

Borough of Franklin, County of Sussex

Resolution #2026-51

Resolution Urging State Leaders to Implement Fair and Equitable Reforms to Mitigate the Unsustainable Increases in Health Benefit Premiums for Public Sector Employees

WHEREAS, the State Health Benefits Program (SHBP), governed by N.J.S.A. 52:14-17.25 et seq., offers medical, prescription drug, and dental coverage to qualified State and participating local government public employees, retirees, and eligible dependents; and

WHEREAS, all SHBP plans are self-funded, meaning that the money paid out for benefits comes directly from an SHBP fund supplied by the State, participating local employers, and member premiums; and

WHEREAS, the rate increase for the 2026 Local Government Employer Group is 36.25% and does not include fully funding the loan to the SHBP Local Government Group under c. 86 or funding to bring the Claims Stabilization Reserve to the required two-month balance; and

WHEREAS, since the end of 2020 nearly 200 local government employers have exited the SHBP, representing a nearly 30% decline, largely leaving only local governments with the highest risk in the plan; and

WHEREAS, subsequently, during budget testimony State Treasurer Binder noted regarding the SHBP costs, while Treasury does not have the final numbers, “based on the plan actuary’s midyear reports and SHBP Local Government fund levels, it is possible that rate increases could be as high as the rate increases, we experienced last year;” and

WHEREAS, such proposed exorbitant rate increases will fall upon the local property taxpayer along with the local public employees at a time where there is record inflation; and

WHEREAS, despite innovative cost containment measures taken by municipalities to make available affordable and quality healthcare for valued employees and their families, public sector health benefit plans are far too costly; and,

WHEREAS, time is of the essence for State leaders 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; and

WHEREAS, failure to make these long-term structural reforms will leave local officials no choice but to impose hiring freezes, eliminate budgeted vacancies, and increase taxes on residents already burdened with the highest property tax bills in the nation.


NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Borough of Franklin in the county of Sussex urge state leaders to implement fair and equitable reforms to mitigate the unsustainable increases in health benefit premiums for public sector employees.

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BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to Governor Sherrill, State Treasurer Binder, Senate President Scutari, Assembly Speaker Coughlin, Senator Parker Space, Assemblywoman Dawn Fantasia and Assemblyman Michael Inganamort, and New Jersey State League of Municipalities.

CERTIFICATION: I, Colleen L. Little, Municipal Clerk of the Borough of Franklin, in the County of Sussex, State of New Jersey do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Governing Body of the Borough of Franklin, County of Sussex, State of New Jersey at a regular meeting held on May 12, 2026.


 Colleen L. Little, Municipal Clerk

RECORD OF COUNCIL VOTES				
COUNCIL MEMBER	AYES	NAYES	ABSTAIN	ABSENT
PATRICIA CARNES	X			
CONCETTO FORMICA	X			
RACHEL HEATH	X			
JOSEPH LIMON	X			
STEPHEN SKELLENGER	X			
GILBERT SNYDER	X			
MAYOR SOWDEN (Tie Only)				