

Garden State Initiative is building a future for New Jersey that is affordable and prosperous



**2019 Year-end Update & Look Ahead**

# A Message from Regina M. Egea

## President, Garden State Initiative

Dear Friends:

The first step to solving any problem is to recognize and define the problem. From there you can move towards proposing and implementing solutions.

That's the path that the Garden State Initiative has steadfastly pursued in 2019 and looks to advance in 2020.

Through our research and analysis we have clearly established that New Jersey is falling behind. We're in a competition with 49 other states and are losing in our efforts to retain and attract residents and business. Our independent research has shown we can do better.

As you will see in the pages of this report our message is gaining traction with the media, policymakers and general public.

We've demonstrated that there is a road to restore our state to what it once was. GSI presents an alternative vision of a New Jersey that is prosperous and again seen as a beacon of opportunity across our region and the country.

I'm optimistic about the future of our state and I hope you are too. In 2020, we will build on the successes of 2019 and keep the momentum to move our state forward on that vision.

To learn more about how you can support our efforts, please visit our website, [GardenStateInitiative.org](http://GardenStateInitiative.org), or contact me at: [contact@gardenstateinitiative.org](mailto:contact@gardenstateinitiative.org). Please be sure to "like" our page on Facebook at [@GardenStateInitiative](https://www.facebook.com/GardenStateInitiative) and follow us on Twitter [@GSI\\_NewJersey](https://twitter.com/GSI_NewJersey).

I will look forward to hearing from you!

*Regina M. Egea*



# 2nd Annual Policy Forum Focuses on Economy & Reform

In just its' second year, GSI's Economic Policy Forum emerged as a must-attend event for public officials, journalists, policymakers and those seeking to influence the direction of our state.

On May 9th in New Brunswick, an audience of over 100 attended an interactive discussion of our state's competitiveness and alternative ideas to improve NJ's business climate, affordability and reigning in the size and cost of government.



Moderated by Rhonda Schaffler, NJTV News business correspondent, the forum opened with a presentation from Andrew Haughwout, SVP and Policy Leader in the Research and Statistics Group at the Federal Reserve Bank of New York on the state of New Jersey's economy relative to the region.

The presentation was followed by a discussion on New Jersey's business climate featuring Senator Declan O'Scanlon (R), himself a business owner, and Paul Harencak, Vice President of LPS Industries, a leading manufacturing firm based in Moonachie, and board member of the Commerce and Industry Association of New Jersey (CIANJ).

The final segment of the event focused on the potential to reduce local and state government spending in the state with Senate President Steve Sweeney (D) and Senator Steve Oroho (R) discussing the upcoming state budget and elements of the Fiscal Working Group's Path to Progress proposals to reform state spending. The senators were joined by Henry Amoroso, Executive

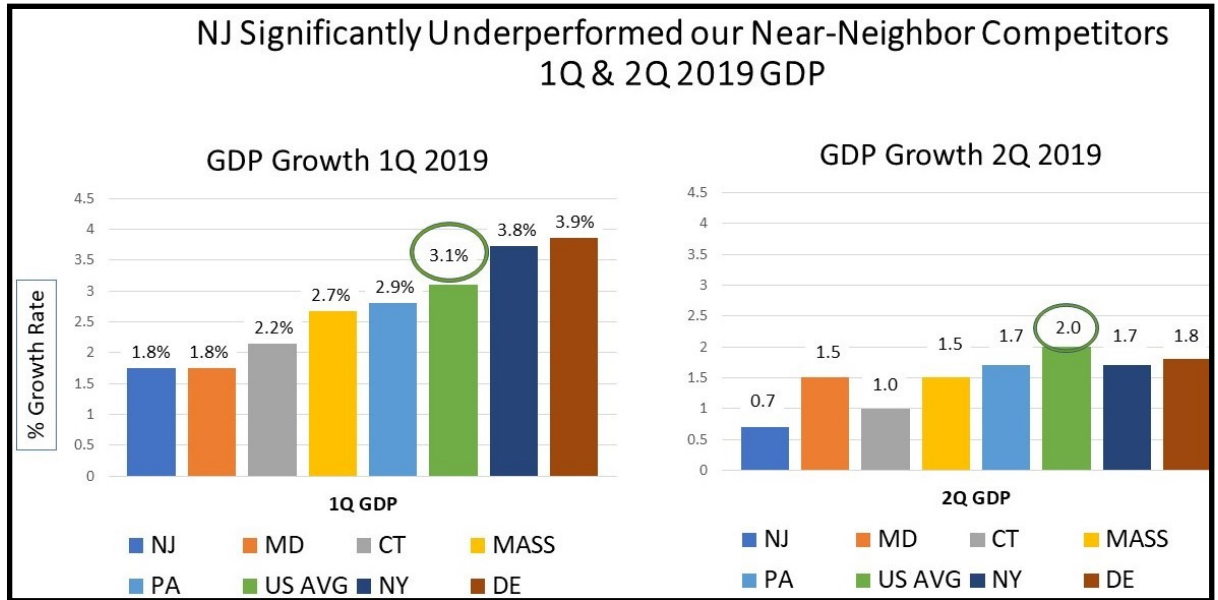
Director of HJA Strategies, who discussed GSI's "Adding It All Up" series on the cost of New Jersey's government and solutions to reform government spending.

Details on the 3rd annual forum will be released in early 2020.

# Timely Analysis of Issues Impacting New Jersey's Future

In 2019, GSI further cemented its reputation for timely analysis of issues impacting the state by issuing several new reports contrasting New Jersey's performance with our competitor states. With analysis by Dr. Charles Steindel, New Jersey's former Chief Economist and Resident Scholar at the Anisfield School of Business at Ramapo College, GSI now issues [analysis of the quarterly Gross Domestic Product \(GDP\) data](#) issued by the U.S. Bureau of Economic Analysis.

Dr. Steindel's analysis of the Q2 GDP report, found that New Jersey's 0.7% growth ranked a dismal 48th across the 50 states; only Maine and Hawaii were lower. In the region, New Jersey trailed New York (1.7%), Pennsylvania (1.7%) and Delaware (1.8%) whose economies grew at more than double the rate of New Jersey's. The only nearby state with second quarter growth in the vicinity of ours was Connecticut, which grew at a 1.0% annual rate. The second quarter performance sustains a weak trend that saw our state rank 49th in Q1 GDP.



In addition to the GDP report, Dr. Steindel also offered an [analysis of employee compensation data](#) from the U.S. Bureau of Labor Statistics which illustrates some dramatic differences in compensation costs between the public and private sectors. While it is less surprising that government costs for retirement and medical benefits far exceed the private sector, the 50% differential in cost in New Jersey versus the rest of the US was startling.

The additional reports produced by GSI, accompanied by our existing analysis of the monthly jobs report issued by the state's Department of Labor and Workforce Development and as well as quarterly analysis of the revenue report issued by the state's Department of the Treasury continue to establish GSI as a go-to source for independent research and analysis.

# Adding it All Up: An Impartial Look at New Jersey's \$117 Billion Government

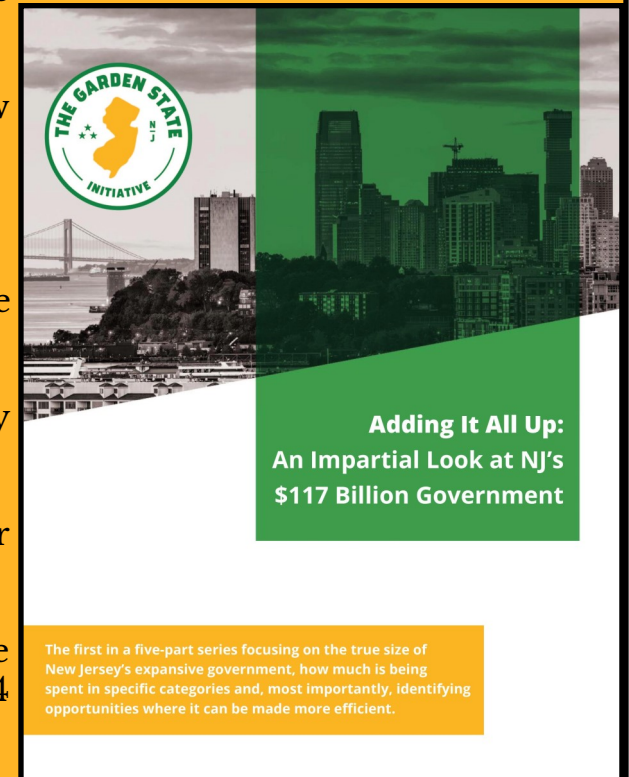
In January, GSI released *Adding It All Up: An Impartial Look at NJ's \$117 Billion Government*, the first in a multi-part series focusing on the true size of New Jersey's expansive government, how much is being spent in specific categories and, most importantly, identifying opportunities where it can be made more efficient. To read a copy of the report, click on the image at right.

The first installment was dedicated to capturing the true size and cost of New Jersey's government.

Some key takeaways from the report:

- The consolidated cost of government services in NJ is \$117 billion – triple the size of the annual state budget.
- That \$117 billion funds 1,522 government entities – one government entity for every 6,000 New Jersey residents.
- At 22%, public employee benefits are the largest expenditure category for the state – well exceeding health care and transportation.
- Property tax collections of \$28 billion account for 24% of all revenue collected and dwarf the next two largest revenue sources, which are the \$14 billion each from Income Tax and Federal Aid.
- With the raging debate regarding NJ's total tax burden GSI is not looking to take an axe to indiscriminately cut spending, but rather, offering practical solutions that will maintain the quality of services offered and save \$1 billion tax dollars.

The series of reports were researched and authored by PEL Analytics, a leading policy research firm. The report, which was published as an exclusive in NJSpotlight, received significant media coverage and sparked interest from policymakers and policy influencers.



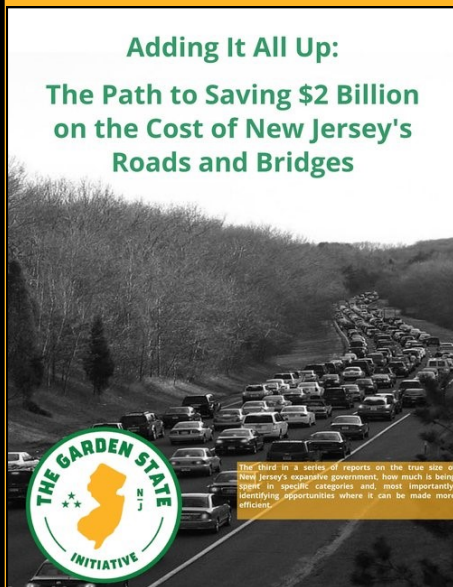
# Adding It All Up: Offering Policymakers Real Solutions

Following the initial success of the foundational *Adding It All Up* report, in 2019, GSI issued two additional reports in the series; in March, focusing on achieving \$200 million in annual savings on school transportation costs; and in August, a report on \$2 billion in savings on the cost of New Jersey's roads and bridges.

In *Adding it All Up: New Jersey's Opportunity to Reduce \$200 Million in School Transportation Costs*, we conducted a data-driven analysis on the state's student transportation expenses and issued recommendations to achieve savings of \$200 million.

At a cost of \$1.2 billion, New Jersey transports nearly three quarters of a million students daily at an average cost of \$1,508 per pupil, representing one of the largest outside-the-classroom costs for hundreds of school districts.

The report, which can be read by clicking the image at right, includes a model to compare districts on a level playing field and best practices employed by other states.



In *Adding It All Up: The Path to Saving \$2 Billion on the Cost of New Jersey's Roads and Bridges*, GSI undertook a data-driven analysis of our investments in our state's roads and bridges and identified \$2 billion in savings that can be reinvested for tangible improvements to our state's infrastructure. Click on the image at left to read the report.

When adjusted for the state's population density and general costs of doing business, the results of this analysis shows that New Jersey far outspends 7 peer states in the Mid-Atlantic/New England region when it comes to core transportation services per state-controlled lane mile. New Jersey spends over \$238,000 per state-controlled lane mile, the highest among the states analyzed.

The report identified best practices from other states that included Public Private Partnerships as used in Pennsylvania, Massachusetts consolidation of agencies and Virginia's use a dashboard to prioritize transportation projects.

# A Respected Voice On Issues Impacting the Garden State

As a recognized leader in our state's public policy arena, GSI's president Regina Egea is regularly sought-out to provide commentary on issues impacting New Jersey residents through op-ed submissions and on-the-record quotes.

In 2019, Ms. Egea authored numerous op-eds which appeared in leading publications. A small sampling:

- ♦ [N.J.'s economic reality vs. Gov. Murphy's rhetoric](#)  
*Star-Ledger*
- ♦ [NJ can exact savings on school busing costs](#)  
*Asbury Park Press*
- ♦ [Is the Greenwich housing crash predictive of NJ? Maybe more than you think](#)  
*Bergen Record*
- ♦ [Murphy's tax on opioids will only place a heavier burden on those who are suffering, group says](#)  
*Star-Ledger*
- ♦ [Why should N.J. taxpayers pay 50 percent more for public workers' benefits, pensions?](#)  
*Star-Ledger*
- ♦ [Getting the most from N.J. infrastructure investments](#)  
*ROI-NJ*

Additionally, Ms. Egea is also regularly contacted by members of the media to offer her insights on policy and the workings of state government including: *Politico New Jersey*, *NJ Spotlight*, *Associated Press*, *NJBiz*, *The Bond Buyer* and many others.

ASBURY PARK  
**PRESS**

**The Star-Ledger**

**ROI AP**  
RETURN ON INFORMATION - NEW JERSEY

**The Record**  
NORTH JERSEY'S TRUSTED SOURCE

**POLITICO**

**NJBIZ**

# Leveraging Broadcast Media to Enhance Awareness

2019 was a breakthrough year for the Garden State Initiative as we increased our exposure on broadcast media (television and radio) among New Jersey outlets along with the New York City and Philadelphia markets which also cover the Garden State.

GSI's president Regina Egea was frequently called upon to discuss our latest research and issues impacting the state.

Among the television programs Ms. Egea appeared on were NJTV's On the Record with Michael Aron and NJTV Nightly News, News 12's Power & Politics, State of Affairs with Steve Adubato, and Jersey Matters with Larry Mendte.

Talk Radio also emerged as a critical vehicle for GSI to promote its message with Ms. Egea being interviewed on multiple occasions by New Jersey 101.5's morning drive host Bill Spadea as well as Joe Piscopo's New York-based morning program on AM970 and also Rich Zeoli's morning program on 1210 WPHT in Philadelphia.

Links to all GSI media appearances are available at: [www.gardenstateinitiative.org/updates](http://www.gardenstateinitiative.org/updates)





# Bringing GSI's Message to New Jersey's Communities

Community outreach is an important part of the mission of the Garden State Initiative.

On a regular basis, members of the GSI team are addressing audiences as leading business and community groups such as the Commerce & Industry Association of New Jersey, the New Jersey Society of CPAs along with Rotary Clubs and Chambers of Commerce across the state.

GSI's president, Regina Egea, has also been a featured speaker at leading academic institutions, including Rutgers University's Eagleton Institute of Politics, Rider University's Rebovich Institute of New Jersey Politics and Rowan University's Institute for Public Policy & Citizenship.



To request a speaker from GSI at your event, please email: [contact@gardenstateinitiative.org](mailto:contact@gardenstateinitiative.org)



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