

6/2/86

44:10-5 et seq

LEGISLATIVE HISTORY CHECKLIST

NJSA: 44:10-5 et seq. (Welfare checks--stagger distribution dates)

LAWS OF: 1985 CHAPTER: 501

BILL NO: A268

Sponsor(s): Bryant and Marsella

Date Introduced: Pre-filed

Committee: Assembly: Corrections, Health and Human Services
Senate: Institutions, Health and Welfare; Revenue, Finance and Appropriations

Amended during passage: Yes Amendments denoted by asterisks according to Governor's recommendations

Date of Passage: Assembly: May 7, 1984 Re-enacted 9-9-85
Senate: June 17, 1985 Re-enacted 1-13-86

Date of Approval: January 21, 1986

Following statements are attached if available:

Sponsor statement: Yes
Committee statement: Assembly Yes
Senate Yes 11-13-84 and 6-28-84

Fiscal Note: No

Veto Message: Yes

Message on Signing: No

Following were printed:

Reports: No

Hearings: No

1-21-86

[SECOND OFFICIAL COPY REPRINT]

ASSEMBLY, No. 268

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Assemblymen BRYANT and MARSELLA

A SUPPLEMENT to "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; C. 44:10-1 et seq.).

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

1 1. This act shall be known and may be cited as the "Public
2 Assistance Payments Cycling Act."

1 2. For ***[purposes]*** *the purpose* of ***[receiving]*** *distribut-*
2 *ing* public assistance payments, the Department of Human Ser-
3 vices shall divide eligible recipients *for each county* into four
4 population groups of equal size. The department shall issue to each
5 group its public assistance payment once per month ***[with no**
6 **less than five days between a group's payment schedule]***. *The*
7 *payment schedules for the groups shall be staggered, with no less*
8 *than five working days between payment dates*. The department
9 shall implement the revised payment schedule ***[within 12 months**
10 **of the effective date of this act]*** *no later than* *****[April 1,**
11 **1986]*** **** April 1, 1987****.

1 3. The department shall provide that no public assistance recipi-
2 ent experiences hardship due to the revised payment schedule
3 either during transition to the new schedule or upon making an
4 initial application for benefits.

1 ****4.** *The Commissioner of the Department of Human Services*
2 *may exempt a county from the provisions of this act if the com-*
3 *missioner determines that the revised payment schedule is not*
4 *needed in a particular county.***

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 printed in italics thus is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

***—Assembly committee amendments adopted April 30, 1984.**

****—Assembly amendments adopted April 30, 1984.**

*****—Assembly amendment adopted in accordance with Governor's recommendations August 28, 1985.**

1 **[4.]** **5.** The Department of Human Services shall pro-
2 mulgate rules and regulations in accordance with the "Administra-
3 tive Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.) to
4 effectuate the purposes of this act.

1 **[5.]** **6.** This act shall take effect *~~on the 90th day~~
2 following enactment]* *immediately*.

STATEMENT

This bill provides that public assistance recipients shall be divided on an alphabetical basis into four population groups of equal size. Each group shall receive its public assistance payment once per month with no less than five days between a group's payment schedule.

Staggering the receipt of welfare checks in this manner will reduce the long lines and inordinate amount of time awaiting servicing which benefit recipients are often required to endure.

A268 (1985)

ASSEMBLY CORRECTIONS, HEALTH AND
HUMAN SERVICES COMMITTEE

STATEMENT TO

ASSEMBLY, No. 268

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: APRIL 26, 1984

As amended by committee, this bill would stagger the distribution of welfare checks to eligible recipients by dividing recipients in each county into four equal population groups, each of which would receive its check once per month with a minimum of five working days between a group's payment schedule. The amended bill provides that the Department of Human Services shall implement the revised payment schedule no later than April 1, 1986.

The committee reported the bill with the intent that it be referred to the Revenue, Finance and Appropriations Committee for consideration of its fiscal impact based upon the provision by the Department of Human Services of more precise estimates as to the cost of implementing check cycling and the amount of federal funds that would be made available to the State for this purpose.

SENATE REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 268

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: NOVEMBER 13, 1984

This bill would stagger the distribution of welfare assistance checks under the Aid to Families with Dependent Children (AFDC) program. Each recipient would continue to receive a monthly AFDC payment but there would be four mailings per month by county welfare agencies, rather than the current practice of distributing all checks on the first of each month.

The bill provides that the AFDC population in each county will be divided into four equal population groups. Payment dates are scheduled so that there are at least five working days between each group's payments (e.g., the 1st, 8th, 15th and 22nd of the month). The Department of Human Services is directed to implement the revised payment schedule by April 1, 1986. The Commissioner of Human Services may exempt a county from the new system if it is determined that the revised schedule is not needed within that county.

FISCAL IMPACT:

The Department of Human Services is expected to incur administrative expenses of up to \$300,000.00 in converting to check cycling. However, the department anticipates 90% federal matching funds for this purpose. The remaining \$30,000.00 is available in reappropriated data processing funds carried forward from fiscal year 1984.

The department also anticipates a one-time welfare assistance cost of \$15.8 million during the first month of implementation. This is the consequence of placing all cases on scheduled cycles without causing financial hardship; during the first month most recipients would receive a partial payment in addition to a full monthly payment as they are moved onto a staggered payment schedule. With 50% federal participation, the remaining \$7.9 million cost would be shared by the State (\$6 million) and the counties (\$1.9 million). These costs would appear in the fiscal year 1986 budget at the earliest.

SENATE INSTITUTIONS, HEALTH AND WELFARE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 268

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STATE OF NEW JERSEY

DATED: JUNE 28, 1984

This bill staggers the monthly distribution of aid to families with dependent children (AFDC) welfare assistance checks over four payment dates during the month. The bill provides that the AFDC population in each county shall be divided into four groups of equal size for the purpose of staggering the distribution of checks. Also, each of the four payment dates shall have at least five working days between them. Finally, the bill provides that the Department of Human Services shall implement the staggered system no later than April 1, 1986, but also authorizes the commissioner to exempt a county from the system if the staggered system is not needed in that county.

Presently, AFDC checks and Food Stamp allotment cards are distributed to all recipients on the 1st of each month. The Statewide AFDC caseload is approximately 135,000 and the majority of cases are concentrated in the State's urban areas.

The Department of Human Services estimates that the total administrative cost for implementing check cycling is approximately \$300,000; however this cost is probably eligible for federal matching of 90% (instead of the usual 50%) so that the total State administrative cost will be \$30,000. This money is provided for in carry-over funds in the FY '85 budget under data processing costs for the department.

The department also estimates there will be a one-time additional assistance cost (during the first month of implementation) of \$15.8 million in order to place all cases on their respective cycles without causing them financial hardship. This \$15.8 million cost is subject to 50% federal matching, so that the projected State cost (37.5%) is \$6 million and the county cost (12.5%) is \$1.9 million.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

August 28, 1985

ASSEMBLY BILL NO. 268 (OCR)

To the General Assembly:

Pursuant to Article V, Section I, Paragraph 14 of the Constitution, I herewith return Assembly Bill No. 268 (OCR) with my recommendations for reconsideration.

This bill staggers the monthly distribution of Aid to Families with Dependant Children (AFDC) welfare assistance checks over four payment dates during each month. Specifically, the bill provides that for the purpose of distributing public assistance payments, the Department of Human Services shall divide eligible recipients from each county into four population groups of equal size, with each group receiving its public assistance payment once per month. Payment schedules for the groups are staggered, with no less than five working days between payment dates. Presently, welfare assistance checks and food stamp allotment cards are distributed to all recipients on the first of each month. The Department of Human Services is required to implement the revised payment schedule no later than April 1, 1986.

I support the purpose of this bill since the implementation of a check cycling system in New Jersey would significantly decrease the extremely heavy work flow which is experienced by various county welfare offices each month and would improve the efficiency of the Public Assistance Program. The Department of Human Services has been exploring the feasibility of the implementation of a check cycling system for some time. In fact, the implementation of a check cycling system is part of a new computer information processing initiative (FAMIS) currently underway within the Department. However, it is estimated that full implementation of the check cycling program will take in excess of the April 1, 1986 deadline mandated in the bill. The Department of Human Services indicates that this program cannot be completely developed until April 1, 1987.

I am, therefore, recommending that the check cycling implementation date of April 1, 1986 as indicated in the bill be amended to allow for an April 1, 1987 implementation.

By doing so, appropriate funding can be included within the Department's 1987 Budget, and the check cycling program can be fully developed within the department's new computer system. As written, this bill does not include an

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

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appropriation to offset the program implementation costs to be incurred by the Division of Public Welfare. It is estimated that \$6.5 million in assistance payments will be required in the first month of the program to insure the placement of all cases in the system without causing undue hardship.

If the April 1, 1986 deadline were met, the \$6.5 million in State funds would be required in Fiscal Year 1986. These funds were not included in the Department of Human Services' Fiscal Year 1986 Budget request or the Fiscal Year 1986 Appropriations Act. Further, the Fiscal Year 1986 impact of \$6.5 million was not included in the reserve of pending bills, valued at \$175 million when the surplus was projected for Fiscal Year 1986. If this legislation were enacted in its present form, it would have a substantial detrimental impact on the Fiscal Year 1986 Budget surplus.

Accordingly, I herewith return Assembly Bill No. 268 (OCR) and recommend that it be amended as follows:

Page 1, Section 2, Line 10: Delete "April 1, 1986" insert
"April 1, 1987"

Respectfully,
/s/ Thomas H. Kean
GOVERNOR

[seal]

Attest:
/s/ W. Cary Edwards
Chief Counsel