

**REPEALER
LEGISLATIVE HISTORY CHECKLIST**

Compiled by the NJ State Law Library

LAWS OF: 2020 **CHAPTER:** 99

NJSA: REPEALER (Repeals family cap in Work First New Jersey program.)

BILL NO: S2178 (Substituted for A3292)

SPONSOR(S) Joseph F. Vitale and others

DATE INTRODUCED: 3/16/2020

COMMITTEE: **ASSEMBLY:** Budget

SENATE: Budget & Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 9/24/2020

SENATE: 9/24/2020

DATE OF APPROVAL: 9/29/2020

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First Reprint enacted) Yes

S2178

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: **ASSEMBLY:** No

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes 9/25/2020
9/28/2020

A3292

INTRODUCED BILL (INCLUDES SPONSOR'S STATEMENT): Yes

COMMITTEE STATEMENT: **ASSEMBLY:** Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes 9/23/2020
9/28/2020

VETO MESSAGE: No
GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"Governor repeals family cap welfare law." The Times, (Trenton, NJ), October 1, 2020: 006.

P.L. 2020, CHAPTER 99, *approved September 29, 2020*
Senate, No. 2178 (*First Reprint*)

1 AN ACT concerning public assistance benefits and repealing section
2 7 of P.L.1997, c.38.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 7 of P.L.1997, c.38 (C.44:10-61) is repealed.

8
9 2. The Commissioner of Human Services shall apply for such
10 State plan amendments as may be necessary to implement the
11 provisions of this act and to secure federal financial participation
12 for State expenditures under the federal Temporary Assistance to
13 Needy Families program.

14
15 3. ¹**[**The Commissioner of Human Services, in accordance with
16 the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
17 seq.), shall adopt such rules and regulations as the commissioner
18 deems necessary to carry out the provisions of this act**]**
19 Notwithstanding the provisions of the "Administrative Procedure Act,"
20 P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the
21 Commissioner of Human Services may adopt, immediately, upon
22 filing with the Office of Administrative Law, regulations that the
23 commissioner determines to be necessary to implement the provisions
24 of this act, which regulations shall be effective for a period not to
25 exceed 365 days from the date of the filing. The commissioner shall
26 thereafter amend, adopt, or readopt the regulations in accordance with
27 the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.)¹.

28
29 4. This act shall take effect immediately.

30
31
32
33
34 Repeals family cap in Work First New Jersey program.

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:

¹Senate SBA committee amendments adopted September 21, 2020.

SENATE, No. 2178

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Senator JOSEPH F. VITALE

District 19 (Middlesex)

Senator RONALD L. RICE

District 28 (Essex)

SYNOPSIS

Repeals family cap in Work First New Jersey program.

CURRENT VERSION OF TEXT

As introduced.



S2178 VITALE, RICE

2

1 AN ACT concerning public assistance benefits and repealing section
2 7 of P.L.1997, c.38.

3

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

6

7 1. Section 7 of P.L.1997, c.38 (C.44:10-61) is repealed.

8

9 2. The Commissioner of Human Services shall apply for such
10 State plan amendments as may be necessary to implement the
11 provisions of this act and to secure federal financial participation
12 for State expenditures under the federal Temporary Assistance to
13 Needy Families program.

14

15 3. The Commissioner of Human Services, in accordance with
16 the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1
17 et seq.), shall adopt such rules and regulations as the commissioner
18 deems necessary to carry out the provisions of this act.

19

20 4. This act shall take effect immediately.

21

22

23

STATEMENT

24

25 This bill repeals section 7 of the “Work First New Jersey Act,”
26 which prohibits a household from gaining additional cash assistance
27 benefits as a result of the birth of a child. Such policies that prevent
28 an increase in welfare benefits as a result of the birth of a child are
29 commonly known as “family caps.”

30 The Work First New Jersey – Temporary Assistance to Needy
31 Families (TANF) program provides cash and other assistance to low
32 income families with dependent children. The amount of monthly
33 cash assistance provided to a household by the program is based on
34 the household’s size. However, current law prevents the amount of
35 the grant from increasing as the result of the birth of a child, unless
36 the child is born fewer than 10 months after applying for benefits or
37 the birth of the child is a result of rape or incest. Certain limited
38 exceptions to the family cap are provided pursuant to
39 N.J.A.C.10:90-2.18 for families with a working parent and for
40 children born to minors.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2178

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 22, 2020

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 2178.

As amended, this bill repeals section 7 of the “Work First New Jersey Act,” which prohibits a household from gaining additional cash assistance benefits as a result of the birth of a child. Such policies that prevent an increase in welfare benefits as a result of the birth of a child are commonly known as “family caps.”

The Work First New Jersey – Temporary Assistance to Needy Families (TANF) program provides cash and other assistance to low income families with dependent children. The amount of monthly cash assistance provided to a household by the program is based on the household’s size. However, current law prevents the amount of the grant from increasing as the result of the birth of a child, unless the child is born fewer than 10 months after applying for benefits or the birth of the child is a result of rape or incest. Certain limited exceptions to the family cap are provided pursuant to N.J.A.C.10:90-2.18 for families with a working parent and for children born to minors.

COMMITTEE AMENDMENTS

The committee amendments revise the rule making authority originally provided for in the bill.

These amendments make the bill identical to Assembly No. 3292 (1R).

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures for Work First New Jersey – Temporary Assistance to Needy Families (WFNJ-TANF) cash benefits. Based on June 2020 program levels, the OLS projects that the State expenditure increase will be, at a minimum, \$1.1 million annually.

There is substantial uncertainty, however, regarding the magnitude of the annual State expenditure increase, particularly due to the economic impacts of the coronavirus disease 2019 pandemic. As such the \$1.1 million estimate provides a minimum baseline for increased

expenditures under the bill, as the OLS anticipates enrollment has grown beyond the June 2020 enrollment numbers, which are the basis for this estimate.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2178
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: SEPTEMBER 25, 2020

SUMMARY

Synopsis: Repeals family cap in Work First New Jersey program.

Type of Impact: Annual State expenditure increases, General Fund.

Agencies Affected: Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure Increase	At a minimum \$1.1 million		

- The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures for Work First New Jersey – Temporary Assistance to Needy Families (WFNJ-TANF) cash benefits. Based on June 2020 program levels, the OLS projects that the State expenditure increase will be, at a minimum, \$1.1 million annually.
- There is substantial uncertainty, however, regarding the magnitude of the annual State expenditure increase, particularly due to the economic impacts of the coronavirus disease 2019 pandemic. As such the \$1.1 million estimate provides a minimum baseline for increased expenditures under the bill, as the OLS anticipates enrollment has grown beyond the June 2020 enrollment numbers, which are the basis for this estimate.

BILL DESCRIPTION

This bill newly allows a household that receives WFNJ-TANF benefits to gain additional cash assistance benefits as a result of the birth of a child.

The WFNJ-TANF program provides cash and other assistance to low-income families with dependent children. The amount of monthly cash assistance provided to a household is based on the household's size. Current law prevents the amount received from increasing as the result of the birth of a child, unless the child is born fewer than 10 months after applying for benefits or the birth of the child is a result of rape or incest. Certain additional limited exceptions are provided for families with a working parent and for children born to minors.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received; however, the Department of Human Services (DHS) estimated during the FY 2017 budget process that similar legislation would have increased WFNJ-TANF expenditures by \$2.3 million in FY 2017.¹

The DHS also indicated during the FY 2019 budget process that in FY 2018, from July 1, 2017 through January 31, 2018, 1,235 cases were affected by the family cap, with a total number of 1,587 capped children. The estimated annual cost of including these children in the TANF benefit calculation under the funding formula would have been \$1.2 million.²

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will increase annual State expenditures for WFNJ-TANF cash benefits.

The OLS approximates that the increase will be, at a minimum, \$1.1 million annually based upon the DHS estimate provided in the FY 2017 budget process and a subsequent decline in WFNJ-TANF enrollment. The DHS estimated in the spring of 2016 that similar legislation would have increased State expenditures by \$2.3 million in FY 2017. However, the impact of the legislation would currently be less because of a decline in enrollment. The Governor's FY 2017 Budget, on page D-207, projected 63,295 average monthly recipients in FY 2017. The DHS Division of Family Development (DFD) June 2020 Current Program Statistics Report, the most recent report available, indicates that 31,370 recipients were enrolled in the WFNJ-TANF program in June 2020.³ Applying the ratio of the June 2020 recipients over the FY 2017 equivalent to the DHS cost projection for FY 2017, the OLS estimates the increased cost of implementing the bill would be at least \$1.1 million annually.

There is substantial uncertainty, however, regarding what the magnitude of the annual State expenditure increase will be post-June 2020, particularly due to the economic impacts of the coronavirus disease 2019 pandemic and the difficulty of estimating future enrollment levels and family size. As a safety net program, WFNJ-TANF enrollment is correlated with general economic conditions. As such the \$1.1 million estimate provides a minimum baseline for increased expenditures under the bill, as the OLS anticipates enrollment will grow beyond the June 2020 enrollment numbers, which are the basis for this estimate.

For reference, the DFD June 2020 Current Program Statistics Report indicates that WFNJ-TANF enrollment increased by 4,174 recipients between March 2020 (the start of the pandemic in New Jersey) and June 2020 (the most current data available). The program has not seen enrollment at the June 2020 level since approximately September 2018.

The increased expenditures will be from the State General Fund. The WFNJ-TANF program is funded through both State dollars and the federal TANF block grant; however, the federal TANF block grant will not be increased due to this State policy change.

¹ Page 41 of the FY 2017 Department of Human Services responses to the OLS Discussion Points, http://www.njleg.state.nj.us/legislativepub/budget_2017/DHS_response.pdf.

² Page 47 of the FY 2019 Department of Human Services responses to the OLS Discussion Points, http://www.njleg.state.nj.us/legislativepub/budget_2019/DHS_response_2019.pdf.

³ https://www.state.nj.us/humanservices/dfd/news/cps_june20.pdf

Section: Human Services

*Analyst: Schmidt, Sarah
Senior Research Analyst*

*Approved: Frank W. Haines III
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.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 2178 STATE OF NEW JERSEY 219th LEGISLATURE

DATED: SEPTEMBER 28, 2020

SUMMARY

- Synopsis:** Repeals family cap in Work First New Jersey program.
- Type of Impact:** Annual State expenditure increases, General Fund.
- Agencies Affected:** Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure Increase	At a minimum \$1.1 million		

- The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures for Work First New Jersey – Temporary Assistance to Needy Families (WFNJ-TANF) cash benefits. Based on June 2020 program levels, the OLS projects that the State expenditure increase will be, at a minimum, \$1.1 million annually.
- There is substantial uncertainty, however, regarding the magnitude of the annual State expenditure increase, particularly due to the economic impacts of the coronavirus disease 2019 pandemic. As such the \$1.1 million estimate provides a minimum baseline for increased expenditures under the bill, as the OLS anticipates enrollment has grown beyond the June 2020 enrollment numbers, which are the basis for this estimate.

BILL DESCRIPTION

This bill newly allows a household that receives WFNJ-TANF benefits to gain additional cash assistance benefits as a result of the birth of a child.

The WFNJ-TANF program provides cash and other assistance to low-income families with dependent children. The amount of monthly cash assistance provided to a household is based on the household's size. Current law prevents the amount received from increasing as the

result of the birth of a child, unless the child is born fewer than 10 months after applying for benefits or the birth of the child is a result of rape or incest. Certain additional limited exceptions are provided for families with a working parent and for children born to minors.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received; however, the Department of Human Services (DHS) estimated during the FY 2017 budget process that similar legislation would have increased WFNJ-TANF expenditures by \$2.3 million in FY 2017.¹

The DHS also indicated during the FY 2019 budget process that in FY 2018, from July 1, 2017 through January 31, 2018, 1,235 cases were affected by the family cap, with a total number of 1,587 capped children. The estimated annual cost of including these children in the TANF benefit calculation under the funding formula would have been \$1.2 million.²

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will increase annual State expenditures for WFNJ-TANF cash benefits.

The OLS approximates that the increase will be, at a minimum, \$1.1 million annually based upon the DHS estimate provided in the FY 2017 budget process and a subsequent decline in WFNJ-TANF enrollment. The DHS estimated in the spring of 2016 that similar legislation would have increased State expenditures by \$2.3 million in FY 2017. However, the impact of the legislation would currently be less because of a decline in enrollment. The Governor's FY 2017 Budget, on page D-207, projected 63,295 average monthly recipients in FY 2017. The DHS Division of Family Development (DFD) June 2020 Current Program Statistics Report, the most recent report available, indicates that 31,370 recipients were enrolled in the WFNJ-TANF program in June 2020.³ Applying the ratio of the June 2020 recipients over the FY 2017 equivalent to the DHS cost projection for FY 2017, the OLS estimates the increased cost of implementing the bill would be at least \$1.1 million annually.

There is substantial uncertainty, however, regarding what the magnitude of the annual State expenditure increase will be post-June 2020, particularly due to the economic impacts of the coronavirus disease 2019 pandemic and the difficulty of estimating future enrollment levels and family size. As a safety net program, WFNJ-TANF enrollment is correlated with general economic conditions. As such the \$1.1 million estimate provides a minimum baseline for increased expenditures under the bill, as the OLS anticipates enrollment will grow beyond the June 2020 enrollment numbers, which are the basis for this estimate.

For reference, the DFD June 2020 Current Program Statistics Report indicates that WFNJ-TANF enrollment increased by 4,174 recipients between March 2020 (the start of the pandemic in New Jersey) and June 2020 (the most current data available). The program has not seen enrollment at the June 2020 level since approximately September 2018.

¹ Page 41 of the FY 2017 Department of Human Services responses to the OLS Discussion Points, http://www.njleg.state.nj.us/legislativepub/budget_2017/DHS_response.pdf.

² Page 47 of the FY 2019 Department of Human Services responses to the OLS Discussion Points, http://www.njleg.state.nj.us/legislativepub/budget_2019/DHS_response_2019.pdf.

³ https://www.state.nj.us/humanservices/dfd/news/cps_june20.pdf

The increased expenditures will be from the State General Fund. The WFNJ-TANF program is funded through both State dollars and the federal TANF block grant; however, the federal TANF block grant will not be increased due to this State policy change.

Section: Human Services

*Analyst: Sarah Schmidt
Senior Research Analyst*

*Approved: Frank W. Haines III
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. 3292

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

Assemblywoman VERLINA REYNOLDS-JACKSON

District 15 (Hunterdon and Mercer)

SYNOPSIS

Repeals family cap in Work First New Jersey program.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/21/2020)

1 AN ACT concerning public assistance benefits and repealing section
2 7 of P.L.1997, c.38.

3

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

6

7 1. Section 7 of P.L.1997, c.38 (C.44:10-61) is repealed.

8

9 2. The Commissioner of Human Services shall apply for such
10 State plan amendments as may be necessary to implement the
11 provisions of this act and to secure federal financial participation
12 for State expenditures under the federal Temporary Assistance to
13 Needy Families program.

14

15 3. The Commissioner of Human Services, in accordance with
16 the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1
17 et seq.), shall adopt such rules and regulations as the commissioner
18 deems necessary to carry out the provisions of this act.

19

20 4. This act shall take effect immediately.

21

22

23

STATEMENT

24

25 This bill repeals the section 7 of the “Work First New Jersey
26 Act,” which prohibits a household from gaining additional cash
27 assistance benefits as a result of the birth of a child. Such policies
28 that prevent an increase in welfare benefits as a result of the birth of
29 a child are commonly known as “family caps.”

30 The Work First New Jersey – Temporary Assistance to Needy
31 Families (TANF) program provides cash and other assistance to low
32 income families with dependent children. The amount of monthly
33 cash assistance provided to a household by the program is based on
34 the household’s size. However, current law prevents the amount of
35 the grant from increasing as the result of the birth of a child, unless
36 the child is born fewer than 10 months after applying for benefits or
37 the birth of the child is a result of rape or incest. Certain limited
38 exceptions to the family cap are provided pursuant to
39 N.J.A.C.10:90-2.18 for families with a working parent and for
40 children born to minors.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3292

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 22, 2020

The Assembly Budget Committee reports favorably and with committee amendments Assembly Bill No. 3292

As amended by the committee, this bill repeals section 7 of the “Work First New Jersey Act,” which prohibits a household from gaining additional cash assistance benefits as a result of the birth of a child. Such policies that prevent an increase in welfare benefits as a result of the birth of a child are commonly known as “family caps.”

The Work First New Jersey – Temporary Assistance to Needy Families (TANF) program provides cash and other assistance to low income families with dependent children. The amount of monthly cash assistance provided to a household by the program is based on the household’s size. However, current law prevents the amount of the grant from increasing as the result of the birth of a child, unless the child is born fewer than 10 months after applying for benefits or the birth of the child is a result of rape or incest. Certain limited exceptions to the family cap are provided pursuant to N.J.A.C.10:90-2.18 for families with a working parent and for children born to minors.

COMMITTEE AMENDMENTS

The committee amendments revise the rule making authority originally provided for in the bill.

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures for Work First New Jersey – Temporary Assistance to Needy Families (WFNJ-TANF) cash benefits. Based on June 2020 program levels, the OLS projects that the State expenditure increase will be, at a minimum, \$1.1 million annually.

There is substantial uncertainty, however, regarding the magnitude of the annual State expenditure increase, particularly due to the economic impacts of the coronavirus disease 2019 pandemic. As such the \$1.1 million estimate provides a minimum baseline for increased

expenditures under the bill, as the OLS anticipates enrollment has grown beyond the June 2020 enrollment numbers, which are the basis for this estimate

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3292
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: SEPTEMBER 23, 2020

SUMMARY

Synopsis: Repeals family cap in Work First New Jersey program.

Type of Impact: Annual State expenditure increases, General Fund.

Agencies Affected: Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure Increase	At a minimum \$1.1 million		

- The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures for Work First New Jersey – Temporary Assistance to Needy Families (WFNJ-TANF) cash benefits. Based on June 2020 program levels, the OLS projects that the State expenditure increase will be, at a minimum, \$1.1 million annually.
- There is substantial uncertainty, however, regarding the magnitude of the annual State expenditure increase, particularly due to the economic impacts of the coronavirus disease 2019 pandemic. As such the \$1.1 million estimate provides a minimum baseline for increased expenditures under the bill, as the OLS anticipates enrollment has grown beyond the June 2020 enrollment numbers, which are the basis for this estimate.

BILL DESCRIPTION

This bill newly allows a household that receives WFNJ-TANF benefits to gain additional cash assistance benefits as a result of the birth of a child.

The WFNJ-TANF program provides cash and other assistance to low-income families with dependent children. The amount of monthly cash assistance provided to a household is based on the household’s size. Current law prevents the amount received from increasing as the result of the birth of a child, unless the child is born fewer than 10 months after applying for benefits or the birth of the child is a result of rape or incest. Certain additional limited exceptions are provided for families with a working parent and for children born to minors.



FISCAL ANALYSIS

EXECUTIVE BRANCH

None received; however, the Department of Human Services (DHS) estimated during the FY 2017 budget process that similar legislation would have increased WFNJ-TANF expenditures by \$2.3 million in FY 2017.¹

The DHS also indicated during the FY 2019 budget process that in FY 2018, from July 1, 2017 through January 31, 2018, 1,235 cases were affected by the family cap, with a total number of 1,587 capped children. The estimated annual cost of including these children in the TANF benefit calculation under the funding formula would have been \$1.2 million.²

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will increase annual State expenditures for WFNJ-TANF cash benefits.

The OLS approximates that the increase will be, at a minimum, \$1.1 million annually based upon the DHS estimate provided in the FY 2017 budget process and a subsequent decline in WFNJ-TANF enrollment. The DHS estimated in the spring of 2016 that similar legislation would have increased State expenditures by \$2.3 million in FY 2017. However, the impact of the legislation would currently be less because of a decline in enrollment. The Governor's FY 2017 Budget, on page D-207, projected 63,295 average monthly recipients in FY 2017. The DHS Division of Family Development (DFD) June 2020 Current Program Statistics Report, the most recent report available, indicates that 31,370 recipients were enrolled in the WFNJ-TANF program in June 2020.³ Applying the ratio of the June 2020 recipients over the FY 2017 equivalent to the DHS cost projection for FY 2017, the OLS estimates the increased cost of implementing the bill would be at least \$1.1 million annually.

There is substantial uncertainty, however, regarding what the magnitude of the annual State expenditure increase will be post-June 2020, particularly due to the economic impacts of the coronavirus disease 2019 pandemic and the difficulty of estimating future enrollment levels and family size. As a safety net program, WFNJ-TANF enrollment is correlated with general economic conditions. As such the \$1.1 million estimate provides a minimum baseline for increased expenditures under the bill, as the OLS anticipates enrollment will grow beyond the June 2020 enrollment numbers, which are the basis for this estimate.

For reference, the DFD June 2020 Current Program Statistics Report indicates that WFNJ-TANF enrollment increased by 4,174 recipients between March 2020 (the start of the pandemic in New Jersey) and June 2020 (the most current data available). The program has not seen enrollment at the June 2020 level since approximately September 2018.

The increased expenditures will be from the State General Fund. The WFNJ-TANF program is funded through both State dollars and the federal TANF block grant; however, the federal TANF block grant will not be increased due to this State policy change.

¹ Page 41 of the FY 2017 Department of Human Services responses to the OLS Discussion Points, http://www.njleg.state.nj.us/legislativepub/budget_2017/DHS_response.pdf.

² Page 47 of the FY 2019 Department of Human Services responses to the OLS Discussion Points, http://www.njleg.state.nj.us/legislativepub/budget_2019/DHS_response_2019.pdf.

³ https://www.state.nj.us/humanservices/dfd/news/cps_june20.pdf

Section: Human Services

*Analyst: Sarah Schmidt
Senior Research Analyst*

*Approved: Frank W. Haines III
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.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3292

STATE OF NEW JERSEY 219th LEGISLATURE

DATED: SEPTEMBER 28, 2020

SUMMARY

Synopsis: Repeals family cap in Work First New Jersey program.

Type of Impact: Annual State expenditure increases, General Fund.

Agencies Affected: Department of Human Services.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure Increase	At a minimum \$1.1 million		

- The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures for Work First New Jersey – Temporary Assistance to Needy Families (WFNJ-TANF) cash benefits. Based on June 2020 program levels, the OLS projects that the State expenditure increase will be, at a minimum, \$1.1 million annually.
- There is substantial uncertainty, however, regarding the magnitude of the annual State expenditure increase, particularly due to the economic impacts of the coronavirus disease 2019 pandemic. As such the \$1.1 million estimate provides a minimum baseline for increased expenditures under the bill, as the OLS anticipates enrollment has grown beyond the June 2020 enrollment numbers, which are the basis for this estimate.

BILL DESCRIPTION

This bill newly allows a household that receives WFNJ-TANF benefits to gain additional cash assistance benefits as a result of the birth of a child.

The WFNJ-TANF program provides cash and other assistance to low-income families with dependent children. The amount of monthly cash assistance provided to a household is based on the household's size. Current law prevents the amount received from increasing as the result of the birth of a child, unless the child is born fewer than 10 months after applying for

benefits or the birth of the child is a result of rape or incest. Certain additional limited exceptions are provided for families with a working parent and for children born to minors.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received; however, the Department of Human Services (DHS) estimated during the FY 2017 budget process that similar legislation would have increased WFNJ-TANF expenditures by \$2.3 million in FY 2017.¹

The DHS also indicated during the FY 2019 budget process that in FY 2018, from July 1, 2017 through January 31, 2018, 1,235 cases were affected by the family cap, with a total number of 1,587 capped children. The estimated annual cost of including these children in the TANF benefit calculation under the funding formula would have been \$1.2 million.²

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that the bill will increase annual State expenditures for WFNJ-TANF cash benefits.

The OLS approximates that the increase will be, at a minimum, \$1.1 million annually based upon the DHS estimate provided in the FY 2017 budget process and a subsequent decline in WFNJ-TANF enrollment. The DHS estimated in the spring of 2016 that similar legislation would have increased State expenditures by \$2.3 million in FY 2017. However, the impact of the legislation would currently be less because of a decline in enrollment. The Governor's FY 2017 Budget, on page D-207, projected 63,295 average monthly recipients in FY 2017. The DHS Division of Family Development (DFD) June 2020 Current Program Statistics Report, the most recent report available, indicates that 31,370 recipients were enrolled in the WFNJ-TANF program in June 2020.³ Applying the ratio of the June 2020 recipients over the FY 2017 equivalent to the DHS cost projection for FY 2017, the OLS estimates the increased cost of implementing the bill would be at least \$1.1 million annually.

There is substantial uncertainty, however, regarding what the magnitude of the annual State expenditure increase will be post-June 2020, particularly due to the economic impacts of the coronavirus disease 2019 pandemic and the difficulty of estimating future enrollment levels and family size. As a safety net program, WFNJ-TANF enrollment is correlated with general economic conditions. As such the \$1.1 million estimate provides a minimum baseline for increased expenditures under the bill, as the OLS anticipates enrollment will grow beyond the June 2020 enrollment numbers, which are the basis for this estimate.

For reference, the DFD June 2020 Current Program Statistics Report indicates that WFNJ-TANF enrollment increased by 4,174 recipients between March 2020 (the start of the pandemic in New Jersey) and June 2020 (the most current data available). The program has not seen enrollment at the June 2020 level since approximately September 2018.

¹ Page 41 of the FY 2017 Department of Human Services responses to the OLS Discussion Points, http://www.njleg.state.nj.us/legislativepub/budget_2017/DHS_response.pdf.

² Page 47 of the FY 2019 Department of Human Services responses to the OLS Discussion Points, http://www.njleg.state.nj.us/legislativepub/budget_2019/DHS_response_2019.pdf.

³ https://www.state.nj.us/humanservices/dfd/news/cps_june20.pdf

The increased expenditures will be from the State General Fund. The WFNJ-TANF program is funded through both State dollars and the federal TANF block grant; however, the federal TANF block grant will not be increased due to this State policy change.

Section: Human Services

*Analyst: Schmidt, Sarah
Senior Research Analyst*

*Approved: Frank W. Haines III
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.).

Governor Murphy Takes Action on Legislation

09/29/2020

TRENTON – Today, Governor Murphy signed the following bills into law:

A-10/S-2949 (Coughlin, Giblin/Addiego, Greenstein) – Increases gross income tax rate from 8.97 percent to 10.75 percent on income between \$1,000,000 and \$5,000,000, and provides up to \$500 tax rebate to eligible taxpayers

A-4721/S-2934 (Sumter/Sweeney) – Imposes CBT surtax at rate of 2.5 percent until December 31, 2023

A-4722/S-2935 (McKeon/Pou) – Increases annual assessment on net written premiums of HMOs to support charity care from three percent to five percent in FY 2021

S-2178/A-3292 (Vitale, Rice/Vainieri Huttie, Reynolds-Jackson, Jasey) – Repeals family cap in Work First New Jersey program