

Discussion Points

1. The FY 2007 budget recommends funding the State Rental Assistance Program at \$40 million, of which \$25 million would be provided through general State resources (an increase of \$10 million from FY 2006) and \$15 million would be provided through "off-budget" dedicated realty transfer fee revenues (an increase of \$5 million from FY 2006). The State Rental Assistance program was created in FY2005 to supplement the federal Section 8 rental assistance program for low income individuals or households. Pursuant to State Rental Assistance Program rules, N.J.A.C.5:42-1.1 et seq., rental assistance grants are awarded through a "lottery-type process" only to applicants currently on the DCA's existing Section 8 Housing Choice Voucher program waiting list. Project-based rental assistance is also a component of the program, whereby payments are allocated to new or rehabilitated housing units for 15 years, and paid when qualified tenants occupy those units.

P.L.2005, c.66 made a supplemental appropriation of \$15 million from the General Fund to augment the \$10 million in FY 2005 dedicated funding for rental assistance grants. This law also required any non-disabled individual under the age of 65 who receives a rental assistance grant to apply for employment and job training services through the Department of Labor and Workforce Development and to seek the counseling required to obtain employment and training services pursuant to section 7 of P.L.1992, c.43 (C.34:15D-7). Another \$15 million in State funds was appropriated in FY 2006.

A review of fiscal records indicates that of the \$25 million in funds appropriated in FY2005, only \$205,000 was expended, while \$11.25 million was lapsed to the General Fund. In FY 2006, of the total \$28.5 million in resources available to the program -- an amount which does not include a second allocation of \$10 million from dedicated realty transfer fee revenues -- \$1.7 million has been expended, with another \$7.8 million obligated but not yet expended.

- **Question:** Please provide a report, by month, of the number and the amount expended for tenant-based rental assistance vouchers in FY2005 and FY2006 to date. Please also identify how many of these tenants are subject to workforce development requirements. Please also provide a report of the total expended and obligated for project-based new construction and project-based substantial rehabilitation vouchers, respectively, and the number of units awarded vouchers in each category. How is the department working in conjunction with the Department of Labor and Workforce Development to implement the workforce development requirements for voucher assistance? Given that a substantial (over 16,000) waiting list for DCA-administered rental assistance existed when this program was authorized, what factors or circumstances explain the apparent delay or difficulty in using the resources appropriated? What changes in program administration or other initiatives or factors will make it possible for the department to spend or obligate the \$19 million in uncommitted funds already appropriated, as well another \$40 million in recommended funding, by June 30, 2007? Has the department considered awarding vouchers to eligible tenants on the waiting lists of local housing authorities, and if so, what conclusions has it reached?

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The total amount of resources available in Fiscal 2006 for SRAP is \$28.75 million (not \$38.75 as the question indicates) and includes \$18.75 million in General Fund resources (\$15 m appropriation and \$3.75 million carry forward from Fiscal 2005) and \$10 million in dedicated realty transfer fee revenues. What lapsed in Fiscal 2005 was \$11.25 million in General Fund resources and \$10 million in dedicated realty transfer fee revenues.

State Rental Assistance Program (SRAP): Tenant-Based Assistance

MONTH	CLIENTS	ANNUAL AMOUNT
May/June 2005	2	\$19,692
July 2005	4	18,996
August 2005	21	106,128
September 2005	71	354,588
October 2005	104	300,732
November 2005	152	485,520
December 2005	203	441,974
January 2006	264	517,572
February 2006	316	460,632
March 2006	397	631,056
April 2006	460	596,808
May 2006	835	4,100,052
June 2006	1585	9,210,272
TOTALS		\$17,244,022

There are 316 households subject to the workforce development requirement.

Project-Based Assistance

SUMMARY	FUNDED	OBLIGATED
NEW UNITS	215	\$18,866,385
EXISTING UNITS	190	\$22,642,883
TOTAL	405	\$41,509,268

Workforce Development Requirements

The legislation states that all individuals who are between the ages of 18 and 64 years and are not disabled and reside in a household receiving a SRAP subsidy will be referred to the Department of Labor and Workforce Development (DLWD) and must register for employment and training services. DCA works with the Department of Labor to implement the workforce development provision of the legislation. The Department forwards referrals on a quarterly basis to the DLWD.

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Households work in conjunction with DLWD representatives to form an Employability Development Plan. The household must achieve satisfactory participation in its Employability Plan as determined by DLWD. DLWD provides the Department with quarterly progress reports.

Circumstances creating the apparent delay in using the resource

Rule Making Process - Although the State Rental Assistance Program was approved September 9, 2004 with an effective date of January 9, 2005, the program required the adoption of rules through a public process. From September through December 2004, the Department and multiple advocacy groups – the Anti-Poverty Network, Housing and Community Development Network, Collaborative Supportive Housing (CSH), Mercer Alliance to End Homelessness, Legal Services of New Jersey, and the New Jersey Apartment Owners Association – worked collaboratively on the program design and rules.

The proposed rule was sent to the Office of Administrative Law on December 15, 2004 and was published in the NJ Register on January 18, 2005. The Department accepted comments until March 19, 2005. The first notices went to households on the Housing Choice Voucher waiting list on May 9, 2005, and rules were adopted May 16, 2005. We used the existing DCA federal Section 8 list to avoid any further delays.

Staffing – The legislation was passed without explicit authorization for administrative expenses. After several months, the sponsor agreed that administrative expenses were needed, and staff was hired in December 2005. To date, the program is run with limited staff resources.

Improved Implementation

Between May 9, 2005 and January 24, 2006 (8 months), 3,203 households on the Housing Choice Voucher waiting list were notified that they were selected to receive SRAP.

Between January 24, 2006 and April 24, 2006 (4 months), 8,985 households received notification. The significant increase in notifications sent out in the last four months is resulting in higher leasing rates.

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2. The FY 2007 proposed budget recommends two new Grant-in-aid appropriations in the Division on Women: \$1.5 million for Capital Improvements to Women's Shelters, and \$500,000 for Capital Improvements for Rape Care Centers. Also, new funding of \$1 million is recommended in the Department of Law and Public Safety (LPS) for "Addressing Violence Against Women". The Division of Women currently allocates \$1 million in State grants under its Rape Prevention Program, and receives an allocation of about \$1.4 million in federal funds for the program through LPS. It also provides grants to women's shelters through a \$25,000 State grant appropriation. Other assistance to women's shelters is provided through the department's Shelter Support Program administered by the Division of Housing (see discussion point 3).

- **Question:** Please provide an overview of the Division on Women's rape prevention program, including the specifics on the role of rape care centers and the current level of operating and capital improvement assistance the division provides to them. Does the division have an assessment of the needs for technological upgrades and other capital improvements at rape care centers? If so, what are the total unmet needs of the centers, and what is the estimated cost of meeting these needs? Absent such an assessment, what timetable and process will the division employ, and what information will be required to fairly and effectively allocate this new funding? To what extent will the division collaborate with LPS as it decides to allocate this funding? What role does the division expect to play in LPS's use of new funding for addressing violence against women?
- **Question:** Please summarize the division's current fiscal and programmatic efforts in support of women's shelters. Will the division confine eligibility for new financial assistance to the existing 22 women's shelters, or will it also consider grants that help establish additional centers? Does the division have an assessment of the capital needs of the existing shelters? If so, what are the total unmet capital needs of the shelters, and what is the estimated cost of meeting these needs? Absent such an assessment, what timetable and process will the division employ, and what information will be required, to fairly and effectively allocate this new funding? To the extent that the goals of adding more beds and increasing capacity are achieved, what amount of additional funding will be needed to support the resulting increase in shelter operating costs? What source of funds will be relied upon?

RAPE CARE PREVENTION PROGRAM

The Rape Care Prevention Program, housed in the Division on Women, has two components: direct service and prevention/education. Rape care centers are responsible for providing direct service; these same programs and the New Jersey Coalition Against Sexual Assault (NJCASA) and Rutgers' SCREAM Theater are responsible for providing prevention/education programs.

The average annual award to each rape care center is about \$90,000. This \$90,000 is divided into two grant contracts: \$45,000 for direct services (funded with \$1 million from the State budget and \$210,000 in federal dollars), and \$45,000 for prevention education activities, risk reduction programs and public education campaigns (funded with \$1.2 million in federal funds). The federal prevention education funds are restricted in use to fund only activities related to prevention education.

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Direct Service

The DOW Rape Care Program, using state grants-in-aid and federal Preventive Health and Health Services Block (PHHSBG) Grant funds, contracts with Rape Care Centers in 21 counties to provide free and confidential 24-hour assistance to primary and secondary victims of sexual assault. In Fiscal 2006, it is estimated that more than 8,700 rape victims were served. Victim services include, but are not limited to:

- 24-hour crisis/informational hotlines in each county
- 24-hour crisis intervention services
- 24-hour victim accompaniment through forensic medical procedures, law enforcement interviews, investigative procedures and court proceedings
- Individual and group counseling for primary and secondary victims
- Victim advocacy
- Referrals and follow-up support

Rape Care Center staff (full time, part time and volunteer) that provides direct service to victims is required to have completed a minimum 40-hour sexual assault training program that has been approved by DOW. As many of these services are required to be available 24- hours a day, seven days a week, holidays included, rape care centers depend upon volunteers to meet the ever increasing requests for service that could not otherwise be met by the limited staff positions this funding covers.

Prevention/Education

The DOW Rape Care Program, using the federal Rape Prevention Education Grant, contracts with Rape Care Centers in 21 counties as well as the New Jersey Coalition Against Sexual Assault and Rutgers University's SCREAM Theater to conduct prevention education activities, risk reduction programs and public education campaigns. These activities include but are not limited to:

- Public education campaigns and awareness events
- Interactive peer theater group (Rutgers University SCREAM Theater)
- Educational presentations to middle, junior and high school age youth
- Educational presentations to college and university students
- Educational presentations to community groups
- Participation at community events
- Organization of conferences and seminars
- Training programs for professionals
- Development and dissemination of educational materials
- Public service announcements
- Press releases
- Media interviews

All grantees are required to develop informational materials and to include pertinent information on drug facilitated sexual assaults. Special emphasis is placed on outreach to underserved communities and high-risk populations including individuals with disabilities.

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Proposed Capital Funds

No capital funds are currently set aside for rape care programs; the average budget is so small that rape care centers just barely pay salaries from the available grant funds. The \$500,000 proposed in the Governor's Fiscal 2007 budget will provide the centers with needed funds for one-time capital and equipment expenses.

We do not have a formal needs assessment for technological upgrades although rape care programs inform the Division on Women regularly of items that would be useful in further providing services. These items are one time expenditures, including but not limited to, essential equipment furnishings and clothing for victims.

The Division on Women plans to issue an RFP on July 1, 2006 open to all rape care programs and the two statewide education programs, the New Jersey Coalition Against Sexual Assault (NJCASA) and Rutgers University SCREAM Theater. Priority areas will include, but not be limited to, a) items that enhance victim services b) items that address health and safety issues c) items that enhance education and training on issues on sexual violence, prevention and risk reduction and d) physical improvement of the rape care center. Programs will submit applications based on individual program need. Applications will be reviewed by Division on Women staff who possess a unique understanding of program needs.

Coordination with the Department of Law and Public Safety will be implemented with a recognition that the purpose of DCA's funds are for one time purchases and the purpose of the Department of Law and Public Safety's funds are for ongoing victim services. DCA and LPS have already begun partnering on these issues and will be meeting specifically on these funding streams should they become part of the FY'07 budget.

Women's Shelters

Domestic Violence programs are primarily funded by the Department of Human Services (DHS). As the primary funding agency, DHS has designated one lead domestic violence agency in each county, with the exception of Bergen and Essex counties where there are two designated lead agencies. Essex County, however, is the only county with 2 lead agency shelter programs; this is the origin of the 22 existing women's shelters that is referenced in this question. The Division on Women annually administers \$25,000 in Grants for Women's Shelters. The purpose of the program is to assist shelters and non-shelter programs to maintain and/or improve the physical structure of the shelter. The Governor's Fiscal 2007 budget proposes \$1.5 m for physical improvements. Physical improvements may include, but are not limited to, new construction/improvement of program site facilities, furnishings, appliances and equipment.

Eligibility has typically been confined to programs which are defined as domestic violence agencies meaning that the only population that these programs serve are battered women. Applications for new centers would have to show that these agencies are able to secure operational costs from the DHS or private funding to ensure that the funds administered by DCA are allocated to programs that are able to sustain themselves.

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While there is not a formal needs assessment, each year this competitive RFP generates almost four times as many requests than funds are available. The Division on Women plans to issue an RFP on July 1, 2006 that will be open to all domestic violence shelter programs and domestic violence transitional housing programs. Typically funding priorities will include but not be limited to the addition of beds, items that improve health and safety, physical improvements to shelters and the purchase of equipment. Programs will submit applications based on individual program need. Applications will be reviewed by Division on Women staff who possess a unique understanding of program needs. Coordination with the Department of Law and Public Safety will be implemented with a recognition that the purpose of DCA's funds are for one time purchases and the purpose of the Department of Law and Public Safety's funds are for ongoing victim services. DCA and LPS have already begun partnering on these issues and will be meeting specifically on these funding streams should they become part of the FY'07 budget.

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3. The budget recommends a new \$5 million appropriation for Capital Improvements for Homeless Shelters. This is in addition to funding for the department's Shelter Support Program, which consists of \$2.3 million in dedicated realty transfer fee revenues and federal funding of about \$1.5 million. The Shelter Support Program funds facility improvements, upgrades for code compliance and equipment and furnishings, but shelter operating funds are provided from sources external to the department. A number of shelters receiving assistance are for women and children victimized by domestic violence. The new funding would also be used for facility needs, not operating expenses, with the intention of expanding shelter capacity as well improving health and safety.

- **Question:** Does the division have an assessment of the needs for technological upgrades and other capital improvements at homeless shelters? If so, what are the total unmet needs of the centers, and what is the estimated cost of meeting these needs? Absent such an assessment, how was the amount of the requested increase in funding determined? To the extent that the goals of adding more beds and increasing capacity are achieved, what amount of additional funding will be needed to support the resulting increase in shelter operating costs? What source of funds will be relied upon? What criteria will be used to award grants under this program?

Over the past few years, requests for funding for capital needs for homeless shelters have significantly exceeded funding availability. The Division in many cases has needed to fund one-time capital investments for individual projects over a two-year period due to limited funds. In 2006, the total request for capital funds was \$7.8 million, from 48 applications. Based on funding limits, the Division was only able to fund 29 projects (\$1.5 million in federal funds and \$2.2 million in state funds). In many cases, projects did not receive the full amount requested and other viable projects did not receive funding at all due to limited availability of funds. The existing shelter grantees have generally secured operating funds from a variety of sources. These are county funds which include per diem reimbursement, Social Services for Homeless Program (SSH), Emergency Services (ES), and the Work First Program. From the state, the Community Services Block Grant serves as a source of funding to cover operating costs. At the Federal level, the Emergency Food and Shelter Program and Continuum of Care funding is used to support operating costs.

The following criteria will be used to award grants:

- Priority consideration given to projects that create new beds or correct code violations.
- Evidence that the proposed activity would satisfy a serious need that is clearly supported by reliable documentation.
- Evidence that the cost for the proposed activity is reasonable and is based on sound information provided by appropriate contractors, vendors and other professionals.
- Evidence that the grantee has the capacity to carry out the activities and to continue to operate the program.
- Evidence that the comprehensive social services are provided.
- Evidence that the proposed activity is ready to proceed and will be completed within a reasonable time.
- Special consideration given when there is a commitment of funding from other sources.

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4. P.L.2003, c.311 created the Lead Hazard Control Assistance Fund for the purposes of making loans and grants for the remediation and removal of lead-based paint hazards in residences. The FY 2007 proposed budget recommends an appropriation to the fund of \$6 million, a decrease of \$4 million from the FY 2006 appropriation of \$10 million. Recommended budget language would authorize up to an additional \$8 million for the fund, so the potential FY 2007 total appropriation is \$14 million, the same as FY 2006. Although up to \$10 million was appropriated to the fund in both FY 2005 and FY 2006, only \$3.3 million was deposited in FY2005 and it is unclear how much will be deposited in the current fiscal year. To date, however, only \$2.3 million has been committed or spent.

Commissioner Levin discussed with the Assembly Regulatory Oversight Committee on March 13, 2006 the difficulties the department has encountered in launching this program, and changes made and efforts foreseen to improve the program's effectiveness. The department's stated goal is "to eliminate lead poisoning in New Jersey by 2010."

- **Question:** Please summarize the specific obstacles the department has encountered in launching this program, and the steps it is taking to overcome those obstacles. What progress, results or other factors can the department cite as the basis for concluding that funds already appropriated are insufficient to sustain the program through FY 2007? What is the department's spending plan for funds that remain from appropriations made to date? For funding recommended for FY2007? For fiscal years after 2007, in order to attain the stated goal of eliminating lead poisoning by 2010?

Lead Hazard Control Act OBSTACLES

The DCA recognizes that Lead Hazard Control Act Programs have encountered a number of obstacles, and that the program has not been as successful to date as we would had hoped. The CDC currently defines an elevated blood lead (ebl) level over 10ug/dl as a level of concern, but we only address families with children with an ebl exceeding 20ug/dl. These obstacles have included:

- **Lead Safe Inspections:** LHCA limited DCA's inspections to multiple dwellings of only 3 or more units. We currently do not have authority to inspect one and two family rental units. Based on census data most multiple dwellings were built after 1978 when lead paint was outlawed. Additionally, from the relocations and loans that we have processed most of them were from one or two family homes. Of the almost 100,000 multiple dwelling units inspected since this fall, we have issued violations for lead hazards in 60 units, which have since been abated.
- **Outreach Programs:** The marketing portion of Lead Safe NJ did not start in earnest until the late fall with the launch at a Lead-Safe NJ event. The public learning curve on lead hazards is significant. A household needs to first understand and grasp the concerns regarding the hazard; then decide to act upon it. An aggressive outreach program has been instituted.
- **At Risk Identification and Communication:** While local Boards of Health are contacted if a child is lead poisoned, because of privacy issues DCA is not able to access these lists to do follow-up. We rely on caseworkers from the local Boards of Health to share information with clients on our programs. We have been working with DHSS and will continue to work with DHSS on these efforts, most recently implementing an online training module for caseworkers generating increased interest.

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In order for these concerns to be addressed and the program to expand it is important that funding remain intact.

Lead Hazard Control Act SOLUTIONS

We have begun to address LHCA obstacles in earnest and are in the process of implementing solutions:

- **Outreach Program:** As mentioned above our outreach program is the key to boosting our numbers. We are expanding the program started this fall which will include:
 - *Outreach* – We will be doing a series of radio spots, bus and train ads, movie theatre commercials, and cable spots.
 - *Grassroots Outreach Partnerships* – We have put out an RFP for non-profit organizations to promote the lead programs. The RFP deadline is June 1, 2006.
 - *Targeted Mailings* – We have done mailings to landlords, mayors, pediatricians and various agencies that administer aide about lead hazards and available programs. Upcoming mailings include among others Public Housing Authority EDs, Realtors, and Housing Inspectors.
 - *Other Efforts* – In addition to raising program visibility through speaking engagements and displays at conferences, we are working to distribute display materials to retailers, clinics and any other locations focusing on high risk populations. We are also working with CAP agencies and organizations such as Citizen Action, the ACLU, and the Anti-Poverty Network.
- **Lead Safe NJ Website** (www.lead safenj.org): The website has been online since the fall, but we are continuing to expand options. To date it has served as an efficient way for us to communicate with other agencies and targeted homeowners.
- **NJ DHSS and DCA:** When a child tests positive for an elevated blood-lead level, the NJ Department of Health and Senior Services is notified. The DHSS then notifies the local Board of Health which sends a sanitary inspector to the child's home to determine whether or not the cause is paint from the home or from another source. While DCA does not receive the name of the sick child or family, we do get the address to which information and applications for assistance are sent. To date almost 1,000 applications have been sent out directly to families or to Boards of Health for distribution. We are continuing to work with DHSS on ways to collaborate, most recently starting to assist with the distribution of lead test kits to families at risk.
- **Training for local boards of health:** DCA produced a web-cast training module to broadcast 24/7 to 115 local boards of health detailing the various program tools available: including Relocation Program details on eligibility, documentation, types and levels of assistance available, application procedures. To date, over 6,000 hits have been achieved. This online training will expand to include other organizations helping with relocation and loan packaging.
- **Local Partnerships:** Partnerships have been created with five local health departments in Cumberland County, East Orange, Elizabeth, Paterson and Newark. These agencies have agreed to directly administer the Emergency Lead Poisoning Relocation funds.

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This program is the first of its kind nationwide to combine lead hazard control funds, emergency relocation services, property maintenance requirement for multifamily units, and a publicly accessible online registry of lead-safe housing. Given the opportunity to grow organically over time through community outreach efforts, we will be able to eliminate childhood lead poisoning by 2010.

LCHAF Budget

With the implementation of an aggressive outreach plan, we anticipate needing the Fiscal 2006 appropriation in addition to the entire proposed Fiscal 2007 appropriation.

- **Outreach Program:** We anticipate spending \$1.5 million through the next fiscal year on outreach efforts that raise awareness about lead hazards and available programs. This awareness campaign will have an impact beyond FY07.
- **Non-Profit Partners:** We anticipate that non-profit entities and municipalities will spend an additional \$2.5 million in outreach, relocation and LHCA loans.
- **Emergency Lead Poisoning Relocation:** Long-term relocation costs have averaged \$36,000. Short-term relocation costs are running between \$1,500 - \$6,000, depending on the needs of the family. With increased awareness, we anticipate at least 200 long-term relocations and 200 short-term locations at \$3,500 that will cost \$7.3 million.
- **LHCA Loans:** Loans have been averaging \$30,000 a project. With increased awareness and outreach, we anticipate 400 loans totaling \$12 million.

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5. The FY 2007 recommendation for Special Municipal Aid is \$78.4 million, down \$16.4 million from the FY 2006 adjusted appropriation of \$94.8 million. Under recommended budget language, \$2,211,000 of this amount would be transferred to the Energy Tax Receipts Property Tax Relief Fund to partially defray the cost of the annual inflation adjustment in municipal aid. Otherwise, the proposed allocation of FY 2007 Special Municipal Aid is unknown. The FY 2006 adjusted funding level includes a projected supplemental appropriation of \$65.5 million. The Local Finance Board recently approved Special Municipal Aid funding for Ewing Township (\$4.5 million) and the City of Paterson (\$30.8 million), which may partially explain the need for this supplemental funding. FY 2005 Special Municipal Aid funding totaled \$65.3 million. Camden, Paterson, Irvington, Union City, Harrison Town, and Bridgeton have been the most recent recipients of this aid. The program is intended to assist municipalities with severe budgetary and fiscal problems that could not be resolved without State assistance, and involves some degree of enhanced State oversight of municipal budgeting, hiring and fiscal policies as a condition of receiving aid.

- Question:** Please list, by municipality, for State FY 2005 and State FY 2006, the amount of Special Municipal Aid expended to date, including to which local fiscal year each disbursement was credited. Which municipalities are targeted to receive any unspent FY 2006 funds, including the \$65.5 million supplemental funding, in what amount per municipality and for what local fiscal year? Please provide the same information for recommended FY 2007 funding. Among the various oversight provisions, restrictions on local authority and types of managerial assistance that the department has established for recipients of this aid, which have been the most effective in restoring fiscal health and reducing the need for ongoing State aid from this program?

The following tables show appropriations from each State fiscal year (SFY) and the amounts allocated to each municipality.

SFY 2005

Municipality	Amount	Local Budget Year	Notes
Bridgeton	955,000	SFY 2005	
Camden	8,500,000	SFY 2004	
	6,449,195	SFY 2004	Rehabilitation Aid
	37,000,000	SFY 2005	Rehabilitation Aid (transfer)
Harrison	3,900,000	CY 2003	Calendar Year forces a large time lag
Irvington	1,600,000	SFY 2004	
Paterson	3,400,000	SFY 2004	
Union City	3,500,000	SFY 2004	
Total	65,304,195		

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SFY 2006			
Municipality	Amount	Local Budget Year	Notes
Bridgeton	2,500,000	SFY 2006	
Camden	8,500,000	SFY 2005	
Ewing	2,500,000	SFY 2006	
Harrison	3,500,000	CY 2004	Calendar Year forces a large time lag
Paterson	6,575,000	SFY 2005	
	800,000	SFY 2006	
Union City	3,100,000	SFY 2005	
Total	27,475,000		\$1.83 million carryforward for Camden

Fiscal 2006 Supplemental Appropriation

Municipality	Amount	Local Budget Year
Camden	32,700,000	SFY 2006
Ewing	2,000,000	SFY 2006
Paterson	30,800,000	SFY 2006
Total	65,500,000	

Special Municipal Aid award amounts have not yet been determined for Fiscal Year 2007.

Prior to receiving aid under the Special Municipal Aid Program, the participating municipality must sign a Memorandum of Understanding agreeing to comply with all of the provisions set forth in the Memorandum. The Memorandum places a number of requirements and restrictions on the aid recipient designed to affect cost savings, efficiencies and restore fiscal integrity and stability. The restrictions range from eliminating employee travel and meal expense to imposing a hiring and wage freeze on all employees to meeting with Division staff on a quarterly schedule to discuss budgetary and financial progress. The Director of the Division of Local Government Services must approve any new hires, promotions or transfers. By requiring a waiver for any personnel action, the Division is able to eliminate the hiring of non-essential employees and the granting of unwarranted promotions while ensuring that any potential new employees are qualified and vital to municipal operations.

In addition, the Memorandum of Understanding requires that participating municipalities agree to submit copies of payroll reports, cash management plan, analysis of current debt structure, fee ordinances and labor contracts to the Division as well as monthly revenue and expenditure reports tracking budgetary activity. This enables the Division staff to regularly track the fiscal progress of each participant and take a proactive role toward financial revitalization.

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6. The FY 2007 budget recommends \$8 million for the County Prosecutors Funding Initiative Pilot Program. The program first allocated aid to four counties in FY 2005, when \$7.73 million of \$8 million appropriated was distributed as follows: Camden: \$1.73 million; Essex: \$3.5 million; Hudson: \$1.55 million; Mercer, \$0.95 million. The FY 2006 Appropriations Act provided an additional \$8 million to this account, which so far remains unexpended.

- **Question:** Has the department decided to which counties FY 2006 funds will be awarded? If so, please list the recipient counties and the amount awarded to each. What was the basis for determining FY 2005 awards? FY 2006 awards, if any? What is the department's plan for allocating the proposed FY 2007 appropriation? Given that this is a pilot program, with no permanent statutory basis, has the department established any formal eligibility criteria, policy or performance goals associated with this funding? If so, please describe them. How will the success of the program be measured? Are there any conditions on funding that relate to the funding or activities of the prosecutor's office in recipient counties? If so, please elaborate.

The Treasurer's Office will provide budget language to allocate the funds.

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7. The FY 2007 budget recommends \$4.2 million for the Regional Efficiency Development Incentive program (REDI). REDI was created pursuant to P.L.1999, c.60, (C.40:8B-14 et seq.), to provide grants or loans to local government units to study the feasibility of regional service agreements or consolidation efforts, and to fund the one-time start-up costs of implementing a regional or consolidated service agreement. DCA uses REDI funding to make grant awards pursuant to the Sharing Available Resources Efficiently (SHARE) program which offers three assistance options to local government units: implementation assistance, feasibility studies, and regional coordination grants.

In FY 2006, \$4.2 million was appropriated for REDI, following appropriations of \$2 million and \$4.2 million in FY 2004 and FY 2005, respectively. However, of the \$10.4 million appropriated during this three-year period, only \$2.5 million has been expended or encumbered to date.

- **Question:** What factors or circumstances explain the apparent delays between appropriation and obligation/expenditure of REDI funds? How many staff, staff hours per week and what job titles, are assigned to the REDI program? How much of this effort is devoted to monitoring REDI grants after their award? What staff and other efforts are devoted to helping local officials discern opportunities and develop proposals for REDI grants? What steps will the department take to ensure more timely deployment of these resources? What specific results from REDI grants awarded since FY2004, in terms of improved local services, cost savings and property tax relief, can the department cite as justification for FY 2007 funding for this program?

The SHARE program is driven by applications by municipalities and counties: the Department only authorizes funds once a complete application has been approved. To the extent that municipalities and counties do not submit complete applications, there is the need to work with applicants to obtain the necessary information or documentation.

The SHARE program depends on voluntary submissions from local units. The lead time needed for local officials to consider and decide to pursue possible shared services varies but there is much preparatory work done at the local level before an application is filed. In many towns the easier "lifts" have already been addressed. The more complex or controversial possible shared efforts take longer to act on.

The program has one full-time program manager (Supervising Community Service Officer) and a program assistant (Administrative Analyst 2) who support the program, part-time (1/3rd to 1/2 time) in addition to supporting other DCA grant programs. Additional outreach, counseling of local officials and support is provided by DCA and Division of Local Government Services supervisory and management personnel.

Part of the staff's efforts includes monitoring grantees. The grant program requires recipients to submit routine progress reports, to document project expenditures when submitting requests for reimbursement and provide copies of any study reports.

The DCA Commissioner, Division Director and LGS staff regularly promotes shared services and the availability of SHARE grants at workshops, seminars, presentations to professional

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associations, local Mayor's groups, citizen groups, and any other individuals or organizations seeking information about the program. Web-based information links to applications and, later this year, on-line application submission and processing will be available.

In Fiscal 2005 and Fiscal 2006, 72 grants were awarded helping local units study or establish new shared services.

Thirty-six (36) awards were made for feasibility studies of potential shared services. SHARE has supported reviews of public works, public safety, trash and solid waste collection, public health services, animal control, recreation, technology sharing, and personnel administration services. Of the 15 studies completed so far, 4 were fully or partially implemented, four grantees are working to implement their studies and another 4 completed studies are under community review. Three of our study grantees have applied for and received SHARE implementation aid to put their studies into effect. Two other study grant recipients will be applying for implementation aid and we expect additional applications as other communities decide to implement their studies.

Thirty-four (34) grants assisted the establishment of new shared services for new joint police services, police, fire and emergency service dispatching programs, public works, shared and joint municipal court services, animal control, public health services, information and technology efforts, storm water regulation compliance efforts are now in effect.

Two (2) grants supported regional coordination.

DCA has made several changes to improve the program:

1. Applications will receive an initial review within 10 days.
2. Applications have been simplified, and grant awards for implementation are more flexible to address larger projects
3. A new initiative – COUNT - has been introduced that will encourage county governments to act as facilitators for shared services projects.
4. DCA is preparing a "best practices" guide to provide assistance to towns who want to share or regionalize services.

SHARE

Fiscal 2006 Awards

GRANTEE	GRANT TITLE	PROJECT TYPE	PARTICIPANTS	AMOUNT
Alexandria Township	Curtis Paper Site Redevelopment Plan	Feasibility Study	Alexandria Township and Milford Borough	\$70,000
Chatham Township	The Chathams Recreation Implementation Western Southern Cumberland TDR Elements	Implementation	Chatham Borough	53,600
Cumberland Development Corp	Route 208 Planning Study	Feasibility Study	Cumberland County	50,000
Fairlawn Borough Econ Dev Corp	Fanwood-Scotch Plains Shared Library Services Phase I	Feasibility Study	Bergen County	42,500
Fanwood Borough	Fanwood-Scotch Plains Shared Library Services Phase I	Implementation	Scotch Plains Township, Farwood Memorial Library, Scotch Plains Public Library	38,288
Fanwood Borough	Shared Public Works Maintenance Storage Facility Fanwood-Scotch Plains Shared Library Services Phase II	Implementation	Scotch Plains Township, Scotch Plains- Farwood Board of Education	40,000
Fanwood Borough	Hopewell Twp & Hopewell Borough Police Shared Services Feasibility Study	Implementation	Scotch Plains township, Farwood Memorial Library, Scotch Plains Public Library	46,350
Hopewell Township	Somerset Animal Control Consortium	Feasibility Study	Hopewell Borough	6,600
Manville Borough	Somerset Central Yard Waste Consortium	Feasibility Study	Bound Brook Borough and 9 other municipalities	20,000
Manville Borough	Matawan/Monmouth County Emergency Dispatch Partnership	Feasibility Study	Bound Brook Borough and 4 other municipalities	20,000
Matawan Borough	Conduct Charrettes for County Master Plan	Implementation	County of Monmouth	40,172
Mercer County	Monmouth Parhandle Regional Plan	Feasibility Study	Mercer County	34,000
Monmouth County	Montclair Twp & City of Orange Firefighting Related Services Feasibility Study	Feasibility Study	Upper Freehold Twp, Allentown Borough, Roosevelt Borough and Millstone Twp.	75,000
Montclair Township	Somerset South Yard Waste Consortium Stormwater Outfall Assessment Program (SOAP)	Feasibility Study	City of Orange	89,750
Montgomery Township	Sussex Co. & Sparta Twp. Jt Vehicle Mince Facility	Feasibility Study	Hillsborough Township, Franklin Township	20,000
Somerset County		Implementation	Bernards Township and 9 other municipalities	48,750
Sparta Township		Feasibility Study	Sussex County	16,000
Pipeline COUNT				1,000,000 2,500,000

Discussion Points (Cont'd)

8. Position data in the FY 2007 budget projects growth of 119 positions (10 percent) in FY 2007 above current payroll counts. Much of this growth is projected to occur in the Housing Services and Uniform Fire Code program classes, where federal and fee revenues fund most positions, but every department program class projects some position growth. This growth seems to contrast with the Administration's statements that a rigorous hiring freeze and controls on replacement of positions vacated by attrition are and will remain in effect, with appropriate exceptions made for priority growth areas. Also, department evaluation data in the FY 2007 budget do not seem to indicate any corresponding increase in the department's output and activities, to the extent that such data fairly measure the department's full scope of programs and services.

- **Question:** Please explain the principal justifications for a 10 percent overall increase in department staff. How much of this projected staff growth is linked to recommended funding for new programs or program expansions? How much growth is intended to improve the performance of existing programs and functions that are not measured in budget evaluation data? Please cite specific examples. Has the department already received exemptions from hiring freezes and permission to refill attrition-vacated positions to enable this projected position growth? What Administration priority growth areas do the department's increased positions reflect?

DCA's funded FTEs have been reduced by 8 in Fiscal 2007 -- 7 in Fire Safety and 1 in Housing. The current payroll counts referenced in the question do not take in to account employees on leave (11), actions pending at the time of the count (20), and positions that received hiring freeze exemptions (45). None of these exemptions impact the General Fund: 16 positions are federally funded, 26 positions are supported by dedicated revenue and 3 positions are funded through the Realty Transfer Tax.

The Freeze Exemptions (45) included:

- 16 federally-funded positions for the Section 8 Housing Choice Voucher program.
- 3 planners for the Council on Affordable Housing (funded through the Realty Transfer Tax) to review the over 200 newly-filed third round plans.
- 9 fee-supported positions in Codes needed for code inspectors to enforce the Uniform Construction Code, including 1 inspector in the liquefied petroleum inspection program and 3 new positions for electrical inspectors taking on new responsibilities in amusement ride inspections as a result of a death last year.
- 17 fee-supported positions in the Division of Fire Safety for homeland security and inspectors to monitor local departments statewide and to perform inspections in 100 towns; inspections, annual reports and billing were not current.

The remaining funded vacant positions (43) include:

- Housing Programs – including the State Rental Assistance Program, Small Cities, HOME, Homelessness Prevention, and Balanced Housing, These programs are funded through a combination of federal funds, Realty Transfer Tax, and dedicated funds.
- Uniform Construction Code – Fee-supported positions to administer the Uniform Construction Code and the New Home Warranty program.

Discussion Points (Cont'd)

- Boarding Homes – Responsibility for inspecting the 101 Residential Health Care Facilities was transferred from DHHS to DCA without the transfer of staff or funding. Note that effective Fiscal 2005, the State budget no longer appropriated funds for Boarding Homes Regulation. The program was to be funded by fees, but the fee bill legislation has not yet been passed.
- Historic Trust – positions are vacant in this program which is funded through a trust account established through the Garden State Historic Preservation Trust.
- Lead Hazard Control Assistance Fund – positions are essential to administer the newly-created program.
- Office of Smart Growth – positions are needed to update the third round of Cross Acceptance of the State Plan and monitor Smart Future grants.

Discussion Points (Cont'd)

9. The FY 2007 budget recommends continuing the State Aid appropriation of \$32 million for Municipal Homeland Security Assistance (page D-60). The budget also recommends a new State Aid appropriation of \$20 million, entitled Capital for Homeland Security Critical Infrastructure, in the newly established Office of Homeland Security and Preparedness (Department of Law and Public Safety, page D-295). This appropriation is intended to fund interoperable communications, tools for intelligence sharing, and enhanced infrastructure protection.

- **Question:** These two State aid programs appear similar in purpose. Please describe how they differ and how they will be coordinated in the future. What review does the department conduct of the condition of municipal homeland security infrastructure and additional municipal needs in connection with allocating Municipal Homeland Security Assistance? What role does the department expect to play in allocating recommended new State aid funding for homeland security infrastructure?

The Department of Community Affairs' "Municipal Homeland Security Assistance" is formula-driven aid to municipalities for property tax relief. Municipalities with at least \$300,000 budgeted for police operations receive aid based on population totals:

Less than 5,000	\$25,000
5,000 – 9,999	50,000
10,000 – 19,999	70,000
20,000 – 29,999	90,000
Greater than 30,000	140,000

In Fiscal 2006, 472 municipalities received aid.

The Capital for Homeland Security Critical Infrastructure appropriation is available for one-time homeland security needs, not property tax relief. The Office of Homeland Security and Preparedness has sole responsibility to allocate these funds.

There is no overlap of the programs.

Discussion Points (Cont'd)

10. The Office of Smart Growth administers the Smart Future Planning grants available to counties and municipalities to promote redevelopment, economic activities, and preservation that are consistent with smart growth principles. Funding for this program has been made available from a portion of the construction code fees collected by the department for deposit into the Uniform Construction Code Revolving Fund. In FY 2006 the department awarded 40 grants and anticipates awarding 5 fewer grants in FY 2007 for a total of 35 grant awards.

- **Question:** How does the department anticipate allocating the FY 2007 recommended appropriation of \$2.29 million among the potential applicants given the anticipated decrease in awards the department expects to make in FY 2007? What measures of potential impact are employed, or what outcomes are emphasized, in evaluating grant applications and prioritizing grant awards? What results have been achieved through these grants that the department believes best demonstrate the effectiveness of the program? Please also provide a list of all grant recipients in FY 2006, including project name and the total dollar amount of the grant award.

In Fiscal 2006, the Office of Smart Growth awarded 68 grants (see attached list). The Office was unable to fund 90 requests totaling \$7.5 million because of a lack of funds, but qualified applications will be considered for funding in Fiscal 2007.

The Office of Smart Growth takes several factors into consideration when evaluating grant applications, including:

- Projects with regional and/or the state significance, or that supplement ongoing regional projects.
- The location of the project in a designated center or a community with an endorsed plan.
- The level of importance the project has in furthering the community's vision and planning goals.
- The quality of the scope and budget, and the community's ability to implement the project.
- The leveraging of supplemental funding sources for the project.
- The applicant's past grant performance.
- If the Grantee has open prior awards with little or no positive movement, then they are not considered in this round.
- Given budgetary constraints, the level of requested funding is taken into consideration as a limiting factor.

The Smart Future Grant program focuses on seven key categories: design guidelines for creating places; downtown and Main Street revitalization; green building; parking; transfer of development rights; charrettes; and greyfield redevelopment.

The Office of Smart Growth has awarded funds to many redevelopment projects throughout the state (Paterson City, Belmar Borough, Glassboro Borough, to name a few). These initiatives will ensure that underutilized properties will again become viable and contribute to the tax base. Other initiatives the Office of Smart Growth has furthered through the Smart Future grant program include TDR, parking strategies and sustainable design techniques.

Discussion Points (Cont'd)

The Office of Smart Growth also feels it important to support communities that are dedicated to the state planning process, and have either committed to accommodating growth in designated centers or have been deemed consistent with the State Development and Redevelopment Plan through plan endorsement. As more communities achieve plan endorsement, the need to assist them in implementing the State's vision will increase. It is important that the Office of Smart Growth retain the ability to provide implementation funds to communities that are willing to further the State's goals and policies for sustainable growth.

To accommodate a larger number of applicants, the Office of Smart Growth has in the past awarded less funds than requested and/or not awarded funds to sizeable projects. The former has at times proven troublesome, as the applicants are unable to find supplemental funds and cannot complete the project with the smaller funding amount. The latter is also not ideal in that the larger projects are often the ones that have regional significance. The Office of Smart Growth is currently working on new application criteria, and possible funding limits to better accommodate the ever-growing number of applicants.

**OFFICE OF SMART GROWTH
Fiscal 2006 Awards**

GRANTEE	GRANT TITLE	AMOUNT
Absecon City	Central Business District Revitalization Plan	\$13,100
Alexandria Township	Using TDR to Retain a Rural Community	25,000
Atlantic City Special Improvement District	Visioning and Downtown Revitalization Plan	40,000
Bergen County Economic Development Corporation	Bio-Life Science Master Plan	50,000
Berkeley Heights Township	Smart Future in Downtown Berkeley Heights	35,000
Bloomfield Township	Bloomfield Park and Go Planning Study	25,000
Board of Trustees of the Free Public Library - Newark	Newark Public Library and Environs Parking Study	40,000
Buena Vista Township	Area of Need Study	50,000
Cape May City	Washington Street Mall Revitalization Plan	20,000
Cape May City	Cape May Parking Needs Assessment	20,000
Catholic Charities/New Brunswick	Development of Redevelopment Plan	43,500
Cresskill Borough	Allen Street Improvement	10,000
Delanco Township	Design Guidelines and Community Visioning	20,000
Dunellen Borough	Dunellen Downtown Revitalization	31,000
Elmwood Park Borough	Elmwood Park Transit Village	40,000
Englewood City	Design of Parking/Traffic System	55,000
Gloucester Township	Greyfields Redevelopment Plan	35,000
Greater Mercer Trans Mgmt Assoc	Smart Future Transportation Charrette	20,000
Hackettstown Township	Downtown Redevelopment Study	40,000
Haddon Township	Haddon Ave Parking and Pedestrian Accessway Study	40,000
Haledon Borough	Belmont Avenue Revitalization	25,000
Hamilton Township	Main Street / Mill Street Revitalization Program	15,000
Highland Park Borough	Highland Park Strategic Green Plan	15,000
Hillsborough Township	Township TDR Planning Initiative	50,000
Interfaith Neighbors/Asbury Park	Development of Redevelopment Plan	30,000
Isles/Trenton	Development of Redevelopment Plan	50,000
Kearnsburg Borough	Kearnsburg Downtown Revitalization	25,000
Lambertville City	Historic Design Guidelines	30,000
Lawrence Township	Design Guidelines/Pedestrian Enhancements	30,000
Leonia Borough	Central Business District-Revitalization Plan	20,000
Linden City	Transit Village Plan	50,000
Mannington Township	Mannington Township TDR Program	45,000
Maplewood Township	Maplewood Redevelopment Plan	15,000

GRANTEE	GRANT TITLE	AMOUNT
Maywood Borough	Route 17 Redevelopment Plan	55,000
Medford Lakes Borough	Community Design Plan & CBD Redevelopment Plan	48,000
Mendham Borough	Historic Business District Parking Study	9,000
Mercer County	Charrettes for County Master Plan	20,000
Merchantville Borough	Amend Master Plan to Smart Growth Guidelines	25,000
Middlesex Borough	Rehabilitation/Redevelopment Plan	45,000
Moonachie Borough	Moonachie Redevelopment Study	20,000
Neptune Township	Transit Village Redevelopment Plan	40,000
Newfield Borough	Smart Growth Design Guidelines	20,000
Newton Town	Town of Newton Redevelopment Plan	25,000
North Hanover Township	North Hanover Revitalization Plan	30,000
Ocean Township	Shore to Grow, Shore to Preserve	100,000
Plumsted Township	Historic Preservation for Plumsted Town Center	20,000
Point Pleasant Beach Borough	Broadway/Ocean Avenue Revitalization Effort	50,000
Rahway City	Downtown Retail Plan	40,000
River Edge Borough	Downtown Redevelopment Plan	50,000
Riverside Township	Riverside Downtown Revitalization Plan	50,000
Somerville Borough	Design Guidelines for Creating Places	25,000
Stafford Township	Transfer of Development Rights Feasibility Study	20,000
Stand Up for Salem	Community Insights Prog to Revitalize Downtown	39,825
Sussex County	Parking Study	30,000
Teaneck Township	Teaneck Parking & Commuter Strategy Study	55,000
The College of New Jersey	Community Champions for Smart Growth & NJ FIT	20,000
Toms River Business Development Corporation	Master Plan Implementation Services	40,000
Township of Bridgewater	Go Green! - Bridgewater Municipal Complex Design	10,000
Wanaque Borough	Ringwood Avenue Redevelopment Plan	35,000
Washington Borough	Downtown Redevelopment Study	55,000
Washington Township/Warren County	Cost Benefit Analysis for Mun. Bldg. Solar Power	5,000
Washington Township/Morris County	Economic Revitalization, Historic Pres & Ecotourism Study	10,000
Wayne Township	Town Center Designation - Township of Wayne	20,000
West Orange Township	Community Insights Program to Revitalize Downtown	39,825
West Windsor Township	Greyfields Redevelopment	35,000
West Windsor Township	Sustainable West Windsor Plan	20,000
Wharton Borough	Main Street Revitalization	41,500
Wrightstown Borough	Wrightstown Downtown Revitalization Plan	25,000
Total Awards - 68		