

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

At 10:30 a.m. on February 15th in Committee Room 16 of the State House Annex in Trenton, the New Jersey Council on Local Mandates will consider oral arguments on the State's motion to dismiss NJAC's complaint that Criminal Justice Reform imposes an unfunded State mandate on county governments. NJAC's Labor Counsel Genova Burns will argue the case on our behalf.

Separately, NJAC's Board of Directors chose not to endorse recently introduced **SENATE, No. 2933** (*Singer R-30*), which would establish a one-year property tax cap levy exclusion for the costs incurred by county governments as a result of implementing Criminal Justice Reform. Although NJAC certainly appreciates the legislation's intent to help counties deliver services by providing property tax cap levy relief, the measure does not address the fact that the new law imposes an unfunded State mandate on county governing bodies and local property taxpayers.

Instead, NJAC will continue to advocate for the Legislature and Administration to consider our longstanding recommendations to control costs and streamline operations that include: having the Attorney General impose a hiring freeze for new assistant prosecutors and investigators related to Criminal Justice Reform; requiring the use of video conferencing on weekends and holidays to conduct risk assessments within 48 hours after a defendant's commitment to jail instead of leaving it to the discretion of an assignment judge; authorizing the use of Class Two special law enforcement officers to provide costly courthouse security; and, using a modest increase in certain court filing fees to offset the substantial financial burden imposed by the new law.

At the end of the day, NJAC's position on S-2933 turns on the fact that the measure authorizes counties to raise local property taxes to pay for the costs associated with implementing Criminal Justice Reform. NJAC has been arguing against this very scenario for over two years, and will remain steadfast that the State is responsible for making the initial investment into a law with good intentions, but one that is proving much more costly to implement than originally anticipated. As previously reported, NJAC estimates that the new will cost county governments an estimated \$45.0 - \$50.0 million to implement in 2017. Senator Singer has since withdrawn S-2933 from consideration.

CODE BLUE ALERTS

Thank you to Senator Jeff Van Drew for working with NJAC on making **SENATE, No. 1088/ASSEMBLY, No. 815** (*Van Drew D-1/Kean R-21*)(*Land D-1/Andrzejcak D-1*) more palatable for county governments to implement.

On January 30th, NJAC testified before the Senate Budget and Appropriations Committee that although it commends the sponsors for recognizing the need to provide adequate shelter for at-risk individuals during inclement weather, we remain concerned that the measure in its current form would mandate county emergency management coordinators to establish Code Blue plans, holds harmless from liability certain nonprofit organizations when working with at-risk individuals, and place responsibility for establishing a Code Blue plan in a county agency with limited resources and experience in dealing with at-risk individuals. NJAC proposed amending the bill to authorize county governing bodies to establish, through the appropriate county agency or community organization as determined by the governing body, a procedure for issuing a Code Blue alert. NJAC also recommended establishing a grant program that counties and community organizations may use to offset the costs associated with operating a Code Blue plan and warming centers.

The Committee favorably amended the bill to instead require a county governing body, through its office of emergency management or other appropriate office, agency or department to establish a plan for issuing a Code Blue alert to municipalities, social service agencies, and non-profit organizations that provide services to at-risk individuals and are located within the county's borders. The bill would further require the county office of emergency management, or appropriate office, agency, or department to coordinate with municipal emergency management coordinators in municipalities with a documented homeless population of at least ten, in developing consistent Code Blue alert plans throughout the county that provide for emergency warming centers during implementation of a Code Blue alert.

This plan may be carried out by designated volunteer organizations. Volunteer-organized Code Blue efforts that must receive cooperation and logistical support from the coordinator, but shall operate autonomously, provided that they operate in response to an alert and pursuant to the Code Blue alert plan. The measure would require a coordinator to declare a Code Blue alert after evaluating weather forecasts and advisories produced by the National Weather Service that predict the following weather conditions in the county within 24 to 48 hours: temperatures will reach 25 degrees Fahrenheit or lower without precipitation; or 32 degrees Fahrenheit or lower with precipitation; or, the National Weather Service wind chill temperature will be zero degrees Fahrenheit or less for a period of two hours or more.

As of this writing, it appears that county governments in Atlantic, Cumberland, Gloucester, Mercer, Monmouth, Ocean, Passaic, Salem, Somerset, Sussex, and Warren counties do not operate Code Blue programs. Atlantic City in Atlantic County runs a Code Blue program in Atlantic City; community and civic organizations operate a Code Blue program in Cumberland County; the Rescue Mission of Trenton in Mercer County maintains a Code Blue program in Trenton; and, Paterson in Passaic County operates a Code Blue program and the County provides some financial assistance in Paterson. S-1088/A-815 is now on Second Reading in the Senate and the General Assembly must concur with the most recent amendments before sending to the Governor's Desk. And, special thanks to Monmouth County Office of Emergency Management Coordinator Mike Oppegaard, Cape May County Freeholder Director Gerald Thornton, and Cumberland Freeholder Joe Derella for their help and support in advocating for the changes to this legislation.

MENTAL HEALTH FEE-FOR-SERVICE OVERSIGHT BOARD

NJAC recently contacted the sponsors of **SENATE, No. 2521/ASSEMBLY No. 4146** (*Vitale D-19/Gordon*)(*Vaineri-Huttie D-37/Benson D-14*), which would in part establish the "Independent Mental Health and Addiction Fee-for-Service Transition Oversight Board" to monitor the State's transition from a cost reimbursement system to a fee-for-service one for certain community-based programs and services.

Although the legislation includes a comprehensive list of subject matter experts to serve on the Board from the mental health and substance abuse communities, NJAC is respectfully requesting that the legislation add a county mental health administrator as a 13th member. County mental health administrators play a vital role in sustaining prevention, intervention, treatment, and support services for residents with behavioral health needs across the State. In fact, county mental health administrators typically serve as the primary resource for individuals hoping to access and navigate behavioral health services. More specifically, county mental health administrators are responsible for initiating and implementing a countywide planning process, which includes: reviewing services perceived by the community as being critical to meet the needs of an identified vulnerable population; reviewing the availability of such services; responding to grievances; recommending funding allocations to agencies within the county; and monitoring service delivery.

Moreover, county mental health administrators provide services that bridge the gap between agencies, consumers, and massive State and federal bureaucracies; and as such, would serve as a valuable resource and provide much needed insight as a member of the Independent Mental Health Addiction Fee-for-Service Transition Oversight Board. The Senate will consider S-2521/A-4146 at its voting session on Monday; and, the General Assembly must consider any amendments made to the bill by the Senate before heading to the Governor's Desk for his signature.

ELEVATED BLOOD LEAD LEVELS

On February 2nd, Governor Christie signed into law **SENATE, No. 1830/ASSEMBLY, No. 3411** (*Rice D-28/Vitale D-19*)(*Muoio D-15/Benson D-14*), which requires the New Jersey Department of Health (DOH) to revise regulations concerning elevated blood lead levels in children to make the regulations consistent with the latest recommendations of the Centers for Disease Control and Prevention (CDC).

More specifically, the new laws lowers the threshold for an actionable response by local boards of health, from greater than or equal to 10 micrograms per deciliter, to greater than or equal to 5 micrograms per deciliter. While an admirable goal, NJAC is concerned that this change will significantly increase the caseload for local boards of health without providing any additional funding to offset the increased workload and operating costs. Current practice dictates that once a child's elevated blood lead level is confirmed, local boards of health must undertake a responsive action consisting of individual case management with a public health nurse and a detailed environmental assessment. DOH records indicate that in 2014, 837 children were found to be in need of a responsive action under the current standard. NJAC projects that the new law will increase the current caseload to over 5,000, which would require local boards of health to hire and train additional staff, and purchase new environmental testing equipment to meet demand.

The Office of Legislative Services (OLS) estimates that the law will increase statewide operating costs for local boards of health by as much as \$10.0 million or more annually. Despite the projected increase, the measure does not provide a State appropriation or funding mechanism to offset the costs associated with its implementation. Additionally, while DOH budgeted a modest \$2.3 million in State Fiscal Year 2017 to facilitate case management and lead intervention, that funding did not increase from the prior year, and does not factor the increases associated with implementing the new law. NJAC is now urging Governor to address this critical funding gap with an appropriation in State Fiscal Year 2018 to increase existing grant monies available to local boards of health.

LOCAL GOVERNMENT INVESTMENT POOLS

NJAC would like to thank Assemblyman Greenwald and Senator Beach for introducing on our behalf **SENATE, No. 2978/ASSEMBLY No. 4404**, which would authorize counties, municipalities, school districts and other local units of government to invest in local government investment pools managed in accordance with applicable Governmental Accounting Standard Board guidelines.

Current law requires local government investment pools to be managed pursuant to U.S. Securities and Exchange Commission (SEC) regulations governing money market funds. Local government investment pools function like money market funds in the

private sector. In July of 2014, the SEC published amendments to these regulations that took effect in October of 2016. GASB research indicated that the SEC regulatory revisions would affect investment pools to an extent that few governments would be able to continue to place their funds in these types of securities. For example, the revised federal regulations require pool participants to transact at a floating net asset value instead of a stable net asset value, and allow for the potential imposition of liquidity fees or redemption gates. These new regulations could make it difficult for counties and municipalities to withdraw their funds from an investment pool to meet cash flow needs.

In December of 2015, GASB issued Statement No. 79 (GASB 79) to address accounting and financial reporting for certain external investment pools and pool participants. GASB 79 establishes specific criteria for an external investment pool to measure its investments at amortized costs for reporting purposes. The use of amortized costs is allowed if the pool uses a stable net asset value per share and meets all GASB requirements regarding investment maturity, quality, diversification, liquidity, and the shadow price requirement. GASB 79 also requires investment pools and pool participants to disclose any limitation on participant withdrawals. This bill would permit local governing bodies to place public funds in local government investment pools that are managed in accordance with GASB benchmarks. NJAC and the County Finance Officers Association of New Jersey support this legislation as it would allow local governments to use safe and liquid investments with competitive interest rates as a means of generating interest income on operating and reserve funds, and bond proceeds. S-2978 is currently in the Senate Community and Urban Affairs Committee awaiting consideration; and, A-4404 is currently in the Assembly State Government Committee.

NJAC ANNUAL CELEBRATION OF COUNTY GOVERNMENT

We hope to see you at NJAC's next Board of Directors meeting scheduled for 9:30 a.m. in Committee Room 4 of the State House Annex in Trenton. And, make sure to check out our website at www.njac.org for details about NJAC's outstanding annual celebration of county government where we're expecting well over 500 community and business leaders from across the State.

STATE HOUSE TRIVIA

Did you know that Presidents' Day celebrated on the third Monday in February is officially called Washington's Birthday and the attempt to change the name to Presidents' Day failed in congress in 1968?

"I walk slowly, but I never walk backward." Abraham Lincoln