

March 12, 2008

Dear State Worker represented by Local 1032,

The Governor's staff briefed Local Union Presidents on February 22, 2008 about the Governor's forthcoming budget message in which he announced the elimination of 4,500 to 5,000 state worker positions. We had dozens of questions concerning this move which they could not answer. We were promised another meeting within a week or so at which time they would have answers for us. That meeting never took place. Either this administration can't find its ass with either hand or they just don't know what they are doing.

Nevertheless, I wanted to write you to give you what information we have about the Governor's budget plan, how it may affect you, and the Union's position on the proposed budget cuts.

First, this is what we know about the alleged "workforce reductions". Of the 4,500 to 5,000 positions to be eliminated, the Governor is going to take credit for 1,000 political positions he has eliminated since taking office. The Governor proposes to eliminate the Departments of Agriculture, Commerce and Personnel and to lay off 500 to 1,000 employees in Law and Public Safety, Military & Veterans Affairs, and at the Parole Board. (The functions performed by the eliminated departments will be performed in other departments but the Governor's staff could not identify the positions which would be lost and who would be filling the new ones in the other departments; nor could they identify for us which employees would be laid off where lay offs are planned.)

Second, the administration estimates that 3,000 employees will leave the payroll as a result of an early retirement proposal they are making. This proposal offers a targeted and limited early retirement to three different employee groups: Employees who are 50 years of age and older and who have 25 years of service would be entitled to add three years of service to their service credit (however, no waiver of the 3% annual penalty for those under age 55 would be provided); Employees who are 60 years of age and older and who have between 20 and 24 years of service will be entitled to retire **with** post-retirement health benefits such as those provided to employees with 25 years of service; Employees who are 60 years of age and older and who have between 10 and 20 years of service will be entitled to an additional \$500 a month added to their pension payment for two years.

There is a kicker in the early retirement proposal. Not every state worker meeting the early retirement criteria will be offered it. Only employees in positions subject to the current hiring freeze will be offered the early retirement incentive (ERI). If an employee is in a position exempt from the hiring freeze, they would not be offered the ERI. The Governor will only authorize 10% of those positions vacated by early retirement to be back filled. Some of you may know whether your position is subject to a hiring freeze but the administration has never officially informed the Union as to which positions are subject to the hiring freeze and which are not. Unless remedied, this will enable them to pick and choose to whom they want to offer the ERI (kind of like past posting a horse race).

All of these proposals are subject to legislative approval. The Union is strongly opposed to these proposals. Laying off state workers is another attack on the middle class. They will result in cuts to critical services that our members provide and which the public values. Early retirement without back filling the jobs will only put an increased burden on already overworked state workers already overburdened due to a two-year hiring freeze. While we will support early retirement as an alternative to layoffs, this is just a repeat of the state using pension funds to solve their never ending budget problems.

These budget proposals are a repeat of the same old story we have heard for more than a decade going back to Governor Whitman. Corzine proposes to spend \$500 million in early retirement pension costs to save \$120 million in salary costs which show up on his budget. He has proposed no additional contributions to the pension fund to address the increased unfunded pension liability he will create. The reduction in the state work force is the same old “head count” politics we have seen in the past. Throw the public some bodies and they will be happy – particularly the right-wing Republicans who want to strangle state services and drown public workers in the bath tub. **This proposal is exactly the wrong direction to go.**

To paraphrase what others have said: The real discussion that needs to take place is not about New Jersey’s overspending, but its under-investing. The state will not budget-cut its way to prosperity. We should be looking at fair, workable revenue options as well as examining spending. We should be looking for ways to provide better-quality services and building a strong economic foundation – not allowing the continued decline of transportation infrastructure, nor closing state parks, nor increasing medical costs for low-income people. We expected more from Jon Corzine. We are not getting it.

Sincerely,

Jim Marketti
President