# 44: 10-19

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("Family Development Act")

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LAWS OF:

1991

CHAPTER: 523

BILL NO:

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COMMITTEE:

ASSEMBLY:

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Yes

COMMITTEE STATEMENT:

ASSEMBLY:

Yes 12-5-91 & 12-9-91

SENATE:

Yes

FISCAL NOTE:

No

VETO MESSAGE:

No

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Yes

FOLLOWING WERE PRINTED:

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Yes

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Legislature. Assembly. New Jersey.

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1991

Public hearing on A4700 thru A4705 (AFDC legislation), held 7-9-91, 7-30-91, 8-23-91, and 10-22-91, Newark, Trenton, Atlantic City, Stratford, N.J., 1991.

See newspaper clippings--attached:

"Welfare mothers support controversial bill," 1-17-92, Courier-Post.

"Of babies and welfare," 1-19-92, Philadelphia Inquirer.

"Despite imperfections, welfare bills worth a try," 1-15-92, <u>Bergen Record</u>.
"Getting off the dole," 1-10-92, <u>Morris County Record</u>.

"Welfare reform," 1-15-92, Trenton Times.

# [FIRST REPRINT] ASSEMBLY, No. 4700

# STATE OF NEW JERSEY

### INTRODUCED APRIL 15, 1991

By Assemblymen BRYANT, PASCRELL, Baker, Gill, Scerni, Spadoro, Duch and Batten

AN ACT concerning family development, supplementing Title 44 of the Revised Statutes and amending P.L.1947, c.156, P.L.1987, c.282 and P.L.1987, c.283.

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

- 1. (New section) This act shall be known and may be cited as the "Family Development Act."
- 2. (New section) The Legislature finds and declares that within New Jersey, there are counties and municipalities which are experiencing high unemployment and underemployment among their populations, and that these are conditions which contribute to the overall economic decline of the State and generally threaten the public health, safety, morals and welfare; population within each of these counties and municipalities consists of a disproportionate economically disadvantaged and unskilled individuals who face crippling barriers to employment and who are in need of special training in order to become members of the productive work force; that the REACH program established pursuant to P.L.1987, c.282 (C.44:10-9 et seq.) has not and cannot, as it is currently operating, provide the variety or intensity of services to address the many and deep-rooted needs of the populations of these counties and municipalities; and that the obstacles to economic achievement and permanent escape from the bonds of welfare dependency for these people can only be overcome through a new initiative which offers intensified and coordinated services that go beyond the parameters of the REACH program and address the educational, vocational and other needs of the public assistance. recipient's family, rather than the recipient alone<sup>1</sup>, including financial and other assistance to enhance access to higher educational opportunities for these persons through both four-year and community colleges, as well as post-secondary vocational training programs<sup>1</sup>.
  - 3. (New section) As used in this act:

"Benefits" means benefits received under the program of aid to families with dependent children established pursuant to P.L.1959, c.86 (C.44:10-1 et seq.).

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

"Commissioner" means the Commissioner of Human Services.

"Department" means the Department of Human Services.

"Program" means the "Family Development Initiative" established pursuant to this act.

"Recipient" means a adult recipient of benefits under the program of aid to families with dependent children.

4.  $\frac{1}{a}$  (New section) The Family Development Initiative is established in the Division of Economic Assistance of the Department of Human Services <sup>1</sup>as the JOBS program for New Jersey in accordance with the requirements of the federal job opportunities and basic skills training program established pursuant to the federal "Family Support Act of 1988," Pub.L.100–485<sup>1</sup>. The objective of the Family Development Initiative is to enable recipients of aid to families with dependent children to secure permanent full-time unsubsidized jobs, preferably in the private sector, with wages and benefits that are adequate to support their families, and to ensure that these individuals and their family members obtain the necessary educational skills and vocational training<sup>1</sup>, including higher education through both four-year and community colleges<sup>1</sup>, as appropriate, to secure these kinds of jobs, in addition to other health-related, social, educational and vocational services that may be necessary to assist the family.

The commissioner shall initially establish the program in the three counties which have the largest numbers of recipients, during the first year of the operation of the program. During the two succeeding years, the commissioner shall phase in the program in the remaining counties Statewide. As the program is implemented in each county, the fiscal and personnel resources of State, county and municipal government agencies which are being utilized by the REACH program established pursuant to P.L.1987, c.282 (C.44:10–9 et seq.) shall be transferred to the program, and the REACH program shall be terminated in that county.

<sup>1</sup>b. During the first year of the operation of the program, the commissioner shall also establish a demonstration project to provide the same services to recipients of general public assistance in accordance with the provisions of section 8 of P.L.1947, c.156 (C.44:8-114) in a city of the second class in a county of the second class which houses the State capitol. <sup>1</sup>

- 5. (New section) a. A recipient whose youngest child is two years of age or older shall participate in education, vocational assessment and training, or employment activities, or a combination thereof, under the program.
- b. A recipient whose youngest child is less than two years of age shall participate in counseling and vocational assessment activities and the development of a family plan pursuant to section 7 of this act, and may voluntarily participate in education, vocational training or employment activities, or a combination thereof, under the program.

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- <sup>1</sup>c. The commissioner may exempt a recipient or member of the recipient's family from participating in the program for reasons of physical or mental impairment, age, illness or injury, caretaker responsibilities, employment or unsuitability, as determined by the commissioner, for the services provided by the program. <sup>1</sup>
- 6. (New section) A recipient who without good cause fails or refuses to enroll and actively participate in the program, which includes failure to attend or make <sup>1</sup>a good faith effort to achieve<sup>1</sup> satisfactory academic progress in educational or vocational training classes under the program<sup>1</sup>, including classes in four-year and community colleges1, according to rules and regulations adopted by the commissioner, 1 in consultation with the Commissioner of Education and the Chancellor of Higher Education, 1 shall thereupon, as determined by the commissioner, be subject to a reduction in benefits of at least 20%, or shall become ineligible for benefits for a period of at least 90 days. The period of ineligibility shall commence at the end of the current benefit period, and at the end of the period the recipient shall again become eligible for benefits, if the recipient complies with all requirements of the program as determined by the commissioner or shows a willingness to do so. For a subsequent failure or refusal to enroll and actively participate in the program without good cause, the recipient may be subject to a termination of benefits.
- 7. (New section) a. Services shall be provided to each participant in the program according to a family plan which includes a written contract. <sup>1</sup>The contract shall be written in English or Spanish, according to the participant's needs. 1 The contract shall be signed by the participant and a program representative who shall act as a case manager, advocate and broker of services for the participant and the participant's family, and shall set forth the specific mutual obligations of the participant and the program and a detailed plan for the participant and the participant's family. The family plan and contract, which shall explicitly state the services that the program will provide to the participant, shall be reviewed by both the participant and the program representative at least once a year and may be revised from time to time according to the needs of the participant, the participant's family and the program.

b. The services to be provided under the program shall include, but not be limited to: job development and placement in full-time permanent jobs, preferably in the private sector; counseling and vocational assessment; intensive remedial education, including instruction in English-as-a-second language; <sup>1</sup>financial and other assistance for higher education, including four-year and community colleges, and for post-secondary vocational training programs; <sup>1</sup> job search assistance; community

work experience; employment skills training focused on a specific job; and on-the-job training in an employment setting.

- The program shall be designed to ensure that each participant and member of the participant's family, as age appropriate, has attained the equivalent of a high school degree, before assigning that person to a vocational-related activity under the program. <sup>1</sup>The commissioner may exempt a participant or member of the participant's family from this requirement if the commissioner determines that: based upon an assessment of the person's ability and aptitude, the person lacks a reasonable prospect of being able to successfully complete the academic requirements of a high school or equivalency program of study, in which case the commissioner shall refer the person to an alternative educational program as appropriate; or the person is gainfully employed or engaged in a job search or job training activity, in which case the program representative acting pursuant to the provisions of subsection a. of this section shall review the person's progress on a quarterly basis to assess whether the person's exemption from this requirement should continue.1
- d. The program shall assign one or more persons in each county which is participating in the program to be responsible, on a full-time basis, for job development for persons who have completed their educational or training activities under the program, with an emphasis on finding and creating permanent full-time unsubsidized jobs, preferably in the private sector, which offer wages and benefits that are adequate to support recipients and their families.
- e. The commissioner, in consultation with the <sup>1</sup>[Commissioner of Commerce, Energy and Economic Development, shall seek] Commissioners of Commerce and Economic Development and Labor, and with the private industry councils established pursuant to section 18 of P.L.1989, c.293 (C.34:15C-15), shall develop a program <sup>1</sup> to recruit private sector employers in each county to offer employment to persons who have completed their educational or training activities under the program.
- f. The commissioner, in consultation with the Chancellor of Higher Education <sup>1</sup>and the Commissioner of Education <sup>1</sup>, shall <sup>1</sup>[develop a scholarship program to], within the limits of available funds, <sup>1</sup> provide <sup>1</sup>[tuition and related] financial assistance <sup>1</sup>[, as needed,] through the New Jersey Educational Opportunity Fund established pursuant to P.L.1968, c.142 (C.18A:71-28 et seq.) and other State student assistance programs, in an amount sufficient to cover all tuition and educational expenses, <sup>1</sup> to each program participant or other family member who has been accepted into an institution of higher education <sup>1</sup>, including public four-year colleges and community colleges, <sup>1</sup> or a post-secondary vocational training program, according to standards established by the commissioner.

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- g. The program shall provide supportive services to a program participant as a last resort when no other source is available therefor and when these services are included in the family plan. The supportive services shall include, but not be limited to, one or more of the following:
- (1) day care services for the participant's child, <sup>1</sup>to be provided for up to one year if the participant becomes ineligible for financial assistance under P.L.1959, c.86 (C.44:10-1 et seq.) as a result of earned income and <sup>1</sup> to be purchased through a voucher issued to the participant by the program, which may be used to obtain care at a State licensed child care center or school age child care program, or at a family day care home approved by the department, that accepts the voucher <sup>1</sup>, or to be provided through an alternative child care arrangement agreed to by the participant and the program representative acting pursuant to the provisions of subsection a. of this section <sup>1</sup>;
- (2) transportation services, to be provided directly by the program or through an allowance or other means of subsidy by which the participant may purchase transportation; and
- (3) health insurance coverage, to be provided by a participant's employer, or through a continuation of Medicaid benefits pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) for up to <sup>1</sup>[one year] two years <sup>1</sup> if the participant becomes ineligible for financial assistance under P.L.1959, c.86 (C.44:10-1 et seq.) as a result of earned income <sup>1</sup>; or health care services to be provided by a school-based health care program <sup>1</sup>.
- 8. (New section) In each county, the designated representative of the commissioner responsible for the development of a family plan for a participant in the program shall conduct an assessment of the health-related, social, educational and vocational needs of the participant's family unit in preparing the family plan for the participant. If the designated representative determines that the participant faces multiple barriers to employment, is not eligible for the services of the Division of Vocational Rehabilitation pursuant to P.L.1955, c.64 (C.34:16-20 et seq.), or needs  $^{1}$ or would benefit from special individualized services in order to be able to maintain steady employment after participation in the program, or that any of the other family members require <sup>1</sup>or would benefit from 1 educational services or vocational training, then the designated representative shall include in the family plan a requirement that the participant, or the other family members, as appropriate, receive special services in addition to the other services provided to the participant pursuant to this act. The designated representative shall then arrange for the provision of these services. These special services may include: individual counseling; family counseling; parental skill training and development<sup>1</sup>, providing information about child care options<sup>1</sup>; individualized job training services; substance abuse counseling <sup>1</sup>and treatment <sup>1</sup>; individualized remedial educational

or tutorial services for the participant or other family members based upon the assessment of the family's educational needs; and any other health-related, counseling, educational or vocational training services determined by the commissioner to be necessary to provide each family member who is eligible for benefits with the basic skills that are necessary to secure and maintain gainful employment, and to prepare the program participant for steady employment following participation in the program<sup>1</sup>, including higher education through both four-year and community colleges, as well as post-secondary vocational training programs<sup>1</sup>.

The special services shall be provided to program participants in accordance with guidelines established by the commissioner, in consultation with the Commissioners of Health, Labor, Education, Community Affairs, and Commerce, Energy and Economic Development, <sup>1</sup>and the Chancellor of Higher Education <sup>1</sup> and with the implementation plans established for each county pursuant to this act.

<sup>1</sup>9. (New section) The commissioner shall establish staff training programs necessary to effectuate the purposes of this act, which shall be offered at State facilities, including but not limited to State institutions of higher education, and county colleges. <sup>1</sup>

<sup>1</sup>[9.] 10.<sup>1</sup> (New section) The commissioner shall establish a program office in each of the three counties with the largest number of recipients, to be designated as a family resource center. The center shall provide all program enrollment and case management services, including counseling and health-related, social, educational and vocational needs assessment services, to program participants and their families in a single setting within the county, in order to facilitate their access to these services.

<sup>1</sup>[10.] 11.<sup>1</sup> (New section) The commissioner shall take such actions as are necessary to reorganize the services provided by the Divisions of Economic Assistance, Youth and Family Services, and Mental Health and Hospitals of the department, the county welfare agencies and private nonprofit agencies and organizations with which the department contracts to provide services, and to promote innovative approaches to the delivery of program services through partnerships between public and private entities, and between nonprofit and for-profit entities within the private sector, in order to provide for the most effective and efficient use of public and private resources in the implementation and operation of the program.

<sup>1</sup>[11.] <u>12.</u><sup>1</sup> (New section) a. The commissioner shall establish a planning council in each county to determine the most effective way to organize and administer the program in that county. The planning council shall include no less than <sup>1</sup>[12] <u>13</u><sup>1</sup> and no more than 15 persons and shall, at a minimum, include: the director of the program in each county, who shall be designated by the commissioner; the director of the county welfare agency; a

 member of the board of chosen freeholders; a representative of the county human services advisory council; a representative of the local <sup>1</sup>[Private Industry Council established pursuant to the "Job Training Partnership Act," Pub.L.97-300 (29 U.S.C. §1501 et al.)] private industry council established pursuant to section 18 of P.L.1989, c.293 (C.34:15C-15)<sup>1</sup>, or of a successor entity as may be provided by federal law; a representative of a child care agency in the county; a representative of the local community college; a representative of the county vocational school; a representative of private business or industry in that county; <sup>1</sup>[a recipient] two recipients<sup>1</sup> of aid to families with dependent children residing in that county; a representative of the commissioner; and a representative <sup>1</sup>each<sup>1</sup> of the Division of Youth and Family Services <sup>1</sup>and the Division of Medical Assistance and Health Services<sup>1</sup>.

b. The council shall develop a program implementation plan for the county which shall ensure that training and education services provided by the program in that county reflect local needs and resources and that supportive services provided to program participants utilize existing local arrangements wherever possible. The plan shall also designate a county agency to coordinate services provided by the program and to report to the commissioner on program implementation and effectiveness, according to criteria and standards established by the commissioner.

<sup>1</sup>[12.] <u>13.</u><sup>1</sup> (New section) The commissioner shall reimburse a county for 100% of the reasonable costs associated with administration of the program and program services which are not reimbursed by the federal government.

 $^{1}[13.]$   $\underline{14.}^{1}$  Section 8 of P.L.1947, c.156 (C.44:8-114) is amended to read as follows:

8. The State shall provide, through each municipality, public assistance to the persons eligible therefor, residing therein or otherwise when so provided by law, which assistance shall be fully funded by the State and administered by a local assistance board according to law and in accordance with this act and with such rules and regulations as may be promulgated by the commissioner.

[As hereinafter provided, employable persons] An employable person who is receiving public assistance shall be required, except when good cause exists, to [perform such public work as shall be assigned to them by the Division of Employment Services in the Department of Labor or, in the manner described herein, by the director of welfare of the municipality providing public assistance.

The division shall provide for the establishment of public work programs for the assignment of employable persons in receipt of public assistance. Public work may include the performance of work for the municipality providing public assistance, or the performance of work in the operation of or in an activity of a

nonprofit agency or institution pursuant to a contract with the municipality. Public work projects to which employable persons are assigned by the division may include work for other levels of government besides the municipality, and shall be approved by the Commissioner of Labor. If a recipient is injured while performing work assigned by the division or a municipal welfare director pursuant to this act, liability for such injury shall be assumed by the State, pursuant to the Workers' Compensation Act, R.S.34:15-1 et seq. No State agency, municipality or any governmental or nonprofit agency or institution which has contracted with the division or a municipality pursuant to this act, or its employees, shall be liable in a civil suit for damages for any injury sustained by a recipient while performing work required by this act.

The director of welfare in the municipality shall notify the division of persons in receipt of public assistance who, in his judgment, and in accordance with the regulations established by the Commissioner of Human Services, are able to perform work. From the time that he has so notified the division until such time as the division shall assign such persons to a public work project, the director of welfare shall assign such employable persons to perform public work if such work is available, and shall notify the division. The division may approve any such employment assigned by the director of welfare without further need for assignment or reassignment or may make another assignment. In assigning public work, the director of welfare or the division, as the case may be, shall be satisfied that such employable persons will not be used to replace any regular employees of any department or unit of such municipality.

In assigning persons to public work in a nonprofit agency or institution, the division or the director of welfare, as the case may be, shall also be satisfied that such assignment will not result in the displacement of regular employees of the agency or institution.

The Commissioner of Labor shall establish regulations concerning the appropriateness of work-site assignments.

Persons performing such work assigned by the division or the director of welfare shall work only the number of hours equal to the amount of their grant divided by an hourly wage rate commensurate with beginning regular employees similarly employed. Performance of such work shall result in payment to the person of his public assistance grant] enroll and actively participate in the Family Development Initiative established pursuant to P.L...., c..... (C.......) (now pending before the Legislature as this bill).

<sup>1</sup>The commissioner may exempt a person from participating in the program for reasons of physical or mental impairment, age, illness or injury, caretaker responsibilities, employment or unsuitability, as determined by the commissioner, for the services

provided by the program.<sup>1</sup>

Each person receiving public assistance who is required to participate in the Family Development Initiative shall receive a health-related, social, educational and vocational assessment and those services, as appropriate, which are provided to other participants in that program pursuant to P.L....., c...... (C........) (now pending before the Legislature as this bill).

Any person who without good cause fails or refuses to [report for or to perform work to which he has been assigned by the director of welfare or the division] enroll and actively participate in the Family Development Initiative, which includes failure to attend or make satisfactory academic progress in educational or vocational training classes under the program<sup>1</sup>, including classes four-year and community colleges and post-secondary vocational training programs<sup>1</sup>, according to rules and regulations adopted by the commissioner, shall thereupon, as determined by the commissioner, be subject to a reduction in benefits of at least 20%, or shall become ineligible for public assistance for a period of at least 90 days, which shall commence at the end of the current benefit period and at the end of which the person shall again become eligible for public assistance; provided that he [reports for and performs work to which he has been assigned] complies with all requirements of the Family Development Initiative as determined by the commissioner or shows his willingness to do so. For a subsequent failure or refusal to enroll and actively participate in the program without good cause, the person may be subject to a termination of benefits.

[Good cause for failure or refusal to report for or to perform work shall include, but shall not be limited to: working conditions which are a substantial risk to health and safety; physical inability to engage in a particular type of work; or lack of a reasonable means of transportation.

Willingness to report for or to perform work shall be demonstrated by maintaining a current registration with the division; by reporting to a division office upon request and providing all required information; by reporting for employment interviews as scheduled by the division; by accepting employment or better employment when offered, whether or not the offer is made through or referred by the division; by accepting training for employment as offered when the person is unemployed; and by continuing in employment training, unless the person has good cause to fail or refuse to report for or to perform the work to which the person has been assigned.]

(cf: P.L.1990, c.66, s.17)

 $^{1}$ [14.]  $^{15.1}$  Section 11 of P.L.1987, c.282 is amended to read as follows:

11. This act shall take effect immediately[, but shall remain inoperative until the enactment into law of Senate Bill No. 2047 or Assembly Bill No. 4182 of 1986–1987 or a similar bill; and

sections 1 through 8, inclusive, and section 10 shall remain inoperative until the submission by the commissioner to the Senate Revenue, Finance and Appropriations Committee and the General Assembly Appropriations Committee, or their successor committees, of the REACH program implementation report required pursuant to subsection a. of section 9 of this act] and shall expire three years after the effective date of P.L..... c...... (C......) (now pending before the Legislature as this bill).

(cf: P.L.1987, c.282, s.11)

 $^{1}$ [15.]  $\underline{^{16.}}^{1}$  Section 1 of P.L.1987, c.283 (C.30:4D-6b) is amended to read as follows:

1. The Legislature finds and declares that: the protection afforded recipients of aid to families with dependent children (AFDC) pursuant to P.L.1959, c.86 (C.44:10-1 et seq.), through the provision of health care coverage under the Medicaid program, established pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.), is a major disincentive to public assistance recipients who are considering employment; and while the federal government has recognized the relationship between medical coverage and successful employment initiatives through its policy of allowing limited extensions of Medicaid to former AFDC recipients who lose eligibility for both programs as a result of employment, only 12% of those entering employment receive Medicaid extensions for more than four months because of the strict income eligibility requirements.

The Legislature further finds and declares that: New Jersey's welfare reform program[, known as REACH,] aims to transform the present AFDC program, which is a payment system, into an employment and training program the goal of which is to assist New Jersey's welfare families to realize self-sufficiency; and, therefore, it is necessary to extend Medicaid coverage for a period of up to 12 months to those AFDC recipients who lose eligibility for AFDC and Medicaid as a result of employment obtained through the welfare program.

(cf: P.L.1987, c.283, s.1)

 $^{1}$ 17. Section 2 of P.L.1987, c.283 (C.30:4D-6c) is amended to read as follows:

2. A person who becomes ineligible for financial assistance under the aid to families with dependent children program, P.L. 1959, c. 86 (C. 44:10-1 et seq.), due to earnings from, or increased hours of, employment, or receipt of benefits under the "unemployment compensation law," R.S. 43:21-1 et seq. or the "Temporary Disability Benefits Law," P.L. 1948, c. 110 (C. 43:21-25 et seq.), is eligible to continue receiving Medicaid benefits pursuant to P.L. 1968, c. 413 (C. 30:4D-1 et seq.) for a period of [12] 24 consecutive months, commencing with the month in which eligibility for aid to families with dependent children ceases, if the person:

### A4700 [1R]

a. received financial assistance under the aid to families with dependent children program for three of the last six months prior to the person's becoming ineligible for the assistance, except in the case of a person who becomes eligible for aid to families with dependent children benefits on or after the effective date of this act; and

b. would be eligible for aid to families with dependent children financial assistance, except for the person's income, resources or hours of employment.<sup>1</sup>

(cf: P.L.1987, c.283, s.2)

<sup>1</sup>[16.] <u>18.</u><sup>1</sup> (New section) The commissioner, in consultation with the Commissioners of Health, Labor, Education, <sup>1</sup>[and]<sup>1</sup> Commerce and Economic Development, <sup>1</sup>and Transportation<sup>1</sup> and the Chancellor of Higher Education, shall report to the Governor and the Legislature no later than three years after the effective date of this act, and annually thereafter, on the effectiveness of the program in meeting its objectives, accompanying that report with any recommendations for changes in the law or regulations governing the program that the commissioner deems necessary.

<sup>1</sup>[17. There is transferred \$10,000,000 from the Grants-In-Aid account for the Realizing Economic Achievement (REACH) Program within the General Fund to provide the funds necessary to implement the Family Development Initiative.]<sup>1</sup>

<sup>1</sup>[18.] <u>19.</u> The commissioner, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and regulations to carry out the provisions of this act.

<sup>1</sup>[19.] 20.<sup>1</sup> <sup>1</sup>[This] Sections 1 through 8 and 10 through 19 of this <sup>1</sup> act shall take effect on <sup>1</sup>[the 90th day after the effective date of this act] July 1, 1992<sup>1</sup>, except that the commissioner may take such actions prior to the effective date as are necessary to effectuate the purposes <sup>1</sup>[of this act] thereof. Section 9 shall take effect immediately <sup>1</sup>.

### **HUMAN SERVICES**

Designated the "Family Development Act."

lose eligibility for both programs as a result of employment, only 12% of those entering employment receive Medicaid extensions for more than four months because of the strict income eligibility requirements.

The Legislature further finds and declares that: New Jersey's welfare reform program[, known as REACH,] aims to transform the present AFDC program, which is a payment system, into an employment and training program the goal of which is to assist New Jersey's welfare families to realize self-sufficiency; and, therefore, it is necessary to extend Medicaid coverage for a period of up to 12 months to those AFDC recipients who lose eligibility for AFDC and Medicaid as a result of employment obtained through the welfare program.

(cf: P.L.1987, c.283, s.1)

- 16. (New section) The commissioner, in consultation with the Commissioners of Health, Labor, Education, and Commerce and Economic Development, and the Chancellor of Higher Education, shall report to the Governor and the Legislature no later than three years after the effective date of this act, and annually thereafter, on the effectiveness of the program in meeting its objectives, accompanying that report with any recommendations for changes in the law or regulations governing the program that the commissioner deems necessary.
- 17. There is transferred \$10,000,000 from the Grants-In-Aid account for the Realizing Economic Achievement (REACH) Program within the General Fund to provide the funds necessary to implement the Family Development Initiative.
- 18. The commissioner, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and regulations to carry out the provisions of this act.
- 19. This act shall take effect on the 90th day after the effective date of this act, except that the commissioner may take such actions prior to the effective date as are necessary to effectuate the purposes of this act.

### **STATEMENT**

This bill establishes the "Family Development Initiative" in the Department of Human Services. The Commissioner of Human Services shall initially establish the program in the three counties with the largest numbers of aid to families with dependent children (AFDC) recipients during the first year of the program's operation. The other counties will be phased in during a subsequent two-year period. The REACH program established pursuant to P.L.1987, c.282 (C.44:10-9 et seq.) is to be phased out on a county-by-county basis as the Family Development Initiative is implemented in that county, with the fiscal and

personnel resources of public agencies which are being utilized by the REACH program transferred to the Family Development Initiative. The bill provides for the expiration of P.L.1987, c.282 three years after the effective date of the bill.

The REACH program has failed to provide a viable programmatic approach to the increasing problem of welfare dependency in New Jersey, with its attendant features of broken families and wasted lives. A new more comprehensive approach to addressing the needs and responsibilities of public assistance recipients is required, with an emphasis on strengthening families, remedying basic deficiencies in educational skills, developing real private sector job opportunities with a future, and providing meaningful penalties for noncompliance.

The Family Development Initiative created under this bill will expand the range and intensity of services available to participants in the existing REACH program and enlarge the programmatic focus to include the entire family and its health-related, social, educational and vocational needs, while emphasizing the role of private sector employers in the job creation and training components of the program. In addition, the new program will expand the mandate of the REACH program to include recipients of general public assistance administered by the municipalities as program participants. The bill stipulates those penalties to be imposed on AFDC and general public assistance recipients who fail to comply with program requirements without good cause, as determined by the Commissioner of Human Services.

The Family Development Initiative will be designed to ensure that each participant and member of the participant's family, as age appropriate, has attained the equivalent of a high school degree, before assigning that person to a vocational-related activity under the program.

The program will be required to assign one or more persons in each county which is participating in the program to be responsible, on a full-time basis, for job development for persons who have completed their educational or training activities under the program, with an emphasis on finding and creating permanent full-time unsubsidized jobs, preferably in the private sector, which offer wages and benefits that are adequate to support participants and their families.

The bill directs the Commissioner of Human Services, in consultation with the Commissioner of the Department of Commerce, Energy and Economic Development, to seek to recruit private sector employers in each county to offer employment to persons who have completed their educational or training activities under the program.

The bill transfers \$10 million from the budget for the REACH program to cover the costs of implementing the Family

Development Initiative.

Finally, the bill requires that the Commissioner of Human Services, in consultation with the Commissioners of Health, Labor, Education, and Commerce and Economic Development, and the Chancellor of Higher Education, report to the Governor and the Legislature no later than three years after the effective date of the bill, and annually thereafter, on the effectiveness of the Family Development Initiative.

# **HUMAN SERVICES**

Designated the "Family Development Act."

### ASSEMBLY HEALTH AND HUMAN SERVICES COMMITTEE

STATEMENT TO

# ASSEMBLY, No. 4700

with Assembly committee amendments

# STATE OF NEW JERSEY

DATED: DECEMBER 5, 1991

The Assembly Health and Human Services Committee favorably reports Assembly Bill No. 4700 with committee amendments.

As amended by the committee, this bill establishes the "Family Development Initiative" (FDI) in the Department of Human Services. The amended bill provides that the Commissioner of Human Services shall initially establish the program in the three counties with the largest numbers of aid to families with dependent children (AFDC) recipients. The other counties will be phased in during a subsequent two-year period. The REACH program established pursuant to P.L.1987, c.282 (C.44:10-9 et seq.) is to be phased out on a county-by-county basis as FDI is implemented in that county, with the fiscal and personnel resources of public agencies which are being utilized by the REACH program transferred to FDI. The bill provides for the expiration of P.L.1987, c.282 three years after the effective date of the bill.

FDI is intended to expand the range and intensity of services available to participants in the existing REACH program and enlarge the programmatic focus to include the entire family and its health-related, social, educational and vocational needs, while emphasizing the role of private sector employers in the job creation and training components of the program. In addition, FDI will expand the mandate of the REACH program to include recipients of general public assistance administered by the municipalities as program participants. The bill stipulates those penalties to be imposed on AFDC and general public assistance recipients who fail to comply with program requirements without good cause, as determined by the Commissioner of Human Services.

FDI will be designed to ensure that each participant and member of the participant's family, as age appropriate, has attained the equivalent of a high school degree, unless exempted by the commissioner, before assigning that person to a vocational-related activity under the program.

FDI will assign one or more persons in each county which is participating in the program to be responsible, on a full-time basis, for job development for persons who have completed their educational or training activities under the program, with an emphasis on finding and creating permanent full-time unsubsidized jobs, preferably in the private sector, which offer wages and benefits that are adequate to support FDI participants and their families.

The amended bill directs the Commissioner of Human Services, in consultation with the Commissioners of the Departments of Commerce and Economic Development and Labor, and with the private industry councils, to develop a program to recruit private sector employers in each county to offer employment to persons who have completed their educational or training activities under the program.

Finally, the amended bill requires that the Commissioner of Human Services, in consultation with the Commissioners of Health, Labor, Education, Commerce and Economic Development and Transportation, and the Chancellor of Higher Education, report to the Governor and the Legislature no later than three years after the effective date of the bill, and annually thereafter, on the effectiveness of FDI.

The committee amended the bill to:

- clarify that FDI will serve as the State's JOBS program in accordance with the requirements of the federal job opportunities and basic skills training program established pursuant to the federal "Family Support Act of 1988," Pub.L.100-485;
- provide for establishment of a demonstration project to provide the same services as FDI to recipients of general public assistance in the State's capital city simultaneous with the establishment of FDI in the three counties with the largest AFDC caseloads;
- provide that the Commissioner of Human Services may exempt a person from participating in FDI for reasons of physical or mental impairment, age, illness or injury, caretaker responsibilities, employment or unsuitability, as determined by the commissioner, for FDI services;
- permit the commissioner to exempt a participant or member of the participant's family from the requirement of obtaining the equivalent of a high school degree if the commissioner determines, based upon an assessment of the person's ability and aptitude, that the person lacks a reasonable prospect of being able to successfully complete the academic requirements of a high school or equivalency program of study, in which case the commissioner shall refer the person to an alternative educational program as appropriate;
- also permit an exemption from the high school degree requirement if the person is gainfully employed or engaged in a job search or job training activity, in which case the FDI representative acting as the person's case manager shall review the person's progress on a quarterly basis to assess whether the person's exemption from this requirement should continue;
- include language which emphasizes the higher education opportunities to be made available to FDI participants;
- require that the contract which sets forth the mutual obligations of each FDI participant and the program and a plan of services to be provided shall be written in English or Spanish, according to the participant's needs;

- require the Commissioner of Human Services, in consultation with the Commissioners of Commerce and Economic Development and Labor, and with the private industry councils, to develop a program to recruit private sector employers in each county to offer employment to persons who have completed FDI educational or training activities;
- provide for financial assistance for higher education to FDI participants through the existing New Jersey Educational Opportunity Fund and other State student assistance programs, rather than establishing a separate new scholarship program for participants;
- provide for an extension of day care services for a participant's child for up to one year after the participant becomes ineligible for AFDC benefits as a result of earned income;
- permit the use of alternative child care arrangements agreed to by the participant and the FDI representative, in addition to child care services purchased through a voucher for care at a child care center or school age child care program, or at an approved family day care home;
- require that the special services to be made available to FDI participants and family members include the provision of information about child care options;
- require that these services include substance abuse treatment, as well as counseling;
- increase the minimum number of persons serving on the FDI planning council for each county to 13 by adding two additional members: a second AFDC recipient and a representative of the State Medicaid program;
- increase from 12 to 24 months the period of extended Medicaid eligibility provided under P.L.1987, c.283 (C.30:4D-6b et seq.) for AFDC recipients who become ineligible for benefits because of earned income or unemployment or temporary disability benefits;
- require that the Commissioner of Human Services, in consultation with the Commissioners of Health, Labor, Education, Commerce and Economic Development, and Transportation and the Chancellor of Higher Education, report to the Governor and the Legislature within three years after the effective date of the bill, and annually thereafter, on the effectiveness of FDI in meeting its objectives;
- change the effective date of the bill to July 1, 1992 in order to allow sufficient time to make the necessary programmatic and administrative arrangements for the implementation of FDI, while requiring the Commissioner of Human Services to establish staff training programs necessary to implement FDI prior to the effective date, which shall be offered at State facilities, including but not limited to State institutions of higher education, and county colleges; and
  - delete the language which provides for a transfer of

\$10 million from the budget for the REACH program to cover the costs of implementing FDI, in view of the fact that FDI will not be implemented until FY 1993. It is, however, the intent of the sponsor and the committee that the funds necessary to implement FDI shall be transferred from the REACH program in FY 1993.

This bill is part of a legislative package that is designed to effect significant reforms in the AFDC program and address the needs of the economically disadvantaged in this State.

#### ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]
ASSEMBLY, No. 4700

# STATE OF NEW JERSEY

DATED: DECEMBER 9, 1991

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4700 (1R).

Assembly Bill No. 4700 (1R) establishes Development Initiative" (FDI) in the Department of Human Services. The Commissioner of Human Services shall initially establish the program in the three counties with the largest numbers of Aid to Families with Dependent Children (AFDC) recipients. The other counties will be phased in during a subsequent two-year period. The REACH program established pursuant to P.L.1987, c.282 (C.44:10-9 et seq.) is to be phased out on a county-by-county basis as FDI is implemented in that county, with the fiscal and personnel resources of public agencies transferred to FDI. The bill provides for the expiration of REACH three years after the effective date of the bill.

FDI expands the range and intensity of services available to participants in the current program and enlarges the programmatic focus to include the entire family and its health-related, social, educational and vocational needs, while emphasizing the role of private sector employers in the job creation and training components of the program. FDI expands the mandate of the REACH program to include recipients of general public assistance administered by the municipalities as program participants. The bill stipulates those penalties to be imposed on AFDC and general public assistance recipients who fail to comply with program requirements without good cause, as determined by the Commissioner of Human Services.

The Commissioner of Human Services, in consultation with the Commissioners of the Departments of Commerce and Economic Development and Labor, and with the private industry councils, is directed to develop a program to recruit private sector employers in each county to offer employment to persons who have completed their educational or training activities under the program. The bill also requires that the Commissioner of Human Services, in consultation with the Commissioners of Health, Labor, Education, Commerce and Economic Development and Transportation, and the Chancellor of Higher Education, report to the Governor and the Legislature no later than three years after the effective date of the bill, and annually thereafter, on the effectiveness of FDI.

This bill is part of a legislative package that is designed to effect significant reforms in the AFDC program and address the needs of the economically disadvantaged in this State.

# **FISCAL IMPACT:**

In the Legislative Fiscal Estimate to this bill, the Office of Legislative Services (OLS) stated the bill requires that counties be reimbursed 100 percent of their reasonable administrative costs which are not reimbursed by the federal government. The transfer of \$10 million from the REACH account to cover costs for the initial three counties, was deleted by the prior committee since the funds are not necessary until FY 1993. This had been estimated to be a \$14 million cost in the fiscal estimate.

## SENATE INSTITUTIONS, HEALTH AND WELFARE COMMITTEE

STATEMENT TO

# [FIRST REPRINT] ASSEMBLY, No. 4700

# STATE OF NEW JERSEY

DATED: JANUARY 9, 1992

The Senate Institutions, Health and Welfare Committee reports Assembly Bill No. 4700 (1R) without recommendation.

This bill establishes the "Family Development Initiative" (FDI) in the Department of Human Services. The bill provides that the Commissioner of Human Services shall initially establish the program in the three counties with the largest numbers of aid to families with dependent children (AFDC) recipients. The other counties will be phased in during a subsequent two-year period. The REACH program established pursuant to P.L.1987, c.282 (C.44:10-9 et seq.) is to be phased out on a county-by-county basis as FDI is implemented in that county, with the fiscal and personnel resources of public agencies which are being utilized by the REACH program transferred to FDI. The bill provides for the expiration of P.L.1987, c.282 three years after the effective date of the bill.

FDI is intended to expand the range and intensity of services available to participants in the existing REACH program and enlarge the programmatic focus to include the entire family and its health-related, social, educational and vocational needs, while emphasizing the role of private sector employers in the job creation and training components of the program. In addition, FDI will expand the mandate of the REACH program to include recipients of general public assistance administered by the municipalities as program participants. FDI will be phased in for these recipients also on a county-by-county basis, but in the first year of implementation, the bill also provides for a pilot program for general assistance recipients in Trenton. The bill stipulates those penalties to be imposed on AFDC and general public assistance recipients who fail to comply with program requirements without good cause, as determined by the Commissioner of Human Services.

FDI will be designed to ensure that each participant and member of the participant's family, as age appropriate, has attained the equivalent of a high school degree, unless exempted by the commissioner, before assigning that person to a vocational-related activity under the program.

FDI will assign one or more persons in each county which is participating in the program to be responsible, on a full-time basis, for job development for persons who have completed their educational or training activities under the program, with an emphasis on finding and creating permanent full-time unsubsidized jobs, preferably in the private sector, which offer wages and benefits that are adequate to support FDI participants and their families.

The bill directs the Commissioner of Human Services, in consultation with the Commissioners of the Departments of Commerce and Economic Development and Labor, and with the private industry councils, to develop a program to recruit private sector employers in each county to offer employment to persons who have completed their educational or training activities under the program.

Finally, the bill requires that the Commissioner of Human Services, in consultation with the Commissioners of Health, Labor, Education, Commerce and Economic Development and Transportation, and the Chancellor of Higher Education, report to the Governor and the Legislature no later than three years after the effective date of the bill, and annually thereafter, on the effectiveness of FDI.



# OFFICE OF THE GOVERNOR **NEWS RELEASE**

CN-001

Contact: Jon Shure; Jo Astrid Glading

609-292-8956

TRENTON, N.J. 08625 ReleaseJanuary 21, 1992

GOV. FLORIO SIGNS HISTORIC WELFARE MEASURES

PENNSAUKEN -- Gov. Jim Florio today signed six bills into law that are aimed at restoring the welfare system to its original goals, by breaking the cycle of poverty, restoring family values, and enhancing the role of individual responsibility.

"This legislation is guided by compassion and crafted in common sense," Gov. Florio said. "We want to rebuild New Jersey's families, and replace the hopelessness of welfare dependency with the hope of self-reliance. Our children need the guidance of a strong family and the tools of education to help them compete."

With Gov. Florio was Assemblyman Wayne Bryant, for whom the signing of the Family development Act represents the culmination of a decade of work aimed at changing a system that has resulted in generation after generation of the same families being on welfare. Assemblyman Bryant said, "Welfare is not working to improve the conditions of the poor -- so let's make welfare work. The family is the foundation upon which a person's character, spirit, and abilities are built. But for many people on public assistance today, the family is devoid of the moral, financial, and educational support every member of the family needs."

The bills were signed at The Work Group, a private, non-profit education and training center that has offered literacy and employment services to young persons and adults throughout South Jersey since 1983. It was at The Work Group that Assemblyman Bryant first announced his plan for making welfare work for everyone. After intensive public hearings, the six measures were passed in the closing days of the 204th Legislature. The 6-part law offers fresh thinking to break from the ideas of the past in ways that are aimed at helping the meanle who receive welfare, and the others who pay at helping the people who receive welfare, and the others who pay for it. (SEE ATTACHED FACT SHEET FOR MORE DETAIL)

Gov. Florio praised Asemblyman Bryant for his groundbreaking work on the Family Development Act: "He wasn't afraid to face the questions that weigh on all of our minds, but are rarely spoken aloud. He asked, 'How can it be that after years of good intentions and well-meaning social programs, we see no end to poverty and its debilitating effects?' The Family Development Act is built on the common sense idea that government must encourage and empower people to improve their own lives. Welfare traps our children from cradle to grave in a cycle of dependency."

# BREAKING THE CYCLE: Making Welfare Work in New Jersey

Breaking the cycle of poverty, restoring the family unit, and enhancing the role of individual responsibility are the aims of the welfare overhaul signed into law by Governor Jim Florio. New Jersey's efforts reflect some fresh thinking and new, common-sense approaches to deal with a welfare system that increasingly traps generations of families in poverty, offering them and their children little hope for a better future. It is strongly based on the education and training needed to make sure welfare goes back to being the transitional program it was intended to be

The culmination of a decade of work by Assemblyman Wayne Bryant, these changes do not decrease benefits for anyone -- but they replace dependency with job-training, education, and a reinforcement of the importance of individual decision-making. Here are highlights of the 6-bill package:

# EDUCATION AND JOB TRAINING

• Cornerstone of the package, this bill requires all recipients of welfare to participate in education, training or job-related activities as a condition of receiving benefits. Recipients are expected to obtain, at a minimum, a high school or GED diploma. The purpose is to return welfare to the transitional program it was meant to be by preparing recipients, educationally and through job-training, to enter and remain in the workforce.

Up until now, education wasn't a high enough priority, although under the REACH program, all new welfare recipients entering after October, 1989, are required to enroll in the program which provides job training.

## REFERRAL HOTLINE

• Establishes a 24-hour coordinated hotline to provide residents of New Jersey with direct information and referral on job-training services, child care, home health care, rental assistance and other human services, in order that they can avail themselves of those services that families need in order to address problems that they may be experiencing.

Currently, there are numerous referral centers. A common complaint among citizens is that they don't know where to call to get help in a particular service area. This hotline provides a one-stop service.

# MARRIAGE AND BENEFITS

• Promotes the continuity and security of family life, by allowing women on welfare to marry without losing the welfare grant for their children if the husband is not the natural father of the children and if the husband's income is less than \$21,100 for a family of four. The purpose of this bill is to recognize that, while natural fathers still are expected to support their children, more needs to be done to encourage a family structure and a responsible male-figure involvement in the children's lives.

Up until now, there were penalties and disincentives for welfare clients to marry, encouraging the lack of a responsible male figure in the home.

#### **WORKING AND COLLECTING BENEFITS**

• Increases the amount of income a woman is allowed to earn from working, without a reduction in her welfare grant level, to support any additional children that the woman has while she is receiving assistance. It again reaffirms that welfare should be a transitional program. The measure requires of welfare recipients the same kind of decision-making that economic conditions impose on those not on welfare in determining how large they want their family to be. Out in the workforce there is no such thing as an automatic pay increase when another child is born; neither will there be an automatic increase in welfare benefits. But there will be more opportunity for a mother to work to support her children without losing benefits she already had been receiving.

Up until now, each additional child resulted in a \$64 per month increase in the grant level -- but with severe restrictions on outside income. This has created a system where women cannot work, because they would lose welfare benefits on which they have come to rely.

Under this bill, a woman would be allowed to earn up to 50 percent of her grant level through employment, without any loss in her current benefits. Calculations show that 15 hours a month -- half an hour per day -- at minimum wage would replace the \$64 increase in the grant level.

## ELIMINATING MARRIAGE PENALTY

• Eliminates the existing 30 percent penalty for married couples. The purpose of the bill is to encourage the family structure by removing penalties for the marriage of people receiving assistance.

Up until now, married couples receiving AFDC benefits were subject to a 30 percent penalty on the monthly benefits that are received, which encourages the breakup of families to protect benefits for children.

# COUNCIL ON COMMUNITY RESTORATION

 Creates a Council on Community Restoration whose charge would be to identify target neighborhoods for intensive economic and community redevelopment activities.

# **HISTORY OF WELFARE IN NEW JERSEY**

Aid to Families with Dependent Children is a county-administered, state supervised public assistance program which provides financial assistance for dependent children and their natural or adoptive parents, or certain other relatives recognized as taking the place of a parent. Eligibility is limited to families with a gross monthly income (excluding AFDC payments, food stamps and home energy assistance benefits) of less than 185 percent of the state's need standard for that family size. Currently, the monthly AFDC grant amount for a family of three is \$424. The purpose of the AFDC Program was to provide temporary assistance for a family with children until they were able to become self-sufficient.

# **Qualifications:**

To qualify for AFDC benefits, children (natural, adopted or related) must be deprived of the financial support of one or both of their parents (natural or adopted) due to death, incapacity, continued absence from the home, unemployment of the "principal earner" or underemployment of the "principal earner". The program does not encourage creation of a typical family unit.

Since October, 1989, every AFDC applicant is required to enroll in the REACH -- Realizing Economic Achievement -- program as a condition of eligibility. REACH encouraged job training programs to wean recipients off welfare benefits but did not offer the comprehensive approach the reform package puts in place.

## **STATISTICS**

- One in five New Jersey children live in poverty.
- In 1990, 120 out of every 1,000 children received AFDC
- Teenage mothers accounted for 43 per 1,000 births in 1990
- As of November, 1991, 332,508 people received AFDC benefits in New Jersey at a cost of \$44.7 million
- Of the total number of recipients, 92,878 were female adults as of December, 1991:
  - 60,049 are single
  - 4,974 are married
  - 6,717 are divorced
  - 20,481 are separated
  - 637 are widowed
- An additional 27,268 people qualified for General Assistance as of June, 1991 at a cost of \$12.1 million

# Breakdown of AFDC Recipients:

	Females	Males	Children	Totals
White Black	21,064 47,635	3,020 2,032	41,135 117,631	65,219 167,298
Hispanic American Indian/	27,298	2,292	65,344	94,934
Alaskan Native Asian/Pacific Islander	79 1,240	15 <b>728</b>	160 2,233	254 4,201
Not reported	168	62	372	602
TOTALS: (as of 11/91)	97,484	8,149	226,875	332,508