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NEW JERSEY PANS CORZINE BUDGET

Public questions if proposed cuts really tackle waste

Governor Jon Corzine proposed a state budget last month that can only be described as tough medicine. However, the latest *Monmouth University/Gannett New Jersey Poll* finds many New Jerseyans asking if the proposed cuts are, in fact, the right prescription. They agree with some of the cuts, disagree with others, and generally question whether the budget really targets wasteful spending.

The governor's budget makes cuts in every state agency, reduces the state workforce, eliminates property tax rebates for higher income earners, and reduces state aid to many municipalities. Only 10% of the public say they are satisfied with the budget and 34% say they are not particularly satisfied but can live with it. On the other hand, a majority of 54% are decidedly dissatisfied with the proposed budget. By comparison, a poll taken in April 2006 – after Governor Corzine unveiled his first budget – found only 41% of the public dissatisfied with that plan which raised the sales tax by a penny but avoided many of the severe cuts included in the current proposal.

“Like the toll road plan two months ago, the budget proposal is not starting off with a groundswell of public support,” said Patrick Murray, director of the Monmouth University Polling Institute. “And like the earlier plan, one of the key questions left unanswered in the public's mind is how these proposals will eventually bring down New Jersey's high cost of living.”

Overall, 6-in-10 (59%) New Jerseyans believe that this budget will make the state less affordable for their family. Only 9% say it will make New Jersey more affordable and 27% say

it will have no impact on their family's finances.

The governor's proposed budget makes cuts in almost every area of state spending. Some of these cuts meet with public approval, while others are viewed less favorably. Specifically, New Jersey residents favor reductions in the property tax rebate program, including eliminating rebate checks for those earning over \$150,000 (59% approve to 39% disapprove) and reducing rebate amounts for those earning between \$100,000 and \$150,000 (52% approve to 43% disapprove). The public also favors the elimination of pensions for part-time state workers (53% approve to 42% disapprove) and reducing the state workforce by 3,000 employees, mainly through early retirement (51% approve to 43% disapprove).

On the other hand, New Jerseyans are particularly unhappy with plans to reduce "charity care" funding that provides health care for the poor (22% approve to 74% disapprove), eliminate the Department of Agriculture (22% approve to 73% disapprove), cut back hours at state parks and motor vehicle offices (27% approve to 70% disapprove), and – to a lesser degree – eliminate the Commerce Commission (28% approve to 42% disapprove).

The public also opposes eliminating nearly all state aid to towns with fewer than 5,000 residents (39% approve to 54% disapprove), although they are split on reducing that aid to towns with fewer than 10,000 residents (46% approve to 48% disapprove).

While they don't like many of the proposed budget's particular cuts, New Jersey residents feel that the governor has not gone far enough in wielding the budget knife. Just under half (44%) say that the budget does not cut spending enough, while only 1-in-4 (26%) say the governor has made too many cuts. This opinion seems to have more to do with the perceived quality of the cuts than the quantity. Nearly half (46%) of New Jerseyans feel this budget does nothing at all to reduce waste, fraud, and abuse. Only 4% say it does a lot to reduce wasteful spending and 39% say it does a little.

When asked to describe the process that led to this budget, more than 6-in-10 (62%) residents say that it is just more of the same old political dealings. Only 27% describe it as the product of tough, thoughtful choices. Interestingly, an April 2006 poll found a similar reaction to Corzine's first budget – 60% described that proposal as mainly political compared to 32% who said it was thoughtful.

"Once again, a Jon Corzine proposal is beset by a high level of cynicism among New Jersey residents. While the public is generally supportive of a leaner state budget, there seems to be a sense of unease that the proposed cuts may not be the right ones," said Murray.

In his February 26th budget address, Governor Corzine indicated that departmental financial practices had been “scrubbed” by his self-appointed GEAR (Government Efficiency and Reform) Commission. However, this does not seem to have provided enough oversight for the public’s liking. An overwhelming 76% support conducting an independent audit of every state agency. Only 20% oppose this idea.

Some other budget options that the public would like to see the state pursue include limiting pensions for multiple job holders to one job (70% approve to 26% disapprove), having state workers contribute more toward their health benefits (59% approve to 36% disapprove), and having all new state employees participate in a defined contribution 401k-type plan rather than a pension (52% approve to 37% disapprove). Residents are split on whether to eliminate payments for unused sick leave when state workers retire (47% approve to 48% disapprove).

New Jerseyans tend to oppose proposals to reduce pensions for existing state workers (39% approve to 54% disapprove) and eliminate the property tax rebate program except for seniors and the disabled (37% approve to 60% disapprove). They are also overwhelmingly opposed to raising the state sales tax by a penny (23% approve to 76% disapprove).

The Local Impact

Governor Corzine’s proposed budget significantly cuts state aid to municipalities. Many local officials claim that this will necessitate either sweeping cuts in services or increased property taxes in their towns. At this point, the public does not accept that argument. Fully 2-in-3 (67%) New Jerseyans say that municipalities can make enough cuts in their local budgets without reducing the quality of services or raising taxes. Only 23% side with the view that losses in state aid will require drastic cuts or new taxes at the local level.

At the same time, many New Jerseyans express a willingness to share core services such as fire or police with a neighboring town in order to avoid service cuts or property tax increases. This includes 36% who say they are very willing to consider this and 35% who are somewhat willing. Only 27% say they are not willing to consider shared services.

Overall, New Jerseyans are slightly more likely to reject the notion that sharing key emergency services would lead to a significant reduction in quality. Only 41% agree with this premise compared to 52% who disagree. However, residents of small towns and big municipalities are split on this. About half (47%) of small town – under 10,000 population – residents feel that sharing core services would negatively impact their quality compared to a

similar 49% who disagree with this view. Residents of large municipalities with populations of 50,000 or more are similarly split – 48% agree and 46% disagree that quality will go down. Residents of towns with between 10,000 and 25,000 people are the least likely to feel that sharing services will negatively impact their quality (31% agree to 62% disagree).

Residents are split on whether municipal consolidation would actually lead to a decrease in property taxes – 44% agree with this view compared to 45% who disagree.

New Jerseyans also feel that any talk about local consolidation should focus more on schools rather than municipalities. When asked which would produce a bigger savings in property taxes, 45% choose consolidating school districts compared to 30% who select consolidating towns.

The poll also found that, less than two weeks after the governor announced his budget plan, the vast majority of New Jerseyans have heard about it. This includes 33% who have heard a lot and 50% who have heard a little. Only 16% have not heard anything about the governor’s budget proposal for the 2009 fiscal year. Also, fully 9-in-10 (89%) New Jerseyans feel that the state budget is in a serious fiscal crisis.

The *Monmouth University/Gannett New Jersey Poll* was conducted by telephone with 805 New Jersey adults from March 4 to 6, 2008. This sample has a margin of error of ± 3.5 percent. The poll was conducted by the Monmouth University Polling Institute and originally published by the Gannett New Jersey newspaper group (Asbury Park Press, Courier-Post, Courier News, Daily Journal, Daily Record, and Home News Tribune).

DATA TABLES

The questions referred to in this release are as follows:

(* Some columns may not add to 100% due to rounding.)

1. Do you agree or disagree that the state budget is currently in a serious fiscal crisis?

	TOTAL	REG VOTER		PARTY ID		
		Yes	No	Dem	Ind	Rep
Agree	89%	90%	83%	88%	91%	89%
Disagree	8%	7%	13%	9%	5%	8%
(VOL) Don't know	3%	3%	4%	3%	4%	3%
Unwtd N	805	719	86	261	302	210

TREND:	March 2008	January 2008
Agree	89%	89%
Disagree	8%	6%
(VOL) Don't know	3%	6%
Unwtd N	805	804

2. How much have you heard about the state budget plan announced just last week by Governor Corzine – a lot, a little, or nothing at all?

	TOTAL	REG VOTER		PARTY ID		
		Yes	No	Dem	Ind	Rep
A lot	33%	34%	24%	30%	30%	42%
A little	50%	51%	44%	53%	50%	48%
Nothing at all	16%	14%	31%	17%	19%	10%
(VOL) Don't know	1%	1%	1%	0%	1%	1%
Unwtd N	805	719	86	261	302	210

TREND:	March 2008	April 2006*
A lot	33%	25%
A little	50%	49%
Nothing at all	16%	27%
(VOL) Don't know	1%	n/a
Unwtd N	805	803

* Note: April 2006 question wording: "How much have you heard or read about Governor Corzine's budget proposals to deal with this deficit?"

3. The governor's budget would make cuts in every state department, reduce the state workforce, eliminate property tax rebates for higher income earners, and reduce state aid to many municipalities. How would you describe your reaction to the governor's budget plan – would you say you are satisfied with it, not particularly satisfied but you can live with it, or you are definitely dissatisfied with it?

	TOTAL	REG VOTER		PARTY ID			PRIOR AWARENESS OF PLAN		
		Yes	No	Dem	Ind	Rep	A lot	A little	None
Satisfied	10%	10%	9%	13%	11%	7%	13%	7%	13%
Can live with it	34%	34%	30%	37%	32%	36%	30%	36%	34%
Dissatisfied	54%	53%	58%	49%	53%	57%	54%	55%	51%
(VOL) Don't know	2%	2%	2%	2%	4%	1%	3%	2%	2%
Unwtd N	805	719	86	261	302	210	295	400	102

TREND:	March 2008	July 2006*	April 2006*
Satisfied	10%	15%	10%
Can live with it	34%	52%	45%
Dissatisfied	54%	28%	41%
(VOL) Don't know	2%	5%	4%
Unwtd N	805	802	613

* Note: April 2006 was asked only of those aware of plan.
July 2006 question wording: "How would you describe your reaction to the final budget agreement?"

[NOTE: QUESTIONS 4 and 5 WERE ASKED ONLY OF THOSE WHO HEARD "A LOT" OR "A LITTLE" ABOUT THE GOVERNOR'S BUDGET PLAN: moe=+/-3.7%]

4. Do you think this budget will make the state more affordable or less affordable for your family, or will it have no impact?

Among those aware of plan:	TOTAL	REG VOTER		PARTY ID		
		Yes	No	Dem	Ind	Rep
More affordable	9%	10%	3%	15%	6%	6%
Less affordable	59%	60%	54%	61%	59%	59%
No impact	27%	25%	40%	19%	32%	31%
(VOL) Don't know	4%	4%	3%	5%	4%	4%
Unwtd N	695	633	62	223	257	191

5. In general, would you describe the governor's budget plan as: the product of tough, thoughtful choices - or - more of the same old political dealings?

Among those aware of plan:	TOTAL	REG VOTER		PARTY ID		
		Yes	No	Dem	Rep	Ind
Product of tough, thoughtful choices	27%	29%	11%	33%	25%	21%
More of the same old political dealings	62%	61%	67%	56%	65%	66%
(VOL) Some of both	5%	5%	12%	5%	5%	5%
(VOL) Don't Know	6%	6%	9%	6%	5%	7%
Unwtd N	695	633	62	223	257	191

TREND:	March 2008	April 2006
Product of tough, thoughtful choices	27%	32%
More of the same old political dealings	62%	60%
(VOL) Some of both	5%	n/a
(VOL) Don't Know	6%	7%
Unwtd N	695	613

[NOTE: The following question was asked only of those who heard "a lot" or "a little" about the governor's budget plan and was asked of a random sub-sample: moe=+/-4.8%]

6A. Do you think the governor's budget **reduces state spending** too much, too little, or just enough?

Among those aware of plan:	TOTAL	REG VOTER		PARTY ID		
		Yes	No	Dem	Ind	Rep
Too much	26%	23%	49%	26%	26%	20%
Too little	44%	47%	21%	38%	45%	55%
Just enough	18%	17%	23%	22%	17%	12%
(VOL) Don't know	13%	14%	7%	15%	12%	12%
Unwtd N	425	386	39	140	162	108

[NOTE: The following question was asked only of those who heard "a lot" or "a little" about the governor's budget plan and was asked of a random sub-sample: moe=+/-6.0%]

6B. In your opinion, does the governor's budget **reduce waste, fraud and abuse** by a lot, a little, or not at all?

Among those aware of plan:	TOTAL	REG VOTER		PARTY ID		
		Yes	No	Dem	Ind	Rep
A lot	4%	4%	1%	3%	2%	7%
A little	39%	39%	41%	45%	36%	34%
Not at all	46%	47%	39%	38%	54%	56%
(VOL) Don't know	10%	9%	18%	15%	9%	3%
Unwtd N	270	247	23	83	95	83

[NOTE: The following question was asked of a random sub-sample: moe=+/-4.4% n=489; 5.5% n=316]

7. I'm going to read you a number of proposals included in the budget plan. Please tell me whether you approve or disapprove of each. [ITEMS WERE ROTATED]

	Approve	Disapprove	(VOL) Don't know	(n)
Eliminating property tax rebate checks for those who earn over \$150,000	59%	39%	2%	(489)
Eliminating pensions for part-time state workers	53%	42%	5%	(489)
Reducing the amount of property tax rebate checks for those who earn between \$100,000 and \$150,000	52%	43%	5%	(316)
Reducing the state work force by 3,000 employees, mainly through an early retirement program	51%	43%	7%	(316)
Reducing state aid to towns with fewer than 10,000 residents to encourage consolidation and shared services	46%	48%	5%	(489)
Eliminating nearly all state aid to towns with fewer than 5,000 residents to encourage consolidation and shared services	39%	54%	7%	(316)
Eliminating the state Commerce Commission	28%	42%	30%	(316)
Cutting back hours for state parks and motor vehicle agencies	27%	70%	4%	(316)
Eliminating the Department of Agriculture	22%	73%	5%	(489)
Reducing state funding to hospitals to provide health care for the poor	22%	74%	3%	(489)

[NOTE: The following question was asked of a random sub-sample: moe=+/-4.4% n=489; 5.5% n=316]

8. Now, I'm going to read you some other proposals to reduce the state budget. Please tell me whether you approve or disapprove of each. [ITEMS WERE ROTATED]

	Approve	Disapprove	(VOL) Don't know	(n)
Conducting an independent audit of every state department	76%	20%	3%	(489)
Limiting public employees with multiple jobs so that they are eligible for a pension from only one of those jobs	70%	26%	4%	(316)
Making state workers contribute more for their health benefits	59%	36%	5%	(489)
Having all newly hired government employees use a 401-K plan rather than receive a set pension when they retire	52%	37%	11%	(316)
Eliminating payments for unused sick leave given to state workers when they retire	47%	48%	5%	(316)
Reducing pensions for government workers	39%	54%	8%	(489)
Eliminating the property tax homestead rebate program except for seniors and the disabled	37%	60%	3%	(316)
Raising the sales tax one percent	23%	76%	1%	(489)

9. Some say that municipalities will need to make drastic cuts in services or raise property taxes in order to make up for losses in state aid. Others think municipalities can make enough cuts in their local budgets without reducing the quality of services or raising taxes. Which comes closer to your view?

	TOTAL	REG VOTER		PARTY ID			SIZE OF TOWN			
		Yes	No	Dem	Ind	Rep	<10,000	10,000 to 24,999	25,000 to 49,999	50,000+
Cuts and tax raises are necessary	23%	24%	17%	20%	23%	28%	28%	28%	20%	14%
Towns can make cuts	67%	67%	67%	69%	69%	65%	59%	66%	69%	76%
(VOL) Don't know	10%	9%	16%	11%	8%	8%	12%	7%	11%	10%
Unwtd N	805	719	86	261	302	210	174	211	215	130

10. In order to avoid service cuts or keep property taxes from increasing, how willing would you be to have your town share services such as fire or police with a neighboring town – very, somewhat, not too, or not at all willing?

	TOTAL	REG VOTER		PARTY ID			SIZE OF TOWN			
		Yes	No	Dem	Ind	Rep	<10,000	10,000 to 24,999	25,000 to 49,999	50,000+
Very willing	36%	38%	23%	34%	39%	40%	38%	42%	36%	34%
Somewhat willing	35%	35%	35%	35%	33%	37%	38%	33%	39%	31%
Not too willing	7%	6%	9%	8%	5%	5%	7%	7%	3%	10%
Not at all willing	20%	18%	27%	20%	21%	15%	13%	19%	20%	22%
(VOL) Don't know	3%	2%	7%	2%	2%	4%	4%	0%	2%	3%
Unwtd N	805	719	86	261	302	210	174	211	215	130

TREND:	March 2008	July 2006*
Very willing	36%	41%
Somewhat willing	35%	29%
Not too willing	7%	7%
Not at all willing	20%	23%
(VOL) Don't know	3%	1%
Unwtd N	805	407

* Note: July 2006 question wording: "In order to achieve a significant reduction in property taxes, how willing would you be to accept the following solutions: Sharing emergency services such as fire or police with a neighboring town?"

[NOTE: QUESTIONS 11 AND 12 WERE ROTATED]

11. Do you agree or disagree that sharing or merging key municipal services such as fire or police can significantly reduce property taxes?

	TOTAL	REG VOTER		PARTY ID			SIZE OF TOWN			
		Yes	No	Dem	Ind	Rep	<10,000	10,000 to 24,999	25,000 to 49,999	50,000+
Agree	44%	45%	36%	43%	46%	45%	44%	46%	43%	43%
Disagree	45%	45%	47%	45%	44%	46%	44%	45%	41%	52%
(VOL) Don't know	11%	10%	17%	13%	10%	9%	12%	9%	17%	5%
Unwtd N	805	719	86	261	302	210	174	211	215	130

12. Do you agree or disagree that sharing or merging key municipal services such as fire or police would lead to a significant reduction in the quality of those services?

	TOTAL	REG VOTER		PARTY ID			SIZE OF TOWN			
		Yes	No	Dem	Ind	Rep	<10,000	10,000 to 24,999	25,000 to 49,999	50,000+
Agree	41%	42%	34%	43%	40%	42%	47%	31%	40%	48%
Disagree	52%	52%	50%	48%	52%	53%	49%	62%	50%	46%
(VOL) Don't know	8%	6%	15%	9%	8%	4%	4%	7%	10%	6%
Unwtd N	805	719	86	261	302	210	174	211	215	130

13. Which do you think would produce a bigger savings in property taxes – consolidating towns or consolidating school districts?

	TOTAL	REG VOTER		PARTY ID			SIZE OF TOWN			
		Yes	No	Dem	Ind	Rep	<10,000	10,000 to 24,999	25,000 to 49,999	50,000+
Towns	30%	27%	43%	32%	30%	28%	27%	24%	34%	35%
School districts	45%	47%	32%	43%	45%	53%	46%	52%	39%	46%
(VOL) Both equally	7%	6%	10%	9%	5%	4%	6%	7%	7%	4%
(VOL) Neither	7%	7%	2%	5%	8%	6%	7%	6%	6%	6%
(VOL) Don't know	12%	12%	14%	11%	13%	8%	14%	11%	13%	9%
Unwtd N	805	719	86	261	302	210	174	211	215	130

The *Monmouth University/Gannett NJ Poll* was conducted and analyzed by the Monmouth University Polling Institute research staff. The telephone interviews were collected by Braun Research on March 4-6, 2008 with a statewide random sample of 805 adult residents. For results based on the total sample, one can say with 95% confidence that the error attributable to sampling has a maximum margin of plus or minus 3.5 percentage points. Sampling error increases as the sample size decreases, so statements based on various population subgroups, such as separate figures reported by gender or party identification, are subject to more error than are statements based on the total sample. In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls.

It is the Monmouth University Polling Institute's policy to conduct surveys of all adult New Jersey residents, including voters and non-voters, on issues which affect the state. Specific voter surveys are conducted when appropriate during election cycles.

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