

EXECUTIVE ORDER NO. 17

WHEREAS, the current fiscal emergency confronting the State of New Jersey ("State") requires that all areas of public expenditures be carefully scrutinized for waste, inefficiency, and where appropriate, savings that may be achieved through privatization; and

WHEREAS, all levels of government must commit themselves to fiscal reform and to furthering the economic well-being of the State's overburdened taxpayers; and

WHEREAS, it is imperative that delivery of programs and services throughout all levels of government be analyzed and re-evaluated to achieve the greatest measure of effectiveness and efficiency, while maintaining the highest quality of governmental services; and

WHEREAS, efficient, cost-effective government will benefit and enhance the State's economy, restore depleted public confidence, and allow for the continued delivery of important programs; and

WHEREAS, the New Jersey State Constitution requires the Governor to take care that the laws of this State be faithfully executed, N.J.Const. (1947) Article V, Section 1, Paragraph 11, including ensuring compliance with the constitutional mandate that a balanced State budget be maintained, N.J.Const. (1947) Article VIII, Section 2, Paragraph 2; and

WHEREAS, as Governor, I have the responsibility and the authority to ensure that State government and its various agencies and instrumentalities operate as efficiently and as effectively as possible; and

WHEREAS, numerous State executive branch agencies and independent authorities presently administer aid and grant

programs that provide billions of dollars annually in funding to local governments and school districts; and

WHEREAS, in light of the currently dire fiscal circumstances confronting the State, it is essential that all government operations in New Jersey, including executive branch agencies, State and local independent authorities, local and county governments, and school districts, be subjected to a fresh, candid, and independent examination that is focused on achieving significant efficiencies and cost-savings in the near term; and

WHEREAS, such a review should be conducted by individuals drawn from outside of government who possess the expertise, experience, and skills required to conduct a fair and independent evaluation of how privatization of certain functions currently being performed by government can most effectively meet the numerous competing demands placed on the State and local units; and

WHEREAS, based on my review of hundreds of options presented to me for potentially balancing the FY 2011 budget, it has become clear that widespread implementation of common-sense efficiencies in those areas of the budget where cuts are realistically achievable, such as personnel savings, has been hindered by legal impediments, many of which were needlessly self-imposed by the prior administration; and

WHEREAS, for example, as part of a perceived budget solution, the previous administration agreed to an unreasonable "memorandum of agreement" ("MOA") that purports to prevent the State from taking common sense management approaches to achieve personnel efficiencies in the near term; and

WHEREAS, in this regard, while a significant component of the annual appropriations act supports state employee salaries and benefits, the MOA further purports to limit the managerial flexibility of the State with respect to employee furloughs and layoffs and to penalize the State in the event that furloughs or layoffs are implemented in response to the current fiscal emergency; and

WHEREAS, delaying previously negotiated wage increases until after the end of the prior administration has resulted in the State having reduced flexibility to manage its workforce and effectively increased the costs that will be associated with achieving near-term savings by ensuring rounds of litigation in order to preserve basic managerial prerogatives with respect to the size and composition of the State workforce; and

WHEREAS, precisely at a time when the State most urgently needs flexibility to manage its wage and salary payments and the size of its workforce, the MOA needlessly purports to limit the State's ability to manage its escalating wage and salary costs, while simultaneously preventing meaningful managerial control of the State workforce;

NOW, THEREFORE, I, CHRIS CHRISTIE, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. There is hereby created a New Jersey Privatization Task Force, hereinafter referred to as the Task Force.

2. The Task Force shall consist of five (5) members appointed by the Governor who shall serve at his pleasure. The Governor shall select a chairperson from among the members of

the Task Force. All members of the Task Force shall serve without compensation. The Task Force shall organize as soon as practicable after the appointment of its members.

3. The Task Force is charged with developing recommendations for the Governor for a comprehensive approach regarding the privatization of State and local services in light of the State's current fiscal condition. In developing its recommendations, the Task Force shall carefully consider the current fiscal emergency, the necessity of achieving reforms and savings in Fiscal Year 2011, the State's long-term economic interests, and this Administration's commitment to ensuring that the State's resources are managed responsibly for the benefit of the citizens of New Jersey. The Task Force shall focus on a number of critical issues, including: (a) which government functions are or may be appropriate for privatization; (b) current legal and practical impediments to privatization; (c) ensuring that the scope and quality of services is not inappropriately diminished; and (d) such other matters as may be referred to the Task Force by the Governor.

4. The Department of the Treasury shall provide staff support to the Task Force. The Task Force shall be authorized to call upon any department, office, division, or agency of this State to supply it with any information, personnel, or other assistance available as the Task Force deems necessary to discharge its duties under this Order. Each department, office, division, and agency of this State is hereby required, to the extent not inconsistent with law, to cooperate fully with the Task Force within the limits of its statutory authority and to furnish the Task Force with such assistance on as timely a basis as is necessary to accomplish the purposes of

this Order. The Task Force may consult with experts or other knowledgeable individuals in the public or private sector on any aspect of its mission.

5. In formulating its recommendations pursuant to this Order, the Task Force may elicit public input from individuals, organizations, community groups, and other interested parties.

6. The Task Force may report to the Governor from time to time and shall issue a final report to the Governor setting forth the Task Force's recommendations pursuant to this Order no later than May 31, 2010. The Task Force shall expire upon the issuance of its final report.

7. The final report of the Task Force shall be provided to the Legislature and shall be made available to the public.

8. This Order shall take effect immediately.

GIVEN, under my hand and seal this
11th day of March,
Two Thousand and Ten, and
of the Independence of the
United States, the Two
Hundred and Thirty-Fourth.

/s/ Chris Christie
Governor

[seal]

Attest:

/s/ Jeffrey S. Chiesa
Chief Counsel to the Governor