



## The Star-Ledger

### The governor's big lie about small towns

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With his new budget, Gov. Jon Corzine is trying to pull the same stunt on residents of small towns that he tried to pull on drivers using toll roads.

The governor's gimmick is to make a class of people, preferably those with minimal political clout, bear the financial burden for the rest of the state.

In the case of drivers using the toll roads, they already pay tolls to cover the cost of the roads they're driving on. They also pay a gas tax to cover the cost of other roads. Corzine wants to soak them even further by raising their tolls to offset debt resulting from out-of-control state spending.

We saw a variation on that theme in the governor's new budget, which cuts state aid to small towns. The residents of small towns already pay property taxes to support their local government. They also pay income tax, most of which goes to support urban schools. And they pay sales tax as well. When Corzine raised that tax last year, he promised property tax relief would follow.

We now know how much that promise is worth. Instead of increasing state aid in the suburbs, Corzine last week announced that he will eliminate it for towns under 5,000 in population. Hell cut it in half for towns under 10,000.

The theory behind this is that those small towns are inefficient and should merge. That sounds logical -- until you look at the numbers.

Consider Bergen County. Bergen is often used as the poster boy for consolidation because it is divided into 70 municipalities. But how many of those towns have a higher per-capita cost of government than the largest city in the state, Newark?

One. And that's Teterboro, which is really an airport, not a town. As for the other 69 towns in Bergen, they're all run more efficiently than Newark, which has a per-capita cost of \$5,197 per person. Paterson and Elizabeth aren't far behind Newark, and all are far above the state average of about \$3,200 a year.

As for the small towns Corzine wants to eliminate, their per-capita costs are about average. Star-Ledger reporter Robert Gebeloff has assembled an excellent database of all 566 municipalities that you can peruse at [www.nj.com](http://www.nj.com). Look up your town and see where it ranks, especially in the area of state aid.

State aid -- or the lack of it -- is a major reason for high property taxes. Newark gets so much aid that homeowners there pay a mere 5 percent of the cost of government. But if you live in the typical town in Morris County, for example, you're probably paying 60, 70 or 80 percent of the cost of government in your property taxes. The reason property taxes are high in Morris is not that the cost of local government is high. It's that state aid is low -- and getting lower if Corzine has his way.

"We usually pay more than a billion a year in income taxes, yet we get back less than \$150 million in school aid," says Assemblyman Rick Merkt, a Republican who represents Morris. "Fifteen percent is a bad return."

Indeed it is. School aid is the primary form of property tax relief funded by the income tax. But thanks to the state Supreme Court's Abbott decision, more than half of that aid goes to 31 "special needs" school districts. Yet the lion's share of the state's proposed \$1.8 billion in municipal aid also goes to the cities.

Don't worry, small-town residents, the gov's got a plan. No, he's not going to give you an equal share of school aid. Instead he's going to cut your municipal aid. The theory is that the loss of that aid will cause your town to merge with the next town.

This is not likely, for a simple reason: Most small towns get so little state aid that there's not much Corzine

can do to hurt them. The 323 towns under 10,000 population would lose a total of just \$37 million, a blip in the state budget. Steve Lonegan, the one-time Republican gubernatorial contender who has been the prime force in opposing the toll plan, said he sees the attack on small towns as just another effort by Corzine to push unionization.

"His motto is 'Workers of the world, unite!'" Lonegan said of Corzine. Lonegan notes that if his hometown of Bogota in Bergen County were to be absorbed into neighboring Teaneck, the volunteer fire company would be replaced by unionized firefighters. And that cost alone would offset any savings.

"One lieutenant in Teaneck's fire department costs more than the entire operation of my entire volunteer fire department," said Lonegan, who was mayor of Bogota until this year.

If Corzine were sincere about cutting costs, he'd be targeting the big spenders in the cities. Instead he's targeting the people in small towns who pay the bills. But like those toll-road users, small-town residents have cars. No wonder they're fleeing the state.

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