

# NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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## STATE HOUSE NEWS

March 1, 2013

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### FISCAL YEAR 2014 STATE BUDGET

On February 26<sup>th</sup>, Governor Chris Christie unveiled his fiscal year 2014 state budget that you may review on our website at [www.njac.org](http://www.njac.org). Relative to county government, the proposed budget contains some initial good news that includes: freezing Medicaid reimbursement rates at fiscal year 2013 levels for nursing homes; maintaining funds for Peer Grouping; and, supporting Medicaid Expansion under the Affordable Care Act (ACA) beginning in calendar year 2014. Although we're in the initial stages of researching the issue with the National Association of Counties (NACo), the ACA *may* authorize Medicaid eligible prisoners held in county jails to purchase health insurance through a health insurance exchange that each State must establish by 2014. Current federal law prohibits inmates from receiving Medicaid benefits and forces county governments across the nation to provide health care coverage for inmates held in county jails. *Stayed tuned for additional details.*

### SHARING COUNTY TAX ADMINISTRATORS

On March 4<sup>th</sup>, the Senate Community and Urban Affairs Committee will consider **SENATE, NO. 1694** (*Doherty R-Warren/Sweeney D-Gloucester*), which would permit counties to share county tax administrators, and of which NJAC supports as one of our top legislative priorities.

NJAC has long been an strong advocate for sharing resources and consolidation where feasible as cost effective alternatives for providing necessary and often mandated government services in a more reliable and practical manner. Over the past decade, our counties have led the way on implementing innovative programs and initiatives that have improved the level of service provided and saved valuable taxpayer dollars. Unfortunately however, several antiquated laws remain on the books and have become significant barriers to moving forward with potential cost saving initiatives.

One such example is the fact that N.J.S.A. 54:3-7(b) requires the county board of taxation in each county to appoint a full time county tax administrator. As the

Committee is well aware, the Governor appoints all tax board members with the advice and consent of the Senate, and the State Treasurer pays their salaries accordingly. However, counties must pay the salaries and wages of its county tax administrator at an average of \$96,461.00<sup>1</sup> per year, plus pension and health benefits. Counties must also pay for the salaries of all clerical assistants, and for the operation and maintenance of the offices for the entire tax board and administrator.

Several of our counties have expressed interest in sharing a county tax administrator as a meaningful cost saving measure, but have been advised that such an arrangement is prohibited by N.J.S.A. 54:3-7(b) as it again requires that counties employ their tax administrator on a full-time basis. At a time in which all local governments are struggling to make ends meet by reducing critical staff, essential services, and capital improvement projects, this outdated law imposes an unnecessary barrier to progressively sharing services. NJAC plans to testify in support of the measure on Monday, and is advocating for the Assembly Housing and Local Government Committee to consider the Assembly companion version **ASSEMBLY, NO. 2578** (*McKeon D-Essex/Quijano D- Union*) at one of its upcoming meetings.

#### **LAW SUIT REPORTING**

On March 4<sup>th</sup>, the Senate Community and Urban Affairs Committee also will consider **SENATE, NO. 1400** (*Rice D-Essex*), which would require local governments to provide the Director of Division of Local Government Services with a report concerning lawsuits to which it is a party.

Last legislative session, NJAC testified before the Senate Community and Urban Affairs Committee that this legislation would impose an undue burden on local governments as it could potentially condition approval of a local government's budget on a frivolous lawsuit or nominal legal action. As a result of this testimony and input from county counsels, Senator Rice amended the legislation to establish a minimum reporting threshold for such law suits in which the governing body expects to expend more than \$50,000.00 in legal fees and settlement costs. This figure is similar to the amount already used in annual audit reports submitted to the Division of Local Government Services. Senator Rice also agreed to amend the legislation to exempt reporting cases where a lawsuit is covered by insurance as a governing body is unlikely to maintain detailed information on whether it will reach the \$50,000.00 threshold. A companion version of this legislation does not exist in the General Assembly at this time. In light of the above-noted changes, NJAC no longer opposes the measure, but will continue to monitor it as it makes its way through the Legislature.

## SUBCONTRACTING AGREEMENTS

On March 4<sup>th</sup>, the Senate Budget and Appropriations Committee will consider **SENATE, NO. 1191** (*Allen R-Burlington*), which would effectively prohibit the use of subcontracting agreements entered into by public school districts and higher education institutions.

Although this legislation may not apply directly to county governing bodies, it would significantly inhibit the use of subcontracting agreements by county special services school districts and county colleges. As the Committee is well aware, county governments provide substantial funding for county colleges that has increased over the years while State funding has decreased. County governments also provide funding and transportation services for county special services school districts.

As has been well documented, local governments save millions of valuable taxpayer dollars, without impacting the level of service provided, by using subcontracting or privatizing agreements for the delivery of food services, custodial services, transportation services, and much more. As local governments continue struggling to make ends meet by reducing or eliminating critical staff, essential services, and capital improvement projects, the use of subcontracting agreements must remain a viable option. The companion version in the General Assembly **ASSEMBLY, NO. 3627** (*Conaway D-Burlington*) is on Second Reading in the General Assembly.

## EARLY VOTING

On March 4<sup>th</sup>, the Senate Budget and Appropriations Committee also will consider **SENATE, NO. 2364** (*Gill D-Essex*), which would establish an early voting procedure that would allow registered voters to vote in person at a designated polling station beginning on the 15<sup>th</sup> day before each primary and general election and ending on the second day before each election. Although the measure contains language that attempts to address its potential fiscal impact on local governing bodies, NJAC is concerned that the language is not strong enough; and more importantly, does include an appropriation to address the substantial costs associated with early voting as prescribed under the bill.

“There is appropriated from the General Fund as State aid to each county governing body ... such sums as the State Treasurer and the Director of the Division of Budget and Accounting in the Department of the Treasury deem necessary to effectuate the purpose of section 6 of this act.”

NJAC's primary concern with this vague and ambiguous language is that it circumvents the State's prohibition against unfunded mandates, which will lead to an annual budget battle for limited State resources and ultimately force counties to fund early voting operations. An identical companion version of this legislation does not exist in the General Assembly at this time.

#### INTERNET GAMING

On February 26<sup>th</sup>, Governor Christie signed into law **SENATE, NO. 1565/ASSEMBLY, NO. 2578** (*Lesniak D-Union/Whelan D-Atlantic*)(*Burzichelli D-Gloucester/Prieto D-Hudson*) as P.L. 2013, c.27. In summary, this new law makes New Jersey the first state in the nation to authorize Internet gaming and is expected to increase Casino Revenue Fund monies that provide much needed financial support for county-based programs and initiatives for the aged and disabled. NJAC strongly supported this important and timely initiative as it made its way through the Legislature and onto the Governor's Desk; and, thanks the several counties that adopted resolutions in support of the measure.

#### VETERAN PREFERENCE

On January 25<sup>th</sup>, Governor Christie signed into law **SENATE, NO. 527/ASSEMBLY, NO. 1133** (*Norcross D-Camden/Connors R-Ocean*)(*Fuentes D-Camden/Wilson D-Camden*) as P.L. 2013, c.5.

In summary, this new law authorizes the governing body of a county or municipality to establish a qualified veteran business enterprise set-aside program. In authorizing such a program, the governing body of a county or municipality must establish a goal for its contracting agencies of setting aside a certain percentage of the dollar value of total procurements to be awarded as set-aside contracts to qualified veteran business enterprises. The new law defines "qualified veteran business enterprise" to mean: a business that has its principal place of business in this State; is independently owned and operated; and, is at least 51% owned and controlled by a veteran or agrees to hire veterans, equaling at least twenty five percent of the required workforce for the contract. The business must submit forms quarterly to the contracting agency showing proof of veteran status of all the veteran employees.

*"Whether you think you can or whether you think you can't, you're right." Henry Ford*

