



News Release

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NEW JERSEY TAXPAYERS ORGANIZATION ENDORSES CAMDEN COUNTY GOVERNMENT'S PROPOSAL TO PRIVATIZE COUNTY PRISON

Randolph, NJ – March 10, 2010 – With the daily reports of ever increasing public employee costs and abuses, the New Jersey Taxpayers Association supports the Camden County Freeholders recent decision to pursue the privatization of the county's public prison system. In an ideal world the move might not be necessary however New Jersey and the 1600 public entities that make up the state's governing bodies can no longer maintain the status quo.

Who's to blame can be argued, justifiably, on many levels but at the end of the day it simply doesn't matter and we must move on to a sustainable management structure.

In this case the facts are: It currently costs Camden County taxpayers \$60 million a year – roughly 20 percent of the total budget-- to operate and operating costs are increasing by about 5 percent a year. That is unsustainable. In addition the taxpayers are facing potential upgrade costs of \$50 million to bring the facility infrastructure up to current standards.

The County has conducted several studies by jail experts and consultants that confirmed the untenable situation and now it is time to act to relieve the taxpayers' burden. Savings of between \$5-10 million a year are anticipated and given those numbers maintaining the current government run system cannot be justified.

Understandably the local and state PBAs are opposed to privatization, but as is the case across the state past mistakes in fiscal oversight have lead to this point. Change is difficult but inevitable. Just like our nation's difficult transition in a global economy, we all must come to recognize that the old ways must end. Everyone is going to have to understand "cost-plus" no longer works in the public sector when every dollar expended must be justified with an offsetting, demonstrable, return on investment.

Jerry Cantrell, NJTA President stated, "Any reasonable thinking person had to expect the out of control spending would lead to this point eventually and the besieged taxpayers have had it." If the

county workers want to compete then their leaders must be willing to accept the realities that the same services are available in the private sector for less. It is what it is.

From the taxpayers' perspective competition is good and in this case can provide the same service at 8-17% savings day one. Given the on-going growth in costs in the public versus private sectors, including benefits (healthcare/pensions) the savings will escalate exponentially as the years pass.

Cantrell added, "Let's accept the pain necessitated by past failures to act prudently and understand that we are all in for a prolonged period of sacrifice. And the sooner we get on the road to recovery the better off we'll all be.

As was previously documented in NJTA's October 15, 2009 press release, the continuing escalation in state and local worker pension benefits is virtually bankrupting the state all by themselves.

Cantrell continued "We are deeply concerned with the lack of fiscal responsibility exhibited across the state and are proud to stand up to forces that are clearly not working on behalf of the besieged and overburdened taxpayers whose interests continue to be trampled on."

Further, "It's the irrational actions that have become the norm and led to New Jersey's highest tax ranking in the nation resulting in stagnant job growth and declining business climate. It is imperative that we end the systematic political division of New Jersey's citizens. We must demand change in order to survive."

About the New Jersey Taxpayers Association

The New Jersey Taxpayers Association is a nonpartisan statewide grass roots organization dedicated to achieving real and sustainable tax reform in New Jersey. The organization's efforts are aimed at improving the quality of life in New Jersey, for all its citizens, by holding our elected officials and administrators personally accountable for sound fiscal management of governmental institutions, organizations and precious tax dollars. The NJTA is committed to Excellence in Government while ensuring that elected officials are fulfilling their fiduciary responsibilities to the state and local institutions and the citizenry at large. For more information, or to become a member of NJTA, please visit our website www.njtaxes.org or contact Jerry Cantrell at 973.252.9274 or email jcantrell@njtaxes.org.