NEW JERSEY STATE LEGISLATURE

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

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This report was prepared by the Local Government Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Pedro Carrasquillo with additional contributions by Cindy Lombardi Hespe.

Questions or comments may be directed to the OLS Local Government Section (609-292-1596) or the Legislative Budget and Finance Office (609-292-8030).
Fiscal Summary ($000)

<table>
<thead>
<tr>
<th></th>
<th>Expended FY 2005</th>
<th>Adjusted Appropriation FY 2006</th>
<th>Recommended FY 2007</th>
<th>Percent Change 2006-07</th>
</tr>
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<tbody>
<tr>
<td>State Budgeted</td>
<td>$1,165,056</td>
<td>$1,193,536</td>
<td>$1,158,042</td>
<td>(3.0%)</td>
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<tr>
<td>Federal Funds</td>
<td>248,726</td>
<td>286,031</td>
<td>283,409</td>
<td>(.9%)</td>
</tr>
<tr>
<td>Other</td>
<td>93,870</td>
<td>126,567</td>
<td>126,096</td>
<td>(.4%)</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$1,507,652</td>
<td>$1,606,134</td>
<td>$1,567,547</td>
<td>(2.4%)</td>
</tr>
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</table>

Personnel Summary - Positions By Funding Source

<table>
<thead>
<tr>
<th></th>
<th>Actual FY 2005</th>
<th>Revised FY 2006</th>
<th>Funded FY 2007</th>
<th>Percent Change 2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>State</td>
<td>179</td>
<td>184</td>
<td>201</td>
<td>9.2%</td>
</tr>
<tr>
<td>Federal</td>
<td>246</td>
<td>253</td>
<td>286</td>
<td>13.0%</td>
</tr>
<tr>
<td>Other</td>
<td>660</td>
<td>723</td>
<td>792</td>
<td>9.5%</td>
</tr>
<tr>
<td>Total Positions</td>
<td>1,085</td>
<td>1,160</td>
<td>1,279</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

FY 2005 (as of December) and revised FY 2006 (as of September) personnel data reflect actual payroll counts. FY 2007 data reflect the number of positions funded.

Key Points

- The FY 2007 recommended budget for the Department of Community Affairs totals $1,158,042,000, a decrease of $35,494,000, or 2.97%, from the FY 2006 adjusted appropriation of $1,193,536,000. The total FY 2007 recommended budget consists of: $36,914,000 in Direct State Services, a decrease of $897,000; $63,760,000 in Grants-In-Aid, an increase of $8,050,000 from the FY 2006 adjusted appropriation; and $1,057,368,000 in State Aid, a decrease of $42,647,000 from the FY 2006 adjusted appropriation.

- The municipal aid programs recommended in FY 2007 include:
  - Consolidated Municipal Property Tax Relief Aid (CMPTRA), which represents the largest source of State aid to municipalities. The FY 2007 recommended appropriation is $835,447,000, equal to the FY 2006 adjusted appropriation. No inflation adjustment is recommended for CMPTRA. Furthermore, the
Key Points (Cont’d)

recommended budget provides for a transfer of funds from the CMPTRA account to the Energy Receipts Property Tax Relief Fund (ERT) to fund the 4.5 percent inflation adjustment in the latter program. Transfers from CMPTRA to ETR to fund the inflation adjustments for FY 2003, FY 2006, and FY 2007 total $81.5 million.

• **Special Municipal Aid Act**, which provides augmented funding to municipalities in fiscal year 2006 that have severe fiscal problems and structural budget deficits that could not be resolved without additional State funds. This program is recommended to receive $78,400,000 in FY 2007, a decrease of $16.4 million from the FY 2006 adjusted appropriation of $94,805,000. The FY 2006 adjusted appropriation assumes the approval of a supplemental appropriation of $65.5 million, part of which will fund recent awards to Ewing Township and the City of Paterson.

• **Legislative Initiative Municipal Block Grant Program**, which provides aid to each municipality on a per capita basis. The FY 2007 recommended appropriation for this program is $34,825,000, equal to the FY 2006 adjusted appropriation.

• **Extraordinary Aid**, which provides short-term assistance to municipalities experiencing a catastrophic loss of tax ratables or other fiscal difficulties. The FY 2007 recommended appropriation of $30,000,000 is a decrease of $13 million under the FY 2006 adjusted appropriation of $43,000,000.

• **Trenton Capital City Aid**, $16,500,000 recommended in funding for the City of Trenton, equal to the FY 2006 adjusted appropriation. Trenton formerly received this amount of aid under the provisions of the Special Municipal Aid Act.

• **Regional Efficiency Development Incentive Grant Program (REDI)**, which provides aid to local units to study regionalization and consolidated services. The department will utilize this funding to provide assistance under the Sharing Available Resources Efficiently (SHARE) program. SHARE provides assistance for the study or implementation of any regional service agreement, or for the coordination of programs and services authorized under the Interlocal Services Act, the Municipal Consolidation Act, and the Consolidated Municipal Services Act. Funding is available to local governments and nonprofit organizations. The FY 2007 budget recommends funding of $4,200,000 for this program, which is equal to the FY 2006 adjusted appropriation.

• **Municipal Homeland Security Assistance Aid**, which provides assistance, determined by population, for homeland security costs to municipalities that expend over $300,000 annually for police services. The aid serves as revenue to offset property taxes with no local match required beyond the $300,000 minimum effort. The FY 2007 budget recommends $32,000,000 equal to the FY 2006 adjusted appropriation.

• **County Prosecutor Funding Initiative Pilot program**, which is recommended to receive $8,000,000 in FY 2007, equal to the FY 2006 adjusted appropriation.
Key Points (Cont'd)

- No funding is recommended in FY 2007 for the Regional Efficiency Aid Program (REAP), which provides annual State-funded property tax credits directly to residents in municipalities that have implemented regionalization and other shared services.

- The FY 2007 budget recommends a total of $25 million for the State Rental Assistance Program, an increase of $10 million. In addition, budget language allocates $15 million to the program from dedicated realty transfer fee revenues, for a total funding level of $40 million.

- The recommended FY 2007 appropriation to the Lead Hazard Control Assistance Fund is $6 million, a decrease of $4 million from FY 2006. FY 2007 budget language would allow another $8 million of funding to be appropriated to the fund, compared to the $4 million that was authorized, but not expected to be approved in FY 2006.

- The FY 2007 budget recommends a new Grants-in-Aid appropriation of $5 million for Capital Improvements for Homeless Shelters. This funding is intended to improve health and safety conditions and expand shelter capacity.

- New Grants-in-Aid funding is recommended in FY 2007 for Capital Improvements for Domestic Violence Shelters, $1.5 million, and Capital Improvements for Rape Care Centers, $500,000. Both programs would be administered by the Division of Women and are intended to upgrade the condition of these facilities and, in the case of domestic violence shelters, expand capacity.

Background Papers

- State Rental Assistance Program...........................................p. 22
- Special Needs Housing Trust Fund........................................p. 23
### Fiscal and Personnel Summary

#### AGENCY FUNDING BY SOURCE OF FUNDS ($000)

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>General Fund</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct State Services</td>
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<td>$37,811</td>
<td>$36,914</td>
<td>(30.5%)</td>
<td>(2.4%)</td>
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<td>Grants-in-Aid</td>
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<td>55,710</td>
<td>63,760</td>
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<td>14.4%</td>
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<td>State Aid</td>
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<td>107,446</td>
<td>92,196</td>
<td>(13.5%)</td>
<td>(14.2%)</td>
</tr>
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<td>Capital Construction</td>
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<tr>
<td>Debt Service</td>
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<td>0</td>
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<td>0.0%</td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td>$220,734</td>
<td>$200,967</td>
<td>$192,870</td>
<td>(12.6%)</td>
<td>(4.0%)</td>
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<tr>
<td><strong>Property Tax Relief Fund</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct State Services</td>
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<td>$0</td>
<td>$0</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td>Grants-in-Aid</td>
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<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>State Aid</td>
<td>944,322</td>
<td>992,569</td>
<td>965,172</td>
<td>2.2%</td>
<td>(2.8%)</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>$944,322</td>
<td>$992,569</td>
<td>$965,172</td>
<td>2.2%</td>
<td>(2.8%)</td>
</tr>
<tr>
<td><strong>Casino Revenue Fund</strong></td>
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<td>$0</td>
<td>0.0%</td>
<td>0.0%</td>
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<tr>
<td><strong>Casino Control Fund</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>State Total</strong></td>
<td>$1,165,056</td>
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<td><strong>Other Funds</strong></td>
<td>$93,870</td>
<td>$126,567</td>
<td>$126,096</td>
<td>34.1%</td>
<td>(0.4%)</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
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<td>$1,606,134</td>
<td>$1,567,547</td>
<td>4.0%</td>
<td>(2.4%)</td>
</tr>
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</table>

#### PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>State</td>
<td>179</td>
<td>184</td>
<td>201</td>
<td>12.3%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Federal</td>
<td>246</td>
<td>253</td>
<td>286</td>
<td>16.3%</td>
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<tr>
<td>All Other</td>
<td>660</td>
<td>723</td>
<td>792</td>
<td>20.0%</td>
<td>9.5%</td>
</tr>
<tr>
<td><strong>Total Positions</strong></td>
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<td><strong>1,160</strong></td>
<td><strong>1,279</strong></td>
<td><strong>17.9%</strong></td>
<td><strong>10.3%</strong></td>
</tr>
</tbody>
</table>

FY 2005 (as of December) and revised FY 2006 (as of September) personnel data reflect actual payroll counts. FY 2007 data reflect the number of positions funded.

#### AFFIRMATIVE ACTION DATA

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<tr>
<td>Total Minority Percent</td>
<td>31.5%</td>
<td>31.8%</td>
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Significant Changes/New Programs ($000)

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Adj. Approp. FY 2006</th>
<th>Recomm. FY 2007</th>
<th>Dollar Change</th>
<th>Percent Change</th>
<th>Budget Page</th>
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</thead>
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COMMUNITY DEVELOPMENT MANAGEMENT

Grants-in-Aid

State Rental Assistance Program

<p>| | | | | | |</p>
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<tbody>
<tr>
<td>$15,000</td>
<td>$25,000</td>
<td>$10,000</td>
<td>66.7%</td>
<td>D-49</td>
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</table>

This appropriation provides a State General Fund supplement to the dedicated funding from realty transfer fee revenue. The budget recommends $40 million total from both sources for FY 2007. P.L.2004, c.140 established in the Department of Community Affairs (DCA) a new rental assistance program for low income individuals or households, which provides grants comparable to the federal section 8 program, but is only available to State residents who are not currently holders of federal section 8 vouchers. At least $10 million in funding for this program is available annually from the receipts of the realty transfer fee collected by the State for deposit in the Neighborhood Preservation Non-lapsing Revolving Fund. Despite the availability of up to $50 million in combined FY 2005 and FY 2006 funding, the program has spent or committed only $9.5 million through April 2006.

Capital Improvements for Homeless Shelters

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<tbody>
<tr>
<td>$0</td>
<td>$5,000</td>
<td>$5,000</td>
<td>—</td>
<td>D-49</td>
<td></td>
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</tbody>
</table>

This is a new program recommended to fund grants to homeless shelters for the purpose of adding new beds, repairing leaking roofs, providing heating systems, repairing fire safety and building code violations, improving handicapped accessibility, replacing doors and windows to make the facilities more secure, and upgrading outdated electrical systems. These funds augment Shelter Support program funding of $3.8 million ($2.3 million in State dedicated realty transfer fee revenues and $1.5 million in federal funds).

Automated External Defibrillator Grant Program

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<tbody>
<tr>
<td>$1,000</td>
<td>$0</td>
<td>($1,000)</td>
<td>(100.0%)</td>
<td>D-50</td>
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</table>

This program was a fiscal year 2006 legislative addition to the budget. According to a department press release, the Division of Fire Safety planned to purchase and distribute 1,000 defibrillators for the purpose of allocating at least one defibrillator to each municipality and fire district with a fire department. However, through April 2006, no funds had been expended.
### Significant Changes/New Programs ($000) (Cont’d)

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Adj. Approp. FY 2006</th>
<th>Recomm. FY 2007</th>
<th>Dollar Change</th>
<th>Percent Change</th>
<th>Budget Page</th>
</tr>
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<tbody>
<tr>
<td><strong>ECONOMIC PLANNING AND DEVELOPMENT</strong></td>
<td></td>
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<tr>
<td>Direct State Services</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smart Growth Ombudsman</td>
<td>$137</td>
<td>$0</td>
<td>($137)</td>
<td>(100.0%)</td>
<td>D-53</td>
</tr>
</tbody>
</table>

P.L.2004, c.89 created the position of Smart Growth Ombudsman to be appointed by the Governor. The Ombudsman would be responsible for making recommendations to the Governor and various departments of State government concerning the expedited permit decisions making process in smart growth designated areas. The Ombudsman cost of operation is statutorily funded from the permit fees issued in smart growth areas. The FY 2006 budget included a supplemental appropriation of $137,000 in Direct State Services (DSS) to fund the Smart Growth Ombudsman. The FY 2007 budget eliminates all funding for the Smart Growth Ombudsman.

| Brownfields Redevelopment Task Force | $285 | $0 | ($285) | (100.0%) | D-53 |

P.L.2005, c.365 made a supplemental appropriation to the FY 2006 budget in the amount of $285,000 for the purpose of funding the Brownfields Redevelopment Task Force. The funding was provided to the task force for the purpose of expediting its inventory of brownfield sites in the State and for other related efforts to promote the cleanup and redevelopment of brownfields. This funding is not continued since it primarily funded non-recurring costs.

### SOCIAL SERVICES PROGRAMS

| Grant to ASPIRA | $500 | $100 | ($400) | (80.0%) | D-56 |

ASPIRA Inc., of New Jersey was established in Newark, New Jersey in 1968 to promote leadership in the Latino community through education, career counseling services, college placement, and assistance in obtaining financial aid for college bound students. The FY 2007 recommendation for this program is $100,000, down $400,000 from the FY 2006 adjusted appropriation of $500,000. The reduction eliminates the entire FY 2006 legislative grant enhancement.
### Significant Changes/New Programs ($000) (Cont’d)

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Adj. Approp. FY 2006</th>
<th>Recomm. FY 2007</th>
<th>Dollar Change</th>
<th>Percent Change</th>
<th>Budget Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead Hazard Control Assistance Fund</td>
<td>$10,000</td>
<td>$6,000</td>
<td>($4,000)</td>
<td>(40.0%)</td>
<td>D-56</td>
</tr>
</tbody>
</table>

The "Lead Hazard Control Assistance Act" (C.52:27D-437.1 et seq.) established by P.L.2003, c.311 created a loan and grant program in the department for the remediation and removal of lead-based paint hazards for residences. This act established a Lead Hazard Control Assistance Fund (LHCAF) in the department for making loans and grants and is recommended to be funded at $6 million, down $4 million from the $10 million FY 2006 adjusted appropriation. Budget language on page D-57 of the Governor’s recommended budget permits additional funding from sales tax revenue to be appropriated for this account in an amount not to exceed $8,000,000, subject to the approval of the Director of the Division of Budget and Accounting. Although $20 million has been appropriated to the fund in total for FY 2005 and FY 2006, only $3.3 million was actually deposited in the fund.

**Capital Improvements for Rape Care Centers**

|                        | $0      | $500    | $500    | —            | D-57        |

The FY 2007 recommended appropriation of $500,000 is intended to provide funding for rape care centers for technological upgrades and other improvements in order to better meet the needs of women served by the centers.

**Capital Improvements for Women’s Shelters**

|                        | $0      | $1,500  | $1,500  | —            | D-57        |

According to the Budget in Brief document, the State’s women’s shelters served approximately 1,700 women and 2,000 children in 2004; however, due to the lack of capacity at these shelters over 1,900 women and children could not be served during that same time period. This funding is intended to assist those women’s shelters most in need of expanding capacity and improving the upkeep of their buildings.

### STATE SUBSIDIES AND FINANCIAL AID

**Extraordinary Aid (C.52:27D-118.35)**

|                        | $43,000  | $30,000  | ($13,000) | (30.2%)      | D-60        |

The Extraordinary Aid program provides short-term assistance to municipalities experiencing a catastrophic loss of tax ratables or other fiscal difficulties. Funds are distributed to municipalities that submit applications to the Division of Local Government Services. Used strictly for property tax relief, the criteria for funding include a determination of whether the municipality has: 1) experienced unique circumstances that created fiscal distress and uncontrollable property tax increase; 2) made efforts to provide property tax savings by sharing services, privatization, enhancing tax collections, revenues and management efficiencies; 3) taken action and will continue to take action to reduce or eliminate dependency on extraordinary aid in the future. The award of this aid, while judged by the above criteria, is wholly discretionary.
### Significant Changes/New Programs ($000) (Cont'd)

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Adj. Approp. FY 2006</th>
<th>Recomm. FY 2007</th>
<th>Dollar Change</th>
<th>Percent Change</th>
<th>Budget Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Efficiency Aid Program (PTRF)</td>
<td>$10,992</td>
<td>$0</td>
<td>($10,992)</td>
<td>(100.0%)</td>
<td>D-60</td>
</tr>
</tbody>
</table>

The FY 2006 budget provided State-funded property tax credits directly to residents in 14 municipalities that have implemented regionalization and other shared services. The FY 2007 recommended budget eliminates funding for this program.

| Special Municipal Aid Act (PTRF)        | $94,805              | $78,400         | ($16,405)     | (17.3%)        | D-60         |

The Special Municipal Aid Act appropriation augments funding for municipalities that have severe fiscal problems and structural budget deficits that could not be resolved without additional State funds. The FY 2006 level of funding includes a $65.5 million supplemental appropriation that has not yet been approved. OLS assumes that this projected additional funding is related in part to recent awards of aid to Ewing Township ($4.5 million) and the City of Paterson ($30.8 million). The intended allocation of the remaining supplemental appropriation for FY 2006 and FY 2007 funding is unknown, except for $2.211 million that would under newly recommended budget language be transferred to satisfy the minimum required Energy Tax Receipts aid distribution and be distributed to the City of Camden.
Language Provisions

2006 Appropriations Handbook       2007 Budget Recommendations

p. B-17
Receipts from the New Jersey Housing and Mortgage Finance Agency charges for Housing Affordability Service to municipalities and the unexpended balance at the end of the preceding fiscal year are appropriated for the operation of the Housing Affordability Service within the Division of Housing.

Explanation
This language is discontinued because the Housing Affordability Service program was eliminated, and the functions of that program were absorbed by staff administering the Balanced Housing Program.

2006 Appropriations Handbook       2007 Budget Recommendations

p. B-17
There is appropriated from the Urban and Rural Centers Unsafe Demolition Revolving Loan Fund established under P.L.1997, c.125 the sum of $5,336,721, to be used for building demolition and disposal projects in the following municipalities in the amount set forth: Bayonne: $973,021; Brick Township: $120,000; Camden City: $2,000,000; Hillside: $1,034,000; Plainfield: $125,000; Pleasantville: $84,700; Trenton: $1,000,000.

Explanation
This language authorized the expenditure of available funds in the Urban and Rural Centers Unsafe Demolition Revolving Loan Fund for building demolition and disposal projects. No similar language is proposed in the absence of additional unallocated funds.
Language Provisions (Cont’d)

2006 Appropriations Handbook

p. B-18

Amounts from the New Home Warranty Security Fund transferred to the General Fund shall be applied for the State Rental Assistance Program and the Prevention of Homelessness Program.

2007 Budget Recommendations

No similar language.

Explanation

The Governor did not recommend this language for FY 2007 because no transfer of funds from the New Home Warranty Security Fund to the General Fund is proposed in FY 2007.

2006 Appropriations Handbook

p. D-51

No similar language.

2007 Budget Recommendations

In addition to the amount appropriated hereinabove for the State Rental Assistance Program (SRAP), an amount not less than $15 million is allocated from the Neighborhood Preservation Nonlapses Revolving Fund to SRAP for the purposes of subsections a. and c. of section 1 of P.L.2004, c.140 (C.52:27D-287.1).

Explanation

The Governor has recommended this language for FY 2007 to earmark $15 million from the Neighborhood Preservation Nonlapses Revolving Fund to the State Rental Assistance Program to provide funding required for the State Rental Assistance Program (SRAP), created pursuant to P.L.2004, c.140. (C.52:27D-287.1 et seq.). General law requires a minimum of $10 million. This language, together with a recommended $25 million appropriation from General State funds would result in a State Rental Assistance program of at least $40 million in FY 2007.
Language Provisions (Cont’d)

2006 Appropriations Handbook

p. B-18

Notwithstanding the provisions of section 35 of P.L.1975, c.326 (C.13:17-10.1), sections 10 and 11 of P.L.1981, c.306 (C.13:1E-109 and C.13:1E-110), section 8 of P.L.1985, c.368 (C.13:1E-176), or any rules and regulations adopted pursuant thereto, or any order issued by the Board of Public Utilities to the contrary, an amount equal to $3,205,000 shall be withdrawn from the escrow accounts by the New Jersey Meadowlands Commission and paid to the State Treasurer for deposit in the General Fund and the amount so deposited shall be appropriated to the New Jersey Meadowlands Commission for operational costs. Of the amount so deposited and appropriated to the New Jersey Meadowlands Commission, $110,000 shall be made available to the Hackensack Meadowlands Municipal Committee for operational costs.

2007 Budget Recommendations

p. D-52

Notwithstanding the provisions of section 35 of P.L.1975, c.326 (C.13:17-10.1), sections 10 and 11 of P.L.1981, c.306 (C.13:1E-109 and C.13:1E-110), section 8 of P.L.1985, c.368 (C.13:1E-176), or any rules and regulations adopted pursuant thereto, or any order issued by the Board of Public Utilities to the contrary, an amount equal to $3,205,000 shall be withdrawn from the escrow accounts by the New Jersey Meadowlands Commission and paid to the State Treasurer for deposit in the General Fund and the amount so deposited shall be appropriated to the New Jersey Meadowlands Commission for operational costs. Of the amount so deposited and appropriated to the New Jersey Meadowlands Commission, $110,000 shall be made available to the Hackensack Meadowlands Municipal Committee for operational costs.

Explanation

The Governor has recommended changes to this language because, due to the fact that Meadowlands Commission escrow accounts were drawn down in the past year, there is only funding available to cover the $110,000 in operational costs for the Hackensack Meadowlands Municipal Committee.

The Meadowlands Commission operates a solid waste facility which provides a major portion of the Commission’s operating revenues. The Commission intends to use these revenues together with other revenue initiatives, such as the acceptance of soils, dredge materials, construction materials and demolition materials to replace the $3.2 million loss of funds from the escrow accounts in FY 2007.
Language Provisions (Cont'd)

2006 Appropriations Handbook

p. B-18

Notwithstanding the provisions of section 35 of P.L.1975, c.326 (C.13:17-10.1), sections 10 and 11 of P.L.1981, c.306 (C.13:1E-109 and C.13:1E-110), section 8 of P.L.1985, c.368 (C.13:1E-176), or any rules and regulations adopted pursuant thereto, or any order issued by the Board of Public Utilities to the contrary, an amount equal to $279,313 shall be withdrawn from the escrow accounts by the commission and paid to the State Treasurer for deposit in the General Fund, and the amount so deposited is appropriated for payment to the New Jersey Meadowlands Tax Sharing Stabilization Fund and paid to the commission in accordance with the certification of the fund's requirements, for distribution by the commission to municipalities entitled to payments from the fund for 2005.

2007 Budget Recommendations

p. D-52

Notwithstanding the provisions of section 35 of P.L.1975, c.326 (C.13:17-10.1), sections 10 and 11 of P.L.1981, c.306 (C.13:1E-109 and C.13:1E-110), section 8 of P.L.1985, c.368 (C.13:1E-176), or any rules and regulations adopted pursuant thereto, or any order issued by the Board of Public Utilities to the contrary, an amount equal to $279,313 shall be withdrawn from the escrow accounts by the commission and paid to the State Treasurer for deposit in the General Fund, and the amount so deposited is appropriated for payment to the New Jersey Meadowlands Tax Sharing Stabilization Fund and paid to the commission in accordance with the certification of the fund's requirements, for distribution by the commission to municipalities entitled to payments from the fund for 2004.

Explanation

The Governor has recommended the noted revisions for FY 2007 to decrease supplemental funding from the New Jersey Meadowlands Tax Sharing Stabilization Fund. The New Jersey Meadowlands Commission's annual tax sharing formula includes a Tax Sharing Stabilization Fund to mitigate large swings in tax sharing payments and revenues allocated to constituent municipalities.

2006 Appropriations Handbook

p. B-19

Language Provisions (Cont'd)

2006 Appropriations Handbook

p. B-19

subject to any terms or conditions prescribed by order of the Department of Environmental Protection, upon issuance of acceptable post closure security to the Department of Environmental Protection, the balance in Escrow Account No. 42 43 201 2018833 established for the post closure of the Kingsland Park Sanitary Landfill shall be withdrawn by the New Jersey Meadowlands commission and paid to the State Treasurer for deposit in the General Fund and the amount so deposited shall be appropriated to the New Jersey Meadowlands Commission for Meadowlands Area Grants for National and Economic Transformation (MAGNET) Program.

Explanation

The Governor has not recommended continuation of this language because the funding appropriated in FY 2006 was intended as a one-time expenditure. The Meadowlands Area Grants for National and Economic Transformation (MAGNET) Program is intended to foster continued revitalization in the Meadowlands pursuant to the goals established in the Meadowlands Commission’s Master Plan.

2006 Appropriations Handbook

p. B-21

Notwithstanding the provisions of P.L.2003, c.311 (C.52:27D-437.1 et seq.) or any other law or regulation to the contrary, the amount hereinabove appropriated for the Lead Hazard Control Assistance Fund is payable from receipts of the portion of the sales tax directed to be credited to the Lead Hazard Control Assistance Fund pursuant to section 11 of P.L.2003, c.311 (C.52:27D-437.11), and there may be further appropriated from such receipts an amount not to exceed $4,000,000 after program expenditures

2007 Budget Recommendations

p. D-57

Notwithstanding the provisions of P.L.2003, c.311 (C.52:27D-437.1 et seq.), or any other law or regulation to the contrary, the amount hereinabove appropriated for the Lead Hazard Control Assistance Fund is payable from receipts of the portion of the sales tax directed to be credited to the Lead Hazard Control Assistance Fund pursuant to section 11 of P.L.2003, c.311 (C.52:27D-437.11), and there [may be] is further appropriated from such receipts an amount not to exceed [$4,000,000 after program expenditures
Language Provisions (Cont’d)

2006 Appropriations Handbook                                                                 2007 Budget Recommendations


reach $7,000,000, subject to the approval of the Director of the Division of Budget and Accounting.

reach $7,000,000] $8,000,000, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

Revisions to this language, which would appropriate $8 million for Lead Hazard Control Assistance from the General Fund, subject to the approval of the Director of the Division of Budget and Accounting, reflect changes in recommended line-item funding.

The FY 2006 language was intended to make clearer the link between the sales tax revenue set aside for the Lead Hazard Control Assistance Fund pursuant to the provisions of P.L.2003, c.311 and the General Fund appropriation for the Lead Hazard Control Assistance Fund in the annual Appropriations Act. In FY 2006, the additional $4 million appropriation was contingent upon program expenditures reaching a level of $7 million, and the approval of the Director of the Division of Budget and Accounting. For FY 2007, the language appropriates the additional $8 million without regard for the amount of program expenditures.

In FY 2006, a line item appropriation of $10 million, plus this language, provided total potential funding of $14 million. The FY 2007 line item recommendation is $6 million, and this language as revised would allow for the same potential funding of $14 million.

2006 Appropriations Handbook                                                                 2007 Budget Recommendations

p. B-21                                                                                      No similar language.

Notwithstanding the provisions of section 2 of P.L.1979, c.396 (C.2C:43-3.1) or any other law to the contrary, of the amount appropriated hereinabove for Rape Prevention, $400,000 shall be provided from the Victims of Crime Compensation Board, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The Governor has recommended discontinuing this language because, according to the Office of Management and Budget, funding from the Victims of Crime Compensation Board is not available for Rape Prevention in FY 2007.
Language Provisions (Cont'd)

2006 Appropriations Handbook

p. B-21

The unexpended balance at the end of the preceding fiscal year in the Women's Micro Business Pilot Program account is appropriated.

Explanation

This language is discontinued because it is anticipated that the remaining funds in the Women's Micro Business Pilot Program account will be fully expended by the end of FY 2006.

2006 Appropriations Handbook

p. B-23

Notwithstanding the provisions of P.L.1999, c.61 (C.54:4-8.76 et seq.) to the contrary, the amount appropriated hereinabove for the Regional Efficiency Aid Program (REAP) shall be distributed to the same, municipalities and in the same proportion as was distributed in fiscal year 2005.

Explanation

Language concerning the Regional Efficiency Aid Program (REAP) is discontinued because no FY 2007 funding is recommended.

2006 Appropriations Handbook

p. D-61

No similar language.

2007 Budget Recommendations

Of the amount hereinabove appropriated for the Special Municipal Aid Act program, there is transferred to the Energy Tax Receipts Property Tax Relief Fund an amount not to exceed $2,211,000, subject to the
Language Provisions (Cont'd)

2006 Appropriations Handbook                      2007 Budget Recommendations
                                                   p. D-61

approval of the Director of the Division of
Budget and Accounting.

Explanation

As was the case in FY 2003 and FY 2006, the budget provides that the annual inflation
adjustment to municipal Energy Receipts Tax Aid (ERT) ($37.6 million, or 4.5 per cent) be
funded by reallocating other State aid, rather than by appropriating additional funds. Of the FY
2007 inflation adjustment, about $35.4 million will be reallocated from the Consolidated
Municipal Property Tax Relief Aid Program (CMPTR). For most municipalities, the ERT
increase will be fully offset by a decrease in CMPTR aid. However, some municipalities have
insufficient CMPTR entitlements to fully fund the reallocation. This new language identifies
$2,211,000 of the FY 2007 recommended funding for Special Municipal Aid ($78.4 million) as
the additional source of municipal aid for reallocation to fully fund ERT.
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?

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
Discussion Points (Cont’d)

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?

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?
Discussion Points (Cont’d)

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?

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?
Discussion Points (Cont'd)

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.

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?

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
Discussion Points (Cont'd)

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?


• 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?

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.
Background Paper: State Rental Assistance Program

P.L.2004, c.140 established in the Department of Community Affairs (DCA) a new rental assistance program for low income individuals or households which is in addition to the rental and housing assistance program established pursuant to the "Prevention of Homelessness Act (1984)," P.L.1984, c.180 (C.52:27D-280 et seq.). The rental assistance program provides grants comparable to the federal section 8 program (now known as the Housing Choice Voucher Program), but is only available to State residents who are not currently holders of federal section 8 vouchers.

Pursuant to the "State Rental Assistance Program Rules," N.J.A.C.5:42-1.1 et seq. rental assistance grants would be awarded through a “lottery-type process” only to applicants currently on the DCA's existing Housing Choice Voucher Program waiting list in the following proportions: 1) 30% of the rental assistance grants will be reserved for seniors citizens aged 65 or older who are not currently receiving a rental subsidy under the Housing Choice Voucher Program; 2) 17% of the rental assistance grants will be provided to homeless families with children; 3) 17% of the allocation under P.L.2004, c.140 will be reserved for project-based assistance for special initiatives that will include collaborations with the Division of Youth and Family Services (DYFS) and may include other special populations as well; 4) 31% of the rental assistance grants will be reserved for all other households currently on DCA's waiting list; 5) the remaining 5% of the allocation is to be utilized by DCA for administrative expenses. The Commissioner of DCA is authorized to annually allocate from the receipts of the realty transfer fee to be credited to the Neighborhood Preservation Non-lapsing Revolving Fund such amounts as may be necessary to fund the rental assistance grants, provided that no less than $3 million be allocated to the senior based grants and no less than $7 million be allocated for the other grants. Assistance to an individual or household would be terminated under this program upon the awarding of a federal section 8 rental assistance voucher to the same individual or household.

P.L.2005, c.66 made a supplemental appropriation of $15 million from the General Fund to the State Rental Assistance Program, of which $4.5 million would be allocated to the senior based grants and $10.5 million would be allocated to all other grants. In addition, this law requires any non-disabled individual under the age of 65 who receives a rental assistance grants to apply for employment and training services through the Department of Labor and Workforce Development and to seek the counseling required to obtain the employment and training services pursuant to section 7 of P.L.1992, c.43 (C.34:15D-7). Individuals receiving rental assistance may be excused from the employment and training services requirement if the counselor determines any of the following: (1) the individual is not eligible for employment and training services under P.L.1992, c.48 (C.34:15B-35 et seq.), P.L.1992, c.43 (C.34:15D-1 et seq.), or P.L.1992, c.47 (C.43:21-57 et seq.); (2) the individual does not lack the basic skills or occupational skills needed to obtain employment which provides self-sufficiency; (3) there are no funds available to the individual for any remedial education and vocational training needed to permit the individual to obtain employment providing self-sufficiency; or (4) there is no education and training available and accessible to the individual in a time and manner which does not result in a reduction of the individual's family income or substantial additional expenses. An approved voucher holder would be excused from the training and other services provided by the Department of Labor and Workforce Development if the holder currently is employed in more than a part-time capacity or would have significant day care or other expenses that would impact on the holder's ability to attend the training courses or counseling.
Background Paper: Special Needs Housing Trust Fund

The Special Needs Housing Trust Fund established pursuant to the "Special Needs Housing Trust Fund Act," P.L.2005, c.163, provides capital financing to create permanent supportive housing and community residences for individuals with special needs, with priority given to individuals with mental illness. Individuals with special needs are individuals with mental illness, individuals with physical or developmental disabilities, and individuals in other emerging special needs groups identified by a State agency. The purpose of this special non-lapsing, revolving fund, which is administered by the New Jersey Housing and Mortgage Finance Agency (NJHMFA), is to develop special needs housing and residential opportunities as alternatives to institutionalization or homelessness for those who would benefit from these programs and to ensure the long-term viability of such housing. The "Special Needs Housing Trust Fund Act" authorized the NJHMFA to enter into an agreement with the New Jersey Economic Development Authority (NJEDA) and the State Treasurer to receive an inter agency transfer of no more than $200 million in the aggregate from the proceeds of bonds authorized under the "Motor Vehicle Surcharges Securitization Act of 2004," P.L.2004, c.70 (C.34:1B-21.23 et al.) for the purpose of funding the Special Needs Housing Trust Fund (SNHTF).

The SNHTF provides capital financing in the form of loans, grants, and other financial vehicles and investments to eligible not-for-profit and for-profit developers as well as government entities at the state, county, and municipal levels, for special needs housing project costs, including the acquisition of land, building(s), rehabilitation, new construction, or conversion of building(s) as permanent or trans-permanent rental apartments and community residences for people with special needs; however funding for rent and operating subsidies and supportive services is not available through the SNHTF. The SNHTF gives priority to projects that require less than 50% of the total development cost to come from the trust fund and who will provide housing to special needs individuals whose gross income, at the time of occupancy, does not exceed 30% of the area median income. Eligible special needs housing projects are housing developments that are permanent supportive housing or community residences that are primarily for occupancy by individuals with special needs who will occupy such housing as their usual and permanent residence. Eligible community residences include group homes, supervised apartments, and other types of shared living environments that provide housing and treatment or specialized services needed to assist individuals with special needs to live in community settings. All special needs housing projects funded from the Special Needs Housing Trust Fund are eligible for exemption from real property taxation pursuant to subsection b. of section 37 of P.L.1983, c.530 (C.55:14K-37).

The State's annual debt service on the bonds issued to fund the SPNHTF will be paid for from the amount of motor vehicle surcharge revenues that have not otherwise been pledged or that are required to repay any other bonds that have already been issued such as, Market Transition Facility Bonds, Motor Vehicle Commission Bonds, and Motor Vehicle Surcharges Revenue Bonds.
The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Staff Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 2007 budget are encouraged to contact:

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