

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 3585

### STATE OF NEW JERSEY 218th LEGISLATURE

DATED: MARCH 29, 2019

#### SUMMARY

- Synopsis:** Establishes Office of Homelessness Prevention; appropriates \$3 million to DCA.
- Type of Impact:** Approximately \$3 million annual increase in State expenditures from General Fund.
- Agencies Affected:** Department of Community Affairs, New Jersey Housing and Mortgage Finance Agency, Department of Children and Families, Department of Health, New Jersey Motor Vehicle Commission, public schools, municipalities, counties, and Fort Monmouth Economic Revitalization Authority.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	\$3,000,000	Indeterminate Annual Increase	
<b>Local Cost</b>	Indeterminate Potential Marginal Increase		

- The Office of Legislative Services (OLS) estimates that the bill would result in a \$3 million increase in State expenditures during the fiscal year of enactment, and an indeterminate annual increase in expenditures thereafter, due to the operations of the Office of Homelessness Prevention (office) in the Department of Community Affairs (DCA) and the New Jersey Homelessness Prevention Task Force.
- The bill appropriates \$3 million from the General Fund to support the office's first year of operations. The OLS cannot identify the portion of this appropriation that will be used to support (1) the up-front costs of establishing the office, and (2) the ongoing costs of operating the office, nor can the OLS project how long the initial \$3 million appropriation will support these costs. Consequently, the OLS is unable to quantify the annual increase in DCA expenditures that is expected to result from the bill after the fiscal year of enactment.
- Under the bill, the following State and local entities may experience a marginal increase in administrative expenses resulting from the requirement to provide certain information to the office concerning persons who are homeless or at risk of homelessness: the Department of

Children and Families, the Department of Health, the New Jersey Motor Vehicle Commission, public schools, municipalities, counties, and the Fort Monmouth Economic Revitalization Authority.

- The bill also authorizes the transfer of the Homeless Management Information System, which is currently administered by the New Jersey Housing and Mortgage Finance Agency (NJHMFA), to the office. Any funds currently allocated by the NJHMFA to support the system would also be transferred to the DCA. No information is available to the OLS on the current cost to the NJHMFA of administering the system.

## **BILL DESCRIPTION**

The bill establishes the Office of Homelessness Prevention (office) in the Department of Community Affairs. The purpose of the office is to coordinate among State and local agencies and private organizations that provide services to persons who are homeless or those at risk for homelessness, and to implement a Statewide strategy to address homelessness.

Specifically, the office would: (1) collect, maintain, and make available information concerning persons who are homeless or at risk of homelessness; (2) evaluate State and local services and develop a consolidated plan to address the needs of persons who are homeless or at risk of homelessness; (3) compile and disseminate information concerning funding for State and local programs serving persons who are homeless; (4) assess and provide recommendations for coordinating the activities of State programs and local coalitions for persons who are homeless; (5) convene meetings and workshops concerning policies, services, and funding of efforts to meet the needs of persons who are homeless; and (6) conduct or promote research on the effectiveness of programs addressing the needs of persons who are homeless. The bill also permits the transfer of the Homeless Management Information System, currently administered in the New Jersey Housing and Mortgage Finance Agency, to the office.

The bill also establishes the “New Jersey Homelessness Prevention Task Force.” The purpose of the task force is to: (1) serve as an advisory body to the office; (2) develop recommendations, through an intensive collaborative effort among representatives of State government, providers of services to the homeless, advocacy organizations, and other concerned representatives of the public; (3) develop, promote, and support efforts for the most effective means of coordinating State and local initiatives; (4) identify sources of funding for programs to meet the various needs of persons within this State who are homeless or at risk for homelessness; and (5) develop more permanent housing solutions for this population.

Finally, the bill appropriates \$3 million from the General Fund to the Department of Community Affairs to fund the Office of Homelessness Prevention.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

**OFFICE OF LEGISLATIVE SERVICES**

The OLS estimates that the enactment of the bill would result in a \$3 million increase in State expenditures during the fiscal year of enactment, and an indeterminate annual increase in expenditures thereafter, due to the operations of the Office of Homelessness Prevention (office) in the Department of Community Affairs (DCA).

Most notably, the bill establishes the office to coordinate among public and private entities that provide services to persons who are homeless or those at risk for homelessness, and to implement a Statewide strategy to address homelessness. The bill also establishes the “New Jersey Homelessness Prevention Task Force” to serve as an advisory body to the office.

The bill appropriates \$3 million from the General Fund to support the office’s first year of operations. However, the OLS is unable to identify the portions of this \$3 million appropriation that will be used to support (1) the up-front costs of establishing the office, and (2) the ongoing costs of operating the office. The OLS also cannot project how long the \$3 million appropriation will support the up-front and ongoing costs of the office.

As a result, the OLS is unable to quantify the annual increase in DCA expenditures that is expected to result from the bill after the fiscal year of enactment. For example, if a large proportion of the initial \$3 million appropriation is expended on the up-front costs of establishing the office, then the annual State expenditures associated with supporting the office would be less than \$3 million. The OLS also notes that the Governor’s proposed Fiscal Year 2020 budget recommends \$3 million for the “Office of Homelessness Initiatives” in the DCA, which if approved would likely support the office.

Additionally, the bill requires certain State and local entities to provide information to the office concerning the presence of persons who are homeless or at risk of homelessness. The following public entities would be subject to this requirement: the Department of Children and Families, the Department of Health, the New Jersey Motor Vehicle Commission, public schools, municipalities, counties, and the Fort Monmouth Economic Revitalization Authority. As a result, these entities may experience a marginal increase in administrative expenses resulting from this requirement.

The bill also authorizes the transfer of the Homeless Management Information System, which is currently administered by the New Jersey Housing and Mortgage Finance Agency (NJHMFA), to the office. The OLS notes that any funds currently allocated by the NJHMFA to support the system would also be transferred to the DCA. The OLS has no information on the NJHMFA’s current cost of the system.

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).