

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

RICHARD D. GARDNER
NJAC President
Warren County Freeholder

JOHN G. DONNADIO
Executive Director

STATE HOUSE NEWS

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DIRECT DEPOSIT

On December 17th, the Senate Budget and Appropriations Committee will consider **ASSEMBLY, NO. 720/SENATE, NO. 2090** (*Ramos D-Hudson*)(*Gordon D-Bergen*), which would require direct deposit for all State employee compensation after July of 2014; and, would authorize all local government employers to pay its employees by direct deposit at the governing body's discretion.

NJAC has been advocating for the passage of this important and timely initiative for almost two years, and plans to testify in support of the measure as one of our top legislative priorities. As you may recall, current law N.J.S.A. 34:11-4.2 requires local government employers to pay its employees the full amount of wages due in cash or by check. Although N.J.S.A. 34:11-4.2a authorizes public employers to pay its employees by direct deposit, such employees must first consent to payment in this manner. Under the leadership of Assemblyman Ruben Ramos and Senator Robert Gordon, this legislation would eliminate an antiquated law that has become a significant barrier for counties committed to streamlining their operations and saving valuable taxpayer dollars. With this in mind, please take a moment to contact your state senator, especially if they sit on the Senate Budget and Appropriations Committee, to let them know of our support.

Paul Sarlo (D-Bergen), Chair SenSarlo@njleg.org (201) 804-8118
Brian Stack (D-Hudson), Vice Chair SenStack@njleg.org (201) 558-7926
Jennifer Beck (R-Monmouth) SenBeck@njleg.org (732) 933-1591
Anthony Bucco (R-Morris) SenBucco@njleg.or (973) 627-9700
Sandra Cunningham (D-Hudson) SenCunningham@njleg.org (201) 451-5100
Linda Greenstein (D-Mercer) SenGreenstein@njleg.org (609) 395-9911
Kevin O'Toole (R-Bergen) SenOToole@njleg.org (973) 237-1360
Steven Oroho (R-Sussex) SenOroho@njleg.org (973) 300-0200
Nellie Pou (D-Passaic) SenPou@njleg.org (973) 247-1555
Teresa Ruiz (D-Essex) SenRuiz@njleg.org (973) 484-1000
Jeff Van Drew (D-Cape May) SenVanDrew@njleg.org (609) 465-0700
Loretta Weinberg (D-Bergen) SenWeinberg@njleg.org (201) 928-0100

We're optimistic that the Committee will favorably report the measure and that the Senate will pass it on December 20th.

PUBLIC MEETINGS AND RECORDS

On November 29th, the Senate amended on the Floor **SENATE, NOS. 1451 & 1452** (*Weinberg D-Bergen*), which would provide the public with greater access to government meetings and records. We expect the full Senate to consider and pass both measures at its next voting session on December 20th. Please note that Senator Joseph Pennacchio (*R-Morris*) is now a co-prime sponsor to S-1451 and that Senators Barbara Buono (*D-Middlesex*) is now a co-prime sponsor to S-1452.

Although we're still in the process of reviewing the floor amendments, our primary concern with S-1451 is that it does not contain an appropriation to address the costs associated with providing adequate notice and preparing accurate meeting minutes for subcommittees meetings, commissions, advisory boards, etc. NJAC has similar concerns with S-1452, which would in part require a custodian of records to provide a requestor with comprehensive written notice on redacted information; and, with an index that describes certain available government records. At a time in which local governments are struggling to make ends meet by reducing critical staff, essential services, and capital improvement projects, county officials will find it very difficult to allocate the necessary staff, time, and resources to carry out these added job functions and responsibilities. The counterparts in the lower house **ASSEMBLY NOS. 2425 & 2426** (*Johnson D-Bergen*) are currently in the Assembly State Government Committee awaiting consideration.

PROFESSIONAL SERVICES CONTRACTS

On December 7th, NJAC testified in opposition to **SENATE, NO. 1517** (*Tuner D-Mercer*) before the Senate State Government, Wagering, Tourism, and Historic Preservation Committee.

In summary, this legislation would require that State, county, municipal and school district contracts for "professional services," as defined in section 2 of P.L.1971 c.198 (C.40A:11-2), be publicly bid and awarded to the "lowest responsible bidder." NJAC testified that county governing bodies should retain the flexibility and discretion to award professional services contracts under the current terms of the "Local Public Contracts Law" and in compliance with the New Jersey "Local Unit Pay to Play Law." Unlike goods and services that are competitively bid and awarded to the lowest responsible bidder, professional services contracts for legal, engineering, auditing, and other similar services are unique in nature and require additional factors to be considered beyond price alone.

The New Jersey State League of Municipalities shared our concerns as did several other groups; however, NJAC's Legislative Director Allen Weston and the League's Lori Buckelew were the only two to publicly address the above issues. In light of our concerns, the Committee amended the bill to authorize local contracting units to use the competitive contracting process for awarding certain professional services. The amendments also seem to permit local units to continue with a professional services contract for legal services beyond its date of expiration provided that the expertise of that particular legal service provider is essential for the completion of an ongoing legal matter. Although we're still in the process of reviewing the amendments, NJAC remains concerned that this legislation would remove a county's discretion to consider important factors such as experience and industry track record when hiring competent and qualified professionals. A version of this bill does not exist in the General Assembly at this time.

CHAPTER 78 PROPOSED REGULATIONS

The Division of Local Government Services (DLGS) Local Finance Board has proposed new rules for the approval process for non-State Health Benefits Program health insurance plans. In summary, the new rules would implement changes to the State Health Benefits Program (SHBP) enacted on June 28, 2011 under P.L. 2011, c.78 that require a cost comparison for local government employers that have chosen to participate in a health benefits plan other than the SHBP and would further require a local unit's certification that the non-SHBP plan achieves an aggregate employer savings. NJAC plans to prepare and submit comments on the proposed rules before the January 18, 2013 deadline and will take the following course of action:

1. Receive comments from county administrators and other county officials by December 28, 2012.
2. Review, summarize, and submit comments to DLGS before the January 18, 2013 deadline.
3. Based on these comments, NJAC will draft a model resolution opposing the proposed regulations for counties throughout the State to adopt.

Please take a moment to review the proposed rules in their entirety at www.state.nj.us/dca/divisions/dlgs/.

MEDICAID REIMBURSEMENT RATES

On December 3rd, the Senate passed by a vote of 32-5 **SENATE, NO. 2241** (*Weinberg D-Bergen/Vitale D-Middlesex*), which would prohibit Medicaid managed care organizations from reducing certain provider reimbursement rates without approval from the Department of Human Services (DHS).

In summary, the bill would prohibit a health maintenance organization (HMO) that contracts with DHS to provide benefits under a managed care plan to persons eligible under the "New Jersey Medical Assistance and Health Services Act" from reducing reimbursement rates without obtaining prior written approval from the DHS Commissioner. The bill would require an HMO to demonstrate that it has taken all appropriate actions to reduce the costs of providing benefits to eligible recipients covered by the plan. Moreover, the HMO must demonstrate that the proposed reduction in reimbursement rates would not adversely impact the quality and accessibility of health care services provided to eligible recipients covered by the plan. The bill would further require the Division of Medical Assistance and Health Services to conduct public hearings on the proposed reductions within 30 days. The bill would take effect immediately; and, would apply to active pre-existing contracts that HMOs have entered into with DHS.

NJAC supports this important and timely legislation as it would provide an extra layer of protection against the unilateral reduction of Medicaid reimbursement rates to service providers. As Managed Long Term Care is scheduled to begin for all Medicaid patients on July 1, 2013, this legislation would also provide some level of stability and predictability for healthcare providers in negotiating Medicaid reimbursement rates with managed care organizations. Moreover, the application process and public hearing requirement would improve the transparency of the rate setting process. The companion version in the General Assembly **ASSEMBLY, NO. 3409** (*Schaer D-Bergen/Johnson D-Bergen*) is currently in the Assembly Financial Institutions and Insurance Committee awaiting consideration.

SEX OFFENDER REGISTRATION INFORMATION

On December 3rd the General Assembly passed by a vote of 75-0 **ASSEMBLY, NO. 2131** (*Burzichelli D-Gloucester/Fuentes D-Camden*), which would authorize the release of sex offender registration information to the Department of Human Services and county welfare agencies.

NJAC and the County Welfare Directors Association of New Jersey support this legislation as it would make certain sex offender registration information

available to county welfare agencies for the purpose of appropriately placing homeless families in emergency shelters. Current law requires county prosecutors to assess a sex offender's risk of re-offense and categorize the offender as low risk (Tier 1), moderate risk (Tier II), or high risk (Tier III). The records and files containing the information and documentation used to make this assessment are available only to law enforcement agencies and the Division of Youth and Family Services in the Department of Children and Families. The Senate counterpart **SENATE, NO. 1946** (*Greenstein D-Mercer*) is currently in the Senate Law and Public Safety Committee awaiting consideration.

FREEHOLDERS TO WED

On December 13th the Senate Judiciary Committee will consider **ASSEMBLY NO. 2128/SENATE, NO. 2209** (*Burzichelli D-Gloucester*)(*Weinberg D-Bergen*), which would permit freeholders to solemnize marriage and civil union ceremonies. NJAC supports this bill as it would expand the role freeholders play in the day-to-day lives of county residents. A-2209 passed the General Assembly by a vote of 74-5 on June 28th.

"Leadership is the capacity to translate vision into reality." Warren G. Benes