

# NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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## STATE HOUSE NEWS

June 2, 2012

### COUNTY OPERATED NURSING HOMES

Although we'll make sure to provide you with more details as soon as we receive additional guidance from the Department of Human Services concerning rates, Governor Christie line-item vetoed \$10.0 million of the \$25.0 million appropriated for Medicaid reimbursement for nursing homes included in the State Fiscal Year 2013 State Budget passed by the Legislature last week. As such, the final State appropriation for Medicaid reimbursement is \$20.0 million with an additional federal match of \$20.0 million for a total increase of \$40.0 million. Please note that the \$20.0 million State appropriation includes the \$5.0 million appropriated by the Governor in his proposed Budget. Based on language negotiated between the Administration and Legislature, it appears that the Department will calculate per diem rates for county operated nursing homes at levels not less than 2012 rates. With this in mind, please take a moment to review the preliminary data below.

COUNTY/FACILITY	PER DIEM RATES
ATLANTIC <i>Meadowview Nursing Home</i>	\$221.53
BERGEN <i>Healthcare Center</i>	\$222.84
BERGEN <i>Bergen Regional Medical Center</i>	\$232.29
CAMDEN <i>Camden Health Services Center</i>	\$225.60
CAPE MAY <i>Crest Haven</i>	\$230.20
MIDDLESEX <i>Roosevelt Care Center</i>	\$227.91
MONMOUTH <i>Geraldine L. Thompson</i>	\$222.32
MONMOUTH <i>John L. Montgomery</i>	\$222.47
MORRIS <i>Morris View Healthcare Center</i>	\$231.35
PASSAIC <i>Preakness LTC</i>	\$222.81
UNION <i>Runnells Specialized Hospital</i>	\$221.60
WARREN <i>Warren Haven</i>	\$214.87

1. Burlington, Cumberland, and Sussex have sold or are in the process of selling their nursing home, so they have not been included in the table.
2. Updated data is not currently available for Monmouth John L. Montgomery Adult Unit, Passaic Preakness Vent Unit, and Passaic Preakness SCB, so their per-day rates were not used in the Average/Totals calculation.

Although the funding amount and mechanism might not have been the solution we originally sought, it could have been much worse if not for the efforts of Morris County Administrator John Bonanni, Morris County Deputy County Administrator Mary Jo Buchanan, Morris County Freeholder Ann F. Grossi, Passaic County Administrator Tony DeNova, Monmouth County Administrator Teri O'Connor, and Camden County Deputy County Administrator Marge Della Vecchia, who took the time out of their busy schedules over the past several months to meet with legislators and the Administration.

Moving forward, NJAC plans to discuss with its Board of Directors at the September 28<sup>th</sup> meeting the possibility of establishing an affiliate association for county operated nursing homes. The primary purpose of this Association would be to provide advocacy on behalf of county owned and operated nursing homes. While organizations such as Leading Age New Jersey and the Health Care Association of New Jersey provide similar advocacy, their membership is mostly comprised of non-profit and private-pay facilities respectively. This Association could also serve as the lead agent for negotiating rates with providers when managed care phases-in during July of 2013.

## **BUILDING OUR FUTURE BOND ACT**

Special thanks to the New Jersey Council of Colleges and to everyone that reached out to their legislators concerning **SENATE, NO. 2500/ASSEMBLY, NO. 3139** (*Sweeney D-3/Kean R-21*)(*Oliver D-34/Bramnick R-21*), which establishes the "Building our Future Bond Act" and authorizes the issuance of \$750.0 million in State general obligation bonds. We're pleased to announce that the Legislature amended and passed the measure by votes of 38-1 and 77-1 to reduce the county college match from 50% to 25%. Governor Christie is expected to sign the measure into law.

In summary, proceeds from the bonds will be used to provide grants to New Jersey's public institutions and independent institutions of higher education to construct and equip higher education facilities. The \$750.0 million in bond proceeds would be allocated as grants for the costs of projects in the following manner: \$300.0 million for public research universities; \$247.5 million for State colleges and universities; \$150.0 for county colleges; and, \$52.5 million for independent institutions of higher education, other than an independent institution having a total endowment of more than \$1.0 billion.

## DIRECT DEPOSIT

On June 28<sup>th</sup>, the General Assembly amended and unanimously passed **ASSEMBLY, NO. 720** (*Ramos D-33/Milam D-1*), 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. We're pleased to announce that Senator Robert Gordon *D-38* introduced the companion version of the measure in the Senate as S-2090. We're optimistic that the Senate State Government, Wagering, Tourism, and Historic Preservation Committee will consider the matter in the fall.

To recap, 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. Unfortunately, these antiquated laws have become a significant barrier for several counties committed to streamlining their operations and saving valuable taxpayer dollars. At a time in which all local governments are struggling to make ends meet, NJAC supports this important and timely initiative as one of its top legislative priorities.

## PUBLIC MEETINGS AND RECORDS

On June 21<sup>st</sup>, the Senate Budget and Appropriations Committee amended and reported "Without Recommendation" legislation that would provide greater access to public records and meetings. The Committee added the package of bills to the agenda at the last minute, so legislators and other stakeholders did not have the opportunity to review the many changes in detail.

The bills in question include **SENATE, NO. 1451** (*Weinberg D-37*, would revise the law concerning meetings of public bodies to provide the public with greater access to meetings and to information about such meetings under the Open Public Meetings Act (OPMA); and, **SENATE, NO. 1452** (*Weinberg D-37*) would make certain access changes to the Open Public Records Act (OPRA). Both bills are currently in the Senate Budget and Appropriation Committee awaiting consideration. NJAC is concerned with S-1451 because it does not contain an appropriation to address the costs associated with providing adequate notice and preparing accurate meeting minutes for committee meetings, which the bill general defines as any subordinate committee of a public body. Although much more difficult to quantify, we have 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.

Both bills are on Second Reading in the Senate; and, the companion versions in the General Assembly A-2425/A-2426 (*Johnson D-37*) are currently in the Assembly State Government Committee awaiting consideration.

## **SOLAR LEGISLATION**

On June 28<sup>th</sup>, both houses passed **SENATE, NO. 1925/ASSEMBLY, NO. 2966** (*Sweeney D-3/Smith D-17,*) which would substantially accelerate RPS requirements and strengthen the Solar Renewable Energy Certificate (SREC) market.

Several counties have implemented or are pursuing cutting edge solar energy projects that will significantly lower electricity costs and stabilize property taxes. 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 \$205.0 million in debt service obligations.

To remedy this impending scenario, NJAC supports S-1925/A-2966 as a means to 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. Governor Christie is expected to sign the measure into law.

## **DOT DISCRETIONARY FUNDING**

Special thanks to Monmouth County Engineer Joseph Ettore and NJAC transportation consultants Mike Barrett and Dick Lane, for taking out of their busy schedules to meet with New Jersey Department of Transportation (DOT) Commissioner James S. Simpson. The purpose of the meeting was to discuss the Department's Transportation Capital Program (TCP) for fiscal years 2013 through 2017, which calls for a \$10.0 million reduction in Local Aid allocations under the Commissioner's discretionary funding through fiscal year 2017.

As has been well documented, county governments maintain 13,584 lane miles of roads and 7014 bridges that along with municipal roadways carry an estimated 55% of the State's traffic. According to the most recent data provided by the Department, county governments have an annual need of \$86.0 million for resurfacing, \$277.0 million for bridges, \$84.0 million for construction and reconstruction, and \$67.0 million for design and contract administration for a total need of \$514.0 million per year. The current Transportation Trust Fund (TTF) allocates \$175.0 million per year as Local Aid with \$78.75 million each for counties and municipalities, now \$7.5 million in discretionary funding, and an additional \$25.0 million for county bridges leaving county governments responsible for financing at least \$407.0 million or 79% of its total need through the collection of local property taxes.

With these staggering numbers in mind, NJAC looks forward to working with the Department in identifying how county governments may more effectively utilize available transportation funds. Importantly note that one of NJAC's long-term goals and objectives is to enhance Local Aid allocations to the levels recommended by the Transportation Blue Ribbon Commission in 2003 as a means to mitigate the reliance on the collection of local property taxes.

#### **CORRECTIONS OFFICERS DAY**

On June 28<sup>th</sup>, both houses unanimously passed **SENATE, NO. 2126/ASSEMBLY, NO. 481** (*Van Drew D-1*)(*Albano D-1/Milam D-1*), which designates July 30<sup>th</sup> of each year as "Corrections Officers Day" in New Jersey. NJAC has a long standing relationship with the New Jersey County Jail Wardens' Association; and, supports this legislation to recognize and honor corrections officers for their hard-work and continuous efforts to keep the residents of New Jersey safe and secure from criminal activity. Governor Christie is expected to sign the measure into law.

**ALSO ON THE GOVERNOR'S DESK** *and likely to be signed into law*

**S-323/A-2561** (*Whelan D-2/Oroho R-24*)(*Singleton D-7/Conaway D-7*), which permits county clerks or register of deeds and mortgages to create identification cards for certain veterans and for certain purposes. NJAC supports this legislation.

**S-1246/A-2395** (*Vitale D-19/Greenstein D-14*)(*Coughlin R-19/Coutinho D-29*), which changes priorities for financial assistance from the hazardous discharge site remediation fund. NJAC supports this legislation.

**S-743/A-1338** (*Sarlo D-36*)(*Greenwald D-6/DeCroce D-26*), which extends the expiration date of certain permits pursuant to the Permit Extension Act of 2008.

**S-1753/A-2313** (*Sarlo D-36*)(*Chivukula R-17/Singleton D-7*), which clarifies requests for proposals of public entities implementing energy savings improvement contracts.

**S-318/A-2741** (*Whelan D-2/Oroho R-24*)(*Burzichelli D-3/Bramnick R-21*), which provides that subcontractors who furnish non-specialty trade work shall not be named in local public bid documents.

**S-2020/A-3000** (*Holzappel R-10*)(*Wisniewski D-19/Giblin D-34*), which revises the New Jersey Transportation Trust Fund Authority Act.

Please let us know if you would like a copy of these for your reading pleasure.

*“He that would make his own liberty secure, must guard even his enemy from opposition; for if he violates this duty he establishes a precedent that will reach himself.” Thomas Paine*