, the county gets a good part of that, because they don't get (indiscernible) in the politics, if you will, of making a decision of placement. On the other end of it, they have no control, once placed by the State -- hopefully going to make less of a direct -- has less direct contact with that family and will make a less-passionate decision. It's just an interesting issue that they raised, and we'll vet with them.

Here is what we're going to do going forward. I'm going to continue to work with internal staff to hopefully take about half a dozen different ideas that have generated from this hearing today -- both ones that might be apparent and others that just kind of came to me as we were working -- and try to put it out in the form of a bunch of bills. And among our Committee members -- I will share those among the Committee members to see if we have some interest in flipping around prime on one, co-prime on the others so we all have skin in the game, if you will.

Secondly, just in setting up our next hearing on mandates, as it relates to education-- I'm not going to go forward unless we've got representatives authorized to speak from the State Department of Education who will be here to be able to make some policy decisions. And

hopefully they'll work with us, as we've provided information all along to the various departments in order to start to move the process forward and to come up with some solutions, as opposed to just bringing out the issues and problems.

So that will be the next couple weeks of how we will proceed over and above something that I and staff might come up with. Of course, as it relates to my colleagues here or not here -- we'll look forward to getting back from them any pieces of legislation that might touch on some of this, and then move them forward in the normal course.

We're hoping-- We have a voting session October 30, is it? October 1 -- September 30.

I don't know if September 30 is a little aggressive -- maybe, maybe not -- to get some things to the point of posting. But certainly by our October -- I think it's 13th -- voting session--

MS. SHERIDAN (Committee Aide): October 25th.

ASSEMBLYMAN McKEON: I'm sorry?

MS. SHERIDAN: October 25th is the session.

ASSEMBLYMAN McKEON: The 25th -- that there will be a number of pieces of legislation that are ready to move through the body, coming out of this particular issue.

With that, I welcome any of my colleagues to make a final comment before we adjourn.

ASSEMBLYMAN GUSCIORA: I think you said it all, Mr. Chair.

ASSEMBLYMAN McKEON: We're all good? (affirmative responses)

All right. Well then, we will adjourn. And I will thank everybody, especially -- not especially, but particularly -- the League for all your time.

Thank you.

(MEETING CONCLUDED)