

# NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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## STATE HOUSE NEWS

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- BUDGET ISSUES:** Governor Christie is expected to sign into law later today the first negotiated budget of his administration in **SENATE, NO. 3000** (Sarlo D-Bergen/Bucco R-Morris), which appropriates \$32,976,962.00 in State funds and \$13,427,159.00 in federal funds for the State budget in fiscal year 2014.

### SPECIAL ELECTIONS

S-3000 does not appear to include funding for the special elections for the United States Senate. However, we expect the Division of Elections and Department of Community Affairs (DCA) to provide counties with some much needed guidance on how to manage the costs associated with the special elections shortly after Governor Christie signs the budget into law. Based on recommendations from our county administrators and finance officers, we've presented DCA and the Division with several viable options to address the fact that counties did not anticipate conducting the special elections, and did not appropriate the estimated \$25.0 million projected to fund both elections.

### COUNTY OPERATED NURSING HOMES

S-3000 includes language that will freeze Medicaid reimbursement rates at fiscal year 2013 levels by requiring that:

"The per diem rate for each nursing home shall not be less than the per diem rate last received by that facility for Fiscal Year 2013."

NJAC has been advocating for the Legislature to keep this language in its budget and will continue working with the Department of Human Services to address the fact that funding County Peer Grouping will terminate once MLTC begins. The State and federal governments developed funding for Peer Grouping to help counties reduce civil service, collective bargaining, and pension and health benefit operating expenses; and, to provide funding for community and home based programs. Once this mechanism is eliminated, counties will be forced to reduce or terminate essential programs such as meal on wheels, adult protective services, and transportation services for the aged and disabled.

## HEALTHCARE FOR COUNTY INMATES

S-3000 includes language that requires the Department of Human Services to collaborate with county corrections agencies to maximize Medicaid reimbursements. Specifically:

“The amounts hereinabove appropriated for Personal Services are conditioned upon the Department of Human Services working collaboratively with the various county corrections agencies to promote the proper enrollment in the Medicaid program of all eligible inmates requiring medical services. The Department shall provide guidance to the county corrections agencies on this subject and, upon request, shall provide such additional assistance as may be necessary to support the counties in ensuring that all eligible Medicaid reimbursements are properly claimed consistent with federal law.”

Although additional guidance from the National Association of Counties (NACo) and the federal Department of Health and Human Services is forthcoming, certain prisoners in county jails *may* be eligible for health insurance coverage with the expansion of Medicaid under the Affordable Care Act (ACA).

## COUNTY AID ALLOCATIONS

Although S-3000 did not include NJAC’s proposal for a \$12.5 million increase in annual county aid allocations, we’re anticipating additional guidance from the New Jersey Department of Transportation (DOT) on which county aid distribution formula the Department plans on using in fiscal year 2014. As previously noted, the bill signed into law last year that reauthorized the Transportation Trust Fund (TTF) also eliminated the Federal Aid Urban System (FAUS) minimum allotment from the county aid distribution formula. If implemented in October of 2013, the new formula will cause substantial losses in funding for the State’s most urban counties where Bergen, Camden, Essex, Hudson, Mercer, Middlesex, Monmouth, Morris, Passaic, and Union stand to lose over \$5.79 million per year for much needed transportation infrastructure improvement projects. Although the new law appears to require DOT to use the above noted formula, DOT plans to provide us with some much needed clarification on which funding formula the Department will use after Governor Christie signs the budget into law.

## SCDRTAP FUNDING

S-3000 does not include additional funding for the Senior Citizens and Disabled Transportation Assistance Program (SCDRTAP), which is projected to lose \$4.0 million in critical funding in fiscal year 2014 as monies from the Casino Revenue Fund continue to decline dramatically. As a strong supporter of legislation that

authorized Internet gaming, NJAC is optimistic that the measure will ultimately increase annual CRF funds dedicated to county-based programs and initiatives. However, the State does not expect to collect and distribute such revenues until 2016. As such, NJAC recommended at this year's budget include an \$8.0 million appropriation for SCDRTAP funding, which would increase support for county coordinated transportation systems to 2011 levels.

*2. LEGISLATIVE ISSUES: The Legislature considered the bills below during the month of June with many currently on or near the Governor's Desk.*

## **OPEN PUBLIC MEETINGS AND RECORDS**

On several occasions this week, the Senate was set to consider, but ultimately tabled, legislation that would provide greater access to public meetings and records. Although NJAC is a strong advocate of transparency in local government and is still in the process of reviewing the new bills, we remain concerned that the legislation does not take into consideration the expense, staff time, and resources necessary to carry out its mandates. We're also concerned that the bill would exempt members of the State Legislature and that NJAC, the New Jersey State League of Municipalities, the New Jersey School Boards Association, and other stakeholders did not have the opportunity to review or testify in committee on the new versions. **SENATE, NO. 2511** (*Weinberg D-Bergen/Pennacchio R-Morris*) would provide the public with greater access to meetings of public bodies and information about the meetings; and, **SENATE, NO. 2512** (*Weinberg D-Bergen/R-Morris*) would provide greater access to government records. We plan on meeting with senators Weinberg and Pennacchio over the summer to discuss our concerns with this legislation in more detail.

## **PRIVATIZATION CONTRACTS**

If your county hasn't done so already, please let Governor Christie know that we oppose **SENATE, NO. 968/ASSEMBLY, NO. 998** (*Weinberg D-Bergen*)(*Vainieri- Huttle D- Bergen*), which would establish procedures and standards concerning public services privatization contracts. NJAC strongly opposes this legislation as it would effectively prohibit the use of privatization contracts by requiring counties to pay new employees' wages and benefits at a rate not less than the wages and benefits paid to displaced employees. As has been well documented, counties execute privatization contracts to recognize substantial cost savings by typically reducing wage and benefit costs that comprise 50% of operating budgets. We're also concerned with the fact that this legislation would require the Office of the State Ombudsman to review and approve privatization contracts creating an unnecessary level of bureaucracy. Moreover, elected county officials should retain the autonomy to enter into such agreements that they believe are in the best interest of their constituents.

## STATE HEALTH BENEFITS PROGRAM

On Monday, both houses passed **ASSEMBLY, NO. 1273** (*Coughlin D-19/O'Donnell D-31*), which would require the State Health Benefits Program (SHBP) to provide certain information to participating public employers. Counties that currently participate in the SHBP have long objected to the fact that claims experience and loss report data are not made readily available by the SHBP. Moreover, the SHBP forces counties to pay for this critical information typically provided at no charge and in a timely manner by private health insurance plans. With this in mind, NJAC supports this measure as it would allow county governments that participate in the SHBP to more effectively shop and compare public employee health benefit plans. NJAC has sent a letter to Governor Christie requesting that he sign the measure into law, but it's unclear at this point what action the Governor will take.

## COUNTYWIDE PURCHASING

On Monday, both houses passed **SENATE, NO. 1191** (*Lesniak D-Union/Sarlo D-Bergen*), which would permit the establishment of a county-wide purchasing system by a county that employs a qualified purchasing agent; and, would require participation by all school districts located within the county. Although NJAC applauds the sponsors for their efforts to promote shared services and consolidation through cooperative purchasing; and, appreciates the fact that the measure is permissive for county governing bodies, we're concerned with the unintended consequences this legislation would impose on counties that moved forward with implementation. Please note that the Legislature amended the bill as introduced to authorize establishing a countywide purchasing system in Camden, Gloucester, Passaic, Union, and Middlesex counties; and, only where a school district located in one of those counties has a privatization contract to provide janitorial or food services.

## PUBLICATION OF ORDINANCES

On Monday, both houses unanimously passed **SENATE, NO. 316/ASSEMBLY, NO. 3725** (*Whelan D-Atlantic*)(*Burzichelli D-Gloucester*), which would permit certain county boards of chosen freeholders to publish notices of proposed or amended ordinances by title and summary. NJAC supports this measure as it could save significant taxpayer dollars for county governments established pursuant to the "Optional County Charter Law." *These counties include Atlantic, Bergen, Essex, Hudson, Mercer, and Union.* Although current law under N.J.S.A. 40:49-2 authorizes municipalities to publish ordinances in a newspaper in their entirety or by title and summary, N.J.S.A. 41A-1-101 mandates charter counties to publish ordinances in their entirety at a substantially higher cost. NJAC has sent a letter to Governor Christie requesting him to sign the measure into law and we expect him to do so shortly.

## OPEN SPACE PRESERVATION.

SCR 138/ ACR 179 (*Smith D-Middlesex/Bateman*)(*Spencer D-Essex/Ramos D-Hudson*) has stalled in the General Assembly after passing the Senate by a vote of 36-2 on Monday. In summary, the proposed amendment to the State Constitution would provide a dedicated and stable source of funding to continue the State's current programs for open space, including flood prone lands, farmland, and historic preservation implemented pursuant to Article VIII, Section II, paragraph 7 of the State Constitution, the "Garden State Preservation Trust Act," P.L.1999, c.152 (C.13:8C-1 et seq.), and various bond acts passed by the voters of this State over the last 50 years. This constitutional amendment would dedicate \$200 million annually for the next 30 years, from Fiscal Year 2015 through Fiscal Year 2044, of State sales and use tax revenue to finance the State's programs for open space preservation, farmland preservation, and historic preservation. The specific allocation for each of these purposes would be established by law. NJAC supports this legislation as county governments have benefitted a great deal from State preservation initiatives. Importantly, this legislation would establish a long-term and dedicated source of funding necessary to sustain open space, farmland, and historic preservation programs without raising taxes or creating new debt. Moreover, this legislation would provide voters with the opportunity to decide by referendum whether it's in the State's collective best interest to continue funding for the preservation and stewardship of New Jersey's open spaces, parks, waterways, farmland, and historic sites.

*"Be thankful we're not getting the all the government we're paying for." Will Rogers*