

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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STATE HOUSE NEWS

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STATE OF EMERGENCIES

On September 15th, NJAC testified before the Senator Labor Committee in opposition to **SENATE, NO. 1717** (*Barnes D-Middlesex*), which would prohibit adverse employment actions against employees affected by a declared State of Emergency.

NJAC testified in opposition to the bill as originally introduced as it would substantially increase overtime costs for essential personnel such as police, fire, emergency medical services, and authorized emergency management employees. As the result of relevant case law and past practices, county governments must pay an increased holiday rate of pay to essential employees when the county terminates or otherwise suspends operations for the entire day or a portion of the day for non-essential employees. As such, counties throughout the State have adopted conservative emergency closing policies; and, typically require non-essential employees to use sick, vacation, or personnel time if necessary during a snow storm or other weather related event. Additionally, this legislation does not contemplate the complexities of how each county currently handles emergency closings.

NJAC testified further concerned that the measure does not clarify whether a declared State of Emergency, as defined under the bill as originally introduced, included a travel-related ban for non-essential employees. Although the Governor may declare a State of Emergency to mobilize State and local resources in response to a disaster that has occurred in the southern region of the State, for example, the remainder of the State may not be similarly impacted by the event. The Governor may also declare a State of Emergency to seek federal assistance and monies when the scope of the event exceeds State and local resources. Finally, the legislation as introduced did not address the fact that county governments may declare a State of Emergency for the county and designated municipalities within the county, but instead would only include the Governor and municipal emergency management coordinators.

The New Jersey Business and Industry Association, the New Jersey Chamber of Commerce, and several other organizations shared similar concerns with the Committee that amended the measure to narrow its scope and limit its applicability to a State of Emergency declared by Governor with a travel-related ban. More specifically, the bill as amended would prohibit an employer from taking any adverse employment actions against an employee who is unable to actively work or perform regular duties at the employer's place of business due to a declared state of emergency during the time in which the state of emergency is in effect and applies to the areas where the employee lives and works and emergency management officials have advised individuals in those areas to evacuate or to not travel. Although this language addresses some of our initial concerns, NJAC is still in the process of reviewing the measure with our county administrators, human resource directors, and emergency management coordinators. S-1717 is now on Second Reading in the Senate, but a companion version of the measure has not been introduced in the General Assembly at this time.

911 DISPATCH FUNDING

Special thanks to Camden County Director of Public Safety Robin Blaker for joining NJAC's Legislative Director Allen Weston on September 18th to testify before the Assembly Telecommunications and Utilities Committee on the allocation of funds from the State's 911 System and Emergency Response Trust Fund Account (911 Trust Fund).

NJAC testified that the State collects approximately \$130.0 million annually in telecommunication user surcharges. These surcharges are itemized on consumer bills as "911 System/Emergency Response Fees" and are dedicated to the 911 Trust Fund. During and prior to 2009, counties received grant funding through the 911 Trust Fund, which allowed counties across the State to fund 911 system, equipment upgrades, countywide Public Safety Answering Point (PSAP) consolidation, and the State mandated 911 county coordinator position.

Although county and municipal PSAPs handle the vast majority of 911 service requests, the State has not allocated funding through the 911 Trust Fund to local PSAP operators since 2009. Due to this lack of funding, counties operating PSAPs have been responsible for improving, maintaining, and operating their 911 systems. With this in mind, NJAC urged the Committee to recognize this critical public safety funding gap and restore the 911 Trust Fund grants to the local PSAG operators. NJAC also testified on **ASSEMBLY, NO. 3461** (*Conaway D-Burlington/Rible R-Monmouth, Ocean*), which would require 911 service facilities be equipped with a system capable of processing requests for emergency services sent via text message. Although NJAC commends the sponsors for their

laudable intentions in introducing this legislation, NJAC is concerned that the measure would rely on a temporary 10% raise to the State's 911 System/Emergency Response Fee as the sole funding mechanism to cover the costs incurred by the local PSAPs in complying with the measure.

As noted above, although this fee is intended to subsidize 911 system upgrades, maintenance, and operational costs, the local PSAP's have not received funding for such purposes since 2009. With this in mind, NJAC again urged the Committee to address this significant funding discrepancy and make available the 911 Trust Fund monies to the local PSAP operators accordingly. The Committee second referenced the measure to the Assembly Appropriations Committee for further consideration.

PRESUMPTIVE ELIGIBILITY PROCESS FOR COUNTY INMATES.

On August 11th the Division of Medical Assistance and Health Services hosted a training session on Medicaid and County Inmates to promote the NJ FamilyCare/Medicaid enrollment of all eligible inmates requiring inpatient hospitalization. The Division later distributed materials to our counties for their review. Based on input from our county administrators, jail wardens, and welfare directors, NJAC submitted the following questions to the Division and will make sure to summarize the responses as soon as they become available.

1. Will a county incur financial penalties if an eligible inmate is not enrolled in a timely manner after requiring inpatient hospitalization? Although the Frequently Asked Questions (FAQ) states that applications submitted after 72 hours will be denied, will a county incur other financial penalties?
2. How does the Division intend to address or prevent the potential double billing of an inmate who is initially enrolled under a county's health benefits plan upon incarceration and then later requires inpatient hospitalization?
3. Does the Division plan to implement the PE process retroactive to January 1, 2014? The FAQ states Medicaid coverage would reimburse if "... the CWA is able to provide the active Medicaid policy number at the time of the inmate's hospitalization...." A) Does this mean those inmates with existing policies? B) Will Medicaid provide reimbursement for hospital stays from 1/1/14 through 8/31/14 that are newly eligible or otherwise would have met the criteria if the hospitalization occurred after 9/1/14?
4. How does the Division recommend a county manage the scenario where an inmate moves from an acute care hospital to a nursing

- home/rehabilitation facility when the inmate is no longer in need of acute care, but cannot be maintained by the jail?
5. The FAQ states that each PE application or eligibility is permitted once per 12 month period and will last for 60 days. A) What is the process for when an inmate is hospitalized for a period longer than 60 days? B) What if an inmate is admitted to a hospital on February 1st for five days, returns to the jail, then is readmitted to the hospital on August 1st - more than 60 days later?
 6. The County Welfare Agency (CWA) receives a Capitation Fee for each individual on Medicaid. That fee should stop when the individual is incarcerated and re-start upon release from custody. How does the Division intend to address the starting/stopping of Capitation Fees as the jails maintain their own database, but the CWAs rely on the State's Medicaid Eligibility System (MES)?
 7. Is the PE process applicable at psychiatric hospitals?
 8. When does "custody" begin for a county? For example, if a local police department delivers an arrestee to a county jail and the jail medically refuses the arrestee because the arrestee requires hospitalization before being jailed, is that arrestee the responsibility of the county or municipality as said arrestee enters the hospital?
 9. When does the 24-hour clock commence on a hospitalization? For example, if an inmate or arrestee is delivered to a hospital and is admitted, when does the clock toll for the 24-hour period of admittance - when the inmate/arrestee enters the hospital, or when the hospital determines that the inmate/arrestee needs to be admitted?
 10. Will the Division develop standard operating procedures or best practices as guidance for all 21 counties to follow when implementing the PE process?

FIVE PERCENT DOWN PAYMENT WAIVER

On September 18th, NJAC testified before the Assembly Housing and Community Development Committee in support of **ASSEMBLY, NO. 1065** (*Schaer D-Bergen/Mainor D-Hudson*), which would eliminate the five percent down payment requirement for bond ordinances approved by counties and municipalities. At a time in which county governments are struggling to provide essential services in a cost effective manner, NJAC supports this legislation as it

frees up limited resources that local governing bodies may utilize to manage their affairs in a more flexible and efficient manner. Additionally, this legislation would streamline the current local bond issuance process as the Local Finance Board in the Department of Community Affairs often waives the five percent down payment requirement. The Committee favorably reported the measure, which is now on Second Reading in the General Assembly.

PENSION AND HEALTH BENEFITS STUDY COMMISSION

NJAC and the New Jersey State League of Municipalities (NJSLOM) have collaborated on a letter that NJAC sent to the New Jersey Pension and Health Benefit Study Commission established pursuant to Executive Order No. 161. In summary, the letter respectfully requests the Commission to incorporate the statements outlined below into its official record and final report to Governor Chris Christie.

Although NJAC commends the Governor and Commission for their leadership in reviewing and making recommendations concerning the State's pension and health benefit systems, NJAC submits that both the local Public Employees Retirement System (PERS) and the local Police and Fire Retirement System (PFRS) are actuarially sound as counties and municipalities have made full employer contributions as required under the law for over a decade. In fact, local PERS is currently funded at 73.9% and local PFRS is currently funded at 76.9% according to the latest valuation reports. As the Committee is well aware, one of the more challenging objectives of the pension and health benefit reforms enacted in 2011 under Chapter 78 was to achieve a target funded ratio for the State's six pension systems of 75.0% by fiscal year 2012 and 80.0% by fiscal year 2019. As indicated above, the local pension systems are close to or have exceeded those expectations.

NJAC further contends that the local pension systems are well funded and solvent. Based again on the latest valuation reports, local PERS currently holds actuarial valued assets of approximately \$20.0 billion with estimated retirement allowances due of \$1.5 billion, while PFRS currently holds actuarial valued assets of approximately \$22.0 billion with estimated retirement allowances due of \$1.5 billion. Although NJAC is in fact concerned about and would welcome recommendations from the Committee on reducing the \$12.5 billion in unfunded accrued liabilities incurred by local PERS and PFRS collectively, NJAC asserts that such liabilities, particularly with respect to PERS, are compounded annually by State driven actuarial assumptions that are discounted for public employers to pay a normal employer contribution rate of approximately 2.0%, which is significantly lower than the optimal normal employer contribution rate of 5.0%. With this in mind, and in light of the fact that counties employ over 30,000

employees across the State, NJAC will respectfully request that the New Jersey Pension and Health Benefit Study Commission recognize that the local pension systems are healthy, and that counties and municipalities have met their obligations as employers.

TRANSPORTATION TRUST FUND

On September 16th, NJAC participated in a meeting and press conference with a broad-based coalition of advocacy groups such as the New Jersey State Chamber of Commerce, the New Jersey State League of Municipalities, the Utility Contractors Association of New Jersey, and many more. The dual purpose of this impressive coalition, entitled ForwardNJ, is to educate decision makers, key stakeholders, and the public on the State's looming transportation crisis; and, to present viable solutions for establishing a stable, dependable, and long-term source of funding for the Transportation Trust Fund.

Additionally, the Assembly Transportation and Infrastructure Committee plans to hold a series of public hearings on the TTF over the next several weeks. Special thanks to Hunterdon County Freeholder John King and Camden County Freeholder Ian Leonard for agreeing to testify on behalf of NJAC at the November 20th public hearing that will take place at the New Jersey State League of Municipalities Annual Conference in Atlantic City. This hearing will focus on local aid allocations for counties and municipalities, and is one of the venues where NJAC will make its case for reauthorizing the TTF and increasing local aid allocations.

As has been well documented, county governments maintain over 6,775 centerline miles of roads, 13,550 lane miles of roads, and 8566 total bridges that along with municipal roadways carry an estimated 59% 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 State TTF allocates \$175.0 million per year as Local Aid with \$78.75 million each for counties and municipalities, with \$7.5 million in discretionary funding, and 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.

NJAC SUMMIT ON THE TTF

Don't miss this unique opportunity to hear State, county, municipal, and other transportation industry experts discuss the need to establish a stable, dependable, and long-term source of funding for the TTF.

NJAC BOARD OF DIRECTORS MEETING

8:30 a.m. – 9:30 a.m.

REGISTRATION, CONTINENTAL BREAKFAST, & NETWORKING

9:00 a.m. – 10:00 a.m.

OPENING REMARKS

10:00 a.m. – 10:15 a.m.

THE TTF AND COUNTY/MUNICIPAL TRANSPORTATION NEEDS

10:15 a.m. – 11:15 a.m.

- County, municipal, and other transportation planning experts will provide a comprehensive overview of the TTF, local aid allocations, and county and municipal transportation needs.

SOLUTIONS FOR FUNDING THE TTF

11:30 a.m. 12:30 p.m.

- The State's leading transportation authorities will offer solutions to funding the TTF that will improve our roads and bridges, create necessary jobs, and revitalize the State's economy.

LUNCH SERVED AND MORE NETWORKING

12:30 p.m. – 1:00 p.m.

KEY NOTE SPEAKER

1:00 p.m. – 2:00 p.m.

US DOT Secretary Anthony Foxx & NJ DOT Commissioner Jamie Fox - Invited

STATE HOUSE TRIVIA

Did you know that Derek Jeter grew up a Yankee by visiting his grandmother in New Jersey every summer?

"The last thing you want to do is finish playing or doing anything and wish you would have worked harder." Derek Jeter