

Christie's Proposed Budget:

Bad for Public Services, Bad for Workers, Bad for New Jersey

On Tuesday, March 16, Governor Christie delivered his proposal for the FY 2011 state budget. Christie's attacks on public employees and public services were vicious and the impact of his proposed budget on working families will be devastating. While he called for shared sacrifice, his proposed budget will lead to increased property taxes for working families while at the same time cutting services when they are most needed. Who doesn't share the pain in this budget? The wealthy and corporations. By eliminating last year's modest tax increase on individuals earning more than \$400,000, Christie cuts over \$1.1 billion dollars in revenue and by slashing corporate business taxes, Christie forgoes even more revenue without any guarantees that such action will lead to job creation. These actions are a giveaway to his friends and will hurt the most vulnerable in our state. These gifts to business and the wealthy are not shared sacrifice and are not what's needed for working families that continue to suffer through the worst recession in history. While Christie gave lip service to fixing property taxes, these tax cuts are what he really cares most about.

We are in the process of reviewing the budget line by line and we will have more detailed analysis in the coming days. What follows are some of the highlights, or more appropriately, the lowlights:

Cuts to State Departments / Privatization

Christie's proposed budget makes cuts to every single department and, in the case of NJN, calls for an end to state support altogether. We believe, and NJN management agrees, that these cuts will be devastating to NJN news and public affairs programming. In addition, the Governor has created a task force to review state operations and propose areas to cut jobs and/or privatize beginning in January 2011, halfway through the fiscal year. As he said in his speech, layoffs of state workers could total 1,300. We have been down the privatization road before and it inevitably leads to failure. Local 1032 will continue to lead the fight against privatization of public services.

Cuts to school aid and municipal aid will create tremendous pressure locally to either raise taxes or cut vital services. Many of the local government units that Local 1032 represents are already working with significantly fewer resources and with proposed layoffs likely, if not already happening, we will have to stay united at the worksites. Bargaining contracts at the local government level will also be very difficult given these cuts and the proposed pension and benefit legislation that undermines collective bargaining. The proposed 2.5% cap on property tax increases will compound these stresses.

Attack on Collective Bargaining / Civil Service

While not unexpected, some of Christie's harshest words were for collective bargaining and civil service. Christie proposed giving local governments the option to opt out of civil service and he also wants to

make it easier for local governments to furlough employees without having to negotiate with the union. Christie has also talked publically about suspending civil service rules in order to make it easier to do targeted layoffs in state government. And he made clear that the pension and benefit "reform" working its way through the legislature was a good start but that he expected it to go further, beginning with an immediate change to the denominator (from n/55 to n/60) for all future AND current employees. This is a proposed 9% reduction in benefits and I think we should understand that extending many of these proposed reforms to current employees is on the radar for both Christie and the business interests that support him.

We will have more information on the specifics soon and we will continue to provide regular updates on hearings and mobilization activities in support of a fair budget that protects jobs and protects public services.

Stay tuned the CWA 1032 website for details.

You can review the budget documents here:

<http://www.state.nj.us/governor/home/budget.shtml>

In Solidarity,

Patrick