

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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Honorable Valerie Vainieri Huttle
One Engle Street, Suite 108
Englewood, NJ 07631-2910

RE: ASSEMBLY, NO. 998

Dear Assemblywoman Vainieri Huttle:

On behalf of the New Jersey Association of Counties (NJAC), I would like the opportunity to discuss with you in person some of our concerns with A-998, which would establish procedures and standards concerning public services privatization contracts.

As you know, local governments are struggling to make ends and have been forced to reduce or eliminate critical staff, essential services, and long overdue capital improvement projects. As a means to deliver often mandated services in a more cost effective manner and without impacting the level of service provided, several counties have privatized food, laundry, maintenance, and medical services at county jails and juvenile detention facilities. In counties that operate and maintain nursing homes, several have privatized dietary and laundry services; and, adult day care, counseling, and some risk management services. Additional successful privatization initiatives include home health, and preventative maintenance on county fleet vehicles. Please note that many counties have considered privatizing welfare services, and senior and disabled transportation services, but ultimately decided against it after conducting comprehensive feasibility studies.

Although we're still in the process of reviewing the legislation's potential impact on county operations, our general concern at this point is that the measure would effectively prohibit the use of privatization contracts by requiring counties to pay new employees' wages and benefits at a rate not less than the wages and benefits paid to displaced employees. As noted above, counties execute privatization contracts to recognize substantial cost savings by typically reducing wage and benefit costs that comprise 50% of operating budgets. We're also concerned with the fact that this legislation would require the Office of the State Ombudsman to review and approve privatization contracts creating an unnecessary level of

bureaucracy. Moreover, elected county officials should retain the autonomy to enter into agreements that they believe is in the best interests of their constituents.

Thank you in advance for your time and consideration, and I would be happy to meet with you in person to discuss this important legislative initiative in more detail. In the meantime, please do not hesitate to contact me at (609) 394-3467 with any questions or concerns.

Very truly yours,

John G. Donnadio, Esq.
Executive Director