

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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STATE HOUSE NEWS

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CRIMINAL JUSTICE REFORM

NJAC and its twenty-one county members are committed to implementing Criminal Justice Reform as good public policy and as a means for reducing long-term operating expenses at county jails. However, as summarized in the tables and text below, county governments across the State face significant costs with implementing and administering the new law that will impact the delivery of critical services and the use of valuable property taxpayer dollars. With this in mind, NJAC is respectfully requesting State leaders for the following fair and equitable relief that will assist counties with executing this important and timely initiative:

1. An increase in certain court filing fees of approximately \$21.0 million dedicated to offsetting the costs associated with hiring new County Prosecutor and County Sheriff staff necessary to implement and administer Criminal Justice Reform.
2. An appropriation in State fiscal year 2017 of \$1.0 million per county dedicated for courtroom facility and security improvements necessary to implement and administer Criminal Justice Reform.

Table 1 below summarizes the data collected from the four pilot counties of Camden, Morris, Passaic, and Sussex set to implement Criminal Justice Reform in March of 2016, with the remaining counties scheduled to administer the new law in January of 2017.

Table 1 – 2016 Pilot Counties

PILOT COUNTY	COURT FACILITY IMPROVEMENTS	ADDITIONAL PROSECUTOR STAFF	PROJECTED PROSECUTOR STAFF COST	ADDITIONAL SHERIFF STAFF	PROJECTED SHERIFF STAFF COST
Camden	\$900,000.00	14	\$680,000.00	To Be Determined	To Be Determined
Morris	\$1,000,000.00	15	\$1,500,000.00	5	\$373,000.00
Passaic	To Be Determined	To Be Determined	To Be Determined	14	\$700,000.00
Sussex	To Be Determined	5	\$457,379.00	To Be Determined	To Be Determined
TOTALS	\$1,900,000.00	34	\$2,637,379.00	11	\$1,273,565.00

PRELIMINARY COSTS FOR PILOT COUNTIES = \$5,810,944.00

Camden County reported that its Assignment Judge has requested additional space for approximately 7-13 new probation officers to conduct interviews. The County further reported that its County Prosecutor has recommended hiring 1-2 detectives, approximately 6 agents, and 3-4 clerical staff to implement the speedy trial provision of the new law. Camden County further noted that the \$680,000.00 in County Prosecutor staff increases does not include fringe benefit expenses such as pension and health benefits.

Morris County reported that its Assignment Judge has requested: additional courtrooms; upgrades to the grand jury room; expansion of the jury assembly room; new office space for a pre-trial services unit; and, a video conferencing room with an adjacent room for interviews at the county jail. Please note that these improvements and the \$1,000,000.00 in capital costs include \$200,000.00 to implement bail reform and \$800,000.00 to implement the speedy trial law. Morris County further reported that its County Prosecutor may need additional office space to accommodate new staff, and that the new law may force the County to expand its existing jail. Passaic County noted that its Assignment Judge has requested to retrofit the law library, and that the County plans to use in-house labor and State funds to pay for upgrades and that's Sheriff has requested \$200,000.00 to install new video court conferencing equipment.

Table 2 below summarizes preliminary data collected from six counties that have had the opportunity to discuss implementing Criminal Justice Reform in varying degrees with their assignment judges, county prosecutors, or county sheriffs. NJAC is expecting to eventually collect similar data from all twenty-one counties as we move closer to January of 2017 and will make sure to add all pertinent information accordingly.

Table 2 – 2017 Counties

COUNTY	COURT FACILITY IMPROVEMENTS	ADDITIONAL PROSECUTOR STAFF	PROJECTED PROSECUTOR STAFF COST	ADDITIONAL SHERIFF STAFF	PROJECTED SHERIFF STAFF COST
Atlantic	To Be Determined	14	\$1,124,830.00	To Be Determined	To Be Determined
Burlington	To Be Determined	5	To Be Determined	4	\$230,232.00
Cape May	\$100,000.00	3	\$225,000.00	6	\$175,000.00
Cumberland	\$3,345,000.00	8	\$747,000.00	3	\$100,000.00
Gloucester	To Be Determined	6	\$548,000.00	5	\$225,000.00
Hudson	To Be Determined	13	\$990,285.00	To Be Determined	To Be Determined
TOTALS	\$3,445,000.00	52	\$3,635,115.00	27	\$730,232.00
PRELIMINARY COSTS FOR CERTAIN NON-PILOT COUNTIES = \$7,810,347.00					

Cumberland County reported that its Assignment Judge has requested that the County renovate the current courthouse to provide a new criminal courtroom for the use of bail hearings at a cost of \$1,500,000.00. The renovation of a new courtroom will also require the relocation of the County Clerk and Clerk staff at a projected cost of \$750,000.00. Additional capital expenses include \$150,000.00 for various office improvements for the County Prosecutor, \$120,000.00 for 3 new live scan fingerprint units at all county facilities, and an additional \$75,000.00 for new equipment for the County Sheriff. The County's Assignment Judge has further requested that the County open the courthouse on Saturdays, which will require hiring at least 3 new sheriff officers or paying overtime to existing officers to provide the necessary coverage. Cumberland County further reported that its County Prosecutor has requested the hiring of 3 investigators, 2 attorneys, 1 supervisor, 1 bilingual victims witness advocate, 1 keyboarding clerk, and 1 new bilingual secretary. Cumberland County also indicated that it will likely cost the County approximately \$100,000.00 in utility and maintenance expenses to keep its judicial and prosecutorial facilities open on weekends to comply with new law's requirement that arrestees must be processed within 48 hours after commitment to jail. Cape May County projects these expenses at \$175,000.00.

Hudson County reported that the \$990,468.00 in new County Prosecutor staff salary and wages includes the hiring of 5 assistance prosecutors, 5 detectives, 2 clerical agents, and projected overtime. The figure also includes the following expenses: legal publications, prosecutor association dues, bar association dues, attorney/client fund fees, office equipment, computers, mobile devices, training, and other academy related expenses. Hudson County further reported that the implementation of Criminal Justice Reform will require the County to reconfigure its current office space to accommodate new staff. The County noted that it must also modernize and redesign its existing courtroom to comply with the monitoring and reporting requirements under the new. Additionally, the County must make improvements to its video conferencing and interviewing areas. Although not included in the above table, the County's Assignment Judge anticipates hiring 8 new staff to accommodate the increased workload of the pre-trial services unit, which will involve moving the unit to a new location and additional expenses. Hudson County is in the process of projecting these anticipated costs.

LOCAL AID ALLOCATIONS

NJAC has long been an advocate for establishing a stable, dependable, and long-term source of constitutionally dedicated funding for the State's Transportation Trust Fund (TTF); and, increasing Local Aid allocations to \$400.0 million as recommended by legislative leadership.

As has been well documented, county governments have an annual need of \$565.0 million to operate and maintain an estimated 7,140 bridges and more than 6,775 centerline miles of roads. However, the State's current Transportation Capital Program (TCP) only allocates \$190.0 million each year in Local State Aid with \$78.75 million for counties, \$78.75 for municipalities, \$25.0 million for county bridges, and \$7.5 million in discretionary funding for counties and municipalities. This leaves county governments

responsible for financing approximately \$457.5 million of its annual transportation need through the collection of local property taxes. As highlighted in the tables and footnotes below, county roads and bridges carry an estimated 35% of the State’s overall traffic, yet inequitably receive only 6.7% of funding under the State’s annual \$1.6 billion TCP (\$78.75 + \$25.0 + \$3.75 or ½ of discretionary funding = \$107,500,000 million/\$1.6 billion). Moreover, the proportionate share of total Local State Aid relative to overall TCP increases has dramatically decreased by 56.7% since the inception of the TTF in 1985.

County governments must also make substantial investments in capital improvements as 288 (11.0%) of the 2,556 major bridges maintained by counties are classified as “Structurally Deficient” and in need of \$663.0 million worth of rehabilitation or replacement. A Structurally Deficient bridge is generally defined as a bridge or culvert rated in poor condition when its load carrying capacity is below current design standards, or if water scour impacts the bridge. Moreover, 452 (17.7%) of the same 2,556 bridges are classified as “Functionally Obsolete” and in need of \$938.0 million worth of rehabilitation or replacement. A Functionally Obsolete bridge is generally defined as a bridge or culvert that is not Structurally Deficient, but its design is outdated. Finally, 2,941 of the 4584 (64.1%) minor bridges maintained by counties are in need of repair and 1,002 (21.9%) must be replaced at a cost of \$1.25 billion for a grand total of \$2.85 billion.

Table 1 – County Inventory

CATEGORY	COUNTY INVENTORY
Centerline Miles ¹	6,775
Major Bridges ²	2,556
Minor Bridges ³	4,584
Total Bridges	7,140
Vehicle Miles Traveled % ⁴	35%

1. Centerline miles represent the total length of a given road.
2. Major bridges are bridges greater than 20’ in span.
3. Minor bridges are bridges between 5’ – 20’ in span.
4. County governments carry an estimated 35% of the State’s overall traffic with county vehicle miles traveled equaling 35%, municipal vehicle miles traveled equaling 18%, State vehicle miles traveled equaling 36%, and toll road vehicle miles traveled equaling 11%.

Table 2 – County Operation and Maintenance Needs

ANNUAL COUNTY PROJECTS	ANNUAL COUNTY NEED
Bridges	\$284,425,000.00
Resurfacing	\$108,295,000.00
Construction/Reconstruction	\$98,540,000.00
Design/Contract Administration	\$73,689,000.00
Total	\$564,949,000.00

The current TTF allocates \$190.0 million in Local State Aid of which counties and municipalities share at 50% in the following manner:

- \$78.75 million for county roads
- \$78.75 million for municipal roads
- \$25.0 million for county bridges
- \$7.5 million for Commissioner's discretionary funding

With these staggering numbers in mind, NJAC urges our State leaders to establish a stable, dependable, and long-term source of funding for vital transportation projects; and, to increase Local State Aid allocations under the TTF as a means to mitigate the reliance on the collection of local property taxes, stimulate economic growth and job development, and promise a safe and reliable network of roads and bridges.

PENSION AND HEALTH BENEFITS STUDY COMMISSION

The NJ Pension and Health Benefits Study Commission released its third Report today detailing the proposed reforms of the health benefits for public employees and retirees in the State. In general, the Report confirms its estimates in the Commission's Report that health benefit reforms would permit the State to provide strong sector level health benefits and use the resulting \$2.0 in annual savings to bolster pension funding. The Commission renewed its call for comprehensive reform, and warned against efforts, such as the proposed pension funding constitutional amendment, to fully fund the existing pension system.

NJAC is in the process of reviewing the latest Report, and once again submits that the local pension systems funded by counties and municipalities are actuarially sound as counties and municipalities have made full employer contributions as required under the law for over a decade. NJAC is primarily concerned with the Commission's recommendation to adopt a unified State/local approach to benefits funding as 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, the local Public Employees Retirement System (PERS) is currently funded at 73.9% and the local Police and Fire Retirement System (PFRS) is currently funded at 76.9% according to the latest valuation reports. Moreover, the local pension systems are well funded and solvent. Based again on the latest valuation reports, the local pension systems hold combined actuarial valued assets of approximately \$42.0 billion with estimated retirement allowances due of \$3.0 billion. Although NJAC recognizes that the State must take meaningful steps to make the State government funded pension systems more affordable for taxpayers and sustainable for members, NJAC objects to any initiative that would affect, alter, or commingle the local pension systems as counties and municipalities have met their obligations as employers and the local pension systems are fiscally sound as a result.

ELECTRONIC FUND TRANSFERS

NJAC recently contacted the sponsors of legislation in the 2014/15 legislative session that would have authorized local governments to pay their bills by using electronic fund technologies such as wire transfers, electronic fund transfers (EFT), and Automated Clearing House (ACH) payments. Unfortunately, Governor Christie pocket vetoed **ASSEMBLY, No. 2925** (*Weinberg D-37/Oroho R-24/Lagana D-38/O'Scanolon R-13*), which NJAC adopted as one of its top legislative priorities.

With this in mind, we're advocating for legislation that would focus solely on permitting local governments to use electronic fund technologies, but does not include language concerning the State's use of prepaid debit cards as was the case with A-2925. The benefits of using these modern payment alternatives include: reduced printing and processing costs, enhanced security, increased productivity, and improved cash management. Under current law, counties, municipalities, school districts, and other local units must make payments by issuing antiquated paper checks, and are prohibited from using more modern payment options. As such, NJAC is respectfully requesting the sponsors to introduce the proposed legislation below as it will provide local governments with a wide range of contemporary payment options that will streamline the bill paying process and save valuable local property taxpayer dollars.

Proposed Legislation 2016/17 Legislative Session

1. a. Notwithstanding any laws, rules, or regulations to the contrary, the governing body of a local unit may adopt policies, by ordinance or resolution, as appropriate, for the payment of claims pursuant to N.J.S.40A:5-17, N.J.S.18A:19-2, or other applicable law, through the use of one or more standard electronic funds transfer (EFT) technologies in lieu of payment through the use of signed checks or warrants. "Standard electronic funds transfer technologies" include, but are not limited to, wire transfers, automated clearing house (ACH) transactions, and debit cards.
- b. (1) Any policy adopted pursuant to subsection a. of this section shall explicitly list the forms of standard EFT technologies that may be used by that local unit. The policy also may limit the circumstances for EFT use.
- (2) A policy adopted pursuant to subsection a. of this section shall designate the chief financial officer of the local unit as being responsible for the oversight and administration of the disbursement policy and associated systems. The chief financial officer shall document and implement internal controls sufficient to ensure safe and proper use of the system and mitigate the potential for fraud and abuse.

c. As used in this section:

“Chief financial officer” means the official designated by the governing body to be responsible for the proper administration of the finances of the local unit under any statutes and such rules and regulations promulgated by any State agency as may pertain to the financial administration of the local unit.

“Governing body” means the board, body, or administrator, by whatever name it may be known, having charge of the finances of the local unit.

“Local unit” means a contracting unit as defined by the “Local Public Contracts Law” P.L.1971, c.198 (C.40A:11-1 et seq.), a board of education as defined by the “Public School Contracts Law” (N.J.S.18A:18A-1 et seq.), and a county college as defined by the “County College Contracts Law,” P.L.1982, c.189 (C.18A:54A-25.1 et seq.).

d. (1) The Local Finance Board, in consultation with the Commissioner of Education, may adopt rules and regulations for the purpose of clarifying the implementation and use of standard electronic funds transfer technologies.

(2) For the purposes of this section, a county college shall be subject to the rules and regulations of the Secretary of Higher Education.

2. This act shall take effect immediately.

ENVIRONMENTAL INFRASTRUCTURE TRUST

NJAC would like to thank Assembly Budget Chair Gary Schaer for his leadership and commitment to working us on crafting amendments to **ASSEMBLY, No. 1649** that would make the legislation a viable resource. In summary, this legislation would require local governments and authorities to attain a financing cost estimate from the New Jersey Environmental Infrastructure Trust (EIT) when financing certain environmental infrastructure projects valued over \$1.0 million.

On February 8th, the Assembly Environment and Solid Waste Committee further amended legislation to reduce the timeframe required for the EIT to produce a financing cost estimate submitted by a local governing body from 45 days to 5 days addressing a significant concern raised by county finance officers that a 45 day turnaround would result in project delays and additional costs. The Committee also amended the bill to provide that local governments would not be required to submit a request for a financing cost estimate for an environmental infrastructure project that was previously approved by ordinance or resolution as appropriate.

In general, the bill would also require the EIT to make available online a form for requests for the financing cost estimate. The estimate would enable the local government unit to evaluate, and other interested parties to consider, the potential savings of financing and interest costs offered by trust financing compared to other available methods of financing the project. The bill would further provide that the EIT may require the local government unit to provide information concerning the project and the borrower needed to generate the financing cost estimate, including, but not limited to, a detailed description of the project, design, engineering and environmental information, a cost estimate prepared by the project engineer or other qualified person, information regarding the borrower, the amount to be financed, and any other information the trust deems relevant in order for the cost estimate to be as accurate as possible. Upon submission of the completed form, the EIT must provide the estimate within 15 days. If a local government or authority does not use EIT financing for the project, the financing cost estimate must be submitted by the local government to the Division of Local Government Services in the Department of Community Affairs with the local government's supplemental debt statement. Lastly, the bill would amend the EIT's enabling statute to increase bond maturities up to 30 years instead of up to 20 years as is the case under current. A-1649 is on Second Reading in the General Assembly, and the Senate companion version **SENATE, No. 853** (*Stack D-33*) is currently in Senate Environment and Energy Committee awaiting consideration.

SNOW PLOW OPERATORS

On February 8th NJAC submitted written testimony to the Assembly Human Services Committee requesting that the Committee second reference **ASSEMBLY, No. 2381** (*Vaineiri-Huttler D-37/Benson D-14*) to the Assembly Appropriations Committee (AAP) for consideration, so that AAP may review and analyze the measure's fiscal impact on county governments across the State. In summary, the measure would prohibit snow plow operators from depositing snow in front of certain access points designed to provide access for persons with disabilities.

Although NJAC commends the sponsors for the bill's laudable intentions, we're projecting that the removal of snow in front of certain access ramps, curb cuts, special parking spaces, and other improvements as called for under A-2361 would cost county governments an estimated \$28.0 million to implement. Sussex County for example, has determined that it would cost the County approximately \$1.4 million to manually remove accumulated snow from its 226 handicapped curb ramps. (*226 ramps * \$200.00 per ramp * 30 storms per year = \$1.4 million*), while Mercer County estimates it would cost the County approximately \$852,000.00 for each snow event with 2-3 inches or more of accumulated snow.

County public works departments are charged with making sure that roadways are free of ice and snow in a timely fashion following a snowstorm, so that the motoring public may travel safely and reliably, and so that first responders may quickly access roads during an emergency situation. It appears that the requirements of A-2361 would make

this critical objective, and statutory requirement to plow snow “curb to curb” from roadways pursuant to N.J.S.A. 27:16-8, difficult to accomplish in an efficient and effective manner. Additionally, N.J.S.A. 40:65-12 authorizes municipalities to adopt ordinances requiring private property owners to remove snow and ice as called for by the legislation. The Committee second referenced A-2381 to AAP for consideration, and a companion version of the measure does not exist in the Senate at this time. Special thanks to the several county road supervisors that provided NJAC with very helpful information on this topic.

UPCOMING NJAC EVENTS

Don't miss NJAC's next Board of Directors meeting scheduled for 9:30 on March 11th in Committee Room 11 of the State House Annex where you'll have the opportunity to hear from the Commissioner of the Department of Human Service Elizabeth Connolly. And, NJAC conference registration, hosting opportunities, and the action packed schedule of events are now available online on our new website at www.njac.org. Don't miss the opportunity to be a part of our 66th annual celebration of county government scheduled to take place from May 18th through May 20th at Caesar's in Atlantic City.

STATE HOUSE TRIVIA

Did you know that George Washington was the Commander in Chief of the Continental Army, the President of the Constitutional Convention, and of course the first President of the United States?

“I am rather inclined to silence, and whether that be wise or not, it is at least more unusual nowadays to find a man who can hold his tongue than to find one who cannot.”
- Abraham Lincoln