

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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STATE HOUSE NEWS

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COVID-19 VACCINATION RECOMMENDATIONS

As county governments will play a vital role in the implementation, administration, and distribution of the COVID-19 vaccine, NJAC shared with Governor Phil Murphy, the following recommendations in a December 21st letter as proposed by our elected officials, administrators, health officers, emergency management coordinators, purchasing agents, and other county stakeholders with the singular purpose of helping to deploy an effective and efficient vaccination plan.

1. **COMMUNICATION:** As summarized in our December 8, 2020 letter, NJAC again recommends hosting weekly strategy sessions by video conference to discuss challenges, coordinate resources, and develop best practices with designated decision makers from each of the following county and State associations, departments, divisions, or other: NJAC, the New Jersey Association of County Administrators (NACA); the New Jersey LINCS Health Officers Association (NJLHOA); the County Office of Emergency Management Coordinators Association of New Jersey (COEM); the New Jersey Association of County Purchasing Officials (NJACPO); the New Jersey Association of County and City Health Officials (NJACCHO); other county stakeholders to be determined; the New Jersey Department of Health (DOH); the New Jersey Division of Local Government Services (DLGS); the New Jersey Division of Purchase and Property (DPP); the State Office of Emergency Management (OEM); the New Jersey Office of Information Technology; and the New Jersey Hospital Association (NJHA).
2. **INSURANCE BILLING, SCHEDULING, & RECORD KEEPING:** Although it appears that the proposed New Jersey Vaccine Scheduling System (NJVSS) will address the concerns with insurance billing, appointment scheduling, and record keeping as outlined in our December 8, 2020 letter, NJAC recommends having the New Jersey Department of Health (DOH) provide county officials with a timely and comprehensive overview of when the system will be operational; its overall capabilities and functionality; whether the State of New Jersey will provide any resources, staff, or other to assist with data input and management; and, whether the State of New Jersey plans to develop a backup system or set of procedures in the event NJVSS fails for any period of time. NJAC further

recommends making sure that NJVSS is a reservation-based system to ensure more accurate billing, scheduling, and record keeping. Importantly note that insurance billing for COVID-19 testing remains an issue for county governments across the State, which continue to struggle with the lack of responsiveness and delivery of insurance billing services as agreed upon by vendors.

3. **VACCINATORS:** In addition to our recommendations concerning the use of nursing students and qualified healthcare professionals to assist with administering the COVID-19 vaccine as outlined in our December 8, 2020 letter, NJAC recommends having the State of New Jersey expedite the process for authorizing duly licensed physicians, nurses, and qualified healthcare professionals from other States to assist with administering the COVID-19 vaccine. NJAC further recommends having the State of New Jersey provide a defense, indemnification, and hold harmless all vaccinators for any acts or omissions arising from administering the COVID-19 vaccine as protection for both volunteers and professionals who may be concerned about potential liability.
4. **CHAPTER 52 RELIEF:** NJAC recommends having the New Jersey Department of Health (DOH) waive, for the years 2020 and 2021, the evaluation and performance requirements stipulated under Title 8, Chapter 52, of the New Jersey Administrative Code concerning "Public Health Practice Standards of Performance Local Boards of Health" as local boards of health and local health agencies will reallocate their limited staff and resources to focus on vaccine distribution in addition to COVID-19 testing, contact tracing, and other related public health emergencies that may arise over the coming months.
5. **FUNDING:** As noted in our December 8, 2020 letter, NJAC recommends having the federal government and State of New Jersey make available critical financial resources to address the extraordinary expenses county governments will incur by administering a COVID-19 distribution plan, which include, but are not limited to: site designation, construction, and management; vaccine storage, distribution, and transportation; the purchase, storage, and distribution of additional personnel protective equipment (PPE); the hiring of public nurses and other healthcare professionals; the continued operation of COVID-19 test centers; the collection and sharing of public health data; and more.

The December 8, 2020 letter referenced throughout above also contained the following recommendations:

1. **INSURANCE BILLING:** NJAC recommends having the State of New Jersey enter into an agreement through the Division of Purchase and Property (NJDP) with a medical billing service provider that would be made available to all county governments to use for benefits verification, claims submission, follow up on outstanding and denied claims, record keeping, and all other relevant insurance billing services. Other than billing Medicare under certain circumstances, county governments as medical providers

have no mechanism to bill insurance companies to recover the costs associated with administering the COVID-19 vaccine and continue to struggle with this very issue with COVID-19 testing. *The proposed New Jersey Vaccine Scheduling System (NJVSS) discussed in recommendation 2 above, will likely address concerns with insurance billing, appointment scheduling, and record keeping.*

2. SCHEDULING & RECORD KEEPING: NJAC recommends having the State of New Jersey enter into an agreement through the Division of Purchase and Property (NJDP) with a scheduling and record keeping provider or software that would be made available to county governments to use for scheduling, record keeping, and uploading patient information into the New Jersey Immunization Information System (NJIS). Although county governments have the ability to schedule COVID-19 vaccinations, and separately input patient data into NJIS, a seamless practice where all relevant patient information is entered on one occasion by clerical staff would save valuable time and resources. *The proposed New Jersey Vaccine Scheduling System (NJVSS) discussed in recommendation 2 above, will likely address concerns with insurance billing, appointment scheduling, and record keeping.*
3. STORAGE OF VACCINE: NJAC recommends having the State of New Jersey enter into an agreement through the Division of Purchase and Property (NJDP) with a dry ice manufacturer located in the State for the storage and transportation of the COVID-19 vaccine that would be made available to county governments to use accordingly. As often is the case where qualified purchasing agents at the county level serve as the lead agencies in cooperative purchasing agreements that save valuable property taxpayer dollars, having the State take the initiative in this manner may reduce costs through economies of scale and would certainly prevent county governments from competing against each other for the same services and resources. *NJAC has since been advised that the supply chain will operate differently than suggested here and anticipates additional guidance shortly.*
4. OPERATIONAL: NJAC recommends having the State of New Jersey activate the New Jersey National Guard to assist county governments that may not have the necessary resources, facilities, capital, or other means necessary to carry out an effective COVID-19 vaccination plan. NJAC further recommends having all levels of government coordinate under incident management best practices such as the National Incident Management System framework, the Incident Command System, and the State's Emergency Management Process. Finally, NJAC recommends having the State of New Jersey provide direction in a timely manner on the location of the regional mega COVID-19 vaccination sites so that county governments may incorporate into their vaccination plans accordingly. *NJAC has since been advised that the New Jersey National Guard will provide some level of vaccine distribution support to certain medical facilities.*

PENSION BENEFIT ENHANCEMENTS

On December 17th, the Senate passed **SENATE, No. 1017** (*Gopal D-11/Lagana D-38*), which would provide for an additional category of service retirement for a member of the Police and Firemen's Retirement System (PFRS). NJAC joined the New Jersey State League of Municipalities (NJLM) and the Government Finance Officers Association of New Jersey (GFOA) in opposing this bill for the following reasons:

- This legislation will enhance member benefits.
- This legislation will accelerate pension payments to members.
- This legislation will increase the unfunded accrued liability of PFRS.

Under S-1017, a member of PFRS who is enrolled before or after the effective date of this bill may retire, regardless of age, upon attaining 20 or more years of service credit and receive a retirement allowance equal to 50 percent of the member's final compensation. As such, a police officer hired at the age of 20 could retire at the age of 40. Conservatively assuming this police officer retires as a patrolman at a salary of \$120,000.00 per year and lives until the age of 80, taxpayers would be responsible for paying this police officer in retirement \$2,400,000.00 ($\$120,000.00 * 50\% = \$60,000.00 * 40 \text{ years}$) with \$300,000.00 in accelerated payments by taking retirement 5 years earlier than required under current law.

At a time in which the Legislature should be focusing on how to relieve the ever-growing burden on the State's beleaguered taxpayers, this legislation imposes a new and untimely liability. Even more so, given the fact that the Division of Pension and Benefits in the State Department of Treasury recently released the 2021 local government employer billing statements for the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which included double digit increases in the total contributions for 2021 as summarized in last month's edition of State House News. The companion version **ASSEMBLY, No. 2562** (*DeAngelo D-14/Dancer R-12*) is currently in the Assembly Budget Committee awaiting consideration.

HEPATITIS B & C TESTING FOR INMATES

On December 7th, NJAC testified before the Assembly Law and Public Safety Committee on **ASSEMBLY, No. 804** (*Verrelli D-15/Greenwald D-6*), which would require State and county correctional facilities to provide inmates with Hepatitis B and Hepatitis C testing.

Although NJAC and the New Jersey County Jail Wardens Association (NJCIWA) commend the sponsors for addressing an important public health matter, the Association is concerned with the practicality and costs associated with implementing this legislation at the county jails. In general, the county jail population is a transient one with 85% - 90% of the inmates classified as pre-adjudicated and most being released within 48 hours under Criminal Justice Reform. Only 10% - 15% of the inmates housed in county jails are sentenced to a term of incarceration or are

detained pending a trial. As such, the ability to test, diagnose, and ultimately treat inmates for Hepatitis B and Hepatitis C at county jails would be impractical.

Moreover, as county jails house and process between 9,000 - 12,000 inmates on any given day, the cost to test inmates for Hepatitis B and Hepatitis C would be prohibitive and in violation of the State's Constitution and statutory law since the measure does not include a funding mechanism to offset costs. In accordance with Article VIII, Section II, Paragraph 5 of the State's Constitution and N.J.S.A. 52:13H-1(1)(b), NJAC submits that A-804 would in fact constitute an unfunded mandate as it would require the use of direct county expenditures to test all inmates for Hepatitis B and C; would not authorize resources other than property taxes to offset such direct expenditures; and, would not fall within one of the limited and narrow exemptions.

To address our concerns with the unfunded mandate that this legislation would impose, NJAC recommended that the Committee either amend the bill to eliminate county jails from its requirements or provide a funding mechanism to county governments accordingly. NJAC further suggested that a possible way to mitigate expenses would be to limit mandatory testing to inmates sentenced to a term of incarceration or ordered detained pending a pretrial detention hearing; however, the State would still be required to provide funding under the law. Despite our concerns, the Committee favorably reported the measure without any changes to the Assembly Appropriations Committee. The companion version in **SENATE, No. 527** (*Vitale D /Cryan D-19/Stack D-33*) is currently in the Senate Budget and Appropriation Committee awaiting consideration.

UTILITY SURPLUS TRANSFERS

On December 15th, NJAC and GFOA met with Assemblywoman Carol Murphy (D-7) to discuss **ASSEMBLY, No. 5015** (*Murphy D-7/Johnson D-37*), which would reduce the diversion of funds from stormwater, water, and sewer purposes to municipal and county budgets and would require municipalities and counties to notify the Division of Local Government Services (DLGS) of such diversions.

Under current law, counties and municipalities may transfer available surplus revenue that was collected to fund a utility to other expenditures, in an amount up to 5% percent of the utility's annual operating costs. In general, this legislation would reduce the allowed transfer for a stormwater, water, and sewer utility from 5% to 3% percent of the utility's annual operating costs. Similarly, current law allows counties and municipalities to appropriate undesignated funds and unreserved retained earnings held by an authority that was created by the county or municipality, in an amount up to 5% the authority's annual operating costs. This bill would reduce the allowed appropriation for water and sewer purposes from to 3% of the authority's annual operating costs. Additionally, the measure would require counties and municipalities to notify the Division of Local Government Services in the Department of Community Affairs whenever the county or municipality transfers or appropriates such funds accordingly.

NJAC and GFOA are generally concerned with how this legislation would impact county and municipal tax levies as the measure would provide additional financial resources for water, sewer, and stormwater operations at the potential expense of county and municipal budgets and services. NJAC and GFOA look forward to working with Assemblywoman Murphy to address these concerns while preserving the good intent of the bill and appreciate the opportunity to meet with the Assemblywoman by video conference. And, special thanks to Cumberland County Finance Officer and GFOA President Gerry Seneski, Mercer County Finance officer Dave Miller, and Wharton Township Finance Officer Jon Rheinhardt for taking the time out of their busy schedules to lend their subject matter expertise to the discussion. On December 11th, the Assembly Special Committee on Infrastructure and Natural Resources Second Referenced A-5015 to the Assembly Appropriations Committee for consideration; and, the companion version **SENATE, No. 3288** (*Beach D-6*) is currently in the Senate Environment and Energy Committee.

ALTERNATE ROUTE EXEMPTION

On December 17th, both houses passed and sent to the Governor **SENATE, No. 3220** (*Sweeney D-3/Turner D-15*)(*Spearman D-5/Dancer R-12*), which would provide an exemption from the civil service law enforcement examination requirement under certain circumstances.

In general, this legislation would require the Civil Service Commission (CSC) to exempt from its law enforcement examination requirement for entry level-law enforcement officers, any person who demonstrates successful completion of a police training course approved by the Police Training Commission (PTC). Under current law, a person must pass the civil service law enforcement examination prior to becoming eligible for employment as an entry-level law enforcement officer. NJAC supports this legislation as it presents an initial step to streamline an antiquated hiring process and plans to work with the sponsors on drafting similar legislation to address the significant number of county correctional police officer job vacancies, which has forced county governments into paying substantial overtime costs and of which has created an emerging public safety issue at the county jails. Governor Murphy is expected to sign S-3220 into law.

NOTARIES OF THE PUBLIC

On December 14th, the Senate Judiciary Committee Second Referenced to the Senate Budget and Appropriation Committee for consideration, **ASSEMBLY, No. 1116/SENATE No. 2508** (*Gopal D-11/Greenstein D-14*), which would revise the laws concerning the qualifications and duties of notaries of the public and other notarial officers. The measure would also authorize the use of electronic signatures and the performance of notarial acts remotely and would increase the fee for each commission or renewal from \$25.00 to \$50.00.

In general, this legislation would require that a notarial officer who takes an acknowledgment of a record, a verification of a statement on oath or affirmation, or witnesses a signature, could only do so based on personal knowledge or satisfactory evidence of the identity of the

individual appearing before the notarial officer, whether in person or appearing before the notarial officer remotely by communication technology. The bill would exclude certain records from notarization through communication technology, which would include certain provisions under the Uniform Commercial Code, and statutes, regulations, or other rules of law governing adoption, divorce, or matters of family law. Additionally, the measure would provide that a notarial officer may perform a notarial act using communications technology for a person who is not in the notarial officer's physical presence if the notarial officer has personal knowledge or satisfactory evidence of the individual's identity and if the notarial officer creates an audio-visual recording of the performance of the notarial act. The notarial officer would be required to retain the recording, personally or through a designated repository, for a period of at least 10 years, unless a different period was required by any rule, regulation, or provision published by the State Treasurer.

The legislation would further require a notary public to maintain a journal of all notarial acts performed, either in a tangible medium or electronic format. For each notarial act, the notary public must record the date and time, the type of notarial act, the name and address of each individual for whom the notarial act is performed, information concerning evidence of identity of the individual, and a list of all fees charged for the notarial act. The bill would require the notary public to either retain the journal for 10 years after the performance of the last notarial act chronicled in the journal or transmit the journal to the Department of the Treasury or a repository approved by the State Treasurer. The Senate Budget and Appropriations Committee is expected to consider the measure at one of its early meetings in 2021.

COUNTY OPTION TAX

On December 17th, both houses passed and sent to the Governor Murphy **SENATE, No. 3252** (*Vitale D-19*)(*Pinkin D-18*), which would clarify that the County Option Hospital Fee Pilot Program would expire five years after each participating county has collected a local health care related fee as authorized under current law.

Pursuant to P.L. 2018, c.136, the Commissioner of Human Services may allow no more than seven participating counties in the State to impose a local health care-related fee on hospitals within their borders. Counties must choose to participate in the program; and based on the parameters established in the law, Atlantic, Burlington, Camden, Gloucester, Essex, Hudson, Mercer, Middlesex, and Passaic counties are eligible. However, the law also stipulates that participating counties may not collect such a fee until the State receives the necessary federal approvals to implement the provisions of existing law and to secure federal financial participation for related State Medicaid expenditures. NJAC supports this legislation since the uncertainty of these approvals may result in the pilot expiring before the provisions of the law have been fully implemented. NJAC also supported the 2018 law as it afforded participating counties with the opportunity to generate new revenue and enhance services for the State's most vulnerable population through Medicaid. Governor Murphy is expected to sign the measure into law.

RIISING PENSION PAYMENTS PUT A STRAIN ON COUNTY, LOCAL GOVERNMENTS

John Rheimeyer, NJ Spotlight, December 9, 2020

County and local governments across New Jersey are being hit with as much as a 10% increase in their mandatory employer pension costs even as most are still reeling from the effects of the coronavirus pandemic.

Department of Treasury officials said the increase in annual pension contributions for fiscal year 2021 that are due early next year reflect technical changes that account for things like longer life expectancies and recent revisions to projected returns from long-term investments. Still, while the impact will vary by location, it's just the latest financial strain for county and local governments as many have seen overall revenues decline during the pandemic. These same governments already rely heavily on local property taxes as a major source of funding, meaning cuts in services or even higher property levies could be needed to offset the increased pension costs. "For this bill to come at this time, it's certainly concerning to say the least," said John Donnadio, executive director of the New Jersey Association of Counties. "It's another stress on the budget at a time you can ill-afford stresses," said Lori Buckelew, assistant executive director of the New Jersey League of Municipalities.

The increased pension bills have also helped to fuel discussions of future policy changes that could eventually help cushion the blow for county and local governments. One proposal that's drawing particular interest calls for separating the assets and management of the pension fund that covers the retirements of thousands of county and local government workers in New Jersey from the fund for state workers, the officials said. Public-worker pension benefits are funded in New Jersey with contributions made by both employees and their taxpayer-supported government employers. Revenue for pension funding is also generated from long-term pension fund investments. The overall pension system itself is made up of seven different retirement funds, representing employee groups like teachers, judges, police officers, firefighters and other state, county and local government workers. Employee contributions are fixed in state law but employer payment requirements are subject to adjustment to maintain the overall health of the pension funds.

State government has a long history of skipping its full employer pension contributions, and the overall New Jersey pension system has been ranked as the nation's worst-funded. But some of the individual funds within the system are in much better shape than others, including those that cover the retirements of county and local government workers. That's because unlike the state government itself, the county and local governments generally aren't allowed to short their annual employer pension payments. Instead, their contributions into funds like the Public Employees' Retirement System, or PERS, are required to be paid annually under a formula established in state law. Last year, county and local governments enjoyed a slight decrease in the year-over-year contribution rate for PERS, something Treasury officials promoted in a news release that cited several factors, including strong investment returns the prior fiscal year. But under the latest calculations for the 2021 fiscal year, which covers parts of the 2020 and 2021

calendar years, the employer-pension contribution rate for PERS has gone up, from 13.7% to 15.1%, according to the latest data from Treasury. That amounts to a more than 10% year-over-year increase in bills that must be paid by April 1, 2021.

The contribution rate is also rising for the fund that covers the retirements of police officers and firefighters, known as PFRS, by roughly 8.6% year-over-year, according to Treasury's data. The increased bills for fiscal year 2021, which include PERS and PFRS contributions, reflect a recent "experience study" that was approved by the boards of the individual retirement funds to update assumptions for factors like projected life expectancies, according to Treasury officials, who have not issued a news release this year. The increases also account for a recent reduction in the pension system's assumed rate of return for its long-term investments, they said. The overall pension system's assumed rate of return for investments dropped from 7.5% to 7.3% on July 1 under a plan that Gov. Phil Murphy put in place in early 2018.

The adjustment is intended to better align expectations with actual returns but it also means less funds are expected to be generated from the investments. Murphy's plan calls for another rate reduction in fiscal year 2023. But it actually smoothed out a more dramatic rate reduction that former Gov. Chris Christie enacted just before he left office that drew the concern of local government employers at the time. "While the previous administration attempted to foist a precipitous (rate of return) decrease on employers all at once, we chose to pursue a responsible, gradual pathway to bring the rate in line with long-term expectations without immediately overburdening local governments," said Treasury spokeswoman Jennifer Sciortino. "We intentionally laid out a five-year pathway in order to provide local government with the ability to plan accordingly, knowing increases would eventually occur," she said.

Still, county and local government officials believe that eventually separating the portion of PERS that funds their workers' retirements from the portion that funds the retirements of state workers could help ease the burden on the property owners who ultimately foot the bill, thus ensuring they don't get punished for the state's long history of underfunding its own pension obligations. To back up those concerns, they point to recent actuarial reports that indicate the county and local portion of PERS is nearly 70% funded, while the state portion of PERS is just 31% funded. The League of Municipalities and the Association of Counties have already engaged actuaries to study the issue, and one concept for a future reform is based on a series of changes enacted by Murphy and lawmakers several years ago that gave New Jersey police officers and firefighters more say in how their own pension funds are managed. While arguing for similar changes for PERS, Donnadio contrasted a long record of county and local government leaders making their full employer pension contributions, with few exceptions, against the state's history of shirking some or even all of its required pensions payments for at least the last two decades. "We've been doing the right thing, by law, and the state has not," Donnadio said.

UPCOMING NJAC EVENTS: Stay tuned for details about NJAC's first, and last, virtual reorganization meeting set for 10:00 a.m. on January 29, 2020.

TOP 11 CHRISTMAS MOVIES OF ALL TIME

- 11) FROSTY THE SNOWMAN
- 10) FLASH GORDON, *1980*
- 9) JOHNNY DANGEROUSLY
- 8) RAIDERS OF THE LOST ARC
- 7) HOW THE GRINCH STOLE CHRISTMAS, *1966*
- 6) RUDOLPH THE RED NOSED REINDEER
- 5) ELF
- 4) ROCKY
- 3) KING KONG, *1933*
- 2) THE GODFATHER
- 1) A CHRISTMAS STORY

AWFUL CHRISTMAS MOVIES THAT MAKE YOU LONG FOR ANY ANOTHER HOLIDAY: Every single Hallmark Christmas movie ever made.

TOP 11 CHRISTMAS SONGS OF ALL TIME

- 11) BABY ITS COLD OUTSIDE, *Dean Martin*
- 10) JINGLE BELL ROCK, *Bobby Helms*
- 9) RUN RUDOLPH RUN, *Chuck Berry*
- 8) ROCKIN' AROUND THE CHRISTMAS TREE, *Brenda Lee*
- 7) GRANDMA GOT RUN OVER BY A REINDEER, *Elmo & Patsy*
- 6) THE CHIPMUNK SONG, *The Chipmunks*
- 5) YOU'RE A MEAN ONE MR. GRINCH, *Thurl Ravenscroft and his City Slickers*
- 4) HERE COMES SANTA CLAUS, *Elvis Presley*
- 3) RUDOLPH THE RED NOSED REINDEER, *Burl Ives*
- 2) WHITE CHRISTMAS, *Bing Crosby*
- 1) BLUE CHRISTMAS, *Porky Pig*

CRUMMY CHRISTMAS SONGS THAT MAKE YOU WANT TO TAKE DOWN YOUR CHRISTMAS LIGHTS EARLY: "All I want for Christmas is You" by Mariah Carey, "Last Christmas" by Wham, and "Do they know it's Christmas" by Band Aid.

*"Christmas is a time when kids tell Santa what they want, and adults pay for it.
Deficits are when adults tell the government what they want, and their kids
pay for it." Richard Lamm*