# REMARKS BY ROBERT M. CZECH, CHAIR/CEO OF THE NEW JERSEY CIVIL SERVICE COMMISSION, TO THE NJ PROFESSIONAL FIREFIGHTERS' ASSOCIATION ANNUAL CONFERENCE, JUNE 2, 2011

Good morning, and thank you for inviting me to address you.

Let's start out with some housekeeping details.

* We've recently completed the 2010/2011 Fire Chief exam for Camden, Clifton, East Orange, Elizabeth, Florence, Margate, Plainfield and Ridgewood, and are awaiting Department of Justice review of the results. We expect to release the lists by the end of the summer.

* The oral exam for deputy chief in Atlantic City, Camden, Margate, Teaneck, and Wildwood was administered last week.

* The Battalion Fire Chief lists for numerous jurisdictions were issued on August 25, 2010, with the next announcement scheduled for February 1, 2012.

* Second level supervisor oral tests are slated for mid-June, and the next announcement will be issued on August 1 with the written test tentatively set for this winter. Lists were issued in April for several first level supervisor jurisdictions; the next announcement will likewise be on August 1 with testing to follow by the end of the year.

* The current entry level cycle continues with physical performance tests through the end of this month. Details are available on the Civil Service website, www.state.nj.us/csc, and a limited number of paper copies will be available at the back of the hall on your way out.

Quite a few of the towns in these lists are so-called consent-decree jurisdictions, and therein lies a big reason why hiring is slow, particularly in those municipalities.

As some of you may know, twelve New Jersey towns have been operating under minority hiring goals set by the federal Department of Justice in 1980. That's five United States Presidents and six New Jersey Governors (eleven if you count acting Governors) ago. Even by government standards, that's a long time for a temporary program.

This state of affairs stems from the fact that, while the agreement outlines the targets the municipalities must reach, it does not provide for either a statistical or a chronological sunset of the decree. Thus, like the Energizer bunny, it just keeps going… and going… and going.

Now, the initial goal of the consent decree was to encourage hiring and promotion in fire departments that more closely resembled the racial and ethnic makeup of the communities they serve. To do this, the United States Department of Justice took an active part in the process. This has a direct effect on you, the firefighters. Every hiring decision, every promotional decision, in the consent decree towns must be run through the DOJ. A simple promotion can stretch into an 18-month process.

Compliance with the consent decree requirements is time-consuming and costly. It requires towns to actively recruit members of the subject classifications, train those candidates who are to take the written and physical performance tests, identify and train the trainers, and set-up and maintain a physical performance test facility.

A look at recent numbers suggests that, in a few cases, it may be time to revisit the goals and lift the consent decree in those municipalities that have met or exceeded the requirements of the DOJ.

For instance, from 1989 through February 2010, over 85% of the firefighters hired by the City of East Orange were minorities. The consent decree goal was 60%, meaning the city exceeded the requirements by more than one-quarter. Plainfield exceeded its goal by 29%; Camden by 21%; and Passaic by ten percent.

In these communities, the reason for the consent decree has been met. But the towns are still burdened by the bureaucratic baggage.  Instead of actively recruiting and hiring new staff, many may be taking the path of least resistance and leaving slots open until they can no longer deny the need. For example, during the current period of financial and budgetary problems, towns have resisted the costs attached to setting up the pre-test process, including the physical test facility.

Moving on to the big picture beyond our state's borders, these past two months have seen the efforts of professional firefighters and rescue workers come to the forefront in Joplin, Missouri and throughout the Midwest. These major disasters, of course, grab the headlines, but they should not obscure the hazards you face and the bravery you exhibit every day in our communities.

Wherever you go in the nation, you meet men and women ready and willing to take the risks others shun. You are a constant throughout this great land, a fellowship of service and sacrifice.

As firefighters, you are acutely aware of the need for preparation and prevention. You can go into a home or a business, scan the space, and immediately identify the signs of a potential disaster. Reading those signs in advance and taking the necessary steps to remedy the issue saves money, property, and lives.

Unfortunately, over the past few years we have been reading the signs in America's financial house, and those of its states and counties and towns, and they aren't encouraging. Flammable materials are piled up in the corners. Potential flash points are cropping up daily. And, most troubling of all, we are blocking a lot of the exits.

These are not questions of politics or ideology. They are questions of numbers. They affect all of us, whether we are employees or management, union or non-union, elected officials or taxpayers. A stagnant national economy is playing havoc with government budgets, squeezing tax receipts and driving up the costs of goods and services necessary to keep things running.

The effects are two-fold: First, continued high unemployment figures depress all sectors of the economy, including the public sector. Even those who remain employed tend to pull back on spending and investment. A recent survey conducted by Monmouth University shows that 38% of New Jerseyans are concerned that someone in their household will be out of work in the coming year.

Second, and more critical to local government spending, the continuing economic doldrums are eroding property values. Across the nation, property tax revenues are taking a beating as tax valuations drop, foreclosures increase, and tax appeals multiply.

Once again, this national phenomenon is hitting home in New Jersey. Since 2007, property tax valuations have dropped in the consent decree municipalities of Newark, Jersey City, Paterson, Atlantic City, East Orange, Passaic, Plainfield, and New Brunswick. The trend is not limited to the consent towns, either – we’re seeing it across the board in communities of all sizes and wealth.

The national foreclosure epidemic abated somewhat in the first quarter, but the numbers remain at crisis levels. New Jersey has been keeping statistics of homes foreclosed every quarter since mid-2009. A gradual slope downward from the highs two years ago was abruptly ended in the fourth quarter of 2010, when the numbers spiked alarmingly.

Most telling is the increase in property tax appeals. These offer a window into what the taxpayer is thinking and feeling, and the feeling is not good. In Union County, for instance, the number of appeals climbed from 717 in 2007 to 3,104 last year. Over the same period, Atlantic County jumped from 595 to 7,663 and Hudson County from 895 to 7,763.

All these numbers track throughout the Garden State, and reflect Monmouth University poll findings that 82% of New Jerseyans believe the economic times are bad in the state, and only 15% give things a thumbs-up.

These outside forces are, in themselves, enough to back our taxpayers and municipalities into a corner. But they are not the only challenges we face. Governor Christie is doing what he can in New Jersey to keep and attract new business investment and he has had some success in this regard. But without a growing national economy, the task is more difficult.

There is no doubt that the fiscal pie is shrinking, with no end in sight. Municipal managers still have to make payroll, pay for garbage removal and road repair, maintain public facilities, and fuel and maintain fleets of public vehicles. If these were the only rising costs, the problem would be acute. But they are not.

A perfect storm in municipal budgets is brewing and threatens to erupt in the very near future. Pension and health care benefits set in place when times were good are coming due. The baby boom generation is readying for retirement just as the pool of funds is rapidly contracting.

Using our twelve consent decree towns as an example, fire and police pension costs are projected to rise more than 29% between fiscal years 2010 and 2012. The ensuing hurricane will force towns trying to meet the benefit burden to choose between slashing services and payrolls or raising taxes.

As we have seen, the latter is an unlikely option, since taxpayers are already stretched to the breaking point. Only 33% of those quizzed in the Monmouth U. poll say that the services they receive are worth what they pay. Sixty-four percent say they are not.

Reform of pension and health plans, including increased contributions, is necessary to weather the storm. Without strong and swift action, more jobs will be lost as managers try to balance spending on operations and on benefits. Eventually, the whole system will collapse as unfunded commitments outstrip government's ability to pay them.

There is, however, one major factor that we have not yet addressed that holds the key, not only to these short-term difficulties, but to the future health of our national economy.

It's said that a rising tide lifts all boats. A rising economy generates increased investment, which in turn creates jobs and enhances tax receipts. Yet as a nation we seemingly are doing all we can to stifle growth and innovation in our private sector. Hundreds of billions of dollars in so-called stimulus money raided the taxpayers' coffers to no appreciable effect. Continued over-regulation and over-taxation have encouraged investors to take their dollars overseas. Yet, in spite of all the pain, our government in Washington continues to ratchet up the spending – and deficits – to heights we could not have imagined even a decade ago. Unlike Washington, Governor Christie has moved our state toward lower spending.

Make no mistake – we are all in this together. It's time we told Washington to stop with the quick fixes and gimmicks and to take the simple, solid steps that time and again have gotten the economy going again.

* Instead of pouring tax dollars into pork-barrel stimulus grants and loans, enact a tax code that rewards investment and job growth as opposed to penalizing it.

* Reduce the regulatory burden on the development and production of needed resources, energy, manufacturing, and finance.

* And, for heaven's sake, stop the spending. Let Congress know that you want real fiscal sanity and reform now – that you expect them to handle the nation's finances as responsibly as you handle your family's. How much more can you borrow before you suck all the life out of the economy?

There is no doubt that we face difficult times. But this I can promise – despite the continuing national issues, despite reductions in the state budget, the Civil Service Commission remains confident in its mission to

* Attract and retain a high-quality, diverse workforce,

* Administer an equitable and expeditious dispute resolution process;

* Provide classification, compensation records management and layoff administration services; and

*Provide strategic, operational and technical support on a wide range of issues related to the Civil Service system.

Thank you for inviting me to speak this morning, and, especially, thank you on behalf of the Governor and the people of New Jersey for your dedication, service and courage every day.