

REMARKS PREPARED FOR DELIVERY BY GOVERNOR JIM FLORIO
LEAGUE OF MUNICIPALITIES ANNUAL CONVENTION
ATLANTIC CITY, NEW JERSEY
THURSDAY, NOVEMBER 15, 1990

I'M VERY GLAD TO HAVE THIS CHANCE TO COME TO ATLANTIC CITY. AFTER LAST WEEK'S ELECTION, I'M LOOKING FOR A LITTLE MORE OF A SURE BET.

IN THIS ELECTION, IT'S EASY TO BE A LITTLE JEALOUS OF ATLANTIC CITY. BETWEEN SIMULCASTING AND THE SUNDAY HORSE-RACING REFERENDA, IT DID BETTER AT THE POLLS THAN MOST OF THE CANDIDATES.

JOKING ABOUT THE ELECTION, MAKES LOOKING AT LAST WEEK'S RESULTS A LITTLE EASIER. BUT THERE'S NO GETTING AWAY FROM THE FACT THAT THE PEOPLE WERE SENDING A MESSAGE.

I HEARD THAT MESSAGE. PEOPLE ARE SAYING THEY DON'T THINK THEY'RE GETTING THEIR MONEY'S WORTH FOR THEIR TAX DOLLAR. THEY THINK WE CAN MAKE GOVERNMENT WORK BETTER WITH LESS.

AND YOU KNOW SOMETHING? THEY'RE RIGHT.

I'M GRATEFUL FOR THE CHANCE TO COME HERE, AND TALK ABOUT THAT. YOU'RE ALL ON THE FRONT-LINES OF MAKING GOVERNMENT SERVE THE PEOPLE. SO, I CAN'T THINK OF A BETTER AUDIENCE TO OFFER SOME OF MY THOUGHTS ON HOW WE CAN MEET THE CHALLENGE OF GIVING GOOD GOVERNMENT AT A FAIR PRICE.

LET'S MAKE NO MISTAKE ABOUT IT -- IT'S NOT AN EASY CHALLENGE. BETWEEN THE CURRENT NATIONAL ECONOMIC SLOWDOWN AND THE LEGACY OF YEARS OF STATE GOVERNMENT'S UNCONTROLLED SPENDING, WE FACE A TALL ORDER. ON TOP OF ALL THAT, WASHINGTON KEEPS FINDING NEW WAYS TO GET SOMEONE ELSE -- YOU AND ME -- TO DO ITS JOB.

BUT THEN, NO ONE SAID SERVING IN GOVERNMENT WOULD, OR SHOULD, BE EASY.

THE FIRST THING WE NEED TO DO IS BRING GOVERNMENT SPENDING UNDER CONTROL AND CUT OUT WASTE. IN THE LAST EIGHT YEARS, THE STATE BUDGET DOUBLED FROM SIX TO \$12 BILLION. WE SPENT MORE IN THE LAST EIGHT YEARS THAN WE SPENT IN THE PREVIOUS 200. ONE DEPARTMENT, HUMAN SERVICES, IS NOW BIGGER THAN THE ENTIRE STATE GOVERNMENT WAS AT THE BEGINNING OF THIS SPENDING SPREE.

I'M COMFORTABLE CUTTING THESE BLOATED BUDGETS. IT'S WHAT WE'VE BEEN DOING SINCE I TOOK OFFICE. BUT, THE PEOPLE MADE IT CLEAR IN LAST WEEK'S ELECTION THAT THEY WANT US TO DO IT BETTER, AND QUICKER.

I'M RESPONDING TO THAT MESSAGE. YESTERDAY, I ANNOUNCED THAT I'VE DIRECTED MY CHIEF OF STAFF TO LOOK AT HOW WE MIGHT BE ABLE TO REDUCE THE NUMBER OF DEPARTMENTS IN STATE GOVERNMENT. WE NOW HAVE 19. I SUSPECT WE DON'T NEED ALL OF THEM.

I SAID THAT ANNOUNCEMENT WOULD BE THE FIRST IN A SERIES ABOUT HOW WE'RE GOING TO SPEED UP THE PROCESS OF CUTTING BACK GOVERNMENT.

YOU MAY HAVE HEARD HOW I'VE PREVIOUSLY DIRECTED THE CABINET TO SUBMIT BUDGETS FOR NEXT YEAR THAT ARE CUT BY EIGHT PERCENT. TODAY, I'M ANNOUNCING THAT I'VE DIRECTED ALL MEMBERS OF MY CABINET TO TAKE A HARD LOOK AT HOW WE CAN ACCELERATE THOSE CUTS -- SO WE DON'T HAVE TO WAIT UNTIL THE NEXT BUDGET YEAR.

WE NEED TO ACCELERATE THAT CUTTING PROCESS IF WE'RE GOING TO RESPOND TO THE PEOPLE'S CHALLENGE. WE NEED TO START SAVING MONEY RIGHT AWAY. NOT JUST TALK ABOUT IT.

IN NEW JERSEY, WE'VE ALREADY GOTTEN OFF TO A GOOD START IN REDUCING STATE GOVERNMENT WASTE. I'M CONFIDENT THAT BECAUSE WE WERE THE FIRST STATE TO START CUTTING BACK WE WILL BE IN A BETTER POSITION TO WEATHER THE COMING ECONOMIC STORM.

BECAUSE WE STARTED EARLY AT MAKING THE TOUGH CHOICES, WE KEPT OUR TRIPLE-A CREDIT RATING ON WALL STREET, THE HIGHEST IN THE NATION. OTHER STATES AND CITIES ARE LOSING THEIR RATINGS, SOME NOW EVEN HAVE JUNK BOND RATINGS.

I ALSO DID SOMETHING UNUSUAL FOR A NEW JERSEY GOVERNOR. I SUBMITTED A BUDGET WHICH WAS ACTUALLY SMALLER THAN THE ONE THE YEAR BEFORE. DURING THE PREVIOUS DECADE, STATE SPENDING GREW BY AN AVERAGE 12 PERCENT EACH YEAR. IN THE END THIS YEAR'S BUDGET GREW BY ONLY TWO PERCENT, FAR LESS THAN INFLATION.

WE'VE ELIMINATED MANY PERKS FOR STATE WORKERS, LIKE RAILROAD PASSES, TELEPHONE CREDIT CARDS AND STATE CARS. REMEMBER THE INFAMOUS STATE CARS? TO DATE MORE THAN A THOUSAND CARS HAVE BEEN TURNED IN TO THE STATE TREASURY.

WE ALSO HAVE A TEAM OF OUTSIDE EXPERTS AUDITING OUR STATE GOVERNMENT. THAT AUDIT HAS ALREADY PRODUCED MILLIONS OF DOLLARS IN SAVINGS. AND WILL PRODUCE MORE.

WHILE THE AUDIT IS A SURGICAL APPROACH, IT'S CLEAR THAT THERE IS ENOUGH WASTE IN GOVERNMENT FOR IT TO WITHSTAND SOME ACROSS-THE-BOARD CUTS, LIKE THE EIGHT PERCENT I'M CALLING FOR.

EVEN WITH THESE EIGHT PERCENT CUTS, HOWEVER, THE ENTIRE STATE BUDGET WON'T BE SMALLER NEXT YEAR. IT CAN'T BE. YOU MIGHT ASK, HOW CAN WE MAKE STATE GOVERNMENT SMALLER WHEN THE BUDGET IS BIGGER? LET'S TAKE A LOOK.

THE EXTRA MONEY WE'LL COLLECT BY INCREASING THE STATE INCOME TAX RATE ON THOSE MOST ABLE TO PAY WILL MAKE THE BUDGET GROW. BUT THAT MONEY WON'T STAY IN TRENTON LONG ENOUGH EVEN TO TEMPT ANYONE TO USE IT FOR NEW PROGRAMS OR HIGHER BUREAUCRATIC SALARIES. IT'S GOING RIGHT BACK OUT -- IN THE FORM OF PROPERTY TAX RELIEF AND SCHOOL FUNDING FOR URBAN, SUBURBAN AND RURAL COMMUNITIES.

SO, WE REALLY NEED TO START THINKING ABOUT OUR STATE BUDGET AS TWO BUDGETS. ONE IS THE MONEY THAT COMES INTO THE TREASURY AND GOES RIGHT BACK OUT TO MUNICIPALITIES AND INDIVIDUALS. MONEY WHICH EASES THE BURDEN OF PROPERTY TAXES AND PROVIDES GOOD SCHOOLS.

THE OTHER IS MONEY USED TO PAY FOR STATE EMPLOYEES AND STATE SERVICES -- IT'S CALLED DEPARTMENTAL OVERHEAD. I'M COMMITTED TO A REDUCTION IN THAT SECOND BUDGET.

THIS REDUCTION MAY WELL RESULT IN LAYOFFS OF SOME STATE WORKERS. ON A PERSONAL LEVEL NO ONE SHOULD BE HAPPY ABOUT THAT. THE BULK OF STATE WORKERS WORK VERY HARD. BUT WE ALSO MUST RECOGNIZE WHAT THE PEOPLE HAVE MADE CLEAR: THE STATE CAN AND MUST GET BY WITH LESS.

BUT CUTTING BACK GOVERNMENT AT THE STATE LEVEL IS ONLY HALF THE STORY. WE ALSO HAVE TO START CUTTING BACK ON THE LOCAL LEVEL.

WE'RE GOING TO DO OUR PART IN TRENTON. BY CUTTING DEPARTMENTAL OVERHEAD BY EIGHT PERCENT, AND REVERSING A DECADE-LONG TREND WHERE THE STATE BILLED YOU FOR PROGRAMS IT MANDATED.

NEXT YEAR, THE STATE WILL ASSUME THE COST OF SOCIAL PROGRAMS NOW PAID BY LOCAL AND COUNTY TAXPAYERS, AND WE'RE INCREASING SCHOOL AID BY \$1 BILLION. WE'RE INITIATING THE LARGEST PROPERTY TAX RELIEF PROGRAM IN NEW JERSEY HISTORY. ALL THIS MEANS MORE RELIEF FOR HOMEOWNERS AND TENANTS WHO REALLY NEED IT. I'M CONFIDENT THIS PROPERTY TAX RELIEF PROGRAM WILL WORK, BUT I NEED YOUR HELP.

TODAY, I'M ISSUING A CHALLENGE TO YOU TO JOIN WITH ME TO KEEP LOCAL SPENDING DOWN, SO WE CAN REDUCE THE TERRIBLE BURDEN OF PROPERTY TAXES. PROPERTY TAXES SOARED BY 108 PERCENT DURING THE LAST DECADE. THAT'S INTOLERABLE. IT DESTROYS COMMUNITIES, AND DRIVES PEOPLE OUT OF NEIGHBORHOODS, THEY HELPED BUILD.

WHAT CAN ALL OF YOU DO?

IF YOU'RE ONE OF THE APPROXIMATELY 400 COMMUNITIES WHOSE SCHOOL DISTRICTS WILL GET MORE PERMANENT AID, WORK TO SEE THAT SOME OF THAT MONEY IS USED TO REDUCE PROPERTY TAXES. LET'S FACE IT, A LOT OF YOUR RESIDENTS DON'T READ THE FINE PRINT ON THEIR TAX BILLS. THEY THINK THE SCHOOL TAX IS YOUR FAULT. SO, IT'S IN YOUR INTEREST TO PRESSURE YOUR SCHOOL BOARDS TO BRING ADMINISTRATIVE SPENDING UNDER CONTROL.

TOGETHER, WE CAN MAKE PEOPLE AWARE OF THE NEED TO REDUCE WASTE IN THE SCHOOLS, AS WELL AS IN PLACES WHERE WE DO HAVE DIRECT CONTROL. NEW JERSEY SPENDS MORE, BY FAR, THAN MOST OTHER STATES ON SCHOOL ADMINISTRATION -- 14 PERCENT OF OUR EDUCATION DOLLAR VERSUS A NATIONAL AVERAGE OF ABOUT EIGHT PERCENT. FOURTEEN PERCENT IS A LOT MORE THAN STATES LIKE MARYLAND, PENNSYLVANIA AND CALIFORNIA SPEND. THERE'S BEEN A 10.2 PERCENT ANNUAL GROWTH RATE IN SPENDING BY SCHOOL BOARDS SINCE 1982. IN THESE TIGHT ECONOMIC TIMES THAT KIND OF SPENDING JUST CAN'T CONTINUE.

I ALSO WANT TO ENCOURAGE ALL OF YOU TO CONTINUE PURSUING NEW AND THOUGHTFUL WAYS OF GETTING THINGS DONE AT LESS COST. THIS IS WHAT MAKING GOVERNMENT WORK IN THE '90S WILL BE ALL ABOUT.

ONE OBVIOUS SOLUTION WHICH SOME OF YOU ARE TRYING WITH GOOD SUCCESS IS REGIONALIZATION.

AS THE ASBURY PARK PRESS WROTE IN AN EDITORIAL RECENTLY, "THE TRADITION OF HOME RULE...IS OFTEN UNJUSTIFIABLY INEFFICIENT AND COSTS TAXPAYERS DEARLY."

OR AS THE BERGEN RECORD POINTED OUT, "THE ADVANTAGES OF REGIONALIZATION GO BEYOND MONEY. REGIONAL PROBLEMS REQUIRE REGIONAL SOLUTIONS."

-BUT, THEN AGAIN, I DON'T NEED TO CONVINCING MOST OF YOU ABOUT THE MERITS OF REGIONALIZATION. ALREADY THERE ARE HUNDREDS OF JOINT OPERATIONS. JOINT LIBRARIES, COMBINED POLICE AND FIRE COMMUNICATION EFFORTS, COUNTY-WIDE RECYCLING PROGRAMS, AND SHARED HEALTH INSPECTORS. THE LIST GOES ON.

I THINK REGIONALIZATION WILL HAVE POPULAR SUPPORT AS WELL. PEOPLE CARE A LOT MORE THAT THEY GET GOOD SERVICES AT GOOD PRICES, THAN THEY CARE ABOUT WHO IS ACTUALLY PROVIDING, THOSE SERVICES.

THERE HAVE BEEN SOME RECENT NOTEWORTHY EXAMPLES OF REGIONALIZATION. VOTERS IN BRIDGEWATER AND RARITAN LAST MONTH OVERWHELMINGLY APPROVED A MERGER OF THEIR TWO HIGH SCHOOLS. SUCH A MOVE, MAKES DEMOGRAPHIC AS WELL AS ECONOMIC SENSE. WOOD-RIDGE, RUTHERFORD AND LYNDHURST THIS FALL DECIDED TO COMBINE ROAD MAINTENANCE EFFORTS IN ORDER TO SAVE MONEY.

AND THERE HAVE BEEN OTHERS. GLEN RIDGE AND MONTCLAIR ARE COMBINING THEIR FIRE DEPARTMENTS. AND MUCH PRAISE IS DUE TO MAYOR JAMES DOWDEN OF BRIDGEWATER WHO ORGANIZED A MEETING TO CONSIDER A FOUR-TOWN MERGER OF SERVICES AND SCHOOLS IN BRIDGEWATER, BRANCHBURG, RARITAN AND SOMERVILLE.

BUT THERE'S MUCH MORE TO DO. WE STILL HAVE 481 LOCAL POLICE DEPARTMENTS AND 588 SCHOOL DISTRICTS, MORE SCHOOL DISTRICTS THAN VIRGINIA, PENNSYLVANIA, MARYLAND AND DELAWARE COMBINED.

BEFORE, I GET CARRIED AWAY ON THE REGIONALIZATION BANDWAGON, LET ME SLOW DOWN AND SAY I'M WELL AWARE THAT PEOPLE FEEL I SOMETIMES MOVED TOO FAST WITHOUT LISTENING TO OTHERS. I'VE HEARD THAT CONSTRUCTIVE CRITICISM. LEADERSHIP IS NOT JUST ABOUT MAKING TOUGH CHOICES. IT'S ALSO ABOUT BUILDING CONSENSUS. AND WE CERTAINLY NEED TO BUILD CONSENSUS WHEN IT COMES TO REGIONALIZATION.

YOU KNOW, IT WAS EASY TO MAKE GOVERNMENT WORK IN BOOM TIMES. JUST AS IT WAS EASY FOR BUSINESS PEOPLE LIKE DONALD TRUMP TO EXPAND RAPIDLY DURING GOOD ECONOMIC TIMES. BUT WHEN TIMES GET TOUGH, THE TOUGH GET GOING, WHETHER IT'S IN BUSINESS OR GOVERNMENT.

IT REMAINS TO BE SEEN IF THE DONALD TRUMPS CAN PRESERVE THEIR EMPIRES, BUT TOGETHER WE'RE TAKING STEPS TO KEEP NEW JERSEY SECURE NO MATTER WHAT HAPPENS TO THE NATIONAL ECONOMY. GOVERNMENT ISN'T GOING TO GIVE PEOPLE THE TAJ MAHAL, BUT WE'D BETTER GIVE THEM SOLID, OLD-FASHIONED VALUES.

AS DIRECT PROVIDERS OF SERVICES TO THE PEOPLE, WE WILL BE HELD ACCOUNTABLE. NOT THE PRESIDENT. HE'S TOO FAR REMOVED. NO ONE CALLS HIM WHEN THEIR STREETS AREN'T PLOWED OR THE TRASH IS PICKED UP LATE. IT'S MAYORS WHO TAKE THE HEAT. I KNOW A LITTLE ABOUT TAKING HEAT SO I CAN RELATE.

SO, LET'S WORK TOGETHER FOR WAYS TO SAVE MONEY AND MEET THE PEOPLE'S MANDATE OF MAKING GOVERNMENT WORK WITH LESS. REGIONALIZATION IS ONE WAY. LET'S FIND OTHERS.

FRIENDS, WE CAN LIVE UP TO THE PEOPLE'S CHALLENGE AND THEIR EXPECTATIONS FOR THEIR GOVERNMENT. WE CAN RESTORE PEOPLE'S FAITH IN THEIR GOVERNMENT AND THEIR ELECTED OFFICIALS.

TO RESTORE THAT FAITH LET'S GO BACK TO SOME COMMON SENSE VALUES. THE SAME VALUES PEOPLE APPLY IN THEIR HOMES, APPLY TO GOVERNMENT. VALUES LIKE YOU DON'T SPEND WHAT YOU DON'T HAVE. AND VALUES LIKE YOU PUT SOMETHING AWAY IN GOOD TIMES FOR A RAINY DAY.

WE CAN SHOW PEOPLE THAT GOVERNMENT CAN BE PART OF THE SOLUTION, NOT PART OF THE PROBLEM. BUT ONLY IF WE CUT OUT WASTE AND MAKE GOVERNMENT WORK BETTER. WE KNOW WHAT NEEDS TO BE DONE, NOW IT'S JUST A QUESTION OF HAVING THE COURAGE TO MAKE THE TOUGH CHOICES. I KNOW YOU HAVE THAT COURAGE AND I LOOK FORWARD TO STANDING WITH YOU AS WE SHOW PEOPLE THAT GOVERNMENT CAN WORK -- BETTER THAN EVER -- IN THE '90S.

THANK YOU VERY MUCH.