

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3374

STATE OF NEW JERSEY

DATED: OCTOBER 23, 2008

The Assembly Budget Committee reports favorably Assembly Bill No. 3374.

The bill provides Fiscal Year 2009 supplemental appropriations totaling \$22.5 million from the Surplus Revenue Fund to various grant programs for the provision of assistance to individuals and families as part of the “New Jersey Economic Assistance and Recovery Plan.” This multifaceted plan, outlined by the Governor in a special joint session of the Legislature on October 16, 2008, is intended, in part, to assist State residents struggling to purchase basic necessities, such as food and utilities, and to avoid foreclosure and retain homeownership in the face of the worse economic crisis to grip the nation since the Great Depression.

Specifically, the bill appropriates \$3.0 million to the Department of Agriculture for its Hunger Initiative/Food Assistance Grant Program to provide additional support to food banks and soup kitchens. Across the State, food pantries are struggling to keep their shelves full as contributions fall and individuals and families struggle to stretch stagnant paychecks to absorb rising food prices, layoffs and delinquent mortgage payments.

The bill also appropriates \$10.0 million to the Department of the Treasury for a Grant-in-Aid to NJ SHARES (New Jersey Statewide Heating Assistance and Referral for Energy Services) to help residents under financial strain cope with heating and utility bills. Through a network of 148 community based social services agencies, NJ SHARES is the only Statewide, nonprofit organization which provides grants to pay the utility bills of households in need. Moreover, the households served by NJ SHARES are those that are not eligible for other types of public assistance and that demonstrate a temporary financial need and a history of good-faith payments to their energy provider. This appropriation coupled with anticipated increases in federal assistance will enable nearly 200,000 households to receive as much as \$1,000 to heat their homes this winter.

Finally, the bill appropriates an additional \$9.5 million to the Department of the Treasury for a Grant-in-Aid to Legal Services of New Jersey (LSNJ). LSNJ is an independent non-profit organization which provides free legal assistance in civil matters to residents with annual incomes of up to 125 percent of federal Department of Health

and Human Services poverty levels. With homes being lost to foreclosure in New Jersey at a rate of 50,000 a year, this appropriation will enable LSNJ to continue to provide free attorney advice and legal representation to low-income homeowners in the State who are facing foreclosure or who may be at an increased risk of foreclosure due to predatory and sub-prime lending practices or who may be facing abusive credit collection practices or bankruptcy.

FISCAL IMPACT:

This bill appropriates \$22.5 million, of which, \$3 million is for the Department of Agriculture for Hunger Initiative and Food Assistance; \$10 million to the Department of Treasury for NJ SHARES for heating and utility bills; and \$9.5 million to the Department of Treasury for a grant to Legal Services of NJ to give legal advice and representation concerning foreclosures.