

# From the BULLY's PULPIT

June, 25, 2010

## **Christie's 2.5 Cap**

### **Trying to Sneak Past the Public?**

The email below was sent to local presidents yesterday afternoon from the NJEA, with information and talking points about the "Cap 2.5" being proposed by the Christie Administration.

June 17, 2010

Dear Local President,

Of all the proposals and attacks from Governor Christie, the "Cap 2.5" proposal – part of his 33-bill "tool kit" – is by far the worst.

Not only would it cap local property tax growth at 2.5 percent per year, but it would also limit the growth in salaries and benefits for NJEA members to 2.5 percent. You don't have to be a math major to know that this is a formula for strangling public education – and the economic livelihoods of NJEA members. And, coupled with Christie's nearly \$1.5 billion in cuts to state school aid, the damage that his "Cap 2.5" proposal would do to public schools would be incalculable.

Christie wants New Jersey to follow in the footsteps of Massachusetts, which enacted "Proposition 2 ½" in 1980 by public referendum. He claims it worked just fine, and that Massachusetts public schools are among the best in the nation. As with many Christie claims, this one just doesn't stand up to the truth.

As the enclosed [talking points](#) indicate, comparing 1980s Massachusetts to present-day New Jersey is like comparing apples to orangutans. Back in 1980, Massachusetts was about to experience an unprecedented decade of economic growth – the "Massachusetts Miracle" built on a high-tech boom and the arrival of hundreds of thousands of high-income, highly skilled high-tech workers. And student enrollments were dropping, making it easier for the state to cover school budget cuts with increased local aid, fueled by higher income and sales tax revenue from the "Miracle" boom.

Yet even with all that new revenue, Proposition 2 ½ caused the immediate layoff of 10,000 teachers – one in six in Massachusetts. Given how Prop 2 ½ worked, some districts were virtually untouched, while others were obliterated. Places like Everett, Malden, and Holyoke lost 25-30 percent of their teachers overnight, and class sizes soared as high as 50 in some places. It was only after the Massachusetts Legislature began pumping new state aid back into the schools in 1983-4 that the damage began to unravel, but by then an entire generation of students had been denied a chunk of their education in hundreds of communities.

Two articles explain what happened in Massachusetts in greater detail. A [study](#) by the Center on Budget and Policy Priorities in Washington, D.C.

([http://www.njea.org/pdfs/HiddenConsequences\\_PropTaxCap.pdf](http://www.njea.org/pdfs/HiddenConsequences_PropTaxCap.pdf)) points out the serious lessons to be learned from the Massachusetts experience. And an [article](#) (<http://www.njea.org/pdfs/TaxCapTragedy.pdf>) in CommonWealth magazine explains that Prop 2 ½ hasn't worked as neatly as Gov. Christie would have us believe, and "may contain the seeds of its own destruction."

The problem in New Jersey in 2010 is the same as the problem in Massachusetts in 1980 – an over-reliance on property taxes to fund public education. But while Massachusetts legislators got the message, and had the resources to increase the state's share (to make up for property tax cuts), New Jersey is in no position to do that.

And as far as a 2.5 percent cap on salaries (and benefits) is concerned, what would that mean to the average teacher? What would a 2.5 percent salary cap would have meant if it had been imposed in 1969,

the first year of collective bargaining. Under that cap, the average teacher salary today in New Jersey would be ... are you ready?

**\$23,917.**

That's right – about \$40,000 less than the current average teacher salary in New Jersey.

That's Chris Christie's vision of the future of public education – and the future of the teaching profession – in New Jersey.

And that's why NJEA members need to speak out loud and clear against "Cap 2.5" – because it's disastrous policy for public education.

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## **And this is only the tip of the iceberg!**

The "Tool Box" of legislation from Governor Bluto would virtually stop collective bargaining for public sector employees. More about that in a future message, but in the meantime, it is imperative that you keep up with the news, even during the summer. P.E.A. will try to communicate with you about these issues, but if you don't check your email, it won't matter.

The Legislature has said they will come in over the summer and hold hearings on the "tool kit." The main aspect of the tool kit, the 2.5% constitutional amendment cap on property tax increases is what the Governor is pushing for to happen immediately. He wants it on the ballot in November which would mean it has to be passed now. The Democrats have their own plan, a 2.9% cap but not a constitutional amendment and which allows for exemptions such as health care and energy costs. As far as the other bills in the tool kit, they have been introduced by Republicans but have not moved in either house.