

# NEW JERSEY ASSOCIATION OF COUNTIES

*County Government with a Unified Voice!*

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## STATE HOUSE NEWS

*July 24, 2012*

### SOLAR LEGISLATION

On July 23<sup>rd</sup>, Governor Christie signed into law **SENATE, NO. 1925/ASSEMBLY, NO. 2966** (*Sweeney D-3/Smith D-17*) as P.L. 2012, c.24 to accelerate RPS requirements and stabilize the volatile SREC market. NJAC strongly supports this measure as a means to protect an investment mechanism that has saved taxpayers approximately \$72 million in energy costs and one that will insulate county 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.

### CORRECTION OFFICERS DAY

On June 17<sup>th</sup>, Governor Christie signed into law **SENATE, NO. 2126/ASSEMBLY, NO. 481** (*Van Drew D-1)(Albano D-1/Milam D-1)* as P.L. 2012, c.21 to designate July 30<sup>th</sup> of each year as "Correction Officers Day" in New Jersey. NJAC has a long standing relationship with the New Jersey County Jail Wardens Association; and, supports this new law to recognize correction officers for their commitment to keeping residents safe from criminal activity. NJAC has been working with the Administration to clarify that our county correctional facilities must fly flags at half-staff on July 30<sup>th</sup> as it's unclear if the term "State's" as defined in the bill includes counties. The Governor must issue a resolution to fly flags at half-staff and will likely include county correctional facilities in that resolution.

### PROCUREMENT PRACTICES

Also on July 17<sup>th</sup>, NJAC submitted testimony to the Red Tape Review Commission concerning the overly burdensome regulations and processes that relate to government contracting and procurement. In summary, local public contracting operations and the public procurement system have become increasingly bureaucratic, burdensome, and costly to county governments. Over the past several years, the State Legislature has amended the "Local Public Contracts Law," N.J.S.A. 40A:11-1 et seq., to modify the manner in which counties solicit bids and the manner in which contracts are awarded. To a very

large extent, State laws, rules, and regulations concerning public contracting are onerous to the effective and efficient operation of county government.

For example, the statutory imposition of “prevailing wage” requirements significantly drives up the cost of public contracting projects since union wage scales often far exceed wages paid to non-unionized personnel performing work pursuant to public contracts. During the current legislative session, several pieces of legislation are pending to extend the prevailing wage requirements even further. These bills would require the payment of prevailing wages for certain food service and maintenance contracts, even though local governments across the State are reporting significant budgetary problems due to the nationwide economic recession. In addition, of particular interest to county governments is the fact that the threshold for the payment of prevailing wages by the counties is significantly lower than the threshold for other local units. For instance, current law provides that county governments must pay prevailing wages for all construction work in excess of \$2000, while a threshold of \$14,187 exists for municipal governments.

Additionally, inconsistencies in the bid thresholds and in the types of contracts subject to regulation in the Pay to Play and Local Public Contracts laws have led to increased administrative costs for county purchasing officials. Pursuant to State law, the threshold for the implementation of pay-to-play regulations is \$17,500, whereas the bid threshold varies for other contracts entered into under the Local Public Contracts Law. This inconsistency requires additional work by local officials and additional notice requirements for local units. These additional costs could be eliminated by making all bid thresholds uniform.

#### *Recommendations*

1. State policy makers should refrain from any further extension of the prevailing wage.
2. State policy makers should raise the threshold for the payment of the prevailing wage by county government and make it consistent with the threshold for other local units.
3. Policy makers should provide for uniformity in the various thresholds for public contracts.
4. After the above referenced reforms are made, policy makers should refrain from any further amendments to the Local Public Contracts Law for a period of two years.

NJAC will continue working with our county purchasing officials and the Red Tape Review Commission to implement some of these much-needed changes to public contracting and procurement.

## **DIRECT DEPOSIT**

We're very optimistic that the Senate State Government, Wagering, Tourism, and Historic Preservation Committee will consider **SENATE, NO. 2090/ASSEMBLY, NO. 720** (*Gordon D-38*)(*Ramos D-33/Milam D-1*) at one of its upcoming meetings in August. In summary, this legislation 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 supports this important and timely initiative as one of its top legislative priorities.

## **COUNTY OPERATED NURSING HOMES**

As counties that still operate nursing homes begin preparing for managed care, it's critical that we take some time to strategize on potential next steps. With this in mind, please let us know if you would like to attend our "County Operated Nursing Home Strategy Session" scheduled for 10:00 a.m. on August 29<sup>th</sup> in our office located at 150 West State Street in Trenton. Although we'll make sure to provide a more formal agenda as we get closer to the meeting date, some topics of discussion will include:

- NJAC establishing an affiliate association for county operated nursing homes
- NJAC or some other entity serving as the lead agent for negotiating rates with providers when managed care phases in during July of 2013
- Other cost saving measures and additional revenue streams

Please note that NJAC plans to discuss with its Board of Directors at its next meeting the possibility of establishing an affiliate association as noted above. 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.

## **PUBLIC MEETINGS AND RECORDS**

Before moving forward with a package of bills that would provide greater access to public records and meetings, Senator Weinberg has asked stakeholders for their input on the recently amended bills by August 15<sup>th</sup>. Please let us know if you would like to review the measures in more detail and we'll make sure to provide you with copies.

As a recap, 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.

#### **TRANSPORTATION TRUST FUND REGULATIONS**

The New Jersey Department of Transportation (DOT) invited NJAC to participate in a working group designed to develop new regulations for local aid allocations that must replace existing ones set to expire on October 19, 2013 and pursuant to the State's Capital Transportation Program that runs through 2017. NJAC will join representatives from the New Jersey Association of County Engineers and DOT for a series of four meetings that will lay the foundation for the new regulations. Please let us know if you're interested in participating in this working group and we'll make sure to include you in the process.

#### **SCADRTAP FUNDING**

Thanks to the hard work of NJ Council on Special Transportation (NJCOST) President Michael Viera, the fiscal year 2013 State budget contains an additional appropriation of \$2.0 million for the Senior Citizens and Disabled Residents Transportation Assistance Program (SCADRTAP), which has been decimated in recent years by declines in the Casino Revenue Fund. Moreover, NJ Transit plans to forgo collecting its 15% administrative fee and plans to dedicate the full appropriation to counties for their para-transit programs.

*"To be able to lead others, one must be willing to go forward alone." Harry S. Truman.*

