



**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** Yes

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

**FOLLOWING WERE PRINTED:**

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**HEARINGS:** No

**NEWSPAPER ARTICLES:** No

LAW/KR

P.L.2013, CHAPTER 45, *approved April 15, 2013*  
Senate, No. 2366 (*Second Reprint*)

1 **AN ACT** establishing a Supplemental Nutrition Assistance Program  
2 Employment and Training Provider Demonstration Project and  
3 supplementing Title 44 of the Revised Statutes.

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

7  
8 1. This act shall be known and may be cited as the “New Jersey  
9 SNAP Employment and Training Provider Demonstration Project  
10 Act.”

11  
12 2. As used in this act:  
13 “Commissioner” means the Commissioner of Human Services.  
14 “Demonstration project participant” means an eligible participant  
15 who elects to participate in the demonstration project established  
16 pursuant to this act.

17 “Department” means the Department of Human Services.  
18 “Eligible participant” means a SNAP recipient who qualifies for  
19 participation in NJ SNAP ETP as a voluntary SNAP ETP  
20 participant or as a mandatory SNAP ETP participant.

21 “Mandatory SNAP ETP participant” means a participant in NJ  
22 SNAP ETP who, as a condition of receiving SNAP benefits: is  
23 required to register for work; is required to fulfill SNAP  
24 employment and training requirements; and has not been exempted  
25 from placement in an NJ SNAP ETP component.

26 “New Jersey Supplemental Nutrition Assistance Program  
27 Employment and Training Provider Demonstration Project” or  
28 “demonstration project” means the demonstration project  
29 established pursuant to this act.

30 “NJ SNAP ETP” means the New Jersey Supplemental Nutrition  
31 Assistance Program Employment and Training Program that assists  
32 SNAP recipients with acquiring the skills, training, work, or  
33 experience necessary to obtain regular employment, as established  
34 under the New Jersey Supplemental Nutrition Assistance Program  
35 and as described in the most recent State Employment and Training  
36 Plan submitted to the Food and Nutrition Service in the United  
37 States Department of Agriculture.

**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:

<sup>1</sup>Senate SHH committee amendments adopted January 14, 2013.

<sup>2</sup>Senate SBA committee amendments adopted February 4, 2013.

1 “Non-federal resources” means any of the following resources,  
2 provided that the resources are not from a federal source or used as  
3 a match for other federal funding purposes:

4 (1) cash donations from private firms, charitable foundations, or  
5 non-profit organizations received by partnering providers;

6 (2) local tax levy funds received by partnering providers; <sup>2</sup>[or]<sup>2</sup>

7 (3) certain eligible in-kind contributions received by partnering  
8 providers that are public entities, including property or services  
9 which support the provider’s NJ SNAP ETP activities and which  
10 are contributed by non-federal public entities without charge to the  
11 partnering provider <sup>2</sup>; or

12 (4) any other non-federal resources that are currently allowed by  
13 the federal government<sup>2</sup>.

14 “Partnering provider” means a qualifying agency selected to  
15 participate in the demonstration project.

16 “Qualifying agency” means a local government, non-profit  
17 entity, institution of higher education, foundation, or other eligible  
18 community-based organization that qualifies for allowable federal  
19 SNAP ETP reimbursements pursuant to the federal “Food and  
20 Nutrition Act of 2008,” Pub.L.110-246 (7 U.S.C. s.2011 et seq.) by  
21 providing allowable services that help SNAP recipients acquire the  
22 skills, training, work, or experience necessary to obtain regular  
23 employment. A qualifying agency may also include a consortium  
24 of organizations.

25 “Service area” means the geographic area of the State in which a  
26 partnering provider provides NJ SNAP ETP services under the  
27 demonstration project established pursuant to this act.

28 “SNAP” means the New Jersey Supplemental Nutrition  
29 Assistance Program, established pursuant to the federal “Food and  
30 Nutrition Act of 2008,” Pub.L.110-246 (7 U.S.C. s.2011 et seq.).

31 “SNAP ETP” means the federal Supplemental Nutrition  
32 Assistance Program Employment and Training Program  
33 administered by the Food and Nutrition Service in the United States  
34 Department of Agriculture and established pursuant to the federal  
35 “Food and Nutrition Act of 2008,” Pub.L.110-246 (7 U.S.C. s.2011  
36 et seq.) and any regulations adopted pursuant thereto.

37 “Voluntary SNAP ETP participant” means a participant in NJ  
38 SNAP ETP who: is exempt from the work registration and  
39 employment and training requirements associated with receiving  
40 SNAP benefits; or who is not exempt from work registration but  
41 who has been exempted from SNAP employment and training  
42 requirements or otherwise exempted from placement in an NJ  
43 SNAP ETP component.

44 “Work First New Jersey TANF benefits” means Temporary  
45 Assistance for Needy Families benefits provided under the Work  
46 First New Jersey program established pursuant to P.L.1997, c.38  
47 (C.44:10-55 et seq.) in accordance with the federal “Personal

1 Responsibility and Work Opportunity Reconciliation Act of 1996,"  
2 Pub.L.104-193 (42 U.S.C. s.601 et seq.).

3  
4 3. a. The Department of Human Services shall establish the  
5 New Jersey Supplemental Nutrition Assistance Program  
6 Employment and Training Provider Demonstration Project under  
7 which the department shall form partnerships with qualifying  
8 agencies to provide services to eligible participants under NJ SNAP  
9 ETP and receive federal reimbursements for those services. The  
10 department shall consult with the Department of Labor and  
11 Workforce Development and the county welfare agencies with  
12 respect to the establishment and oversight of the demonstration  
13 project.

14 b. Applicants for participation as partnering providers in the  
15 demonstration project shall be qualifying agencies whose  
16 employment and training activities qualify for reimbursement under  
17 the federal SNAP ETP program. Partnering providers in the  
18 demonstration project shall be selected according to the process and  
19 criteria specified in this act.

20  
21 4. a. The commissioner shall issue a request for proposals  
22 from qualifying agencies to participate in the demonstration project  
23 no later than 60 days following the effective date of this act.

24 b. The department shall select no fewer than three partnering  
25 providers, from among qualifying agencies submitting proposals, to  
26 participate in the demonstration project for a period of four years.  
27 Partnering providers shall provide services under NJ SNAP ETP to  
28 eligible participants and be eligible to receive federal  
29 reimbursements for those services pursuant to the conditions of this  
30 act.

31 c. Each qualifying agency shall be evaluated for participation  
32 as a partnering provider in the demonstration project based on the  
33 agency's capacity to: serve eligible participants under NJ SNAP  
34 ETP; identify and utilize non-federal resources qualifying for  
35 federal SNAP ETP reimbursements pursuant to the federal "Food  
36 and Nutrition Act of 2008," Pub.L.110-246 (7 U.S.C. s.2011 et  
37 seq.); present and implement a coherent program plan for NJ SNAP  
38 ETP activities, as described in subsection d. of this section; and  
39 perform effectively each of the functions specified in section 6 of  
40 this act.

41 d. Each qualifying agency's proposal shall include a program  
42 plan describing how the agency's activities under the demonstration  
43 project would fulfill the purposes of NJ SNAP ETP. The program  
44 plan shall include, but not be limited to, the following information:

45 (1) the program goals and objectives, including the agency's  
46 priorities for serving eligible participants in the State;

47 (2) the program design, including: strategies for targeting and  
48 recruiting eligible participants; educational skills and training

1 activities; work-related activities; job preparation, placement, and  
2 retention activities; strategies for coordinating with the county  
3 welfare agencies and the Department of Labor and Workforce  
4 Development; and strategies for providing support services,  
5 including case management, early intervention, career counseling,  
6 and referrals to additional programs and services;

7 (3) the program budget, including the overall resources to be  
8 used to support the agency's NJ SNAP ETP activities, the specific  
9 non-federal resources to be used to generate federal SNAP ETP  
10 reimbursements, and the intended utilization of anticipated federal  
11 SNAP ETP reimbursements;

12 (4) the extent to which community partners, including  
13 subcontractors, will be involved in the agency's activities; and

14 (5) the agency's plans for performing each of the functions  
15 specified in section 6 of this act.

16 e. In selecting partnering providers for participation in the  
17 demonstration project, the department shall prioritize partnering  
18 providers that would:

19 (1) serve SNAP recipients with significant barriers to  
20 employment, including, but not limited to: able-bodied adults  
21 without dependents required to participate in employment and  
22 training programs as a condition of receiving SNAP benefits;  
23 individuals with a history of substance abuse or other work  
24 limitations; ex-offenders; individuals with low literacy or limited  
25 English proficiency; veterans who are not eligible for other  
26 employment and training programs; and persons who are 16 through  
27 24 years of age;

28 (2) serve unemployed or underemployed parents, including non-  
29 custodial parents and parents who have exceeded their Work First  
30 New Jersey TANF 60-month lifetime limit on cash assistance;

31 (3) provide training in both vocational and technical skills, as  
32 well as "soft skills," including, but not limited to: workplace  
33 preparation training, teamwork, problem solving, time management,  
34 and conflict resolution;

35 (4) provide training that results in marketable credentials and  
36 that prepares participants for employment or reemployment in  
37 industries with projections of growth, as the department identifies  
38 those industries in collaboration with the Department of Labor and  
39 Workforce Development;

40 (5) conduct job development activities and identify how job  
41 opportunities will be secured to maximize SNAP recipients'  
42 permanent placement in employment providing compensation at the  
43 level of a living wage and opportunities for wage progression; and

44 (6) demonstrate a proven history of successful job placement  
45 and retention.

46 f. The department may select partnering providers that would  
47 provide NJ SNAP ETP services within any service area including,

1 but not limited to: the entire State; one or more regions  
2 encompassing several counties; or a single county.

3 g. Upon selection of a partnering provider, the department shall  
4 negotiate and execute a memorandum of understanding with the  
5 partnering provider, the Department of Labor and Workforce  
6 Development, and county welfare agencies, as applicable. The  
7 memorandum of understanding shall define the extent and degree of  
8 assistance among the department, the Department of Labor and  
9 Workforce Development, the county welfare agencies, and the  
10 partnering provider.

11 h. The commissioner shall establish standards of performance  
12 for partnering providers conducting demonstration project activities  
13 pursuant to this act, including, but not limited to, standards for  
14 performing the programmatic functions and financial functions  
15 required pursuant to section 6 of this act. The memorandum of  
16 understanding negotiated and executed pursuant to subsection g. of  
17 this section shall include a performance-based system for  
18 distributing federal SNAP ETP reimbursements to each partnering  
19 provider based upon the partnering provider's achievement of the  
20 standards of performance.

21 i. Upon finding that a partnering provider has not conducted its  
22 demonstration project activities in accordance with the standards of  
23 performance established in subsection h. of this section or that a  
24 partnering provider has otherwise failed to comply with the  
25 requirements of this act, the commissioner may: take such action as  
26 is necessary to correct the deficiencies of the provider; and  
27 terminate the partnering provider's participation in the  
28 demonstration project if the provider fails to take remedial action.

29  
30 5. a. A county welfare agency shall collaborate with all  
31 partnering providers whose service areas include the county to:  
32 inform all eligible participants, upon determination of their  
33 eligibility for SNAP benefits, of all demonstration project activities  
34 operating within the county; permit all eligible participants to  
35 participate in any demonstration project activities available within  
36 the county; and assist eligible participants with contacting  
37 partnering providers operating demonstration project activities. A  
38 county welfare agency may advise an eligible participant as to the  
39 applicability and appropriateness of specific demonstration  
40 activities to the eligible participant's case, but the county welfare  
41 agency shall not assign an eligible participant to demonstration  
42 project activities without the eligible participant's consent.

43 b. A partnering provider shall collaborate with all county  
44 welfare agencies within the provider's service area to: inform all  
45 eligible participants, upon determination of their eligibility for  
46 SNAP benefits, of the availability of demonstration project  
47 services; and assist the county welfare agencies with identifying  
48 those eligible participants for whom participation in the partnering

1 provider's NJ SNAP ETP activities would be most applicable and  
2 appropriate.

3 c. A partnering provider shall serve all eligible participants  
4 residing within the provider's service area who elect to participate  
5 in the provider's demonstration project activities. Except as  
6 provided in this section, a partnering provider shall not deny or  
7 terminate the participation of any demonstration project participant.

8 d. Mandatory SNAP ETP participants may elect, for the  
9 purpose of fulfilling their SNAP employment and training  
10 requirements, to participate in a partnering provider's  
11 demonstration project activities. The participation of a mandatory  
12 SNAP ETP participant in a partnering provider's demonstration  
13 project activities shall constitute placement in an NJ SNAP ETP  
14 component and shall fulfill SNAP employment and training  
15 requirements for the duration of the mandatory SNAP ETP  
16 participant's participation. A county welfare agency shall assign a  
17 mandatory SNAP ETP participant who does not elect to participate  
18 in any demonstration project activities to another NJ SNAP ETP  
19 component outside of the demonstration project, as available.

20 e. Mandatory SNAP ETP participants who elect to participate  
21 in demonstration project activities but who subsequently do not  
22 cooperate with, or participate in, those activities shall not be subject  
23 to penalties for noncompliance with SNAP employment and  
24 training requirements during their participation in the demonstration  
25 project. Partnering providers shall terminate the demonstration  
26 project participation of any non-cooperating or non-participating  
27 mandatory SNAP ETP participants and refer the non-cooperating or  
28 non-participating mandatory SNAP ETP participants to the  
29 applicable county welfare agency. The applicable county welfare  
30 agency shall assign the non-cooperating or non-participating  
31 mandatory SNAP ETP participant to another NJ SNAP ETP  
32 component outside of the demonstration project, as available.

33 f. Nothing in this act shall be construed to limit the authority  
34 of the county welfare agencies or the department to impose  
35 penalties for noncompliance with SNAP employment and training  
36 requirements on mandatory SNAP ETP participants who: are  
37 terminated from participation in demonstration project activities  
38 due to non-cooperation or non-participation; and subsequently  
39 refuse or fail to comply with SNAP employment and training  
40 requirements upon placement within another NJ SNAP ETP  
41 component outside of the demonstration project.

42 g. A partnering provider may deny or terminate the  
43 participation of any demonstration project participant who is not  
44 appropriately matched to the partnering provider's demonstration  
45 project activities upon obtaining approval from the applicable  
46 county welfare agency.



1       6. a. Each partnering provider shall be required to perform the  
2 following programmatic functions and to maintain sufficient  
3 capacity to perform these functions effectively:

4       (1) assist demonstration project participants with obtaining and  
5 retaining employment;

6       (2) provide demonstration project participants with appropriate  
7 NJ SNAP ETP services and participant reimbursements that fulfill  
8 the purposes of NJ SNAP ETP and that qualify for federal SNAP  
9 ETP reimbursements. These services and participant  
10 reimbursements may include, but are not limited to: job search and  
11 placement services; job readiness assistance; education or training  
12 that improves basic skills and general employability; specific job  
13 skills training or vocational education; work experience that  
14 improves the employability of demonstration project participants;  
15 subsidized employment; workfare; self-employment training;  
16 services related to the federal Workforce Investment Act of 1998,  
17 Pub.L.105-220 (29 U.S.C. s.2801 et seq.); job retention services; or  
18 reimbursements for demonstration project participant expenses,  
19 including dependent care costs, transportation expenses, books or  
20 training manuals, fees, uniforms, equipment and tools required for  
21 employment, or personal safety items required for program  
22 participation;

23       (3) assess and place demonstration project participants into  
24 appropriate NJ SNAP ETP services, as defined in paragraph (2) of  
25 this subsection;

26       (4) provide demonstration project participants with support  
27 services, including case management, early intervention, career  
28 counseling, and referrals to additional programs and services;

29       (5) verify whether potential demonstration project participants  
30 are receiving SNAP benefits and make referrals, as appropriate, to  
31 assist potential demonstration project participants with applying for  
32 SNAP benefits;

33       (6) collaborate with county welfare agencies to develop  
34 processes and materials that: inform eligible participants regarding  
35 demonstration project activities within each county, in accordance  
36 with each partnering provider's service area; facilitate eligible  
37 participants' communications with partnering providers regarding  
38 participation in demonstration project activities; and assist eligible  
39 participants with rendering decisions regarding their participation in  
40 demonstration project activities;

41       (7) assist demonstration project participants with continuing to  
42 meet administrative requirements, work requirements, employment  
43 and training requirements, and other requirements for maintaining  
44 SNAP eligibility;

45       (8) coordinate with the department and county welfare agencies  
46 on a monthly basis to verify that demonstration project participants  
47 are receiving SNAP benefits and are not receiving Work First New  
48 Jersey TANF benefits;

1 (9) coordinate with the county welfare agencies and the  
2 department to distinguish mandatory SNAP ETP participants from  
3 voluntary SNAP ETP participants;

4 (10) provide uninterrupted NJ SNAP ETP services and  
5 participant reimbursements to mandatory SNAP ETP participants  
6 electing to participate in the demonstration project who become  
7 voluntary SNAP ETP participants and to voluntary SNAP ETP  
8 participants electing to participate in the demonstration project who  
9 become mandatory SNAP ETP participants, subject to the  
10 provisions for terminating demonstration project participation  
11 pursuant to section 5 of this act;

12 (11) maintain program records and report to the department the  
13 following monthly information for each claimed NJ SNAP ETP  
14 participant: program, participant name, participant Social Security  
15 number, services and reimbursements received, and weekly hours;

16 (12) prepare and submit to the department invoice and  
17 certification letters each quarter for the total non-federal resources  
18 and program expenditures qualifying for federal SNAP ETP  
19 reimbursements for the quarter;

20 (13) monitor demonstration project participants and  
21 subcontractors and provide detailed reports of participants,  
22 activities, and outcomes to the department on a regular basis;

23 (14) devote sufficient staff time and expertise to fulfill NJ SNAP  
24 ETP administrative and reporting requirements;

25 (15) collaborate with the department to ensure that federal SNAP  
26 ETP reimbursements received under the demonstration program are  
27 expended in accordance with all applicable federal laws and  
28 regulations; and

29 (16) report to the department and county welfare agencies on a  
30 monthly basis the identities of any mandatory SNAP ETP  
31 participants who are not cooperating with, or participating in,  
32 assigned services or work, as applicable to mandatory SNAP ETP  
33 participants who elect to participate in the demonstration project.

34 b. Each partnering provider shall be required to perform the  
35 following financial functions and to maintain sufficient capacity to  
36 perform the functions effectively:

37 (1) maintain cash flow necessary to manage the delay from  
38 program outlays to SNAP ETP reimbursements;

39 (2) manage federal grants, track expenditures, and ensure that  
40 non-federal resources and program expenditures qualify for federal  
41 SNAP ETP reimbursements;

42 (3) perform cost allocation using multiple funds;

43 (4) track staff time devoted to NJ SNAP ETP activities under  
44 this demonstration project; and

45 (5) maintain records for State audits.

46 c. Partnering providers may establish agreements with  
47 subcontracting organizations to support their NJ SNAP ETP  
48 activities under this demonstration project.

1 d. The department shall consider educational activities serving  
2 eligible participants at community colleges as qualifying for federal  
3 SNAP ETP reimbursements to the greatest extent allowable under  
4 federal laws and regulations. In accordance with section 273.5 of  
5 title 7, Code of Federal Regulations, individuals enrolled at least  
6 half-time in an institution of higher education who are assigned to,  
7 or placed in, an NJ SNAP ETP educational activity, including  
8 individuals who voluntarily participate in NJ SNAP ETP activities  
9 or who otherwise make self-initiated placements, and who meet all  
10 SNAP eligibility requirements shall be determined eligible for  
11 SNAP benefits and shall be eligible for participation in the  
12 demonstration project.

13  
14 7. a. The county welfare agencies, under the oversight of the  
15 department, shall assist partnering providers by:

16 (1) collaborating with partnering providers, the department, and  
17 the Department of Labor and Workforce Development to conduct  
18 outreach to potential demonstration project participants and to refer  
19 potential demonstration project participants to the partnering  
20 providers;

21 (2) collaborating with partnering providers to develop processes  
22 and materials that inform eligible participants regarding: the  
23 availability of demonstration project activities within each county,  
24 in accordance with each partnering provider's service area; the  
25 option for eligible participants to participate in demonstration  
26 project activities; the applicability and appropriateness of specific  
27 demonstration activities to the eligible participant's case; and the  
28 means by which eligible participants may contact partnering  
29 providers regarding demonstration project participation;

30 (3) determining potential demonstration project participants'  
31 SNAP eligibility and providing the results of eligibility  
32 determinations to partnering providers;

33 (4) developing and implementing a process to verify that  
34 potential demonstration project participants are receiving SNAP  
35 benefits and not receiving Work First New Jersey TANF benefits  
36 and ensuring that this verification process adheres to all applicable  
37 federal laws and regulations restricting the unauthorized disclosure  
38 of information concerning applicants for, and recipients of, SNAP  
39 or TANF benefits;

40 (5) determining each potential demonstration project  
41 participant's status as a voluntary SNAP ETP participant or a  
42 mandatory SNAP ETP participant, in coordination with partnering  
43 providers;

44 (6) confirming each demonstration project participant's SNAP  
45 eligibility on a monthly basis; and

46 (7) collaborating with partnering providers to develop criteria  
47 and procedures for terminating the participation of eligible  
48 participants in a partnering provider's demonstration project

1 activities including, but not limited to: eligible participants who are  
2 not appropriately matched to a partnering provider's demonstration  
3 project activities; and any mandatory SNAP ETP participants who  
4 are not cooperating with, or participating in, assigned services or  
5 work, as applicable to mandatory SNAP ETP participants who elect  
6 to participate in the demonstration project.

7 b. The department shall, in consultation with the county  
8 welfare agencies and the Department of Labor and Workforce  
9 Development:

10 (1) assist partnering providers with understanding the  
11 administrative requirements, work requirements, employment and  
12 training requirements, and other requirements for demonstration  
13 project participants to maintain SNAP eligibility;

14 (2) assist partnering providers with understanding the  
15 requirements for non-federal resources and program expenditures to  
16 generate federal SNAP ETP reimbursements;

17 (3) submit requests for federal SNAP ETP reimbursements and  
18 fulfill all reporting and other SNAP ETP administrative  
19 responsibilities required by the Food and Nutrition Service in the  
20 United States Department of Agriculture;

21 (4) distribute federal SNAP ETP reimbursements received by  
22 the State under this demonstration project to the partnering  
23 providers whose non-federal resources and program expenditures  
24 generated the federal reimbursements, in accordance with the  
25 provisions of section 8 of this act;

26 (5) collect data concerning partnering providers and  
27 demonstration project participants, activities, and outcomes; and

28 (6) audit partnering providers on a routine basis to ensure fiscal  
29 and program integrity.

30

31 8. a. The department shall submit a revised State Employment  
32 and Training Plan to the Food and Nutrition Service in the United  
33 States Department of Agriculture, in accordance with section 273.7  
34 (c) of title 7, Code of Federal Regulations, in order to expand NJ  
35 SNAP ETP to include demonstration project partnerships with  
36 qualifying agencies. The revised State Employment and Training  
37 Plan shall define the services to be provided under NJ SNAP ETP,  
38 including, but not limited to, the demonstration project services  
39 provided pursuant to this act. The department shall submit the  
40 revised State Employment and Training Plan to the Food and  
41 Nutrition Service as soon as practicable but no later than the first  
42 day of the seventh month next following the effective date of this  
43 act.

44 b. The commissioner shall take such additional steps as may be  
45 necessary to secure approval from the Food and Nutrition Service in  
46 the United States Department of Agriculture for this demonstration  
47 project and to ensure that the State and partnering providers are in

1 compliance with all applicable provisions of federal and State laws  
2 and regulations.

3 c. The department may reserve up to five percent of the federal  
4 SNAP ETP reimbursements <sup>2</sup>generated as a direct result of the  
5 activities of the partnering providers and<sup>2</sup> received by the State  
6 pursuant to this act for operating expenses and staff directly related  
7 to the administration, oversight, and evaluation of this  
8 demonstration project. The remaining federal SNAP ETP  
9 reimbursements <sup>2</sup>generated as a direct result of the activities of the  
10 partnering providers and<sup>2</sup> received by the State pursuant to this act  
11 shall be distributed to the partnering providers whose expenditures  
12 generated the federal SNAP ETP reimbursements on a pro-rata  
13 basis and in accordance with the performance-based system for  
14 distributing federal SNAP ETP reimbursements established  
15 pursuant to section 4 of this act. Within the request for proposals  
16 issued pursuant to this act, the department shall describe the  
17 performance-based system for distributing federal SNAP ETP  
18 reimbursements and indicate the net percentage of federal SNAP  
19 ETP reimbursements that shall be distributed to partnering  
20 providers.

21 d. The department shall apply for any additional federal funds  
22 which may be available to implement the provisions of this act,  
23 including, but not limited to, any unobligated, unexpended federal  
24 SNAP ETP funds originally allocated to other state agencies and  
25 available for reallocation pursuant to section 273.7 (d) of title 7,  
26 Code of Federal Regulations.

27 e. The commissioner may solicit, receive, and accept grants,  
28 funds, or anything of value from any public or private entity and  
29 receive and accept contributions of money, property, labor, or any  
30 other thing of value from any legitimate source to support the  
31 demonstration project, provided that the commissioner does not  
32 have reason to believe that the entity may have a vested interest in  
33 the decisions of the commissioner or the department concerning the  
34 selection of specific partnering providers.

35  
36 9. The commissioner shall issue a report no later than six  
37 months following the effective date of this act, and annually  
38 thereafter no later than September 30 of each year, to the Governor  
39 and <sup>1</sup>, pursuant to section 2 of P.L. 1991, c.164 (C.52:14-19.1), to<sup>1</sup>  
40 the Legislature summarizing the participants, activities, and  
41 outcomes of the demonstration project. The initial report under this  
42 section shall include, but not be limited to, a summary of the  
43 request for proposals issued pursuant to section 4 of this act.  
44 Subsequent reports under this section shall include, but not be  
45 limited to, the identities of the partnering providers selected  
46 pursuant to section 4 of this act and a summary of demonstration  
47 project participant demographics, activities, and outcomes for each

1 partnering provider. The reports issued pursuant to this section  
2 shall not disclose the identities of any SNAP applicants or  
3 recipients and shall adhere to all applicable federal laws and  
4 regulations restricting the unauthorized disclosure of information  
5 concerning applicants for, and recipients of, SNAP benefits.

6  
7 10. Notwithstanding the provisions of any other law or  
8 regulation to the contrary, the department and the county welfare  
9 agencies shall exclude from a household's income all legally-  
10 obligated or court-ordered child support payments paid by a  
11 household member to, or on behalf of, a non-household member,  
12 including payments to a third party on behalf of the non-household  
13 member and amounts paid toward arrearages, for the purpose of  
14 determining whether a household meets applicable gross and net  
15 SNAP income eligibility standards.

16  
17 11. This act shall take effect on the first day of the seventh  
18 month next following the date of enactment, but the commissioner  
19 may take such anticipatory administrative action in advance thereof  
20 as shall be necessary for the implementation of this act.

21

22

23

24

25 "New Jersey Supplemental Nutrition Assistance Program  
26 Employment and Training Provider Demonstration Project Act."

# SENATE, No. 2366

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED DECEMBER 17, 2012

**Sponsored by:**

**Senator RAYMOND J. LESNIAK**

**District 20 (Union)**

**Senator JOSEPH F. VITALE**

**District 19 (Middlesex)**

**Co-Sponsored by:**

**Senator Rice**

**SYNOPSIS**

“New Jersey Supplemental Nutrition Assistance Program Employment and Training Provider Demonstration Project Act.”

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/15/2013)**

1 AN ACT establishing a Supplemental Nutrition Assistance Program  
2 Employment and Training Provider Demonstration Project and  
3 supplementing Title 44 of the Revised Statutes.

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

7  
8 1. This act shall be known and may be cited as the “New Jersey  
9 SNAP Employment and Training Provider Demonstration Project  
10 Act.”

11  
12 2. As used in this act:

13 “Commissioner” means the Commissioner of Human Services.

14 “Demonstration project participant” means an eligible participant  
15 who elects to participate in the demonstration project established  
16 pursuant to this act.

17 “Department” means the Department of Human Services.

18 “Eligible participant” means a SNAP recipient who qualifies for  
19 participation in NJ SNAP ETP as a voluntary SNAP ETP  
20 participant or as a mandatory SNAP ETP participant.

21 “Mandatory SNAP ETP participant” means a participant in NJ  
22 SNAP ETP who, as a condition of receiving SNAP benefits: is  
23 required to register for work; is required to fulfill SNAP  
24 employment and training requirements; and has not been exempted  
25 from placement in an NJ SNAP ETP component.

26 “New Jersey Supplemental Nutrition Assistance Program  
27 Employment and Training Provider Demonstration Project” or  
28 “demonstration project” means the demonstration project  
29 established pursuant to this act.

30 “NJ SNAP ETP” means the New Jersey Supplemental Nutrition  
31 Assistance Program Employment and Training Program that assists  
32 SNAP recipients with acquiring the skills, training, work, or  
33 experience necessary to obtain regular employment, as established  
34 under the New Jersey Supplemental Nutrition Assistance Program  
35 and as described in the most recent State Employment and Training  
36 Plan submitted to the Food and Nutrition Service in the United  
37 States Department of Agriculture.

38 “Non-federal resources” means any of the following resources,  
39 provided that the resources are not from a federal source or used as  
40 a match for other federal funding purposes:

- 41 (1) cash donations from private firms, charitable foundations, or  
42 non-profit organizations received by partnering providers;  
43 (2) local tax levy funds received by partnering providers; or  
44 (3) certain eligible in-kind contributions received by partnering  
45 providers that are public entities, including property or services  
46 which support the provider’s NJ SNAP ETP activities and which  
47 are contributed by non-federal public entities without charge to the  
48 partnering provider.



1       “Partnering provider” means a qualifying agency selected to  
2 participate in the demonstration project.

3       “Qualifying agency” means a local government, non-profit  
4 entity, institution of higher education, foundation, or other eligible  
5 community-based organization that qualifies for allowable federal  
6 SNAP ETP reimbursements pursuant to the federal “Food and  
7 Nutrition Act of 2008,” Pub.L.110-246 (7 U.S.C. s.2011 et seq.) by  
8 providing allowable services that help SNAP recipients acquire the  
9 skills, training, work, or experience necessary to obtain regular  
10 employment. A qualifying agency may also include a consortium  
11 of organizations.

12       “Service area” means the geographic area of the State in which a  
13 partnering provider provides NJ SNAP ETP services under the  
14 demonstration project established pursuant to this act.

15       “SNAP” means the New Jersey Supplemental Nutrition  
16 Assistance Program, established pursuant to the federal “Food and  
17 Nutrition Act of 2008,” Pub.L.110-246 (7 U.S.C. s.2011 et seq.).

18       “SNAP ETP” means the federal Supplemental Nutrition  
19 Assistance Program Employment and Training Program  
20 administered by the Food and Nutrition Service in the United States  
21 Department of Agriculture and established pursuant to the federal  
22 “Food and Nutrition Act of 2008,” Pub.L.110-246 (7 U.S.C. s.2011  
23 et seq.) and any regulations adopted pursuant thereto.

24       “Voluntary SNAP ETP participant” means a participant in NJ  
25 SNAP ETP who: is exempt from the work registration and  
26 employment and training requirements associated with receiving  
27 SNAP benefits; or who is not exempt from work registration but  
28 who has been exempted from SNAP employment and training  
29 requirements or otherwise exempted from placement in an NJ  
30 SNAP ETP component.

31       “Work First New Jersey TANF benefits” means Temporary  
32 Assistance for Needy Families benefits provided under the Work  
33 First New Jersey program established pursuant to P.L.1997, c.38  
34 (C.44:10-55 et seq.) in accordance with the federal "Personal  
35 Responsibility and Work Opportunity Reconciliation Act of 1996,"  
36 Pub.L.104-193 (42 U.S.C. s.601 et seq.).

37  
38       3. a. The Department of Human Services shall establish the  
39 New Jersey Supplemental Nutrition Assistance Program  
40 Employment and Training Provider Demonstration Project under  
41 which the department shall form partnerships with qualifying  
42 agencies to provide services to eligible participants under NJ SNAP  
43 ETP and receive federal reimbursements for those services. The  
44 department shall consult with the Department of Labor and  
45 Workforce Development and the county welfare agencies with  
46 respect to the establishment and oversight of the demonstration  
47 project.

1       b. Applicants for participation as partnering providers in the  
2 demonstration project shall be qualifying agencies whose  
3 employment and training activities qualify for reimbursement under  
4 the federal SNAP ETP program. Partnering providers in the  
5 demonstration project shall be selected according to the process and  
6 criteria specified in this act.

7  
8       4. a. The commissioner shall issue a request for proposals  
9 from qualifying agencies to participate in the demonstration project  
10 no later than 60 days following the effective date of this act.

11       b. The department shall select no fewer than three partnering  
12 providers, from among qualifying agencies submitting proposals, to  
13 participate in the demonstration project for a period of four years.  
14 Partnering providers shall provide services under NJ SNAP ETP to  
15 eligible participants and be eligible to receive federal  
16 reimbursements for those services pursuant to the conditions of this  
17 act.

18       c. Each qualifying agency shall be evaluated for participation  
19 as a partnering provider in the demonstration project based on the  
20 agency's capacity to: serve eligible participants under NJ SNAP  
21 ETP; identify and utilize non-federal resources qualifying for  
22 federal SNAP ETP reimbursements pursuant to the federal "Food  
23 and Nutrition Act of 2008," Pub.L.110-246 (7 U.S.C. s.2011 et  
24 seq.); present and implement a coherent program plan for NJ SNAP  
25 ETP activities, as described in subsection d. of this section; and  
26 perform effectively each of the functions specified in section 6 of  
27 this act.

28       d. Each qualifying agency's proposal shall include a program  
29 plan describing how the agency's activities under the demonstration  
30 project would fulfill the purposes of NJ SNAP ETP. The program  
31 plan shall include, but not be limited to, the following information:

32       (1) the program goals and objectives, including the agency's  
33 priorities for serving eligible participants in the State;

34       (2) the program design, including: strategies for targeting and  
35 recruiting eligible participants; educational skills and training  
36 activities; work-related activities; job preparation, placement, and  
37 retention activities; strategies for coordinating with the county  
38 welfare agencies and the Department of Labor and Workforce  
39 Development; and strategies for providing support services,  
40 including case management, early intervention, career counseling,  
41 and referrals to additional programs and services;

42       (3) the program budget, including the overall resources to be  
43 used to support the agency's NJ SNAP ETP activities, the specific  
44 non-federal resources to be used to generate federal SNAP ETP  
45 reimbursements, and the intended utilization of anticipated federal  
46 SNAP ETP reimbursements;

47       (4) the extent to which community partners, including  
48 subcontractors, will be involved in the agency's activities; and

1 (5) the agency's plans for performing each of the functions  
2 specified in section 6 of this act.

3 e. In selecting partnering providers for participation in the  
4 demonstration project, the department shall prioritize partnering  
5 providers that would:

6 (1) serve SNAP recipients with significant barriers to  
7 employment, including, but not limited to: able-bodied adults  
8 without dependents required to participate in employment and  
9 training programs as a condition of receiving SNAP benefits;  
10 individuals with a history of substance abuse or other work  
11 limitations; ex-offenders; individuals with low literacy or limited  
12 English proficiency; veterans who are not eligible for other  
13 employment and training programs; and persons who are 16 through  
14 24 years of age;

15 (2) serve unemployed or underemployed parents, including non-  
16 custodial parents and parents who have exceeded their Work First  
17 New Jersey TANF 60-month lifetime limit on cash assistance;

18 (3) provide training in both vocational and technical skills, as  
19 well as "soft skills," including, but not limited to: workplace  
20 preparation training, teamwork, problem solving, time management,  
21 and conflict resolution;

22 (4) provide training that results in marketable credentials and  
23 that prepares participants for employment or reemployment in  
24 industries with projections of growth, as the department identifies  
25 those industries in collaboration with the Department of Labor and  
26 Workforce Development;

27 (5) conduct job development activities and identify how job  
28 opportunities will be secured to maximize SNAP recipients'  
29 permanent placement in employment providing compensation at the  
30 level of a living wage and opportunities for wage progression; and

31 (6) demonstrate a proven history of successful job placement  
32 and retention.

33 f. The department may select partnering providers that would  
34 provide NJ SNAP ETP services within any service area including,  
35 but not limited to: the entire State; one or more regions  
36 encompassing several counties; or a single county.

37 g. Upon selection of a partnering provider, the department shall  
38 negotiate and execute a memorandum of understanding with the  
39 partnering provider, the Department of Labor and Workforce  
40 Development, and county welfare agencies, as applicable. The  
41 memorandum of understanding shall define the extent and degree of  
42 assistance among the department, the Department of Labor and  
43 Workforce Development, the county welfare agencies, and the  
44 partnering provider.

45 h. The commissioner shall establish standards of performance  
46 for partnering providers conducting demonstration project activities  
47 pursuant to this act, including, but not limited to, standards for  
48 performing the programmatic functions and financial functions

1 required pursuant to section 6 of this act. The memorandum of  
2 understanding negotiated and executed pursuant to subsection g. of  
3 this section shall include a performance-based system for  
4 distributing federal SNAP ETP reimbursements to each partnering  
5 provider based upon the partnering provider's achievement of the  
6 standards of performance.

7 i. Upon finding that a partnering provider has not conducted its  
8 demonstration project activities in accordance with the standards of  
9 performance established in subsection h. of this section or that a  
10 partnering provider has otherwise failed to comply with the  
11 requirements of this act, the commissioner may: take such action as  
12 is necessary to correct the deficiencies of the provider; and  
13 terminate the partnering provider's participation in the  
14 demonstration project if the provider fails to take remedial action.

15

16 5. a. A county welfare agency shall collaborate with all  
17 partnering providers whose service areas include the county to:  
18 inform all eligible participants, upon determination of their  
19 eligibility for SNAP benefits, of all demonstration project activities  
20 operating within the county; permit all eligible participants to  
21 participate in any demonstration project activities available within  
22 the county; and assist eligible participants with contacting  
23 partnering providers operating demonstration project activities. A  
24 county welfare agency may advise an eligible participant as to the  
25 applicability and appropriateness of specific demonstration  
26 activities to the eligible participant's case, but the county welfare  
27 agency shall not assign an eligible participant to demonstration  
28 project activities without the eligible participant's consent.

29 b. A partnering provider shall collaborate with all county  
30 welfare agencies within the provider's service area to: inform all  
31 eligible participants, upon determination of their eligibility for  
32 SNAP benefits, of the availability of demonstration project  
33 services; and assist the county welfare agencies with identifying  
34 those eligible participants for whom participation in the partnering  
35 provider's NJ SNAP ETP activities would be most applicable and  
36 appropriate.

37 c. A partnering provider shall serve all eligible participants  
38 residing within the provider's service area who elect to participate  
39 in the provider's demonstration project activities. Except as  
40 provided in this section, a partnering provider shall not deny or  
41 terminate the participation of any demonstration project participant.

42 d. Mandatory SNAP ETP participants may elect, for the  
43 purpose of fulfilling their SNAP employment and training  
44 requirements, to participate in a partnering provider's  
45 demonstration project activities. The participation of a mandatory  
46 SNAP ETP participant in a partnering provider's demonstration  
47 project activities shall constitute placement in an NJ SNAP ETP  
48 component and shall fulfill SNAP employment and training

1 requirements for the duration of the mandatory SNAP ETP  
2 participant's participation. A county welfare agency shall assign a  
3 mandatory SNAP ETP participant who does not elect to participate  
4 in any demonstration project activities to another NJ SNAP ETP  
5 component outside of the demonstration project, as available.

6 e. Mandatory SNAP ETP participants who elect to participate  
7 in demonstration project activities but who subsequently do not  
8 cooperate with, or participate in, those activities shall not be subject  
9 to penalties for noncompliance with SNAP employment and  
10 training requirements during their participation in the demonstration  
11 project. Partnering providers shall terminate the demonstration  
12 project participation of any non-cooperating or non-participating  
13 mandatory SNAP ETP participants and refer the non-cooperating or  
14 non-participating mandatory SNAP ETP participants to the  
15 applicable county welfare agency. The applicable county welfare  
16 agency shall assign the non-cooperating or non-participating  
17 mandatory SNAP ETP participant to another NJ SNAP ETP  
18 component outside of the demonstration project, as available.

19 f. Nothing in this act shall be construed to limit the authority  
20 of the county welfare agencies or the department to impose  
21 penalties for noncompliance with SNAP employment and training  
22 requirements on mandatory SNAP ETP participants who: are  
23 terminated from participation in demonstration project activities  
24 due to non-cooperation or non-participation; and subsequently  
25 refuse or fail to comply with SNAP employment and training  
26 requirements upon placement within another NJ SNAP ETP  
27 component outside of the demonstration project.

28 g. A partnering provider may deny or terminate the  
29 participation of any demonstration project participant who is not  
30 appropriately matched to the partnering provider's demonstration  
31 project activities upon obtaining approval from the applicable  
32 county welfare agency.

33

34 6. a. Each partnering provider shall be required to perform the  
35 following programmatic functions and to maintain sufficient  
36 capacity to perform these functions effectively:

37 (1) assist demonstration project participants with obtaining and  
38 retaining employment;

39 (2) provide demonstration project participants with appropriate  
40 NJ SNAP ETP services and participant reimbursements that fulfill  
41 the purposes of NJ SNAP ETP and that qualify for federal SNAP  
42 ETP reimbursements. These services and participant  
43 reimbursements may include, but are not limited to: job search and  
44 placement services; job readiness assistance; education or training  
45 that improves basic skills and general employability; specific job  
46 skills training or vocational education; work experience that  
47 improves the employability of demonstration project participants;  
48 subsidized employment; workfare; self-employment training;

1 services related to the federal Workforce Investment Act of 1998,  
2 Pub.L.105-220 (29 U.S.C. s.2801 et seq.); job retention services; or  
3 reimbursements for demonstration project participant expenses,  
4 including dependent care costs, transportation expenses, books or  
5 training manuals, fees, uniforms, equipment and tools required for  
6 employment, or personal safety items required for program  
7 participation;

8 (3) assess and place demonstration project participants into  
9 appropriate NJ SNAP ETP services, as defined in paragraph (2) of  
10 this subsection;

11 (4) provide demonstration project participants with support  
12 services, including case management, early intervention, career  
13 counseling, and referrals to additional programs and services;

14 (5) verify whether potential demonstration project participants  
15 are receiving SNAP benefits and make referrals, as appropriate, to  
16 assist potential demonstration project participants with applying for  
17 SNAP benefits;

18 (6) collaborate with county welfare agencies to develop  
19 processes and materials that: inform eligible participants regarding  
20 demonstration project activities within each county, in accordance  
21 with each partnering provider's service area; facilitate eligible  
22 participants' communications with partnering providers regarding  
23 participation in demonstration project activities; and assist eligible  
24 participants with rendering decisions regarding their participation in  
25 demonstration project activities;

26 (7) assist demonstration project participants with continuing to  
27 meet administrative requirements, work requirements, employment  
28 and training requirements, and other requirements for maintaining  
29 SNAP eligibility;

30 (8) coordinate with the department and county welfare agencies  
31 on a monthly basis to verify that demonstration project participants  
32 are receiving SNAP benefits and are not receiving Work First New  
33 Jersey TANF benefits;

34 (9) coordinate with the county welfare agencies and the  
35 department to distinguish mandatory SNAP ETP participants from  
36 voluntary SNAP ETP participants;

37 (10) provide uninterrupted NJ SNAP ETP services and  
38 participant reimbursements to mandatory SNAP ETP participants  
39 electing to participate in the demonstration project who become  
40 voluntary SNAP ETP participants and to voluntary SNAP ETP  
41 participants electing to participate in the demonstration project who  
42 become mandatory SNAP ETP participants, subject to the  
43 provisions for terminating demonstration project participation  
44 pursuant to section 5 of this act;

45 (11) maintain program records and report to the department the  
46 following monthly information for each claimed NJ SNAP ETP  
47 participant: program, participant name, participant Social Security  
48 number, services and reimbursements received, and weekly hours;

1 (12) prepare and submit to the department invoice and  
2 certification letters each quarter for the total non-federal resources  
3 and program expenditures qualifying for federal SNAP ETP  
4 reimbursements for the quarter;

5 (13) monitor demonstration project participants and  
6 subcontractors and provide detailed reports of participants,  
7 activities, and outcomes to the department on a regular basis;

8 (14) devote sufficient staff time and expertise to fulfill NJ SNAP  
9 ETP administrative and reporting requirements;

10 (15) collaborate with the department to ensure that federal SNAP  
11 ETP reimbursements received under the demonstration program are  
12 expended in accordance with all applicable federal laws and  
13 regulations; and

14 (16) report to the department and county welfare agencies on a  
15 monthly basis the identities of any mandatory SNAP ETP  
16 participants who are not cooperating with, or participating in,  
17 assigned services or work, as applicable to mandatory SNAP ETP  
18 participants who elect to participate in the demonstration project.

19 b. Each partnering provider shall be required to perform the  
20 following financial functions and to maintain sufficient capacity to  
21 perform the functions effectively:

22 (1) maintain cash flow necessary to manage the delay from  
23 program outlays to SNAP ETP reimbursements;

24 (2) manage federal grants, track expenditures, and ensure that  
25 non-federal resources and program expenditures qualify for federal  
26 SNAP ETP reimbursements;

27 (3) perform cost allocation using multiple funds;

28 (4) track staff time devoted to NJ SNAP ETP activities under this  
29 demonstration project; and

30 (5) maintain records for State audits.

31 c. Partnering providers may establish agreements with  
32 subcontracting organizations to support their NJ SNAP ETP  
33 activities under this demonstration project.

34 d. The department shall consider educational activities serving  
35 eligible participants at community colleges as qualifying for federal  
36 SNAP ETP reimbursements to the greatest extent allowable under  
37 federal laws and regulations. In accordance with section 273.5 of  
38 title 7, Code of Federal Regulations, individuals enrolled at least  
39 half-time in an institution of higher education who are assigned to,  
40 or placed in, an NJ SNAP ETP educational activity, including  
41 individuals who voluntarily participate in NJ SNAP ETP activities  
42 or who otherwise make self-initiated placements, and who meet all  
43 SNAP eligibility requirements shall be determined eligible for  
44 SNAP benefits and shall be eligible for participation in the  
45 demonstration project.

46

47 7. a. The county welfare agencies, under the oversight of the  
48 department, shall assist partnering providers by:

- 1 (1) collaborating with partnering providers, the department, and  
2 the Department of Labor and Workforce Development to conduct  
3 outreach to potential demonstration project participants and to refer  
4 potential demonstration project participants to the partnering  
5 providers;
- 6 (2) collaborating with partnering providers to develop processes  
7 and materials that inform eligible participants regarding: the  
8 availability of demonstration project activities within each county,  
9 in accordance with each partnering provider's service area; the  
10 option for eligible participants to participate in demonstration  
11 project activities; the applicability and appropriateness of specific  
12 demonstration activities to the eligible participant's case; and the  
13 means by which eligible participants may contact partnering  
14 providers regarding demonstration project participation;
- 15 (3) determining potential demonstration project participants'  
16 SNAP eligibility and providing the results of eligibility  
17 determinations to partnering providers;
- 18 (4) developing and implementing a process to verify that  
19 potential demonstration project participants are receiving SNAP  
20 benefits and not receiving Work First New Jersey TANF benefits  
21 and ensuring that this verification process adheres to all applicable  
22 federal laws and regulations restricting the unauthorized disclosure  
23 of information concerning applicants for, and recipients of, SNAP  
24 or TANF benefits;
- 25 (5) determining each potential demonstration project  
26 participant's status as a voluntary SNAP ETP participant or a  
27 mandatory SNAP ETP participant, in coordination with partnering  
28 providers;
- 29 (6) confirming each demonstration project participant's SNAP  
30 eligibility on a monthly basis; and
- 31 (7) collaborating with partnering providers to develop criteria  
32 and procedures for terminating the participation of eligible  
33 participants in a partnering provider's demonstration project  
34 activities including, but not limited to: eligible participants who are  
35 not appropriately matched to a partnering provider's demonstration  
36 project activities; and any mandatory SNAP ETP participants who  
37 are not cooperating with, or participating in, assigned services or  
38 work, as applicable to mandatory SNAP ETP participants who elect  
39 to participate in the demonstration project.
- 40 b. The department shall, in consultation with the county  
41 welfare agencies and the Department of Labor and Workforce  
42 Development:
  - 43 (1) assist partnering providers with understanding the  
44 administrative requirements, work requirements, employment and  
45 training requirements, and other requirements for demonstration  
46 project participants to maintain SNAP eligibility;



1 (2) assist partnering providers with understanding the  
2 requirements for non-federal resources and program expenditures to  
3 generate federal SNAP ETP reimbursements;

4 (3) submit requests for federal SNAP ETP reimbursements and  
5 fulfill all reporting and other SNAP ETP administrative  
6 responsibilities required by the Food and Nutrition Service in the  
7 United States Department of Agriculture;

8 (4) distribute federal SNAP ETP reimbursements received by  
9 the State under this demonstration project to the partnering  
10 providers whose non-federal resources and program expenditures  
11 generated the federal reimbursements, in accordance with the  
12 provisions of section 8 of this act;

13 (5) collect data concerning partnering providers and  
14 demonstration project participants, activities, and outcomes; and

15 (6) audit partnering providers on a routine basis to ensure fiscal  
16 and program integrity.

17

18 8. a. The department shall submit a revised State Employment  
19 and Training Plan to the Food and Nutrition Service in the United  
20 States Department of Agriculture, in accordance with section 273.7  
21 (c) of title 7, Code of Federal Regulations, in order to expand NJ  
22 SNAP ETP to include demonstration project partnerships with  
23 qualifying agencies. The revised State Employment and Training  
24 Plan shall define the services to be provided under NJ SNAP ETP,  
25 including, but not limited to, the demonstration project services  
26 provided pursuant to this act. The department shall submit the  
27 revised State Employment and Training Plan to the Food and  
28 Nutrition Service as soon as practicable but no later than the first  
29 day of the seventh month next following the effective date of this  
30 act.

31 b. The commissioner shall take such additional steps as may be  
32 necessary to secure approval from the Food and Nutrition Service in  
33 the United States Department of Agriculture for this demonstration  
34 project and to ensure that the State and partnering providers are in  
35 compliance with all applicable provisions of federal and State laws  
36 and regulations.

37 c. The department may reserve up to five percent of the federal  
38 SNAP ETP reimbursements received by the State pursuant to this  
39 act for operating expenses and staff directly related to the  
40 administration, oversight, and evaluation of this demonstration  
41 project. The remaining federal SNAP ETP reimbursements received  
42 by the State pursuant to this act shall be distributed to the partnering  
43 providers whose expenditures generated the federal SNAP ETP  
44 reimbursements on a pro-rata basis and in accordance with the  
45 performance-based system for distributing federal SNAP ETP  
46 reimbursements established pursuant to section 4 of this act.  
47 Within the request for proposals issued pursuant to this act, the  
48 department shall describe the performance-based system for

1 distributing federal SNAP ETP reimbursements and indicate the net  
2 percentage of federal SNAP ETP reimbursements that shall be  
3 distributed to partnering providers.

4 d. The department shall apply for any additional federal funds  
5 which may be available to implement the provisions of this act,  
6 including, but not limited to, any unobligated, unexpended federal  
7 SNAP ETP funds originally allocated to other state agencies and  
8 available for reallocation pursuant to section 273.7 (d) of title 7,  
9 Code of Federal Regulations.

10 e. The commissioner may solicit, receive, and accept grants,  
11 funds, or anything of value from any public or private entity and  
12 receive and accept contributions of money, property, labor, or any  
13 other thing of value from any legitimate source to support the  
14 demonstration project, provided that the commissioner does not  
15 have reason to believe that the entity may have a vested interest in  
16 the decisions of the commissioner or the department concerning the  
17 selection of specific partnering providers.

18

19 9. The commissioner shall issue a report no later than six  
20 months following the effective date of this act, and annually  
21 thereafter no later than September 30 of each year, to the Governor  
22 and the Legislature summarizing the participants, activities, and  
23 outcomes of the demonstration project. The initial report under this  
24 section shall include, but not be limited to, a summary of the  
25 request for proposals issued pursuant to section 4 of this act.  
26 Subsequent reports under this section shall include, but not be  
27 limited to, the identities of the partnering providers selected  
28 pursuant to section 4 of this act and a summary of demonstration  
29 project participant demographics, activities, and outcomes for each  
30 partnering provider. The reports issued pursuant to this section  
31 shall not disclose the identities of any SNAP applicants or  
32 recipients and shall adhere to all applicable federal laws and  
33 regulations restricting the unauthorized disclosure of information  
34 concerning applicants for, and recipients of, SNAP benefits.

35

36 10. Notwithstanding the provisions of any other law or  
37 regulation to the contrary, the department and the county welfare  
38 agencies shall exclude from a household's income all legally-  
39 obligated or court-ordered child support payments paid by a  
40 household member to, or on behalf of, a non-household member,  
41 including payments to a third party on behalf of the non-household  
42 member and amounts paid toward arrearages, for the purpose of  
43 determining whether a household meets applicable gross and net  
44 SNAP income eligibility standards.

45

46 11. This act shall take effect on the first day of the seventh  
47 month next following the date of enactment, but the commissioner

1 may take such anticipatory administrative action in advance thereof  
2 as shall be necessary for the implementation of this act.

3

4

5

STATEMENT

6

7 This bill establishes the Supplemental Nutrition Assistance  
8 Program (SNAP) Employment and Training Provider  
9 Demonstration Project in the Department of Human Services  
10 (DHS).

11 Under this demonstration project, DHS would form partnerships  
12 with certain “qualifying agencies,” including local governments,  
13 non-profit entities, institutions of higher education, foundations, or  
14 other eligible community-based organizations, to provide services  
15 under the New Jersey Supplemental Nutrition Assistance Program  
16 Employment and Training Program (NJ SNAP ETP) to certain  
17 eligible participants who qualify for SNAP benefits and who are  
18 either: exempt from work registration or employment and training  
19 requirements associated with receiving SNAP benefits; or required  
20 to fulfill work registration and employment and training  
21 requirements as a condition of receiving SNAP benefits. The  
22 demonstration project services would help SNAP recipients acquire  
23 the skills, training, work, or experience necessary to obtain regular  
24 employment and would qualify for federal SNAP Employment and  
25 Training Program (SNAP ETP) reimbursements pursuant to the  
26 “Food and Nutrition Act of 2008,” Pub.L.110-246 (7 U.S.C. s.2011  
27 et seq.), whereby 50 percent of qualifying agencies’ demonstration  
28 project expenditures could be reimbursed.

29 The bill requires DHS to issue a request for proposals from  
30 potential partner organizations within 60 days of its effective date.  
31 DHS would evaluate and select partner organizations based on their  
32 capacities to: serve eligible participants under NJ SNAP ETP;  
33 identify and utilize non-federal resources qualifying for federal  
34 reimbursements; present and implement a coherent program plan  
35 for NJ SNAP ETP activities; and perform effectively the  
36 programmatic and financial functions specified in the bill. DHS  
37 would select no fewer than three partner organizations to participate  
38 in this demonstration project for a period of four years. In selecting  
39 partnering providers, DHS would prioritize providers that would:  
40 serve SNAP recipients with significant barriers to employment;  
41 provide training in vocational and technical skills as well as in “soft  
42 skills”; provide training resulting in marketable credentials and  
43 preparation for employment in growth industries; conduct job  
44 development activities; and demonstrate a proven history of  
45 successful job placement and retention.

46 The bill requires partner organizations to serve eligible  
47 participants who elect to participate in the demonstration project  
48 activities. In cases where eligible participants are required to meet

1 SNAP employment and training requirements, the bill provides that  
2 participation in the demonstration project would fulfill those  
3 requirements, subject to the participants' ongoing cooperation and  
4 participation. The bill requires the county welfare agencies to assist  
5 partner organizations by: collaborating with partner organizations,  
6 DHS, and the Department of Labor and Workforce Development on  
7 conducting outreach to eligible participants; providing the results of  
8 SNAP eligibility determinations for potential demonstration project  
9 participants; confirming participants' SNAP eligibility on a monthly  
10 basis; and providing other support. The bill requires DHS to assist  
11 partner organizations with understanding the requirements that  
12 demonstration project participants must meet in order to maintain  
13 SNAP eligibility and to administer the process of requesting and  
14 distributing federal SNAP ETP reimbursements generated by the  
15 partner organizations' activities.

16 The bill directs DHS to submit a revised State Employment and  
17 Training Plan to the Food and Nutrition Service in the United States  
18 Department of Agriculture in order to expand NJ SNAP ETP to  
19 include partnerships with qualifying agencies as described in the  
20 bill. The bill also permits DHS to reserve up to five percent of  
21 federal SNAP ETP reimbursements received by the State under this  
22 demonstration project to offset administrative costs associated with  
23 the project. The remaining federal reimbursements would be  
24 distributed to the participating partner organizations on a pro-rata  
25 basis and in accordance with a performance-based reimbursement  
26 system established under the bill. Additionally, the bill directs DHS  
27 to: apply for any additional federal funds which may be available to  
28 implement the bill provisions; and issue an annual report  
29 summarizing the demonstration project participants, activities, and  
30 outcomes.

31 The bill also directs DHS and the county welfare agencies to  
32 exclude from household income all legally-obligated or court-  
33 ordered child support payments paid by household members to non-  
34 household members for the purpose of determining households'  
35 SNAP income eligibility. This change is intended to encourage  
36 legitimate work and payment of child support by allowing more NJ  
37 SNAP ETP participants to keep their SNAP benefits when they  
38 become employed.

39 Largely due to joblessness associated with the nation's severe  
40 economic recession, the number of SNAP recipients in New Jersey  
41 has doubled since 2007, to over 825,000 children and adults  
42 currently. This demonstration project would leverage and expand  
43 efforts by private organizations, local governments, and other  
44 agencies to advance the public interest by promoting work  
45 participation and providing SNAP recipients with the training and  
46 employment supports necessary to help them re-enter the workforce  
47 and reduce their dependency on public assistance.

SENATE HEALTH, HUMAN SERVICES AND SENIOR  
CITIZENS COMMITTEE

STATEMENT TO

**SENATE, No. 2366**

with committee amendments

**STATE OF NEW JERSEY**

DATED: JANUARY 14, 2013

The Senate Health, Human Services and Senior Citizens Committee reports favorably and with amendments Senate Bill No. 2366.

As amended, this bill establishes the Supplemental Nutrition Assistance Program (SNAP) Employment and Training Provider Demonstration Project in the Department of Human Services (DHS).

Under this demonstration project, DHS would form partnerships with “qualifying agencies,” including local governments, non-profit entities, institutions of higher education, foundations, and other eligible community-based organizations, to provide services under the New Jersey Supplemental Nutrition Assistance Program Employment and Training Program (NJ SNAP ETP) to certain eligible participants who qualify for SNAP benefits. The services would help SNAP recipients acquire the skills, training, work, or experience necessary to obtain regular employment and would qualify for federal SNAP Employment and Training Program (SNAP ETP) reimbursements pursuant to the “Food and Nutrition Act of 2008,” Pub.L.110-246 (7 U.S.C. s.2011 et seq.), whereby 50 percent of qualifying agencies’ demonstration project expenditures could be reimbursed.

The bill requires DHS to issue a request for proposals from potential partner organizations within 60 days of its effective date. DHS would evaluate and select partner organizations based on their capacities to: serve eligible participants under NJ SNAP ETP; identify and utilize non-federal resources that qualify for federal reimbursements; present and implement a coherent program plan for NJ SNAP ETP activities; and perform effectively the programmatic and financial functions specified in the bill. DHS would select at least three partner organizations to participate in the demonstration project for a period of four years.

The bill requires partner organizations to serve eligible participants who elect to participate, and provides that participation in the demonstration project would fulfill SNAP employment and training requirements. The bill requires the county welfare agencies to collaborate with partner organizations, DHS, and the Department of

Labor and Workforce Development with respect to outreach and providing the results of SNAP eligibility determinations, among other things. The bill requires DHS to assist partner organizations with understanding the SNAP eligibility requirements and to administer the process of requesting and distributing federal SNAP ETP reimbursements generated by their activities.

The bill directs DHS to submit a revised State Employment and Training Plan to the Food and Nutrition Service in the United States Department of Agriculture in order to expand NJ SNAP ETP to include partnerships with qualifying agencies as described in the bill. The bill permits DHS to reserve up to five percent of federal SNAP ETP reimbursements received under the demonstration project to offset administrative costs associated with the project. The remaining federal reimbursements would be distributed to the participating partner organizations on a pro-rata basis and in accordance with a performance-based reimbursement system established under the bill. Additionally, the bill directs DHS to apply for any additional federal funds which may be available to implement the bill's provisions and issue an annual report summarizing the participants, activities, and outcomes.

The bill also directs DHS and the county welfare agencies to exclude from household income all legally-obligated or court-ordered child support payments paid by household members to non-household members for the purpose of determining SNAP income eligibility. This change is intended to encourage legitimate work and payment of child support by allowing more NJ SNAP ETP participants to keep their SNAP benefits when they become employed.

The committee amendments add a statutory reference regarding the annual report to be issued to the Governor and Legislature and are technical in nature.

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

[First Reprint]

## **SENATE, No. 2366**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: FEBRUARY 4, 2013

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2366 (1R), with committee amendments.

As amended, this bill establishes the Supplemental Nutrition Assistance Program (SNAP) Employment and Training Provider Demonstration Project in the Department of Human Services (DHS).

Under this demonstration project, DHS would form partnerships with “qualifying agencies,” including local governments, non-profit entities, institutions of higher education, foundations, and other eligible community-based organizations, to provide services under the New Jersey Supplemental Nutrition Assistance Program Employment and Training Program (NJ SNAP ETP) to certain eligible SNAP recipients. The services would assist SNAP recipients with acquiring the skills, training, work, and other experiences necessary to obtain regular employment and would qualify for federal SNAP Employment and Training Program (SNAP ETP) reimbursements whereby 50 percent of qualifying agencies’ demonstration project expenditures could be reimbursed.

The bill requires DHS to evaluate and select partner organizations based on their capacities to: serve eligible participants under NJ SNAP ETP; identify and utilize non-federal resources that qualify for federal reimbursements; present and implement a coherent program plan for NJ SNAP ETP activities; and perform effectively the programmatic and financial functions specified in the bill. DHS would select at least three partner organizations to participate in the demonstration project for a period of four years.

The bill requires partner organizations to serve SNAP recipients who elect to participate in the organizations’ NJ SNAP ETP activities, and provides that such participation would fulfill participants’ SNAP employment and training requirements, if required to maintain their SNAP eligibility. The bill also requires partnering providers to terminate the demonstration project participation of any non-cooperating or non-participating individuals who are required to fulfill employment and training requirements to maintain their SNAP eligibility and requires the county welfare agencies to reassign those

individuals to other NJ SNAP ETP components outside of the demonstration project, where they would be subject to existing penalties for noncompliance with employment and training requirements.

The bill requires the county welfare agencies to collaborate with partner organizations, DHS, and the Department of Labor and Workforce Development (LWD) with respect to conducting participant outreach and placement and providing the results of SNAP eligibility determinations, among other activities. The bill requires DHS to assist partner organizations with understanding the SNAP eligibility requirements and to administer the process of requesting and distributing federal SNAP ETP reimbursements generated by their activities.

The bill directs DHS to obtain federal approval to expand NJ SNAP ETP to include partnerships with qualifying agencies under the demonstration project. The bill permits DHS to reserve up to five percent of federal SNAP ETP reimbursements generated by the activities of the partner organizations under the demonstration project to offset administrative costs associated with the project. The remaining portion of these federal reimbursements would be distributed to the partnering organizations on a pro-rata basis and in accordance with a performance-based reimbursement system established under the bill. Additionally, the bill directs DHS to apply for any additional federal funds which may be available to implement the bill's provisions and to issue an annual report summarizing the participants, activities, and outcomes.

The bill also directs DHS and the county welfare agencies to exclude from household income all legally obligated or court-ordered child support payments paid by household members to non-household members for the purpose of determining SNAP income eligibility.

#### COMMITTEE AMENDMENTS:

The committee amendments clarify the types of "non-federal resources" that partnering providers may utilize to generate federal SNAP ETP reimbursements by indicating that those resources include any non-federal resources currently allowed by the federal government that are not otherwise specified in the bill.

The committee amendments also clarify the provision allowing DHS to reserve, for administrative and oversight expenses, up to five percent of federal SNAP ETP reimbursements generated as a direct result of the activities of the partnering providers under the demonstration project. This provision is not intended to apply to any federal SNAP ETP reimbursements not directly generated by partnering providers, such as additional federal reimbursements for DHS administrative expenditures.



FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates an indeterminate impact on State and local costs due to uncertainty regarding: likely DHS administrative costs; likely State service provision savings to be realized by DHS and LWD; and whether the demonstration project, as implemented by DHS, would significantly expand the responsibilities of the county welfare agencies.

The OLS believes that DHS may incur an indeterminate increase in State administrative costs under the bill, as the demonstration project would require DHS to: secure federal approval for the demonstration; prepare an RFP and select partner organizations; assist partner organizations with understanding SNAP requirements and federal SNAP ETP reimbursements; request and distribute federal SNAP ETP reimbursements; collect and report demonstration project data; and monitor partner organizations on a routine basis. The magnitude of such costs, and whether current DHS staffing and operations would be adequate to absorb the costs, cannot be determined from available information. These costs may also vary according to the number of partner organizations selected for the demonstration and requiring DHS assistance and oversight.

The State share of administrative costs from implementing the demonstration project would likely be reduced by offsetting federal SNAP ETP reimbursements for 50 percent of such costs. In addition, the bill authorizes the DHS to reserve, for administrative and oversight expenses, up to five percent of the federal SNAP ETP reimbursements generated by partner organizations providing NJ SNAP ETP services under the demonstration project.

The OLS also believes that DHS and LWD may realize indeterminate savings related to reduced State service provision costs under the demonstration, by diverting some SNAP recipients out of State-funded NJ SNAP ETP programs and into partner organizations' locally or privately funded programs. Available information indicates that the State annually expends about \$34 million (gross) on NJ SNAP ETP services, of which the State share is about \$17 million. Annually, about 45,000 individuals are placed into State-funded NJ SNAP ETP services. Thus, the State might realize as much as \$377,000 in annual savings for every 1,000 clients who are diverted from State-funded NJ SNAP ETP services. Actual savings will vary according to the number of partner organizations selected for the demonstration and the number of current NJ SNAP ETP participants diverted into partner organizations' programs.

The OLS notes that the demonstration project may serve, on a voluntary basis, an indeterminate number of additional New Jersey SNAP recipients who are currently exempted from employment and training requirements and are not participating in NJ SNAP ETP. To the extent that additional voluntary participants are served by

partnering providers, up to five percent of federal reimbursements for those services could be reserved by DHS to offset administrative costs.

The bill's fiscal impact on the county welfare agencies (CWAs) will depend upon how DHS implements the bill's provisions. Although the bill does not appear to significantly expand the CWAs' responsibilities, the OLS cannot rule out some indeterminate increase in local administrative costs associated with placing and monitoring SNAP recipients in the demonstration project NJ SNAP ETP programs and other CWA responsibilities.

The bill provision requiring DHS and the CWAs to exclude from household income all legally obligated or court-ordered child support payments paid to non-household members when determining households' SNAP income eligibility may allow some previously ineligible individuals to qualify for SNAP benefits (currently, the State exercises a federal option to treat such child support payments as income deductions rather than income exclusions, which results in somewhat more restrictive SNAP eligibility criteria). However, as SNAP benefits are entirely federally funded, any increases in the number of individuals qualifying for SNAP benefits would have minimal fiscal impact at the State or local levels. The OLS notes that indeterminate DHS and CWA administrative costs may be incurred from altering the eligibility determination process to reflect this change.

# LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

SENATE, No. 2366

## STATE OF NEW JERSEY 215th LEGISLATURE

DATED: FEBRUARY 11, 2013

### SUMMARY

- Synopsis:** “New Jersey Supplemental Nutrition Assistance Program Employment and Training Provider Demonstration Project Act.”
- Type of Impact:** Indeterminate impact on State and local expenditures.
- Agencies Affected:** Department of Human Services (DHS);  
Department of Labor and Workforce Development (LWD);  
County Welfare Agencies (CWAs).

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>Net State Cost</b>	Indeterminate – See comments below		
<b>Net Local Cost</b>	Indeterminate – See comments below		

- The Department of Human Services (DHS) may incur an **indeterminate increase in State administrative costs** under the demonstration project. The likely magnitude of such costs, and whether the DHS could absorb the costs under current staffing and operations, cannot be determined from available information. However, the State share of these costs would likely be reduced by offsetting federal Supplemental Nutrition Assistance Program Employment and Training Program (SNAP ETP) reimbursements.
- The DHS and the Department of Labor and Workforce Development (LWD) may realize an **indeterminate decrease in State service provision costs** under the demonstration project, due to potential State savings from diverting some SNAP recipients out of State-funded NJ SNAP ETP programs and into locally or privately funded programs. These savings would likely vary according to the number of partner organizations selected for the demonstration and the number of current NJ SNAP ETP participants diverted into partner organizations’ programs.
- The bill’s fiscal impact on the County Welfare Agencies (CWAs) will depend upon how the DHS implements its provisions. Although the bill does not appear to significantly expand the

CWAs' responsibilities, the Office of Legislative Services (OLS) cannot rule out some **indeterminate increase in local administrative costs** associated with placing and monitoring SNAP recipients in the demonstration project NJ SNAP ETP programs.

## **BILL DESCRIPTION**

Senate Bill No. 2366 (2R) of 2012 requires the DHS to form partnerships with certain "qualifying agencies," including local governments, non-profit entities, institutions of higher education, foundations, and other organizations, to provide services under the NJ SNAP ETP to certain eligible SNAP recipients. Under the bill, the DHS is to select partner organizations that would: provide services that assist SNAP recipients with acquiring the skills, training, work, and other experiences necessary to obtain regular employment; and utilize "non-federal resources," including private and local funds and certain in-kind contributions, to provide such services. The partner organizations' services would qualify for reimbursements under the federal SNAP ETP, whereby 50 percent of expenditures could be reimbursed by the federal government. Reimbursable expenditures would also include administrative costs and certain dependent care, transportation, and other expenses incurred by participating SNAP recipients, as allowed under federal SNAP ETP rules.

The DHS would be required to issue a request for proposals (RFP) and select at least three partner organizations to participate in the demonstration project for four years. The bill requires partner organizations to serve SNAP recipients who elect to participate in the organizations' NJ SNAP ETP activities, and provides that such participation would fulfill participants' SNAP employment and training requirements, if required to maintain their SNAP eligibility. Under the bill, the DHS, the LWD, the CWAs, and partner organizations would collaborate on various participant outreach and monitoring responsibilities, and the DHS would administer the requesting and distributing of federal SNAP ETP reimbursements generated by the partner organizations' NJ SNAP ETP activities. The bill also requires the DHS to issue an annual report summarizing the demonstration project's participants, activities, and outcomes.

The bill directs the DHS to submit a revised State Employment and Training Plan to the U.S. Department of Agriculture to authorize the demonstration project. The bill also permits the DHS to reserve up to five percent of federal SNAP ETP reimbursements generated by partner organizations to offset the demonstration's administrative costs, with the remaining federal reimbursements distributed to the partner organizations that generated them on a pro-rata basis and in accordance with a performance-based reimbursement system established under the bill. In addition, the bill directs the DHS to apply for any additional federal funds which may be available to implement the bill provisions.

The bill also requires the DHS and the CWAs to exclude from household income all legally-obligated or court-ordered child support payments paid by household members to non-household members for the purpose of determining households' SNAP income eligibility.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

**OFFICE OF LEGISLATIVE SERVICES**

The OLS cannot determine the bill's State and local fiscal impacts due to uncertainty regarding: likely DHS administrative costs; likely State service provision savings to be realized by the DHS and the LWD; and whether the demonstration project, as implemented by the DHS, would significantly expand the CWAs' administrative costs.

The OLS believes that the DHS may incur an indeterminate increase in State administrative costs under the bill, as the bill would require the DHS to: secure federal approval for the demonstration; prepare an RFP and select partner organizations; assist partner organizations with understanding SNAP requirements and federal SNAP ETP reimbursements; request and distribute federal SNAP ETP reimbursements; collect and report demonstration project data; and monitor partner organizations on a routine basis. The magnitude of such costs, and whether current DHS staffing and operations would be adequate to absorb the costs, cannot be determined from available information. These costs may also vary according to the number of partner organizations selected for the demonstration and requiring DHS assistance and oversight.

The State share of increased DHS administrative costs under the demonstration would likely be offset by 50 percent federal SNAP ETP reimbursements for such costs. In addition, the bill authorizes the DHS to reserve up to five percent of the federal SNAP ETP reimbursements generated by partner organizations' demonstration project activities for DHS expenses directly related to the demonstration project's administration, oversight, and evaluation. The additional federal funds reserved by the DHS would depend upon: the number of partner organizations that the DHS selected; the number of SNAP recipients served by those organizations; and the annual amount of each partner organization's allowable SNAP ETP expenditures.

The OLS also believes that DHS and LWD may realize indeterminate savings related to reduced State service provision costs under the demonstration, by diverting some SNAP recipients out of State-funded NJ SNAP ETP programs and into partner organizations' locally or privately funded programs. Currently, NJ SNAP ETP services are provided by the DHS (primarily case management and transportation reimbursements, through the CWAs) and the LWD (primarily employment and training activities, through the local Workforce Investment Boards) and are supported through a combination of State funds and the 50 percent federal SNAP ETP reimbursements. Under federal law, the State also receives a separate, 100 percent federal grant that may be used for NJ SNAP ETP administration and services other than reimbursement of participant expenses.

Information from a December 2012 draft of New Jersey's Unified Workforce Investment Plan indicates that the State anticipated about \$34.3 million (gross) in total NJ SNAP ETP expenditures in Federal Fiscal Year 2012 (FFY12), including:

- About \$620,000 from the 100 percent federal grant;
- \$16.9 million in State expenditures; and
- \$16.9 million from the 50 percent federal SNAP ETP reimbursements.

The Plan also suggests that about 45,000 SNAP recipients were expected to be placed into NJ SNAP ETP services in FFY13. Informal information from the DHS confirms that approximately the same participation and expenditures are expected in FFY13, with the exception that the 100 percent federal grant may decrease to about \$490,000, due to federal reductions.

Under a scenario where about \$17 million in annual State costs are incurred and 45,000 SNAP recipients are served, the State might realize as much as \$377,000 in annual savings for every 1,000 clients diverted from State-funded NJ SNAP ETP services. Actual savings would vary according to the number of current NJ SNAP ETP participants diverted into partner organizations' programs. As discussed above, any increased State administrative costs from assisting and monitoring the partner organizations could offset these savings. The OLS notes

that, under the bill, federal SNAP ETP reimbursements for diverted clients' services would be reallocated from current, State-funded NJ SNAP ETP programs to the partner organizations, with the exception of up to five percent reserved by DHS and applied to administrative costs (about \$19,000 for every 1,000 diverted clients, under the above scenario).

The OLS also notes that the demonstration project may serve, on a voluntary basis, an indeterminate number of additional SNAP recipients who are exempt from employment and training requirements and are not currently participating in NJ SNAP ETP. To the extent that additional voluntary participants are served by the partner organizations, up to five percent of federal reimbursements for those services could be reserved by DHS to offset administrative costs.

The bill's fiscal impact on the CWAs will depend upon how the DHS implements its provisions, but the CWAs' administrative costs may not expand significantly. The bill requires the CWAs to collaborate with partner organizations, the DHS, and the LWD on: placing participants into the demonstration project NJ SNAP ETP programs; monitoring participants' SNAP eligibility and SNAP ETP participation; and related activities. As the CWAs' current NJ SNAP ETP responsibilities are similar to those under the demonstration program, the bill does not appear to significantly expand the CWAs' administrative responsibilities or associated costs. However, the OLS cannot rule out some indeterminate increase in CWA administrative costs associated with implementing new procedures to place and monitor NJ SNAP ETP participants in the demonstration project programs and to perform other new responsibilities.

The bill provision requiring the DHS and the CWAs to exclude from household income all legally obligated or court-ordered child support payments paid to non-household members when determining households' SNAP income eligibility may allow some previously ineligible individuals to qualify for SNAP benefits (currently, the State exercises a federal option to treat such child support payments as income deductions rather than income exclusions, which results in somewhat more restrictive SNAP eligibility criteria). However, as SNAP benefits are entirely federally funded, any increases in the number of individuals qualifying for SNAP benefits should have minimal fiscal impact at the State or local levels. The OLS notes that indeterminate DHS and CWA administrative costs may be incurred from altering the eligibility determination process to reflect this change.

This OLS analysis assumes no change to current federal law providing for the 50 percent federal reimbursements of SNAP ETP expenditures. However, it is noted that the current federal authorization for SNAP ETP expires on October 1, 2013. If federal SNAP ETP funding in its current form is altered or discontinued, it is unknown whether DHS could feasibly form partnerships with any qualifying agencies and implement the relevant bill provisions.

*Section: Human Services*

*Analyst: Nathan E. Myers  
Associate Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

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 (C.52:13B-6 et seq.).

# ASSEMBLY, No. 3744

## STATE OF NEW JERSEY 215th LEGISLATURE

INTRODUCED FEBRUARY 7, 2013

**Sponsored by:**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Burlington and Camden)**

**Assemblyman GARY S. SCHAER**

**District 36 (Bergen and Passaic)**

**Assemblywoman L. GRACE SPENCER**

**District 29 (Essex)**

**SYNOPSIS**

“New Jersey Supplemental Nutrition Assistance Program Employment and Training Provider Demonstration Project Act.”

**CURRENT VERSION OF TEXT**

As introduced.



(Sponsorship Updated As Of: 2/8/2013)

1 AN ACT establishing a Supplemental Nutrition Assistance Program  
2 Employment and Training Provider Demonstration Project and  
3 supplementing Title 44 of the Revised Statutes.

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

7  
8 1. This act shall be known and may be cited as the “New Jersey  
9 SNAP Employment and Training Provider Demonstration Project  
10 Act.”

11  
12 2. As used in this act:

13 “Commissioner” means the Commissioner of Human Services.

14 “Demonstration project participant” means an eligible participant  
15 who elects to participate in the demonstration project established  
16 pursuant to this act.

17 “Department” means the Department of Human Services.

18 “Eligible participant” means a SNAP recipient who qualifies for  
19 participation in NJ SNAP ETP as a voluntary SNAP ETP  
20 participant or as a mandatory SNAP ETP participant.

21 “Mandatory SNAP ETP participant” means a participant in NJ  
22 SNAP ETP who, as a condition of receiving SNAP benefits: is  
23 required to register for work; is required to fulfill SNAP  
24 employment and training requirements; and has not been exempted  
25 from placement in an NJ SNAP ETP component.

26 “New Jersey Supplemental Nutrition Assistance Program  
27 Employment and Training Provider Demonstration Project” or  
28 “demonstration project” means the demonstration project  
29 established pursuant to this act.

30 “NJ SNAP ETP” means the New Jersey Supplemental Nutrition  
31 Assistance Program Employment and Training Program that assists  
32 SNAP recipients with acquiring the skills, training, work, or  
33 experience necessary to obtain regular employment, as established  
34 under the New Jersey Supplemental Nutrition Assistance Program  
35 and as described in the most recent State Employment and Training  
36 Plan submitted to the Food and Nutrition Service in the United  
37 States Department of Agriculture.

38 “Non-federal resources” means any of the following resources,  
39 provided that the resources are not from a federal source or used as  
40 a match for other federal funding purposes:

41 (1) cash donations from private firms, charitable foundations, or  
42 non-profit organizations received by partnering providers;

43 (2) local tax levy funds received by partnering providers;

44 (3) certain eligible in-kind contributions received by partnering  
45 providers that are public entities, including property or services  
46 which support the provider’s NJ SNAP ETP activities and which  
47 are contributed by non-federal public entities without charge to the  
48 partnering provider; or



1 (4) any other non-federal resources that are currently allowed by  
2 the federal government.

3 "Partnering provider" means a qualifying agency selected to  
4 participate in the demonstration project.

5 "Qualifying agency" means a local government, non-profit  
6 entity, institution of higher education, foundation, or other eligible  
7 community-based organization that qualifies for allowable federal  
8 SNAP ETP reimbursements pursuant to the federal "Food and  
9 Nutrition Act of 2008," Pub.L.110-246 (7 U.S.C. s.2011 et seq.) by  
10 providing allowable services that help SNAP recipients acquire the  
11 skills, training, work, or experience necessary to obtain regular  
12 employment. A qualifying agency may also include a consortium  
13 of organizations.

14 "Service area" means the geographic area of the State in which a  
15 partnering provider provides NJ SNAP ETP services under the  
16 demonstration project established pursuant to this act.

17 "SNAP" means the New Jersey Supplemental Nutrition  
18 Assistance Program, established pursuant to the federal "Food and  
19 Nutrition Act of 2008," Pub.L.110-246 (7 U.S.C. s.2011 et seq.).

20 "SNAP ETP" means the federal Supplemental Nutrition  
21 Assistance Program Employment and Training Program  
22 administered by the Food and Nutrition Service in the United States  
23 Department of Agriculture and established pursuant to the federal  
24 "Food and Nutrition Act of 2008," Pub.L.110-246 (7 U.S.C. s.2011  
25 et seq.) and any regulations adopted pursuant thereto.

26 "Voluntary SNAP ETP participant" means a participant in NJ  
27 SNAP ETP who: is exempt from the work registration and  
28 employment and training requirements associated with receiving  
29 SNAP benefits; or who is not exempt from work registration but  
30 who has been exempted from SNAP employment and training  
31 requirements or otherwise exempted from placement in an NJ  
32 SNAP ETP component.

33 "Work First New Jersey TANF benefits" means Temporary  
34 Assistance for Needy Families benefits provided under the Work  
35 First New Jersey program established pursuant to P.L.1997, c.38  
36 (C.44:10-55 et seq.) in accordance with the federal "Personal  
37 Responsibility and Work Opportunity Reconciliation Act of 1996,"  
38 Pub.L.104-193 (42 U.S.C. s.601 et seq.).

39

40 3. a. The Department of Human Services shall establish the  
41 New Jersey Supplemental Nutrition Assistance Program  
42 Employment and Training Provider Demonstration Project under  
43 which the department shall form partnerships with qualifying  
44 agencies to provide services to eligible participants under NJ SNAP  
45 ETP and receive federal reimbursements for those services. The  
46 department shall consult with the Department of Labor and  
47 Workforce Development and the county welfare agencies with

1 respect to the establishment and oversight of the demonstration  
2 project.

3 b. Applicants for participation as partnering providers in the  
4 demonstration project shall be qualifying agencies whose  
5 employment and training activities qualify for reimbursement under  
6 the federal SNAP ETP program. Partnering providers in the  
7 demonstration project shall be selected according to the process and  
8 criteria specified in this act.

9  
10 4. a. The commissioner shall issue a request for proposals  
11 from qualifying agencies to participate in the demonstration project  
12 no later than 60 days following the effective date of this act.

13 b. The department shall select no fewer than three partnering  
14 providers, from among qualifying agencies submitting proposals, to  
15 participate in the demonstration project for a period of four years.  
16 Partnering providers shall provide services under NJ SNAP ETP to  
17 eligible participants and be eligible to receive federal  
18 reimbursements for those services pursuant to the conditions of this  
19 act.

20 c. Each qualifying agency shall be evaluated for participation  
21 as a partnering provider in the demonstration project based on the  
22 agency's capacity to: serve eligible participants under NJ SNAP  
23 ETP; identify and utilize non-federal resources qualifying for  
24 federal SNAP ETP reimbursements pursuant to the federal "Food  
25 and Nutrition Act of 2008," Pub.L.110-246 (7 U.S.C. s.2011 et  
26 seq.); present and implement a coherent program plan for NJ SNAP  
27 ETP activities, as described in subsection d. of this section; and  
28 perform effectively each of the functions specified in section 6 of  
29 this act.

30 d. Each qualifying agency's proposal shall include a program  
31 plan describing how the agency's activities under the demonstration  
32 project would fulfill the purposes of NJ SNAP ETP. The program  
33 plan shall include, but not be limited to, the following information:

34 (1) the program goals and objectives, including the agency's  
35 priorities for serving eligible participants in the State;

36 (2) the program design, including: strategies for targeting and  
37 recruiting eligible participants; educational skills and training  
38 activities; work-related activities; job preparation, placement, and  
39 retention activities; strategies for coordinating with the county  
40 welfare agencies and the Department of Labor and Workforce  
41 Development; and strategies for providing support services,  
42 including case management, early intervention, career counseling,  
43 and referrals to additional programs and services;

44 (3) the program budget, including the overall resources to be  
45 used to support the agency's NJ SNAP ETP activities, the specific  
46 non-federal resources to be used to generate federal SNAP ETP  
47 reimbursements, and the intended utilization of anticipated federal  
48 SNAP ETP reimbursements;

1 (4) the extent to which community partners, including  
2 subcontractors, will be involved in the agency's activities; and

3 (5) the agency's plans for performing each of the functions  
4 specified in section 6 of this act.

5 e. In selecting partnering providers for participation in the  
6 demonstration project, the department shall prioritize partnering  
7 providers that would:

8 (1) serve SNAP recipients with significant barriers to  
9 employment, including, but not limited to: able-bodied adults  
10 without dependents required to participate in employment and  
11 training programs as a condition of receiving SNAP benefits;  
12 individuals with a history of substance abuse or other work  
13 limitations; ex-offenders; individuals with low literacy or limited  
14 English proficiency; veterans who are not eligible for other  
15 employment and training programs; and persons who are 16 through  
16 24 years of age;

17 (2) serve unemployed or underemployed parents, including non-  
18 custodial parents and parents who have exceeded their Work First  
19 New Jersey TANF 60-month lifetime limit on cash assistance;

20 (3) provide training in both vocational and technical skills, as  
21 well as "soft skills," including, but not limited to: workplace  
22 preparation training, teamwork, problem solving, time management,  
23 and conflict resolution;

24 (4) provide training that results in marketable credentials and  
25 that prepares participants for employment or reemployment in  
26 industries with projections of growth, as the department identifies  
27 those industries in collaboration with the Department of Labor and  
28 Workforce Development;

29 (5) conduct job development activities and identify how job  
30 opportunities will be secured to maximize SNAP recipients'  
31 permanent placement in employment providing compensation at the  
32 level of a living wage and opportunities for wage progression; and

33 (6) demonstrate a proven history of successful job placement  
34 and retention.

35 f. The department may select partnering providers that would  
36 provide NJ SNAP ETP services within any service area including,  
37 but not limited to: the entire State; one or more regions  
38 encompassing several counties; or a single county.

39 g. Upon selection of a partnering provider, the department shall  
40 negotiate and execute a memorandum of understanding with the  
41 partnering provider, the Department of Labor and Workforce  
42 Development, and county welfare agencies, as applicable. The  
43 memorandum of understanding shall define the extent and degree of  
44 assistance among the department, the Department of Labor and  
45 Workforce Development, the county welfare agencies, and the  
46 partnering provider.

47 h. The commissioner shall establish standards of performance  
48 for partnering providers conducting demonstration project activities

1 pursuant to this act, including, but not limited to, standards for  
2 performing the programmatic functions and financial functions  
3 required pursuant to section 6 of this act. The memorandum of  
4 understanding negotiated and executed pursuant to subsection g. of  
5 this section shall include a performance-based system for  
6 distributing federal SNAP ETP reimbursements to each partnering  
7 provider based upon the partnering provider's achievement of the  
8 standards of performance.

9 i. Upon finding that a partnering provider has not conducted its  
10 demonstration project activities in accordance with the standards of  
11 performance established in subsection h. of this section or that a  
12 partnering provider has otherwise failed to comply with the  
13 requirements of this act, the commissioner may: take such action as  
14 is necessary to correct the deficiencies of the provider; and  
15 terminate the partnering provider's participation in the  
16 demonstration project if the provider fails to take remedial action.

17

18 5. a. A county welfare agency shall collaborate with all  
19 partnering providers whose service areas include the county to:  
20 inform all eligible participants, upon determination of their  
21 eligibility for SNAP benefits, of all demonstration project activities  
22 operating within the county; permit all eligible participants to  
23 participate in any demonstration project activities available within  
24 the county; and assist eligible participants with contacting  
25 partnering providers operating demonstration project activities. A  
26 county welfare agency may advise an eligible participant as to the  
27 applicability and appropriateness of specific demonstration  
28 activities to the eligible participant's case, but the county welfare  
29 agency shall not assign an eligible participant to demonstration  
30 project activities without the eligible participant's consent.

31 b. A partnering provider shall collaborate with all county  
32 welfare agencies within the provider's service area to: inform all  
33 eligible participants, upon determination of their eligibility for  
34 SNAP benefits, of the availability of demonstration project  
35 services; and assist the county welfare agencies with identifying  
36 those eligible participants for whom participation in the partnering  
37 provider's NJ SNAP ETP activities would be most applicable and  
38 appropriate.

39 c. A partnering provider shall serve all eligible participants  
40 residing within the provider's service area who elect to participate  
41 in the provider's demonstration project activities. Except as  
42 provided in this section, a partnering provider shall not deny or  
43 terminate the participation of any demonstration project participant.

44 d. Mandatory SNAP ETP participants may elect, for the  
45 purpose of fulfilling their SNAP employment and training  
46 requirements, to participate in a partnering provider's  
47 demonstration project activities. The participation of a mandatory  
48 SNAP ETP participant in a partnering provider's demonstration

1 project activities shall constitute placement in an NJ SNAP ETP  
2 component and shall fulfill SNAP employment and training  
3 requirements for the duration of the mandatory SNAP ETP  
4 participant's participation. A county welfare agency shall assign a  
5 mandatory SNAP ETP participant who does not elect to participate  
6 in any demonstration project activities to another NJ SNAP ETP  
7 component outside of the demonstration project, as available.

8 e. Mandatory SNAP ETP participants who elect to participate  
9 in demonstration project activities but who subsequently do not  
10 cooperate with, or participate in, those activities shall not be subject  
11 to penalties for noncompliance with SNAP employment and  
12 training requirements during their participation in the demonstration  
13 project. Partnering providers shall terminate the demonstration  
14 project participation of any non-cooperating or non-participating  
15 mandatory SNAP ETP participants and refer the non-cooperating or  
16 non-participating mandatory SNAP ETP participants to the  
17 applicable county welfare agency. The applicable county welfare  
18 agency shall assign the non-cooperating or non-participating  
19 mandatory SNAP ETP participant to another NJ SNAP ETP  
20 component outside of the demonstration project, as available.

21 f. Nothing in this act shall be construed to limit the authority  
22 of the county welfare agencies or the department to impose  
23 penalties for noncompliance with SNAP employment and training  
24 requirements on mandatory SNAP ETP participants who: are  
25 terminated from participation in demonstration project activities  
26 due to non-cooperation or non-participation; and subsequently  
27 refuse or fail to comply with SNAP employment and training  
28 requirements upon placement within another NJ SNAP ETP  
29 component outside of the demonstration project.

30 g. A partnering provider may deny or terminate the  
31 participation of any demonstration project participant who is not  
32 appropriately matched to the partnering provider's demonstration  
33 project activities upon obtaining approval from the applicable  
34 county welfare agency.

35  
36 6. a. Each partnering provider shall be required to perform the  
37 following programmatic functions and to maintain sufficient  
38 capacity to perform these functions effectively:

39 (1) assist demonstration project participants with obtaining and  
40 retaining employment;

41 (2) provide demonstration project participants with appropriate  
42 NJ SNAP ETP services and participant reimbursements that fulfill  
43 the purposes of NJ SNAP ETP and that qualify for federal SNAP  
44 ETP reimbursements. These services and participant  
45 reimbursements may include, but are not limited to: job search and  
46 placement services; job readiness assistance; education or training  
47 that improves basic skills and general employability; specific job  
48 skills training or vocational education; work experience that

1 improves the employability of demonstration project participants;  
2 subsidized employment; workfare; self-employment training;  
3 services related to the federal Workforce Investment Act of 1998,  
4 Pub.L.105-220 (29 U.S.C. s.2801 et seq.); job retention services; or  
5 reimbursements for demonstration project participant expenses,  
6 including dependent care costs, transportation expenses, books or  
7 training manuals, fees, uniforms, equipment and tools required for  
8 employment, or personal safety items required for program  
9 participation;

10 (3) assess and place demonstration project participants into  
11 appropriate NJ SNAP ETP services, as defined in paragraph (2) of  
12 this subsection;

13 (4) provide demonstration project participants with support  
14 services, including case management, early intervention, career  
15 counseling, and referrals to additional programs and services;

16 (5) verify whether potential demonstration project participants  
17 are receiving SNAP benefits and make referrals, as appropriate, to  
18 assist potential demonstration project participants with applying for  
19 SNAP benefits;

20 (6) collaborate with county welfare agencies to develop  
21 processes and materials that: inform eligible participants regarding  
22 demonstration project activities within each county, in accordance  
23 with each partnering provider's service area; facilitate eligible  
24 participants' communications with partnering providers regarding  
25 participation in demonstration project activities; and assist eligible  
26 participants with rendering decisions regarding their participation in  
27 demonstration project activities;

28 (7) assist demonstration project participants with continuing to  
29 meet administrative requirements, work requirements, employment  
30 and training requirements, and other requirements for maintaining  
31 SNAP eligibility;

32 (8) coordinate with the department and county welfare agencies  
33 on a monthly basis to verify that demonstration project participants  
34 are receiving SNAP benefits and are not receiving Work First New  
35 Jersey TANF benefits;

36 (9) coordinate with the county welfare agencies and the  
37 department to distinguish mandatory SNAP ETP participants from  
38 voluntary SNAP ETP participants;

39 (10) provide uninterrupted NJ SNAP ETP services and  
40 participant reimbursements to mandatory SNAP ETP participants  
41 electing to participate in the demonstration project who become  
42 voluntary SNAP ETP participants and to voluntary SNAP ETP  
43 participants electing to participate in the demonstration project who  
44 become mandatory SNAP ETP participants, subject to the  
45 provisions for terminating demonstration project participation  
46 pursuant to section 5 of this act;

47 (11) maintain program records and report to the department the  
48 following monthly information for each claimed NJ SNAP ETP

- 1 participant: program, participant name, participant Social Security
- 2 number, services and reimbursements received, and weekly hours;
- 3 (12) prepare and submit to the department invoice and
- 4 certification letters each quarter for the total non-federal resources
- 5 and program expenditures qualifying for federal SNAP ETP
- 6 reimbursements for the quarter;
- 7 (13) monitor demonstration project participants and
- 8 subcontractors and provide detailed reports of participants,
- 9 activities, and outcomes to the department on a regular basis;
- 10 (14) devote sufficient staff time and expertise to fulfill NJ SNAP
- 11 ETP administrative and reporting requirements;
- 12 (15) collaborate with the department to ensure that federal SNAP
- 13 ETP reimbursements received under the demonstration program are
- 14 expended in accordance with all applicable federal laws and
- 15 regulations; and
- 16 (16) report to the department and county welfare agencies on a
- 17 monthly basis the identities of any mandatory SNAP ETP
- 18 participants who are not cooperating with, or participating in,
- 19 assigned services or work, as applicable to mandatory SNAP ETP
- 20 participants who elect to participate in the demonstration project.
- 21 b. Each partnering provider shall be required to perform the
- 22 following financial functions and to maintain sufficient capacity to
- 23 perform the functions effectively:
- 24 (1) maintain cash flow necessary to manage the delay from
- 25 program outlays to SNAP ETP reimbursements;
- 26 (2) manage federal grants, track expenditures, and ensure that
- 27 non-federal resources and program expenditures qualify for federal
- 28 SNAP ETP reimbursements;
- 29 (3) perform cost allocation using multiple funds;
- 30 (4) track staff time devoted to NJ SNAP ETP activities under this
- 31 demonstration project; and
- 32 (5) maintain records for State audits.
- 33 c. Partnering providers may establish agreements with
- 34 subcontracting organizations to support their NJ SNAP ETP
- 35 activities under this demonstration project.
- 36 d. The department shall consider educational activities serving
- 37 eligible participants at community colleges as qualifying for federal
- 38 SNAP ETP reimbursements to the greatest extent allowable under
- 39 federal laws and regulations. In accordance with section 273.5 of
- 40 title 7, Code of Federal Regulations, individuals enrolled at least
- 41 half-time in an institution of higher education who are assigned to,
- 42 or placed in, an NJ SNAP ETP educational activity, including
- 43 individuals who voluntarily participate in NJ SNAP ETP activities
- 44 or who otherwise make self-initiated placements, and who meet all
- 45 SNAP eligibility requirements shall be determined eligible for
- 46 SNAP benefits and shall be eligible for participation in the
- 47 demonstration project.

1       7. a. The county welfare agencies, under the oversight of the  
2 department, shall assist partnering providers by:

3       (1) collaborating with partnering providers, the department, and  
4 the Department of Labor and Workforce Development to conduct  
5 outreach to potential demonstration project participants and to refer  
6 potential demonstration project participants to the partnering  
7 providers;

8       (2) collaborating with partnering providers to develop processes  
9 and materials that inform eligible participants regarding: the  
10 availability of demonstration project activities within each county,  
11 in accordance with each partnering provider's service area; the  
12 option for eligible participants to participate in demonstration  
13 project activities; the applicability and appropriateness of specific  
14 demonstration activities to the eligible participant's case; and the  
15 means by which eligible participants may contact partnering  
16 providers regarding demonstration project participation;

17       (3) determining potential demonstration project participants'  
18 SNAP eligibility and providing the results of eligibility  
19 determinations to partnering providers;

20       (4) developing and implementing a process to verify that  
21 potential demonstration project participants are receiving SNAP  
22 benefits and not receiving Work First New Jersey TANF benefits  
23 and ensuring that this verification process adheres to all applicable  
24 federal laws and regulations restricting the unauthorized disclosure  
25 of information concerning applicants for, and recipients of, SNAP  
26 or TANF benefits;

27       (5) determining each potential demonstration project  
28 participant's status as a voluntary SNAP ETP participant or a  
29 mandatory SNAP ETP participant, in coordination with partnering  
30 providers;

31       (6) confirming each demonstration project participant's SNAP  
32 eligibility on a monthly basis; and

33       (7) collaborating with partnering providers to develop criteria  
34 and procedures for terminating the participation of eligible  
35 participants in a partnering provider's demonstration project  
36 activities including, but not limited to: eligible participants who are  
37 not appropriately matched to a partnering provider's demonstration  
38 project activities; and any mandatory SNAP ETP participants who  
39 are not cooperating with, or participating in, assigned services or  
40 work, as applicable to mandatory SNAP ETP participants who elect  
41 to participate in the demonstration project.

42       b. The department shall, in consultation with the county  
43 welfare agencies and the Department of Labor and Workforce  
44 Development:

45       (1) assist partnering providers with understanding the  
46 administrative requirements, work requirements, employment and  
47 training requirements, and other requirements for demonstration  
48 project participants to maintain SNAP eligibility;



1 (2) assist partnering providers with understanding the  
2 requirements for non-federal resources and program expenditures to  
3 generate federal SNAP ETP reimbursements;

4 (3) submit requests for federal SNAP ETP reimbursements and  
5 fulfill all reporting and other SNAP ETP administrative  
6 responsibilities required by the Food and Nutrition Service in the  
7 United States Department of Agriculture;

8 (4) distribute federal SNAP ETP reimbursements received by  
9 the State under this demonstration project to the partnering  
10 providers whose non-federal resources and program expenditures  
11 generated the federal reimbursements, in accordance with the  
12 provisions of section 8 of this act;

13 (5) collect data concerning partnering providers and  
14 demonstration project participants, activities, and outcomes; and

15 (6) audit partnering providers on a routine basis to ensure fiscal  
16 and program integrity.

17

18 8. a. The department shall submit a revised State Employment  
19 and Training Plan to the Food and Nutrition Service in the United  
20 States Department of Agriculture, in accordance with section 273.7  
21 (c) of title 7, Code of Federal Regulations, in order to expand NJ  
22 SNAP ETP to include demonstration project partnerships with  
23 qualifying agencies. The revised State Employment and Training  
24 Plan shall define the services to be provided under NJ SNAP ETP,  
25 including, but not limited to, the demonstration project services  
26 provided pursuant to this act. The department shall submit the  
27 revised State Employment and Training Plan to the Food and  
28 Nutrition Service as soon as practicable but no later than the first  
29 day of the seventh month next following the effective date of this  
30 act.

31 b. The commissioner shall take such additional steps as may be  
32 necessary to secure approval from the Food and Nutrition Service in  
33 the United States Department of Agriculture for this demonstration  
34 project and to ensure that the State and partnering providers are in  
35 compliance with all applicable provisions of federal and State laws  
36 and regulations.

37 c. The department may reserve up to five percent of the federal  
38 SNAP ETP reimbursements generated as a direct result of the  
39 activities of the partnering providers and received by the State  
40 pursuant to this act for operating expenses and staff directly related  
41 to the administration, oversight, and evaluation of this  
42 demonstration project. The remaining federal SNAP ETP  
43 reimbursements generated as a direct result of the activities of the  
44 partnering providers and received by the State pursuant to this act  
45 shall be distributed to the partnering providers whose expenditures  
46 generated the federal SNAP ETP reimbursements on a pro-rata  
47 basis and in accordance with the performance-based system for  
48 distributing federal SNAP ETP reimbursements established

1 pursuant to section 4 of this act. Within the request for proposals  
2 issued pursuant to this act, the department shall describe the  
3 performance-based system for distributing federal SNAP ETP  
4 reimbursements and indicate the net percentage of federal SNAP  
5 ETP reimbursements that shall be distributed to partnering  
6 providers.

7 d. The department shall apply for any additional federal funds  
8 which may be available to implement the provisions of this act,  
9 including, but not limited to, any unobligated, unexpended federal  
10 SNAP ETP funds originally allocated to other state agencies and  
11 available for reallocation pursuant to section 273.7 (d) of title 7,  
12 Code of Federal Regulations.

13 e. The commissioner may solicit, receive, and accept grants,  
14 funds, or anything of value from any public or private entity and  
15 receive and accept contributions of money, property, labor, or any  
16 other thing of value from any legitimate source to support the  
17 demonstration project, provided that the commissioner does not  
18 have reason to believe that the entity may have a vested interest in  
19 the decisions of the commissioner or the department concerning the  
20 selection of specific partnering providers.

21  
22 9. The commissioner shall issue a report no later than six  
23 months following the effective date of this act, and annually  
24 thereafter no later than September 30 of each year, to the Governor  
25 and, pursuant to section 2 of P.L. 1991, c.164 (C.52:14-19.1), to the  
26 Legislature summarizing the participants, activities, and outcomes  
27 of the demonstration project. The initial report under this section  
28 shall include, but not be limited to, a summary of the request for  
29 proposals issued pursuant to section 4 of this act. Subsequent  
30 reports under this section shall include, but not be limited to, the  
31 identities of the partnering providers selected pursuant to section 4  
32 of this act and a summary of demonstration project participant  
33 demographics, activities, and outcomes for each partnering  
34 provider. The reports issued pursuant to this section shall not  
35 disclose the identities of any SNAP applicants or recipients and  
36 shall adhere to all applicable federal laws and regulations restricting  
37 the unauthorized disclosure of information concerning applicants  
38 for, and recipients of, SNAP benefits.

39  
40 10. Notwithstanding the provisions of any other law or  
41 regulation to the contrary, the department and the county welfare  
42 agencies shall exclude from a household's income all legally-  
43 obligated or court-ordered child support payments paid by a  
44 household member to, or on behalf of, a non-household member,  
45 including payments to a third party on behalf of the non-household  
46 member and amounts paid toward arrearages, for the purpose of  
47 determining whether a household meets applicable gross and net  
48 SNAP income eligibility standards.



1 activities. In cases where eligible participants are required to meet  
2 SNAP employment and training requirements, the bill provides that  
3 participation in the demonstration project would fulfill those  
4 requirements, subject to the participants' ongoing cooperation and  
5 participation. The bill requires the county welfare agencies to assist  
6 partner organizations by: collaborating with partner organizations,  
7 DHS, and the Department of Labor and Workforce Development on  
8 conducting outreach to eligible participants; providing the results of  
9 SNAP eligibility determinations for potential demonstration project  
10 participants; confirming participants' SNAP eligibility on a monthly  
11 basis; and providing other support. The bill requires DHS to assist  
12 partner organizations with understanding the requirements that  
13 demonstration project participants must meet in order to maintain  
14 SNAP eligibility and to administer the process of requesting and  
15 distributing federal SNAP ETP reimbursements generated by the  
16 partner organizations' activities.

17 The bill directs DHS to submit a revised State Employment and  
18 Training Plan to the Food and Nutrition Service in the United States  
19 Department of Agriculture in order to expand NJ SNAP ETP to  
20 include partnerships with qualifying agencies as described in the  
21 bill. The bill also permits DHS to reserve up to five percent of  
22 federal SNAP ETP reimbursements generated by partner  
23 organizations under this demonstration project to offset  
24 administrative costs associated with the project. The remaining  
25 federal reimbursements would be distributed to the participating  
26 partner organizations on a pro-rata basis and in accordance with a  
27 performance-based reimbursement system established under the  
28 bill. Additionally, the bill directs DHS to: apply for any additional  
29 federal funds which may be available to implement the bill  
30 provisions; and issue an annual report summarizing the  
31 demonstration project participants, activities, and outcomes.

32 The bill also directs DHS and the county welfare agencies to  
33 exclude from household income all legally-obligated or court-  
34 ordered child support payments paid by household members to non-  
35 household members for the purpose of determining households'  
36 SNAP income eligibility. This change is intended to encourage  
37 legitimate work and payment of child support by allowing more NJ  
38 SNAP ETP participants to keep their SNAP benefits when they  
39 become employed.

40 Largely due to joblessness associated with the nation's severe  
41 economic recession, the number of SNAP recipients in New Jersey  
42 has doubled since 2007, to over 825,000 children and adults  
43 currently. This demonstration project would leverage and expand  
44 efforts by private organizations, local governments, and other  
45 agencies to advance the public interest by promoting work  
46 participation and providing SNAP recipients with the training and  
47 employment supports necessary to help them re-enter the workforce  
48 and reduce their dependency on public assistance.

# ASSEMBLY BUDGET COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 3744**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: FEBRUARY 7, 2013

The Assembly Budget Committee reports favorably Assembly Bill No. 3744, with committee amendments.

As amended, this bill establishes the Supplemental Nutrition Assistance Program (SNAP) Employment and Training Provider Demonstration Project in the Department of Human Services (DHS).

The bill directs DHS to establish a demonstration project to form partnerships with qualifying agencies, including local governments, non-profit entities, institutions of higher education, foundations, and other eligible community-based organizations, to provide services through the New Jersey Supplemental Nutrition Assistance Program Employment and Training Program (NJ SNAP ETP) to certain eligible SNAP recipients. The services assist SNAP recipients with acquiring the skills, training, work, and other experiences necessary to obtain regular employment and qualify for federal SNAP Employment and Training Program (SNAP ETP) reimbursements whereby 50 percent of qualifying agencies' demonstration project expenditures may be reimbursed.

The bill requires DHS to evaluate and select partner organizations based on their capacities to: serve eligible participants under NJ SNAP ETP; identify and utilize non-federal resources that qualify for federal reimbursements; present and implement a coherent program plan for NJ SNAP ETP activities; and perform effectively the programmatic and financial functions specified in the bill. The bill directs DHS to select at least three partner organizations to participate in the demonstration project for a period of four years.

The bill requires partner organizations to serve SNAP recipients who elect to participate in the organizations' NJ SNAP ETP activities, and provides that such participation fulfill participants' SNAP employment and training requirements, if required to maintain their SNAP eligibility. The bill also requires partnering providers to terminate the demonstration project participation of any non-cooperating or non-participating individuals who are required to fulfill employment and training requirements to maintain their SNAP eligibility and requires the county welfare agencies to reassign those individuals to other NJ SNAP ETP components outside of the

demonstration project, where they are subject to existing penalties for noncompliance with employment and training requirements.

The bill requires the county welfare agencies to collaborate with partner organizations, DHS, and the Department of Labor and Workforce Development (LWD) with respect to conducting participant outreach and placement and providing the results of SNAP eligibility determinations, among other activities. The bill requires DHS to assist partner organizations with understanding the SNAP eligibility requirements and to administer the process of requesting and distributing federal SNAP ETP reimbursements generated by their activities.

The bill directs DHS to obtain federal approval to expand NJ SNAP ETP to include partnerships with qualifying agencies under the demonstration project. The bill permits DHS to reserve up to five percent of federal SNAP ETP reimbursements generated by the activities of the partner organizations under the demonstration project to offset administrative costs associated with the project. The remaining portion of these federal reimbursements would be distributed to the partnering organizations on a pro-rata basis and in accordance with a performance-based reimbursement system established under the bill. Additionally, the bill directs DHS to apply for any additional federal funds which may be available to implement the bill's provisions and to issue an annual report summarizing the participants, activities, and outcomes.

The bill also directs DHS and the county welfare agencies to exclude from household income all legally obligated or court-ordered child support payments paid by household members to non-household members for the purpose of determining SNAP income eligibility.

As amended and reported, this bill is identical to Senate Bill No. 2366 (2R).

#### FISCAL IMPACT:

The bill is estimated to cause an indeterminate impact on State and local costs due to uncertainty regarding: DHS administrative costs; State service provision savings to be realized by DHS and LWD; and whether the demonstration project would significantly expand the responsibilities of the county welfare agencies.

#### COMMITTEE AMENDMENTS:

The committee amendments clarify the types of "non-federal resources" that partnering providers may utilize to generate federal SNAP ETP reimbursements by indicating that those resources include any non-federal resources currently allowed by the federal government that are not otherwise specified in the bill.

The committee amendments also clarify the provision allowing DHS to reserve, for administrative and oversight expenses, up to five percent of federal SNAP ETP reimbursements generated as a direct

result of the activities of the partnering providers under the demonstration project. This provision is not intended to apply to any federal SNAP ETP reimbursements not directly generated by partnering providers, such as additional federal reimbursements for DHS administrative expenditures.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## ASSEMBLY, No. 3744

### STATE OF NEW JERSEY 215th LEGISLATURE

DATED: FEBRUARY 14, 2013

#### SUMMARY

**Synopsis:** “New Jersey Supplemental Nutrition Assistance Program Employment and Training Provider Demonstration Project Act.”

**Type of Impact:** Indeterminate impact on State and local expenditures.

**Agencies Affected:** Department of Human Services (DHS);  
Department of Labor and Workforce Development (LWD);  
County Welfare Agencies (CWAs).

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>Net State Cost</b>	Indeterminate – See comments below		
<b>Net Local Cost</b>	Indeterminate – See comments below		

- The Department of Human Services (DHS) may incur an **indeterminate increase in State administrative costs** under the demonstration project. The likely magnitude of such costs, and whether the DHS could absorb the costs under current staffing and operations, cannot be determined from available information. However, the State share of these costs would likely be reduced by offsetting federal Supplemental Nutrition Assistance Program Employment and Training Program (SNAP ETP) reimbursements.
- The DHS and the Department of Labor and Workforce Development (LWD) may realize an **indeterminate decrease in State service provision costs** under the demonstration project, due to potential State savings from diverting some SNAP recipients out of State-funded NJ SNAP ETP programs and into locally or privately funded programs. These savings would likely vary according to the number of partner organizations selected for the demonstration and the number of current NJ SNAP ETP participants diverted into partner organizations' programs.
- The bill's fiscal impact on the County Welfare Agencies (CWAs) will depend upon how the DHS implements its provisions. Although the bill does not appear to significantly expand the



CWAs' responsibilities, the Office of Legislative Services (OLS) cannot rule out some **indeterminate increase in local administrative costs** associated with placing and monitoring SNAP recipients in the demonstration project NJ SNAP ETP programs.

## **BILL DESCRIPTION**

Assembly Bill No. 3744 (1R) of 2013 requires the DHS to form partnerships with certain "qualifying agencies," including local governments, non-profit entities, institutions of higher education, foundations, and other organizations, to provide services under the NJ SNAP ETP to certain eligible SNAP recipients. Under the bill, the DHS is to select partner organizations that would: provide services that assist SNAP recipients with acquiring the skills, training, work, and other experiences necessary to obtain regular employment; and utilize "non-federal resources," including private and local funds and certain in-kind contributions, to provide such services. The partner organizations' services would qualify for reimbursements under the federal SNAP ETP, whereby 50 percent of expenditures could be reimbursed by the federal government. Reimbursable expenditures would also include administrative costs and certain dependent care, transportation, and other expenses incurred by participating SNAP recipients, as allowed under federal SNAP ETP rules.

The DHS would be required to issue a request for proposals (RFP) and select at least three partner organizations to participate in the demonstration project for four years. The bill requires partner organizations to serve SNAP recipients who elect to participate in the organizations' NJ SNAP ETP activities, and provides that such participation would fulfill participants' SNAP employment and training requirements, if required to maintain their SNAP eligibility. Under the bill, the DHS, the LWD, the CWAs, and partner organizations would collaborate on various participant outreach and monitoring responsibilities, and the DHS would administer the requesting and distributing of federal SNAP ETP reimbursements generated by the partner organizations' NJ SNAP ETP activities. The bill also requires the DHS to issue an annual report summarizing the demonstration project's participants, activities, and outcomes.

The bill directs the DHS to submit a revised State Employment and Training Plan to the U.S. Department of Agriculture to authorize the demonstration project. The bill also permits the DHS to reserve up to five percent of federal SNAP ETP reimbursements generated by partner organizations to offset the demonstration's administrative costs, with the remaining federal reimbursements distributed to the partner organizations that generated them on a pro-rata basis and in accordance with a performance-based reimbursement system established under the bill. In addition, the bill directs the DHS to apply for any additional federal funds which may be available to implement the bill provisions.

The bill also requires the DHS and the CWAs to exclude from household income all legally-obligated or court-ordered child support payments paid by household members to non-household members for the purpose of determining households' SNAP income eligibility.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

**OFFICE OF LEGISLATIVE SERVICES**

The OLS cannot determine the bill's State and local fiscal impacts due to uncertainty regarding: likely DHS administrative costs; likely State service provision savings to be realized by the DHS and the LWD; and whether the demonstration project, as implemented by the DHS, would significantly expand the CWAs' administrative costs.

The OLS believes that the DHS may incur an indeterminate increase in State administrative costs under the bill, as the bill would require the DHS to: secure federal approval for the demonstration; prepare an RFP and select partner organizations; assist partner organizations with understanding SNAP requirements and federal SNAP ETP reimbursements; request and distribute federal SNAP ETP reimbursements; collect and report demonstration project data; and monitor partner organizations on a routine basis. The magnitude of such costs, and whether current DHS staffing and operations would be adequate to absorb the costs, cannot be determined from available information. These costs may also vary according to the number of partner organizations selected for the demonstration and requiring DHS assistance and oversight.

The State share of increased DHS administrative costs under the demonstration would likely be offset by 50 percent federal SNAP ETP reimbursements for such costs. In addition, the bill authorizes the DHS to reserve up to five percent of the federal SNAP ETP reimbursements generated by partner organizations' demonstration project activities for DHS expenses directly related to the demonstration project's administration, oversight, and evaluation. The additional federal funds reserved by the DHS would depend upon: the number of partner organizations that the DHS selected; the number of SNAP recipients served by those organizations; and the annual amount of each partner organization's allowable SNAP ETP expenditures.

The OLS also believes that DHS and LWD may realize indeterminate savings related to reduced State service provision costs under the demonstration, by diverting some SNAP recipients out of State-funded NJ SNAP ETP programs and into partner organizations' locally or privately funded programs. Currently, NJ SNAP ETP services are provided by the DHS (primarily case management and transportation reimbursements, through the CWAs) and the LWD (primarily employment and training activities, through the local Workforce Investment Boards) and are supported through a combination of State funds and the 50 percent federal SNAP ETP reimbursements. Under federal law, the State also receives a separate, 100 percent federal grant that may be used for NJ SNAP ETP administration and services other than reimbursement of participant expenses.

Information from a December 2012 draft of New Jersey's Unified Workforce Investment Plan indicates that the State anticipated about \$34.3 million (gross) in total NJ SNAP ETP expenditures in Federal Fiscal Year 2012 (FFY12), including:

- About \$620,000 from the 100 percent federal grant;
- \$16.9 million in State expenditures; and
- \$16.9 million from the 50 percent federal SNAP ETP reimbursements.

The Plan also suggests that about 45,000 SNAP recipients were expected to be placed into NJ SNAP ETP services in FFY13. Informal information from the DHS confirms that approximately the same participation and expenditures are expected in FFY13, with the exception that the 100 percent federal grant may decrease to about \$490,000, due to federal reductions.

Under a scenario where about \$17 million in annual State costs are incurred and 45,000 SNAP recipients are served, the State might realize as much as \$377,000 in annual savings for every 1,000 clients diverted from State-funded NJ SNAP ETP services. Actual savings would vary according to the number of current NJ SNAP ETP participants diverted into partner organizations' programs. As discussed above, any increased State administrative costs from assisting and monitoring the partner organizations could offset these savings. The OLS notes

that, under the bill, federal SNAP ETP reimbursements for diverted clients' services would be reallocated from current, State-funded NJ SNAP ETP programs to the partner organizations, with the exception of up to five percent reserved by DHS and applied to administrative costs (about \$19,000 for every 1,000 diverted clients, under the above scenario).

The OLS also notes that the demonstration project may serve, on a voluntary basis, an indeterminate number of additional SNAP recipients who are exempt from employment and training requirements and are not currently participating in NJ SNAP ETP. To the extent that additional voluntary participants are served by the partner organizations, up to five percent of federal reimbursements for those services could be reserved by DHS to offset administrative costs.

The bill's fiscal impact on the CWAs will depend upon how the DHS implements its provisions, but the CWAs' administrative costs may not expand significantly. The bill requires the CWAs to collaborate with partner organizations, the DHS, and the LWD on: placing participants into the demonstration project NJ SNAP ETP programs; monitoring participants' SNAP eligibility and SNAP ETP participation; and related activities. As the CWAs' current NJ SNAP ETP responsibilities are similar to those under the demonstration program, the bill does not appear to significantly expand the CWAs' administrative responsibilities or associated costs. However, the OLS cannot rule out some indeterminate increase in CWA administrative costs associated with implementing new procedures to place and monitor NJ SNAP ETP participants in the demonstration project programs and to perform other new responsibilities.

The bill provision requiring the DHS and the CWAs to exclude from household income all legally obligated or court-ordered child support payments paid to non-household members when determining households' SNAP income eligibility may allow some previously ineligible individuals to qualify for SNAP benefits (currently, the State exercises a federal option to treat such child support payments as income deductions rather than income exclusions, which results in somewhat more restrictive SNAP eligibility criteria). However, as SNAP benefits are entirely federally funded, any increases in the number of individuals qualifying for SNAP benefits should have minimal fiscal impact at the State or local levels. The OLS notes that indeterminate DHS and CWA administrative costs may be incurred from altering the eligibility determination process to reflect this change.

This OLS analysis assumes no change to current federal law providing for the 50 percent federal reimbursements of SNAP ETP expenditures. However, it is noted that the current federal authorization for SNAP ETP expires on October 1, 2013. If federal SNAP ETP funding in its current form is altered or discontinued, it is unknown whether DHS could feasibly form partnerships with any qualifying agencies and implement the relevant bill provisions.

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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 (C.52:13B-6 et seq.).