

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

JAMES R. KERN III
NJAC President
Warren County Commissioner

JOHN G. DONNADIO, ESQ.
Executive Director

STATE HOUSE NEWS

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SNAP FUNDING

NJAC is grateful to Governor Mikie Sherrill and Department of Human Services (DHS) Commissioner Stephen Cha for including \$71.0 million in the Governor's proposed budget for Fiscal Year 2027 to address the fast-approaching changes in the amount the federal government will reimburse states for the administrative costs associated with providing essential services to those in need under the Supplemental Nutrition Assistance Program (SNAP).

As previously reported, these changes will impact county governments in New Jersey particularly hard as the Garden State is one of only ten states nationwide where county welfare agencies and boards of social services process SNAP applications and have historically been reimbursed by the federal government for administrative expenses at 50%. Under the "One Big Beautiful Bill Act (OBBBA)" signed into law last year, the federal government will now reimburse SNAP administrative expenses at a rate of 25% leaving county governments responsible for the 75% balance as summarized by DHS in Table 1 on the preceding page. This figure is based on the fact that the federal government reimbursed counties \$156.0 million to process SNAP applications in 2024. Please note that county governments have already begun preparing for this additional financial burden in their calendar year 2026 budgets as the SNAP administrative fee shift will take effect in Federal Fiscal Year 2027, which begins on October 1, 2026.

In addition to effectively and efficiently utilizing the \$71.0 million appropriation to fund critical investments in staff, software, information technology, and other resources, NJAC looks forward to working with DHS to implement the following recommendations: (1) Develop best practices to mitigate payment error rates along with utilizing monthly error rate reports in all 21 counties. (2) Advocate for guidance on the use of Artificial Intelligence (AI) to help alleviate worker caseload and streamline services. (3) Enhance case processing software, systems, and applications. These recommendations should also help reduce SNAP payment error rates where the federal government has historically paid 100% of SNAP benefits, separate from the administrative fee summarized above. However, beginning in 2028, the federal government will anchor federal funding to the following payment error rates in Table 2 below. For example, New Jersey's monthly federal SNAP allotment in October of 2025 for all twenty-one counties equaled \$161,798,401 for 795,674 people. If the State's payment error rate averaged 7% during the month, the federal government would require the State to pay 5% of the federal SNAP allotment at \$8,089,920 or \$97,079,040 if the payment error rate remained at 7% for the entire year.

Table 1: SNAP Administrative Fee Shift

COUNTY	ADDITIONAL ADMINISTRATIVE BURDEN
Atlantic	\$2,166,000
Bergen	\$2,790,000
Burlington	\$3,206,000
Camden	\$8,215,000
Cape May	\$1,102,000
Cumberland	\$2,230,000
Essex	\$10,199,000
Gloucester	\$1,478,000
Hudson	\$6,295,000
Hunterdon	\$425,000
Mercer	\$6,458,000
Middlesex	\$4,835,000
Monmouth	\$3,031,000
Morris	\$1,871,000
Ocean	\$4,565,000
Passaic	\$6,610,000
Salem	\$799,000
Somerset	\$1,870,000
Sussex	\$551,000
Union	\$8,680,000
Warren	\$670,000
TOTAL	\$78,045,000

Table 2: SNAP Payment Error Rates

PAYMENT ERROR RATE	STATE MATCH PENALTY
< 6%	0%
6% - 8%	5%
8% - 10%	10%
> 10%	15%

911 FEE DIVERSION

NJAC is in the process of reviewing the proposed budget to determine how much funding has been allocated for local 911 centers. For nearly two decades, the State of New Jersey has diverted an estimated \$1.75 billion in revenues collected from a monthly telecommunication surcharge of .90 cents imposed on every telephone line in the State. Although the well-meaning intent of the 2004 law that imposed this surcharge was to build a cutting-edge and fully funded 911 system, administrations on both sides of the aisle have instead diverted approximately 90% of these monies to pay for general operating expenses primarily in the Department of Law and Public Safety. As concluded by the "Ending 911 Fee Diversion Now Strike Force (911 Strike Force) established by the Federal Communications Commission (FCC) in 2021: *“911 fee diversion negatively impacts the ability of the public to access emergency assistance via reliable 911*

services and technology; 911 fee diversion negatively impacts public safety, 911 operations, first responders, and the fiscal sustainability of 911 service; 911 fee receipts and expenditures should be distinguishable and auditable to ensure 911 fees are used for eligible activities directly related to the provision of 911 services; 911 systems require significant capital and recurring operational investments to accomplish the mission.”

In addition to laying the groundwork for an imminent public safety crisis, the State's continued misallocation of 911 fees has imposed an inequitable system of double taxation on residents already burdened with paying the highest property taxes in the nation with no meaningful relief in sight. For the record, county governments alone spent an estimated \$175.0 million over the last several years on capital improvements for facility upgrades, telephone systems, computer aided dispatch, location mapping technology, voice recording technology, data analytics, and Next Generation 911 upgrades. Counties also spend an estimated \$100.0 million per year on general operating expenses for salaries, staff training, system maintenance, and network security. Although the fiscal budgets from 2023 – 2025 provided \$10.0 million in annual grant funding for county 911 centers to regionalize and upgrade facilities with NextGen 911 Technologies for the first time since 2009, the fiscal year 2026 budget cut that funding by 50% and the State of New Jersey has remained one of the worst offenders of diverting 911 fees in the entire nation. As such, NJAC is advocating for the Fiscal Year 2027 State Budget to include this critical funding in the amount to 21.0 million with a \$1.0 million grant being made available for each county to regionalize, upgrade, or maintain its 911 system with a precise, accurate, and reliable communication network.

JUVENILE DETENTION FACILITIES

NJAC is optimistic that the Senate Law and Public Safety Committee will consider at one of its upcoming hearing **S-1279 (Greenstein D-14)**, which would establish a “Youth Detention 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.

NJAC strongly supports this legislation and is urging the Committee to consider the measure at one of its upcoming meetings. In general, this important and timely initiative 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.

Although NJAC greatly appreciates last year’s public hearing on the matter, county governments across the State continue to struggle with securing and maintaining adequate housing along with providing vital support services for juveniles taken into custody. 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 certain 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.

HEALTH BENEFITS

In 2025, county governments spent an estimated \$1.2 billion in taxpayer dollars on providing health benefits for an estimated 30,000 employees across the State with employee contributions totaling \$150.0 million or 12.5% of the total amount. To illustrate how costly it has become for local governments to employ one worker, the summary below demonstrates how one employee paid an annual salary of \$120,000 will actually cost the governing body of a county or municipality between \$184,600 - \$208,600 per year.

- EMPLOYEE ANNUAL SALARY: *\$120,000 per year*
- HEALTH BENEFIT PREMIUM COSTS: *\$68,000 per year with the employee enrolled in Direct 10, or an equal to or better plan, for a family of four.*
- EMPLOYEE PAYS: *\$23,800 per year based on Chapter 78 schedule (35% * \$68,000).*
- EMPLOYER PAYS: *\$44,200 per year based on Chapter 78 schedule & balance due employer.*
- EMPLOYER ALSO CONTRIBUTES: 17% for employees participating in PERS and 37% for an employee participating in PFRS at an annual cost of: *\$20,400 - \$44,400 (\$120,000.00 * 17%/37%).*
- TOTAL COST TO EMPLOYER: *\$184,600 - \$208,600.*

With local governments participating in the State Health Benefits Program (SHBP) facing a staggering increase of 37% in health benefit premiums in 2026 and double digit increases elsewhere, NJAC is recommending that State leaders enact long-term structural reforms enacted that include adopting referenced based pricing to effectively manage costs, incentivizing employees to select lower cost plan designs, eliminating costly plan designs such as Direct 10 and Direct 15; modifying co-pays for specialists and urgent care to further reduce long-term expenses, restricting the use of out-of-network healthcare coverage and the use of GPL-1 drugs; streamlining the use of Health Savings Accounts and Flexible Spending Accounts; enhancing medical transparency and data collection; and, including local representation on the State Health Benefits Program's (SHBP) Plan Design Committee. Without providing immediate relief and long overdue structural reforms, property taxpayers, local governments, and public employees already struggling to make ends meet will once again endure staggering premium increases along with property tax rate hikes, cuts in essential services, and the furlough or layoff of public employees.

NJPACT/REAL RULES

NJAC strongly supports **SENATE CONCURRENT RESOLUTION No. 106** (*Scutari D-22*), which would determine that the New Jersey Protection Against Climate Threat (PACT)/Resilient Environmental and Landscape (REAL) rules are inconsistent with legislative intent.

Earlier this year, the New Jersey Department of Environmental Protection (DEP) adopted the NJ PACT/REAL rules and created a new area known as the Climate Adjusted Flood Extension Elevation (CAFÉ) along with sweeping changes to stormwater management, wetlands conservation, and coastal area protection. NJAC continues to oppose the rules as written and remains alarmed with the long-term consequences the NJ PACT/REAL rules will inflict on new development, redevelopment, and the renovation of existing development. The rules also fail to address how the new standards will increase the State's cost of living, devalue property, and diminish county governments ratable base of which is critical for delivering essential services to those in need.

Moreover, DEP neglected to conduct a comprehensive and independent fiscal analysis of the NJ PACT/REAL rules to determine how the rules will affect businesses, local governments, and residents. Additionally, DEP circumvented the State Legislature by enacting the rules and rejected the opportunity to adopt a more measured and reasonable approach to effectively balance the risks imposed by climate change and sea level rise with the long-term economic and social needs of the Garden State. For these reasons, NJAC strongly supports **SCR 106** and is urging the Senate State Government, Wagering, Tourism, and Historic Preservation Committee to consider the measure at one of its upcoming meetings.

ADDITIONAL BUDGET MATTERS

In addition to funding for SNAP and county 911 centers as summarized above, NJAC is in the process of reviewing the proposed budget for details on appropriations for county colleges, homelessness, Medicaid, county reentry coordinators, Local Aid Allocations under the Transportation Trust Fund, and more. Stay tuned for additional information and updates throughout the budget process.

UPCOMING NJAC EVENTS: It's almost never too late to register for NJAC's 75th Annual Celebration of County Government set for 5/6 – 5/8 at Caesar's Hotel @ Casino on the world's longest boardwalk in Atlantic City. Check out our brand new website at www.njac.org for additional details!

Some of the best downtowns in all twenty-one counties to visit during the first weekend of spring that can't get here soon enough at exactly 5:01 a.m. on Friday March 20th.

*Hammonton in Atlantic County
Ridgewood in Bergen County
Bordentown in Burlington County
Haddonfield in Camden County
Millville in Cumberland County
Cape May in Cape May County
Montclair in Essex County
Woodbury in Gloucester County
Lambertville in Hunterdon
Hoboken in Hudson County
Princeton in Mercer County
New Brunswick in Middlesex County
Red Bank in Monmouth County
Morristown in Morris County
Point Pleasant Beach in Ocean County
Hawthorne in Passaic County
Woodstown in Salem County
Somerville in Somerset County
Newton in Sussex County
Scotch Plains in Union County
Hackettstown in Warren County*

“Patience, persistence and perspiration make an unbeatable combination for success.” Napoleon Hill.