

July 5, 2016

Re: Request for Guidance on Executive Orders 209 & 210

Dear Mayor:

The League's Friday recap letter included a brief summary of the Governor's Executive Orders 209 and 210. [Please click here](#) for a copy of the Friday letter.

Executive Order 209 will hold some state funds in reserve, including Transitional Aid, until there is Legislative action to alter public employee health benefits through the Plan Design Committee. (The Governor's proposed budget included \$250 million in savings from unspecified changes.) Executive Order 210 directs the Commissioner of Transportation to order work stoppages on certain transportation infrastructure projects, pending action to authorize TTF funding.

Specifically, Executive Order 209 sequesters one-half of all Transitional Aid funds and withholds funding from other budget line-items, until agreement is reached on State Health Benefits savings, to be achieved by the "Plan Design committees." PL 2011, c. 78, created a 12-member Plan Design Committee for the State Health Benefits Program (SHBP) and a 6 member committee for the School Employee Health Benefits Program. The SHBP Plan Design Committee has responsibility and authority over the various plans within the Health Benefits Program. They also have the authority to create, modify, or terminate any plan or component, at its sole discretion. The committee is not scheduled to meet until October, though presumably it will now meet sooner.

Executive Order 210 states "The Commissioner of DOT shall take all appropriate steps to ensure that work performed at the municipal level that is funded by the TTFA, through grant or otherwise, shall cease ..."

The League has contacted both the Commissioners of the Department of Community Affairs and Transportation to request their immediate help and guidance with regard to contracting and budgeting as a result of these two unanticipated developments, neither of which results from the actions of local officials. We will advise you on any developments related to the Executive Orders and our requests.

Sincerely,

Michael J. Darcy, CAE

Executive Director