

# SENATE BUDGET AND APPROPRIATIONS COMMITTEE

## STATEMENT TO

### SENATE, No. 490

# STATE OF NEW JERSEY

DATED: JUNE 18, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 490.

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.”

Under current law, 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.

This bill repeals the family cap to allow the amount of a grant provided by the Work First New Jersey – TANF program to increase as the result of the birth of a child, and permits the Commissioner of Human Services to apply for such State plan amendments as are necessary to implement the repeal and to secure federal financial participation for State expenditures under the federal TANF program. In addition, the bill directs the Commissioner of Human Services to adopt rules and regulations the commissioner deems necessary to carry out the provisions of the bill.

#### FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures by \$1.4 million. As a caveat, the OLS notes that this estimate reflects current Work First New Jersey – Temporary Assistance to Needy Families (WFNJ-TANF) enrollment trends. As a safety net program, however, WFNJ-TANF enrollment is correlated significantly with general economic conditions so that the bill’s expenditure increase in any given year may differ substantially from the \$1.4 million estimate.

The OLS notes that 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.