

ASSEMBLY, No. 1663

STATE OF NEW JERSEY 213th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2008 SESSION

Sponsored by:

Assemblywoman ALISON LITTELL MCHOSE

District 24 (Sussex, Hunterdon and Morris)

Assemblyman GARY R. CHIUSANO

District 24 (Sussex, Hunterdon and Morris)

Co-Sponsored by:

Assemblyman Malone

SYNOPSIS

Requires appropriations in the nature of grants-in-aid to include certain criteria in the act in which they are enacted.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel



1 AN ACT requiring appropriations in the nature of grants-in-aid to
2 include certain criteria in the act in which they are enacted, and
3 supplementing P.L.1945, c.33 (C.52:9H-1 et seq.).
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. a. An appropriation in the nature of a grant-in-aid for the
9 support or subsidy of the provision of services by private or public
10 agencies, other than a State agency or agency of a local government
11 unit, for which service the State does not have responsibility but
12 which the State elects to provide through such agency, shall set
13 forth in the act in which the appropriation is made, or in an act
14 which is referred to in the act making the appropriation as
15 controlling the appropriation, the criteria set forth in subsection b.
16 of this act. The following criteria shall apply to all appropriations
17 referred to in subsection a. as standard compliance safeguards to
18 ensure that such grant appropriations are enacted: (1) with clearly
19 disclosed specific award criteria and (2) do not rely upon written,
20 oral or other directives that are outside of the provisions of the
21 enactment or the publicly available legislative history of that
22 enactment, as to the specific purpose, recipient or other manner of
23 distribution of the appropriation:

24 b. For each appropriation subject to the provisions of this
25 section, each State spending agency shall provide the following:

26 (1) Program objectives, which shall provide statements that
27 specify how the program is intended to be implemented and what
28 results are expected to occur from its implementation. Program
29 objectives shall include process objectives that specify what
30 activities need to take place in order to implement the program as
31 intended and outcome objectives specifying the anticipated change
32 in the target of the program (including but not limited to the
33 participants) as a result of their involvement with the program;
34 process objective statements, which shall include but shall not be
35 limited to the following example: By (date or amount of time),
36 (Target Population – who & how many) will participate in
37 (Duration of Activity – how often or how long) of Specific
38 Activity) as measured by (measurement instrument or indicator);
39 and an outcome objective statement, which shall include but shall
40 not be limited to the following example: By (date or amount of
41 time), (percent or number) of (participants or clients) will (specific
42 achievement) measured/demonstrated by measurement instrument
43 or indicator) .

44 (2) Program Procedures that include a specific description of
45 how the program shall operate; and

46 (3) the major compliance and audit requirements of the program
47 funded by the appropriation including the New Jersey
48 Administrative Code or other statutory reference where additional

1 information for the requirement can be obtained. The compliance
2 requirements and suggested audit procedures shall be organized
3 into five categories: (a) types of services allowed or unallowed; (b)
4 eligibility; (c) matching, level of effort, and/or earmarking
5 requirements; (d) reporting requirements; and (e) special tests and
6 provisions. Each requirement shall be accompanied by suggested
7 audit procedures that can be used to test for compliance which may
8 supplement any other procedures an auditor may use. However, if
9 auditors of the appropriation determine it is necessary to apply
10 professional judgment and use other procedures to determine the
11 extent of reviews and tests to be performed, prior written approval
12 from the State disbursing department shall be obtained. The
13 specific compliance requirements and suggested audit procedures
14 for each program be provided in further detail by the State spending
15 agency that administers the program.

16 c. Grant agreements for appropriations subject to the provisions
17 of this section shall be executed by the State spending agency and
18 the recipient which shall set forth the following information:

- 19 (1) In general, information that provides details on the
 - 20 (a) grant agreement data
 - 21 (b) compliance with existing laws
 - 22 (c) bonding and insurance
 - 23 (d) indemnification
 - 24 (e) assignability, and
 - 25 (f) availability of funds.
- 26 (2) Pre-award requirements and special grant conditions for
27 "high risk" grantees.
- 28 (3) Post-award requirements that include, as applicable,
 - 29 (a) financial management system
 - 30 (b) method of payment
 - 31 (c) allowable costs
 - 32 (d) period of availability of funds
 - 33 (e) matching and cost sharing
 - 34 (f) program income
 - 35 (g) audit requirements
 - 36 (h) budget revision and modification
 - 37 (i) property management standards
 - 38 (j) procurement standards
 - 39 (k) monitoring of program performance
 - 40 (l) financial and performance reporting
 - 41 (m) access to records
 - 42 (n) record retention
 - 43 (o) enforcement, and
 - 44 (p) termination and suspension.
- 45 (4) After-the-grant requirements that include grant closeout
46 procedures.

1 2. This act shall take effect immediately and shall first apply to
2 the State fiscal year commencing July 1, 2006.

3

4

5

STATEMENT

6

7 This bill requires that an appropriation in the nature of a grant-
8 in-aid for the support or subsidy of the provision of services by
9 private or public agencies, other than State agencies or agencies of
10 local government units, for which service the State does not have
11 responsibility but which the State elects to provide, shall set forth in
12 the act in which the appropriation is enacted, or in an act which is
13 referenced in the act making the appropriation as controlling the
14 appropriation, specific criteria which shall be followed as standard
15 compliance safeguards to ensure that such grant appropriations are
16 enacted with clearly disclosed specific award criteria and do not
17 rely upon written, oral or other directives that are external to the
18 enactment or its publicly available legislative history, as to specific
19 purpose, recipient or other manner of distribution of the
20 appropriation.

21 This specific criteria shall include: Program Objectives that
22 specify how the program is intended to be implemented and what
23 results are expected to occur from its implementation; Program
24 Procedures that include a specific description of how the program
25 shall operate; and the major compliance and audit requirements of
26 the program funded by the appropriation including the New Jersey
27 Administrative Code or other statutory reference where additional
28 information for the requirement can be obtained.

29 Grant agreements shall be executed by the State spending agency
30 and the recipient which shall set forth detailed information
31 including a general overview of the program, pre-award
32 requirements, post-award requirements, and after-the-grant
33 requirements.