

44:10-71

LEGISLATIVE HISTORY CHECKLIST
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(Work First NJ)

NJSA: 44:10-71

LAWS OF: 1997 CHAPTER: 37

BILL NO: S35

SPONSOR(S): Bassano and others

DATE INTRODUCED: October 24, 1996

COMMITTEE: ASSEMBLY: Policy & Regulatory oversight

SENATE: Human Services; Budget

AMENDED DURING PASSAGE: Yes Amendments during passage denoted
Third reprint enacted by superscript numbers

DATE OF PASSAGE: ASSEMBLY: March 10, 1997

SENATE: December 16, 1996

DATE OF APPROVAL: March 24, 1997

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes Also attached: statement,
adopted 12-16-96

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: Yes 11-18-96 (2)

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: ~~No~~ Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

See newspaper clippings--attached:

"Whitman hails NJ welfare reforms," 3-25-97, Asbury Park Press.

"Whitman finalizes welfare-reform law," 3-25-97, Philadelphia Inquirer.

"Welfare reform takes hold in NJ," 3-25-97, The Record.

KBP:pp

Not removed from Lib

[Third Reprint]
SENATE, No. 35

STATE OF NEW JERSEY

INTRODUCED OCTOBER 24, 1996

By Senators BASSANO, BRYANT, Zane, Kyrillos, Adler,
Bubba, Littell, Kosco, Haines, Ewing, Lesniak, Bennett, Scott,
Matheussen, Ciesla, Cardinale, Palaia, Sinagra, Gormley and
Inverso

1 AN ACT concerning the Work First New Jersey program,
2 supplementing Title 44 of the Revised Statutes and amending
3 ¹[P.L.1993, c.13] various parts of the statutory law¹.

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

7
8 1. (New section) As used in this act:

9 "Assistance unit" means: a single person without dependent
10 children; a couple without dependent children; dependent children
11 only; or a person ¹or couple¹ with one or more dependent children
12 who are legally or blood-related, or who is their legal guardian, and
13 who live together as a household unit.

14 "Benefits" means any assistance provided to needy persons and
15 their dependent children and ¹needy¹ single persons ¹and couples
16 without dependent children¹ under the Work First New Jersey
17 program established pursuant to P.L. , c. (C.) (pending
18 before the Legislature as Senate Bill No. ¹36¹ f 1996).

19 "Commissioner" means the Commissioner of Human Services.

20 "County agency" means ¹[the] ²[a public¹] the county² agency
21 ²[, including, but not limited to, a county planning council, designated
22 by a county and approved by the commissioner to] that was
23 administering the aid to families with dependent children program at
24 the time the federal "Personal Responsibility and Work Opportunity
25 Reconciliation Act of 1996," Pub.L.104-193, was enacted and which,
26 upon the enactment of P.L. , c. (C.)(pending before the
27 Legislature as this bill) shall also² administer the Work First New

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

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SHU committee amendments adopted November 18, 1996.

² Senate floor amendments adopted December 16, 1996.

³ Assembly APR committee amendments adopted February 10, 1997.

1 Jersey program in that county ²[¹for assistance units with dependent
2 children¹]².

3 "Department" means the Department of Human Services.

4 "Dependent child" means a child:

5 a. under the age of 18;

6 b. under the age of 19 and a full-time student in a secondary school
7 or an equivalent level of vocational or technical training, if, before the
8 student attains age 19, the student may reasonably be expected to
9 complete the student's program of secondary school or training; or

10 c. under the age of 21 and enrolled in a special education program,
11 who is living in New Jersey with the child's natural or adoptive parent
12 or legal guardian, or with a relative designated by the commissioner in
13 a place of residence maintained by the relative as the relative's home.

14 "Full-time employment" means employment unsubsidized by any
15 level of government in which a person is engaged for at least 35 hours
16 a week.

17 ¹"Legal guardian" means the person who exercises continuing
18 control over the person or property, or both, of a child, including any
19 specific right of control over an aspect of the child's upbringing,
20 pursuant to a court order.¹

21 "Program" means the Work First New Jersey program established
22 pursuant to P.L. , c. (C.)(pending before the Legislature as
23 Senate Bill No. ¹36¹ of 1996).

24 "Recipient" means a recipient of benefits under the Work First New
25 Jersey program established pursuant to P.L. , c. (C.)
26 (pending before the Legislature as Senate Bill No. ¹36¹ of 1996).

27

28 2. (New section) a. Effective no later than the 30th day after the
29 date of enactment of this act, a recipient's eligibility for benefits shall
30 be limited to a total of 60 cumulative months, except as otherwise
31 provided in this act, regardless of whether the recipient meets more
32 than one assistance unit criteria during that 60-month period. Receipt
33 of assistance from federal block grant funds for temporary assistance
34 for needy families provided by another state or territory pursuant to
35 the federal "Personal Responsibility and Work Opportunity
36 Reconciliation Act of 1996," Pub.L.104-193, shall count towards the
37 60-month time limit. Receipt of benefits as a dependent child ¹or
38 minor parent¹ shall not count towards the 60-month time limit ¹in the
39 event that the dependent child or minor parent becomes a head of
40 household in the child's or parent's own right for the purposes of
41 receiving benefits.¹

42 b. A recipient shall be exempted from the 60-month time limit
43 established pursuant to subsection a. of this section if the recipient is:

44 (1) over 60 years of age;

45 (2) the parent or other relative of a disabled child or other
46 ¹disabled¹ dependent who must provide full-time care for the disabled

1 child or other ¹disabled¹ dependent;

2 (3) permanently disabled, including, but not limited to, a person
3 eligible for disability insurance benefits under Title II of the federal
4 Social Security Act (42 U.S.C. §401 et seq.), as defined by regulation
5 of the commissioner; or

6 (4) chronically unemployable as defined by regulation of the
7 commissioner.

8 c. A recipient may receive an extension of no more than 12
9 cumulative months beyond the 60-month time limit established
10 pursuant to subsection a. of this section, to be granted in increments
11 that shall not exceed six months, if the commissioner determines that
12 the recipient meets one of the following criteria:

13 (1) the recipient or the recipient's dependent child would be subject
14 to extreme hardship or incapacity, as defined by regulation of the
15 commissioner, in the event of a termination of benefits;

16 (2) the recipient is engaged in full-time employment but remains
17 eligible for benefits due to earned income disregards ¹provided for
18 under section 4 of P.L. , c. (pending before the Legislature as
19 Senate Bill No. 37 of 1996) ¹;

20 (3) the recipient has not received an opportunity to engage in work
21 activities as specified in the individual responsibility plan pursuant to
22 subsection f. of section 8 of P.L. , c. (C.)(pending before
23 the Legislature as Senate Bill No. ¹36¹ of 1996); or

24 (4) the recipient was engaged in full-time employment and was
25 income-ineligible for benefits but was terminated from the employment
26 through no fault of the recipient.

27 d. The provisions of this section shall apply to a person who
28 receives general public assistance pursuant to P.L.1947, c.156
29 (C.44:8-107 et seq.) after the effective date of this act and is
30 subsequently transferred directly into the Work First New Jersey
31 program.

32

33 3. (New section) a. The county agency ³and municipal welfare
34 agency¹³ shall be responsible for implementing the Work First New
35 Jersey program in accordance with regulations adopted by the
36 commissioner and ensuring that all ¹recipients eligible persons¹
37 residing in the county have access to benefits³; except as otherwise
38 provided in this subsection.

39 (1) A municipality may continue to administer general public
40 assistance for eligible single persons and couples without dependent
41 children through the program in accordance with the provisions of
42 P.L.1947, c.156 (C.44:8-107 et seq.), and fund the administrative
43 costs thereof upon passage of a resolution. The resolution shall be
44 passed no later than six months after the commissioner adopts
45 regulations to effectuate these provisions. A copy of the resolution
46 shall be filed with the Division of Local Government Services in the

1 Department of Community Affairs within three days after its passage.
2 The resolution shall include the reasons for the governing body's
3 decision to administer the program.

4 (2) The Division of Local Government Services in the Department
5 of Community Affairs shall not include the municipality's general
6 public assistance budget in its budget review and approval process.

7 (3) A municipality which administers general public assistance
8 pursuant to the provisions of paragraph (1) of this subsection shall be
9 responsible for all administrative costs of providing benefits to eligible
10 single persons and couples without dependent children. The State shall
11 reimburse the municipality for 100% of cash assistance benefits paid
12 to recipients of general public assistance.

13 (4) If a municipality fails to comply with the provisions of
14 paragraph (1) of this subsection, the commissioner is authorized to
15 require the transfer of its administration of general public assistance to
16 the county.

17 (5) If the commissioner determines by financial or performance
18 audit that a municipality has failed to administer benefits pursuant to
19 this subsection in accordance with standards established by regulation
20 of the commissioner, the commissioner is authorized to: take
21 appropriate action pursuant to section 15 of P.L.1990, c.66 (C.30:1-
22 12.2), recoup any funds identified by that audit, and require the
23 transfer by the municipality of its administration of general public
24 assistance to the county.

25 Prior to effecting such a transfer, the commissioner shall specify in
26 writing to the municipality the financial or performance deficiencies
27 determined by audit and provide the municipality with a reasonable
28 opportunity to correct those deficiencies, in accordance with a process
29 to be established by regulation of the commissioner. The regulations
30 shall include, but not be limited to, the form and manner for
31 submission of a plan of correction by the municipality which sets forth
32 the specific activities and time periods within which the deficiencies
33 are to be corrected. If the municipality fails to correct these
34 deficiencies, the commissioner may proceed with the transfer.

35 (6) Within 30 days after the adoption of regulations to effectuate
36 the purposes of this section, the commissioner shall notify each
37 municipality in writing of its option to administer general public
38 assistance pursuant to the provisions of paragraph (1) of this
39 subsection or transfer its administration of general public assistance to
40 the county³.

41 b. ³(1)³ The administration by county agencies of the program for
42 eligible single persons and couples without dependent children shall
43 commence January 1, 1998, in accordance with a schedule to be
44 determined by the commissioner for the respective geographic areas
45 of the State³; except as provided in subsection a. of this section³.

46 ³In accordance with procedures established by the commissioner,

1 the State shall reimburse the county for 100% of the administrative
2 costs incurred by the county agency with respect to the provision of
3 cash assistance benefits to the eligible single adults and couples
4 without dependent children residing in a municipality which has
5 transferred its administration of general public administration to the
6 county, up to the maximum amount allocated for that county by the
7 commissioner within the limits of available funds.

8 (2) With respect to a municipality which has opted to continue to
9 administer general public assistance pursuant to the provisions of
10 paragraph (1) of subsection a. of this section, the commissioner is
11 authorized to: provide for the issuance of cash assistance benefits, in
12 accordance with regulations adopted by the commissioner, by paper
13 check, electronic benefit distribution, or other appropriate means; and
14 to require the municipality to report information to the commissioner
15 which the commissioner deems necessary to the proper administration
16 of the program through electronic means, as prescribed by regulation
17 of the commissioner³.

18 c. The county agency ¹and municipal welfare agency¹, and any
19 other State, local, public or private entity or person working with the
20 department ¹[or]¹ county agency ¹or municipal welfare agency¹ to
21 effectuate the purposes of this act, shall collect and provide on a
22 timely basis to the commissioner any information requested by the
23 commissioner on the operation and administration of the program.

24 ²d. For the first 12 months following the enactment of P.L. _____,
25 c. (C. _____)(pending before the Legislature as this bill), a county
26 agency shall not enter into a contract with a private nonprofit or a
27 private for profit entity for eligibility determination functions and
28 benefit computation services that the county agency's current
29 employees are capable of performing.²

30
31 4. (New section) a. The commissioner shall allocate among the
32 counties the federal funding available for administrative costs from the
33 federal block grant funds for temporary assistance for needy families
34 provided to New Jersey under Pub.L.104-193. The administrative
35 costs incurred by the county agency with respect to recipients with
36 dependent children shall be reimbursed by the State at the rate of 50%
37 of total administrative costs, up to the maximum amount allocated for
38 that county by the commissioner within the limits of available funds.
39 The remaining administrative costs shall be funded by the county. The
40 county's share of cash assistance benefits to recipients with dependent
41 children shall be 5% of total cash assistance benefit costs, and the
42 remaining 95% shall be funded by the State and federal governments.

43 b. ¹[The] ³[Effective January 1, 1998,¹ administrative costs
44 incurred by ¹[the county] ¹a municipal welfare¹ agency with respect
45 to recipients who are single adults or couples without dependent
46 children shall be reimbursed by the State at the rate of 100% for the

1 incremental costs incurred to perform required program activities that
 2 are not required ¹ [for other federally funded programs] under
 3 P.L.1947, c.156 (C.44:8-107 et seq.)¹.]³ The State shall reimburse
 4 the ¹ [county] ³ [municipal welfare¹] county³ agency for 100% of
 5 cash assistance benefits paid to or on behalf of recipients who are
 6 single adults or couples without dependent children ³ [in accordance
 7 with the provisions of P.L.1947, c.156 (C.44:8-107 et seq.)¹]³.

8 ¹ c. The commissioner shall allocate among the counties the funding
 9 available for work activities as defined in section 3 of P.L. , c.
 10 (C.) (pending before the Legislature as Senate Bill No. 36 of 1996),
 11 and case management activities applicable to work activities, from
 12 State appropriations and federal block grant funds for temporary
 13 assistance for needy families provided to the State pursuant to
 14 Pub.L.104-193. Costs incurred by the counties for work activities and
 15 case management shall be reimbursed up to the maximum amount
 16 allocated for that county by the commissioner, and within the limits of
 17 available funds.

18 ² [d. Effective January 1, 1998, the commissioner shall allocate
 19 among the municipal welfare agencies the State funding available for
 20 work activities as defined in section 3 of P.L. , c. (C.) (pending
 21 before the Legislature as Senate Bill No. 36 of 1996), and case
 22 management activities applicable to work activities from State
 23 appropriations. Costs incurred by the municipal welfare agencies for
 24 work activities and case management shall be reimbursed up to the
 25 maximum amount allocated for that agency by the commissioner, and
 26 within the limits of available funds. ¹] ²

27

28 5. (New section) a. The department shall implement the electronic
 29 benefit distribution system established pursuant to P.L.1985, c.501
 30 (C.44:10-5.1 et seq.) in every county of the State.

31 b. All cash assistance and food stamp benefits shall be provided
 32 through the issuance of a single benefit card utilizing the electronic
 33 benefit distribution system. The commissioner may include additional
 34 programs in this system at his discretion.

35 c. No charge, including a fee imposed by a terminal owner, shall be
 36 imposed upon a person receiving cash assistance, food stamp or other
 37 benefits for participating in the electronic benefit transfer system² [,
 38 except as follows:

39 (1) after three free cash automatic teller machine withdrawals in a
 40 month, the department may deduct a transaction fee from a recipient's
 41 account for each subsequent withdrawal ¹ [, except that a cash
 42 withdrawal at a point-of-sale device shall not be assessed a fee.]¹

43 (2) a recipient shall be required to pay a fee for a replacement
 44 benefit card in an amount to be determined by the commissioner,
 45 which may be deducted from the recipient's account as determined by

1 the commissioner, in accordance with federal law ¹; and
2 (3) a recipient who elects to receive benefits at a point-of-sale
3 location licensed by the Department of Banking and Insurance may be
4 charged a fee not to exceed the limit on fees for cashing checks
5 established under P.L.1993, c.383 (C.17:15A-30 et seq.)¹]² ³, except
6 as follows:

7 (1) after three free cash automatic teller machine withdrawals in a
8 month, the department may deduct a transaction fee from a recipient's
9 account for each subsequent withdrawal;

10 (2) a recipient shall be required to pay a fee for a replacement
11 benefit card in an amount to be determined by the commissioner,
12 which may be deducted from the recipient's account as determined by
13 the commissioner, in accordance with federal law ; and

14 (3) in the case of a recipient who elects to receive benefits at a
15 point-of-sale location licensed by the Department of Banking and
16 Insurance pursuant to P.L.1993, c.383 (C.17:15A-30 et seq.), the
17 State shall pay the licensee the difference between the contracted base
18 transaction fee and \$1.00. The provisions of this paragraph shall
19 expire two years after the effective date of the single Statewide
20 electronic benefits distribution contract that is let pursuant to P.L. ,
21 c. (C.)(pending before the Legislature as this bill)³ .

22 d. A retail establishment currently authorized to participate in the
23 food stamp program shall be afforded the opportunity to participate in
24 the electronic benefit distribution system.

25 e. The department shall cycle the issuance of cash assistance and
26 food stamp benefits over multiple dates throughout the month in a
27 manner that best serves cash assistance and food stamp recipients
28 within the framework of the electronic benefit distribution system in
29 each county.

30 f. The commissioner shall have the discretion to determine the need
31 for appropriate benefit card security measures, as well as whatever
32 personal identification technology is included on the benefit card, to
33 access cash assistance, food stamp or other benefits under the
34 electronic benefit distribution system.

35 g. A county agency shall issue a photo-identification card to each
36 adult recipient as a condition of receiving benefits until implementation
37 of the electronic benefit distribution system in that county agency.
38 Once a county begins to implement the electronic benefit distribution
39 system, the county agency shall no longer be required to issue a photo-
40 identification card to each adult recipient but may continue the
41 issuance of photo-identification cards separate from the benefit cards.

42 h. Notwithstanding any provisions of law to the contrary, until
43 such time as the electronic benefit distribution system is implemented
44 Statewide, contracts for the provision of food stamp coupons are not
45 subject to the requirements of the "Local Public Contracts Law,"
46 P.L.1971, c.198 (C.40A:11-1 et seq.).

1 6. (New section) The federal Social Security number shall be used
2 as the common identifier of individuals ¹**[on]** ¹**for** any record, license,
3 certificate or other document identifying a person by name which is
4 used by an agency of State government in accordance with the
5 requirements of federal law. Each such agency shall be required to
6 implement the provisions of this section no later than July 1, 1998.

7
8 7. (New section) The commissioner, in consultation with the State
9 Treasurer, is authorized to establish and implement necessary
10 technological investments appropriate to create a Statewide
11 community-based electronic network designed to link federal, State
12 and local government agencies, nonprofit entities and private business
13 entities, for the effective and efficient exchange of information relating
14 to, and management of, the Work First New Jersey program and other
15 related programs.

16
17 8. Section 1 of P.L.1993, c.13 (C.2C:20-35) is amended to read as
18 follows:

19 1. As used in this act:

20 "ATP card" means a document issued by a State or federal agency,
21 to a certified household, to show the food stamp allotment a
22 household is authorized to receive on presentation.

23 "Benefit card" means a card used or intended for use to access
24 Work First New Jersey, food stamp or other benefits as determined by
25 the Commissioner of Human Services under the electronic benefit
26 distribution system established pursuant to the "Public Assistance
27 Electronic Benefit Distribution System Act," P.L.1985, c.501
28 (C.44:10-5.1 et seq.) and continued pursuant to P.L. , c. (C.)
29 (pending before the Legislature as this bill).

30 "Department" means the Department of Human Services.

31 "Food stamp coupon" means any coupon or stamp used or intended
32 for use in the purchase of food pursuant to the federal food stamp
33 program, 7 U.S.C.2011 et seq.
34 (cf: P.L.1995, c.215, s.1)

35
36 9. Section 2 of P.L.1993, c.13 (C.2C:20-36) is amended to read as
37 follows:

38 2. If the face value of food stamp coupons or an ATP card or
39 benefit card is equal to or greater than \$150, an individual shall be
40 guilty of a crime of the fourth degree if he purposely or knowingly and
41 without authorization:

42 a. Receives or uses the proceeds of food stamp coupons or an ATP
43 card or benefit card for which he has not applied or has not been
44 approved by the department to use;

45 b. Engages in any transaction to convert food stamp coupons or an
46 ATP card or benefit card to other property contrary to federal and

1 State government rules and regulations governing the Work First New
2 Jersey program, the food stamp program, or any other program
3 included in the electronic benefit distribution system; or

4 c. Transfers food stamp coupons or an ATP card or benefit card to
5 another person who is not lawfully entitled or approved by the
6 department to use the coupons or ATP card or benefit card.
7 (cf: P.L.1995, c.215, s.2)

8

9 10. Section 3 of P.L.1993, c.13 (C.2C:20-37) is amended to read
10 as follows:

11 3. If the face value of food stamp coupons or an ATP card or
12 benefit card is less than \$150, an individual shall be guilty of a
13 disorderly persons offense if he purposely or knowingly and without
14 authorization:

15 a. Receives or uses the proceeds of food stamp coupons or an ATP
16 card or benefit card for which he has not applied or has not been
17 approved, by the department, to use;

18 b. Engages in any transaction to convert food stamp coupons or an
19 ATP card or benefit card to other property contrary to federal and
20 State government rules and regulations governing the Work First New
21 Jersey program, the food stamp program, or any other program
22 included in the electronic benefit distribution system; or

23 c. Transfers food stamp coupons or an ATP card or benefit card to
24 another person who is not lawfully entitled or approved, by the
25 department, to use the coupons or ATP card or benefit card.
26 (cf: P.L.1995, c.215, s.3)

27

28 11. R.S.30:1-12 is amended to read as follows:

29 30:1-12. a. The Legislature finds that the Commissioner of Human
30 Services is obligated by State and federal law to assure that programs
31 that serve eligible, low-income, handicapped, elderly, abused, and
32 disabled persons are provided in an accessible, efficient, cost-effective
33 and high quality manner. In order to meet these ends, the
34 commissioner must have sufficient authority to require institutions and
35 agencies that are under his direct or indirect supervision to meet State
36 and federal mandates. This authority is especially necessary given the
37 manner in which certain services are provided by county or local
38 agencies, but are funded in whole or part by the State. The Legislature
39 finds that the commissioner must have the authority to establish rules,
40 regulations and directives, including incentives and sanctions, to assure
41 that these institutions and agencies are providing services in a manner
42 consistent with these mandates.

43 b. The commissioner shall have power to determine all matters
44 relating to the unified and continuous development of the institutions
45 and noninstitutional agencies within his jurisdiction. He shall determine
46 all matters of policy and shall have power to regulate the

1 administration of the institutions or noninstitutional agencies within his
2 jurisdiction, correct and adjust the same so that each shall function as
3 an integral part of a general system. The rules, regulations, orders and
4 directions issued by the commissioner pursuant thereto, for this
5 purpose shall be accepted and enforced by the executive having charge
6 of any institution or group of institutions or noninstitutional agencies
7 or any phase of the work within the jurisdiction of the department.

8 In order to implement the public policy of this State concerning the
9 provision of charitable, hospital, relief and training institutions
10 established for diagnosis, care, treatment, training, rehabilitation and
11 welfare of persons in need thereof, for research and for training of
12 personnel, and in order that the personnel, buildings, land, and other
13 facilities provided be most effectively used to these ends and to
14 advance the public interest, the commissioner is hereby empowered to
15 classify and designate from time to time the specific functions to be
16 performed at and by any of the aforesaid institutions under his
17 jurisdiction and to designate, by general classification of disease or
18 disability, age or sex, the classes of persons who may be admitted to,
19 or served by, these institutions or agencies.

20 In addition to and in conjunction with its general facilities and
21 services for the mentally ill, mentally retarded and tuberculous, the
22 department may at its discretion establish and maintain specialized
23 facilities and services for the residential care, treatment and
24 rehabilitation of persons who are suffering from chronic mental or
25 neurological disorders, including, but not limited to alcoholism, drug
26 addiction, epilepsy and cerebral palsy.

27 The commissioner shall have the power to regulate the
28 administration of agencies under his supervision including, but not
29 limited to, municipal and county **【welfare】** agencies that administer
30 public assistance. The commissioner may issue rules, regulations,
31 orders and directions to assure that programs administered by the
32 agencies are financially and programmatically efficient and effective,
33 and to establish incentives and impose sanctions to assure the
34 appropriate operation of programs and compliance with State and
35 federal laws and regulations.

36 In addition, the commissioner shall have the authority to:

37 (1) review and approve county and municipal **【welfare】** ¹budgets
38 for¹ public assistance ¹**【agency budgets】**¹; and

39 (2) ¹take appropriate interim action, including withholding State
40 and federal administrative funds, or¹ take over and operate county or
41 municipal **【welfare】** public assistance operations in situations in which
42 the commissioner determines that the ¹**【welfare board】** public
43 assistance agency¹ is failing to substantially follow federal or State
44 law, thereby placing clients, who are dependent on public assistance
45 benefits to survive in a humane and healthy manner, at serious risk. In
46 this situation, the commissioner shall have the authority to bill the

1 county for the cost of such operations and for necessary changes to
2 assure that services are provided to accomplish federal and State
3 mandates in an effective and efficient manner.

4 No rule, regulation, order or direction shall abridge the authority of
5 a county or **【municipal welfare agency】** municipality to establish
6 wages and terms and conditions of employment for its employees
7 through collective negotiation with an authorized employee
8 organization pursuant to P.L.1984, c.14 (C.44:7-6.1 et seq.).

9 The commissioner shall have the power to promulgate regulations
10 to assure that services in State and county psychiatric facilities are
11 provided in an efficient and accessible manner and are of the highest
12 quality. Regulations shall include, but shall not be limited to, the
13 transfer of patients between facilities; the maintenance of quality in
14 order to obtain certification by the United States Department of Health
15 and Human Services; the review of the facility's budget; and the
16 establishment of sanctions to assure the appropriate operation of
17 facilities in compliance with State and federal laws and regulations.

18 The commissioner shall have the power to promulgate regulations
19 to assure that county adjusters effectively and efficiently conduct
20 investigations, notify legally responsible persons of amounts to be
21 assessed against them, petition the courts, represent patients in
22 psychiatric facilities, and as necessary reopen the question of payment
23 for maintenance of persons residing in psychiatric facilities.
24 Regulations may include minimum standards for determining payment
25 of care by legally responsible persons; a uniform reporting system of
26 findings, conclusions and recommendations; and the establishment of
27 sanctions to assure compliance with State laws and regulations.

28 c. The commissioner shall have the power to conduct an
29 investigation into the financial ability to pay, directly or indirectly, of
30 any person receiving services from the department, or his chargeable
31 relatives. This authority shall include the power to issue subpoenas to
32 compel testimony and the production of documents. The
33 commissioner may contract with a public or private entity to perform
34 the functions set forth in this subsection, subject to terms and
35 conditions required by the commissioner.

36 (cf: P.L.1995, c.155, s.1)

37

38 ¹12. Section 15 of P.L.1990, c.66 (C.30:1-12.2) is amended to
39 read as follows:

40 15. If the commissioner determines that any **【municipal Local**
41 **Assistance Board or County Welfare Board】** county agency
42 administering public assistance or municipal welfare agency has failed
43 to administer their respective programs in accordance with applicable
44 State and federal laws and regulations, the commissioner shall have the
45 authority to take the following action:

46 a. Take the necessary administrative and programmatic changes

1 necessary to ensure compliance with State and federal law and
 2 regulation and bill the municipality **[and]** or county for the reasonable
 3 expenses incurred by the department in ensuring compliance, withhold
 4 administrative costs and ²take such ²other interim actions, as deemed
 5 necessary and appropriate;

6 b. Hire any consultant or undertake any studies of the agency
 7 operations deemed appropriate;

8 c. Direct expenditures of the county agency administering public
 9 assistance or municipal welfare agency in a reasonable and prudent
 10 manner to effectuate the purposes of their respective programs,
 11 including reallocating funds within the county agency administering
 12 public assistance or municipal welfare agency budget and determine
 13 additional amounts of revenue needed to implement the programs
 14 within the agency's budget;

15 d. Operate the county agency administering public assistance or
 16 municipal welfare agency, as deemed necessary and appropriate; and

17 e. Do all acts necessary or appropriate to ensure that the needs of
 18 eligible public assistance recipients are met pursuant to State and
 19 federal law.¹

20 (cf: P.L.1990, c.66, s.15)

21
 22 ¹13. Section 1 of P.L.1947, c.156 (C.44:8-107) is amended to read
 23 as follows:

24 1. a. This act may be cited as the "Work First New Jersey General
 25 Public Assistance **[Law]** Act."

26 b. Whenever the term "General Public Assistance Law" occurs or
 27 any reference is made thereto in any law, contract or document, the
 28 same shall be deemed to mean or refer to the "Work First New Jersey
 29 General Public Assistance Act."

30 c. Whenever the term "general public assistance" occurs or any
 31 reference is made thereto in any law, contract or document, the same
 32 shall be deemed to mean or refer to benefits provided to single adults
 33 and couples without dependent children through the Work First New
 34 Jersey program established pursuant to P.L. _____, c. _____ (C. _____)
 35 (pending before the Legislature as Senate Bill No. 36 of 1996).¹

36 (cf: P.L.1947, c.156, s.1)

37
 38 ¹14. Section 2 of P.L.1947, c.156 (C.44:8-108) is amended to read
 39 as follows:

40 2. As used in this act:

41 "Commissioner" means the Commissioner of the Department of
 42 Human Services;

43 "Department" means the Department of Human Services;

44 "Employable person" means any person applying for or receiving
 45 public assistance under this act who is not unable to perform work due
 46 to physical or mental disability as such terms shall be defined in

1 regulations established by the commissioner;

2 "Municipality" shall include any city, borough, township, town,
3 village or municipality governed by a board of commissioners or an
4 improvement commission³ which administers general public assistance
5 to single adults and couples without dependent children through the
6 Work First New Jersey program established pursuant to P.L. , c.
7 (C.)(pending before the Legislature as Assembly Bill No. 12 of
8 1996)³;

9 "Public assistance" means assistance rendered to needy [persons
10 not otherwise provided for under the laws of this State, where such
11 persons] single adults and couples without dependent children who
12 are willing to work but are unable to secure employment due either to
13 physical or mental disability or inability to find employment, and
14 includes what is commonly called "relief" or "emergency relief," which
15 shall be provided under the Work First New Jersey program
16 established pursuant to P.L. , c. (C.)(pending before the
17 Legislature as Assembly Bill No. 12 of 1996) in the form of benefits
18 as defined in section 3 of P.L. , c. (C.)(pending before
19 the Legislature as Assembly Bill No. 12 of 1996);

20 "State aid" means State aid for public assistance or relief as in this
21 act prescribed and provided for;

22 "Unemployable person" means any person applying for or receiving
23 public assistance who is not an employable person as defined by the
24 commissioner;

25 "Year" means calendar year.¹

26 (cf: P.L.1977, c.286, s.1)

27

28 ¹15. Section 8 of P.L.1947, c.156 (C.44:8-114) is amended to read
29 as follows:

30 8. a. The State shall provide, through each municipality or county,
31 as appropriate, public assistance to the persons eligible therefor,
32 residing therein or otherwise when so provided by law, which
33 assistance shall be fully funded by the State and administered by a local
34 assistance board or the county welfare agency according to law and in
35 accordance with P.L.1947, c.156 (C.44:8-107 et seq.) and with such
36 rules and regulations as may be promulgated by the commissioner.

37 b. An employable person who is receiving public assistance shall be
38 required, except when good cause exists, to [enroll and actively
39 participate in the Family Development Initiative established pursuant
40 to P.L.1991, c.523 (C.44:10-19 et al.)] comply with the requirements
41 of the Work First New Jersey program pursuant to P.L. , c.
42 (C.)(pending before the Legislature as Senate Bill No. 36 of
43 1996).

44 c. The commissioner may exempt a person from [participating in
45 the program] the provisions of subsection b. of this section for reasons
46 of physical or mental impairment, age, illness or injury, caretaker

1 responsibilities, employment or unsuitability, as determined by the
2 commissioner[, for the services provided by the program].

3 [Each person receiving public assistance who is required to
4 participate in the Family Development Initiative shall receive a
5 health-related, social, educational and vocational assessment and those
6 services, as appropriate, which are provided to other participants in
7 that program pursuant to P.L.1991, c.523 (C.44:10-19 et al.).]

8 Any person who without good cause fails or refuses to [enroll and
9 actively participate in the Family Development Initiative, which
10 includes failure to attend or make satisfactory academic progress in
11 educational or vocational training classes under the program, including
12 classes in four-year and community colleges and post-secondary
13 vocational training programs] comply with the requirements of the
14 Work First New Jersey program, according to rules and regulations
15 adopted by the commissioner, shall [thereupon, as determined by the
16 commissioner, be subject to a reduction in benefits of at least 20%, or
17 shall become ineligible for public assistance for a period of at least 90
18 days, which shall commence at the end of the current benefit period
19 and at the end of which the person shall again become eligible for
20 public assistance; provided that he complies with all requirements of
21 the Family Development Initiative as determined by the commissioner
22 or shows his willingness to do so. For a subsequent failure or refusal
23 to enroll and actively participate in the program without good cause,
24 the person may be subject to a termination of benefits] be subject to
25 the provisions of section 9 of P.L. _____, c. _____ (C. _____)(pending
26 before the Legislature as Senate Bill No. 36 of 1996).¹

27 (cf: P.L.1995, c.259, s.19)

28

29 ¹16. Section 1 of P.L.1993, c.305 (C.44:8-117.1) is amended to
30 read as follows:

31 1. Notwithstanding any provisions of law to the contrary, the
32 governing body of a municipality shall have the authority to establish
33 staffing levels for the municipality's welfare department for the
34 purpose of administering public assistance pursuant to the "Work First
35 New Jersey General Public Assistance [Law] Act," P.L.1947, c.156
36 (C.44:8-107 et seq.).¹

37 (cf: P.L.1993, c.305, s.1)

38

39 ¹[12.] 17.¹ The commissioner, pursuant to the "Administrative
40 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt
41 rules and regulations to effectuate the purposes of this act and to
42 comply with the requirements of Pub.L.104-193.

43

44 ¹[13.] 18.¹ This act shall take effect immediately ¹except that
45 sections 13 through 16 shall take effect on January 1, 1998¹.

1

2

3 Imposes time limit on receipt of benefits under Work First New Jersey
4 program and provides for administration of the program.

1 No rule, regulation, order or direction shall abridge the authority of
2 a county or **【municipal welfare agency】** municipality to establish
3 wages and terms and conditions of employment for its employees
4 through collective negotiation with an authorized employee
5 organization pursuant to P.L.1984, c.14 (C.44:7-6.1 et seq.).

6 The commissioner shall have the power to promulgate regulations
7 to assure that services in State and county psychiatric facilities are
8 provided in an efficient and accessible manner and are of the highest
9 quality. Regulations shall include, but shall not be limited to, the
10 transfer of patients between facilities; the maintenance of quality in
11 order to obtain certification by the United States Department of Health
12 and Human Services; the review of the facility's budget; and the
13 establishment of sanctions to assure the appropriate operation of
14 facilities in compliance with State and federal laws and regulations.

15 The commissioner shall have the power to promulgate regulations
16 to assure that county adjusters effectively and efficiently conduct
17 investigations, notify legally responsible persons of amounts to be
18 assessed against them, petition the courts, represent patients in
19 psychiatric facilities, and as necessary reopen the question of payment
20 for maintenance of persons residing in psychiatric facilities.
21 Regulations may include minimum standards for determining payment
22 of care by legally responsible persons; a uniform reporting system of
23 findings, conclusions and recommendations; and the establishment of
24 sanctions to assure compliance with State laws and regulations.

25 c. The commissioner shall have the power to conduct an
26 investigation into the financial ability to pay, directly or indirectly, of
27 any person receiving services from the department, or his chargeable
28 relatives. This authority shall include the power to issue subpoenas to
29 compel testimony and the production of documents. The
30 commissioner may contract with a public or private entity to perform
31 the functions set forth in this subsection, subject to terms and
32 conditions required by the commissioner.

33 (cf: P.L.1995, c.155, s.1)

34

35 12. The commissioner, pursuant to the "Administrative Procedure
36 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and
37 regulations to effectuate the purposes of this act and to comply with
38 the requirements of Pub.L.104-193.

39

40 13. This act shall take effect immediately.

41

42

43

STATEMENT

44

45 This bill is part of a legislative package which establishes the "Work
46 First New Jersey" program in the Department of Human Services

1 (DHS) as the State's consolidated public assistance program,
2 replacing the current programs of aid to families with dependent
3 children (AFDC), AFDC emergency assistance, general assistance
4 (GA), GA emergency assistance, the GA employability program, and
5 the Family Development Initiative.

6 The bill provides that:

- 7 • A Work First New Jersey recipient's eligibility for the program is
8 limited to a total of 60 cumulative months (unless the recipient is
9 over 60 years of age, caring for a disabled dependent, permanently
10 disabled or chronically unemployable), except that the
11 Commissioner of Human Services may extend the recipient's
12 eligibility for no more than 12 cumulative months (in increments
13 that shall not exceed six months) if the commissioner determines
14 that the recipient meets certain criteria, i.e., the recipient or the
15 recipient's dependent child would be subject to extreme hardship or
16 incapacity, or the recipient is engaged in unsubsidized employment
17 but is still income-eligible for the program or has been terminated
18 from employment through no fault of the recipient. (Time spent in
19 the program prior to a person's 18th birthday does not count
20 toward the 60-month limit.);
- 21 • The administration by county agencies of the Work First New
22 Jersey program for eligible single persons and couples without
23 dependent children shall commence January 1, 1998, in accordance
24 with a schedule to be determined by the commissioner for the
25 respective geographic areas of the State;
- 26 • Each county agency shall be responsible for implementing the
27 program in accordance with regulations adopted by the
28 commissioner and ensuring that all recipients residing in the county
29 have access to benefits;
- 30 • The county agency, and any other State, local, public or private
31 entity or person working with the department or county agency to
32 effectuate the purposes of this bill, shall collect and provide on a
33 timely basis to the commissioner any information requested by the
34 commissioner on the operation and administration of the program;
- 35 • The commissioner shall allocate among the counties the federal
36 funding available for administrative costs from the federal block
37 grant funds for temporary assistance for needy families provided to
38 New Jersey under the federal "Personal Responsibility and Work
39 Opportunity Reconciliation Act of 1996," Pub.L.104-193;
- 40 • The administrative costs incurred by the county agency with respect
41 to recipients with dependent children shall be reimbursed by the
42 State at the rate of 50% of total administrative costs, up to the
43 maximum amount allocated for that county by the commissioner
44 within the limits of available funds. The county's share of cash
45 assistance benefits to recipients with dependent children shall be 5%
46 of total cash assistance benefit costs, and the remaining 95% shall

- 1 be funded by the State and federal governments;
- 2 • The administrative costs incurred by the county agency with respect
3 to recipients who are single adults or couples without dependent
4 children shall be reimbursed by the State at the rate of 100% for the
5 incremental costs incurred to perform required program activities
6 that are not required for other federally funded programs. The
7 State shall reimburse the county agency for 100% of cash assistance
8 benefits paid to or on behalf of recipients who are single adults or
9 couples without dependent children;
- 10 • The Department of Human Services is to implement the electronic
11 benefit distribution system established pursuant to P.L.1985, c.501
12 (C.44:10-5.1 et seq.) in every county of the State;
- 13 • The penalties provided in P.L.1993, c.13 (C.2C:20-35 et seq.) for
14 the misuse of food stamp benefits are to be extended to Work First
15 New Jersey benefits, as well as to benefits provided under any other
16 program included in the electronic benefit distribution system;
- 17 • The federal Social Security number shall be used as the common
18 identifier of individuals on any record, license, certificate or other
19 document identifying a person by name which is used by an agency
20 of State government in accordance with the requirements of federal
21 law. This requirement is to be implemented by July 1, 1998;
- 22 • The commissioner, in consultation with the State Treasurer, is
23 authorized to implement technological investments to create a
24 Statewide community-based electronic network to link federal,
25 State and local government agencies, nonprofit entities and private
26 business entities, for the effective and efficient exchange of
27 information relating to, and management of, the Work First New
28 Jersey program and other related programs; and
- 29 • The commissioner shall have the authority under R.S.30:1-12 to
30 regulate municipal and county agencies that administer public
31 assistance.

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36 Imposes time limit on receipt of benefits under Work First New Jersey
37 program and provides for administration of the program by county
38 agencies.

STATEMENT TO

[First Reprint]

SENATE, No. 35

with Senate Floor Amendments
(Proposed By Senators BASSANO and BRYANT)

ADOPTED: DECEMBER 16, 1996

These amendments make the following changes with respect to the administration of the proposed Work First New Jersey program:

-- clarify the definition of "county agency" as the county agency that was administering the aid to families with dependent children program at the time Pub.L.104-193 was enacted and which, upon the enactment of this bill, shall also administer the Work First New Jersey program in that county; and

-- prohibit a county agency from contracting with a private entity for the 12-month period following enactment of the bill.

-- delete the provisions allowing a recipient who elects to receive benefits at a point-of-sale location to be charged a check cashing fee.

ASSEMBLY POLICY AND REGULATORY OVERSIGHT
COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 35

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 10, 1997

The Assembly Policy and Regulatory Oversight Committee reports favorably and with committee amendments Senate Bill No. 35 (2R).

This bill is part of a legislative package which establishes the "Work First New Jersey" program in the Department of Human Services (DHS) as the State's consolidated public assistance program, replacing the current programs of aid to families with dependent children (AFDC), AFDC emergency assistance, general assistance (GA), GA emergency assistance, the GA employability program, and the Family Development Initiative.

As received by the committee, the bill provides that:

- A Work First New Jersey recipient's eligibility for the program is limited to a total of 60 cumulative months (unless the recipient is over 60 years of age, caring for a disabled dependent, permanently disabled or chronically unemployable), except that the Commissioner of Human Services may extend the recipient's eligibility for no more than 12 cumulative months (in increments that shall not exceed six months) if the commissioner determines that the recipient meets certain criteria, i.e., the recipient or the recipient's dependent child would be subject to extreme hardship or incapacity, or the recipient is engaged in unsubsidized employment but is still income-eligible for the program or has been terminated from employment through no fault of the recipient. (Time spent in the program prior to a person's 18th birthday does not count toward the 60-month limit.);
- The administration of the Work First New Jersey program for eligible single persons and couples without dependent children shall commence January 1, 1998, in accordance with a schedule to be determined by the commissioner for the respective geographic areas of the State. Counties shall administer the program, except that a municipality may opt to administer GA benefits by passing a resolution. The State shall pay 100% of the costs of cash assistance for eligible single persons and couples without

dependent children, whether the program is administered by a county or municipality;

- If a municipality transfers its administration of GA benefits to the county, the State shall reimburse the county for 100% of the administrative costs incurred by the county agency with respect to the provision of cash assistance benefits to the eligible single adults and couples without dependent children residing in that municipality, up to the maximum amount allocated for that county by the commissioner within the limits of available funds.
- With respect to a municipality which continues to administer GA benefits, the commissioner is authorized to: provide for the issuance of cash assistance benefits, as determined by the municipal welfare director, by paper check, electronic benefit distribution, or other appropriate means; and to require the municipality to report information to the commissioner which the commissioner deems necessary to the proper administration of the program through electronic means, as prescribed by regulation of the commissioner;
- For the first 12 months following enactment of the bill, a county agency shall not enter into a contract with a private nonprofit or a private for profit entity for eligibility determination functions and benefit computation services that the county agency's current employees are capable of performing;
- Each county agency and municipal welfare agency shall be responsible for implementing the Work First New Jersey program in accordance with regulations adopted by the commissioner and ensuring that all recipients residing in the county have access to benefits;
- The county agency, municipal welfare agency and any other State, local, public or private entity or person working with the department, county agency or municipal welfare agency to effectuate the purposes of this bill, shall collect and provide on a timely basis to the commissioner any information requested by the commissioner on the operation and administration of the program;
- The commissioner shall allocate among the counties the federal funding available for administrative costs from the federal block grant funds for temporary assistance for needy families provided to New Jersey under the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," Pub.L.104-193;
- The administrative costs incurred by the county agency with respect to recipients with dependent children shall be reimbursed by the State at the rate of 50% of total administrative costs, up to the maximum amount allocated for that county by the commissioner within the limits of available funds. The county's share of cash assistance benefits to recipients with dependent children shall be 5% of total cash assistance benefit costs, and the remaining 95% shall be funded by the State and federal governments;
- The commissioner shall allocate among the counties the

funding available for work activities under the Work First New Jersey program, and case management activities applicable to work activities, from State appropriations and federal block grant funds for temporary assistance for needy families provided to the State pursuant to Pub.L.104-193. Costs incurred by the counties for work activities and case management shall be reimbursed up to the maximum amount allocated for that county by the commissioner, and within the limits of available funds;

- The Department of Human Services is to implement the electronic benefit distribution system established pursuant to P.L.1985, c.501 (C.44:10-5.1 et seq.) in every county of the State;
- The penalties provided in P.L.1993, c.13 (C.2C:20-35 et seq.) for the misuse of food stamp benefits are to be extended to Work First New Jersey benefits, as well as to benefits provided under any other program included in the electronic benefit distribution system;
- The federal Social Security number shall be used as the common identifier of individuals for any record, license, certificate or other document identifying a person by name which is used by an agency of State government in accordance with the requirements of federal law. This requirement is to be implemented by July 1, 1998;
- The commissioner, in consultation with the State Treasurer, is authorized to implement technological investments to create a Statewide community-based electronic network to link federal, State and local government agencies, nonprofit entities and private business entities, for the effective and efficient exchange of information relating to, and management of, the Work First New Jersey program and other related programs; and
- The commissioner shall have the authority under R.S.30:1-12 to regulate municipal and county agencies that administer public assistance.

COMMITTEE AMENDMENTS

The committee amendments permit a municipality to continue to administer benefits under the Work First New Jersey program for single persons and couples without dependent children, as it currently does under the general public assistance program, but only if the municipality complies with the following requirements:

- The municipality shall pass a resolution, a copy of which shall be filed with the Division of Local Government Services in the Department of Community Affairs within three days after its passage. The resolution shall include the reasons for the governing body's decision to administer the program. The amendments provide, however, that the Division of Local Government Services shall not include the municipality's general public assistance budget in its budget review and approval process. The amendments

provide, however, that the Division of Local Government Services shall not include the municipality's general public assistance budget in its budget review and approval process. It is the intent of this provision that a municipality shall not be disadvantaged or otherwise penalized in its receipt of other discretionary funding from the State for its decision to retain the administration of its general assistance program.

- A municipality which continues to administer general public assistance shall be responsible for all costs of providing benefits to eligible single persons and couples without dependent children under the Work First New Jersey program except for cash assistance. The State shall reimburse the municipality for 100% of cash assistance benefits paid to recipients of general public assistance.
- If a municipality fails to comply with these requirements, the Commissioner of Human Services is authorized to require the transfer of its administration of general public assistance to the county.

The amendments further provide that:

- If the Commissioner of Human Services determines by financial or performance audit that a municipality has failed to administer benefits in accordance with standards established by regulation of the commissioner, the commissioner is authorized to: take appropriate action pursuant to section 15 of P.L.1990, c.66 (C.30:1-12.2), recoup any funds identified by that audit, and require the transfer by the municipality of its administration of general public assistance to the county.
- Prior to effecting such a transfer, the commissioner shall specify in writing to the municipality the financial or performance deficiencies determined by audit and provide the municipality with a reasonable opportunity to correct those deficiencies, in accordance with a process to be established by regulation of the commissioner. The regulations shall include, but not be limited to, the form and manner for submission of a plan of correction by the municipality which sets forth the specific activities and time periods within which the deficiencies are to be corrected. If the municipality fails to correct these deficiencies, the commissioner may proceed with the transfer.
- Within 30 days after the adoption of regulations to effectuate these provisions, the commissioner shall notify each municipality in writing of its option to continue to administer general public assistance or transfer its administration to the county.

Finally, the amendments provide that, with respect to the electronic benefits distribution system:

- (1) after three free cash automatic teller machine withdrawals in a month, the department may deduct a transaction fee from a recipient's account for each subsequent withdrawal;
- (2) a recipient shall be required to pay a fee for a replacement

benefit card in an amount to be determined by the commissioner, which may be deducted from the recipient's account as determined by the commissioner, in accordance with federal law; and

(3) in the case of a recipient who elects to receive benefits at a check cashing agency licensed by the Department of Banking and Insurance pursuant to P.L.1993, c.383 (C.17:15A-30 et seq.), the State shall pay the licensee the difference between the contracted base transaction fee and \$1.00. This provision shall expire two years after the effective date of the single statewide electronic benefits distribution contract that is let pursuant to this bill.

As reported by the committee, this bill is identical to Assembly Bill No. 13 (1R) Aca (Vandervalk/O'Toole), which the committee also reported on this date.

SENATE HUMAN SERVICES COMMITTEE

STATEMENT TO

SENATE, No. 35

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 18, 1996

The Senate Human Services Committee reports favorably and with committee amendments Senate Bill No. 35.

As amended by the committee, this bill is part of a legislative package which establishes the "Work First New Jersey" program in the Department of Human Services (DHS) as the State's consolidated public assistance program, replacing the current programs of aid to families with dependent children (AFDC), AFDC emergency assistance, general assistance (GA), GA emergency assistance, the GA employability program, and the Family Development Initiative.

The bill provides that:

- A Work First New Jersey recipient's eligibility for the program is limited to a total of 60 cumulative months (unless the recipient is over 60 years of age, caring for a disabled dependent, permanently disabled or chronically unemployable), except that the Commissioner of Human Services may extend the recipient's eligibility for no more than 12 cumulative months (in increments that shall not exceed six months) if the commissioner determines that the recipient meets certain criteria, i.e., the recipient or the recipient's dependent child would be subject to extreme hardship or incapacity, or the recipient is engaged in unsubsidized employment but is still income-eligible for the program or has been terminated from employment through no fault of the recipient. (Time spent in the program prior to a person's 18th birthday does not count toward the 60-month limit.);
- The administration by municipal welfare agencies of the Work First New Jersey program for eligible single persons and couples without dependent children shall commence January 1, 1998, in accordance with a schedule to be determined by the commissioner for the respective geographic areas of the State;
- Each county agency and municipal welfare agency shall be responsible for implementing the program in accordance with regulations adopted by the commissioner and ensuring that all recipients residing in the county have access to benefits;
- The county agency, municipal welfare agency and any other State,

local, public or private entity or person working with the department, county agency or municipal welfare agency to effectuate the purposes of this bill, shall collect and provide on a timely basis to the commissioner any information requested by the commissioner on the operation and administration of the program;

- The commissioner shall allocate among the counties the federal funding available for administrative costs from the federal block grant funds for temporary assistance for needy families provided to New Jersey under the federal "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," Pub.L.104-193;
- The administrative costs incurred by the county agency with respect to recipients with dependent children shall be reimbursed by the State at the rate of 50% of total administrative costs, up to the maximum amount allocated for that county by the commissioner within the limits of available funds. The county's share of cash assistance benefits to recipients with dependent children shall be 5% of total cash assistance benefit costs, and the remaining 95% shall be funded by the State and federal governments;
- The administrative costs incurred by a municipal welfare agency with respect to recipients who are single adults or couples without dependent children shall be reimbursed by the State at the rate of 100% for the incremental costs incurred to perform required program activities that are not required under P.L.1947, c.156 (C.44:8-107 et seq.). The State shall reimburse the municipal welfare agency for 100% of cash assistance benefits paid to or on behalf of recipients who are single adults or couples without dependent children in accordance with the provisions of P.L.1947, c.156;
- The Department of Human Services is to implement the electronic benefit distribution system established pursuant to P.L.1985, c.501 (C.44:10-5.1 et seq.) in every county of the State;
- The penalties provided in P.L.1993, c.13 (C.2C:20-35 et seq.) for the misuse of food stamp benefits are to be extended to Work First New Jersey benefits, as well as to benefits provided under any other program included in the electronic benefit distribution system;
- The federal Social Security number shall be used as the common identifier of individuals for any record, license, certificate or other document identifying a person by name which is used by an agency of State government in accordance with the requirements of federal law. This requirement is to be implemented by July 1, 1998;
- The commissioner, in consultation with the State Treasurer, is authorized to implement technological investments to create a Statewide community-based electronic network to link federal, State and local government agencies, nonprofit entities and private business entities, for the effective and efficient exchange of

information relating to, and management of, the Work First New Jersey program and other related programs; and

- The commissioner shall have the authority under R.S.30:1-12 to regulate municipal and county agencies that administer public assistance.

The committee amendments provide for the continued administration of public assistance for single adults and couples without children by municipal welfare agencies under the Work First New Jersey program and make corresponding changes in certain sections of the "General Public Assistance Law," P.L.1947, c.156 (C.44:8-107 et seq.), to be redesignated the "Work First New Jersey General Public Assistance Act." These changes become effective January 1, 1998. The original bill would have transferred administrative responsibility for this portion of the Work First New Jersey recipient population to county agencies approved by the Commissioner of Human Services. As provided in the committee amendments, the county agencies will be responsible for administering the Work First New Jersey program for assistance units with dependent children.

In addition, the committee amended the bill to clarify the definition of "county agency" as a public agency, and to provide that the receipt of benefits as a dependent child or minor parent shall not count toward the 60-month time limit on receipt of benefits. Also, the committee amendments provide that a recipient who elects to receive benefits at a point-of-sale location may be charged a check cashing fee.

Other committee amendments are technical in nature and intended to clarify certain provisions of the bill.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 35

STATE OF NEW JERSEY

DATED: NOVEMBER 18, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 35 (1R) of 1996.

Senate Bill No. 35 (1R) is part of a legislative package, along with Senate Bills 36 (1R), 37 (1R) and 38 (1R), that will establish the "Work First New Jersey" program in the Department of Human Services as the State's consolidated public assistance program, replacing the current programs of aid to families with dependent children (AFDC), AFDC emergency assistance, general assistance (GA), GA emergency assistance, the GA employability program, and the Family Development Initiative. For a more comprehensive discussion of the contents of this bill, the Senate Human Services Committee statement of November 18, 1996 for this bill should be consulted.

This bill addresses: time limits for eligibility for "Work First New Jersey" program benefits, with certain exceptions; the administration of the "Work First New Jersey" program; the collection of information for the commissioner by agencies and entities working to effectuate the purposes of this bill; the allocation of federal funds available for administrative costs and the reimbursement of administrative costs incurred; the expansion of the current electronic benefit distribution system; the imposition of penalties for the misuse of "Work First New Jersey" program benefits, as well as the misuse of benefits provided under any other program included in the electronic benefit distribution system; the use of the Social Security number as a common identifier; and the implementation of technological investments to create a Statewide community-based electronic network to link federal, State and local government agencies, nonprofit entities and private business entities, for the effective and efficient exchange of information relating to, and management of, the "Work First New Jersey" program and other related programs.

FISCAL IMPACT

The overall costs of the legislative package cannot be determined at this time because the impact of many of the provisions will not be

known until the program is implemented.

In a statement presented on November 14, 1996 to this committee and the Senate Human Services Committee by the Commissioner of Human Services during a public hearing on Senate Bills 35, 36, 37, and 38, the commissioner stated that the overall gross cost of the programs under "Work First New Jersey Program" is now approximately \$1.3 billion and it is the intention of the department to maintain at that level for several fiscal years. Submission of a State plan to the federal government (which has been done) followed by enactment of the "Work First New Jersey" program to comply with the new federal mandates qualifies the State for the federal Temporary Assistance to Needy Families Block Grant in the amount of \$404 million annually, approximately \$50 to \$60 million more than the State recently received under existing programs.

The commissioner stated that he would present to the committee in conjunction with the legislative package, a revised summary budget for Fiscal Year 1997 for the programs being consolidated, reflecting the changes in revenues, costs and requirements necessitated by the new federal law and the proposed bills. He also indicated he would present a proposed budget for Fiscal Year 1998 for the committee's review. As of the date of this statement, the committee had not yet received this information.

LEGISLATIVE FISCAL ESTIMATE TO

[First Reprint]
SENATE, No. 35

STATE OF NEW JERSEY

DATED: DECEMBER 3, 1996

Bill Summary:

Senate Bill No. 35 (1R) of 1996 is part of a package of bills that establishes "Work First New Jersey" (WFNJ) as the consolidated public assistance program replacing the current programs of Aid to Families With Dependent Children (AFDC), AFDC Emergency Assistance (EA), General Assistance (GA), General Assistance Emergency Assistance (GAEA), the GA employability program and the Family Development Initiative. Specific provisions of the legislation include the following:

- A WFNJ recipient is limited to a total of 60 cumulative months of eligibility, with certain exceptions. A recipient's eligibility may be extended for up to 12 cumulative months in certain situations. Time spent in a program prior to a person's 18th birthday would not count toward the 60 month limit.
- The Commissioner of Human Services would allocate federal funding available for administrative costs from the federal block grant to the counties.
- Fifty percent of a county's administrative costs of WFNJ attributed to adults with dependent children (the former AFDC clients) would be reimbursed by the State, up to the maximum amount allocated for that county by the commissioner within the limits of available funds. Currently, the State generally does not participate in funding a county's administrative costs associated with the AFDC programs. Assistance benefits of WFNJ attributed to adults with dependent children would be shared as follows: 5% county funds and 95% State and federal funds.
- The electronic benefit (EBT) distribution system would be extended to all counties in the State and penalties provided in N.J.S. 2C:20-35 et seq. are extended to WFNJ and any benefits provided by EBT.

Agency Comments:

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

Office of Legislative Services Comments:

The Office of Legislative Services is not able to determine the overall cost of the legislation as the impact of many of the provisions will not be known until the program is implemented, however, below is a discussion of

certain provisions of the legislation.

Limit on assistance to a total of 60 cumulative months. Until the program has been in effect for 60 months, there is no way to determine the number of persons who may be terminated from assistance and the effect this will have on overall WFNJ costs, the number of persons who may be exempt from the 60-month limit or the number of persons who receive extensions of up to 12 cumulative months.

It is noted that 30% of current AFDC cases have received benefits for 60 continuous months. It is not known how many of the remaining AFDC cases have received 60 cumulative months of assistance over time. Data on the duration of receipt of assistance for the GA recipients are not available.

Commissioner's allocation of federal funds to counties for administration and State payment of 50% of the administrative costs for adults with dependent children. The State expects to receive \$404 million from the federal block grant, of which 15%, or \$60.6 million, may be used for administration at the State and county levels. However, while federal law limits to 15% the amount of federal block funds that can be used for program administration, excluding information technology and computerization needed for tracking and monitoring or recipients, the federal government has not provided guidance as to whether personnel costs associated with information technology and case management are included or excluded from the 15% federal cap. If such personnel costs are outside of the federal cap, the amount of federal funds that may be allocated to counties may increase, which would reduce the amount of State and county funds required for administration.

As the amount of federal funds the commissioner will allocate among the counties for administrative costs from the new federal block grant is not known, the 50% State share of administrative costs cannot be determined.

During State FY 1996, counties expended about \$125 million (gross) to administer the various AFDC programs. Whether administrative costs will exceed \$125 million or decrease from that level as a result of the new federal welfare legislation and the additional administrative flexibility granted states, will not be known until the program is implemented.

Payments for cash assistance benefits to adults with dependent children would be shared as follows: counties - 5%; and State and federal governments - 95%. The 5% county share is the same percentage as under current law. County expenditures may increase or decrease based on caseload levels.

The State and federal government would pay 95% of any remaining assistance costs. As the amount of federal funds the State will receive is capped, State expenditures may increase or decrease depending on the amount of federal funds the State allocates for assistance.

While the State expects to receive upwards of \$50 million more in federal funds under the block grant than it previously received under the AFDC program, such additional federal funds must also be used to fund other costs associated with WFNJ such as the increased need for child care and transportation costs related to work requirements.

Implementation of Statewide EBT system. EBT has been implemented in Camden, Essex and Hudson counties, the largest counties in terms of AFDC and Food Stamp caseloads. The FY 1997 appropriations act provides approximately \$1.0 million to extend the system Statewide. However, until a Request for Proposal is issued to extend EBT Statewide and bids are received, the amount of State funds required will not be known.

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.



OFFICE OF THE GOVERNOR NEWS RELEASE

CN-004

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Gov. Christie Whitman today signed legislation creating the Work First New Jersey welfare program that offers opportunity to thousands of people now on public assistance by requiring work and encouraging personal responsibility.

The bills, the final two pieces of the bipartisan Work First NJ package, were signed at separate ceremonies at Newark International Airport and the Governor's office in Trenton.

"This package gives us the tools we need to end a cycle of dependency, promote personal responsibility, and open to businesses a qualified pool of workers," Gov. Whitman said. "It's right for people, and its right for New Jersey."

At Newark Airport, Gov. Whitman was joined with representatives and employees of Host Marriott to illustrate the new welfare program's focus on work. Host Marriott has shown a strong commitment to hiring qualified welfare recipients. In Trenton, the Governor met with workers and representatives from Monmouth Medical Center, which has hired workers from its community work experience program.

"These are employers that know that receiving welfare is a sign that someone needs a job, not that they are unable work," said Gov. Whitman. "They know that when offered an opportunity, welfare recipients can become valued employees, and that this makes sense for business."

The signing of the bills marks the beginning of the Work First NJ program. The five-year clock to receive assistance starts for clients in April. Gov. Whitman

In January, Gov. Whitman signed the two other bills that are part of the Work First NJ package. A14/S37 established the support services to recipients, including transportation assistance, extensions of Medicaid benefits and child care. A15/S38 established eligibility for the Work First NJ program.

Now, about 30 percent of welfare recipients receive assistance for more than five years. On average, people stay on welfare for slightly more than two years.

“For too long, welfare recipients have complained of the limits welfare has placed on their lives, and how by its nature it encourages people to remain on public assistance,” said Human Services Commissioner William Waldman. “Now, we have a program that offers hope and a clear path to a better life without assistance. It’s about work because welfare recipients want to work. It says, ‘Welfare is temporary, and work is the permanent solution.’ ”

The Department of Human Services will have primary responsibility for operating Work First NJ but other departments will contribute programs and expertise. Those programs will include substance abuse treatment, innovative transit programs, housing assistance, preschool programs in urban areas, and programs that develop jobs and job placement strategies with the help of business.

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