

**Opening Remarks
Senator Bob Smith**

**Joint Legislative Committee on Government Consolidation and Shared
Services
August 8, 2006**

- I want to welcome everyone to the organizational meeting of the Joint Legislative Committee on Government Consolidation and Shared Services.
- I would like to congratulate Senate President Richard Codey and Speaker Joe Roberts for their leadership in convening this special session to address property taxes.
- I am very pleased to serve as co-chair of this committee along with Assemblyman John Wisniewski and I look forward to working with my Senate and Assembly colleagues on both sides of the aisle.
- I also want to thank everyone who assisted the committee with preparations for today's hearing. In particular, I want to thank the Office of Legislative Services staff for working so hard to prepare today's presentation.
- This Committee has been charged principally to evaluate the allocation of responsibility for providing services among municipalities, counties and school districts and formulate proposals that would promote consolidation and service sharing among those entities.
- Our current governmental structure has evolved over several centuries. The organizing principles that have led to the creation of 567 municipalities and 616 school districts are outdated and inefficient. 'Home Rule' was a great 19th Century concept. In the 21st Century, it has led to the highest property taxes in America.
- We have been given a great opportunity to challenge the existing structure....but it will not be easy.
- We will encounter governmental, institutional and cultural impediments to our success.
- And we have all heard the skeptics who dispute the suggestion that there are significant savings to be obtained through consolidation and shared services.
- It is obvious, however, that no single arrangement is going to yield huge savings.
- We will not see meaningful reductions in property taxes if this initiative is limited to a few towns scattered among a few counties throughout the State.
- We need a bigger vision.

New Jersey's system of 616 independent school districts, each with its own administrative, transportation, labor, health care and insurance costs, is the most inefficient system in the country. According to the Education Commission of the States, 11 states – Alabama, Florida, Georgia, Kentucky, Louisiana, Maryland, Nevada, South Carolina, Tennessee, Utah, Virginia and West Virginia – have some form of county based school systems, either apart from or in conjunction with additional school districts for their larger urban centers. Each of these states spends thousands of dollars less per student than we do here in New Jersey. They are able to spend less because their systems are more efficient in scope and structure, allowing them to do a better job of delivering educational services to students. I believe that maintaining our current system of 616 autonomous districts is inefficient and wasteful, and it only promotes duplication and inequality.

Consolidating New Jersey's school districts would put our public schools on a rational path to better management. Consolidation would dramatically reduce costs by eliminating duplication of services, including transportation, maintenance and purchasing. The savings from consolidated transportation services alone justify regional or county-based school districts.

A thorough examination of our educational system in New Jersey and a serious consideration of consolidating our 616 public school districts is long overdue. We need to have this serious debate on the costs and delivery of education to our children, if there is ever to be a stabilization or reduction of property taxes.

- As we will see from the presentation that OLS will present shortly, efforts to promote consolidation or shared services have been haphazard.
- One of our goals must be to create a systematic framework for a sustained effort at developing and implementing consolidation and shared service arrangements.
- But immediate savings alone should not be the only measure of whether these arrangements are worthwhile.
- Our charge is to propose reforms that will not only reduce costs, but also improve services and restrain property tax growth on an ongoing basis.
- So let's begin today with an open mind and a strong commitment to recommend meaningful and lasting change, not for change sake alone, but because change is long overdue.
- Aside from governmental, institutional and cultural impediments, there will be real political obstacles to overcome as well.

- Let's also commit to each other to put aside partisan or regional interests so that we can face all of these obstacles together.
- We will begin today's hearing with a presentation by the Office of Legislative Services.
- That will be followed by testimony from several individuals who have on the ground experience in developing and promoting these arrangements.
- At future hearings, the Committee will hear testimony from experts and address a wide variety of related topics, including Speaker Roberts's CORE proposals and potential consolidation or reorganization of State government functions. And let me emphasize again, 'Everything is on the table.'
- The committee also understands that the public has much to say on these topics. We plan to have a series of public meetings in locales outside the Statehouse to enable the public to fully participate in this Special Session.
- I am confident that this committee will give these issues intensive and thorough analysis and will work together to formulate proposals for presentation to the entire Legislature.
- I hope that today's hearing will shed some light on this crucial subject and begin an important dialogue.

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