

**SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NOS. 1306 AND 1804**

To the Senate:

Since the devastating events of October 2012, restoring the lives of those impacted by Superstorm Sandy has been the unwavering focus of both my Administration and countless New Jerseyans who have gathered together as a united and determined family dedicated to the recovery and rebuilding of our home. In this bill, the Legislature seeks to join those efforts, proposing a series of new administrative procedures and spending requirements accompanied by a raft of partisan political findings, all styled as "rights" ready to be pursued by lawyers. Indeed, what is portrayed as a method for allocating Superstorm Sandy recovery aid – some eighteen months after the disaster and more than a year after federal aid arrived – is unfortunately a series of post-hoc mandates that are violative of state and federal law, rife with illegal priorities and unquantifiable administrative costs, that would prove impossible to implement, frustrate sound future disaster planning, and all but certainly exceed federal funding for program administration. Therefore, pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning the Senate Committee Substitute for Senate Bill Nos. 1306 and 1804 with my recommendations for reconsideration.

Since Superstorm Sandy unleashed unprecedented damage across New Jersey eighteen months ago, New Jersey has successfully implemented more than 50 recovery programs and initiatives. Relief has reached impacted residents, businesses, and communities at a faster pace than nearly any other disaster in the nation's history. Although New Jersey's damages and infrastructure hardening needs are in excess of \$36 billion, I am proud of the efforts made by the State to help our citizens

recover from this unprecedented and disastrous storm. I am mindful, however, that while many have returned to their homes and received State and federal benefits, the pathway to full recovery is not complete. Because I believe that, together, we can always improve on these results, I welcome the Legislature's arrival to join our efforts to improve the circumstances of those that were hit hardest by the storm.

I also share the Legislature's desire for transparency and fairness in distributing Sandy aid. In 2013, I signed Executive Order No. 125, which helped ensure accountability and integrity in the use of federal reconstruction resources by, among other things, requiring the State Comptroller to conduct an independent, legal review of the procurement process for state recovery and rebuilding contracts and also directing that all such approved contracts be made publicly accessible on a State website. Building on my commitment to secure the responsible, transparent, and accountable use of taxpayer dollars, I signed into law a new system of monitors which has resulted in additional, independent oversight of some of the largest Sandy recovery and rebuilding projects.

Further, to ensure wide dissemination of information on aid programs, and to provide residents and businesses with a fair opportunity to apply for benefits, my administration has promoted the State's recovery and rebuilding programs on the internet and in the media; opened housing centers in each of the nine counties most affected by the storm to assist applicants for benefits; operated telephone call-in centers; canvassed various hard-hit communities with recovery program information; and extended numerous deadlines to apply for benefits.

There are indeed steps we can take together to build upon our progress in distributing aid and further improve

transparency, and this bill contains provisions intended to contribute to this mutual goal. In many instances, however, the bill's requirements are redundant, conflict with federal standards, or impose unnecessary burdens on the aid distribution process. Accordingly, I recommend that the bill be amended to improve upon some of the Legislature's proposals. I favor an approach that further increases transparency and ensures fair access to benefits, but that does not impose undue administrative burdens and costs. This will preserve scarce resources, ensure that more money is available to help families and businesses, and streamline the distribution of aid, thus allowing applicants to obtain benefits more quickly.

I also recommend that the bill be amended to address numerous practical concerns with implementation. For example, the bill places conditions on the distribution of benefits under the successful Superstorm Sandy Resettlement Program, notwithstanding the fact that over 98% of Resettlement funds have already been distributed. Additionally, the bill creates conflicts with federal regulations concerning the distribution of aid, and I recommend certain changes to comport with federal requirements upon which federal aid is conditioned.

With my recommendations for improvements, this bill will ensure, among others things, that Sandy victims will continue to have the opportunity to appeal benefit denials; that Sandy victims can receive in-person or telephone assistance on Saturdays; that New Jerseyans that speak Spanish and other languages can continue to obtain information on Sandy aid programs in other languages; and that applicants will have the ability to check the status of their pending applications. In addition, waitlisted applicants will be entitled to status updates, and the State will inform applicants whether

rebuilding could impact their ability to receive benefits and whether one pending application could delay or inhibit an applicant's ability to collect benefits otherwise payable under a separate application.

My recommendations also preserve the Legislature's desire for increased transparency by requiring, among other things, additional information to be provided on a State website. Importantly, I further propose that the Commissioner of Community Affairs, in consultation with other Departments administering recovery and rebuilding programs, review the implementation of the additional standards and safeguards contained in this bill, and report any findings and recommendations to me within six months of the date of enactment.

Accordingly, I herewith return the Senate Committee Substitute for Senate Bill Nos. 1306 and 1804 and recommend that it be amended as follows:

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| <u>Page 2, Title, Line 1:</u> | Delete "establishing the "Superstorm Sandy Bill of Rights"" and insert "concerning recovery and rebuilding programs related to Superstorm Sandy" |
| <u>Page 2, Section 1, Lines 7-8:</u> | Delete in their entirety |
| <u>Page 2, Section 2, Line 10:</u> | Delete "2." and insert "1." |
| <u>Page 2, Section 2, Line 13:</u> | Delete "inflicted more than \$36 billion of damage on New Jersey," |
| <u>Page 2, Section 2, Line 15:</u> | Delete "and" |
| <u>Page 2, Section 2, Line 16:</u> | After "assistance" insert ", and has resulted in more than \$36 billion in damage and recovery needs" |
| <u>Page 2, Section 2, Line 18:</u> | Delete "far from" and insert "not yet" |
| <u>Page 2, Section 2, Line 19:</u> | Delete "Since the recovery effort began, too many victimized" and insert "Recognizing that there are numerous challenges" |

associated with the efficient and expedient distribution of federal recovery resources following a disaster of the scale of Superstorm Sandy, the processes for"

- Page 2, Section 2, Lines 20-22: Delete "have experienced unreasonable inconveniences and unfair treatment in their efforts"
- Page 2, Section 2, Line 22: After "assistance" insert "has not been as fast as the Governor and the Legislature would like, and can be improved. Although the reasons for delays in obtaining assistance vary, the State has an obligation to those affected by the storm to make the process of obtaining benefits as user-friendly and transparent as possible. The State bears this responsibility even though many of the processes and benefit decisions are dictated by federal law"
- Page 2, Section 2, Line 22: Delete "These problems"
- Page 2, Section 2, Lines 23-35: Delete in their entirety
- Page 2, Section 2, Line 36: Delete "records act."
- Page 2, Section 2, Line 36: After "necessary for" insert "the Governor and"
- Page 2, Section 2, Lines 37-38: Delete "enact the "Superstorm Sandy Bill of Rights." This legislation establishes" and insert "codify and expand upon"
- Page 2, Section 2, Line 38: After "standards" insert "and safeguards"
- Page 2, Section 2, Lines 38-39: Delete ", small businesses"
- Page 2, Section 2, Line 39: Delete "other"
- Page 2, Section 2, Line 39: Delete ", and communities victimized" and insert "seeking financial assistance in recovering from Superstorm Sandy."
- Page 2, Section 2, Lines 40-41: Delete in their entirety
- Page 2, Section 3, Line 43: Delete "3." and insert "2."
- Page 2, Section 3, Lines 45-46: Delete ", small business owner, or other entity or party" and insert "or business"
- Page 3, Section 3, Lines 5-8: Delete in their entirety

- Page 3, Section 3, Line 9: Delete "a use by the State, or" and insert "the use of funding provided by the federal government, in an amount greater than \$10 million, for a program intended to help individuals and businesses rebuild and recover from Superstorm Sandy."
- Page 3, Section 3, Lines 10-25: Delete in their entirety
- Page 3, Section 3, Line 29: After "law," insert "rules, regulations, and programmatic guidelines,"
- Page 3, Section 3, Line 30: Delete "ensure" and insert "adhere to the following, as a means of ensuring"
- Page 3, Section 3, Line 30: Delete "individual, business, or local unit" and insert "applicant"
- Page 3, Section 3, Line 32: Delete ", shall have the following rights" and insert "is treated fairly in that process"
- Page 3, Section 3, Line 33: Delete "right to" and insert "State shall provide, on an Internet website,"
- Page 3, Section 3, Line 33: After "of" insert "every recovery and rebuilding program,"
- Page 3, Section 3, Line 34: Delete "or to appeal a denial of benefits or"
- Page 3, Section 3, Line 35: Delete in its entirety
- Page 3, Section 3, Line 36: Delete "program. A description of applicant rights" and insert "how"
- Page 3, Section 3, Lines 36-38: Delete "a step-by-step description of the application and appeals process, a list of all required documents,"
- Page 3, Section 3, Lines 39-40: Delete "shall be conveniently available on the State's Internet website;" and insert "."
- Page 3, Section 3, Lines 41-42: Delete "The right to appeal a denial from a recovery and rebuilding program, and obtain a decision within 50 days."
- Page 3, Section 3, Line 42: After "applicant" insert "who has been denied benefits under a recovery and rebuilding program administered by the State,

but has not appealed that denial to the State department or agency administering the program as of the date of enactment of P.L. , c. (C.) (pending before the Legislature as this bill),"

- Page 3, Section 3, Line 43: Delete "the right" and insert "120 days from the date of enactment"
- Page 3, Section 3, Line 43: After "to" insert "file an"
- Page 3, Section 3, Line 43: Delete "a denial, or any other adverse" and insert "."
- Page 3, Section 3, Lines 44-46: Delete in their entirety
- Page 3, Section 3, Line 47: Delete ", or its contractor," and insert "department or agency"
- Page 4, Section 3, Line 1: Delete "50" and insert "120"
- Page 4, Section 3, Line 1: After "days" insert "or prior to the expiration of this 120-day period, and with good cause, inform the applicant in writing that additional time is needed to resolve the appeal"
- Page 4, Section 3, Lines 1-3: Delete "If no decision is made within 50 days, then the appeal shall be deemed successful, and all relevant State and private entities shall act accordingly."
- Page 4, Section 3, Line 11: Delete "The right to know where the application or processing stands"
- Page 4, Section 3, Line 12: Delete in its entirety
- Page 4, Section 3, Line 13: Delete "number. In conjunction with any" and insert "For each"
- Page 4, Section 3, Line 14: Delete "there shall be a system to" and insert "the State shall"
- Page 4, Section 3, Line 14: After "application" insert "and shall assign each application a unique application number. Upon request, the State shall provide an applicant with information regarding the status of his or her application"
- Page 4, Section 3, Line 16: Delete "The system shall be available on"

- Page 4, Section 3, Lines 17-21: Delete in their entirety
- Page 4, Section 3, Line 22: Delete "person. For every 5,000 applicants," and insert "(4) The State shall cause"
- Page 4, Section 3, Line 22: Delete "shall exist," and insert "and at least one call center to be open"
- Page 4, Section 3, Line 23: Delete "and be in operation during normal business hours, and"
- Page 4, Section 3, Line 25: After "submissions" delete "," and insert "and"
- Page 4, Section 3, Line 25: Delete "and facilitating in-" and insert "until such time that, in the discretion of the Commissioner, Saturday availability is no longer prudent or necessary."
- Page 4, Section 3, Lines 26-36: Delete in their entirety
- Page 4, Section 3, Line 37: Delete "adverse. Each applicant, including each" and insert "(5) If an"
- Page 4, Section 3, Line 37: Delete "who is rejected," and insert "is rejected for benefits or is"
- Page 4, Section 3, Lines 38-39: Delete "or is subjected to any determination that may be reasonably considered adverse, shall be provided with a full list of" and insert "the State shall provide the applicant with the"
- Page 4, Section 3, Line 40: Delete "any program" and insert "the"
- Page 4, Section 3, Line 40: Delete "Such"
- Page 4, Section 3, Lines 41-47: Delete in their entirety
- Page 5, Section 3, Lines 1-4: Delete in their entirety
- Page 5, Section 3, Line 5: Delete "list, and why."
- Page 5, Section 3, Lines 6-7: Delete ". Upon initial placement, the applicant" and insert ","
- Page 5, Section 3, Line 7: After "position" insert ","
- Page 5, Section 3, Line 8: Delete ", an estimate of the round of funding the" and insert "."
- Page 5, Section 3, Lines 9-16: Delete in their entirety and insert "(6) The State shall ensure that reasonable procedures are in place to prevent the improper

dissemination of applicants' personal identifying information."

Page 5, Section 3, Line 17: Delete "(6) The right to fair" and insert "(7) The State shall provide"

Page 5, Section 3, Lines 19-47: Delete in their entirety

Page 6, Section 3, Lines 1-15: Delete in their entirety

Page 6, Section 3, Line 16: Delete "rebuilding programs in both English and Spanish" and insert "(8)"

Page 6, Section 3, Line 16: Delete "online,"

Page 6, Section 3, Line 17: After "telephone" delete ","

Page 6, Section 3, Lines 19-20: Delete "concurrently, accurately, and comprehensively"

Page 6, Section 3, Line 21: Delete "Recovery and rebuilding program"

Page 6, Section 3, Lines 22-35: Delete in their entirety and insert "(9) As set forth in the programmatic guidelines applicable to recovery and rebuilding programs, all"

Page 6, Section 3, Line 36: After "distributions" insert "and benefit decisions"

Page 6, Section 3, Line 36: Delete "an"

Page 6, Section 3, Line 36: Delete "and complete" and insert "criteria and considerations."

Page 6, Section 3, Lines 37-47: Delete in their entirety

Page 7, Section 3, Lines 1-16: Delete in their entirety

Page 7, Section 3, Line 17: Delete "one recovery and rebuilding program, and through insurance." and insert "(10)"

Page 7, Section 3, Line 19: Delete "they" and insert "he or she"

Page 7, Section 4, Line 21: After "program" insert ", to the extent permitted by applicable law, rule, regulation or programmatic guideline"

Page 7, Section 3, Line 22: Delete "necessary,"

Page 7, Section 3, Line 22: Delete "or its contractor may prioritize recovery and" and insert "is aware that"

Page 7, Section 3, Lines 23-26: Delete in their entirety

- Page 7, Section 3, Line 27: Delete "from"
- Page 7, Section 3, Line 27: After "application" insert "for benefits or a pending appeal could result in a delay in the payment of or a denial of benefits as a result of applicable law, rule, regulation, or programmatic guideline, the State shall so inform the applicant of the circumstances"
- Page 7, Section 3, Line 29: Delete "resulting from the severe weather event,"
- Page 7, Section 3, Line 30: Delete ";" and insert "."
- Page 7, Section 3, Lines 31-32: Delete "(10) The right for victims with modest income to obtain a fair portion" and insert "(11) To the extent consistent with applicable law, rules, regulations, and programmatic guidelines, the State shall prioritize the distribution"
- Page 7, Section 3, Line 32: After "benefits" insert "to applicants of low and moderate income"
- Page 7, Section 3, Lines 33-39: Delete in their entirety
- Page 7, Section 3, Line 40: Delete "(C.52:27D-304)." and insert "(12)"
- Page 7, Section 3, Lines 40-41: Delete "Superstorm Sandy benefits, or"
- Page 7, Section 3, Line 41: Delete "any other" and insert "a"
- Page 7, Section 3, Line 43: Delete "the severe weather event" and insert "Superstorm Sandy, unless otherwise required by law, rule, regulation or programmatic guideline"
- Page 7, Section 3, Line 44: Delete "(b)" and insert "(13)"
- Page 7, Section 3, Lines 44-45: Delete "establish clear and uniform standards for the grant of recovery and rebuilding program benefits to" and insert "provide"
- Page 7, Section 3, Line 46: Delete "at the time of the severe weather event,"
- Page 8, Section 3, Lines 1-2: Delete ". In all cases, owners and occupants of manufactured or mobile homes shall have" and insert "with"

- Page 8, Section 3, Line 3: Delete "equivalent to" and insert "consistent with"
- Page 8, Section 3, Line 4: After "homes," insert "to the extent permitted by applicable law, rules, regulations, and programmatic guidelines,"
- Page 8, Section 3, Lines 7-22: Delete in their entirety and insert "(14) Consistent with the goals of Executive Order 125 of 2013 and P.L. 2013, c.37 (C.52:15D-1 et seq.) to enhance transparency relating to the recovery from Superstorm Sandy,"
- Page 8, Section 3, Line 23: Delete "displaying the recipients of all contracts for" and insert "regarding"
- Page 8, Section 3, Line 24: After "funds" insert "and related contracts"
- Page 8, Section 3, Line 25: Delete "the State's" and insert "a State"
- Page 8, Section 3, Line 25: Delete "weekly" and insert "monthly"
- Page 8, Section 3, Lines 25-26: Delete ", together with a" and insert ". A"
- Page 8, Section 3, Line 27: Delete "contractor applications, and all other"
- Page 8, Section 3, Line 28: Delete ","
- Page 8, Section 3, Line 28: After "prioritized" insert "shall also appear on a State Internet website."
- Page 8, Section 3, Line 29: Delete "immediately"
- Page 8, Section 3, Line 30: Delete "the State's" and insert "a State"
- Page 8, Section 3, Line 30: Delete "For any recovery and"
- Page 8, Section 3, Lines 31-47: Delete in their entirety
- Page 9, Section 3, Lines 1-3: Delete in their entirety
- Page 9, Section 3, Line 4: Delete "(b) The State's" and insert "(15) Consistent with the goals of Executive Order 125 of 2013 and P.L. 2013, c.37 (C.52:15D-1 et seq.) to enhance transparency relating to the recovery from Superstorm Sandy, a Statee"
- Page 9, Section 3, Line 6: Delete "every step in"
- Page 9, Section 3, Line 7: After "distribution" insert ", and transcripts of all State-held, stenographically recorded public hearings that

primarily concern the recovery from Superstorm Sandy"

Page 9, Section 3, Line 8: Delete "(c)" and insert "(16)"

Page 9, Section 3, Lines 8-9: Delete "process that is initially developed throughout the existence of the" and insert "existing application and benefit distribution processes for each recovery and rebuilding"

Page 9, Section 3, Line 10: Delete "substantial" and insert "reasonable"

Page 9, Section 3, Line 10: Delete "the process" and insert "the processes"

Page 9, Section 3, Line 10: Delete "a process" and insert "a substantial"

Page 9, Section 3, Line 11: Delete "eligible applicants shall be given notice of the change" and insert "a State Internet website shall be updated to provide notification of the change."

Page 9, Section 3, Line 12: Delete in its entirety

Page 9, Section 3, Line 13: Delete "(d)" and insert "(17)"

Page 9, Section 3, Line 14: After "her" insert "mailing"

Page 9, Section 3, Line 14: After "address" insert "of record"

Page 9, Section 3, Line 16: Delete "(e)" and insert "(18)"

Page 9, Section 3, Line 16: Delete "Superstorm Sandy benefits" and insert "The State"

Page 9, Section 3, Line 16: Delete "be"

Page 9, Section 3, Line 16: After "aside" insert "funding"

Page 9, Section 3, Line 17: After "not" insert "previously"

Page 9, Section 3, Line 17: Delete "from a prior benefit" and insert "but may successfully appeal in accordance with paragraph (2) of this subsection."

Page 9, Section 3, Lines 18-25: Delete in their entirety

Page 9, Section 3, Line 26: Delete "recovery and rebuilding program, the" and insert "(19) The"

Page 9, Section 3, Line 27: Delete "and the public"

- Page 9, Section 3, Lines 31-32: Delete in their entirety
- Page 9, Section 3, Line 33: Delete "as a result of the severe weather event, such" and insert "(20) For recovery and rebuilding programs that fund the rehabilitation of primary residences, if an applicant's"
- Page 9, Section 3, Line 36: After "thereto" insert ", the State shall prioritize the applicant's application"
- Page 9, Section 3, Lines 37-41: Delete in their entirety
- Page 9, Section 3, Line 42: Delete "the recovery process." and insert "(21)"
- Page 9, Section 3, Lines 42-43: Delete "a severe weather event" and insert "Superstorm Sandy"
- Page 9, Section 3, Line 45: After "shall" insert "continue to"
- Page 9, Section 3, Line 46: Delete "otherwise"
- Page 10, Section 4, Lines 1-33: Delete in their entirety and insert:
- "c. Any costs resulting from compliance with subsection b. of this section shall be paid exclusively from funds provided to the State by the federal government, to the extent permitted by federal law, rule, regulation, or programmatic guideline.
- d. The Commissioner, in consultation with any other departments administering recovery and rebuilding programs, shall undertake a review of the implementation of the additional standards and safeguards contained in P.L. , c. (C.) (pending before the Legislature as this bill), and shall report any findings and recommendations directly to the Governor no later than six months from the date of enactment of this act."
- Page 10, Section 4, Line 35: Delete "5." and insert "3."

[seal]

Respectfully,
/s/ Chris Christie
Governor

Attest:

/s/ Christopher S. Porrino
Chief Counsel to the Governor