

LEGISLATIVE HISTORY CHECKLIST
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NJSA: 44:10-5.6

LAWS OF: 1991 CHAPTER: 478

BILL NO: A1389

SPONSOR(S): Bryant & others

DATE INTRODUCED: Pre-filed

COMMITTEE: ASSEMBLY: Health & Human Services; Appropriations
 SENATE: Revenue; Finance & Appropriations

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
 by asterisks

DATE OF PASSAGE: ASSEMBLY: June 10, 1991
 SENATE: December 19, 1991

DATE OF APPROVAL: January 18, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 12-6-90 & 4-29-91
 SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG/pp

[FIFTH REPRINT]
ASSEMBLY, No. 1389

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Assemblymen BRYANT, ROBERTS and Spadoro

1 AN ACT concerning public assistance and food stamp payments,
2 amending and supplementing P.L.1985, c.501, ⁵and⁵ repealing
3 section 4 of P.L.1985, c.501 (C.44:10-5.4) ⁵[, and making an
4 appropriation therefor]⁵.

5

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

8 1. Section 1 of P.L.1985, c.501 (C.44:10-5.1) is amended to
9 read as follows:

10 1. This act shall be known and be cited as the "Public
11 Assistance [Payments Cycling] Electronic Benefit Distribution
12 System Act."

13 (cf: P.L.1985, c.501, s.1)

14 2. Section 2 of P.L.1985, c.501 (C.44:10-5.2) is amended to
15 read as follows:

16 2. [For the purpose of distributing public assistance payments,
17 the] The Department of Human Services shall [divide eligible
18 recipients for each county into four population groups of equal
19 size. The department shall issue to each group its public
20 assistance payment once per month. The payment schedules for
21 the groups shall be staggered, with no less than five working days
22 between payment dates. The department shall implement the
23 revised payment schedule no later than April 1, 1987] establish an

24 electronic benefit distribution system for the purpose of issuing
25 food stamp and Aid to Families with Dependent Children (AFDC)
26 benefits. Implementation of the system shall begin in Camden,
27 Hudson and Essex counties by ³[January 1] April 30³, ¹[1991]
28 1992¹.

29 (cf: P.L.1985, c.501, s.2)

30 3. Section 3 of P.L.1985, c.501 (C.44:10-5.3) is amended to
31 read as follows:

32 3. a. The [department] Department of Human Services shall
33 provide that no [public assistance] AFDC or food stamp recipient
34 experiences hardship due to the revised payment [schedule]
35 system either during transition to the new [schedule] system or
36 upon making an initial application for benefits.

37 b. The department shall provide that no charges are imposed

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is 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 AHH committee amendments adopted December 6, 1990.

² Assembly AAP committee amendments adopted April 29, 1991.

³ Senate SRF committee amendments adopted June 17, 1991.

⁴ Senate floor amendments adopted June 20, 1991.

⁵ Senate floor amendments adopted July 15, 1991.

1 on food stamp or AFDC recipients for participation in the
2 program.

3 ³c. Any retail establishment currently authorized to
4 participate in the food stamp program shall be afforded the
5 opportunity to participate in the electronic benefit distribution
6 system.³

7 (cf: P.L.1985, c.501, s.3)

8 4. Section 4 of P.L.1985, c.501 (C.44:10-5.4) is repealed.

9 5. (New section) The Department of Human Services shall
10 cycle the issuance of benefits over multiple dates throughout the
11 month in a manner that best serves AFDC and food stamp
12 recipients within the framework of the electronic benefit
13 distribution system in each county. Such cycling shall begin in
14 Camden, Hudson and Essex counties on July 1, ¹[1991] 1992¹.

15 6. (New section) a. The Department of Human Services shall
16 evaluate the operation of the electronic benefit distribution
17 system in the initial counties, and, as deemed appropriate, shall
18 proceed to implement the system in additional counties.

19 b. The department shall implement the system in any
20 additional county upon the request of the board of chosen
21 freeholders of such county, or, in a county operating under the
22 provisions of the "Optional County Charter Law," P.L.1972, c.154
23 (C.40:41A-1 et seq.), upon the request of the chief executive
24 officer of such county. However, if the department does not
25 deem it appropriate to implement the system in such requesting
26 county, the department shall not implement the system, and shall
27 submit a report in writing stating the reasons for that
28 determination to the Assembly Health and Human ¹[Resources]
29 Services¹ and Appropriations Committees and the Senate
30 Institutions, Health and Welfare and Revenue, Finance and
31 Appropriations Committees, or their successors.

32 c. Any additional county in which the system is implemented
33 shall be exempted from the cycling of the issuance of benefits
34 over multiple dates throughout the month, upon the request of
35 the board of chosen freeholders of such county, or, in a county
36 operating under the provisions of the "Optional County Charter
37 Law," P.L.1972, c.154 (C.40:41A-1 et seq.), upon the request of
38 the chief executive officer of such county.

39 7. (New section) a. The Commissioner of Human Services
40 shall prepare an electronic benefit distribution system
41 implementation plan, in consultation with the county welfare
42 agencies in Camden, Hudson and Essex counties, ¹[within 12
43 months of the effective date of this act] on or before October 1,
44 1991¹. The plan shall include an estimate of the costs to
45 participating counties and a determination of the feasibility of
46 staggering payment schedules with no less than four working days
47 between payment dates.

48 b. The commissioner shall report to the Legislature and the
49 Governor by October 1, ¹[1990] 1991¹ on the plan to implement

1 the electronic benefit distribution system ³and shall report
2 quarterly thereafter for two years to the Legislative Joint Budget
3 Oversight Committee on the implementation of the plan³.

4 ⁴[³8. (New section) In the awarding of a contract to a vendor
5 in response to a request for proposal to implement the electronic
6 benefit distribution system, the contract shall be awarded to the
7 responsible vendor whose proposal includes the lowest cost per
8 electronic transaction.³⁴

9 ³[^{8.} ⁴[^{9.}³] ⁵[^{8.}⁴] There is appropriated ¹[\$750,000]
10 ²[\$1,500,000¹] \$1,200,000² from the General Fund to the
11 Department of Human Services to effectuate the purposes of this
12 act.]⁵

13 ³[^{9.} ⁴[^{10.}³] ⁵[^{9.}⁴] ^{8.}⁵] This act shall take effect immediately.

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15
16 HUMAN SERVICES

17
18 Provides for an electronic benefit distribution system for food
19 stamp and AFDC recipients.

STATEMENT

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3 This bill provides for phased implementation of an electronic
4 benefit distribution system for Aid to Families with Dependent
5 Children (AFDC) and food stamp payments and appropriates
6 \$750,000 for that purpose.

7 The bill renames the "Public Assistance Payments Cycling
8 Act," P.L.1985, c.501 (C.44:10-5.1 et seq.), as the "Public
9 Assistance Electronic Benefit Distribution System Act," and
10 amends the provisions of that act to establish the new
11 distribution system.

12 The bill provides for implementation of the electronic benefit
13 distribution (EBD) system in Camden, Hudson and Essex counties
14 by January 1, 1991, with expansion to other counties at the
15 discretion of the Department of Human Services. Other counties
16 may also request to have an EBD system implemented, and if
17 declined, the department must report the reasons to the
18 appropriate legislative committees. The bill provides for cycling
19 of benefit payments on multiple dates throughout the month as
20 part of the EBD system. For Camden, Hudson and Essex
21 counties, this would begin on July 1, 1991; for other counties, it
22 would begin when the system is implemented, but such counties
23 may be exempted from payment cycling at their request. The bill
24 also provides that the department ensure that no charges are
25 imposed on food stamp or AFDC recipients for participation in
26 the program.

27 Finally, the bill requires the Commissioner of Human Services
28 to prepare an EBD system implementation plan, in consultation
29 with the county welfare agencies in Camden, Hudson and Essex
30 counties, within 12 months of the effective date of the bill. The
31 plan shall include an estimate of the costs to participating
32 counties and a determination of the feasibility of staggering
33 payment schedules with no less than four working days between
34 payment dates. The bill also requires the commissioner to report
35 to the Legislature and the Governor by October 1, 1990 on the
36 implementation plan.

HUMAN SERVICES

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41 Provides for an electronic benefit distribution system for food
42 stamp and AFDC recipients and appropriates \$750,000.

ASSEMBLY HEALTH AND HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1389

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 6, 1990

The Assembly Health and Human Services Committee favorably reports Assembly Bill No. 1389 with committee amendments.

As amended by the committee, this bill provides for the phased implementation of an electronic benefit distribution system for Aid to Families with Dependent Children (AFDC) and food stamp payments and appropriates \$1,500,000 to the Department of Human Services for that purpose.

The amended bill renames the "Public Assistance Payments Cycling Act," P.L.1985, c.501 (C.44:10-5.1 et seq.), as the "Public Assistance Electronic Benefit Distribution System Act," and amends the provisions of P.L.1985, c.501 to establish the new distribution system.

The amended bill provides for implementation of the electronic benefit distribution (EBD) system in Camden, Hudson and Essex counties by January 1, 1992, with expansion to other counties at the discretion of the Department of Human Services. Other counties may also request to have an EBD system implemented, and if declined, the department must report the reasons to the appropriate legislative committees. The bill provides for the cycling of benefit payments on multiple dates throughout the month as part of the EBD system. For Camden, Hudson and Essex counties, this would begin on July 1, 1992; for other counties, it would begin when the system is implemented, but these other counties may be exempted from payment cycling at their request. The bill also requires that the department ensure that no charges are imposed on food stamp or AFDC recipients for participation in the program.

Finally, the bill requires the Commissioner of Human Services to prepare an EBD system implementation plan, in consultation with the county welfare agencies in Camden, Hudson and Essex counties, on or before October 1, 1991. The plan shall include an estimate of the costs to participating counties and a determination of the feasibility of staggering payment schedules with no less than four working days between payment dates. The bill also requires the commissioner to report to the Legislature and the Governor by October 1, 1991 on the implementation plan.

The committee amended the bill to:

- increase the appropriation provided for the implementation of the EBD system from \$750,000 to \$1,500,000; and
- require the Commissioner of Human Services to prepare an EBD system implementation plan for Camden, Hudson and Essex counties on or before October 1, 1991, rather than within 12 months of the effective date of the bill.

Other committee amendments are technical and change the dates for the implementation of the EBD system in Camden, Hudson and Essex counties (from January 1, 1991 to January 1, 1992), the beginning of benefits cycling in those counties (from July 1, 1991 to July 1, 1992) and the issuance of the commissioner's report to the Governor and the Legislature on the EBD implementation plan (from October 1, 1990 to October 1, 1991), in order to allow the Department of Human Services sufficient time to comply with these provisions of the bill.

This bill was pre-filed for introduction in the 1990-91 session pending technical review. As reported, the bill includes the changes required by technical review which has been performed.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 1389

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: APRIL 29, 1991

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1389 (1R) with committee amendments.

Assembly Bill No. 1389 (1R), as amended, provides for the phased implementation of an electronic benefit distribution (EBD) system for Aid to Families with Dependent Children (AFDC) and food stamp payments and appropriates \$1,200,000 to the Department of Human Services for that purpose.

The bill renames the "Public Assistance Payments Cycling Act," P.L.1985, c.501 (C.44:10-5.1 et seq.), as the "Public Assistance Electronic Benefit Distribution System Act," and amends the provisions of P.L.1985, c.501 to establish the new distribution system.

The bill provides for implementation of the EBD system in Camden, Hudson and Essex counties by January 1, 1992, with expansion to other counties at the discretion of the Department of Human Services. Other counties may also request to have an EBD system implemented, and if declined, the department must report the reasons to the appropriate legislative committees. The bill provides for the cycling of benefit payments on multiple dates throughout the month as part of the EBD system. For Camden, Hudson and Essex counties, this would begin on July 1, 1992; for other counties, it would begin when the system is implemented, but these other counties may be exempted from payment cycling at their request. The bill also requires that the department ensure that no charges are imposed on food stamp or AFDC recipients for participation in the program.

Finally, the bill requires the Commissioner of Human Services to prepare an EBD system implementation plan, in consultation with the county welfare agencies in Camden, Hudson and Essex counties, on or before October 1, 1991. The plan shall include an estimate of the costs to participating counties and a determination of the feasibility of staggering payment schedules with no less than four working days between payment dates. The bill also requires the commissioner to report to the Legislature and the Governor by October 1, 1991 on the implementation plan.

FISCAL IMPACT

This bill, as amended, appropriates \$1,200,000 from the General Fund to the Department of Human Services to begin phased implementation of an EBD system; since the costs of such a system

will be shared on a 50/50 basis between the State and federal governments, this appropriation anticipates a total project cost of \$2,400,000.

In a legislative fiscal estimate prepared for this bill, the Office of Legislative Services estimated that approximately \$950,000 is required to develop an EBD system in Camden, Essex and Hudson counties; this was based on the department's "Advance Planning Document" (December 1988; revised April 1989) submitted to the federal government for approval. In the document, the department estimated that it would take about a year to develop the system, at a total cost of approximately \$1.9 million; the state's share of this would be \$950,000. Additional costs would be incurred if the system is expanded to the other 18 counties; these costs would be detailed in the implementation plan required by the bill.

COMMITTEE AMENDMENTS

The committee amendments reduce the appropriation from \$1,500,000 to \$1,200,000.

SENATE REVENUE, FINANCE AND
APPROPRIATIONS COMMITTEE

STATEMENT TO

[SECOND REPRINT]

ASSEMBLY, No. 1389

with Senate committee amendments

STATE OF NEW JERSEY

DATED: JUNE 17, 1991

The Senate Revenue, Finance and Appropriations Committee reports favorably Assembly Bill No. 1389 (2R), with committee amendments.

Assembly Bill No. 1389 (2R), with Senate committee amendments, provides for the phased implementation of an electronic benefit distribution (EBD) system for Aid to Families with Dependent Children (AFDC) and food stamp payments and appropriates \$1,200,000 to the Department of Human Services for that purpose.

The bill renames the "Public Assistance Payments Cycling Act," P.L.1985, c.501 (C.44:10-5.1 et seq.), as the "Public Assistance Electronic Benefit Distribution System Act," and amends the provisions of P.L.1985, c.501 to establish the new distribution system.

The bill provides for implementation of the EBD system in Camden, Hudson and Essex counties by April 30, 1992, with expansion to other counties at the discretion of the Department of Human Services. Other counties may also request to have an EBD system implemented, and if declined, the department must report the reasons to the appropriate legislative committees. The bill provides for the cycling of benefit payments on multiple dates throughout the month as part of the EBD system. For Camden, Hudson and Essex counties, this would begin on July 1, 1992; for other counties, it would begin when the system is implemented, but these other counties may be exempted from payment cycling at their request. The bill also requires that the department ensure that no charges are imposed on food stamp or AFDC recipients for participation in the program.

Finally, the bill requires the Commissioner of Human Services to prepare an EBD system implementation plan, in consultation with the county welfare agencies in Camden, Hudson and Essex counties, on or before October 1, 1991. The plan shall include an estimate of the costs to participating counties and a determination of the feasibility of staggering payment schedules with no less than four working days between payment dates. The bill also requires the commissioner to report to the Legislature and the Governor by October 1, 1991 on the implementation plan and to the Joint Budget Oversight Committee quarterly for two years thereafter.

This bill is identical to Senate Committee Substitute for Senate Bill Nos. 2139 (1R) and 3026 (1R).

COMMITTEE AMENDMENTS

The committee amended the bill to delay implementation of the EBD system from January 1, 1992 to April 30, 1992. The committee amendments also provide for the department to report on the implementation of the EBD system plan to the Joint Budget Oversight Committee, ensure that all retail establishments that participate in the federal food stamp program may participate in the EBD system, and provide that the contract for implementing the EBD system shall be awarded to the responsible vendor proposing the lowest cost per electronic transaction.

FISCAL IMPACT

This bill, as amended, appropriates \$1,200,000 from the General Fund to the Department of Human Services to begin phased implementation of an EBD system; since the costs of such a system will be shared on a 50/50 basis between the State and federal governments, this appropriation anticipates a total project cost of \$2,400,000.

In a legislative fiscal estimate prepared for this bill, the Office of Legislative Services estimated that approximately \$950,000 is required to develop an EBD system in Camden, Essex and Hudson counties; this was based on the department's "Advance Planning Document" (December 1988; revised April 1989) submitted to the federal government for approval. In the document, the department estimated that it would take about a year to develop the system, at a total cost of approximately \$1.9 million; the state's share of this would be \$950,000. Additional costs would be incurred if the system is expanded to the other 18 counties; these costs would be detailed in the implementation plan required by the bill.

LEGISLATIVE FISCAL ESTIMATE TO
ASSEMBLY, No. 1389

STATE OF NEW JERSEY

DATED: December 10, 1990

Assembly Bill No. 1389 of 1990 establishes the "Public Assistance Electronic Benefit Distribution System Act" for the phased implementation of an electronic benefit distribution system for Aid to Families with Dependent Children and food stamp payments. The system is to be implemented in Camden, Essex and Hudson counties within 12 months of the bill's effective date and may be implemented in other counties at each county's request. The bill appropriates \$750,000 from the General Fund to implement the legislation.

The Department of Human Services and the Office of Management and Budget have not provided any fiscal information on this legislation.

The Office of Legislative Services estimates that approximately \$950,000 is required to develop an electronic benefit distribution system limited to Camden, Essex and Hudson counties according to the department's "Advance Planning Document" (December 1988; revised April 1989) submitted to the federal government for approval. In the document, the department estimates that it would take about a year to develop the system, at a total cost of approximately \$1.9 million and that costs would be shared on a 50/50 basis between the State and federal governments. (The State cannot proceed with developing the system as all federal approvals have not been obtained as of this writing.) Additional costs would be incurred if the system is expanded to the other 18 counties. Such additional costs are not known, but the costs would be detailed in an electronic benefit distribution system implementation plan that the Commissioner of Human Services is directed to prepare and submit to the Legislature under the terms of the bill. It is noted that the department has the authority to develop an electronic benefit distribution system without enactment of this enabling legislation.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.