

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

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STATE HOUSE NEWS

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COUNTYWIDE REGIONAL SERVICES

As the Garden State's overwhelming property tax burden worsens with each passing year and remains the highest in the nation by far, county governments must play a vital and growing role in mitigating this unsustainable burden through countywide regional services. Over the past decade or so, county governments have led the way in providing traditional municipal functions at significant cost savings while enhancing the delivery of services. Some of these traditional municipal functions include: 911 dispatch, public health, animal control, tax assessment, recycling, public works, library, wastewater management, fleet maintenance, EMS, police, cooperative purchasing, IT, cybersecurity, and much more. Conservatively, these efforts save property taxpayers hundreds of millions of dollars each year by delivering time-honored municipal services at a regional level. Importantly, these substantial cost savings and creativity in governance through economies of scale are happening in all twenty counties across the State. Although the examples above have certainly laid the groundwork for moving forward, State leaders can do more by making meaningful capital investments that incentivize regional agreements, streamlining archaic laws that effectively prohibit the sharing of services, and embracing the delivery of countywide regional services as is the case in forty-six other states. *Stay tuned for data that backs up all this stuff and next steps!*

HEALTH BENEFITS

On September 2nd, Governor Sherrill and 17 unions representing **STATE EMPLOYEES** announced an agreement that waives increases in state employees' health benefit contribution rates in 2027 and launches a broader, state-led effort to make the State Health Benefits Program (SHBP) more sustainable. *"As part of that effort, the state will bring together participating unions, members of the legislature, subject matter experts, and other relevant stakeholders to begin work immediately on concrete, evidence-backed measures to address rising health care costs and the structural challenges facing the program."* Unfortunately, this agreement does not apply to the **LOCAL PORTION** of SHBP, which approved the following premium increases for 2027:

- 17.3% Active Employees,
- 36.5% Early Retirees,
- 19.3% Medicare Retirees

As previously reported, SHBC submits that these premium increases are now being driven by two factors: 1) ANTI-SELECTION: Lower-cost members and local governments are migrating out of the SHBP to cheaper private market options or Health Insurance Funds (HIFs). This leaves a higher concentration of costly claims within the state system. 2) HIGH MEDICAL AND PRESCRIPTION COSTS: Trends show high double-digit cost increases for actives - notably a 10.7% surge in medical costs and a 21.7% jump in prescription costs. GLP-1 and anti-inflammatory drugs represent the primary cost drivers.

NJAC, the New Jersey State League of Municipalities (NJLM), and the New Jersey Conference of Mayors (NJCM) have been working for several years with public sector labor unions and State leaders to find solutions for controlling these unsustainable increases. Despite innovative cost containment measures taken by county and municipal officials to make available affordable and quality healthcare for valued employees and their families, public sector health benefit plans are far too costly and time is of the essence for to enact long-term structural reforms that should include eliminating costly plan designs; modifying co-pays for specialists and urgent care, restricting the use of out-of-network healthcare coverage and GLP-1 drugs; implementing a Reference Based Pricing system; streamlining the use of Health Savings Accounts and Flexible Spending Accounts; and, enhancing medical transparency and the collection of data. Failure to make these long-term structural reforms will leave local officials with no choice but to impose hiring freezes, eliminate budgeted vacancies, and increase taxes.

JUVENILE DETENTION FACILITIES

NJAC is requesting the Assembly Public Safety and Preparedness Committee consider **A-4680** (*Walker D-31*) at one of its upcoming meetings this fall. NJAC strongly supports this legislation, which would establish the Task Force to assess the current condition of youth detention in the State of New Jersey and recommend a system that best serves this population. In general, this important and timely measure would require the Task Force to recommend whether existing county youth detention facilities, facilities managed by the Youth Justice Commission, or an alternative system of detention would best serve the youth of this State. The bill would also permit the Task force to examine factors including, but not limited to, available resources, logistical considerations, safety protocols, staff training, rehabilitation opportunities, and security requirements.

With only one-third of the State's twenty-one counties currently operating juvenile detention facilities, county governments across the State have been struggling to secure and maintain adequate housing and provide vital support services for juveniles taken into custody. County law enforcement officials, juvenile detention officers, social service professionals, and management attributes these struggles to a variety of factors that include an increase in serious crimes committed by juveniles, the housing of adults in juvenile detention facilities, inadequate staffing and training opportunities, lengthy case processing times, and a fragmented system for housing juveniles between counties that operate juvenile detention facilities and those that do not. On May 28th, the Senate unanimously passed the companion version **S-1279**.

SNAP BENEFITS *NJAC is urging all twenty-one counties to adopt the following resolution:*

A RESOLUTION urging the United States Congress to delay implementation of the penalties imposed under H.R.1 for Payment Error Rates (PER) until the United States Department of Agriculture (USDA) establishes clear and accurate guidelines to implement the sweeping changes made to the Supplemental Nutrition Assistance Program (SNAP).

WHEREAS, beginning in Federal Fiscal Year (FFY) 2028, H.R.1 will take the unprecedented step of requiring states to contribute to the cost of SNAP benefits based on USDA's calculation of a state's PER from 2025; and

WHEREAS, under H.R.1, if a state's PER is at or above 6%, the state must contribute to SNAP benefits at penalties ranging from 5% to 15% of the state's total SNAP allotment at a cost of \$98.0 million for the State of New Jersey as the USDA calculated the State's 2025 PER at 6.86%; and

WHEREAS, under the collaborative leadership of the Department of Human Services, county welfare agencies, and boards of social services, the State of New Jersey has taken innovative steps to streamline payment accuracy but H.R.1 has locked in states with a PER from 2025; and,

WHEREAS, the current formula for calculating PER is not, and has never been, a measure for preventing waste, fraud, and abuse, but was designed to ensure that eligible SNAP recipients receive the correct benefits amount and to identify areas for states to improve their programs; and,

WHEREAS, in its printed material, on its website, and in official guidance, the USDA states that "PER is not a fraud rate and that payment errors are largely unintentional and may be on the part of the state agency or SNAP household"; and,

WHEREAS, the USDA's approach for calculating PER is not sufficiently accurate or reliable to impose such a substantial liability on states, and alarmingly, H.R.1 fails to provide any due process for states to challenge USDA's calculation of PER; and,

WHEREAS, delaying PER penalties until FFY 2030 and using 2027 to calculate PER will provide USDA with the time to develop and implement clear and accurate policy guidelines that will more efficiently and effectively hold states accountable for program errors; and,

NOW, THEREFORE, BE IT RESOLVED NJAC does hereby in fact urge the United States Congress to delay implementation of the penalties imposed under H.R.1 for Payment Error Rates (PER) until the United States Department of Agriculture (USDA) establishes clear and accurate guidance for the sweeping changes made to the Supplemental Nutrition Assistance Program (SNAP).

CREMATION SERVICES

On September 10th, NJAC testified before the Assembly Regulated Professions Committee of its support for **A-3260**, which would permit the cremation of unclaimed bodies by counties under certain circumstances. NJAC supports this legislation as it would provide county governments with the authority to cremate the remains of unidentified, unclaimed bodies in a dignified and respectful manner while saving valuable time, money, and resources. In 2023 alone, county governments spent approximately \$2.5 million on the burial of unclaimed, unidentified bodies. Importantly, this legislation could reduce that number by approximately 75% as the cost of cremation is substantially less expensive. As the Committee is well aware, county governments are responsible for the burial of unidentified, unclaimed bodies under current law.

According to the National Funeral Directors Association (NFDA), cremation is growing increasingly more popular than traditional burial services with nationwide cremation rates at an estimated 62%. Moreover, this legislation would allow New Jersey to join an estimated forty other states that authorize the use of cremation certificates for the remains of unidentified, unclaimed bodies. Please also note that precedent for this legislative change already exists with respect to juveniles under N.J.A.C. 13:95-17.12, where regulations stipulate that *the “Youth Justice Commission shall arrange for the burial or cremation of unclaimed bodies of juveniles,”* and that *“an unclaimed body shall be cremated where it is reasonably believed that it would not violate the religious tenets of the deceased juvenile.”* The Committee favorably reported and second referenced an amended version of the measure to the Assembly State and Local Government Committee, and the companion version **S-2155 (Moriarty D-4)** is in the Senate Commerce Committee awaiting consideration.

UPCOMING NJAC EVENTS: Make sure to join us at 10:00 a.m. on Wednesday 9/30 for a virtual workshop on “ADA Compliant Websites.” This session is free for public officials, but you must register at www.njac.org to receive a link for the meeting.

The top 7 TV or movie character lines that you would love to say during a very important, but mostly unnecessary business meeting at least once before you retire someday.

7. You'll get nothing and like it. *Judge Smalls in Caddyshack*
6. I'd rather stick needles in my eyes, *Garrett Breedlove in Terms of Endearment*
5. I'd agree with you, but then we'd both be wrong. *Dr. Gregory in House*
4. I'm sorry, did the middle of my sentence interrupt the beginning of yours. *Sawyer in Lost*
3. You're doing a great job of making a simple task look incredibly complex. *Uncle Phil in Tires*
2. Looks like I picked the wrong week to quit smoking. *Pilot Steve in Airplane*
1. You shut your mouth when you're talking to me. *Kelsey Gates in Wedding Crashers*

“Don't wait, the time will never be just right .” Napoleon Hill