

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

Special thanks to Passaic County Administrator Anthony DeNova for taking the time out of his busy schedule to meet with Senator Kevin O'Toole on Tuesday to discuss Medicaid reimbursement rates for county operated nursing homes. This meeting went very well; and, the Senator would like to continue discussions with NJAC following the Governor's budget address next week. Mr. DeNova also reached out to senators Paul Sarlo and Nellie Pou; and, we plan to meet with them over the next several weeks to discuss this matter in more detail.

In addition to the possible solutions of a dedicated tax passed by voter referendum and legislation that would restore \$19.0 million in Medicaid funding for fiscal year 2012 for both publicly and privately owned nursing homes, Mr. DeNova suggested separating county operated nursing homes from the supplemental appropriation equation. As you know, county operated nursing homes serve a more vulnerable population than privately operated nursing ones; and, county governments face restrictive property tax cap levies that make owning a publicly operated nursing home more difficult than ever. With this in mind, NJAC supports this initiative as a form of property tax relief and as our strategy at this point is to advocate for any realistic solution that may help our counties continue providing a high standard of care to a vulnerable population. We're also open to suggestions as time is of the essence and as more counties weigh selling their facilities in light of the devastating cuts.

ACTING DCA COMMISSIONER

An additional special thanks to Sussex County Freeholder Susan Zellman for making the long trip Trenton on Monday to meet with Acting DCA Commissioner Richard E. Constable.

The Commissioner plans to attend one of NJAC's upcoming Board of Directors' meetings; and, noted his support of two of our legislative initiatives. The first would authorize counties to require that employees receive pay by direct deposit; and the second, would permit counties to share county tax administrators. Although these measures are not sweeping reforms by any

means, they are both realistic initiatives that should help counties run more efficiently. Senator Michael Doherty plans to introduce the tax administrator legislation within the next week; and, the Assembly State Government Committee is likely to consider the direct deposit legislation at one of its upcoming meetings. We'll make sure to provide you with more specific details as they become available.

COUNTY COOPERATIVE PURCHASING LEGISLATION

NJAC's Legislative Affairs Committee recently reviewed **ASSEMBLY, NO. 2202 (O'Donnell D-31/Cryan D-20)**, which would permit the establishment of a county-wide purchasing system by a county employing a qualified purchasing agent; and, would also require the participation by all school districts within the county.

Summary of Legislation

1. This legislation would authorize county governments that employ qualified purchasing agents to adopt a resolution or ordinance establishing a countywide purchasing system for providing custodial or food services to school districts within the county.
2. County executive superintendents of schools and all school districts located within the county must participate in the countywide purchasing system when the governing body in which the school district is located adopts a resolution or ordinance to consolidate the purchasing of food or custodial services accordingly.
3. A county that establishes a county wide contract shall appoint an advisory committee consisting of one representative from each school district that is subject to the contract.
4. A qualified purchasing agent of a county that establishes a countywide purchasing system shall create and maintain a webpage on the county Internet website listing the services for which the county has entered into a contract.
5. The qualified purchasing agent shall award countywide contracts based on a best value at the lowest cost acquisition policy. The qualified purchasing agent of the county must specify in bidding documents that the low bid may be determined on a best value at the lowest cost acquisition policy and must set forth the provisions of the policy in detail in the bidding document.

6. Prior to awarding any contract, the qualified county purchasing agent must disclose the terms of all contracts pending final approval on the county's Internet website at least 20 days prior to the final approval of the contract.
7. The bidding documents prepared by the county for countywide contracts must specify that the vendor who is awarded the contract will be required to pay the county a specified fee to cover the administrative costs associated with administering the countywide contract.
8. Prior to awarding any contract, the qualified county purchasing agent must disclose the terms of all contracts, pending final approval, on the county's Internet website at least 20 days prior to the final approval of the contract.
9. This legislation provides protections for employees who are satisfactorily performing their duties during the transition to employment by a successor contractor and to prevent favoritism in employment decisions during such transition to ensure the highest quality of services to school districts.

Notes

1. A-2202 is currently in the Assembly Education Committee awaiting consideration, and the Senate companion version **SENATE, NO. 1459** (*Sarlo D-35*) is currently in the Senate Education Committee awaiting consideration as well.
2. The Service Employees International Union (SEIU) strongly supports this legislation, and is actively advocating for its passage as shared services and consolidation initiative.
3. The New Jersey School Boards Association, and similar organizations, will likely oppose this legislation as is it would mandate school districts to take certain actions.

Action by Committee

Although NJAC applauds the efforts of the sponsors to promote shared services and consolidation through cooperative purchasing and appreciates the fact that the measure is permissive for county governing bodies, we are concerned with the unintended consequences this legislation would impose on county procurement operations.

As you know, the “Local Public Contracts Law” under Title 40A of the Revised Statutes governs the purchase of goods and services for counties and municipalities, and Title 18 regulates such purchases for school districts. Several differences exist between the two purchasing laws and it’s unclear at this point as to which statute would control. To further complicate matters, neither law defines the term “best value at the lowest cost acquisition policy.” However, current public contract bidding laws prohibit the use of such a practice as defined in the bill. Please note that several counties publicly bid for food services, where contracts are awarded to the lowest responsive and responsible bidder; and, that Title 40A requires counties to publicly bid for custodial services.

We are also concerned with the fact that county purchasing officials do not retain the necessary subject matter expertise or available resources to acquire food and custodial services on behalf of school districts; and as a result, would be forced to hire costly consultants to navigate the complex procurement process. In addition, this legislation does not appear to provide guidance on which professional or governing body would be responsible for administering food and custodial services contracts – a timely and comprehensive endeavor. We also believe that requiring the county clerk of a county that establishes a county-wide cooperative purchasing system to provide notice as prescribed under the bill creates an unnecessary level of bureaucracy as county purchasing officials typically handle procurement notices. We would also need clarification on whether “county clerk” means clerk of the board of the chosen freeholders or the elected county clerk.

Finally, NJAC respectfully opposes the use of an employee protection plan as outlined in the legislation as 20 of the State’s 21 counties follow Civil Service layoff procedures. Moreover, NJAC has long advocated for repealing terminal leave payments as a means to compensate employees separated from employment due to a consolidation or shared services agreement under the “Uniform Shared Services and Consolidation Act.” These statutorily imposed severance payments serve as a financial disincentive and significant impediment for local governments working to streamline costs and save valuable taxpayer dollars.

NJAC plans to submit a formal letter to the sponsors shortly; and, will meet with them if necessary to discuss our concerns in more detail.

SUPPLEMENTAL COMPENSATION FOR ACCUMULATED SICK LEAVE

Senate President Stephen M. Sweeney recently introduced **SENATE, NO. 1564**, which would prohibit the payment by the State, local governments, and boards of education of supplemental compensation to any current or future public officer or employee for accumulated unused sick leave earned after the bill’s

effective date. Supplemental compensation for any time earned prior to that date would be payable as under current law. Specifically, the bill provides that:

“A political subdivision of the State, or an agency, authority or instrumentality thereof, that has not adopted the provisions of Title 11A of the New Jersey Statutes, shall not pay supplemental compensation to any officer or employee who was in service with the employer prior to the effective date of P.L.2010, c.3 and continuously thereafter or who commenced service on or after that effective date for accumulated unused sick leave earned after the effective date of P.L. , c. (pending before the Legislature as this bill) or after the expiration of collective negotiations agreement or an individual contract of employment with a relevant provision applicable to that officer or employee in effect on that date, except that an officer or employee who on the effective date of P.L. , c. (pending before the Legislature as this bill), or upon the expiration of a collective negotiations agreement or an individual contract of employment with a relevant provision applicable to that officer or employee in effect on that date, has accrued supplemental compensation based upon accumulated unused sick leave earned prior to the effective date shall continue to be eligible to receive the amount so accrued based on that sick leave that remains credited on the date of retirement. Supplemental compensation shall be payable only at the time of retirement from a State-administered or locally-administered retirement system based on the leave credited on the date of retirement.”

The bill would take effect on the first day of the second month following enactment. S-1564 has been referred to the Senate State Government, Wagering, Tourism, and Historic Preservation Committee for consideration, but a companion version in the General Assembly has yet to be introduced. At a time in which county governments are struggling to make ends meet by reducing critical staff, essential services, and capital improvement projects, NJAC supports this timely initiative as one that will ultimately save valuable taxpayer dollars.

NJAC CONFERENCE WORKSHOPS

As we begin preparing for what promises to be an outstanding celebration of county government, please let us know if you would like to serve on NJAC's Conference Committee scheduled for 10:00 a.m. on February 23rd at our office in Trenton.

We expect to host a terrific event this year that begins with a Meet and Greet Reception on Tuesday night and ends with the President's Awards Reception early Thursday evening. In between, you'll have the opportunity to earn

valuable continuing education credits and listen to statewide leaders at our Legislative Luncheon. For the first time, we also plan to host a County Vocational-Technical School Cook Off Challenge and a County Executive Forum.

Please note that we're officially accepting proposals for workshops. Space is limited, so please submit your proposal no later than **MARCH 30TH** to Loren Wizman by email at loren@njac.org or by facsimile at (609) 989-8567. We plan to apply to the appropriate State departments for continuing education credits, so please note the following as workshops approved for such credits will be given priority.

1. Workshops should be educational.
2. Workshop sessions should be 50-60 minutes long.
3. Proposals should include the name, title, and company information of those presenting.
4. Proposals should also contain a title and one-page informative summary of the workshop, so that we may include these details in our Conference Journal.
5. Proposals should be submitted by **MARCH 30TH 2012**.
6. We will notify you in writing of the time, location, and other important details concerning your workshop well in advance of the Conference.

FY 2011 STATE BUDGET ADDRESS

On February 21st, Governor Chris Christies plans to deliver the FY 2013 State budget address. We'll make sure to provide you with a copy of his remarks and the budget as soon as they become available.

"In matters of style, swim with the current. In matters of principle, stand like a rock."
Thomas Jefferson.

