

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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CHAPTER 78 PROPOSED REGULATIONS

Thank you to everyone who provided background information for the comments and recommendations NJAC submitted to the Division of Local Government Services Local Finance Board concerning the proposed new rules intended to implement P.L. 2011, c.78. Special thanks to the Morris County contingency of John Bonanni, Mary Jo Buchanan, and Glen Roe for coordinating a January 10th meeting with Division Director Tom Neff. This meeting was very productive and we plan to hold an additional meeting with Governor Christie's Chief of Staff, Kevin O'Dowd, to discuss our concerns with the proposed rules in more detail.

In summary, the new rules would implement changes to the State Health Benefits Program (SHBP) that would require a cost comparison for local government employers that have chosen to participate in a health benefits plan other than the SHBP. NJAC and counties throughout the State have long advocated for initiatives that allow counties to effectively control healthcare costs. In fact, county governments have developed innovative healthcare cost saving measures over the years such as increasing employee awareness of generic prescription programs, providing incentives to waive duplicate coverage, and encouraging new employees to choose less expensive point of service plans over the more costly traditional ones. Moreover, NJAC was a strong supporter of P.L. 2011 c.78 as it made its way through the Legislature and onto the Governor's Desk.

However, NJAC is concerned that the proposed regulations would impose an unnecessary level of bureaucracy on local government employers that chose to participate in a plan other than the SHBP by requiring that local units demonstrate an aggregate cost savings for each collective bargaining unit. We're also concerned with how the proposed regulations could obstruct, delay, or otherwise hinder negotiations between local government employers and collective bargaining units; consequently, increasing the number of cases decided by the Public Employment Relations Commission (PERC) and leading to costly

litigation. Additionally, we're concerned with the fact that the proposed regulations would require local government employers to factor retirees into the cost comparison. This is particularly troublesome since local units have not received any guidance on the collection of co-pays for retirees as required under the law. *With these concerns in mind, please NJAC submitted the recommendations below that would serve to preserve the intent of P.L. 2011 c.78, but would make implementation of the proposed regulations more palatable for local government employers.*

NJAC RECOMMENDATIONS

1. As opposed to calculating, comparing, and approving aggregate employer savings for each collective bargaining unit when a local entity is using the P.L. 2011 c.78 contribution table under the proposed new rules, the Division of Local Government Services should consider comparing and approving the annual premium cost of a plan under a plan other than the SHBP to the annual premium cost of a comparable plan under the SHBP; or
2. As opposed to calculating, comparing, and approving aggregate employer savings for each collective bargaining unit when a local entity is using the P.L. 2011 c.78 contribution table, the Division of Local Government Services should consider comparing the aggregate annual cost of employee health benefits (*each employee's plan premium less what they contribute*) incurred by local government employers offering a plan other than the SHBP to the aggregate annual cost of providing employee health benefits under the SHBP (*SHBP premium less P.L. c.78 contributions*). Moreover, if the two amounts are within 10 percent of each other no further modifications to the plans would be required.
3. The Division of Local Government Services should consider exempting local government employers from certifying aggregate employer savings when the local government employer utilizes a professional health care broker to solicit healthcare plans and the professional health care broker is compensated by using a flat fee and not a commission.
4. The Division of Local Government Services should consider removing retirees from the equation as the cost to active employees would be substantial if active employees are forced to absorb the net cost of retirees who do not contribute toward the cost of insurance.

STATE TRANSPORTATION INFRASTRUCTURE BANK

Thank you to Assemblymen Troy Singleton and John Wisniewski, as sponsors of **ASSEMBLY, NO. 3177**, for agreeing to amend the measure to protect current Local Aid allocations under the Transportation Trust Fund (TTF).

On January 17th, the Assembly Transportation, Public Works, and Independent Authorities Committee amended the legislation to provide that “nothing in this amendatory and supplementary Act shall decrease, diminish, lessen or otherwise reduce allocations made to counties and municipalities pursuant to C.27:1B-25 et seq.” Although we’re still in the process of review the committee amendments in their entirety, this legislation would establish a State Transportation Infrastructure Bank within the New Jersey Environmental Infrastructure Trust. In summary, the Trust would issue bonds in maturities of up to 30 years for all types of capital improvement projects; and, would create an interim financing program for transportation projects matching the existing interim financing program for environmental projects. The intent of the legislation is to encourage private/public partnerships whereby monies in the State Transportation Infrastructure Bank would be loaned or used to provide other financial assistance to public or private entities for planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of a transportation project.

As has been well documented, county governments maintain over 6,792 centerline miles of roads, 13,584 lane miles of roads, and 7014 total bridges that along with municipal roadways carry an estimated 55% of the State’s traffic. Moreover, 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 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 \$403.0 million of its total need through the collection of local property taxes.

With these staggering numbers in mind, one of NJAC’s long-term goals and objectives has been to enhance Local Aid allocations to the levels recommended by the Blue Ribbon Transportation Commission in 2003 as a means to mitigate the reliance on the collection of local property taxes. Importantly, we’re also committed to advocating for innovative solutions that will provide our counties with a stable, dependable, and long-term source of revenue to finance critical transportation projects.

INTERNET GAMING

On December 20th both houses passed and sent to the Governor **SENATE, NO. 1565/ASSEMBLY, NO. 2578** (*Lesniak D-Union/Whelan D-Atlantic*)(*Burzichelli D-Gloucester/Prieto D-Hudson*), which would authorize Internet wagering at Atlantic City casinos under certain circumstances. NJAC supports this important and timely initiative as making New Jersey the first State in the nation to authorize Internet gaming is expected to Casino Revenue Fund monies that provide much needed financial support for county-based programs and initiatives. With this mind, NJAC is encouraging each county to adopt the model resolution below as soon as possible.

A RESOLUTION urging Governor Chris Christie to sign into law SENATE, NO. 1565/ASSEMBLY, NO. 2578 (*Lesniak D-Union/Whelan D-Atlantic*)(*Burzichelli D-Gloucester/Prieto D-Hudson*), which would authorize Internet wagering in Atlantic City casinos.

WHEREAS, this important and timely legislation would make New Jersey the first state in the nation to authorize online intra-state gaming empowering New Jersey to become the global capitol for Internet wagering; and

WHEREAS, this legislation is expected to generate new tax revenues of \$60.0 - \$80.0 million per year based on the 10% tax on gross gaming revenues estimated at \$600.0 - \$800.0 per year; and

WHEREAS, these new tax revenues would be appropriated to the Casino Revenue Fund and constitutionally dedicated for the benefit of the aged and disabled; and

WHEREAS, Casino Revenue Fund monies provide much needed financial support for county-based programs and initiatives such as Para-transit services, Meals on Wheels, and Pharmaceutical Assistance to the Aged and Disabled (PAAD); and

WHEREAS, counties across the State have been forced to cut essential services to the aged and disabled at a time in which demand is drastically increasing; and

WHEREAS, according to a study conducted by the University of Penn this legislation would generate between 1,500 and 2,000 new jobs in the high-tech industry; and

WHEREAS, this legislation passed both houses of the Legislature with bi-partisan support; and

WHEREAS, it is in the best interest of county government, the aged, and disabled to make New Jersey the first state in the nation to authorize Internet gaming.

NOW, THEREFORE, BE IT RESOLVED that the New Jersey Association of Counties does in fact hereby urge Governor Chris Christie to sign into law SENATE, NO. 1565/ASSEMBLY, NO. 2578 (*Lesniak D-Union/Whelan D-Atlantic*)(*Burzichelli D-Gloucester/Prieto D-Hudson*) (*Burzichelli D-Gloucester/Prieto D-Hudson*); and

BE IT FURTHER RESOLVED that certified copies of this Resolution are forwarded to the Governor of the State of New Jersey, the President of the New Jersey State Senate, the Speaker of the General Assembly, and the New Jersey Association of Counties.

DIRECT DEPOSIT

At one of its upcoming voting sessions, the General Assembly is expected to concur with recent Senate amendments and send to the Governor's Desk **ASSEMBLY, NO. 720/SENATE, NO. 2090** (*Ramos D-Hudson*)(*Gordon D-Bergen*). As you know, 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 has been advocating for the passage of this important and timely initiative for almost two years as it would eliminate an antiquated law that has become a significant barrier for counties committed to streamlining their operations and saving valuable taxpayer dollars.

COUNTY NURSING HOMES OF NEW JERSEY

On January 18th, County Nursing Homes of New Jersey (CNHNJ) will hold its first meeting at the Roosevelt Care Center in Middlesex County. As county operated nursing homes begin planning for the phase in of Managed Care, the CNHNJ intends to play a greater role in advocating for county operated nursing homes and serving as the lead agent in negotiating with healthcare providers. The core mission of County Nursing Homes of New Jersey (CNHNJ), under the direction of the New Jersey Association of Counties (NJAC), is to advocate for legislation, regulations, and policy directives that empower county operated nursing homes to operate more effectively and efficiently.

CNHNJ will monitor, review, and summarize proposed legislative, administrative, and rule changes relevant to the nursing home industry. Through the use of subject matter experts, CNHNJ will testify at pertinent committee meetings, public hearings, and other venues as deemed necessary. CNHNJ will conduct research and analysis on a wide variety of substantive topics that may include: comparative data on facility capacity, average daily census, occupancy rates, and privatization initiatives. CNHNJ will develop educational and informative position statements that advance its core mission and serve to benefit county operated nursing homes in an equitable and uniform manner. Each nursing home in the State of New Jersey that is owned and operated by a county governing body or county improvement authority is eligible to become a member of CNHNJ.

63RD ANNUAL CELEBRATION OF COUNTY GOVERNMENT

Check out the action packed schedule of events for our 63rd annual celebration of county government. Registration details available next week.

WEDNESDAY, MAY 8TH

9:00 a.m. – 3:00 p.m.

Exhibitor Set Up

5:00 p.m. – 7:00 p.m.

Meet and Greet Cocktail Reception in Exhibitor Area

THURSDAY, MAY 9TH

8:00 a.m. – 3:00 p.m.

Registration Desk Open

8:30 a.m.

Exhibit Area Opens with Breakfast

9:00 a.m. – 10:00 a.m.

Board of Directors Meeting in Exhibit Area

Following the board's routine business, we'll draw names from a hat and vendors will have 60 seconds to pitch their business.

10:15 a.m. – 12:30 p.m.

Staggered one hour workshops to begin at 10:15 a.m. and 11:30 a.m.

10:15 a.m. - 12:15 p.m.

New Freeholder/County Official Orientation

12:30 p.m. – 2:00 p.m.

Legislative Luncheon in Exhibit Area

We'll present two legislative leadership awards for one member in each house and from each party. Moderated by Kevin McArdle (Invited).

2:15 p.m. – 3:30 p.m.

Doing Business with County Government for vendors in Exhibit Area

County purchasing officials will host an informative panel discussion for all registered business associates.

2:15 p.m. – 4:30 p.m.

Staggered one-hour workshops to begin at 2:15 p.m. and 3:30 p.m.

5:00 p.m. - 7:00 p.m.
Exhibitors' Reception with DJ in Exhibit Area

FRIDAY, MAY 10TH

8:00 a.m. - 12:00 p.m.
Registration Desk Open

8:30 a.m.
Exhibit Area Opens with Breakfast

9:00 a.m. - 9:45 a.m.
Board of Directors Business Associate Awards and Tour of the Floor
Following the presentation of awards below, NJAC's Board of Directors will tour the exhibit hall to visit each vendor.

- Raffle for Prizes
- Best Exhibit Display
- Best Booth Giveaway
- Friendliest Vendor
- Business Associate of the Year

10:00 a.m. - 12:15 p.m.
Staggered one hour workshops at 10:00 a.m. and 11:15 a.m.

12:30 p.m. - 1:15 p.m.
County Vocational-Technical School Cook-Off Challenge

1:15 p.m. - 2:30 p.m.
President's Awards Reception with Governor Chris Christie (Invited)
The reception will begin at 1:15 with a DJ, appetizers, and dessert station. The awards presentation will begin at 1:45 p.m.

- County Service Awards
- The "Maurice Fitzgibbons" County Freeholder of the Year Award
- County Vocational-Technical School Cook-Off Challenge Awards

2:30 p.m. - 3:00 p.m.
Exhibitor Breakdown Party with DJ

"Leadership is the art of getting someone to do something you want done because he wants to do it." Dwight Eisenhower