



ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
COMMUNITY AFFAIRS**

FISCAL YEAR

2005 - 2006

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF COMMUNITY AFFAIRS

Budget Pages..... C-9; C-16; C-22; C-29; D-31 to
D-51

Fiscal Summary (\$000)

	Expended FY 2004	Adjusted Appropriation FY 2005	Recommended FY 2006	Percent Change 2005-06
State Budgeted	\$1,059,407	\$1,139,126	\$1,101,921	(3.3)%
Federal Funds	274,887	279,428	279,657	0.1%
<u>Other</u>	<u>52,180</u>	<u>90,822</u>	<u>95,648</u>	<u>5.3%</u>
Grand Total	\$1,386,474	\$1,509,376	\$1,477,226	(2.1)%

Personnel Summary - Positions By Funding Source

	Actual FY 2004	Revised FY 2005	Funded FY 2006	Percent Change 2005-06
State	671	710	830	16.9%
Federal	250	250	286	14.4%
<u>Other</u>	<u>113</u>	<u>125</u>	<u>165</u>	<u>32.0%</u>
Total Positions	1,034	1,085	1,281	18.1%

FY 2004 (as of December) and revised FY 2005 (as of September) personnel data reflect actual payroll counts. FY 2006 data reflect the number of positions funded.

Introduction

The primary mission of the Department of Community Affairs (DCA) is to provide technical, advisory, and financial assistance to communities and individuals.

The DCA provides housing assistance, local government financial assistance and oversight, and services to the disadvantaged, and also sets building safety standards. It administers a variety of programs through its six divisions, the Office of Smart Growth, the New Jersey Historic Trust, and the Government Records Council. There are four quasi-independent agencies organizationally attached to the DCA: the Council on Affordable Housing; the New Jersey Meadowlands Commission; the New Jersey Redevelopment Authority; and the New Jersey Housing and Mortgage Finance Agency.

Key Points

- The FY 2006 recommended budget for the Department of Community Affairs totals \$1,101,921,000 a decrease of approximately \$37,205,000, or 3.3%, from the FY 2005 adjusted appropriation of \$1,139,126,000. The total FY 2006 recommended budget consists of: \$36,491,000 in Direct State Services, a decrease of \$865,000 from the FY 2005 adjusted appropriation; \$51,165,000 in Grants-In-Aid, a decrease of \$17,840,000 from FY 2005 adjusted appropriation; and \$1,014,265,000 in State Aid, a decrease of \$18,500,000 from the FY 2005 adjusted appropriation.
- The municipal aid programs recommended in FY 2006 include:
 - Consolidated Municipal Property Tax Relief Aid (CMPTRA), which represents the largest source of State aid to municipalities. The FY 2006 recommended appropriation is \$835,447,000, equal to the FY 2005 adjusted appropriation. No inflation adjustment is recommended for CMPTRA. The recommended budget provides for a transfer of funds from the CMPTRA account to the Energy Receipts Property Tax Relief Fund (ERT) in order to provide the necessary statutory inflation adjustment that is required for FY 2006 pursuant to N.J.S.A.52:27D-439. Local Finance Notice 2005-9, issued March 3, 2005, indicates the required inflation adjustment increase to the ERT to be 3.5% in FY 2006. The recommended transfer of about \$18.6 million from the CMPTRA to the ERT will maintain the level of total funding for both the CMPTRA and the ERT in FY 2006 equal to the FY 2005 level of funding.
 - Special Municipal Aid Act, which provides augmented funding for five urban municipalities in fiscal year 2005 that have severe fiscal problems and structural budget deficits that could not be resolved without additional State funds. This program is recommended to receive \$24,305,000 in FY 2006, a decrease of \$5 million from FY 2005 adjusted appropriation of \$29,305,000.
 - Legislative Initiative Municipal Block Grant Program, which provides aid to each municipality on a per capita basis. The FY 2006 recommended appropriation for this program is \$34,825,000, equal to the FY 2005 adjusted appropriation.
 - Extraordinary Aid, which provides short-term assistance to municipalities experiencing a catastrophic loss of tax ratables or other fiscal difficulties. The FY 2006 recommended appropriation of \$31,000,000 is a decrease of \$10 million under the FY 2006 adjusted appropriation of \$41,000,000.
 - Trenton Capital City Aid, \$16,500,000 in recommended funding for the City of Trenton, equal to the FY 2005 adjusted appropriation. Trenton formerly received this amount of aid under the provisions of the Special Municipal Aid Act.
 - Regional Efficiency Aid Program (REAP), which provides annual State-funded property tax credits directly to residents in those communities and school districts that have implemented regionalization and other shared services, provided the credit is equal to or greater than \$100. The FY 2006 recommended appropriation of \$9,992,000, is a decrease of \$1 million from the FY 2005 adjusted appropriation.

Key Points (Cont'd)

- 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 a new program referred to as Sharing Available Resources Efficiently (SHARE). 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 2006 budget recommends funding of \$4,200,000 for this program, which is equal to the FY 2005 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 2006 budget recommends \$32,000,000, equal to the FY 2005 adjusted appropriation.
- County Prosecutor Funding Initiative Pilot Program, which is recommended to receive \$8,000,000 in FY 2006, equal to the FY 2005 adjusted appropriation. The FY 2006 proposed budget does not provide any specific language regarding the manner in which this funding will be allocated among the State's 21 counties.
- No FY 2006 appropriation is recommended for Taxpayer Hero Grants, a \$2.5 million State aid initiative first proposed and funded in FY 2005. No aid has been distributed and all funding is scheduled to lapse at the close of the fiscal year.
- P.L.2004, c.140 created a State-funded rental assistance program for low and moderate income families. Section 3 of this act provides an annual allocation for this program from the receipts of the portion of the realty transfer fee directed to be credited to the Neighborhood Preservation Nonlapsing Revolving Fund in an amount no less than \$10 million. P.L.2005, c.66 provides an additional FY 2005 allocation of \$15 million from State funds to supplement this program, bringing the total authorized level of funding for the State sponsored rental assistance to \$25 million. The FY 2006 budget provides for continuation of this funding level.
- The FY 2006 budget also recommends that up to \$5.5 million may be used for technical grants to nonprofit housing organizations and authorities out of the funding for the Neighborhood Preservation-Fair Housing program for the purpose of attracting more nonprofit organizations to participate in the construction of affordable housing. The FY 2005 appropriation act authorized only \$2.5 million out of the Neighborhood Preservation-Fair Housing program for technical grants.
- According to the FY 2006 budget, the department anticipates funding 1,281 total positions, up 196 funded positions or 18.1% from the FY 2005 revised position count for the department. Of this projected growth in the department's labor force, 43 positions are in Uniform Construction Code (22% of the total), 53 positions are in Housing Services (27% of the total), and 44 positions in Uniform Fire Code (23% of the total).

Key Points (Cont'd)

- Various Grants-in-Aid appropriations totaling about \$20.4 million, added in FY 2005 by the Legislature to the budget as originally recommended, are not recommended for FY 2006 funding. These included \$6 million for Statewide Livable Communities grants, \$4 million for Local Library grants, and others earmarked for specific public and community agencies.

Background Papers

- The Special Municipal Aid Actp.28
- Extraordinary Aid.....p.30
- The REDI (SHARE) and REAP Programs.....p.35

Program Description and Overview

The primary mission of the Department of Community Affairs is to provide technical, advisory, and financial assistance to communities and individuals to help them help themselves.

Acting as an advocate and service agency, the department interrelates a broad range of functions, programs and services such as: housing assistance, local government finance, Hispanic affairs programs, services that benefit women and the disabled, low-income energy conservation services, local government management assistance, and programs focusing on rooming and boarding houses, affordable housing, and many other issues of community interest. Acting as a service agency, the department coordinates resources to renew and revitalize New Jersey communities by administering eight major State municipal aid and several special purpose aid programs as well as overseeing the Community Services Block Grants, a federal program. There are a wide variety of programs in the department available to local governments, civic organizations, non-profit corporations and individuals. These programs and services are provided through the department's six divisions, and also the Office of Smart Growth, the Center for Hispanic Policy, Research and Development (CHPRD) and the New Jersey Historic Trust, as well as four quasi-independent agencies.

The department's six operating divisions are the Division of Codes and Standards, the Division of Housing, the Division of Community Resources, the Division of Local Government Services, the Division on Women, and the Division of Fire Safety. While the operating divisions are listed separately, they work together, often joining together the financial and technical resources of several different units to better meet the needs of the community as a whole.

The Division of Codes and Standards

The Division of Codes and Standards is the primary building codes and standards agency in the State. The division implements and oversees the enforcement of all construction codes in New Jersey, which include building, plumbing, fire protection, electrical, mechanical, barrier free access, asbestos, lead abatement, and radon codes. These responsibilities include code adoption, supervision of all State and municipal level code enforcement, and the training and licensing of local and State inspectors involved in the enforcement of construction codes. Other code related responsibilities include enforcement of the State multi-family housing code, licensing of all rooming and boarding houses in the State, the administration of New Jersey's 10-year insurance-backed New Home Warranty program, the review of all condominium and cooperative sales offerings, providing information on New Jersey's landlord-tenant laws, and the development and implementation of Statewide residential site improvement standards for use by municipalities. In addition, the division performs construction plan review for large and complex structures including public schools to ensure compliance with the uniform construction code and educational space requirements. The division also oversees the inspection and registration of all elevator devices, inspects and licenses for use all carnival and amusement rides in conformance with the Carnival Amusement Ride Safety Act, and adopts the playground safety guidelines for public playgrounds across the State. The division is also responsible for regulating and enforcement activities associated with the use of liquefied petroleum gas systems. A pending executive reorganization will reassign licensing and inspection duties pertaining to residential health care facilities from the Department of Health and Senior Citizens to this division.

The Division of Codes and Standards is recommended to receive \$13,985,000 in State appropriations in FY 2006.

Program Description and Overview (Cont'd)

Division of Housing

The Division of Housing provides information, training, technical assistance, and financial assistance for housing development to municipalities, nonprofit organizations and private developers in order to encourage and facilitate the construction of affordable housing for low-and moderate-income families. The division is also responsible for planning and implementing programs that provide rental housing assistance.

The division is primarily responsible for planning and implementing programs that address the affordable housing needs in the State. The Housing Production element administers programs that provide financial and technical assistance to municipalities, community action agencies, and other non-profit and for-profit organizations for the purpose of developing affordable housing. It also provides financial and technical assistance for homeless shelters. The Housing Affordability Service (HAS) provides services to municipalities and to low and moderate income households regarding affordable housing. HAS maintains an inventory of over 10,000 units of affordable housing, and produces statistical reports for municipalities and academics. The Housing Assistance element administers programs that address the housing needs of the homeless and provides rental and housing assistance to eligible households. With the exception of the Homelessness Prevention Program and the State sponsored rental assistance program, most of the programs in Housing Assistance are funded in large measure by the U.S. Department of Housing and Urban Development. The Office of Housing Advocacy seeks to build and expand the capacity of nonprofit organizations to develop affordable housing by providing operational support and technical assistance to nonprofit organizations that demonstrate the capacity to create and maintain a consistent production pipeline of affordable housing.

For FY 2006, the Division of Housing is recommended to receive total State funds of \$43,171,000. The two largest components of this funding are the Grants-in-Aid recommendation of \$15,000,000 for the new State Rental Assistance Program and the State Aid recommendation of \$13,925,000 for Neighborhood Preservation-Fair Housing.

Division of Community Resources

The Division of Community Resources provides financial and technical assistance to community-based non-profit and local government agencies in an effort to improve the quality of life for New Jersey's low-income, handicapped, and disadvantaged citizens. The community resources division administers the Community Services Block Grant (CSBG) program, which provides funds to community action agencies and other eligible non-profit community groups throughout the State. These agencies that receive CSBG funding provide various services needed by the State's most disadvantaged residents, including emergency assistance of food, clothing and shelter, alcoholism counseling and treatment, transportation, job training, child care, weatherization assistance, and educational assistance. The division is also responsible for administering the State's lead-based paint hazard control program as well as the administration of the Neighborhood Revitalization Tax Credit Program which provides business entities with a fifty percent tax credit for funds they make available to nonprofit entities for the purpose of carrying out comprehensive revitalization plans. The division is also responsible for administering the Main Street New Jersey program which seeks to assist municipalities with redeveloping their business districts. The division also administers the Special (Business) Improvement District (SIDS) program which provides loans and technical assistance to local governments, nonprofit organizations, and

Program Description and Overview (Cont'd)

business associations to improve New Jersey's downtowns and business centers. The division is also responsible for administering the Neighborhood Preservation program established pursuant to P.L.1975, c.248 & 249 which provides grants to qualifying municipalities to help redevelop neighborhoods based on a strategic revitalization plan. The division is also responsible for assisting the elderly, handicapped, and low income individuals in weatherizing their homes to ensure energy conservation and proper heating systems. Funding for these programs are provided by the US Department Health and Human Services.

For FY 2006, the Community Resources program area is recommended to receive \$505,000 in Direct State Services, equal to the FY 2005 adjusted appropriation and \$14.2 million in Grants-In-Aid, a decrease of \$7.84 million from the FY 2005 adjusted appropriation of \$22.04 million.

Division of Local Government Services

The Division of Local Government Services, through its bureaus and programs, is responsible for the financial integrity of all local government units. Specifically, it provides technical and financial assistance in budgeting, financial reporting, consolidation and regionalization of services, purchasing, and management issues to municipalities, schools, counties, authorities, fire districts and other public agencies. It administers professional certification programs for Certified Municipal Finance Officers, County Finance Officers, Certified Tax Collectors, Registered Municipal Clerks and Certified Public Works managers. It also administers various State aid programs that provide financial assistance to municipalities and provides oversight and assistance to local governments and the public on a wide range of laws and programs. The Direct State Services component of the division's budget is recommended at \$4,472,000 for FY 2006, a reduction of \$118,000 from the FY 2005 adjusted appropriation of \$4,590,000.

The FY 2006 recommended State Aid funding , from both the General Fund and the Property Tax Relief Fund, for the division is \$997,340,000, down \$18,500,000 from the FY 2005 adjusted appropriation of \$1,015,840,000. Recommended appropriations include:

(1) \$835.4 million for the Consolidated Municipal Property Tax Relief Aid (CMPTRA) program, which is the same level of funding as the FY 2005 adjusted appropriation. This is the third fiscal year since legislation was enacted that applied an annual inflator to this aid program (P.L.1999, c.168) that the funding level will not be increased. The inflator is based on the Implicit Price Deflator for State and Local Government Purchases published by the U.S. Department of Commerce and would produce a 3.5 percent adjustment if implemented in FY 2006. In addition, about \$19 million in CMPTRA will again be reallocated to the Energy Receipts Property Tax Relief Fund to continue the funding mechanism that was instituted in FY 2003 which was intended to ensure that the mandatory 2.5 percent inflationary adjustment in that aid program would be fulfilled. The FY 2006 budget proposes language that would require an additional transfer of \$18.6 million from the CMPTRA account to ensure that the statutorily required inflationary adjustment will be applied to Energy Receipts Property Tax Relief Aid.

(2) \$31 million for Extraordinary Aid, a decrease of \$10 million below the FY 2005 adjusted appropriation. According to the department, the focus of this program is to provide emergency tax relief to municipalities and provide short-term assistance to municipalities experiencing a catastrophic loss of ratables or other fiscal difficulties. Further, the department has stated that the program is not meant as permanent aid, but rather as a short-term measure to assist municipalities to address their revenue and spending problems. The division expects 185 municipalities will

Program Description and Overview (Cont'd)

apply for assistance under this program in FY 2006, and expects to award aid to 145 applicants.

(3) approximately \$10 million for the Regional Efficiency Aid Program (REAP) that was first funded in fiscal year 2001, to provide direct property tax relief to residents of municipalities participating in shared service arrangements. The FY 2006 recommendation is \$1 million less than the FY 2005 adjusted appropriation, and under proposed budget language program benefits are confined to those municipalities, in the same proportion, that received funding in FY 2005. The aid awarded to each municipality would otherwise be established annually according to a formula that considers the types of services shared; the more complex and costly the service would be if provided unilaterally, the greater the reward to the municipalities providing it jointly.

(4) \$4.2 million for the Regional Efficiency Development Incentive (REDI) Grant program, for the purpose of funding Sharing of Available Resources Efficiently (SHARE) grants which provide assistance to local governments and nonprofits for the study or implementation of any regionalization service agreement.

(5) \$24.3 million for the "Special Municipal Aid Act," P.L.1987, c.75 (C.52:27D-118.24 et seq.), a decrease of \$5 million from the FY 2005 adjusted appropriation of \$29.3 million. This municipal aid program was enacted pursuant to P.L.1999, c.156, and first funded in FY 2000. The program is directed at municipalities with structural deficits that cannot be resolved without additional State funds. The enabling legislation gives the division the ability to establish specific criteria for receipt of this aid including, but not limited to, the creation of a financial review board to oversee and audit the finances of any municipality receiving this aid.

(6) \$34.8 million for the Legislative Initiative Municipal Block Grant program, distributed to each municipal government based on the ratio of its municipal population to the total State population as determined by the most recent federal decennial census. The payment of this aid is to be used solely and exclusively by each municipality for the purpose of reducing the amount the municipality is required to raise by local property tax levy for municipal purposes.

(7) \$16.5 million is recommended in funding for Trenton Capital City Aid. Trenton formerly received the same amount under the provisions of the Special Municipal Aid Act.

(8) \$32 million for Municipal Homeland Security Assistance Aid, to provide assistance to municipal police forces for homeland security costs. The program allocates aid based on population size to those municipalities that spend over \$300,000 in police costs as follows: a municipality of less than 5,000 will receive \$25,000; a municipality between 5,000 - 9,000 will receive \$50,000; a municipality between 10,000 - 19,999 will receive \$70,000; a municipality between 20,000 - 29,999 will receive \$90,000; and any municipality greater than 30,000 will receive \$140,000 (see Local Finance Notice 2004 - 10). The aid serves as property tax relief revenue with no matching funds required beyond the \$300,000 minimum effort.

(9) \$8 million for the County Prosecutor Funding Initiative Pilot Program. Neither the FY 2005 Appropriations Act nor the FY 2006 proposed budget provides any specific language regarding the manner in which this funding will be allocated.

Program Description and Overview (Cont'd)

The Division on Women

The Division on Women is the central State agency for coordinating services and programs for women. The Division administers grants and provides technical assistance to displaced homemaker programs, Hispanic women's resource centers and urban women's centers. The Office on the Prevention of Violence Against Women provides training, education, policy and program development on domestic violence prevention, sexual assault and general referral issues. The Rape Care Program, housed in the Office on the Prevention of Violence Against Women, funds and monitors rape care centers.

The Direct State Services component of the division's budget is recommended at \$1.17 million for FY 2006, which represents a decrease of \$84,000 from the FY 2005 adjusted appropriation. The FY 2006 budget recommendation for Grants-in-Aid is identical to FY 2005 adjusted appropriation of \$3,115,000.

Division of Fire Safety

The Division of Fire Safety constitutes the State's central fire safety agency. It provides public education programs to inform the general public about fire prevention, and coordinates volunteer emergency service loans and training for local firefighters. It provides services under the Uniform Fire Safety Act including research and planning, fire code enforcement, the National Fire Incident Reporting System, training and technical assistance, inspection of State owned and leased buildings, licensing and warranting of fire systems installers, and monitoring and compliance activities. The "Fire Service Resource Emergency Deployment Act," P.L. 2003, c. 28, created new oversight duties regarding local fire service mutual aid plans and response to fire and other emergency incidents. The division also provides domestic security guidance to local fire departments as well as investigates serious firefighter injuries or fatalities. The division also supports the New Jersey Fire Safety Commission and its six advisory councils, and its appropriate designee serves as the chair of the Governor's Fire Services and Safety Task Force.

Both the Direct State Services and the Grants-In-Aid components of the division's budget are recommended for level funding in FY 2006, at about \$6.1 million and \$8.6 million, respectively.

Office of Smart Growth

The Office of Smart Growth was established to replace and assume the duties of the Office of State Planning and to further efforts to focus new growth into redevelopment of older urban and suburban areas. The Office serves as staff to the Smart Growth Policy Council and the State Planning Commission, and administers Smart Future Planning grants intended to promote local planning and redevelopment consistent with smart growth principles. The office also facilitates the implementation of the State Plan and smart growth projects. The Historic Trust provides grants for historic preservation planning and capital projects through funding made available out of the Garden State Historic Preservation Trust Fund.

The recommended FY 2006 Direct State Services appropriation for the Office totals \$2.5 million, a decrease of \$458,000 from the FY 2005 adjusted appropriation. Smart Future Planning grants are recommended at \$2.7 million in FY 2006, equal to the FY 2005 funding.

Program Description and Overview (Cont'd)

Government Records Council

The Government Records Council (GRC) was established by recent amendments (P.L.2001, c.404) to the Open Public Records Act (P.L.1963, c.73) to guarantee public access to government records. The council provides informal guidance; issues advisory opinions on the accessibility of government records; delivers training on the law; mediates and adjudicates disputes; and provides training to records custodians throughout the State. The council consists of the Commissioners of Community Affairs and Education (or their designees) and three members of the public appointed by the Governor with the advice and consent of the State Senate. Funding for the GRC for FY 2006 is recommended at \$771,000, a decrease of \$45,000 from the FY 2005 adjusted appropriation.

The four quasi-independent agencies that are, in but not of the Department of Community Affairs are as follows:

- **New Jersey Meadowlands Commission**

This commission is responsible for the preservation and physical development of 20,000 acres of salt water swamps, meadows and marshes in the Hackensack Meadowlands. The Commission and its Municipal Committee are funded in part from sanitary landfill closure escrow accounts, appropriated by budget language in the amount of \$3,205,000. Of the amount provided, \$110,000 is made available to the Hackensack Meadowlands Municipal Committee for operational costs.

In addition, \$279,313 of interest earnings from the sanitary landfill monitoring accounts are appropriated by budget language for distribution from the Hackensack Meadowlands Tax Sharing Stabilization Fund by the commission to eligible municipalities in the Hackensack Meadowlands for a meadowlands adjustment payment. The meadowlands adjustment payment, pursuant to P.L.1999, c.178, is a payment to eligible municipalities that will stabilize their intermunicipal tax sharing so that no single municipality has an "excessive fluctuation." Excessive fluctuation is defined as either a payment to or a receipt from the intermunicipal account that is in excess of five percent of the previous year's payment or receipt.

- **Housing and Mortgage Finance Agency**

The "New Jersey Housing and Mortgage Finance Agency Law of 1983," (P.L.1983, c.530) consolidated the New Jersey Housing Finance Agency and the New Jersey Mortgage Finance Agency into the New Jersey Housing and Mortgage Finance Agency (HMFA). HMFA promotes safe and affordable housing by providing low-interest construction mortgage loans, purchase-rehabilitation programs, and home improvement loans. The agency also provides financing to municipalities seeking to comply with Mount Laurel-related housing obligations, as authorized by the Fair Housing Act of 1985. HMFA raises its housing finance funds through the sale of tax-exempt bonds to private-sector investors and meets its administrative and operating expenses with revenues collected from bond repayment. Basically, the HMFA offers financing for the construction of multi-family rental properties and single family home ownership and allocates federal low income housing tax credit subsidies. HMFA does not receive a State appropriation for its operations.

Program Description and Overview (Cont'd)

- **New Jersey Redevelopment Authority**

The New Jersey Redevelopment Authority (NJRA) was created legislatively in 1996 through the "New Jersey Urban Redevelopment Act," (P.L. 1996, c. 62) to spearhead community development initiatives. NJRA provides a coordinated State response to revitalizing New Jersey's most distressed urban neighborhoods and institutionalizes the work initiated by the Governor's Office through the Urban Coordinating Council. The NJRA is an independent authority allocated to the DCA, and functions with five divisions: Advisory Services, Community Planning, Community Services, Development and Finance. The NJRA works with 68 eligible municipalities throughout the State.

- **Council on Affordable Housing**

The Council on Affordable Housing (COAH) was created as part of the "Fair Housing Act," (P.L.1985, c.222) to assist municipalities in determining their need for low-and-moderate-income housing and monitoring the fulfillment of their affordable housing obligations. COAH also works with the DCA's Division of Housing and Community Resources and the HMFA on various programs. The recommended Direct State Services funding for the council is \$2,128,000 in FY 2006, unchanged from the FY 2005 adjusted appropriation.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	<u>Expended FY 2004</u>	<u>Adj. Approp. FY 2005</u>	<u>Recom. FY 2006</u>	<u>Percent Change</u>	
				<u>2004-06</u>	<u>2005-06</u>
<u>General Fund</u>					
Direct State Services	\$45,644	\$37,356	\$36,491	(20.1)%	(2.3)%
Grants-In-Aid	42,743	69,005	51,165	19.7%	(25.9)%
State Aid	29,825	103,196	93,196	212.5%	(9.7)%
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$118,212	\$209,557	\$180,852	53.0%	(13.7)%
<u>Property Tax Relief Fund</u>					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	941,195	929,569	921,069	(2.1)%	(0.9)%
Sub-Total	\$941,195	\$929,569	\$921,069	(2.1)%	(0.9)%
<u>Casino Revenue Fund</u>	\$0	\$0	\$0	0.0%	0.0%
<u>Casino Control Fund</u>	\$0	\$0	\$0	0.0%	0.0%
State Total	\$1,059,407	\$1,139,126	\$1,101,921	4.0%	(3.3)%
<u>Federal Funds</u>	\$274,887	\$279,428	\$279,657	1.7%	0.1%
<u>Other Funds</u>	\$52,180	\$90,822	\$95,648	83.3%	5.3%
Grand Total	\$1,386,474	\$1,509,376	\$1,477,226	6.5%	(2.1)%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	<u>Actual FY 2004</u>	<u>Revised FY 2005</u>	<u>Funded FY 2006</u>	<u>Percent Change</u>	
				<u>2004-06</u>	<u>2005-06</u>
State	671	710	830	23.7%	16.9%
Federal	250	250	286	14.4%	14.4%
All Other	113	125	165	46.0%	32.0%
Total Positions	1,034	1,085	1,281	23.9%	18.1%

FY 2004 (as of December) and revised FY 2005 (as of September) personnel data reflect actual payroll counts. FY 2006 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	30.4%	31.4%	31.7%	—	—
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2005</u>	<u>Recomm.</u> <u>FY 2006</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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ECONOMIC PLANNING AND DEVELOPMENT**Direct State Services****State Planning
Commission**

	\$325	\$0	(\$325)	(100.0)%	D-41
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This reduction eliminates funding added in FY 2005 to allow the Office of Smart Growth to conduct an impact assessment of the Preliminary State Development and Redevelopment Plan. The impact assessment, a required component of the process of updating the State Plan, will be completed and released in May 2005, so continuation of this funding in FY 2006 is not required.

SOCIAL SERVICES PROGRAMS**Grants-in-Aid**

Grant to ASPIRA	\$500	\$100	(\$400)	(80.0)%	D-44
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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 2006 recommendation for ASPIRA is \$100,000, down \$400,000 from the FY 2005 adjusted appropriation of \$500,000. This reduction returns the grant to the FY 2004 level of funding, and eliminates an increase added by the Legislature in FY 2005.

**Community
Resources**

	\$7,390	\$0	(\$7,390)	(100.0)%	D-44
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This reduction in funding represents the elimination of various grants that were added to the FY 2005 appropriations act by the Legislature. They are as follows: Nutley Township - Park Development (\$840,000); Big Brothers/Big Sisters (\$750,000); Ewing Township - Municipal Purposes (\$1.5 million); Essex County - South Mountain Arena Renovations (\$1.8 million); Larc School - Bellmawr (\$1.0 million); Boys and Girls Clubs of New Jersey (\$1.5 million).

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2005</u>	<u>Recomm. FY 2006</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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STATE SUBSIDIES AND FINANCIAL AID

Grants-in-Aid

Local Government Services

\$10,000	\$0	(\$10,000)	(100.0)%	D-47
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This reduction in funding represents the elimination of two grants that were added to the FY 2005 appropriations act by the Legislature. They are as follows: Local Library Grants (\$4 million) and Statewide Livable Communities (\$6 million).

State Aid

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

\$41,000	\$31,000	(\$10,000)	(24.4)%	D-47
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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 guided by the above criteria, is wholly discretionary, and the program is not intended to function as a recurring entitlement aid program. The budget indicates that the reduction in funding reflects improvement in the fiscal health of municipalities (page D - 31).

Regional Efficiency Aid Program (PTRF)

\$10,992	\$9,992	(\$1,000)	(9.1)%	D-48
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The REAP program provides annual State-funded property tax credits directly to residents in those communities and school districts which have implemented regionalization or other forms of shared services. This reduction returns the program to its FY 2004 funding level, in which aid was limited to prior recipients of a minimum tax credit of \$100 per property. The FY 2005 increase of \$1 million provided a proportionate increase to all FY 2004 recipients; the FY 2006 reduction in aid will equal the FY 2005 increase.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2005</u>	<u>Recomm. FY 2006</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Special Municipal Aid Act (PTRF)	\$29,305	\$24,305	(\$5,000)	(17.1)%	D-48

The Special Municipal Aid Act, P.L.1999, c. 156, is directed at municipalities with structural deficits that could not be resolved without additional State funds. In FY 2005, 6 municipalities received funding pursuant to this program. The FY 2006 recommendation for this program \$24,305,000 is down \$5 million from the FY 2005 adjusted appropriation. As in the case of Extraordinary Aid, the budget links this reduction to improvements in the fiscal health of municipalities.

Taxpayer Hero Grants (PTRF)	\$2,500	\$0	(\$2,500)	(100.0)%	D-48
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This program of discretionary aid was first proposed and funded in FY 2005. The program was intended to reward local governments that keep costs and taxes under control while demonstrating a commitment to efficient and cost-effective municipal operations. However, no aid has been distributed and the entire FY 2005 appropriation is scheduled to lapse.

MANAGEMENT AND ADMINISTRATION

Direct State Services

Administration and Support Services	\$4,252	\$4,099	(\$153)	(3.6)%	D-50
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This decrease comprises reductions in salary resources for central administrative staff (\$65,000), funding for the Government Records Council (\$35,000) and \$45,000 due to the completion of line of credit payments on prior acquisitions of computer equipment. No impact on operations or services should result from these reductions.

Language Provisions

2005 Appropriations Handbook

2006 Budget Recommendations

p. B-18

p. D-39

Notwithstanding the provisions of section 35 of P.L.1975, c.326 (C.123:17-10.1), 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 \$165,000 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.

Notwithstanding the provisions of section 35 of P.L.1975, c.326 (C.123:17-10.1), 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 ~~\$165,000~~ **\$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~~ **2005**.

Explanation

This language provides \$270,313 for the Tax Sharing Stabilization Fund in FY 2006, up from the \$165,000 allocated in FY 2005. The New Jersey Meadowlands Commission uses an annual tax sharing formula to compute the annual payments required to be made to municipalities.

2005 Appropriations Handbook

2006 Budget Recommendations

p. B-19

p. D-40

Of the amount hereinabove for Neighborhood Preservation - Fair Housing, an amount not to exceed \$2,500,000 may be used to provide technical assistance grants to non-profit housing organizations and authorities for creating and supporting affordable housing and community development opportunities.

Of the amount hereinabove **appropriated** for Neighborhood Preservation - Fair Housing, an amount not to exceed **\$5,500,000** may be used to provide technical assistance grants to non-profit housing organizations and authorities for creating and supporting affordable housing and community development opportunities.

Language Provisions (Cont'd)

Explanation

The Governor has recommended that the portion of the Neighborhood Preservation - Fair Housing account that can be used for technical assistance grants for FY 2006 increase from \$2,500,000 to \$5,500,000 in FY 2006. These grants are used to create and support affordable housing and community development opportunities. The department requested the \$3 million increase because it intends to expand the number of non-profit organizations that provide affordable housing in the State. The department feels that the additional grant funds will provide an incentive for more non-profit organizations to join the effort of constructing additional units of affordable housing in the State.



2005 Appropriations Handbook

2006 Budget Recommendations

p. B-21

Of the amount appropriated hereinabove for Boys and Girls Clubs of New Jersey, not less than \$250,000 shall be awarded to clubs that were not recipients from this account in the prior fiscal year.

No similar language.

Explanation

This FY 2005 appropriations act appropriated \$1,500,000 to Boys and Girls Clubs of New Jersey and the above language allocated not less than \$250,000 to clubs that did not receive funding in FY 2004. The appropriation was added by the Legislature in FY 2005, and the Governor has not recommended that this funding be continued for FY 2006.



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2006 Budget Recommendations

No similar language.

p. D-45

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.

Language Provisions (Cont'd)

Explanation

The Governor has recommended this language for FY 2006 to provide that \$400,000 of the \$1 million appropriated for Rape Prevention come from resources of the Victims of Crime Compensation Board.

2005 Appropriations Handbook

2006 Budget Recommendations

p. B-22

The unexpended balance as of June 30, 2004 in the Local Library Grants program account is appropriated subject to the approval of the Director of the Division of Budget and Accounting.

No similar language.

Explanation

This FY 2005 appropriations act carry forward language for local library grants has been replaced in FY 2006 with carry forward language in the General Provisions section of the budget (page F-7) that includes a variety of other community-based grant programs.

2005 Appropriations Handbook

2006 Budget Recommendations

p. B-22

The amount hereinabove for Extraordinary Aid shall be charged first to receipts of the supplemental fee established pursuant to section 2 of P.L.2003, c.113 (C.46:15-7.1), credited to the Extraordinary Aid account.

p. D-48

The amount hereinabove appropriated for Extraordinary Aid shall be charged first to receipts of the supplemental fee established pursuant to section 2 of P.L.2003, c.113 (C.46:15-7.1), credited to the Extraordinary Aid account. Notwithstanding any provisions of that law to the contrary, the amount appropriated for municipal aid from receipts deposited in the Extraordinary Aid account shall not exceed the amount appropriated hereinabove.

Language Provisions (Cont'd)

Explanation

The Governor has recommended this FY 2006 budget language to limit the amount of the realty transfer fee revenue dedicated to municipal aid to the amount appropriated. If the revenue exceeds the appropriation, the excess funds will not be appropriated for Extraordinary Aid.



Language Provisions (Cont'd)

2005 Appropriations Handbook

p. B-23

Notwithstanding any law to the contrary, the amount hereinabove for Consolidated Municipal Property Tax Relief Aid shall be distributed in the same amounts, and to the same municipalities which received funding pursuant to the fiscal year 2004 annual appropriations act, P.L.2003, c.122, provided further, however, that from the amount hereinabove there is transferred to the Energy Tax Receipts Property Tax Relief Fund account such sums as were determined for fiscal year 2003 pursuant to subsection e. of section 2 of P.L.1997, c.167 (C.52:27D-439) as amended by P.L.1999, c. 168, and except that the amount received by the City of Newark shall be further reduced by an amount certified by the Division of Taxation and appropriated to the Division of Taxation for any aspect of the revaluation of real property in Newark, subject to the approval of the Director of the Division of Budget and Accounting. The Director of the Division of Local Government Services shall further take such actions as may be necessary to ensure that the Consolidated Municipal Property Tax Relief Aid appropriated to offset losses from business personal property tax that would have otherwise been used for the support of public schools will be used to reduce the school property tax levy for those affected school districts with the remaining State Aid used as municipal property tax relief. The chief financial officer of the municipality shall pay to the school districts such amounts as may be due by December 31, 2004.

2006 Budget Recommendations

p. D-49

Notwithstanding any law to the contrary, the amount hereinabove for Consolidated Municipal Property Tax RELIEF Aid shall be distributed in the same amounts, and to the same municipalities which received funding pursuant to the fiscal year 2004 annual appropriations act, P.L.2003, c.122, provided further, however, that from the amount hereinabove there is transferred to the Energy Tax Receipts Property Tax Relief Fund account such sums as were determined for fiscal year 2003 **and fiscal year 2006** pursuant to subsection e. of section 2 of P.L.1997, c.167 (C.52:27D-439) as amended by P.L.1999, c. 168, and except that the amount received by the City of Newark shall be further reduced by an amount certified by the Division of Taxation and appropriated to the Division of Taxation for any aspect of the revaluation of real property in Newark, subject to the approval of the Director of the Division of Budget and Accounting. The Director of the Division of Local Government Services shall further take such actions as may be necessary to ensure that the Consolidated Municipal Property Tax Relief Aid appropriated to offset losses from business personal property tax that would have otherwise been used for the support of public schools will be used to reduce the school property tax levy for those affected school districts with the remaining State Aid used as municipal property tax relief. The chief financial officer of the municipality shall pay to the school districts such amounts as may be due by December 31, ~~2004~~ **2005**.

Explanation

The Governor has proposed the above changes for FY 2006 to reflect the intended transfer of moneys from the Consolidated Municipal Property Tax Relief Aid account to fund the required Energy Tax Receipts Property Tax Relief Fund inflator adjustment for FY 2006. The amount that would be transferred from CMPTRA totals \$18,628,277 to provide a 3.5% inflation increase.

Language Provisions (Cont'd)

2005 Appropriations Handbook

2006 Budget Recommendations

p. E-6

Notwithstanding any other provisions of this act or the provisions of any other law to the contrary, an amount not to exceed \$3,000,000 as shall be determined by the Director of the Division of Budget and Accounting is transferred from the Lead Hazard Control Assistance Fund to the Catastrophic Illness in Children Relief Fund to reimburse the Catastrophic Illness in Children Relief Fund for the appropriations made from the fund in the "Lead Hazard Control Assistance Act," P.L.2003, c.311.

No similar language.

Explanation

The Governor did not recommend this FY 2005 language for FY 2006 because the required repayment by the Lead Hazard Control Assistance Fund to the Catastrophic Illness in Children Relief Fund will be completed during FY 2005.



Language Provisions (Cont'd)**2005 Appropriations Handbook (p. D-23)**

Notwithstanding the provisions of any law, regulation or Executive Order to the contrary, any purchase by the State or by a State agency or local government unit of equipment, goods or services related to homeland security and domestic preparedness, that is paid for or reimbursed by federal funds awarded by the U.S. Department of Homeland Security or other federal agency, appropriated in this fiscal year, may be made through the receipt of public bids or as an alternative to public bidding and subject to the provisions of this paragraph, through direct purchase without advertising for bids or rejecting bids already received but not awarded. The equipment, goods or services purchased by a local government unit shall be referred to in the grant agreement issued by the State administrative agency administering such funds and shall be authorized by resolution of the governing body of the local government unit entering into the grant agreement. Such resolution may, without subsequent action of the local governing body, simultaneously accept the grant from the State administrative agency, authorize the insertion of the revenue and offsetting appropriation in the budget of the local government unit, and authorize the contracting agent of the local government unit to procure the equipment, goods or services. A copy of such resolution shall be filed with the chief financial officer of the local government unit, the State Administrative agency and the Division of Local Government Services in the Department of Community Affairs. Purchases made without public bidding shall be from vendors that shall either (1) be holders of a current State contract for the equipment, goods or services sought, or (2) be participating in a federal procurement program established by a federal department or agency, or (3) have been approved by the State Treasurer in consultation with the New Jersey Domestic Security Preparedness Task Force. All homeland security purchases herein shall continue to be subject to all grant requirements and conditions approved by the State administrative agency. The Director of the Division of Purchase and Property may enter into or participate in purchasing agreements with one or more other states, or political subdivisions or compact agencies thereof, for the purchase of such equipment, goods or services, using monies appropriated under this act, to meet the domestic preparedness and homeland security needs of this State. Such purchasing agreement may provide for the sharing of costs and the methods of payments relating to such purchases.

2006 Budget Recommendations (p.F-1)

Notwithstanding the provisions of any law, regulation or Executive Order to the contrary, any purchase by the State or by a State agency or local government unit of equipment, goods or services related to homeland security and domestic preparedness, that is paid for or reimbursed by federal funds awarded by the U.S. Department of Homeland Security or other federal agency, appropriated in this fiscal year, may be made through the receipt of public bids or as an alternative to public bidding and subject to the provisions of this paragraph, through direct purchase without advertising for bids or rejecting bids already received but not awarded. The equipment, goods or services purchased by a local government unit shall be referred to in the grant agreement issued by the State administrative agency administering such funds and shall be authorized by resolution of the governing body of the local government unit entering into the grant agreement. Such resolution may, without subsequent action of the local governing body, simultaneously accept the grant from the State administrative agency, authorize the insertion of the revenue and offsetting appropriation in the budget of the local government unit, and authorize the contracting agent of the local government unit to procure the equipment, goods or services. A copy of such resolution shall be filed with the chief financial officer of the local government unit, the State Administrative agency and the Division of Local Government Services in the Department of Community Affairs. Purchases made without public bidding shall be from vendors that shall either (1) be holders of a current State contract for the equipment, goods or services sought, or (2) be participating in a federal procurement program established by a federal department or agency, or (3) have been approved by the State Treasurer in consultation with the New Jersey Domestic Security Preparedness Task Force. All homeland security purchases herein shall continue to be subject to all grant requirements and conditions approved by the State administrative agency. The Director of the Division of Purchase and Property may enter into or participate in purchasing agreements with one or more other states, or political subdivisions or compact agencies thereof, for the purchase of such equipment, goods or services, using monies appropriated under this act, to meet the domestic preparedness and homeland security needs of this State. Such purchasing agreement may provide for the sharing of costs and the methods of payments relating to such purchases. Furthermore, a county government awarding a contract for Homeland Security equipment, goods or services, may, with the approval of the vendor, extend the terms and conditions of the contract to any other county government that wants to purchase under that contract, subject to notice and documentation requirements issued by the Director of the Division of Local Government Services.

Language Provisions (Cont'd)

Explanation

The Governor has recommended this language change to allow county purchase contracts for homeland security and domestic preparedness equipment entered into under this language provision to be extended to other counties that need to purchase the same equipment, if the vendor's approval and appropriate notice and documentation are provided to the Director of the Division of Local Government Services in the Department of Community Affairs. The intent of the revised language is to allow counties that are purchasing compatible emergency response equipment to share the same county purchase contract terms that are authorized under this provision thereby expediting the procurement process.



2005 Appropriations Handbook

2006 Budget Recommendations

No similar language.

p. F-7

The unexpended balances at the end of the preceding fiscal year for the Statewide Livable Communities, Social Services Emergency Grants, Statewide Local Domestic Preparedness Equipment Grant Program, Local Library Grants, Cultural Projects and Property Tax Assistance and Community Development Grants accounts are appropriated, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The Governor has recommended this budget language to carry forward unexpended balances in the listed programs for use in FY 2006. Carry forward language with respect to the Local Library Grants account was previously part of the budget of the Department of Community Affairs.



Discussion Points

1. Governor Richard J. Codey has proposed in his FY 2006 budget the creation of a Housing Trust Fund in the amount of \$200 million for the purpose of financing 10,000 permanent affordable housing units for the mentally ill and disabled over a ten year period. The capital funding for this initiative will be derived from bonding capacity remaining from the prior securitization of motor vehicle surcharge revenue realized in fiscal year 2005 and will not, according to Governor Codey impact the fiscal year 2006 budget. No details have yet been proposed.

- **Question:** Will the Department or the New Jersey Housing and Mortgage Finance Agency have any responsibility for administering and managing the Housing Trust Fund as proposed by the Governor? If so, please describe the extent and nature of each agency's involvement. What is the estimate of annual motor vehicle surcharge revenue for FY 2006 - 2010 that could be securitized? Are other State funds required, and if so, how much and from what source(s)? In what fiscal year will the debt service cost affect the State budget and how large will that impact be?

2. The Governor has proposed an estimated \$2.2 million in additional State funding in FY 2006 to improve Residential Health Care Facilities (RHCF), or "boarding homes." An increase of \$50 per patient would be provided in the existing subsidy to RHCF operators, along with an increase of \$10 for the consumers' personal needs allowance. In addition, responsibility for monitoring and inspecting these facilities would be shifted from the Department of Health and Senior Services to existing staff within DCA's Division of Codes and Standards.

Question: When does the department anticipate assuming monitoring and inspection duties for RHCF's? Are additional staff required, and if so, how many? Will owners or operators of RHCF's be required to pay higher fees as a result of this change?

3. The "Multifamily Housing Preservation and Receivership Act," P.L.2003, c.295 (C.2A:42-114 et al.), established an elaborate process for appointing receivers and granting them responsibility for the management of neglected rental housing. Section 28 of that law permitted the department to set aside \$4 million per year from Neighborhood Preservation-Fair Housing monies to establish a Preservation Loan Revolving Fund for the purpose of making grants or loans to receivers to implement plans that would be consistent with rules that the Commissioner of Community Affairs was required to adopt under section 31 of that law. Those regulations were to be adopted within six months following enactment, which occurred on January 14, 2004. Of the first \$4 million to be deposited into the fund, \$1 million was to be used to provide grants to nonprofits to enable them to act as receivers and to further housing preservation efforts in a number of ways which were specified in the law.

Question: Has the department established a Preservation Housing Loan Revolving Fund? If so, how much money has been allocated to the fund to date? If funds have been disbursed please provide a listing of all grantees and loan recipients that have received payments from the fund. If the department has not yet established the Preservation Housing Loan Revolving Fund, when does it plan to do so and how much funding will be made available to capitalize the fund?

4. P.L.2004, c.140 established a rental assistance program for low income individuals and families, patterned in part after the federal section 8 housing choice voucher program. A minimum of \$10 million is allocated annually from the Neighborhood Preservation Nonlapsing Revolving Fund, which receives realty transfer fee revenue dedicated to affordable housing purposes. At least

Discussion Points (Cont'd)

\$3 million is earmarked for senior citizens and at least \$7 million for other eligible participants.

With the approval of P.L.2005, c.66 on April 7, 2005 an additional \$15 million was appropriated for the program from the general state funds, allocated in the same proportion as noted above between senior citizens and others. A requirement was added that participating individuals, other than senior and disabled citizens, apply for and where appropriate participate in employment and training services conducted through the Department Of Labor and Workforce Development.

Proposed regulations to implement the program allocate 31 percent of rental assistance grants to those awaiting on the department's waiting list for Federal Section 8 vouchers; 30 percent is reserved for senior citizens; 17 percent is targeted to homeless families with children; and 17 percent will be reserved for project-based assistance for special initiatives. The FY 2006 budget provides the same level of funding for the program as in FY 2005.

Question: (a) Please provide a status report on the implementation of this program. What are the estimated administrative expenses for this program for FY 2005 and FY 2006, respectively? How many additional staff are required to implement this program? What was the size of the department's Section 8 waiting list on April 1, 2005? How many individuals or families does the department estimate will be placed from this list into housing under this program by December 31, 2005? By June 30, 2006?

(b) Please explain the difference between "project-based" assistance and direct assistance to households through vouchers. What specific projects has the department identified that will receive this type of rental assistance? If no specific projects have been identified, please provide illustrative examples of projects that might receive assistance. Approximately how much time elapses between approval of project-based assistance and the occupancy of those housing units by eligible individuals or families?

5. The FY 2005 Appropriations Act appropriated \$8 million for the purpose of funding the County Prosecutors Initiative Pilot Program. To date these funds remain unexpended. The FY 2006 budget recommends funding this program again at \$8 million. Neither the FY 2005 Appropriations Act nor the FY 2006 proposed budget includes language indicating how this funding will be utilized.

Question: What guidelines, if any, has the department established for distributing the \$8.0 million for the County Prosecutors Initiative Pilot Program? Does the department anticipate the need for authorizing legislation in order to award this funding to counties?

6. 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) for making loans and grants to qualifying individuals and households. The Governor is proposing \$10 million for the LHCAF in FY 2006. The same amount was appropriated to the LHCAF in FY 2005. \$6.0 million will probably lapse by the end of the fiscal year.

Discussion Points (Cont'd)

Question: What steps has the department taken to implement the "Lead Hazard Control Assistance Act"? Please indicate the criteria the department will utilize in determining how to award grants or loans for the remediation and removal of lead-based paint hazards for residences. Please detail the actual and intended use of the FY 2005 funding. Please also provide a plan for spending the \$10 million recommended for the LHCAF in FY 2006.

7. The FY 2006 recommendation for Special Municipal Aid is \$24.3 million, down \$5.0 million from the FY 2005 adjusted appropriation of \$29.3 million. Camden, Paterson, Irvington, Union City, and Harrison Town received aid in FY 2005. In 2005, Irvington was able to leave the Special Municipal Aid program and is no longer subject to State supervision under that program; in 2002 East Orange left the Special Municipal Aid program followed by Jersey City in 2003.

Question: What decisions have been made by the department concerning the award of FY 2006 Special Municipal Aid to those municipalities still considered by the department to be in need of aid? What steps are being taken by these remaining municipalities to improve their fiscal and financial situation? To what extent and in what capacities are department staff involved in the day to day management of the municipalities in the program?

8. Information contained on page D-31 of the Governor's FY 2006 budget indicates that during 2004, the department designated nine of New Jersey's traditional downtowns to the Main Street New Jersey Program (MSNJ) and awarded nine Neighborhood Preservation Program (NPP) grants to municipalities throughout the State. The Main Street program currently has 26 municipalities participating, while the number of Neighborhood Preservation grantees now totals 40. These programs are intended to boost local revitalization efforts and to help leverage available resources for the purpose of achieving the greatest possible return on investment for the affected community.

Question: Provide a list of each municipality participating in the Main Street Program and the Neighborhood Preservation Program and the total amount of funding that the department has provided to each municipality by program category. In addition, separately indicate any other department funding sources that have been used to supplement awards made under either of these two programs, including but not limited to SHARE grants, Smart Future Planning Grants, or funding made available from the Downtown Business Improvement Loan Fund.

9. The Neighborhood Revitalization Tax Credit program provides business entities a fifty percent tax credit for funds provided to nonprofit entities undertaking revitalization activities within eligible municipalities (primarily those with Abbot school districts). Each project may qualify for a tax credit investment of up to \$1 million. A total of \$10 million in tax credits per year may be awarded by the department in conjunction with the Department of the Treasury.

Question: Please provide a status report on the Neighborhood Revitalization Tax Credit program. Please identify each business awarded a tax credit, the amount awarded, the nonprofit entity or entities that secured the business funds, the amount received by the nonprofit, and the location and description of the revitalization project. In addition to direct investment by businesses awarded tax credits, what additional private and public investments have these projects attracted? How much of the business investment in nonprofit entities funds services and how much funds capital improvements in the targeted neighborhoods?

Discussion Points (Cont'd)

10. The Division of Fire Safety conducts and oversees inspections of facilities for compliance with the Uniform Fire Code. The division assesses annual registration fees on life safety hazards, which in part support the division's budget and in part are rebated to local agencies enforcing the Uniform Fire Code. Budget evaluation data (page D-35) display significant growth in registration of life safety hazards from about 68,000 in 2004 to 95,000 in 2006. These data also show an increase in State inspection activity for the same period but little change in the total number of certified fire officials and inspectors undertaking local and State code enforcement duties. Anticipated revenues from registration fees and other code enforcement-related activities are projected to grow from \$23.2 million in FY 2004 to \$25.8 million in FY 2006. Division of Fire Safety staff is projected to grow from 90 in FY 2004 to 137 in FY 2006.

Questions: Please explain the reason for the projected growth in registered life safety hazards. Does this growth represent a commensurate increase in inspection and enforcement workload? If so, are there adequate numbers of State and local inspection officials to handle this workload? Please explain why, if the life safety hazards are projected to grow by about 40 percent for the period FY 2004 - 2006, anticipated revenue growth is only 11 percent for the same period? What factors or circumstances justify the need for the growth in the Division of Fire Safety staff that the budget projects?

Background Paper: The Special Municipal Aid Act

Budget Pages.... D-47, D-48

The Special Municipal Aid Act, P.L. 1987, c.75 (C.52:27D-118.24 et seq.) is designed to assist municipalities that are facing the most severe fiscal conditions to recover from fiscal distress and to improve management and financial practices. The criteria by which municipalities qualify for the program are: eligibility for assistance under P.L. 1978, c.14 (C.52:27D-178 et seq.); under the supervision of the Local Finance Board pursuant to the provisions of the "Local Government Supervision Act (1947);" has issued qualified bonds pursuant to the provisions of the "Municipal Qualified Bond Act," P.L. 1967, c. 38 (C. 40:A3-1 et seq.); or has been identified by the Director of the Division of Local Government Services in the Department of Community Affairs as being in need of substantial financial aid and technical assistance to resolve ongoing fiscal problems. In providing Special Municipal Aid, the Director may condition the aid payments upon the implementation of fiscal recovery measures approved by the Local Finance Board.

Should the Director find that an eligible municipality possesses conditions that create extreme difficulty in adopting a budget in compliance with the "Local Budget Law," in issuing indebtedness as permitted by law, or in funding capital improvements essential to the protection of the public health, safety and welfare, the Local Finance Board may create, by resolution, a financial review board for that municipality. The municipal financial review board consists of five members appointed by the Governor, and includes the mayor of the municipality, a resident of the municipality who is not an elected official or municipal employee, the Commissioner of the Department of Community Affairs, the State Treasurer and another officer of the Executive Branch, or their designees. The financial review board is charged with approving, implementing and enforcing a financial plan for the municipality. The financial review board also has the power to approve: the annual budget of the municipality, the issuance of all debt, all contracts entered into during the time of supervision, and municipal expenditures if so directed by the board.

The Local Finance Board is to review the status of the affected municipality at least every two years, at which time the municipality has the opportunity to demonstrate why the financial review board should be ended or its role modified.

Annual State funding to implement the Act consists of a Direct State Services appropriation for the administration of the program (salaries and wages, operating expenses, consulting fees), and a State Aid appropriation for the financial aid given to the municipalities. The program was first funded in FY 2000, and affected five municipalities. The number of municipalities in the program increased to eight in FY 2002. The following chart details the participating municipalities as well as the amount of Special Municipal Aid Act funds that each has received since FY 2000.

Background Paper: Special Municipal Aid Act (Cont'd)

Municipality	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Camden	\$12,000,000	\$13,500,000	\$11,004,748	\$9,750,000	\$9,000,000	\$14,949,194
Jersey City	10,000,000	15,550,000	4,152,041	10,500,000	2,000,000	0
Paterson	5,000,000	7,000,000	3,770,187	3,770,187	3,600,000	3,400,000
Irvington	6,500,000	9,000,000	3,484,807	4,484,807	2,269,807	1,600,000
East Orange	7,000,000	9,000,000	4,059,487	3,500,000	3,500,000	0
Trenton	0	0	5,398,288	16,500,000	0	0
Union City	0	0	2,445,174	5,500,000	4,000,000	3,500,000
Harrison Town	0	0	4,400,000	4,000,000	3,900,000	3,900,000
Bridgeton*	0	0	0	0	0	955,000
Total	\$40,500,000	\$54,050,000	\$38,714,732	\$58,004,994	\$28,269,807	\$28,304,194

* 2005 is the first year that Bridgeton has come under State supervision pursuant to the Special Municipal Aid Act.

Background Paper: Extraordinary Aid

Budget Pages.... D-47

The Extraordinary Aid program is one component of the Supplemental Municipal Property Tax Relief Act (P.L.1991, c.63 (C.52:27D-118.35 et seq.)), which is designed to provide financial assistance to municipalities in fiscal distress. A municipality experiencing fiscal distress may apply for Extraordinary Aid to the Director of the Division of Local Government Services in DCA by detailing in its application that the cost of providing municipal services is extraordinarily high, or that the property tax base is insufficient to support operations, or by demonstrating that the municipality has incurred other unusual or atypical expenses that make it difficult for the municipality to meet its financial obligations. In addition, applicants must also demonstrate that significant measures are in place to reduce spending and improve governmental efficiencies. These measures include, but are not limited to, enhanced tax and revenue collection efforts, management efficiencies, shared services, streamline workforce and any other activities that provide property tax relief. Applicants must also demonstrate in their application that dependency on extraordinary aid will be eliminated in the following year or have a plan in place to completely eliminate aid dependency in the immediate future.

In providing extraordinary aid the director has the authority to increase, decrease, add or delete revenues and expenditures from the budget of any municipality receiving aid based on that municipality's budget history and record of prudent fiscal management and may require a municipality to furnish any documentation, schedules and estimates related to its budget for review. In addition, the Local Finance Board may issue remedial orders to a municipality receiving aid directing it to maximize revenues, maximize surplus to a prudent level, file schedules along with the budget showing municipal revenues not anticipated, add municipal revenues to the budget not anticipated, maximize its tax collection rate in order to minimize its reserve for uncollected taxes, reduce appropriations deemed by the board to be excessive, and undertake any other appropriate activities consistent with reducing property taxes. As a condition of receiving aid, the Local Finance Board has the authority to require the director to certify that a municipality has complied with any remedial orders. The Local Finance Board also has the authority to exercise general fiscal oversight over any municipality receiving aid. It may require the director to return a budget if it is determined that the local property tax burden is unreasonably high, and may require the inclusion of line items supporting budget detail. It also has the authority to permit the cancellation of appropriation reserves on the same schedule as transfers, and to direct that a revised annual financial statement be forwarded to the director upon the cancellation thereof.

A municipality that receives aid must use the funds solely and exclusively for the purpose of reducing the amount the municipality is required to raise through the local property tax levy for municipal purposes. In the event the aid is greater than the amount required to be raised for municipal purposes, the balance must be used to reduce the amount required to be raised for county purposes.

Extraordinary aid funding is awarded annually in two cycles: one cycle for municipalities operating under a calendar fiscal year and another cycle for those municipalities operating under a State fiscal year. In FY 2005, the adjusted appropriation for the program was \$41 million. In FY 2006 recommended funding for this program is \$31 million.

Background Paper: Extraordinary Aid (Cont'd)

The following list details the FY 2005 Extraordinary Aid awards to municipalities whose fiscal year begins January 1:

Buena Borough	Atlantic	125,000
Corbin City	Atlantic	30,000
Egg Harbor City	Atlantic	75,000
Pleasantville City	Atlantic	100,000
Carlstadt Borough	Bergen	260,000
Dumont Borough	Bergen	25,000
Englewood City	Bergen	100,000
Fair Lawn Borough	Bergen	350,000
Fairview Borough	Bergen	70,000
Fort Lee Borough	Bergen	350,000
Garfield City	Bergen	610,000
Hasbrouck Heights Borough	Bergen	30,000
Haworth Borough	Bergen	100,000
Leonia Borough	Bergen	25,000
Little Ferry Borough	Bergen	230,000
Maywood Borough	Bergen	25,000
Moonachie Borough	Bergen	175,000
New Milford Borough	Bergen	250,000
North Arlington Borough	Bergen	330,000
Paramus Borough	Bergen	50,000
Rutherford Borough	Bergen	330,000
Saddle Brook Township	Bergen	330,000
South Hackensack Township	Bergen	50,000
Wallington Borough	Bergen	300,000
Wood-Ridge Borough	Bergen	400,000
Beverly City	Burlington	25,000
Edgewater Park Township	Burlington	250,000
Mansfield Township	Burlington	100,000
Pemberton Township	Burlington	100,000
Riverside Township	Burlington	25,000
Audubon Borough	Camden	75,000
Audubon Park Borough	Camden	40,000
Bellmawr Borough	Camden	280,000
Brooklawn Borough	Camden	75,000
Chesilhurst Borough	Camden	25,000
Gibbsboro Borough	Camden	180,000
Gloucester City City	Camden	230,000
Haddon Heights Borough	Camden	50,000
Hi-nella Borough	Camden	75,000
Lindenwold Borough	Camden	200,000
Runnemede Borough	Camden	325,000

Background Paper: Extraordinary Aid (Cont'd)

Somerdale Borough	Camden	250,000
Woodlynne Borough	Camden	125,000
Maurice River Township	Cumberland	100,000
Bloomfield Township	Essex	210,000
Caldwell Township	Essex	300,000
Cedar Grove Township	Essex	100,000
Glen Ridge Borough	Essex	125,000
Maplewood Township	Essex	200,000
Montclair Township	Essex	250,000
South Orange Village	Essex	100,000
Verona Township	Essex	100,000
West Caldwell Township	Essex	300,000
West Orange Township	Essex	500,000
National Park Borough	Gloucester	25,000
Paulsboro Borough	Gloucester	150,000
Swedesboro Borough	Gloucester	50,000
West Deptford Township	Gloucester	230,000
Woodbury City	Gloucester	130,000
Woodbury Heights Borough	Gloucester	225,000
Lambertville City	Hunterdon	75,000
Milford Borough	Hunterdon	100,000
Hightstown Borough	Mercer	250,000
Princeton Borough	Mercer	180,000
Carteret Borough	Middlesex	350,000
Helmetta Borough	Middlesex	120,000
Highland Park Borough	Middlesex	200,000
Jamesburg Borough	Middlesex	175,000
Metuchen Borough	Middlesex	430,000
Middlesex Borough	Middlesex	225,000
Milltown Borough	Middlesex	250,000
New Brunswick City	Middlesex	600,000
Sayreville Borough	Middlesex	200,000
South Brunswick Township	Middlesex	250,000
South River Borough	Middlesex	140,000
Spotswood Borough	Middlesex	150,000
Asbury Park City	Monmouth	500,000
Freehold Borough	Monmouth	25,000
Keyport Borough	Monmouth	200,000
Matawan Borough	Monmouth	200,000
Red Bank Borough	Monmouth	100,000
Shrewsbury Township	Monmouth	40,000
Berkeley Township	Ocean	300,000
Ocean Gate Borough	Ocean	175,000
Pine Beach Borough	Ocean	200,000

Background Paper: Extraordinary Aid (Cont'd)

South Toms River Borough	Ocean	20,000
Bloomington Borough	Passaic	200,000
Clifton City	Passaic	150,000
Prospect Park Borough	Passaic	50,000
West Paterson Borough	Passaic	100,000
Penns Grove Borough	Salem	385,000
Salem City	Salem	550,000
Bound Brook Borough	Somerset	400,000
Manville Borough	Somerset	200,000
North Plainfield Borough	Somerset	250,000
Somerville Borough	Somerset	50,000
South Bound Brook Borough	Somerset	400,000
Ogdensburg Borough	Sussex	50,000
Fanwood Borough	Union	250,000
Garwood Borough	Union	210,000
Kenilworth Borough	Union	210,000
Total		\$ 19,155,000

The following list details the FY 2005 Extraordinary Aid awards to municipalities whose fiscal year begins July 1:

Bergenfield Borough	Bergen	\$700,000
Edgewater Borough	Bergen	\$500,000
Lodi Borough	Bergen	\$400,000
Lyndhurst Township	Bergen	\$200,000
Ridgefield Borough	Bergen	\$400,000
Berlin Township	Camden	\$300,000
Cherry Hill Township	Camden	\$800,000
Gloucester Township	Camden	\$800,000
Lawnside Borough	Camden	\$550,000
Bridgeton City	Cumberland	\$900,000
Millville City	Cumberland	\$900,000
Vineland City	Cumberland	\$350,000
East Orange City	Essex	\$900,000
Orange Township	Essex	\$900,000
Bayonne City	Hudson	\$900,000
Guttenberg Town	Hudson	\$250,000
Kearny Town	Hudson	\$500,000
Weehawken Township	Hudson	\$900,000
Hamilton Township	Mercer	\$800,000
Dunellen Borough	Middlesex	\$250,000
North Brunswick Township	Middlesex	\$250,000
Old Bridge Township	Middlesex	\$300,000
Perth Amboy City	Middlesex	\$900,000

Background Paper: Extraordinary Aid (Cont'd)

Piscataway Township	Middlesex	\$750,000
South Amboy City	Middlesex	\$800,000
South Plainfield Borough	Middlesex	\$100,000
Woodbridge Township	Middlesex	\$800,000
Keansburg Borough	Monmouth	\$400,000
South Belmar Borough	Monmouth	\$150,000
Dover Township	Ocean	\$600,000
Passaic City	Passaic	\$900,000
Elizabeth City	Union	\$500,000
Hillside Township	Union	\$700,000
Plainfield City	Union	\$850,000
Rahway City	Union	\$250,000
Roselle Borough	Union	\$600,000
TOTAL		\$21,050,000

Background Paper: The REDI (SHARE) and REAP Programs

Budget Pages.... D-48

The Regional Efficiency Development Incentive (REDI) program and its companion, the Regional Efficiency Aid Program (REAP), were enacted by the Legislature in 1999 as initiatives to address the problem of rising property taxes in the State. Both programs were responses to the Governor's (Whitman) Property Tax Commission September 1998 report. The Property Tax Commission noted an "...overabundance of local units of government - including 21 counties, 566 municipalities, 611 school districts, and 400 local authorities and fire districts - ..." acting independently, and thereby constituting a costly, inefficient system of local government services provision.¹

Both the REDI and REAP programs were designed to provide financial incentives for local government units to consolidate or share services. As enacted by P.L.1999, c.60 (C.40:8B-14 et seq.), the REDI program provides grants or loans to local government units for the purpose of studying possibilities for regional service provision or consolidation opportunities, and to fund one-time start-up costs of regional or consolidated services. The REAP program, P.L.1999, c.61 (C.54:4-8.76 et seq.), provides additional State aid to those local government units which have entered into an agreement to regionalize, consolidate, or share services. The law requires that REAP aid be awarded to a local government unit pursuant to a points system related to the types of services consolidated or shared, and that such aid be applied as a property tax credit directly on each resident's property tax bill within the jurisdiction receiving the aid.

The two programs reflect the Property Tax Commission's recommendations for the State to (1) provide financial assistance and incentives to encourage consolidation, regionalization, and implementation of new joint services, and (2) directly link such financial assistance to a reduction in the property tax burden of the community's residents.² The REDI program is currently being implemented consistently with legislative intent, now as the Sharing Available Resources Efficiently (SHARE) program in the Department of Community Affairs (DCA). However, the REAP program has been restricted by appropriations act provisions in recent years, such that participation and funding is confined to levels below what the statute would otherwise provide.

REDI (SHARE) Implementation and Funding History

The REDI program has undergone ups and downs in its funding and implementation since it was adopted. When first implemented, the REDI program was an evolution of a prior DCA program called the Joint Services Incentive Program. REDI was funded more generously than the former program. While the Joint Services Program was funded at \$500,000, REDI was initially funded at \$10 million annually. However, no appropriation was proposed in FY 2003, and the program was not funded that year. As a result, five completed applications were not awarded REDI funding in FY 2003, and twenty-three incomplete applications would not receive funding even if completed.

Funding was reinstated for REDI in FY 2004, when \$2 million was appropriated, and FY

¹ Property Tax Commission, "Report of Recommendations to Governor Christine Todd Whitman," September 1998, page 1.

² These were recommendations 2.1 and 2.2 of the commission's report.

Background Paper: The REDI (SHARE) and REAP Programs (Cont'd)

2005 funding increased to \$4,200,000, which is also the amount recommended for the program in the FY 2006 budget. In April of 2004 DCA announced the Sharing Available Resources Efficiently (SHARE) program, which is the actual DCA program currently implementing the REDI initiative.

Under SHARE, DCA awards REDI funds in the form of grants for the study or implementation of a regional service agreement, or for the coordination of local shared programs and services. Three kinds of grants are available. Implementation Assistance Grants are awarded to help local units cover the start-up, transition, and implementation costs of new or expanded shared services or consolidation. Feasibility Study Grants are available to help local units study possibilities for consolidation or shared services by funding a portion of the research, planning, and development costs associated with thoroughly assessing these opportunities. Finally, Regional Coordination Grants are available to assist groups of five or more local units, a region, or a county to research, develop, and coordinate shared services between participants.³

Although no REDI funds were awarded to local units in FY 2003 and FY 2004, as of this date in 2005 DCA has approved 55 applications and has awarded a total of \$2,151,160 in SHARE grants to these applicants. Table 2B contains the name of each grant recipient to date, the name and type of project funded, amount and type of SHARE grant received, and a list of the other participating local governments. The department expects to receive approximately 60 new applications in FY 2006.

REAP Implementation and Funding History

The REAP program was intended to provide an incentive, in the form of a direct property tax credit to local residents, for local units to consolidate or implement a successful cost-saving shared services agreement. Under the program, this financial assistance represented not only an incentive for local units to undertake such endeavors, but also a reward for having done so successfully. However, since FY 2002 the REAP program funding has been restricted by appropriations act language, so it is currently not providing any incentive for municipalities across the State to consolidate or share services, as was intended at the time of enactment in 1999.

As illustrated in Table 1A, in the FY 2002 budget the REAP program received an allocation of \$20 million, and budget language held harmless any local unit which had received REAP aid in FY 2001. This meant that municipalities that had received funding in FY 2001 would receive the same amount in FY 2002. During that year, DCA awarded a total of \$19,371,081 in REAP aid to 235 municipalities. However, in FY 2003, the appropriations act provided for the distribution of REAP aid only to those municipalities which had received a substantial amount of REAP aid in the previous fiscal year, substantial meaning an amount that resulted in a property tax credit of at least \$100 for the average residential parcel within the municipality. This meant that of the 235 municipalities which received REAP aid in FY 2002, only 14 municipalities were eligible for and received REAP funding in FY 2003. That fiscal year \$8,992,000 was allocated to the program, of which DCA disbursed \$8,754,145 to the eligible 14 municipalities.

Both the FY 2004 and FY 2005 appropriations acts continued to provide for the award of REAP aid only to the same 14 municipalities that received aid in FY 2003. Each year a \$1 million

³ For more information on the SHARE program, see the department's website at <http://www.nj.gov/dca/lgs/interloc/intrmenu.shtml>.

Background Paper: The REDI (SHARE) and REAP Programs (Cont'd)

increase was proportionally allocated to these municipalities. A funding reduction of \$1 million and the same funding policy is being proposed in the budget for FY 2006. Table 1B lists the 14 eligible municipalities and the amount awarded to each under the REAP program in FY 2005.

The change in program implementation as provided for in past and present budgets, and the accompanying funding reduction since FY 2003 - when funding went from \$20 million in the previous fiscal year to about \$9 million - has closed the REAP program to new participants.

TABLE 1A. REAP BUDGET APPROPRIATIONS AND NUMBER OF MUNICIPALITIES FUNDED (FY 2002 TO FY 2006)					
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 (proposed)
AMOUNT APPROPRIATED	\$20,000,000	\$8,992,000	\$9,992,000	\$10,992,000	\$9,992,000
MUNICIPALITIES FUNDED BY DCA	235	14	14	14	14

TABLE 1B. REAP AID AWARDED IN FY 2005 *		
MUNICIPALITY	COUNTY	AWARDED FY 2005
Elmwood Park Borough	Bergen	630,328
Englewood City	Bergen	996,544
South Hackensack Township	Bergen	92,408
New Hanover Township	Burlington	56,388
North Hanover Township	Burlington	119,347
Wrightstown Borough	Burlington	24,381
Hi-nella Borough	Camden	18,989
Elk Township	Gloucester	136,344
Guttenberg Town	Hudson	522,103
North Bergen Township	Hudson	2,397,794
Union City City	Hudson	3,107,535
Weehawken Township	Hudson	717,294
West New York Town	Hudson	2,088,088
Mannington Township	Salem	71,819
TOTAL AWARDED		10,979,362

* Department of Community Affairs data.

Background Paper: The REDI (SHARE) and REAP Programs (Cont'd)

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 (proposed)
BUDGET AMOUNT	\$5,000,000	\$0	\$2,000,000	\$4,200,000	\$4,200,000
AMOUNT AWARDED BY DCA	\$1,484,000 (27 applications)	\$0	\$0	\$2,151,160 (55 applications)	n/a (60 applications expected)

APPLICANT	PROJECT NAME	PROJECT TYPE	PARTICIPANTS	AMOUNT APPROVED
Round I				
Chatham Twp	Shared Recreation	Feasibility Study	Chatham Bor	\$14,000
Maplewood Twp	Shared Services	Feasibility Study	South Orange Village Twp	\$20,000
Princeton Bor	Joint Police Dispatching	Feasibility Study	Princeton Twp	\$20,000
Cape May County	Cape May County Animal Shelter	Implementation	Cape May City, Cape May Pt Bor, Dennis Twp, Lower Twp, N. Wildwood City, Sea Isle City, Stone Harbor Bor, Upper Twp, West Cape May Bor, West Wildwood Bor, Wildwood City, Wildwood Crest Bor, Woodbine Bor	\$74,000
Burlington County	Regional Coordination	Regional Coordination	Burlington County Bridge Commission, Bass River Twp, Beverly City, Bordentown Twp, Burlington Twp, Chesterfield Twp, Cinnaminson Twp, Delanco Twp, Evesham Twp, Hainesport Twp, Maple Shade Twp, Medford Twp, Palmyra Bor, Riverside Twp, Shamong Twp, Southampton Twp, Wrightstown Bor	\$21,000
Irvington Twp	Shared Fire Service Communications	Implementation	Maplewood Twp Fire Department	\$100,000
Oaklyn Bor	Joint Municipal Court	Implementation	Mt. Ephraim Bor	\$100,000

Background Paper: The REDI (SHARE) and REAP Programs (Cont'd)

Wharton Bor	Joint Municipal Court	Implementation	Mine Hill Twp	\$33,375
Long Branch City	Shared IT Department staff and network monitoring	Implementation	Long Branch Board of Education	\$14,250
Freehold Twp	Monmouth Public Health Consortium	Feasibility Study	Monmouth County Regional Health Commission #1	\$10,000
Westwood Bor	Shared Police Services	Feasibility Study	Emerson Bor	\$20,000
Ocean City	Ocean City Solar Power Purchase Agreement	Implementation	Ocean City Board of Education	\$37,500
River Edge Bor	Tri-Boro Garbage Collection Service	Feasibility Study	Bor of New Milford, Bor of Oradell	\$15,000
Plumsted Twp	TechSHARE Initiative	Implementation	Plumsted Twp Board of Education	\$39,000
Bernards Twp	Rec EnRoll	Implementation	Franklin Lakes Bor, Maplewood Twp, Millburn Twp, Piscataway Twp, Wachung Bor, Warren Twp, Wood-Ridge Bor	\$94,000
Pohatcong Twp	Shared Police Services	Feasibility Study	Alpha Bor	\$8,333
Pohatcong Twp	Shared Road Dept Services	Feasibility Study	Alpha Bor	\$18,400
Beach Haven Bor	Beach Haven-Long Beach Shared Police Services	Feasibility Study	Long Beach Twp	\$20,000
Total Round I 18 Applications				\$658,858
Round II				
Belmar Bor	Shared Public Safety Communications	Feasibility Study	Bradley Beach Bor	\$20,000
Commercial Twp	Joint Ambulance Services	Feasibility Study	Commercial Twp Fire District #1	\$6,000
Holmdel Twp	Joint Vehicle, Buildings & Grounds Maintenance	Feasibility Study	Holmdel Twp School District	\$14,000
Manville Bor	Somerset Public Health Consortium	Feasibility Study	Bridgewater Twp, Branchburg Twp, Somerset County Business Partnership Foundation	\$10,000
Pilesgrove Twp	Joint Municipal Court	Implementation	Upper Pittsgrove Twp & Alloway Twp	\$40,000
Holmdel Twp	Joint Recreation Services	Implementation	Holmdel Twp School District	\$62,400
Bernards Twp	Shared Police Dispatching	Implementation	Long Hill Twp	\$100,000
Total Round II 7 Applications				\$252,400
Round III				
Audubon Bor	Joint Police Services	Implementation	Audubon Park Bor	\$100,000
Franklin Twp (Gloucester County)	Shared Trash Collection	Implementation	Newfield Bor	\$41,000
Gloucester County	Storm water Management (Compliance with Phase II NJDEP requirements)	Implementation	Gloucester County Improvement Authority	\$100,000
Newfield Bor	Newfield/Elk Shared Court Services	Implementation	Elk Twp	\$44,577

Background Paper: The REDI (SHARE) and REAP Programs (Cont'd)

Maplewood Twp	Public Safety	Feasibility Study	South Orange Village Twp	\$20,000
North Plainfield Bor	North Plainfield/North Plainfield School District Shared Technology Project	Feasibility Study	North Plainfield School District	\$20,000
Scotch Plains Bor	Scotch Plains/Fanwood Shared Services Committee - Public Works	Feasibility Study	Bor of Fanwood, Scotch Plains/Fanwood Board of Education	\$15,000
Margate City	Shared Police Dispatching Services	Feasibility Study	Ventnor City, Longport Bor	\$20,000
Woodbine Bor	Combined Vehicle Maintenance and Storage Facilities	Feasibility Study	Woodbine MUA, Woodbine School District, Woodbine Port Authority	\$20,000
Montclair Twp	Shared Facility Maintenance	Feasibility Study	Montclair Twp Board of Education	\$20,000
Montclair Twp	Shared Facility Scheduling	Feasibility Study	Montclair Twp Board of Education	\$6,600
Montclair Twp	Shared Human Resources Administrative Services	Feasibility Study	Bor of Glen Ridge	\$6,600
Atlantic County	Shared public works facilities	Feasibility Study	City of Northfield	\$20,000
Freehold Twp	Monmouth Public Health Consortium	Implementation	Monmouth County Regional Health Commission, Freehold Bor, Long Branch City, Aberdeen Twp, Colts Neck Twp, Hazlet Twp, Manalapan Twp, Middletown Twp	\$100,000
Spring Lake Bor	Combined Police Dispatching	Implementation	Bor of Spring Lake Heights	\$100,000
Margate City	Shared Police Dispatching Services	Implementation	Ventnor City, Longport Bor	\$100,000
Millville City	Information Technology Shared Services	Implementation	Millville Board of Education	\$100,000
Plumsted Twp	Shared Tax Collector	Implementation	Englishtown Bor	\$5,000
Old BridgeTwp	Shared Technical Support Service	Implementation	Bor of Sayreville	\$76,125
North Bergen Twp	Joint Tide Gate/Pumping Station - flood mitigation	Feasibility Study	Bor of Fairview	\$20,000
River Edge Bor	Tri-Boro Garbage Collection	Feasibility Study	Oradell Bor, New Milford Bor	\$5,000
Woodbridge Twp	Twp-School Fiber Optic Communications	Implementation	Woodbridge Twp School District	\$25,000
Brielle Bor	Shared Salt Dome	Implementation	Manasquan Bor	\$40,000
Woodbine Bor	Woodbine Community Library and School Technology Lab	Implementation	Woodbine School District	\$40,000
Pennsville Twp	Pennsville Animal Shelter	Implementation	Lower Alloways Creek Twp (including Mannington Twp, Quinton Twp, Shiloh Twp)	\$40,000
National Center for Public Productivity - Rutgers University	Performance Measurement Consortium: Performance Measurement, Benchmarking & Training	Regional Coordination Grant	Kearny Town, Willingboro Twp, Hawthorne Bor, Englewood City, Mendham Twp, Millburn Twp	\$30,000
Scotch Plains Bor	Scotch Plains/Fanwood Shared Services Committee - Parking	Feasibility Study	Bor of Fanwood, Scotch Plains/Fanwood Board of Education	\$20,000
Irvington Twp	Regional Fire Service Training and Response Facility	Implementation	Maplewood Twp Fire Department	\$40,000

Background Paper: The REDI (SHARE) and REAP Programs (Cont'd)

Ramsey Bor	Vaughn Drive Sanitary Sewer Pumping Station and Force Main	Implementation	Twp of Mahwah	\$40,000
Red Bank Bor	Cooperative Maintenance Plan	Implementation	Red Bank Board of Education	\$25,000
Total Round III 30 Applications				\$1,239,902
Grand Total Rounds I, II, III 55 Applications				\$2,151,160
*Department of Community Affairs data, current as of April 15, 2005.				

OFFICE OF LEGISLATIVE SERVICES

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 2006 budget are encouraged to contact:

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