

44:10-34 to 44:10-43

LEGISLATIVE HISTORY CHECKLIST
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(Welfare reform)

NJSA: 44:10-34 to 44:10-43

LAWS OF: 1997 **CHAPTER:** 13

BILL NO: A14

SPONSOR(S): Charles & Vandervalk

DATE INTRODUCED: November 7, 1996

COMMITTEE: **ASSEMBLY:** Policy & Regulatory Oversight; Appropriations
SENATE: ---

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
First reprint enacted by superscript numbers

DATE OF PASSAGE: **ASSEMBLY:** November 7, 1996
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DATE OF APPROVAL: January 29, 1997

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COMMITTEE STATEMENT: **ASSEMBLY:** Yes 12-5-95 (2)
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See newspaper clipping--attached:
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KBP:pp

[First Reprint]
ASSEMBLY, No. 14

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 7, 1996

By Assemblyman CHARLES, Assemblywoman
VANDERVALK and Assemblyman Blee

1 AN ACT concerning welfare reform, supplementing Title 44 of the
2 Revised Statutes and amending P.L.1968, c.413, P.L.1987, c.283
3 and P.L.1994, c.182.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. (New section) As used in this act:

9 ¹"Alternative work experience" means unpaid work and training
10 only with a public, private nonprofit or private charitable employer
11 that provides a recipient with the experience necessary to adjust to,
12 and learn how to function in, an employment setting and the
13 opportunity to combine that experience with education and job
14 training. An alternative work experience participant shall not be
15 assigned to work for a private, for profit employer.¹

16 "Assistance unit" means: a single person without dependent
17 children; a couple without dependent children; dependent children
18 only; or a person ¹or couple¹ with one or more dependent children
19 who are legally or blood-related, or who is their legal guardian, and
20 who live together as a household unit.

21 "Benefits" means any assistance provided to needy persons and
22 their dependent children and ¹needy¹ single persons ¹and couples
23 without dependent children¹ under the Work First New Jersey
24 program.

25 "Commissioner" means the Commissioner of Human Services.

26 "Community work experience" means unpaid work ¹**[experience]**¹
27 and training ¹only¹ with a public, private nonprofit or private
28 charitable employer, provided to a recipient when, and to the extent,
29 that such experience is necessary to enable the recipient to adjust to,
30 and learn how to function in, an employment setting. ¹A community

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:
¹ Assembly APR committee amendments adopted December 5, 1996.

1 work experience participant shall not be assigned to work for a
2 private, for profit employer.¹

3 "Dependent child" means a child:

- 4 a. under the age of 18;
- 5 b. under the age of 19 and a full-time student in a secondary school
6 or an equivalent level of vocational or technical training, if, before the
7 student attains age 19, the student may reasonably be expected to
8 complete the student's program of secondary school or training; or
- 9 c. under the age of 21 and enrolled in a special education program,
10 who is living in New Jersey with the child's natural or adoptive parent
11 or legal guardian, or with a relative designated by the commissioner in
12 a place of residence maintained by the relative as the relative's home.

13 "Income" means, but is not limited to, commissions, salaries, self-
14 employed earnings, ¹child support and alimony payments.¹ interest
15 and dividend earnings, wages, receipts, unemployment compensation,
16 any legal or equitable interest or entitlement owed that was acquired
17 by a cause of action, suit, claim or counterclaim, insurance benefits,
18 temporary disability claims, estate income, trusts, federal income tax
19 refunds, State income tax refunds, homestead rebates, lottery prizes,
20 casino and racetrack winnings, annuities, retirement benefits, veterans'
21 benefits, union benefits, or other sources that may be defined as
22 income by the commissioner; except that in the event that individual
23 development accounts for recipients are established by regulation of
24 the commissioner, any interest or dividend earnings from such an
25 account shall not be considered income.

26 "Income eligibility standard" means the income eligibility threshold
27 based on assistance unit size established by regulation of the
28 commissioner for benefits provided within the limit of funds
29 appropriated by the Legislature.

30 ¹"Legal guardian" means a person who exercises continuing control
31 over the person or property, or both, of a child, including any specific
32 right of control over an aspect of the child's upbringing, pursuant to
33 a court order.¹

34 "Poverty level" means the official poverty level based on family
35 size, established and adjusted under Section 673 (2) of Subtitle B of
36 the "Community Services Block Grant Act, " Pub.L.97-35 (42 U.S.C.§
37 9902 (2)).

38 "Recipient" means a recipient of benefits under the Work First New
39 Jersey program.

40 "Services" means any Work First New Jersey benefits that are not
41 provided in the form of cash assistance.

42 "Standard of need" means the minimum amount of income and in-
43 kind benefits or services needed by families and single persons living
44 in New Jersey in order to maintain a decent and healthy standard of
45 living, as established by regulation of the commissioner, and shall
46 include necessary items such as housing, utilities, food, work-related

1 transportation, clothing and personal and household essentials.

2 "Title IV-A" means the provisions of Title IV-A of the federal
3 Social Security Act governing the program of aid to families with
4 dependent children established pursuant to P.L.1959, c.86 (C.44:10-1
5 et seq.) and the State Plan to implement those provisions that were in
6 effect on July 16, 1996, including income methodologies for
7 determining eligibility under those provisions and plan.

8 ¹ "Title IV-D" means the provisions of Title IV-D of the federal
9 Social Security Act governing paternity establishment and child
10 support enforcement activities and requirements.¹

11 "Work activity" includes, but is not limited to, the following, as
12 defined by regulation of the commissioner: employment; ¹【work
13 experience;】¹ on-the-job training; job search and job readiness
14 assistance; vocational educational training; job skills training related
15 directly to employment; community work experience; alternative work
16 experience; supportive work; community service programs, including
17 the provision of child care as a community service project; in the case
18 of a teenage parent or a recipient under the age of 19 who is expected
19 to graduate or complete their course of study by their 19th birthday,
20 satisfactory attendance at a secondary school or in a course of study
21 leading to a certificate of general equivalence; and education that is
22 necessary for employment in the case of a person who has not received
23 a high school diploma or a certificate of high school equivalency, a
24 course of study leading to a certificate of general equivalence, or post-
25 secondary education, when combined with community work
26 experience participation or other approved work activities, including
27 employment.

28 "Work First New Jersey program" or "program" means the
29 program established pursuant to P.L. c. (C.)(pending before the
30 Legislature as Assembly Bill No. 12 of 1996).

31

32 2. (New section) A person ¹, other than a natural or adoptive
33 parent or stepparent.¹ who is a care giver to a dependent child who is
34 that care giver's legal or blood relative shall be evaluated to determine
35 whether that person is eligible for benefits if that person's income is
36 not in excess of 150% of the poverty level.

37

38 3. (New section) A parent who is eligible for benefits who is
39 married to a person who is not the parent of one or more of the
40 eligible parent's children shall not be eligible for benefits if the
41 household income exceeds the income eligibility standard. The eligible
42 parent's natural children, however, shall be eligible for benefits
43 according to a sliding income scale established by the commissioner,
44 which does not take into account the income of the eligible parent's
45 spouse, if the total annual household income does not exceed 150% of
46 the poverty level. The spouse of the eligible parent and the spouse's

1 natural child, if any, who is living with the family, who is not the
2 eligible parent's natural child, shall not be eligible for benefits.

3

4 4. (New section) In computing the cash assistance benefit
5 provided to recipients, the following disregards shall be applied to the
6 earned income of each person in the assistance unit:

7 a. 100% for the first month of employment; and

8 b. 50% for each month thereafter.

9

10 5. (New section) a. The program shall provide supportive services
11 to a recipient as a last resort when no other source of support is
12 available, except that the recipient shall be required to continuously
13 seek other sources of support. The commissioner shall determine the
14 amounts and extent of the support. The supportive services shall
15 include, but not be limited to, one or more of the following:

16 (1) child care services ¹, including after-school child care in the
17 case of a child over six years of age,¹ for ¹ ["a recipient's"]¹ eligible
18 dependent ¹ ["child"]children¹, to be provided ¹ ["to persons with
19 dependent children"] during the recipient's program eligibility period
20 and¹ for 24 consecutive months following ineligibility for benefits as
21 a result of receipt of earned income ¹ [";"].¹

22 ¹ An adult recipient who continues to be eligible to receive child
23 care services following ineligibility for benefits, and an adult recipient
24 who is employed but continues to receive benefits, shall pay a copay
25 for child care services in accordance with a sliding fee scale established
26 by the commissioner, which shall be no greater than the child care co-
27 payment schedule established pursuant to N.J.A.C. 10:81-14.18A.¹

28 (2) transportation services to be provided directly by the program
29 or through an allowance or other means of subsidy by which the
30 recipient may purchase transportation; and

31 (3) a limited allowance for each assistance unit to cover work-
32 related expenses necessary to engage in required work activities, as
33 determined by the commissioner.

34 b. Medical assistance shall be provided to an assistance unit with
35 dependent children pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.),
36 in accordance with the provisions of section 2 of P.L.1987, c.283
37 (C.30:4D-6c) which provides for a continuation of medical assistance
38 for a period of 24 consecutive months under certain circumstances,
39 except that:

40 (1) coverage solely of the adult head of an assistance unit by an
41 employer's health insurance plan shall not preclude other members of
42 the assistance unit from receiving the additional 24 months of medical
43 assistance; and

44 (2) an assistance unit with dependent children which, using the
45 limits and methodologies contained in Title IV-A, would not be
46 eligible for cash assistance under Title IV-A as a result of the

1 collection of child or spousal support under Title IV-D of the federal
2 Social Security Act (42 U.S.C. §651 et seq.), shall receive an additional
3 four ¹consecutive¹ months of medical assistance beginning with the
4 first month of ineligibility under the provisions of Title IV-A.

5
6 ¹6. (New section) A community college which provides campus-
7 based child care and any work activity to a recipient as part of that
8 recipient's individual responsibility plan pursuant to section 8 of P.L.,
9 c. (C.) (pending before the Legislature as Assembly Bill No. 12 of
10 1996), shall receive a subsidy for the provision of child care from the
11 commissioner, in accordance with regulations adopted by the
12 commissioner.¹

13
14 ¹**[6.] 7.**¹ (New section) Single adults and couples without
15 dependent children shall not be eligible for medical assistance for
16 inpatient or outpatient hospital care or long-term care under the
17 program, except that medical assistance shall be provided for the
18 following, in accordance with regulations adopted by the
19 commissioner:

20 (1) inpatient hospitalization costs for a recipient of general public
21 assistance pursuant to P.L.1947, c.156 (C.44:8-107 et seq.) who is
22 admitted to a special hospital licensed by the Department of Health
23 and Senior Services which is not eligible to receive a charity care
24 subsidy from the Health Care Subsidy Fund established pursuant to
25 P.L.1992, c.160 (C.26:2H-18.51 et al.) and to which payments were
26 made prior to July 1, 1991 on behalf of patients receiving general
27 public assistance;

28 (2) nursing home costs for a person residing in a non-Medicaid
29 certified nursing facility prior to July 1, 1995, whose income is above
30 the Medicaid institutional cap and who does not otherwise qualify for
31 State-funded nursing home care as a medically needy person pursuant
32 to P.L.1968, c.413 (C.30:4D-1 et seq.), to be paid for out of a
33 separate account from the Medicaid program; which assistance shall
34 continue until the person is no longer eligible for long-term care; and

35 (3) nursing home costs for an alien residing in a Medicaid certified
36 nursing facility prior to the effective date of this act who is not
37 Medicaid-eligible under Pub.L.104-193; which assistance shall
38 continue until the person is no longer eligible for long-term care.

39
40 ¹**[7.] 8.**¹ (New section) a. The commissioner, in cooperation with
41 other affected agencies of State government, shall report biennially to
42 the Governor and the Legislature on the Work First New Jersey
43 program, and shall include in that report any recommendations for
44 changes in the law or regulations governing the program that the
45 commissioner deems necessary to further the goals of the program.
46 The commissioner shall determine the manner and terms of the

1 reporting in accordance with the requirements of federal law.

2 b. The commissioner shall issue a public report on at least a
3 quarterly basis concerning the number of recipients in the program, the
4 number of recipients classified as exempt from time limits or deferred
5 from work requirements, the number of recipients classified as to the
6 degree of employability as defined by the commissioner, the number
7 of recipients who have obtained employment, the number of recipients
8 terminated from the program and the reasons for the terminations, the
9 average wages and benefits earned by recipients, the types of
10 employment obtained by recipients and whether the employment is in
11 the public or private sector, the average length of stay 'in their jobs'
12 by recipients 'who reapply for benefits [in their jobs]', and the
13 number of former recipients who have re-entered the program after
14 being terminated.

15 c. To the extent not otherwise provided pursuant to subsections a.
16 or b. of this section, the commissioner shall conduct such research as
17 he deems appropriate to evaluate the outcomes for recipients, and the
18 benefits, costs and other effects of the program, and shall submit any
19 report resulting from that research to the Governor and the Legislature
20 and otherwise make copies available to the public.

21 'In addition, the commissioner shall initiate a study of the Michigan
22 Civilian Conservation Corps program as a means of offering
23 employment to economically disadvantaged youth that provides
24 constructive work experience and training to increase their ability to
25 secure unsubsidized employment. The commissioner shall study the
26 effectiveness of the Michigan Civilian Conservation Corps program
27 and the possibility of establishing such a program in this State. The
28 commissioner shall submit a written report of his findings and
29 recommendations to the Governor and the Legislature by January 1,
30 1998.'
31

32 '[8.] 9.' (New section) The commissioner shall establish by
33 regulation a standard of need and update the standard annually. The
34 standard of need shall serve only as a benchmark against which the
35 Legislature may decide on appropriations to fund cash assistance
36 benefits to recipients.

37
38 '[9.] 10.' Section 3 of P.L.1968, c.413 (C.30:4D-3) is amended to
39 read as follows:

40 3. Definitions. As used in this act, and unless the context
41 otherwise requires:

42 a. "Applicant" means any person who has made application for
43 purposes of becoming a "qualified applicant."

44 b. "Commissioner" means the Commissioner of Human Services.

45 c. "Department" means the Department of Human Services, which
46 is herein designated as the single State agency to administer the

1 provisions of this act.

2 d. "Director" means the Director of the Division of Medical
3 Assistance and Health Services.

4 e. "Division" means the Division of Medical Assistance and Health
5 Services.

6 f. "Medicaid" means the New Jersey Medical Assistance and Health
7 Services Program.

8 g. "Medical assistance" means payments on behalf of recipients to
9 providers for medical care and services authorized under this act.

10 h. "Provider" means any person, public or private institution,
11 agency or business concern approved by the division lawfully
12 providing medical care, services, goods and supplies authorized under
13 this act, holding, where applicable, a current valid license to provide
14 such services or to dispense such goods or supplies.

15 i. "Qualified applicant" means a person who is a resident of this
16 State and is determined to need medical care and services as provided
17 under this act, and who:

18 (1) Is a ¹dependent child or parent or caretaker relative of a
19 dependent child and a¹ recipient of **[Aid to Families with Dependent**
20 **Children]** benefits under the Work First New Jersey program
21 established pursuant to P.L. _____, c. _____ (C. _____)(pending before the
22 Legislature as Assembly Bill No. 12 of 1996) ¹who would be, except
23 for resources, eligible for the aid to families with dependent children
24 program under the State Plan for Title IV-A of the federal Social
25 Security Act as of July 16, 1996 ¹;

26 (2) Is a recipient of Supplemental Security Income for the Aged,
27 Blind and Disabled under Title XVI of the Social Security Act;

28 (3) Is an "ineligible spouse" of a recipient of Supplemental Security
29 Income for the Aged, Blind and Disabled under Title XVI of the Social
30 Security Act, as defined by the federal Social Security Administration;

31 (4) Would be eligible to receive ¹**[public assistance under a**
32 **categorical assistance program]** Supplemental Security Income under
33 Title XVI of the federal Social Security Act or would be, except for
34 resources, eligible for the aid to families with dependent children
35 program under the State Plan for Title IV-A of the federal Social
36 Security Act as of July 16, 1996,¹ except for failure to meet an
37 eligibility condition or requirement imposed under such State program
38 which is prohibited under Title XIX of the federal Social Security Act
39 such as a durational residency requirement, relative responsibility,
40 consent to imposition of a lien;

41 (5) Is a child between 18 and 21 years of age who would be
42 ¹, except for resources,¹ eligible for **[Aid to Families with Dependent**
43 **Children]** ¹**[the Work First New Jersey program]** the aid to families
44 with dependent children program under the State Plan for Title IV-A
45 of the federal Social Security Act as of July 16, 1996¹, living in the
46 family group except for lack of school attendance or pursuit of

1 formalized vocational or technical training;

2 (6) Is an individual under 21 years of age who ¹【qualifies for
3 categorical assistance on the basis of financial eligibility, but does not
4 qualify as a dependent child under the 【State's program of Aid to
5 Families with Dependent Children (AFDC)】 Work First New Jersey
6 program】 would be, except for resources or dependent child
7 requirements, eligible for the aid to families with dependent children
8 program under the State Plan for Title IV-A of the federal Social
9 Security Act as of July 16, 1996 ¹, or groups of such individuals,
10 including but not limited to, children in foster placement under
11 supervision of the Division of Youth and Family Services whose
12 maintenance is being paid in whole or in part from public funds,
13 children placed in a foster home or institution by a private adoption
14 agency in New Jersey or children in intermediate care facilities,
15 including 【institutions for the mentally retarded】 developmental
16 centers for the developmentally disabled, or in psychiatric hospitals;

17 (7) ¹【Meets the standard of need applicable to his circumstances
18 under a categorical assistance program】 Except for resources, would
19 be eligible for the aid to families with dependent children program
20 under the State Plan for Title IV-A of the federal Social Security Act
21 in effect as of July 16, 1996¹ or ¹the¹ Supplemental Security Income
22 program, but is not receiving such assistance and applies for medical
23 assistance only;

24 (8) Is determined to be medically needy and meets all the eligibility
25 requirements described below:

26 (a) The following individuals are eligible for services, if they are
27 determined to be medically needy:

- 28 (i) Pregnant women;
29 (ii) Dependent children under the age of 21;
30 (iii) Individuals who are 65 years of age and older; and
31 (iv) Individuals who are blind or disabled pursuant to either 42
32 C.F.R.435.530 et seq. or 42 C.F.R.435.540 et seq., respectively.

33 (b) The following income standard shall be used to determine
34 medically needy eligibility:

35 (i) For one person and two person households, the income standard
36 shall be the maximum allowable under federal law, but shall not exceed
37 133 1/3% of the State's payment level to two person households
38 ¹【eligible to receive assistance pursuant to 【P.L.1959, c.86 (C.44:10-1
39 et seq.)】P.L. , c. (C.)(pending before the Legislature as
40 Assembly Bill No. 12 of 1996)】 under the aid to families with
41 dependent children program under the State Plan for Title IV-A of the
42 federal Social Security Act in effect as of July 16, 1996¹ ; and

43 (ii) For households of three or more persons, the income standard
44 shall be set at 133 1/3% of the State's payment level to similar size
45 households ¹【eligible to receive assistance pursuant to 【P.L.1959,

1 c.86 (C.44:10-1 et seq.)] P.L. , c. (C.)(pending before the
2 Legislature as Assembly Bill No. 12 of 1996) under the aid to
3 families with dependent children program under the State Plan for
4 Title IV-A of the federal Social Security Act in effect as of July 16,
5 1996¹ .

6 (c) The following resource standard shall be used to determine
7 medically needy eligibility:

8 (i) For one person households, the resource standard shall be 200%
9 of the resource standard for recipients of Supplemental Security
10 Income pursuant to 42 U.S.C.1382(1)(B);

11 (ii) For two person households, the resource standard shall be
12 200% of the resource standard for recipients of Supplemental Security
13 Income pursuant to 42 U.S.C.1382(2)(B);

14 (iii) For households of three or more persons, the resource
15 standard in subparagraph (c)(ii) above shall be increased by \$100.00
16 for each additional person; and

17 (iv) The resource standards established in (i), (ii), and (iii) are
18 subject to federal approval and the resource standard may be lower if
19 required by the federal Department of Health and Human Services.

20 (d) Individuals whose income exceeds those established in
21 subparagraph (b) of paragraph (8) of this subsection may become
22 medically needy by incurring medical expenses as defined in 42
23 C.F.R.435.831(c) which will reduce their income to the applicable
24 medically needy income established in subparagraph (b) of paragraph
25 (8) of this subsection.

26 (e) A six-month period shall be used to determine whether an
27 individual is medically needy.

28 (f) Eligibility determinations for the medically needy program shall
29 be administered as follows:

30 (i) County welfare agencies are responsible for determining and
31 certifying the eligibility of pregnant women and dependent children.
32 The division shall reimburse county welfare agencies for 100% of the
33 reasonable costs of administration which are not reimbursed by the
34 federal government for the first 12 months of this program's operation.
35 Thereafter, 75% of the administrative costs incurred by county welfare
36 agencies which are not reimbursed by the federal government shall be
37 reimbursed by the division;

38 (ii) The division is responsible for certifying the eligibility of
39 individuals who are 65 years of age and older and individuals who are
40 blind or disabled. The division may enter into contracts with county
41 welfare agencies to determine certain aspects of eligibility. In such
42 instances the division shall provide county welfare agencies with all
43 information the division may have available on the individual.

44 The division shall notify all eligible recipients of the Pharmaceutical
45 Assistance to the Aged and Disabled program, P.L.1975, c.194
46 (C.30:4D-20 et seq.) on an annual basis of the medically needy

1 program and the program's general requirements. The division shall
2 take all reasonable administrative actions to ensure that
3 Pharmaceutical Assistance to the Aged and Disabled recipients, who
4 notify the division that they may be eligible for the program, have their
5 applications processed expeditiously, at times and locations convenient
6 to the recipients; and

7 (iii) The division is responsible for certifying incurred medical
8 expenses for all eligible persons who attempt to qualify for the
9 program pursuant to subparagraph (d) of paragraph (8) of this
10 subsection;

11 (9) (a) Is a child who is at least one year of age and under six years
12 of age; and

13 (b) Is a member of a family whose income does not exceed 133%
14 of the poverty level and who meets the federal Medicaid eligibility
15 requirements set forth in section 9401 of Pub.L.99-509 (42
16 U.S.C.1396a);

17 (10) Is a pregnant woman who is determined by a provider to be
18 presumptively eligible for medical assistance based on criteria
19 established by the commissioner, pursuant to section 9407 of
20 Pub.L.99-509 (42 U.S.C.1396a(a));

21 (11) Is an individual 65 years of age and older, or an individual
22 who is blind or disabled pursuant to section 301 of Pub.L.92-603 (42
23 U.S.C.1382c), whose income does not exceed 100% of the poverty
24 level, adjusted for family size, and whose resources do not exceed
25 100% of the resource standard used to determine medically needy
26 eligibility pursuant to paragraph (8) of this subsection;

27 (12) Is a qualified disabled and working individual pursuant to
28 section 6408 of Pub.L.101-239 (42 U.S.C.1396d) whose income does
29 not exceed 200% of the poverty level and whose resources do not
30 exceed 200% of the resource standard used to determine eligibility
31 under the Supplemental Security Income Program, P.L.1973, c.256
32 (C.44:7-85 et seq.);

33 (13) Is a pregnant woman or is a child who is under one year of
34 age and is a member of a family whose income does not exceed 185%
35 of the poverty level and who meets the federal Medicaid eligibility
36 requirements set forth in section 9401 of Pub.L.99-509 (42
37 U.S.C.1396a), except that a pregnant woman who is determined to be
38 a qualified applicant shall, notwithstanding any change in the income
39 of the family of which she is a member, continue to be deemed a
40 qualified applicant until the end of the 60-day period beginning on the
41 last day of her pregnancy;

42 (14) Is a child born after September 30, 1983 who has attained six
43 years of age but has not attained 19 years of age and is a member of
44 a family whose income does not exceed 100% of the poverty level; or

45 (15) (a) Is a specified low-income medicare beneficiary pursuant
46 to 42 U.S.C.1396a(a)10(E)iii whose resources beginning January 1,

1 1993 do not exceed 200% of the resource standard used to determine
2 eligibility under the Supplemental Security Income program, P.L.1973,
3 c.256 (C.44:7-85 et seq.) and whose income beginning January 1,
4 1993 does not exceed 110% of the poverty level, and beginning
5 January 1, 1995 does not exceed 120% of the poverty level.

6 (b) An individual who has, within 36 months, or within 60 months
7 in the case of funds transferred into a trust, of applying to be a
8 qualified applicant for Medicaid services in a nursing facility or a
9 medical institution, or for home or community-based services under
10 section 1915(c) of the federal Social Security Act (42
11 U.S.C.1396n(c)), disposed of resources or income for less than fair
12 market value shall be ineligible for assistance for nursing facility
13 services, an equivalent level of services in a medical institution, or
14 home or community-based services under section 1915(c) of the
15 federal Social Security Act (42 U.S.C.1396n(c)). The period of the
16 ineligibility shall be the number of months resulting from dividing the
17 uncompensated value of the transferred resources or income by the
18 average monthly private payment rate for nursing facility services in
19 the State as determined annually by the commissioner. In the case of
20 multiple resource or income transfers, the resulting penalty periods
21 shall be imposed sequentially. Application of this requirement shall be
22 governed by 42 U.S.C. 1396p(c). In accordance with federal law, this
23 provision is effective for all transfers of resources or income made on
24 or after August 11, 1993. Notwithstanding the provisions of this
25 subsection to the contrary, the State eligibility requirements
26 concerning resource or income transfers shall not be more restrictive
27 than those enacted pursuant to 42 U.S.C. 1396p(c).

28 (c) An individual seeking nursing facility services or home or
29 community-based services and who has a community spouse shall be
30 required to expend those resources which are not protected for the
31 needs of the community spouse in accordance with section 1924(c) of
32 the federal Social Security Act (42 U.S.C. 1396r-5(c)) on the costs of
33 long-term care, burial arrangements, and any other expense deemed
34 appropriate and authorized by the commissioner. An individual shall
35 be ineligible for Medicaid services in a nursing facility or for home or
36 community-based services under section 1915(c) of the federal Social
37 Security Act (42 U.S.C. 1396n(c)) if the individual expends funds in
38 violation of this subparagraph. The period of ineligibility shall be the
39 number of months resulting from dividing the uncompensated value of
40 transferred resources and income by the average monthly private
41 payment rate for nursing facility services in the State as determined by
42 the commissioner. The period of ineligibility shall begin with the
43 month that the individual would otherwise be eligible for Medicaid
44 coverage for nursing facility services or home or community-based
45 services.

46 This subparagraph shall be operative only if all necessary approvals

1 are received from the federal government including, but not limited to,
2 approval of necessary State plan amendments and approval of any
3 waivers.

4 j. "Recipient" means any qualified applicant receiving benefits
5 under this act.

6 k. "Resident" means a person who is living in the State voluntarily
7 with the intention of making his home here and not for a temporary
8 purpose. Temporary absences from the State, with subsequent returns
9 to the State or intent to return when the purposes of the absences have
10 been accomplished, do not interrupt continuity of residence.

11 l. "State Medicaid Commission" means the Governor, the
12 Commissioner of Human Services, the President of the Senate and the
13 Speaker of the General Assembly, hereby constituted a commission to
14 approve and direct the means and method for the payment of claims
15 pursuant to this act.

16 m. "Third party" means any person, institution, corporation,
17 insurance company, group health plan as defined in section 607(1) of
18 the federal "Employee Retirement and Income Security Act of 1974,"
19 29 U.S.C.1167(1), service benefit plan, health maintenance
20 organization, or other prepaid health plan, or public, private or
21 governmental entity who is or may be liable in contract, tort, or
22 otherwise by law or equity to pay all or part of the medical cost of
23 injury, disease or disability of an applicant for or recipient of medical
24 assistance payable under this act.

25 n. "Governmental peer grouping system" means a separate class of
26 skilled nursing and intermediate care facilities administered by the
27 State or county governments, established for the purpose of screening
28 their reported costs and setting reimbursement rates under the
29 Medicaid program that are reasonable and adequate to meet the costs
30 that must be incurred by efficiently and economically operated State
31 or county skilled nursing and intermediate care facilities.

32 o. "Comprehensive maternity or pediatric care provider" means any
33 person or public or private health care facility that is a provider and
34 that is approved by the commissioner to provide comprehensive
35 maternity care or comprehensive pediatric care as defined in
36 subsection b. (18) and (19) of section 6 of P.L.1968, c.413
37 (C.30:4D-6).

38 p. "Poverty level" means the official poverty level based on family
39 size established and adjusted under Section 673(2) of Subtitle B, the
40 "Community Services Block Grant Act," of Pub.L.97-35
41 (42 U.S.C.9902(2)).
42 (cf: P.L.1995, c.292, s.1)

43

44 ¹**[10.] 11.** ¹Section 2 of P.L.1987, c.283 (C.30:4D-6c) is amended
45 to read as follows:

46 2. **[A]** ¹Subject to the provisions of section 5 of P.L. , c.

1 (C. _____)(pending before the Legislature as this bill), a person who
2 becomes ineligible for financial assistance under the [aid to families
3 with dependent children program, P.L.1959, c.86 (C.44:10-1 et seq.)]
4 Work First New Jersey program established pursuant to P.L. _____, c.
5 (C. _____)(pending before the Legislature as Assembly Bill No. 12 of
6 1996).] A dependent child or the parent or caretaker relative of a
7 dependent child who would lose eligibility for the aid to families with
8 dependent children program under the State Plan for Title IV-A of the
9 federal Social Security Act in effect as of July 16, 1996¹ due to
10 earnings from, or increased hours of, employment, or receipt of
11 benefits under the "unemployment compensation law," R.S.43:21-1 et
12 seq. or the "Temporary Disability Benefits Law," P.L.1948, c.110
13 (C.43:21-25 et seq.), is eligible to continue receiving Medicaid benefits
14 pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) for a period of 24
15 consecutive months, commencing with the month in which eligibility
16 ¹[for] ¹[aid to families with dependent children] ¹[the Work First
17 New Jersey program ceases,] under provisions of the State Plan for
18 Title IV-A of the federal Social Security Act in effect as of July 16,
19 1996 is no longer met,¹ if the person:

20 [a. received financial assistance under the aid to families with
21 dependent children program for three of the last six months prior to
22 the person's becoming ineligible for the assistance, except in the case
23 of a person who becomes eligible for aid to families with dependent
24 children benefits on or after the effective date of this act; and] ¹ a. ¹
25 (Deleted by amendment, P.L. _____, c. _____)(pending before the Legislature
26 as this bill).

27 b. would be eligible ¹[for] ¹[aid to families with dependent
28 children] ¹[Work First New Jersey financial assistance] in accordance
29 with the State Plan for Title IV-A of the federal Social Security Act in
30 effect as of July 16, 1996¹, except for the person's income, resources
31 or hours of employment.

32 (cf: P.L.1991, c.523, s.17)

33

34 ¹[11.] 12.¹ Section 30 of P.L.1994, c.182 (C.44:10-5.9) is
35 amended to read as follows:

36 30. The director or other chief administrative officer of each
37 agency or office administering assistance under the ["Aid to Families
38 With Dependent Children" program] Work First New Jersey program
39 established pursuant to P.L. _____, c. _____ (C. _____)(pending before the
40 Legislature as Assembly Bill No. 12 of 1996) shall:

41 a. cause copies of the voter registration forms and instructions
42 provided for under subsections e. and f. of section 16 of P.L.1974,
43 c.30 (C.19:31-6.4) and the declination form provided for in subsection
44 b. of section 26 of P.L.1994, c.182 (C.19:31-6.11) to be distributed at
45 each such agency or office to each person appearing in person thereat

1 to apply for services or assistance provided thereby or to seek a
2 recertification, renewal or change of address relative to the assistance
3 provided at such office. An employee of the agency or office shall
4 inquire of every such person whether the person, if not already
5 registered to vote from the place of his or her present residence,
6 wishes to be so registered and shall inform the person that whether or
7 not the applicant chooses to register will not affect the person's
8 eligibility for those services. The employee shall subsequently review
9 the forms to determine whether or not the person wishes to register to
10 vote. If the person does not wish to register, the employee shall
11 provide the person with any assistance necessary to complete the
12 declination form and then inform the person that the form will be
13 retained by the employee. If the person wishes to register, the
14 employee shall provide the person with any assistance necessary in
15 completing the voter registration form; shall inform the applicant that
16 the applicant may leave the completed form with the employee or mail
17 it personally to the Secretary of State; and if the applicant chooses to
18 leave the form, shall accept the completed form, stamp or otherwise
19 mark the lower right hand corner of the document with the date on
20 which it was so received, and forward it to the Secretary of State. The
21 employee shall provide to each applicant who does not decline to
22 register to vote the same degree of assistance with regard to the
23 completion of the voter registration form as is provided by the office
24 with regard to the completion of its own forms, unless the applicant
25 refuses such assistance;

26 b. provide for the continuous supply of the forms and instructions
27 specified in subsection a. of this section to every agency and office
28 which provides assistance under **[P.L.1959, c.86 (C.44:10-1) and]**
29 P.L. , c. (C.)(pending before the Legislature as Assembly Bill
30 No. 12 of 1996), 42 U.S.C. §601 et seq. and the federal "Food Stamp
31 Act of 1977," Pub.L.95-113 (7 U.S.C. §2011 et seq.);

32 c. provide the forms and instructions specified in subsection a. of
33 this section in both the English and Spanish languages to the agencies
34 and offices which are located in any county in which bilingual sample
35 ballots must be provided pursuant to R.S.19:14-21, R.S.19:49-4 or
36 section 2 of P.L.1965, c.29 (C.19:23-22.4);

37 d. provide for the collection of completed voter registration forms
38 by any employee of the agency or office for the transmittal of the
39 forms to the Secretary of State;

40 e. provide that the forms, instructions and assistance specified in
41 subsection a. of this section shall be provided to any person with a
42 disability who receives assistance or services at that person's home
43 from an employee of the agency or office;

44 f. inform each employee of the agency or office who assists in
45 registering a person to vote that employee shall not:

46 (1) seek to influence an applicant's political preference or party

1 registration;

2 (2) display any such political preference or party allegiance;

3 (3) make any statement to an applicant or take any action the
4 purpose or effect of which is to discourage the applicant from
5 registering to vote; or

6 (4) make any statement to an applicant or take any action the
7 purpose or effect of which is to lead the applicant to believe that a
8 decision to register or not to register has any bearing on the
9 availability of services or benefits; and

10 g. make certain that no information relating to a declination to
11 register to vote by an individual in connection with any type of
12 application for service made by that individual at any agency or office
13 is used for any purpose other than voter registration.

14 (cf: P.L.1994, c.182, s.30)

15

16 ¹~~12.~~ 13.¹ The commissioner, pursuant to the "Administrative
17 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt
18 rules and regulations to effectuate the purposes of this act and to
19 comply with the requirements of Pub.L.104-193.

20

21 ¹~~13.~~ 14.¹ This act shall take effect immediately.

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23

24

25

26 Enacts various provisions of welfare reform including supportive
27 services and income disregards.

- 1 section 2 of P.L.1965, c.29 (C.19:23-22.4);
2 d. provide for the collection of completed voter registration forms
3 by any employee of the agency or office for the transmittal of the
4 forms to the Secretary of State;
5 e. provide that the forms, instructions and assistance specified in
6 subsection a. of this section shall be provided to any person with a
7 disability who receives assistance or services at that person's home
8 from an employee of the agency or office;
9 f. inform each employee of the agency or office who assists in
10 registering a person to vote that employee shall not:
11 (1) seek to influence an applicant's political preference or party
12 registration;
13 (2) display any such political preference or party allegiance;
14 (3) make any statement to an applicant or take any action the
15 purpose or effect of which is to discourage the applicant from
16 registering to vote; or
17 (4) make any statement to an applicant or take any action the
18 purpose or effect of which is to lead the applicant to believe that a
19 decision to register or not to register has any bearing on the
20 availability of services or benefits; and
21 g. make certain that no information relating to a declination to
22 register to vote by an individual in connection with any type of
23 application for service made by that individual at any agency or office
24 is used for any purpose other than voter registration.
25 (cf: P.L.1994, c.182, s.30)

26
27 12. The commissioner, pursuant to the "Administrative Procedure
28 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and
29 regulations to effectuate the purposes of this act and to comply with
30 the requirements of Pub.L.104-193.

31
32 13. This act shall take effect immediately.
33
34

35 STATEMENT

36
37 This bill is part of a legislative package which establishes the "Work
38 First New Jersey" program in the Department of Human Services as
39 the State's consolidated public assistance program, replacing the
40 current programs of aid to families with dependent children, (AFDC),
41 AFDC emergency assistance, general assistance (GA), GA emergency
42 assistance, the GA employability program, and the Family
43 Development Initiative.

44 Specifically, concerning eligibility, the bill provides that a person
45 who is a care giver to a dependent child who is that care giver's legal
46 or blood relative shall be evaluated to determine whether that person

1 is eligible for benefits if that care giver's income is not in excess of
2 150% of the poverty level. Also, the bill clarifies the eligibility of
3 children in households with step parents.

4 The bill requires the program to provide supportive services to
5 program recipients, including transportation and work expense
6 vouchers, as well as an extension of Medicaid benefits and a child care
7 subsidy for up to two years for households that become ineligible for
8 cash assistance because of income from employment.

9 The bill also specifies that single adults and couples without
10 dependent children shall not be eligible for medical assistance for
11 inpatient or outpatient hospital care or long-term care under the
12 program, except that medical assistance shall be provided for:

13 (1) inpatient hospitalization costs for a recipient of general public
14 assistance pursuant to P.L.1947, c.156 (C.44:8-107 et seq.) who is
15 admitted to a special hospital licensed by the Department of Health
16 and Senior Services which is not eligible to receive a charity care
17 subsidy from the Health Care Subsidy Fund;

18 (2) nursing home costs for a person residing in a non-Medicaid
19 certified nursing facility prior to July 1, 1995, whose income is above
20 the Medicaid institutional cap and who does not otherwise qualify for
21 State-funded nursing home care as a medically needy person; and

22 (3) nursing home costs for an alien residing in a Medicaid certified
23 nursing facility prior to the effective date of this act who is not
24 Medicaid-eligible under Pub.L.104-193.

25 The bill requires the Commissioner of Human Services to report to
26 the Legislature and Governor biennially on the program and to make
27 certain quarterly reports available to the public.

28 The bill directs the Commissioner of Human Services to establish,
29 by regulation, a standard of need and update that standard annually.
30 The standard of need will serve as a benchmark against which the
31 Legislature may decide on appropriations to fund cash assistance
32 benefits to recipients.

33 Finally, the bill amends P.L.1994, c.182, the "motor voter" law, to
34 update references in that bill to reflect the Work First New Jersey
35 program.

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40 Enacts various provisions of welfare reform including supportive
41 services and income disregards.

ASSEMBLY POLICY AND REGULATORY OVERSIGHT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 14

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 5, 1996

The Assembly Policy and Regulatory Oversight Committee reports favorably and with committee amendments Assembly Bill No. 14.

As amended by the committee, this bill is part of a legislative package which establishes the "Work First New Jersey" program in the Department of Human Services as the State's consolidated public assistance program, replacing the current programs of aid to families with dependent children, (AFDC), AFDC emergency assistance, general assistance (GA), GA emergency assistance, the GA employability program, and the Family Development Initiative.

The bill provides that a person who is a care giver to a dependent child who is that care giver's legal or blood relative (other than the child's natural or adoptive stepparent) shall be evaluated to determine whether that person is eligible for Work First New Jersey benefits if that care giver's income is not in excess of 150% of the poverty level. Also, the bill clarifies the eligibility of children in households with stepparents.

The bill requires the program to provide supportive services to program recipients, including transportation and work expense vouchers, as well as an extension of Medicaid benefits and a child care subsidy for up to two years for households that become ineligible for cash assistance because of income from employment.

The bill also specifies that single adults and couples without dependent children shall not be eligible for medical assistance for inpatient or outpatient hospital care or long-term care under the program, except that medical assistance shall be provided for:

(1) inpatient hospitalization costs for a recipient of general public assistance pursuant to P.L.1947, c.156 (C.44:8-107 et seq.) who is admitted to a special hospital licensed by the Department of Health and Senior Services which is not eligible to receive a charity care subsidy from the Health Care Subsidy Fund; (2) nursing home costs for a person residing in a non-Medicaid certified nursing facility prior to July 1, 1995, whose income is above the Medicaid institutional cap and who does not otherwise qualify for State-funded nursing home

care as a medically needy person; and (3) nursing home costs for an alien residing in a Medicaid certified nursing facility prior to the effective date of this act who is not Medicaid-eligible under Pub.L.104-193.

The bill requires the Commissioner of Human Services to report to the Legislature and Governor biennially on the program and to make certain quarterly reports available to the public.

The bill directs the Commissioner of Human Services to establish, by regulation, a standard of need and update that standard annually. The standard of need will serve as a benchmark against which the Legislature may decide on appropriations to fund cash assistance benefits to recipients.

Finally, the bill amends P.L.1994, c.182, the "motor voter" law, to update references in that law to reflect the Work First New Jersey program.

The committee amended the bill to provide:

- that an adult recipient who continues to be eligible for child care services following ineligibility for benefits, and an adult recipient who is employed but continues to receive benefits, shall pay a copay, in accordance with a sliding fee scale established by the commissioner, which shall be no greater than the child care copayment schedule established under N.J.A.C.10:81-14.18A;
- that a community college which provides campus-based child care and any work activity to a recipient as part of that recipient's individual responsibility plan receive a child care subsidy from the commissioner;
- that the commissioner initiate a study of the Michigan Civilian Conservation Corps program as a means of offering employment to economically disadvantaged youth, and submit a written report of his findings and recommendations to the Governor and the Legislature by January 1, 1998; and
- a definition for "alternative work experience" and a revised definition for "community work experience," to clarify that these participants in these work experiences are not assigned to work for a private, for-profit employer. The definition for "work activity" was amended to remove the reference to "work experience" in that definition. These definitions are identical to these terms in Assembly Bill No. 12 of 1996.

Other committee amendments are technical in nature and intended to clarify certain provisions of the bill.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 14

STATE OF NEW JERSEY

DATED: DECEMBER 5, 1996

The Assembly Appropriations Committee reports favorably Assembly Bill No. 14 (Aca).

Assembly Bill No. 14 (Aca) is part of a legislative package, along with Assembly Bills 12, 13, and 15, that establishes the "Work First New Jersey" program in the Department of Human Services as the State's consolidated public assistance program, replacing the current programs of aid to families with dependent children (AFDC), AFDC emergency assistance, general assistance (GA), GA emergency assistance, the GA employability program, and the Family Development Initiative.

This bill deals with: the eligibility for program benefits of care givers to dependent children and the eligibility of children in households with stepparents; program requirements to provide supportive services to program recipients; the eligibility of single adults and couples without dependent children for medical assistance for inpatient or outpatient hospital care or long-term care under the program; reports by the Commissioner of Human Services to the Legislature and Governor on the program; establishment of a standard of need with an annual update; and amendments to the "motor voter" law to update references to reflect the "Work First New Jersey" program. For a more detailed description of this bill, the Assembly Policy and Regulatory Oversight Committee statement of this date, should be consulted.

FISCAL IMPACT:

The overall costs of the legislative package cannot be determined at this time because the impact of many of the provisions will not be known until the program is implemented.

During a hearing on the Senate version of these bills, the Commissioner of Human Services stated that the overall gross cost of the programs under "Work First New Jersey Program" is now approximately \$1.3 billion and it is the intention of the department to maintain at that level for several fixed years. Submission of a State plan to the federal government (which has been done) followed by enactment of the "Work First New Jersey" program to comply with

the new federal mandates qualifies the State for the federal Temporary Assistance to Needy Families Block Grant in the amount of \$404 million annually, approximately \$50 to \$60 million more than the State recently received under existing programs.

The commissioner stated that he would present a revised summary budget for Fiscal Year 1997 for the programs being consolidated, reflecting the changes in revenues, costs and requirements necessitated by the new federal law and the proposed bills.