

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### ASSEMBLY, No. 3996

with committee amendments

# STATE OF NEW JERSEY

DATED: MAY 11, 2020

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3996, with committee amendments.

This bill provides that a State agency that has awarded a contract to or entered into an agreement with a non-profit organization may provide a waiver of any penalty provided in the contract or agreement for the failure of the non-profit organization to fulfill the terms and conditions in the contract or agreement if the failure is due to the COVID-19 Public Health Emergency and State of Emergency declared by the Governor in Executive Order No. 103 of 2020 and the failure occurred during the period of the emergencies or during the six-month period immediately following the end of the emergencies. The waiver will be provided to the extent the State agency or agencies deem it feasible and appropriate under the circumstances.

The bill also permits a non-profit organization to request a modification of the terms and conditions of a contract awarded by or of an agreement entered into with, a State agency and the State agency must consider such a request, when compliance by the non-profit organization with the terms and conditions was impacted due to the emergencies and the impact occurred during the period of the emergencies or during the six-month period immediately following the end of the emergencies.

The COVID-19 pandemic has caused non-profit organizations to drastically reduce staffing and shift priorities. These changes have made it difficult for non-profit organizations to deliver on State contracts. The purpose of this bill is to provide greater flexibility and to ensure that non-profit organizations are not further negatively impacted by the COVID-19 pandemic.

#### COMMITTEE AMENDMENTS:

The committee amendments fix a typographical drafting error.

#### FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.