

NEW JERSEY STATE LEGISLATURE

JOINT LEGISLATIVE COMMITTEE ON
PUBLIC EMPLOYEE BENEFITS REFORM

COMMITTEE MEETING
TRANSCRIPT OF PROCEEDINGS

LOCATION: State House Annex
Committee Room 4
Trenton, New Jersey

DATE: Thursday, December 7, 2006

TIME: 4:25 p.m. to 5:18 p.m.

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C O M M I T T E E M E M B E R S P R E S E N T :

ASSEMBLYWOMAN NELLIE POU, Co-Chair

SENATOR WILLIAM L. GORMLEY

ASSEMBLYMAN KEVIN J. O'TOOLE

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ASSEMBLYWOMAN NELLIE POU (Co-Chair): Good afternoon, ladies and gentlemen. Thank you for your patience; and thank you all for being here.

Let me first begin by saying that four months ago, when this Committee began its work, we had a simple mission: to fix the State's financially imperiled benefits and pension system. We undertook this work for some very important reasons: To crack down on abusive practices that had undermined the integrity of various pension funds, to ensure the continued delivery of pension benefits and health care benefits for dedicated public employees and retirees, and to help achieve savings for the taxpayers of this State.

There were sound reasons for initiating such an undertaking. First, the State's underfunded pension liability was in excess of \$18 billion. Second, the post-retirement medical benefit liability is over \$30 billion. Third, and certainly not least, the costs of the State Health Benefits Program are expected to grow by more than 70 percent, to over \$3.6 billion, during the next four years. These are indisputable facts.

As some of you may know, we are now in receipt of a letter from Governor Corzine. The Governor's letter asks that many of the provisions of the omnibus legislation be removed to be negotiated at the collective bargaining table. This certainly does not change our mission. As this Committee unanimously recommended, on Page 57 of our report, whether some of these reforms are achieved through collective bargaining rather than through legislation is less significant than ensuring that they are, in fact, achieved. Items contained in our report and in this bill still need a public hearing. At the same time, the Governor wants to respect the collective bargaining process, and so do we. But we don't

just want negotiations on our recommended reforms; we need successful negotiations.

The underpinning of this bill -- the cost and liability of the benefit system -- must be acknowledged. If we ignore these problems any longer, the long-term consequences will be financially catastrophic. A failure to engage in the benefits issue will put everyone involved on the losing end -- elected officials, government employees, and taxpayers.

So for the sake of the current public employees, future employees, retirees, and certainly the taxpayers, we are moving forward and taking testimony today. We're trying to initiate change for the better, and we want to let the people's voices be heard so we might continue with the work of ensuring the long-term financial integrity of the State's public-sector benefits system.

Ladies and gentlemen, I know that we have been waiting for our meeting to take place for quite some time now. I'm going to immediately start asking --

SENATOR GORMLEY: Excuse me.

ASSEMBLYWOMAN POU: Give me a second, Senator.

I'm going to ask that each of the persons that have signed up to testify, that if you would please make sure that you filled out your form and that you've given that form to our OLS person, so we can acknowledge you; otherwise, I will assume that you're not prepared to testify today.

We are going to try to limit our discussion or testimony to anywhere from three to five minutes, if that's okay.

Senator Gormley, Assemblyman O'Toole, I want to thank you both for being here. Did you have any comments or remarks you would like to make?

Senator Gormley.

SENATOR GORMLEY: First of all, I want to compliment the Co-Chairs for the job they've done in terms of their not being partisan in terms of our involvement and the work of the report. And I want to publicly repeat what I said at the last meeting.

Now, as to the hearing today, I'd like to think I try to get things done. People might like some of the things I say, they might not like some of the other things I say, but at least they feel I'm voting on something that can happen. The Governor's letter today means we're doing nothing. That's fine. He wants to handle the negotiations, that's his prerogative -- he is the Governor, he is the leader of the State. But with his letter, there's nothing left to the bill. Consequently, having a hearing about something you can't do anything about is somewhat illogical. And I understand that certain people have been here all day, but I want you to know what you will be testifying about. Unless you're testifying -- and the Chairperson can correct me in this if I'm wrong. All we're going to be doing, out of this Committee, is elected official or public official abuses, period. We are not affecting anything as it pertains to rank and file State employees. So we're just limited to dual office holding issues, in terms of public officials or appointees; or one pension, one-job issues -- is that a fair -- in terms of what would be going to floor as a result of our efforts. Consequently, we could have done that a long time ago, because I think everybody agrees that elected officials in New Jersey who commit a crime shouldn't have a pension. That didn't take an enormous amount of analysis for Fred Beaver to come to that conclusion.

So respectfully, I don't think the testimony -- it's unfair to have people testify about something that we're not dealing with. If they want to, they should have a meeting with the Governor, directly, and go over their concerns, because he's going to handle it singularly; and that's fine. That's his prerogative, and we do have the strongest governor in the country and he can do it. He knows how we feel. And this Committee did a great job in terms of airing the issues and making it known. But to bring people up to testify now about something that's over--

And the only comment I have about what we are doing is -- in terms of public abuse -- I think we've got a little bit too much grandfathering. I mean, in terms of elected officials, we have the first dual-grandfathering provision of all time. We're memorializing certain political cultures in northern New Jersey now. So what we're saying is, you can't be a dual officeholder anymore unless you currently are dual officerholder. But if you want to continue dual office holding, from Assembly to Senate, you get a special waiver.

I really don't think that sends a very good message of reform, having a double grandfather provision. So that's my comment about the one thing we are going to deal with.

Again, the Co-Chairs could not have done anymore than what they did, or been more fair or more open. And I want to make that very clear. But in terms of testimony, we're taking testimony about something we're not doing, and that's somewhat illogical to me.

ASSEMBLYWOMAN POU: Thank you, Senator.

I know your comments are referring to Governor Corzine's letter, that's in front of us, that we just got not long ago -- handed to us not long ago. The best way I can respond to your question, Senator, with regards to what is it

that we're doing-- I believe it's a fair statement, and it's a statement that I certainly can make here, is that we certainly stand by the report that we prepared and submitted on November 15. We believe that the recommendations, both -- all the recommendations, all 41 of those recommendations that were made, were made so that they can be achieved either through legislative or collective bargaining negotiations.

The bill that is in front of us, that we are here today to listen to testimony, is important for us to hear -- from the public, whoever wishes to speak -- on any items of what our report originally reflected, and on what the current bill, as it still stands on the table right now -- until there is the opportunity provided to both the Senate President and the Speaker to have had an opportunity to look at the Governor's letter.

Certainly, I think it's important for us to understand that we respect the collective bargaining negotiation process. We know what the Governor's wish -- what his request has been. I think it's important, though, that we sit here and listen to anyone who wishes to express their comment.

But I appreciate your words. I appreciate the clarity. That is true. If we consider all the recommendations or requests that the Governor is proposing in his letter -- that perhaps we should have gotten three-and-a-half months ago -- certainly we wouldn't then be dealing with mostly abuse -- addressing the issues of just abuses within the pension system. But it is right now -- the bill that's in front of us, the report that we submitted, is the one that we're going to be listening to.

Assemblyman O'Toole.

ASSEMBLYMAN O'TOOLE: Thank you, Chair. I know it's been a long day, but even by Trenton's standards, this is a bizarre and unusual day. And we've seen a lot of bizarre and unusual things this year. I think it's somewhat ironic or poetic that we're coming back here today, four months almost to the day we first met, August 9, in this room. I think the six members, now three, were filled with enthusiasm, hope, and determination to do something with the charge the Governor, a month prior, had given us: to look at health care, pensions, look at reform, find out and identify some economies, and pass them along and have them earmarked for property tax relief.

As we went from Clifton, we went down to Gloucester, we had public hearings. I think the Chairs did a terrific job of balancing the many different needs that the constituents across New Jersey had. But as far we've gone, we've come back to this room and we've accomplished nothing -- absolutely nothing. And we finished where we started. And there isn't dollar-one savings that will come out of this program, and that's really a shame; it's a wasted opportunity. And what we're looking at -- this bill that we've been given is not a bill at all; it's the old bill. So you strip away the watered-down version, and I'm not so sure what we have.

We have a recognition that dual office holding is bad policy, but it's only bad for people in the future, not folks who are doing it today. That, in and of itself, is bad policy. And there's a recognition one pension, one job (*sic*) is bad public policy. But we also say by this action and inaction today that it's only bad for people in the future who are appointed and elected.

This makes New Jersey look ridiculous. And I know, in two days or three days, on Letterman or Leno when they talk about ridiculousness in New Jersey again, we're not going to

have to wonder why. Why did we go through this exercise and anxiety, and really foist this mirage and hoax upon the people of New Jersey, to say we're going to get property tax relief, and we knew, now, that was never going to happen? And why do we put hard-working folks, who work -- whether it's police officers or teachers or union folks -- and have these anxiety attacks, calling my home and office saying, "Well, what's going to happen to my pension or health care?" And we say, "We're looking at it." Well, if we knew then -- if we knew then what we know now, if we knew then that we weren't going to do anything, we could have really gone a long way in telling folks, "Well, don't worry; nothing's going to happen. Don't worry about it. Don't lose sleep. Don't worry about retiring."

And we had Director Beaver, and we had Phil Murphy come; and we had all kinds of wonderful, educated, intellectual folks come and talk about the terrific abuses that our system suffers from, that the Republicans and Democrats have looked the other way for the last 40 years. And we have a \$40 to \$50 million unfunded liability in pension and health care. And guess what? We're not doing a damn thing about that. We're not taking a damn step in the right direction to fix the ills that we, the Legislature, have created, and governors -- Republican and Democrat -- have created.

So am I disappointed, Chair? I'm really disappointed. I know the staff members, Republican and Democrat, Assembly, Senate, have worked so very hard. We've had some moments, there was some tension. But I've got to tell you, your staff members were terrific. Senate staff members were terrific. They worked together. And I really thought -- for the first time in 11, 12 years of coming down

here -- I saw a bipartisanship. We didn't agree starting out, did we Nellie? We didn't. But we came to a recognition that 41 recommendations were going to move forward. And then at the last minute, you know, Charlie Brown -- the football is being taken out by Lucy for the 15th time. You've got to learn your lesson. Nothing gets done in Trenton. It's not going to happen. So the mirage that we're going to have reform is not going to happen. So I apologize to the people who had to sit through this circus for four months and nothing got done.

I'll say the rest of my comments on the floor. Thank you, Chair.

ASSEMBLYWOMAN POU: Thank you, Assemblyman.

Why don't I begin by identifying the people that are here in the audience that wish to testify. Or I just need to make sure that -- if you signed up and if you still wish to testify, please let me know.

Nichole LoPresti from the Chamber of Commerce of Southern New Jersey. Is Nichole here? Did you wish to testify? Okay.

I'm going to ask that Art Maurice from the New Jersey BIA -- Art, please come forward.

Helen Yeldell from the New Jersey League of Municipalities, if you would please come forward. Thank you.

N I C H O L E L O P R E S T I: Thank you, Chairwoman Pou, members of the Committee. I'm Nichole LoPresti with the Chamber of Commerce, Southern New Jersey.

First and foremost, I want to thank the members who are here for your 41 recommendations that the Chamber, when we received the report, wholeheartedly supported. There were many recommendations in the report that we thought could go further. But as many of you stated, in the spirit of working

together, we thought that this was a good first step towards achieving some type of reform.

Currently, I'm looking at the draft of the bill that we're speaking about that possibly won't come to be. There are many recommendations that are left out of that bill that we support, that we feel should be included as part of any reform package. Therefore, the Chamber of Commerce Southern New Jersey supports the 41 recommendations as a whole, and urges the Committee and the Governor to stand behind the recommendations that you put forth. These recommendations must be part of any true reform package.

And just to throw some figures out there to you-- Now really is the time, and we're very disappointed in what the Governor has said today; because, really, it represents four months of time wasted. But the 41 recommendations, we think, get at really the heart of what needs to be reformed in our State. And to throw some facts out to you, we've watched the State's interdepartmental account, comprised largely of employee benefits, grow 70 percent over the past five years. Salaries and wages now account for 73 percent of the State's overall operating budget. And this year alone, increased costs associated with providing pension, salary, and health benefits comprise 86 percent, which is approximately \$592 million in increased cost to the State.

The State can no longer afford to pay for the benefits at the rate that we are at currently. Therefore, the Chamber of Commerce Southern New Jersey believes that the 41 recommendations as a whole should be put forth to really achieve systematic reform and to bring employee benefits in line with what the State can afford, and what's offered in other sectors. Thank you.

ASSEMBLYWOMAN POU: Thank you.

Art.

A R T H U R M A U R I C E: Thank you. I'm Arthur Maurice with the New Jersey Business & Industry Association. You have my written comments. I won't go through them, obviously, given the change in circumstance here.

Considering that this may well be the last session that you have, I do want to thank you and commend each of you. The job was the hardest of all four committees, and the report -- our members endorsed. We would like to see legislation, in fact, with your recommendations introduced.

The one area we had hoped that you would have gone further, was requiring the 401(k) defined contribution option for all new State employees and local employees -- government employees.

But having said that, thank you again.

ASSEMBLYWOMAN POU: Thank you.

H E L E N Y E L D E L L: Thank you, Madam Chair. I'm Helen Yeldell with the New Jersey League of Municipalities. I'd like to thank you, Madam Chair, for all of the months of testimony and written communications that you have received from the League of Municipalities. I did not submit my written statement because I just didn't know how this was going to go. I did a sign up slip saying that I support A-2, but I understand I may not know what I'm actually speaking to.

But in the interest of the 41 recommendations, I would like you to know that the League of Municipalities and its 19 affiliate organizations support the 41 recommendations. We saw those recommendations as a step that this Committee has taken to put this State in -- to bring fiscal integrity to the State, and as a step in the right direction to bring reform and relief to our property taxpayers.

I cannot speak to the letter from the Governor because, frankly, it just doesn't coincide with what I had intended to say. I need to take that back to my organization. But since the Governor and this Committee is talking about a lot of the issues being done through the collective bargaining process-- We are not averse to collective bargaining, however, I'm not saying that we support what the Governor has put out. I'm saying to you, if we're looking at collective bargaining, then give municipalities and local governments the same ability that you have given to the State to negotiate employee premium participation. We do not have that ability legislatively. This was not one of the recommendations, but since we have thrown this open now, I'm asking you to consider that. That is a cost-saving tool. Give us the same ability as the State has to negotiate employee co-pay. We need that ability through legislation.

So with that, I can tell you that I support the 41 recommendations. I congratulate you. I just hope that the State gets it together, because we do need property tax relief. Thank you very much.

ASSEMBLYWOMAN POU: Thank you so very much.

Barbara Horl from the New Jersey School Board.

B A R B A R A H O R L: Thank you, Assemblywoman and members of the Committee, for all the work that you've done. And things have changed tremendously, and I'm basically going to echo what the previous speaker said, Helen Yeldell. I've come to see you, Assemblywoman, and I've spoken to the other members of the Committee, to please provide to local units, of which boards of education fall into that category, the ability to negotiate to the degree that the State of New Jersey does on its health benefits. And from what I have been able to tell, I think that that has been removed from the bill, so

we're anxious to see -- we're anxious to see what the final product is. And I'm sure that we'll have some more comments at that time. But thank you very much.

ASSEMBLYWOMAN POU: Thank you.

Our next two speakers, John Alfieri, from the New Jersey Principals and Supervisors Association; and Francis Koch, Assistant Prosecutors Association of New Jersey, and Essex (*sic*) County Assistant Prosecutor.

Francis Koch, is that you? Okay.

F R A N C I S K O C H, ESQ.: It's Sussex County.

ASSEMBLYWOMAN POU: I'm sorry.

MR. KOCH: Sussex County.

ASSEMBLYWOMAN POU: Yes. Oh, I'm sorry. Okay.
What did I say?

MR. KOCH: You said Essex.

ASSEMBLYWOMAN POU: Okay.

Good afternoon, gentlemen. Welcome.

John, if you would-- Thank you very much.

J O H N A L F I E R I: My name is John Alfieri. I'm with the New Jersey Principals and Supervisors Association. My testimony is in writing. It has been submitted. But at this time, I would just like to commend the Committee for their work in bringing about the -- bringing about all the information that you have before you. And I would just like to decline any other comment at this time. Thank you.

ASSEMBLYWOMAN POU: Thank you.

MR. KOCH: Thank you for listening to us. As I said, I am from the Assistant Prosecutors Association of New Jersey. I'm the Secretary of that organization. The President couldn't be here, and she apologizes -- Kelly Shelton. She had to be in court today.

I'd like to take you back, actually, for just a few moments, to January 2002. And, Assemblywoman Pou, you voted in favor of the Prosecutors Part. And part of the reason behind that was the recognition by the Assembly and the Senate that prosecutors are a vital part of the criminal justice system, and that we should be given the benefits that the other members of the criminal justice system are given. It was recognized that we play that vital role not only in preparing cases for trial, but in the investigation; the preparation of search warrants; the preparation of CDWs, which are Communication Data Warrants; the actual going for arrests; the dealing with victims; and the presentation of cases to the trial courts, eventually.

It's because of those recognized, important functions of Assistant Prosecutors that you did vote the Prosecutors Part into effect. My understanding is the bill, in S-40 and A-2, provides for the elimination of that. I think that it's wrong.

Again, we are the one part of the criminal justice system that you are taking back their benefits. The police and fire benefits are not being affected as the Assistant Prosecutors' are. The Judicial Retirement System is not being affected under this bill. And under your Joint Committee report it sets forth the reasons. The State Assistant Prosecutors do not believe that the PFRS system should be reduced in any way. We understand their vital role. But our role is equally important with dealing with the criminal justice system.

With regards to the Judicial Retirement System, in your report you noted that if you change the retirement system of the judiciary, it would affect the State's ability to attract and retain excellent jurists, and the money saved

would be small compared to the negative impact on the New Jersey judicial system. Again, we agree with that statement. However, it applies equally to the Assistant Prosecutors.

The Judicial Retirement System is comprised of approximately 400 members. The Assistant Prosecutors Association is approximately 800 members. However, the Judicial Retirement System pays 3 percent of their salary into the pension system, while Assistant Prosecutors pay two-and-a-half times that, or 7.5 percent. So if there is little financial impact based on the Judicial Retirement System, there's even a lesser affect by the Assistant Prosecutors, the Prosecutors Part, in that we are paid substantially less.

We are kept from any outside employment outside of our jobs. We are the one group, compared to the police and fire, that cannot earn overtime. We are stuck with the salaries that we have. Finally, we are the one group among them that could probably all make more money in the private sector.

Now, when I came into the Assistant Prosecutors Office, by way of example, I took a greater than 50 percent cut to do what I wanted to do, and that's wear the white hat. And I don't begrudge anyone for that. But it's been nine years since I made that decision. And to date, I still don't make what I made in the private practice. The Prosecutors Part is an enticement to retain excellent Assistant Prosecutors to be able to present cases to juries. I understand the need for excellent jurists, but no matter how excellent a jurist you have, if you do not have competent and excellent prosecutors presenting cases to juries, a judge cannot find a person guilty.

We are sworn to protect society, convict defendants who are guilty, and protect innocent people that are accused

of crimes. It is for that reason that we ask that you please oppose the elimination the Prosecutors Part. Thank you.

ASSEMBLYWOMAN POU: Thank you very much.

Mr. Walter Bliss, from CWA 1033.

Frank Forst, from IFPTE Local 194.

W A L T E R B L I S S: I'm Walter Bliss, Madam Chair. Respectfully, I yield my time.

ASSEMBLYWOMAN POU: Very well. Thank you.

F R A N K A. F O R S T: Good afternoon. I'm Frank Forst, the other one.

ASSEMBLYWOMAN POU: Good afternoon.

MR. FORST: I have a few words to say, because I waited here all day for you, and I hate not to say what I have to say.

The first thing I want to say is about Phil Murphy. We testified before Phil Murphy. He did an excellent job with his study. And the one thing he didn't recommend was 401(k) plans, and he made a good analysis why we shouldn't have them.

One of the things that I testified to then, and I'd like you to be aware of now, is that on the Turnpike, where 194 represents the workers, we have part-time workers. They work Saturdays and they work Sundays. And they have been in the pension system since about 1994. And part of their compensation was that they would get a pension. And if this plan would go through that they would have a 401(k), they would lose their pension, because 401(k)s are not a pension. A pension gives a lifetime benefit, and a 401(k)-type plan does not give a lifetime benefit. It's a big concern to us, especially since there are probably about 600 of these people who work on the Turnpike who would be affected by going to a 401(k) plan.

And I would point out that when we agreed to have the part-time workers come on the Turnpike -- you people who are were interested in saving money -- they get paid almost half of what the regular toll collectors get. They get no vacation pay; they get no sick leave; they get no health benefits. And still, they get half the hourly wage of full-time workers. The only real benefit they get is their hourly wage and their pension. They work 16 hours a week. They work every week. And so we would like you to consider that, to perhaps set different kinds of parameters for the exclusions on 401(k)-type plans, and consider our toll collectors.

Lastly, I'd like to say that -- you brought it up. I read in the paper where the Governor said: leave it to collective bargaining. And I believe in that. Of course, you know I believe in it; I told you last time that I appeared that I've been doing negotiations for almost 50 years. And I think the Governor is right. I was very pleased to see his remarks in the paper. And the people come here and congratulate you on your work, and there's no doubt you worked awfully hard. And even the remarks I hear from Senator Gormley, who I have known for numbers of years, you know, I can understand where he's coming from. But these things should be bargained, and they're bargained in good faith. As I said, we bargained to get part-time workers. We bargained during the years of Governor Whitman to take two years with no pay.

I remember back in the old days when we had an oil shortage and people could only get \$1 worth of gas on the Turnpike, and then had to leave the Turnpike. And we gave back two weeks of our vacation. And they said, "Well, when things get better, you'll get your two weeks back." Well, it's 30 years later, we still haven't got the two weeks back.

I guess maybe we were not as good negotiators as we should be. But we negotiate, we give and take and, you know, it's what the traffic bears.

Thank you very much for your time.

ASSEMBLYWOMAN POU: Thank you. Thank you very much. Mr. Bernardi from the County Prosecutors Association of New Jersey. And next we'll have Rae Roeder, CWA Local 1033.

R O B E R T D. B E R N A R D I, E S Q .: Good evening, Madam Chairwoman and members of the Committee. My name is Robert Bernardi. I'm the Prosecutor of Burlington County, and I'm here on behalf the County Prosecutors Association of New Jersey. You just heard one of my colleagues speak on behalf of the Assistant Prosecutors.

In 2002, you passed a bill recognizing the Prosecutors Part of PERS. That was a good thing for law enforcement, and it remains a good thing today. I'm not here on behalf of the existing Assistant County Prosecutors or the present County Prosecutors because, as you know, this bill exempts them and allows them to remain in the Prosecutors Part. I'm really here for those future generations of law enforcement officials, that is, Assistant Prosecutors and County Prosecutors, because as one who, as the County Prosecutor, has the ability hire and fire, I can tell you that this bill will have a dramatic impact on the quality of the Assistant Prosecutors that we get in our offices.

Just by way of anecdotal evidence, I recently hired an Assistant Prosecutor who came out from a judicial clerkship with a New Jersey Supreme Court Justice. He left that clerkship, went to a New York City law firm. And as you know, the pay scale in the New York City firms are six figures to start. He took that job, was there a few years, left there to work for a private practitioner in North Jersey, a defense

attorney. He recently came to my office because he had an interest in being an Assistant Prosecutor. That person was hired for a salary at roughly 50 percent of what he had been earning. I say that to you because this is a person of extreme talent and quality, had an excellent background, and came to the Burlington County Prosecutors Office because the Prosecutors Part assured him that, in the long-term, he would be rewarded at the end of 20 years of service with that pension.

It's important to recognize that when I first was an Assistant Prosecutor, back in the '70s and '80s, assistants went into an office, decided they'd spend three or four years there until they more or less maxed out in the salary scale, and then went into private practice. That's what I did.

Today, now hiring in my office, I see a different breed of young lawyers. There are lawyers coming out that want to do public service, they want to be in it for the long haul. And they all know, all of them know, you all know -- many of you are attorneys -- that you can make a lot more money as a private practitioner. They understand that as well; they're not idiots. But they're willing to take less year by year, because in the end they get some benefit back from the State for serving the people that have been harmed by the violent criminals that go about our state, and that's the trade-off here.

So if you want to go back to the system that was, you will eliminate this system. If you want to encourage the best and the brightest, leave the Prosecutors Part in place. It's only a system of about 800 individuals. They have to do 20 years in a prosecutor's office before they get that enhanced benefit. If they choose not to stay for 20 years and be career prosecutors, they don't get the benefit; it's not

there for them, so you've given them nothing. It's only those that have made it a career.

About a month or so ago, I remember hearing the Attorney General, Mr. Rabner, testifying at his confirmation hearings and being asked about attracting qualified Assistant and Deputy Attorney Generals. His argument was, we need to have a scale that's commensurate to attract those individuals, to keep them out of the private sector. And as you heard, he was going on a recruiting mission to the private firms to bring those individuals in.

I'm asking you to reconsider, and consider leaving the Prosecutors Part in for the benefit of those future generations of assistants.

Thank you.

ASSEMBLYWOMAN POU: Thank you so very much.

R A E R O E D E R: First of all, my name is Rae Roeder, I'm President of the CWA 1033.

Do I push the button? (referring to PA microphone)

I've never been accused of not speaking loud enough, but that's okay.

ASSEMBLYWOMAN POU: If you can just shut one of them off, that's what it is. Thank you.

MS. ROEDER: First of all, I'd like to thank Senator Scutari; and yourself, Assemblywoman Pou; and Mr. O'Toole for the patience that you gave us when we provided you with evidentiary information and huge folders of information that you could research and look at, and the time that you gave us to hear the presentation made by Tony Miskowski and Joe Golowski.

We have -- our local has, along with many others, has been to all Philip Murphy's hearings, and now to all of your hearings. And the one thing that I would like to say to

you: The State workers that I represent feel as if they're bobble-headed dolls, they don't know which way to go. And the pain that they feel many times, in the attack that they feel against them for being State workers, is something that doesn't heal instantly; it doesn't go away.

I'm asking you -- I appreciate what you have -- a copy of the letter that we got from the Governor's Office. We're still concerned what bill is out there, which one is being looked at, when the new bill will be written; and we'll be keeping in touch with you to find out how that happens, and the process that goes through. But I'm asking you to stay with the collective bargaining system that we have, because that system can produce the kinds of results that we've produced for the last 25 and 30 years -- a cooperative atmosphere between the workers and the government that they work for.

And last of all, I want to encourage you to be involved in the pension process, in how money is being invested. All the time that you spend at your hearings, you forgot to look in a certain direction. If you don't know how the money is invested and you lose more of it, you won't have to worry about making S-40, A-whatever, and 20,000 other bills, because there won't be any money left to spend if you keep throwing it away on hedge funds. And the Legislature has the responsibility and the statutory right to investigate those things and to take control of them. Please, I'm asking you, don't ignore that process, because there is a place for the Legislature in the State of New Jersey, and that place is to know how that money is invested, to be involved in that process, and to understand that you have the fiduciary responsibility to protect the investment of that money. And I thank you for your time today.

ASSEMBLYWOMAN POU: Thank you.

Our next speaker, Joyce Powell, from the --
President of the NJEA.

J O Y C E P O W E L L: Good evening. It has been a long day and we are into the evening, but I appreciate the opportunity to express some of our concerns to you, Chairwoman Pou and members of the Committee. I'm Joyce Powell, President of the New Jersey Education Association, and I represent 196,000 school employees in our state. And our employees have been concerned about the process and about the legislation that was proposed, and certainly some of the recommendations, as I've expressed to you in prior testimony.

New Jersey has a deliberative legislative process for a reason, and that reason really is because the members of the Legislature have a tremendous amount of control and power over what happens to the lives of citizens in New Jersey, to our residents. And the decisions that you make, whether they be for ill or for good, certainly have long-term consequences that go beyond, sometimes, the original intent of legislation that can be passed. We believe that you have an obligation to the people of our state to carefully consider every single piece of legislation that comes, because of the amount of people that are affected, and that the long-term implications should be explored before you take votes that will affect all of these individuals.

The Legislature needs to consistently focus and have adequate committee review, to have adequate public comment, to have adequate opportunity for you and for others to determine whether the cure you are proposing is, in fact, worse than the disease it purports to heal.

You may have understood these issues because of your involvement over the last several months, and you are dealing

with them probably on a daily basis. And that's very true. But until this very week, you were discussing concepts and ideas; and only within the last week or so did we actually see the legislation. And some of these are difficult issues, and issues that must be explored fully. And that's why it's so important to engage in a deliberative process.

The bills that are in question need to curb abuse -- pension abuse, and that's what I think that you're doing adequately. The legislation should focus in those areas that -- and NJEA stands ready to work with the Legislature to eliminate abuses.

Now, we want to insure and we want to maintain the principles of collective bargaining. It's been nearly four decades that my members have worked hard to bargain fair, professional contracts with boards of education across this state. It's never been easy and nothing has ever been handed to school employees. We've made sacrifices and compromises along the way to obtain the benefits that we currently have. Certainly, I cannot state strongly enough how serious NJEA values both the legislative process, and the principle and the practice of collective bargaining. And I can assure you that NJEA will continue to work to attempt to protect our members' economic interests with all the resources at our disposal.

Employers certainly have a tremendous amount of rights through the collective bargaining process. They can put into effect some of the recommendations that you talked about, and they can also negotiate all the areas that you've talked about. Certainly, for generations, pensions have served a vital public interest by providing a compelling and affordable incentive to public service. And because the Legislature failed to fund the pension system for the last decade, we understand the mistakes that have been made. But

it's one that can be fixed, we believe, with careful planning and with fiscal discipline. And you've already demonstrated that this year by taking the steps towards doing that.

I won't take up any more of your time. I do appreciate the opportunity, and will just tell you that we believe that the 41 recommendations are not so urgent that they had to be foisted upon the residents of this state without the proper opportunity.

So we, again, appreciate, and ask you to help us and work together to resolve these difficult areas that we have, through the collective bargaining process.

Thank you.

ASSEMBLYWOMAN POU: Thank you.

I believe that that concludes the last speaker who has signed up to testify.

Ladies and gentlemen, let me just thank you again for having waited as long as you have to share your views and your concerns.

I just want to thank all the members, once again, for being -- especially Assemblyman O'Toole and Senator Gormley for hanging in there.

Have a very good night, everyone.

(Hearing concluded at 5:18 p.m.)