



THE BOROUGH OF HAWORTH
300 HAWORTH AVENUE
HAWORTH, NEW JERSEY 07641

OFFICE OF THE MAYOR

Trenton and You

There have been several very important actions and proposals from the State government in Trenton in the past few weeks that could have a significant effect on Haworth. I would like to take this opportunity to update you on these items and how they affect us.

School Funding Formula. Governor Christie has proposed a "Fairness Formula" for public school funding to replace the current state aid that is provided based on the Abbott decisions. The Governor's proposal would send \$6,599 per student to all school districts. For Haworth, this would be a 900% increase in the amount of state aid, and would reduce the average Haworth homeowner's tax by 15% - or over \$3,000 for the average home. Unfortunately, this is a zero sum game and the amount of additional aid to Haworth and other communities is offset by a reduction in aid to the so-called Abbott School Districts. This Fairness Formula is going to be a very political issue for the next several months. But this proposal, and the calculation of the impact, makes very clear and personal the impact that the current state aid formula has on Haworth.

Transportation Trust Fund (TTF). New Jersey has one of the lowest gasoline tax rates in the United States and there is general support for increasing it to replenish the TFF. But the proposals to increase the gasoline tax failed to pass because of disputes over which taxes to reduce to balance the tax burden. As a result, Governor Christie ordered that all work funded by the TTF be stopped on July 8. In Haworth, the Stevens Place renovation is funded by the TTF, and fortunately that work was completed on July 8. But we have also received TTF grants for improving the intersection of Haworth Avenue and Valley Road, and for repaving Maple Street. Both of these projects are now on hold until the funding source from the State is assured.

Pension Shortfall. You have probably heard that as a result of poor management and missed funding payments that the New Jersey state pension funds have less cash than the projected amount they will have to pay out to meet pension obligations. Normally, this would not affect us because the municipal pension funds are fully funded. However, this year the State has allocated to each town its hypothetical share of the state funds' shortfall, and Haworth's share is \$10,100,000. This amount does not include a similar attribution for the School pensions, so our total obligation will likely be much higher. This is surprising because every Haworth resident has the right to expect that the income taxes and sales taxes we have paid over the years have satisfied our obligations at the state level. Please follow this issue closely and let our state elected officials know how you feel about this attempt to allocate the pension funding shortfall to the municipal level.

Mayor Smart