

**COALITION OF LOCAL GOVERNMENT ORGANIZATIONS WARN OF PROPERTY TAX RATE INCREASES
WITHOUT IMMEDIATE RELIEF ON HEALTH BENEFITS!**

New Jersey Association of Counties (NJAC)
New Jersey State League of Municipalities (NJLM)
New Jersey Conference of Mayors (NJCM)
New Jersey Urban Mayors Association (NJUMA)
New Jersey Municipal Management Association (NJMMA)
Government Finance Officers Association of New Jersey (GFOA)
New Jersey Association of County Finance Officers (NJACFO)
New Jersey Association of County Administrators (NJACA)
New Jersey Association of County and City Health Officials (NJACCHO)
Southern New Jersey County Commissioners Association (SNJCCA)
Constitutional Officers Association of New Jersey (COANJ)

The above coalition of organizations that represent county and municipal leaders from across the State are urging Governor Murphy to provide immediate financial relief for the estimated \$350,000,000.00 in local health benefit cost increases as approved by the State Health Benefits Commission (SHBC) in September or face certain property tax rate hikes, cuts in essential services, and the furlough or layoff of employees.

As has been widely reported, the Administration and public sector labor unions representing most State employees reached an agreement whereby State employees will see health benefit rate increases of only 3% with the State to absorb the additional costs. Unfortunately, the agreement does not include counties and municipalities participating in the State Health Benefits Program (SHBP) nor has the State changed the plan design to achieve any savings at the local level. Moreover, it does not appear as if the Administration will extend the open enrollment period despite pleas from local government officials and labor unions. To make matters worse for counties, municipalities, public sector workers, and property taxpayers already struggling to make ends meet, local government employers are also facing double digit pension contribution rate increases based on information published last month by the Division of Pension and Benefits.

Without any immediate relief from the Administration with borrowed or federal monies held in reserve for emergencies such as this, property taxpayers should expect to see even greater increases in their tax bills in the coming year. Importantly, any immediate relief must be accompanied by long-term structural reforms enacted by the State Legislature such as adopting referenced based pricing to effectively manage costs, incentivizing employees to select lower cost plan designs, modifying co-pays for specialists and urgent care to further reduce long-term expenses, and implementing other innovative cost containment measures. Given this year's rate approval process, the Legislature must also provide local governments with a voice on the SHBC as it would undoubtedly improve the Commission's responsibility to report annual rate hikes to all stakeholders in a more accurate, transparent, and timely manner. *Please also note that the New Jersey Council of County Colleges (NCCCC) also supports our efforts and is issuing a separate statement on similar rate increases to the School Employees Health Benefits Program (SEHBP).*

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