

**TESTIMONY OF JAY WEBBER TO
THE JOINT LEGISLATIVE COMMITTEE ON PUBLIC EMPLOYEE BENEFITS REFORM
SEPTEMBER 19, 2006**

Good evening Mr. and Madam Chairmen and members of the committee. My name is Jay Webber. Thank you for the opportunity to speak with you today, and thank you for taking on the crucial and difficult task of reviewing proposals to reform our pension and benefits system for New Jersey's public employees.

I am an attorney living in Morris Plains (and, by the way, a native of Clifton), and I am also preparing a campaign for the Republican nomination for the State Assembly in the 26th District. I want to talk with you about a narrow issue, but one that I think is very important, and has broad implications for every other reform this committee is considering. It is an idea I have been promoting as I travel around my district, and one that nearly everyone greets with great enthusiasm.

My proposal is to remove entirely our State Legislators from the Public Employees' Retirement System. There are several good reasons for that reform.

First, as everyone is well aware, our State is in a financial crisis. Record tax increases over the last several years, attempts to plug budget gaps through unconstitutional borrowing, and this summer's government shutdown are just the most visible symbols of our dire fiscal straits. This summer's shutdown ended by causing more pain than it relieved, and our Governor and Legislative leaders only promise more pain next budget season. On top of our so-called "structural deficit," we have tens of billions of dollars in unfunded pension and benefit liabilities that continue to accumulate every year.

In response to those challenges, virtually everyone is being asked to share in the sacrifice to get our house in order. Already overtaxed taxpayers have been taxed even more, and public employees soon will be asked to accept serious reforms to their compensation structure. In this environment of shared sacrifice, it is only right that our State leaders lead the way and make their own sacrifices to get our State back on the right track.

Taking Legislators out of the pension system at this time is also eminently fair: State Legislators are part-time employees. You should be compensated for that part-time work — you work hard in the service of the public. But you should be compensated in a way that your constituents who work part-time in the private sector are also compensated. Many full-time private sector employees no longer receive pension benefits, let alone their co-workers who work part-time. Lifetime taxpayer-funded pension benefits for part-time Legislators might have been a benefit that was once appropriate and affordable, and for our current Legislators who have relied on the promise of those benefits, there is nothing we can or should do to take them away. But in the current budgetary and economic climate, such benefits are no longer appropriate.

Taking State Legislators out of the pension system will save taxpayer dollars, but it is a good idea for another reason. Seemingly every day, New Jersey's newspapers contain disturbing headlines about current or former public officials abusing their authority for personal gain. For good reason, our

State's electorate is frustrated and angry with its political leaders. It falls to those leaders to change the attitudes of the people who elect them.

I can't think of a better way for our Legislators to respond to that disillusionment than making the simple statement that they no longer view their positions of public trust as vehicles for financial security. Removing the financial incentive to accumulate public positions to pad their pension, to take a pension boosting position, or to stay too long in their current position, will go a long way toward helping clean up New Jersey's culture of public corruption we have suffered too long.

But this reform accomplishes one more, even more important, goal: it puts State Legislators out front on fiscal and government reform by allowing them to lead by example. At a time when our books don't balance and corruption runs rampant, our State sorely needs a clear and unequivocal demonstration of leadership from its elected officials. This committee has heard about many supposed impediments to pension and benefit reform, but this is one measure that faces no real obstacle. It simply takes political will to enact it. The only special interest group that has a stake in the defeat of this measure is the group of 120 individuals who serve in our Legislature. Fully eight-and-a-half million residents of the State have a stake in its passage. Our State's turn-around starts with you, and I hope you take advantage of your opportunity.

Momentum for this change is gathering. Several of your colleagues have taken up this cause in the months since I announced my proposal to end pensions for our State Legislators in April. Senators Stephen Sweeney and Joseph Kyrillos, and Assemblymen Rick Merkt and Paul Moriarty, for example, have introduced bills to take Legislators out of the pension system. I congratulate those members for their vision and courage, and urge passage of their bills as soon as possible.

But passing legislation is not the only way to lead, however. As a future candidate for elected office, I have not only pledged to fight to end lifetime pension benefits for part-time Legislators; I have committed to refuse credit in the pension system if I am privileged enough to serve the people of New Jersey in the Legislature. My family's financial future is far from secure. I am a young father of three small children, the only source of income for my family, and I am trying to develop a career in the law. But I believe that, in this climate, accepting lifetime pension benefits for part-time legislative work is simply wrong, and my wife and I are willing to forego whatever pension benefit to which we might be entitled in order to do the right thing. We hope our modest gesture makes at least a small contribution in restoring the public's trust in our political system.

Finally, you should know that in my travels around my district, and even beyond, members of the public enthusiastically support this important reform. Several hundred New Jerseyans have already signed a petition I am circulating saying that they agree with this proposal. I have attached a copy of the petition to my testimony, and, as I continue to gather signatures over the next several weeks, I will submit the signed petitions to the committee before it closes its deliberations.

Once again, thank you for your time and consideration in permitting me to testify. I recognize that your task on this Committee is difficult, and appreciate your service to our State.

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Paid for by Webber for Assembly