

May 12, 2021

**ASSEMBLY BILL NO. 2116**

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Assembly Bill No. 2116 with my recommendations for reconsideration.

Under Assembly Bill No. 2116, every six months, the State Treasurer would submit to the Legislature a report identifying the deadlines for federal grants occurring in the six months immediately following the date of the report. In addition, the report would include information on recent and upcoming federal grant opportunities, as well as the history of the receipt of federal funds for State programs, projects, or purposes within the past 10 years.

According to a 2019 report from the Rockefeller Institute of Government, a public policy think tank, New Jersey received 82 cents for every dollar it sent to the federal government in 2017. While many factors contribute to the State's ability to bring in federal dollars, including those beyond our control, there are certainly steps that the State can take to increase the amount of federal grants and federal funds it receives from Washington.

To this end, in February 2020, I recommended, as part of my proposed budget for Fiscal Year 2021, the establishment of a Grants Management Office to identify federal funding opportunities for the State and local governments. The proposed Grants Management Office would make sure that State agencies are able to identify all relevant funding opportunities and provide support for local governments seeking federal and other funding. Shortly after my Fiscal Year 2021 Budget Message, the first person in New Jersey was diagnosed with Coronavirus disease 2019 ("COVID-19"), and by March 31, 2020, there were over 18,600 positive cases of COVID-19 in New Jersey with at least 267 of those cases having resulted in

death. Tragically, these numbers increased exponentially in the following months. As a result, the State's resources were focused intensely on mitigating the COVID-19 pandemic and my proposal to establish a Grants Management Office was put on hold as all available resources were directed towards the pandemic response.

While the exigencies of the pandemic temporarily delayed the formation of the Grants Management Office, my commitment to developing and implementing a Statewide centralized grants management and accountability system has never wavered. I commend the sponsors of this bill for advancing our shared goal of improved grants management for our State and its residents. However, the reports that would be required under this bill, without more, would be unlikely to impact the State's ability to obtain federal dollars and would impose a significant administrative burden on the Treasurer. I am therefore recommending several revisions, including establishing the Grants Management Office that I first proposed over a year ago, which will enable the State to take a more proactive approach in identifying, securing, and managing grants. Through the Grants Management Office, State departments, local governments, nonprofits, and other interested stakeholders will have centralized access to information on available grant opportunities, as well as access to training tools and guidelines on best practices for effective grants management.

Therefore, I herewith return Assembly Bill No. 2116 and recommend that it be amended as follows:

Page 2, Title, Lines 1-2: Delete "concerning deadlines for applications by State agencies for federal funds" and insert "establishing a Grants Management Office"

Page 2, Section 1, Line 7: Delete "The State Treasurer" and insert "a. There is established in the Department of the Treasury a Grants Management Office to improve

efficiency, streamline processes, reduce administrative burdens on both granting agencies and grant recipients, and facilitate development and implementation of a Statewide centralized grants management and accountability system.

b. The office shall be under the immediate supervision of a director, who shall report to the State Treasurer and who shall be a person qualified by training and experience to direct the work of such office. The director shall administer the work of the office and shall perform such other functions of the office as necessary to implement the provisions of P.L. , c. (C. ) (pending before the Legislature as this bill).

c. The Director of the Grants Management Office shall:

(1) distribute federal grant notices, coordinate applications, and provide information on the grant process to departments;

(2) distribute weekly information produced by the Federal Funds Information for States of grant opportunities to departments;

(3) coordinate with liaisons designated by each department to determine department interest in grant opportunities;

(4) create and maintain a database of active grants from announcement and application through award, execution, and compliance;

(5) investigate whether applications for federal funds were submitted appropriately and in accordance with relevant deadlines, laws, rules and regulations and policies;

(6) act as a compliance officer to monitor and audit grants;

(7) conduct outreach to municipal, county, non-profit, and other interested stakeholders concerning State

and federal grant opportunities;

(8) create and distribute training tools, standard operating procedures, and best practices guidelines; and

(9) produce seminars and events, including annual conferences for stakeholders.

d. The Director of the Grants Management Office is authorized to call upon any Executive Branch department or agency, including staff in the Governor's Office, to supply the Grants Management Office with information or other assistance as the director determines necessary. Each Executive Branch department and agency is hereby required, to the extent not inconsistent with law, to cooperate fully with the director within the limits of each department's or agency's statutory authority, and to furnish such assistance on as timely a basis as is necessary to accomplish the purpose of this law.

e. The Director of the Grants Management Office"

Page 2, Section 1, Lines 8-9:

Delete "at intervals of six months" and insert "annually"

Page 2, Section 1, Line 9:

Delete "identifying the deadlines, occurring in the six" and insert "that describes all federal funds received by State agencies in the preceding fiscal year."

Page 2, Section 1, Lines 10-34:

Delete in their entirety.

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Parimal Garg

Chief Counsel to the Governor