

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3459

# STATE OF NEW JERSEY

DATED: NOVEMBER 13, 2008

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3459.

The bill appropriates \$12,500,000 from the Long Term Obligation and Capital Expenditure Fund to the Department of Community Affairs (DCA) and the Administrative Office of the Courts (AOC). The DCA will receive \$12,000,000 in grant-in-aid funds to provide mediation and counseling opportunities through the New Jersey Housing and Mortgage Finance Agency. The AOC will receive \$500,000 to provide mediation services prior to foreclosure proceedings.

Also, this bill appropriates \$51,471,000 in federal funds to the DCA that have been awarded to New Jersey pursuant to Title III of the Housing and Economic Recovery Act of 2008, for the Neighborhood Stabilization Program.

This bill is identical to Senate Bill No. 8.

#### FISCAL IMPACT:

This bill makes an appropriation of \$12.5 million from the Long Term Obligation and Capital Expenditure Fund and \$51,471,000 in federal funds.

#### MINORITY STATEMENT

By Assemblymen Merkt, Doherty, and Thompson and  
Assemblywoman Addiego

The members of the Appropriations Committee were asked to vote on this bill without the courtesy of having the copies of the proposed language to review within a reasonable time period beforehand. Additionally, there was no opportunity for members to properly vet the bill since members of the Administration were not present to explain the purpose or details of the bill. Further, members of the public were not privy to the legislation prior to the committee's consideration of it.

While the lack of public debate on legislation is always a serious concern, it becomes more of an issue when the legislation presented for consideration contains merely general references to the

appropriation of \$12.5 million in public funds but contains no specific detail as to how the money will be allocated.

During the course of the committee's deliberations, the Republican members identified numerous budget savings that could be used to offset the new state funding authorized in this bill. The Majority of the committee dismissed these recommendations, preferring to take funding from the Long Term Capital and Debt Obligation Fund, which was established to pay for one-time capital expenditures, and to retire or defease debt or to make supplemental payments to reduce the unfunded post-retirement health benefits liability or unfunded pension liability.

In light of the Administration's announcement of a projected \$1.2 billion revenue shortfall in the current budget year, the Republican members of the committee remain concerned with how new spending can be absorbed in a budget without corresponding spending reductions.

While we empathize with the residents of this State who are presently facing unprecedented financial hardship, as their elected representatives we have an obligation to be good stewards of their tax dollars and make sure that the State is neither spending money it doesn't have nor is it being wasted because there is no process in place for distribution or oversight of those funds.

Because of these aforementioned reasons, the Republican members of the committee are, at this time, compelled to withhold support for this legislation.