

[Passed Both Houses]

SENATE, No. 877

STATE OF NEW JERSEY

INTRODUCED MARCH 7, 1996

By Senators **BASSANO, CODEY, Bennett, MacInnes, Baer, Kosco, Assemblywoman Vandervalk, Assemblymen Rooney, Felice, Assemblywoman Weinberg and Assemblyman Corodemus**

1 AN ACT appropriating funds from the Developmental Disabilities'
2 Waiting List Reduction and Human Services Facilities Construction
3 Fund established pursuant to P.L.1994, c.108.

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

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8 1. a. There is appropriated to the Department of Human Services
9 from the Developmental Disabilities' Waiting List Reduction and
10 Human Services Facilities Construction Fund created by the
11 "Developmental Disabilities' Waiting List Reduction and Human
12 Services Facilities Construction Bond Act of 1994," P.L.1994, c.108,
13 the sum of \$6,500,000 for the following community-based project:

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15 Grants, including grants that create revolving funds,
16 for the Division of Developmental Disabilities. \$6,500,000

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18 b. The funds appropriated in subsection a. of this section shall be
19 used for projects to reduce the Division of Developmental Disabilities'
20 community services waiting list. The \$6,500,000 added to the sum of
21 \$10,000,000 appropriated under P.L.1995, c.248, represents a portion
22 of the \$80,000,000 to be expended on projects intended to reduce the
23 community services waiting list.

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25 c. Prior to the formal awarding of any funds appropriated pursuant
26 to this section, the Commissioner of Human Services shall provide the
27 Joint Budget Oversight Committee, or its successor, information as to
28 the agency that will receive the funds, the amount of funds the agency
29 is to receive, the manner in which the funds are to be used and the
30 estimated amount of State funds required to operate the program.
31 Unless the Joint Budget Oversight Committee, or its successor,
formally notifies the Commissioner of Human Services within 10

1 working days that it does not approve of the specific project, the
2 department may award the funds. The provisions of this subsection
3 shall not apply to funds for renovations that do not increase the
4 capacity of a facility, for emergency repairs and for life-safety and
5 accreditation improvements to existing facilities.

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7 2. The Commissioner of Human Services, consistent with the 1994
8 Bond Issue Master Plan, may provide grants to the New Jersey
9 Housing and Mortgage Finance Agency, the New Jersey Health Care
10 Facilities Financing Authority, the New Jersey Economic Development
11 Authority and other similar agencies established by the State, or to
12 private, nonprofit entities. These agencies or entities may leverage the
13 grants, use equity contributions and take advantage of other financial
14 mechanisms and create revolving funds for community capital projects.
15 An applicant applying for funds from these agencies may be assessed
16 an application fee consistent with the normal business practice of the
17 agency. The plan for the establishment of the revolving fund shall be
18 reviewed and approved by the Joint Budget Oversight Committee
19 pursuant to the provisions of subsection c. of section 1 of this act.

20 a. The application fee and any equity contribution may be waived,
21 with the approval of the Commissioner of Human Services, if an
22 applicant is able to document a financial inability to pay the fee or
23 make an equity contribution.

24 b. An application fee or equity contribution that is required of an
25 applicant shall be an unallowable item of cost for purposes of the most
26 recent Department of Human Services' Contract Reimbursement
27 Manual.

28 c. Grants provided to the New Jersey Housing and Mortgage
29 Finance Agency, the New Jersey Health Care Facilities Financing
30 Authority, the New Jersey Economic Development Authority and
31 other similar agencies established by the State shall be exempt from the
32 application fee and equity contribution.

33 d. As a condition of receiving monies from the Developmental
34 Disabilities' Waiting List Reduction and Human Services Facilities
35 Construction Fund, an applicant shall apply for all applicable grants,
36 loans, mortgages and tax credits that may be available through
37 governmental and non-governmental entities for financing the cost of
38 the project or to reduce the total cost of the project. An applicant
39 shall document to the department that it has or is in the process of
40 applying for such grants, loans, mortgages and tax credits.

41 In the case of any loans or mortgages for which the applicant may
42 apply, the department shall review the terms and conditions of the loan
43 or mortgage recommended by the lending agency to determine if the
44 total cost of the loan or mortgage exceeds direct State financing of the
45 project if the applicant applies to the department for a contract to
46 provide services and seeks to obtain reimbursement for such loans or

1 mortgages. Costs in excess of what the State would incur shall be an
2 unallowable cost for purposes of the most recent Department of
3 Human Services' Contract Reimbursement Manual.

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5 3. The Director of the Division of Budget and Accounting in the
6 Department of the Treasury shall make those corrections in the title or
7 text, or both, of any appropriation item authorized under this act
8 necessary to make the appropriation available for the purposes for
9 which it was intended. The corrections shall be made by a written
10 ruling which shall set forth an explanation of the need for correction
11 and which shall be signed by the Director of the Division of Budget
12 and Accounting and shall be filed by the director in his office as an
13 official record. Any action pursuant to that ruling, including
14 disbursement and the audit thereof, shall be legally binding and of full
15 effect. An official copy of each written ruling shall be transmitted to
16 the Legislative Budget and Finance Officer upon the effective date of
17 the ruling.

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19 4. The Director of the Division of Budget and Accounting may
20 approve expenditures for predesign program planning and other
21 related costs for capital projects authorized under this act.

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23 5. In order to provide flexibility in administering the provisions of
24 this act, the Commissioner of Human Services may apply to the
25 Director of the Division of Budget and Accounting for permission to
26 transfer a part of any item or appropriation to any other item or
27 appropriation within the respective department accounts. The transfer
28 shall be made upon the written approval of the director and of the
29 Joint Budget Oversight Committee, or its successor.

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31 6. The Commissioner of Human Services shall report to the Joint
32 Budget Oversight Committee or its successor on the status of the
33 appropriation provided in this act six months from the effective date
34 of this act and annually thereafter until all of the funds have been
35 expended. The status report shall specify the projects that are funded
36 and the amounts of funds appropriated, obligated and expended for
37 each project. The status report shall also include information on the
38 revolving fund established pursuant to section 2 of this act.

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40 7. This act shall take effect immediately.

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43 **STATEMENT**

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45 This bill appropriates \$6.5 million from the Developmental
46 Disabilities' Waiting List Reduction and Human Services Facilities

1 Construction Fund created by the "Developmental Disabilities' Waiting
2 List Reduction and Human Services Facilities Construction Bond Act
3 of 1994," P.L.1994, c.108, for projects, such as capital costs for
4 group homes, to reduce the Division of Developmental Disabilities'
5 community services waiting list.

6 In September, 1995, the State appropriated \$10 million for that
7 purpose. To try to serve 500 clients, a total of \$16.5 million is
8 needed. This bill appropriates the \$6.5 million necessary to make up
9 the shortfall.

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14 Appropriates \$6,500,000 for group homes for the developmentally
15 disabled from the Developmental Disabilities' Waiting List Reduction
16 and Human Services Facilities Construction Fund.