

44:10-1 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA 44:10-1 et al.

Laws of 1977 Chapter 127 (Establish Aid to Families with dependent children-unemployed Father Program)  
Bill No. S1612

Sponsor(s) Lipman & Merlino

Date Introduced July 22, 1976

Committee: Assembly Institutions, Health & Welfare

Senate Institutions, Health & Welfare

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks

Date of passage: Assembly April 28, 1977

Senate January 27, 1977

Date of approval June 13, 1977

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note Yes ~~No~~

Veto message ~~Yes~~ No

Message on signing Yes ~~No~~

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

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SENATE, No. 1612

STATE OF NEW JERSEY

INTRODUCED JULY 22, 1976

By Senators LIPMAN and MERLINO

Referred to Committee on Institutions, Health and Welfare

AN ACT to amend and supplement "An act concerning assistance for dependent children, supplementing Title 44 of the Revised Statutes and repealing certain statutes relating thereto," approved June 11, 1959 (P. L. 1959, c. 86) and to repeal P. L. 1971, c. 209.

1 BE IT ENACTED by the Senate and General Assembly of the State  
2 of New Jersey:

1 1. Section 1 of P. L. 1959, c. 86 (C. 44:10-1) is amended to read  
2 as follows:

3 1. As used in this act and for the purpose of the determination of  
4 eligibility to receive financial assistance under the provisions of  
5 this act, the following words shall have the following meaning,  
6 unless the context indicates another meaning:

7 (a) "[Assistance for] Aid to families with dependent children"  
8 means the assistance and other services to be extended under this  
9 act to or for [needy] eligible dependent children and the parents  
10 and relatives with whom they are living for the following purposes:

11 (1) To provide for the care of [needy] eligible dependent  
12 children in their own homes or in the homes of relatives, under  
13 standards and conditions compatible with decency and  
13A health\*[,] \* \*,

14 (2) To help maintain and strengthen family life, \*[and]\*

15 (3) To help such parents or relatives to attain the maximum  
16 self-support and personal independence consistent with the  
17 maintenance of continuing parental care and protec-  
17A tion\*[,] \* \*, and\*

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

18 (4) *To provide for the care of a dependent child whose*  
 19 *parents have been denied assistance under the provisions of*  
 20 *section 2.*

21 (b) **["Bureau of Assistance"]** *"Division of Public Welfare"*  
 22 means the **[Bureau of Assistance]** *Division of Public Welfare* of  
 23 the Department of **\*\*\*[Institutions and Agencies]\*\*\*** **\*\*\*Human**  
 23A **Services\*\*\***.

24 (c) *"Dependent child"* means a child under the age of 18**[, or]**  
 25 **\*[and, with respect to section 1 (i) and (ii) of this subsection also**  
 26 **means a child]\* \***, *or* under the age of 21 **[and a]** **\*[who is]\***  
 27 **\*and\*** a student regularly attending school, college or university,  
 28 or regularly attending a course of vocational or technical training  
 29 designed to fit him for gainful employment, who

30 (1) Has been deprived of parental support or care by reason  
 31 of (i) the death, continued absence from the home, or physical  
 32 or mental incapacity of a parent**[, and]**; *or,*

33 (ii) **\*[The]\*** *the* *unemployment of his father, when living*  
 34 *with both parents, natural or adoptive* **\*\*\*,\*\*\*** *as the term*  
 35 *"unemployment" is defined in the Federal Social Security*  
 36 *Act; or (iii) insufficient income or insufficient other resources*  
 37 *for the support of the family, when living with both* **\*[natural**  
 37A **or adoptive]\*** *parents* **\*\*\*,\*\*\*** *natural or adoptive* **\*[;]\* \***,  
 37B *and*

38 (2) Is living in New Jersey with his father, mother, grand-  
 39 father, grandmother, brother, sister, stepfather, stepmother,  
 40 stepbrother, stepsister, uncle, aunt, first cousin, nephew or  
 41 niece, in a place of residence maintained by one or more of  
 42 such relatives as his or their home, and

43 (3) Is found, after due investigation and determination,  
 44 according to standards and procedures established pursuant  
 45 to this act, to be **[in need of]** *eligible for* financial assistance.

46 (d) *"Parent or relative with whom a dependent child is living"*  
 47 means a person

48 (1) Who is related to the dependent child, in the manner  
 49 prescribed in subsection (c) (2) of this section, and

50 (2) With whom the dependent child is living in a place of  
 51 residence maintained by one or more of such relatives as his  
 52 or their own home, and

53 (3) Who is found, after due investigation and determination  
 54 according to standards and procedures established pursuant to  
 55 this act, to be **[in need of]** *eligible for* financial assistance.

56 (e) "Insufficient income" means that the total of monthly earned  
 57 and unearned income of all employed individuals in a family with  
 58 a dependent child as defined in subsection (c) (1) (iii), minus the  
 59 first \$60.00 earned by each employed person, is less than 66 2/3%  
 60 of the standard otherwise applicable to the applicant family's size  
 61 as established with regard to the eligibility standards contained in  
 62 subsections (c) (1) (i) and (ii), except that the earned income of  
 63 any minor child under 16, and the \*earned\* income of a minor child  
 64 under \***[18]**\* \*21\* \***[shall be disregarded]**\* if he is attending on a  
 65 full-time basis an accredited educational institution\*, shall be dis-  
 65A regarded\*.

66 (f) "Other resources" means all property and assets, as other-  
 67 wise defined by the Division of Public Welfare, legally or bene-  
 68 ficially owned by a member or members of \***[the families]**\* \*a  
 69 family\* which are or can be readily made available for the use of  
 69A the family.

70 (g) "Insufficient other resources" means that other resources are  
 71 insufficient as determined by standards set forth by the Director  
 72 of the Division of Public Welfare.

1 2. Section 2 of P. L. 1959, c. 86 (C. 44:10-2) is amended to read  
 2 as follows:

3 2. **[Needy]** Eligible dependent children living in New Jersey and  
 4 the parent or parents or relative or relatives with whom they are  
 5 living shall be entitled to financial assistance and other services  
 6 from the county welfare **[board]** agency of the county in which  
 7 they reside, which shall be administered in accordance with and  
 8 governed by requirements, conditions, limitations and procedures  
 9 similar to those established by chapter 7 of Title 44 of the Revised  
 10 Statutes excepting sections 44:7-3, 44:7-5, 44:7-14 to 44:7-16,  
 11 inclusive and R. S. 44:7-25. *Notwithstanding any provision to the*  
 12 *contrary, no natural or adoptive parents with a dependent child as*  
 13 *defined in section 1 (c) (1) (iii) shall be eligible to receive assist-*  
 14 *ance where the insufficiency of income or resources is the direct*  
 15 *result of (a) a voluntary cessation of employment within 90 days*  
 16 *prior to the date of application which such voluntary cessation*  
 17 *shall include unemployment due to inappropriate work habits*  
 18 *resulting in discharge from employment or (b) a voluntary assign-*  
 19 *ment or transfer of property within 1 year prior to the time of*  
 20 *application for the purpose of qualifying for public assistance.*

1 3. Section 3 of P. L. 1959, c. 86 (C. 44:10-3) is amended to read  
 2 as follows:

3 3. [Under general policies established by the State Board of  
 4 Control, the] *The* Commissioner of \*\*\*[Institutions and  
 5 Agencies]\*\*\* *Human Services*\*\*\* is authorized, directed and  
 6 empowered to issue, or to cause to be issued by the appropriate  
 7 departmental officers or agencies, all necessary rules and regula-  
 8 tions and administrative orders, and to do or cause to be done all  
 9 other acts and things necessary to secure for the State of New  
 10 Jersey the maximum Federal financial participation that is avail-  
 11 able with respect to a program of [assistance for] *aid to families*  
 12 with dependent children and otherwise to accomplish the purposes  
 13 of this act, including specifically the following:

14 (a) To assure that the program shall be in effect in all counties  
 15 of the State and be mandatory upon them;

16 (b) To assure that all individuals wishing to make application  
 17 for [assistance for] *aid to families with* dependent children shall  
 18 have opportunity to do so, and that assistance shall be furnished  
 19 with reasonable promptness to or for all eligible individuals;

20 (c) To provide that, in determining [need] *eligibility* for finan-  
 21 cial assistance and the amount of assistance to be granted, there  
 22 shall be taken into consideration all other income and resources of  
 23 the dependent child and of the parent, parents, or other relatives  
 24 with whom such child is living, except that, in making such deter-  
 25 mination, there shall be disregarded the amounts of income and  
 26 resources required by Federal law as a condition of Federal  
 27 financial participation;

28 (d) To provide safeguards which restrict the use or disclosure  
 29 of information concerning applicants and recipients to purposes  
 30 directly connected with the administration of the program;

31-34 (e) To provide for prompt notice to appropriate law enforce-  
 35 ment officials of the furnishing of assistance to or for a child who  
 36 has been deserted or abandoned by a parent;

37 (f) To assure that all persons [for whom] *eligible for financial*  
 38 *assistance* \* [include] \* \*, *including* \* those persons not entitled to a  
 39 *grant of assistance because of the eligibility standards contained in*  
 40 *section* \* [1 (c) (1) (iii)] \* \*2\*, *or receiving* financial assistance [is  
 41 being paid] under the [provision] *provisions* of this act shall not  
 42 receive, *nor be eligible to receive* during the same period, any other  
 43 financial assistance from this State or any political subdivision  
 44 thereof, with respect to any maintenance requirements or other  
 45 items for which allowance is *or may be made* [in the assistance  
 46 grant paid] pursuant to this act; *provided that persons eligible for*  
 47 *but not receiving benefits under Title XVI of the Social Security*

48 *Act shall be afforded the opportunity to apply for and receive*  
48A *assistance under this act;*

49 (g) To prescribe appropriate services which shall be made avail-  
50 able by or utilized by the county welfare [boards] agencies for the  
51 purpose of maintaining and strengthening family life for children;

52 (h) To assure that payments of financial assistance, with respect  
53 to a dependent child or children, to a parent or relative with whom  
54 such child is living, will be terminated promptly, and other  
55 arrangements for the care and maintenance of such child or children  
56 instituted, in any case where it is determined that the payments  
57 to such parent or relative under the provisions of this act are  
58 failing to secure for the child or children a standard of maintenance,  
59 care and family life consistent with the purposes stated in section  
60 1(a) of this act;

61 (i) To provide for appropriate services and cooperative ar-  
62 rangements with other agencies so that maximum opportunities for  
63 employment and training for employment will be available to  
64 recipients of financial assistance, and to prescribe the conditions  
65 under which financial assistance will be denied to an individual  
66 who refuses without good cause to accept employment or training  
67 for employment;

68 (j) *To provide opportunity for a family with a dependent child*  
69 *as defined in section 1. (c) (1) (iii) to make application for assist-*  
70 *ance when the child is deprived of parental support or care by*  
71 *reason of insufficient income or other resources. Such application\**[  
72 *to be secured from the county welfare agency, shall be made by the*  
73 *family, the form of]*\* *shall be made in a form\* which shall be pre-*  
74 *scribed by the Division of Public Welfare\*, and which may be*  
75 *secured from the county welfare agency\*. \*It]\* *Said form\* shall*  
76 *be completed and signed by both parents, except that if a parent is*  
77 *unavailable to sign the application for reasons beyond the family's*  
78 *control one signature will suffice. In that event the nonsignatory*  
79 *parent shall be required to annex his signature as promptly as he is*  
80 *available for such purpose\*]. Said application shall state that the*  
81 *amounts of assistance received by the applicants, if they are*  
82 *eligible, shall constitute a debt owed to the State, which debt shall*  
83 *be recoverable within 6 years of the last payment of assistance by*  
83A *the State or its agents as required by the provisions of this act]\*;**

84 (k) *Prescribe the conditions under which financial assistance will*  
85 *be denied to any family in which the father refuses, without good*  
86 *cause, to accept employment, better employment, or training for*  
87 *employment or better employment;*

88 (l) To provide that assistance to be granted to an eligible family  
 89 with a dependent child as defined in section 1. (c) (1) (iii) which  
 90 qualifies for assistance because of insufficient income or other  
 91 resources shall be computed in the following manner:

92 (1) From an amount equal to **\*[66 2/3]\*** *\*66 2/3%\** of the  
 93 applicable standard otherwise established by the Division of  
 94 Public Welfare, **\*[deduct]\*** the following *\*shall be deducted\**:

95 (i) the monthly unearned income of the family; and

96 (ii) **\*[The]\*** *\*the\** monthly earned income of the employed  
 97 parents and of employed children not excluded by the pro-  
 98 visions of section 1. (e) of this act, less (i) the first \$60.00  
 99 earned by each such employed person and (ii) one-third of  
 100 the remainder after deducting said \$60.00 for each such em-  
 101 ployed person.

102 (2) The sum resulting from the computation described above  
 103 shall be the amount of assistance to the family, provided that  
 104 the amount of assistance shall be limited by those ceilings  
 105 established by the Division of Public Welfare. *\*Available*  
 106 *resources shall be utilized to meet need before eligibility for*  
 107 *public assistance is established.\**

1 4. Section 4 of P. L. 1959, c. 86 (C. 44:10-4 is amended to read  
 2 as follows:

3 4. (a) Whenever any parent or relative with whom a child is  
 4 living applies for or is receiving assistance for such child pursuant  
 5 to this act, and it appears that there is pending *entitlement to a*  
 6 *payment to the child or to either or both his parents of funds arising*  
 7 *from a claim or interest legally or equitably owned by such child*  
 8 *or by either or both his parents, the county welfare [board]*  
 9 *agency may, as a condition of eligibility or continuation of eli-*  
 10 *gibility for such assistance, require such parent\*[.]\* *\*or\* [or]**  
 11 *parents\*,\* *or [relatives]\* *\*relative\* \*\*\*,\*\*** to execute a written  
 12 *promise to repay, from the funds anticipated, the amount of*  
 13 *assistance to be granted from the date of entitlement to such pay-*  
 14 *ment. Upon any refusal to make repayment **\*[to include]\*** *\*, in-*  
 15 *cluding\* refusal by any person acting for or on behalf of such*  
 16 *parent *\*or parents,\* or relative\*\*\*,\*\*** in accordance with such  
 17 *promise, the county welfare [board] agency may take all necessary*  
 18 *and proper action under the laws of this State to enforce such*  
 19 *promise, and the granting or continuing of assistance, as the case*  
 20 *may be, shall be deemed due consideration therefor. Any payments*  
 21 *from the settlement of such claim or interest legally or equitably*  
 22 *owned by such child or by either or both of his parents made by any***

23 person acting for or on behalf of such parent \*or parents, or rela-  
 24 tive\*\*\*,\*\*\* subsequent to notice of claim of the county welfare  
 24A agency and\* prior to express written approval by the county wel-  
 24B fare agency shall cause such person to be liable to the county wel-  
 24C fare agency in the amount of such payment.

25 (b) Whenever any child with respect to whom assistance has been  
 26 paid pursuant to this act shall die prior to the attainment of his  
 27 twenty-first birthday, and shall leave an estate, the total amount of  
 28 assistance paid with respect to such child pursuant to this act and  
 29 pursuant to any of the acts hereby repealed, shall be a valid and  
 30 enforceable claim against such estate, with priority over all other  
 31 unsecured claims except reasonable funeral expenses and terminal  
 32 medical and hospital expenses, and the county welfare [board]  
 33 agency shall take all necessary and proper action under the laws  
 34 of this State to enforce such claim.

35 (c) The county welfare [board] agency may, with the consent  
 36 and approval of the [bureau of assistance] Division of Public  
 37 Welfare, compromise and settle any claim for repayment of assist-  
 38 ance granted under this act.

39 (d) The [bureau of assistance] Division of Public Welfare shall  
 40 determine and cause to be made such financial adjustments as are  
 41 necessary to maintain a correct proportional participation in such  
 42 repayments as among the counties, State and Federal Government,  
 43 and shall pay to the Treasurer of the United States the determined  
 44 Federal portion.

1 5. Section 5 of P. L. 1959, c. 86 (C. 44:10-5) is amended to read  
 2 as follows:

3 5. The State shall pay to each county welfare [board] agency  
 4 the full amount of any funds received by the State from the Federal  
 5 Government as Federal participation with respect to expenditures  
 6 made by such county welfare [board] agency for [assistance for]  
 7 aid to families \*with\* dependent children, plus an additional  
 8 amount equal to 75% of the balance of such expenditures after  
 9 deducting the amount of such Federal participation\*\*, plus, for  
 9A aid provided to families with dependent children as defined in  
 9B section 1 (c) 1 (ii) and (iii) of this act (C. 44:10-1), the entire  
 9C amount of such expenditures that exceed the level of expenditures  
 9D in 1976 for aid to families of the working poor pursuant to P. L.  
 9E 1971, c. 209 (C. 44:13-1 et seq.), after deduction for Federal  
 9F participation\*\*.

10 The State shall also pay to each county welfare [board] agency  
 11 the full amount of any funds received by the State from the Federal

12 Government as Federal participation with respect to the costs of  
13 administration of the program of [assistance for] *aid to families*  
14 *\*with\** dependent children by such county welfare [board] *agency*.

1 6. (New section) Whenever in any law, rule, regulation or docu-  
2 ment not specifically repealed or otherwise affected by this act,  
3 reference is made to the county welfare board, the same shall mean  
4 and refer to the county welfare agency duly organized under the  
5 laws of this State.

1 7. (New section) Whenever in any law, rule, regulation or docu-  
2 ment not specifically repealed or otherwise affected by this act,  
3 reference is made to the program of assistance for dependent  
4 children, the same shall mean and refer to the program of aid to  
5 families with dependent children.

1 8. Sections 1 through 12 and section 15 of P. L. 1971, c. 209  
2 (C. 44:13-1 through 44:13-13) are repealed.

1 9. This act shall take effect on the first day of the month next  
2 following enactment.

39 (d) The [bureau of assistance] *Division of Public Welfare* shall  
 40 determine and cause to be made such financial adjustments as are  
 41 necessary to maintain a correct proportional participation in such  
 42 repayments as among the counties, State and Federal Government,  
 43 and shall pay to the Treasurer of the United States the determined  
 44 Federal portion.

1 5. Section 5 of P. L. 1959, c. 86 (C. 44:10-5) is amended to read  
 2 as follows:

3 5. The State shall pay to each county welfare [board] *agency*  
 4 the full amount of any funds received by the State from the Federal  
 5 Government as Federal participation with respect to expenditures  
 6 made by such county welfare [board] *agency* for [assistance for]  
 7 *aid to families* dependent children, plus an additional amount equal  
 8 to 75% of the balance of such expenditures after deducting the  
 9 amount of such Federal participation.

10 The State shall also pay to each county welfare [board] *agency*  
 11 the full amount of any funds received by the State from the Federal  
 12 Government as Federal participation with respect to the costs of  
 13 administration of the program of [assistance for] *aid to families*  
 14 dependent children by such county welfare [board] *agency*.

1 6. (New section) Whenever in any law, rule, regulation or docu-  
 2 ment not specifically repealed or otherwise affected by this act,  
 3 reference is made to the county welfare board, the same shall mean  
 4 and refer to the county welfare agency duly organized under the  
 5 laws of this State.

1 7. (New section) Whenever in any law, rule, regulation or docu-  
 2 ment not specifically repealed or otherwise affected by this act,  
 3 reference is made to the program of assistance for dependent  
 4 children, the same shall mean and refer to the program of aid to  
 5 families with dependent children.

1 8. Sections 1 through 12 and section 15 of P. L. 1971, c. 209  
 2 (C. 44:13-1 through 44:13-13) are repealed.

1 9. This act shall take effect on the first day of the month next  
 2 following enactment.

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#### STATEMENT

Currently, New Jersey provides a program of vital financial assistance entitled Aid to Families of the Working Poor (AFWP) at a cost of \$19.1 million in the last fiscal year. This program is funded entirely by State and county resources. This bill would repeal the above program and substitute a program of Aid to Families with Dependent Children-Unemployed Father (AFDC-U).

The latter is a federally recognized program and will result in the Federal Government assuming a substantial portion of the cost of aid to the same group of recipients. Receipt of the Federal share will result in a net savings of \$5 million to the State and \$1.4 million to the counties without any reduction in essential aid. In addition, substitution of the AFDC-U program will begin to eliminate discrepancies in the present welfare system which encourage employable fathers to leave the home in order to qualify their families for higher benefits.

ASSEMBLY INSTITUTIONS, HEALTH AND  
WELFARE COMMITTEE

STATEMENT TO

**SENATE, No. 1612**

[SECOND OFFICIAL COPY REPRINT]

with Assembly committee amendments  
as amended by the Assembly Committee

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**STATE OF NEW JERSEY**

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DATED: FEBRUARY 14, 1977

The Senate committee statement printed with the bill adequately explains its purpose and provisions.

The Assembly committee added technical amendments to reflect the new name of the Department of Human Services.

REFERENCE USE ONLY

SENATE INSTITUTIONS, HEALTH AND WELFARE  
COMMITTEE

STATEMENT TO

**SENATE No. 1612**

with Senate committee amendments

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**STATE OF NEW JERSEY**

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DATED: SEPTEMBER 30, 1976

*Summary of the Bill*

This bill would repeal New Jersey's Aid to Families of the Working Poor Program (AFWP), enacted in 1971, and substitute for it: (1) participation in a federal program, Aid to Families with Dependent Children-Unemployed Father (AFDC-U); and (2) continuation of the State assistance to families with insufficient income granted under AFWP.

The AFWP program provides  $\frac{2}{3}$  of the federal welfare standard (thus,  $\frac{2}{3}$  of \$356/mo. for a family of four, or \$237) for families in which the father is unemployed or family members are "underemployed" (that is, earn a total amount per month that is less than  $\frac{2}{3}$  of the welfare standard). This program is entirely funded by the State.

This bill would permit New Jersey to obtain matching federal funds for families with unemployed fathers by bringing the State into the federal AFDC-U program. Not only would the State save money because of federal financial participation, but such families would gain income, because they would get the full welfare standard instead of the  $\frac{2}{3}$  of it they receive through the AFWP program.

The bill also continues aid to families that have "insufficient income" or are "underemployed" by providing  $\frac{2}{3}$  of the federal welfare standard for them. Payment of this would continue to come entirely from the State.

The bill contains definitions of important terms, such as "dependent child" and "insufficient income." It contains a provision penalizing parents of families who voluntarily cease their employment or take other inappropriate actions in order to secure welfare benefits. It also gives the Commissioner of Institutions and Agencies new responsibilities for implementing this modified welfare program.

*Summary of Committee Amendments*

The committee adopted a number of technical amendments and one amendment to remove a statement that welfare assistance constitutes

a debt owed to the State which is recoverable within 6 years of the last payment of assistance by the State. Welfare payments are only rarely recovered now and, in fact, the State spends more money trying to recover welfare debts than it actually receives in recovered payments.

The committee considered an amendment to give families with insufficient income the full welfare standard (rather than  $\frac{2}{3}$  of it) beginning July 1, 1977. This change would remove the present disincentive to work, since under the bill's present provisions families would receive more aid when unemployed than when employed at low-paying jobs. However, the committee judged that this amendment would be better considered as a separate bill, since it is estimated that it would add \$2-3 million to the State's welfare appropriation.

REFERENCE USE ONLY

FISCAL NOTE TO  
**SENATE, No. 1612**

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**STATE OF NEW JERSEY**

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DATED: APRIL 27, 1977

The Assembly Reprint of Senate Bill No. 1612 would repeal New Jersey's Aid to Families of the Working Poor Program (AFWP), enacted in 1971, and substitute for it: (1) participation in a Federal program, Aid to Families with Dependent Children—Unemployed Father (AFDC-U); and (2) continuation of the State assistance to families with insufficient income granted under AFWP.

The Division of Budget and Accounting estimates that enactment of this legislation would require an additional State expenditure of \$150,000.00 in fiscal 1977-78 and \$352,000.00 in fiscal 1978-79. These estimates are based on expected caseload growth to 45,000 in fiscal 1977-78 as a result of increased eligibles under the provisions of the bill and show the projected costs of the hold harmless provision for the counties.

The savings resulting from enactment of this legislation are estimated to be \$3,362,000.00 for the State in fiscal 1977-78 and \$3,716,000.00 in fiscal 1978-79. Savings to the counties are estimated to be \$1,320,000.00 in fiscal 1977-78 and \$2,376,000.00 in fiscal 1978-79.

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The fiscal note is based on an estimate of cost rather than actual cost information.

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In compliance with written request received, there is hereby submitted a fiscal estimate for the above bill, pursuant to P. L. 1962, c. 27.

FOR IMMEDIATE RELEASE  
JUNE 16, 1977

FROM THE OFFICE OF THE GOVERNOR

FOR FURTHER INFORMATION:  
ANNE BURNS

Governor Brendan Byrne has signed into law S-1612, sponsored by Senators Wynona Lipman (D-Newark) and Majority Leader Joseph P. Merlino (D-Trenton), which amends the statute providing for the Aid to Families with Dependent Children (AFDC) program.

The bill replaces the existing Aid to Families of the Working Poor (AFWP) program with two Aid to Families with Dependent Children Programs, one for families in which the father is unemployed (AFDC-U) and the other for families of insufficient income (AFDC-N).

Under the AFWP program, established in 1971, a family with an unemployed or underemployed father living at home could receive assistance at two-thirds of the funding standard available to identical households where the father had deserted or was otherwise absent. The AFWP program was funded entirely by State and local tax dollars.

Under the newly established AFDC-U segment, a household with an unemployed father is entitled to the same standard of assistance as households without a male head. Federal regulations define an "unemployed" father as one working less than 100 hours per month. That category, therefore, provides assistance to families suffering from either the unemployment or underemployment of the male head of household.

The AFDC-U program is 50% federally funded. Thus, even with an increase in benefits to the 12,000 recipients in this category, the cost to New Jersey taxpayers is reduced approximately \$3.1 million, according to Department of Human Services estimates for FY 77-78.

The AFDC-N segment covers households with insufficient income to provide for the family, largely, poor households with underemployed fathers working more than 100 hours per month. Under the terms of the Lipman-Merlino bill, these households will continue to be eligible for aid based on the existing two-thirds standard. This program, which covers 26,000 recipients,

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is not eligible for federal matching funds. Because an increase in the assistance standard for this category would have been borne by New Jersey taxpayers, the new statute retains the existing level of support.

A provision inserted in the bill by the Senate provides that the State shall pay the entire cost of any increase in assistance expenditures for these two AFDC programs. County costs for these programs will not rise above the 1976 AFWP level, regardless of any change in caseloads or assistance levels.

The bill takes effect July 1, the start of the new fiscal year.

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