

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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STATE HOUSE NEWS

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COUNTY OPERATED NURSING HOMES

Thank you to Morris County Deputy County Administrator Mary Jo Buchanan for making the trip to Trenton on April 3rd to meet with Senator Paul Sarlo to discuss county operated nursing homes. Senator Sarlo chairs the Senate Budget and Appropriations Committee. Our meeting with the Senator went very well; and, he plans to use our "County Impact Statement" in preparing the budget bill he plans to introduce shortly.

Senator Sarlo strongly encouraged us to reach out to the Senate Budget and Appropriations' committee members listed below as he plans to work in a bi-partisan effort to increase funding for county operated nursing homes. With this in mind, please take a moment to reach out to your county legislator and provide them with a copy of our impact statement. If you don't have a copy of the document already, please let us know and we'll make sure to forward it to you accordingly.

Please note that NJAC sent letters and county impact statements to legislators serving on both the Senate Budget and Appropriations Committee and the Assembly Budget Committee. As you know, NJAC has been advocating for several initiatives that may help our counties continue providing a high standard of care to a vulnerable population. Some of these initiatives include:

- A supplemental appropriation that would that would restore Medicaid funding for only county operated nursing homes as a form of property tax relief;
- A county dedicated nursing home tax approved by voter referendum and limited to those counties that currently operate a nursing home;
- Legislation that would restore \$19.0 million in Medicaid funding for both privately and publicly operated nursing homes; and,
- A cap exception for losses incurred in the operation and maintenance of a county nursing home.

Please let me know if you can join me on any of the following dates with the following legislators that serve on the Senate and Assembly budget committees.

May 1st

1:00 p.m. with Senator Jeff Van Drew at the State House

May 2nd

2:00 p.m. with Assemblyman Troy Singleton at the State House

May 3rd

10:00 a.m. - Monmouth County Administrator Teri O'Connor and I will meet with Assemblyman Decalan O'Scanlon in Red Bank

May 8th

10:00 a.m. with Majority Leader Lou Greenwald in Voorhees

May 17th

12:30 p.m. with Senator Sandra Cunningham in at the State House

May 29th

10:00 a.m. with Assemblyman Gary Schaer in Passaic

Importantly note that Governor Chris Christie's proposed FY 2013 State budget includes an increase of \$5.0 million for Medicaid reimbursement for all nursing home facilities with an additional \$5.0 million in federal matching funds for a total of \$10.0 million. As you may recall, the FY 2012 State budget contained a 37.5 million cut and the State lost an additional \$37.5 million in federal matching funds. Additionally, the Department of Human Services will begin administering Medicaid reimbursement rates in July of 2013 instead of the Department of Health and Senior Services.

INTERNET GAMING

Senators Raymond Lesniak (*D-20*) and Jim Whelan (*D-2*) introduced **SENATE, NO. 1565**, which would authorize Internet wagering at Atlantic City casinos to allow New Jersey residents to place wagers on casino games through the Internet. S-1565 is currently in the Senate Budget and Appropriations Committee awaiting consideration; and, the Assembly version **ASSEMBLY, NO. 2578** (*Burzicehelli D-3/Prieto D-32*) is currently in the Assembly Regulatory Oversight and Gaming Committee.

Provisions

1. Internet wagering is defined as the placing of wagers with a casino licensee at a casino located in Atlantic City using a computer network through which the casino licensee may offer authorized games to residents of this State who have established a wagering account with the casino licensee and who are physically present in the State.

2. All equipment used by a licensee to conduct Internet wagering shall be located in either a restricted area on the premises of the casino hotel or in a secure facility inaccessible to the public and specifically designed for that purpose off the premises of a casino hotel but within the territorial limits of Atlantic City. All Internet wagers shall be deemed to be placed when received in Atlantic City by the licensee.
3. Internet wagering in this State shall be deemed to take place where a casino's server is located in Atlantic City regardless of the player's physical presence location within this State.
4. A player must establish an Internet wagering account with the State's Division of Gaming Enforcement that must be approved by a casino licensee. The account wager shall be placed directly with the casino licensee by the holder of the wagering account and the casino licensee must verify the account holder's physical presence in this State.
5. S-1565 imposes an annual tax on Internet wagering gross revenues in the amount of 10%, which shall be paid into the Casino Revenue Fund.

Comments

1. New Jersey casinos currently pay the State an 8% tax on gross revenues, which are appropriated to the Casino Revenue Fund and are constitutionally dedicated for the benefit of the aged and disabled. This tax will not apply to Internet wagering gross revenues.
2. Casino Revenue Fund monies provide much needed financial support for county based programs such as Meals on Wheels, Para-transit services, and Pharmaceutical Assistance to the Aged and Disabled (PAAD).
3. As the State's gaming industry has struggled, the Casino Revenue Fund has lost more than \$2.0 billion in revenues since 2007, where the Fund earned approximately \$5.0 billion that year. Various projections for 2012 put that number at \$3.0 billion.
4. Proponents of this Legislation, which include the Casino Revenue Fund Advisory Commission, submit that authorizing Internet gaming in New Jersey would increase annual casino revenues by more than \$200.0 million with \$20.0 million dedicated to the Casino Revenue Fund.
5. This legislation appears to have bi-partisan support. However, several legislators have advocated for including horse race tracks in Monmouth and Bergen counties. Since revenues from the Casino Revenue Fund are

constitutionally dedicated and must flow from Atlantic City casinos, including race tracks is not a legislative option at this time, but would instead require a constitutional amendment.

NJAC Recommendation

NJAC recommends that the Board of Directors support this importantly and timely legislation as a means to provide much needed funding for county programs and initiatives that serve our State's most vulnerable populations. NJAC also recommends that several counties provide the Association with specific examples where cuts have made to Meals on Wheels or Para-transit services as a result of the decrease in casino generated revenue and monies available from the Casino Revenue Fund.

SOLAR LEGISLATION

NJAC is in the process of reaching out to legislators concerning our support for legislation that will strengthen the solar renewable energy certificate (SREC) market. More specifically, NJAC is advocating for legislation that will substantially accelerate the State's solar Renewable Portfolio Standard (RPS) requirements.

As you know, several of our counties have implemented or are pursuing cutting edge solar energy projects that will significantly lower electricity costs for participating local governments. Through their county improvement authorities and as means to lower capital costs, many of these counties issued bonds to finance solar projects that have saved taxpayers approximately \$72.0 million. For each of these projects, a solar developer, selected through a competitive procurement process, is responsible for selling SRECs generated by the solar energy system; managing the SREC market risk; and importantly, repaying the project's debt service guaranteed by the respective county.

As a result of the significant oversupply of the SREC market, SREC values have declined sharply over the past several years from a high of \$600.00 for every SREC generated by the solar energy system to its current price of \$85.00. Although solar developers are in fact responsible for managing the SREC market risk and repaying a county's debt service as noted above, the continued instability and decline of the SREC market may force solar developers to default on repaying project debt service. That being the case, counties would be responsible for approximately \$205 million in debt service obligations.

To remedy this impending scenario, NJAC supports important and timely legislation that will substantially accelerate RPS requirements, which will in turn stabilize the volatile SREC market, protect an investment mechanism that has saved taxpayers approximately \$72 million, and insulate local governments from

potential risk. Moreover, a steady and secure SREC market will ultimately facilitate the development of new solar projects that will save valuable taxpayer dollars moving forward.

DIRECT DEPOSIT

Assemblyman Ruben Ramos (D-33) recently sent a letter to leadership in the General Assembly requesting that the Assembly State Government Committee have the opportunity to consider **ASSEMBLY, NO. 720** at one of its upcoming meetings following the budget break. In his letter, the Assemblyman noted NJAC's strong support of his legislation, which would authorize local government employers to pay its employees by direct deposit at the governing body's discretion. Although this seems like a no brainer, we've been facing some push back. With this in mind, please take a moment to contact your county legislator to let them know that county government supports this important and timely initiative that will ultimately streamline the payroll process, reduce overall workload, and save valuable taxpayer dollars.

SHARING COUNTY TAX ADMINISTRATORS

In addition to Senator Michael Doherty (R-23) introducing **SENATE, NO. 1694** on behalf of NJAC, Assemblyman John McKeon (D-27) and Assemblywoman Annette Quijano (D-20) recently introduced the companion version of the measure in the General Assembly as **ASSEMBLY, NO. 2758**. As you know, this legislation would allow counties to share their county tax administrators; and, NJAC supports this important and timely legislation as a means to eliminate an antiquated law that has become a barrier to moving forward with a potential cost saving measure. We would also like to thank our county finance officers for sharing with us the salary information on county tax administrators. Please let us know if you would like a copy of the summary of our findings, which conclude that tax administrators earn between \$72,000 per year in our smaller counties to \$158,000.00 in our larger counties. These figures do not include pension, health, or other fringe benefits.

"Do not follow where the path may lead. Go instead where there is no path and leave a trail." Harold R. McAlindon