June 1, 2018

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I. State Issues

a. First Responders Workers’ Comp Rewrite Raises Costs to Local Taxpayers

Senate President Steve Sweeney is committed to advancing S-716, the Thomas P. Canzanella Twenty First Century First Responders Protection Act.

Please Take Action: Contact your State Senator and your representatives in the General Assembly, urging them to consider our concerns.

Already approved by the Senate Labor Committee, the bill is slated to be considered by the Senate Budget and Appropriations Committee on Monday, June 4. Senate President Sweeney has indicated that he will post the bill for final Senate action on Thursday, June 7.

This bill creates a rebuttable presumption of workers’ compensation coverage for public safety workers and other employees in certain circumstances. The public safety workers covered by the bill include paid or volunteer emergency, correctional, fire, police, and certain medical personnel.

Clearly, as a society we must take care of our first responders. However, we must also balance our responsibility to our public safety workers with our responsibility to the taxpaying public at large. The provisions of this bill will, we feel, tip the scales and increase costs that will need to be passed on to taxpayers.

Under S-716, New Jersey local taxpayers will be forced to subsidize the Federal
Government. Municipalities will be required to reimburse the Medicare program for medical payments incurred by retirees collecting workers’ compensation under this Act.

S-716 will make it almost impossible to contest claims. Under current law in New Jersey, the standard to rebut the presumption of compensability is “preponderance of the evidence” In S-716, the standard is raised to the impossible “clear and convincing.” Only one state, Oregon, uses that standard. However, Oregon excludes volunteers from the presumption and requires career firefighters to report any claims within 7 years of retirement. The other states use the more reasonable “preponderance of the evidence” standard currently used in New Jersey.

Further, S-716 presumes that all cancers are due to on the job exposures. The most comprehensive study that we are aware of was published by the National Institute for Occupational Safety and Health (NIOSH). The study concluded that career firefighters had a significantly higher rate of mesothelioma and an elevated rate of respiratory, digestive, and urinary cancers. The study does not support the presumption that all cancers are job related.

Our recommendation is to create a study commission to examine the issue, review the NIOSH study and consider the experience of other states. Further, this issue should be addressed outside of workers’ compensation.

**Contact:** Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481, Ext. 121.

**b. Governor Murphy Signed the Following Bills of Interest into Law This Week**

**i. Out-of-Network Bill Signed into Law**

Governor Murphy has signed into law A-2039, the “Out-of-network Consumer Protection, Transparency, Cost Containment and Accountability Act.” This law, which will take effect August 30, 2018, reforms various aspects of the health care delivery system in New Jersey to increase transparency in pricing for health care services, enhance consumer protections, create an arbitration system to resolve certain health care billing disputes, and contain rising costs associated with out-of-network health care services. The League supported this legislation as it is anticipated that these reforms will decrease out-of-network charges which may result in annual cost savings to the State Health Benefits Program, the School Employees’ Health Benefits Programs, and health benefit plans offered by local units.

**Contact:** Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481, Ext. 112.

**ii. New Jersey Health Insurance Market Preservation Act**

Governor Murphy signed into law A-3380, the “New Jersey Health Insurance Market Preservation Act.” This law, which takes effect January 1, 2019, requires each taxpayer to have ‘minimum essential coverage’ health insurance. Otherwise, they will have to pay the state shared responsibility tax penalty. The funds collected through the penalty are to be deposited into the New Jersey Health Insurance Premium Security Fund. If the Department of Banking and Insurance does not establish a health insurance reinsurance
plan then funds are to be deposited in the Health Care Subsidy Fund to improve and expand children’s health insurance in the NJ FamilyCare Program and maximize federal funding.

**Contact:** Lori Buckelew, Senior Legislative Analyst, lbuckelew@njslom.org, 609-695-3481, Ext. 112.

**iii. UEZ Bill Signed**

On Wednesday, Governor Murphy signed S-846 into law, reinstating and extending incentives for business that agree to locate and hire in municipalities enduring chronic economic hardships. The new law amends the Urban Enterprise Zone (UEZ) statute to allow businesses in five municipalities—Bridgeton, Camden, Newark, Plainfield, and Trenton—to re-qualify for UEZ benefits. UEZ authorization for those businesses had been allowed to expire on January 1, 2017.

The new law extends UEZ benefits to businesses in these, and other qualifying municipalities until December 31, 2023. The bill also directs the Department of Community Affairs to commission a study of the UEZ program and to recommend to the Legislature appropriate refinements or replacements.

We thank the Governor for this action, and we appreciate the commitment of the sponsors: Senators Shirley Turner and Nilsa Cruz-Perez and Assemblmembers Eliana Pintor Marin, Raj Mukherji, Reed Gusciora, Patricia Egan Jones, and Shavonda E. Sumter.

**Contact:** Jon Moran, Senior Legislative Analyst, jmoran@njslom.org, 609-695-3481, Ext. 121.

**c. Looking Ahead: 2% Interest Arbitration Cap**

Please click here for our recent Town Crier blog post on the need to renew the 2% cap on interest arbitration awards.

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**II. Federal Issue**

**a. House Committee Releases FY ’19 Transportation and Housing Appropriations**

Thanks to the leadership provided by Committee Chair and New Jersey Congressman Rodney Frelinghuysen, late last week, the House Appropriations Committee passed the Federal Fiscal Year 2019 Transportation-Housing and Urban Development Appropriations bill. One of 12 appropriations bills that will fund federal programs and services in the Fiscal
Year beginning in October 1, this legislation includes funding for the Department of Transportation, the Department of Housing and Urban Development, and other related agencies.

“For too long, the transportation infrastructure in our nation has been neglected, which has dampened growth and efficiency. This bill will provide a much-needed boost in funding for improvements in our infrastructure system—whether it is roads, bridges, rail, bus, air travel, or waterways. I'm particularly pleased to see funding in the bill that will support the Northeast Corridor by modernizing and maintaining the safety of one of the busiest and most economically vital systems in the world," said Chairman Frelinghuysen. "It also supports core community and housing programs to ensure shelter for our most vulnerable citizens, to expand economic opportunities for our local communities, and to improve the towns and cities that Americans call home.”

The FY ’19 provides $3.2 billion for various rail programs, $62.5 million over current funding levels and $2.1 billion above the President's budget request.

The legislation provides significant funding for critical Northeast Corridor rail infrastructure with $500 million in the Rail State of Good Repair account, an increase of $250 million above current levels. Amtrak is funded $1.9 billion, with $650 million dedicated to the Northeast Corridor account.

“This includes funding that can be used for the Gateway Project, which is not just critical to New York and New Jersey but to the entire country," said Congressman Frelinghuysen. “I worry greatly about the possibility of a catastrophe in one of the tunnels—the security and economic implications of which would ripple across the nation. So, the benefits of the Gateway Project exceed state lines and party lines. As I told Secretary Chao, the Administration’s opposition to this project is baffling, and frankly, unacceptable. So I am very, very glad to see that this bill provides the funds needed to move this project forward, and I urge Secretary Chao not to stand in the way of such an important investment that truly puts America first.”

The legislation also provides $390 million for Section 811 housing vouchers for non-elderly, disabled persons, an increase of $283 million above the President’s request. These “Frelinghuysen Vouchers” provide new housing opportunities for persons with disabilities. This funding will support existing voucher holders and serve 30,000 additional non-elderly disabled households.

The Community Development Block Grants (CDBG) program, a program proposed for elimination by the Administration, is funded at $3.3 billion, the same as current levels. CDBG is a flexible program that provides communities in New Jersey with resources to address a wide range of unique community development needs.

In total, the bill reflects an allocation of $71.8 billion in discretionary spending, $1.5 billion above the fiscal year 2018 enacted level and $23.8 billion above the request. The allocation reflects the second year of the bipartisan budget agreement, and again targets resources to rebuild our nation’s infrastructure, including airports, roads, bridges, and rail.

The legislation still faces a number of hurdles. Please thank Congressman Frelinghuysen for his work and please urge your federal legislators to urge their colleagues and the Administration to support this bill.
III. League Conference

a. Exhibits at the Annual Conference

Do you know a vendor that would be a good fit for the Annual Conference? If so, ask them about being an exhibitor or have them contact Kristin Lawrence, Exhibit Manager at 609-695-3481, Ext. 125 or klawrence@njslom.org. Information is also available on njslom.org/exhibit.

IV. Also of Interest

a. Updated Mayors Wellness Campaign Toolkit

The new and improved Mayors Wellness Campaign (MWC) toolkit is geared to help mayors and community organizations address their unique local health needs. The toolkit contains an introductory video, and nearly 30 evidence-based, step-by-step, cost-effective program ideas in four main categories: physical health and nutrition, environment and health, education and health, and arts and health. Users can filter their search by the age of the population they wish to serve, and by the season. View the MWC at-a-glance program guide to help determine which program is best for your community. Check out the new MWC toolkit here! Questions about the toolkit or how to join the MWC? Contact Deborah Levine at dlevine@njhcqi.org or 609-452-5980.

b. Connect with the NJLM National Affiliate

The National League of Cities represents 19,000 cities, towns, and villages across America — giving local leaders a voice in Washington and beyond. Every day, NLC posts news, resources, and opportunities that empower elected officials to become better leaders. Sign up for NLC’s Weekly newsletter at nlc.org, and follow NLC on Facebook (National League of Cities), Twitter (@leagueofcities), Instagram (@leagueofcities), and LinkedIn (National League of Cities).
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