

LFN 2015-1

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Distribution

Community Disaster Loan
Recipients

2015 Community Development Block Grant Round Three Essential Services Grant: Local Governments & School Districts

Superstorm Sandy caused budget difficulties for certain local governments and school districts in 2013 and 2014 such that they sought and received Community Disaster Loans from FEMA. In some cases where local governments and school districts had exhausted Community Disaster Loans, Essential Service Grants were additionally sought and received.

A third round of Essential Service Grants (Round Three Essential Service Grants) will be available in CY 2015/FY 2016 for Municipalities, Counties, School Districts and Authorities (including Fire Districts) provided that they received and will have exhausted Community Disaster Loans by the end of CY 2015/FY 2016; as well as demonstrate CY 2015/FY 2016 financial hardship directly attributable to Superstorm Sandy (ratable or revenue sources that have not recovered or expenditures that have increased) such that they will be unable to maintain essential services.

Program guidelines are available on our [website](#). Any Municipality, County or Authority that intends to apply for a Third Round Essential Services Grant must notify the Division by emailing a completed "Notice of Intent to Apply" together with a draft budget that meets the parameters discussed in the Notice of Intent. The Notice of Intent to Apply and draft budget should be emailed to Jason.Martucci@dca.nj.gov **no later than February 6, 2015**. Please place "Essential Services Grant" in the heading. **School Districts need only submit the Notice of Intent to Apply.**

The Chief Administrative Officer and Chief Financial Officer of each prospective applicant providing a Notice of Intent to Apply will be required to participate in a mandatory, in-person orientation in February to discuss the application process and conditions of award.

Based on the Notice of Intent to File an Application and the draft budget, local governments will be notified of DLGS-proscribed amounts that can be anticipated for **planning purposes only and as part of the budget introduction process.**

No later than **March 31, 2015**, applicants must submit to the Division:

- a certified copy of their introduced budget that includes as revenue the DLGS-proscribed amount referenced above;
- an Annual Financial Statement (“AFS”); and
- an Essential Services Grant application (which will be made available and fully explained at the orientation).

General eligibility criteria and the application process are more fully discussed below.

IMPORTANT NOTE FOR SCHOOL DISTRICTS: *Municipalities will not be permitted to apply on behalf of their school districts; however, we strongly encourage local governments and school districts to communicate with another about their needs and intent to apply.*

A. What Qualifies as an Essential Service

For purposes of the Program, “essential services” are those that ensure the public safety and/or health and welfare of those individuals served by the local government entity or school district. Essential Service grants may be utilized to fund personnel delivering 1) existing services that due to the effects of Superstorm Sandy on their baseline budget would be eliminated or severely curtailed were it not for the grant; and/or 2) additional services necessitated by Superstorm Sandy. Essential services are those necessary not only for the local government to function, but also to ensure the communities they serve fully recover from the impacts of Sandy. In the municipal and county context, examples of essential services can include, but are not necessarily limited to, public safety-related services such as fire, emergency dispatch, security services, policing/law enforcement, etc; and public works services, including garbage collection; health and social services; and planning/permitting services.

Grant awards can also be utilized toward reimbursing costs relating to a shared service agreement involving the delivery of essential services. As further discussed below, a proposed grant budget with individuals to be funded and at what levels will be required to be completed as part of the application. All items in a proposed grant budget are subject to the approval of the Director.

B. Eligibility Criteria

In order to be considered for an Essential Services Grant Award, applicants will be required to:

1. Fully exhaust any Community Disaster Loan balance by the conclusion of CY 2015/ FY 2016.
2. Aggressively seek all available funds that could obviate the need for a Round Three Essential Service Grant.
3. Demonstrate that Superstorm Sandy’s direct impact on revenues and/or expenditures is the reason for the local government budget or school district not being able to sustainably support the cost of essential services. **To this end, applicants will be required to update (with actual figures where applicable), the estimated Superstorm Sandy revenue losses and expenditure increases used to apply for Community Disaster**

Loans. Additionally, applicants must be willing to include as part of their budgets appropriate and reasonable increases in local revenues.

4. Discuss what steps are being taken to contain costs before requesting a Round Three Essential Service Grant. A discussion of personnel cost restraints, nonessential service reductions, procurement initiatives, etc. will be required.
5. Explain what essential services would not be provided if a grant is not approved; and consequently, what essential services would be continued with the receipt of an award.
6. Explain their efforts at identifying opportunities for sharing capital assets or shared services with neighboring communities. Applicants that have failed to engage neighboring communities in realistic discussions about, and advancement of, opportunities for shared capital assets and services will negatively impact the any awards that may be made.
7. Discuss what actions are being undertaken to facilitate the appropriate and timely reconstruction of public and private property, including efforts to enhance the preparedness for, and resiliency in the face of, future storms.

Awards will be subject to the availability of funds.

C. The Application Process

The 2015 Essential Services Grant application process will be completely electronic, with each applicant completing an online application through a system called SIROMS. It is extremely important that Notices of Intent be filed in a timely manner and that applicants attend the mandatory orientation session so access to the system and appropriate training can be provided prior to the application due date. Representatives from the Department of Community Affairs Sandy Recovery Division will be on hand at the February 2015 mandatory orientation to explain the application filing process and answer any questions.

The following documents will be required to be uploaded with the application:

- Introduced CY2015 / FY 2016 budget and all documentation provided to the governing body relating to same.
- Most recent Annual Financial Statement.
- Most recent Audit.
- In Excel format, the name of each officer and employee of the applicant as of the first payroll of CY 2015/FY 2016 together with their annual salary, title, department, and date of hire.
- Current organization chart showing budgeted positions and titles.
- Application for the Community Disaster Loan Program.
- Proposed grant budget in a standard Excel template set forth by the Division
- Estimated Superstorm Sandy revenue losses and expenditure increases used to apply for Community Disaster Loans, updated to reflect actual experience or more current estimates.

***** The Division must receive applications and related material no later than March 31, 2015.**

The Division Director, Assistant Director for Financial Regulation, and the Manager of the Essential Services Grant Program (and other staff as appropriate) will review and discuss the grant applications and supporting documentation, conferencing as necessary with applicants to afford them an opportunity to clarify or explain any information submitted in support thereof. For school district applicants, the State Department of Education will be consulted as well. See the [Program Guidelines](#) for further information on this process.

D. Grant Awards and Drawdown Process

Award decisions are expected to be made as soon as possible after the application deadline so that appropriate budgets utilizing anticipated grant amounts may be adopted. Awards will only be made where the Division determines funds are needed to pay for essential services that cannot otherwise be provided absent an award of funds. Grants will be conditioned on applicants implementing, or making good faith efforts to implement, cost controls. These conditions may include, but are not necessarily limited to:

- Personnel cost restraints;
- Implementation of best practices identified on the Best Practices Questionnaire in conformance with the State Budget (municipalities only);
- Compliance with recommendations or reports issued by the State Comptroller;
- Implementation of, or reasonable efforts to implement, shared services. These shared service opportunities can either be identified in prior reports prepared on behalf of local governments or those determined to be appropriate by the Division's Shared Services Coordinator after discussions with appropriate officials.

The Director reserves the right to impose any budgetary or other conditions on grant awards deemed necessary to fulfill program objectives and ensure awardee's fiscal integrity.

Awardees will be required to sign a grant agreement stating that funds will be used only to pay for essential services, identifying those items that will be paid for with awarded funds. Successful applicants will be required to follow all applicable federal and State laws with respect to grant funds, including adhering to requisition and draw down requirements established by the United States Department of Housing and Economic Development (HUD). The grant award will be rescinded if the awardee fails to execute this Agreement. Awardees are subrecipients under the Agreement, with the Department of Community Affairs as Grantee and HUD as the Grantor.

The drawdown process, like the program application, will be entirely electronic. Awardees will utilize the SIROMS system to submit drawdown requests for review and approval. Drawdown requests will only be accepted for prior expenditures, not for expenditures yet to be made. Each request must be accompanied by payroll records or appropriate invoices documenting each line item sought.

Approved: Timothy J. Cunningham, Director