

# SENATE, No. 4272

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## STATE OF NEW JERSEY

### 219th LEGISLATURE

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INTRODUCED DECEMBER 9, 2021

**Sponsored by:**

**Senator SANDRA B. CUNNINGHAM**

**District 31 (Hudson)**

**SYNOPSIS**

Makes supplemental appropriation of \$8 million to DHS to increase reimbursement for funeral, burial, and crematory services provided to certain beneficiaries of Work First New Jersey and Supplemental Security Income programs.

**CURRENT VERSION OF TEXT**

As introduced.



A SUPPLEMENT to the annual appropriations act for the fiscal year ending June 30, 2022, P.L.2021, c.133.

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

1. In addition to the amounts appropriated under P.L.2021, c.133, the annual appropriations act for the fiscal year ending June 30, 2022, there is appropriated from the General Fund the following amount for the purpose specified:

**54 DEPARTMENT OF HUMAN SERVICES**

*50 Economic Planning, Development, and Security*

*53 Economic Assistance and Security*

*7550 Division of Family Development*

**STATE AID**

15-7550 Income Maintenance Management .....	\$8,000,000
Total State Aid Appropriation,	
Division of Family Development .....	\$8,000,000

***State Aid:***

15 Work First New Jersey and Supplemental Security Income Burial Benefits Supplement .....	(\$8,000,000)
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Notwithstanding any law, rule, or regulation to the contrary, the amount appropriated for Work First New Jersey and Supplemental Security Income Burial Benefits Supplement shall be allocated to county and municipal agencies for the purposes of increasing the reimbursement level paid for funeral, burial, and crematory services provided to eligible persons pursuant to N.J.A.C.10:90-8.2. The Director of the Division of Family Development shall determine the method for allocating the appropriated amount, provided that: 1) the funds shall be allocated to county and municipal agencies in such a manner that all eligible reimbursements of funeral, burial, and crematory services provided to eligible persons pursuant to N.J.A.C.10:90-8.2 are increased equally in proportion to the total cost of the service provided; and 2) the funds shall not supplant other amounts allocated for the reimbursement of funeral, burial, and crematory services provided to eligible persons pursuant to N.J.A.C.10:90-8.2 that are included in appropriations under P.L.2021, c.133.

2. This act shall take effect immediately.

## STATEMENT

This bill makes a FY 2022 supplemental appropriation of \$8 million to the Division of Family Development (DFD) in the Department of Human Services (DHS) to increase reimbursements issued to funeral homes and cemeteries for funeral, burial, and crematory services provided to eligible persons in the Work First New Jersey (WFNJ) and Supplemental Security Income (SSI) programs, as outlined under N.J.A.C.10:90-8.2. It is the sponsor's goal to provide a reasonable increase in the reimbursement for these services to ensure that New Jersey funeral homes and cemeteries can continue to provide services to the State's most needy and vulnerable residents.

Under the State's existing system, county and municipal agencies are responsible for processing claims and issuing payments for reimbursement of services to funeral directors and cemetery representatives. As such, under the bill, the Director of the Division of Family Development is to determine the method for allocating the funds to all applicable county and municipal agencies, provided that the funds are allocated in such a manner that all eligible reimbursements are increased equally in proportion to the total cost of the service provided.

Furthermore, the bill provides that the director is not to use the \$8 million to supplant other amounts allocated for the reimbursement of funeral, burial, and crematory services that are included in the FY 2022 Appropriations Act. According to FY 2022 Budget documents, the department anticipates the division will expend \$15.8 million for such expenses in the existing fiscal year. This supplement, therefore, will increase total expenditures for such services to \$23.8 million.

Currently, pursuant to section 3 of P.L.1985, c.282 (C.44:1-157.1.), the total allowable payment for funeral, burial, and crematory services, including contributions by others, is to be at least 75 percent of the average cost for a proper funeral and burial charged by funeral directors in the locality in which the public assistance recipient is buried or cremated. Under N.J.A.C.10:90-8.5, however, the maximum allowance for adult funeral and cemetery services is \$2,770. In addition, family and friends can contribute up to \$1,570 without affecting the benefit amount. Therefore, current regulation establishes the total allowable payment for funeral, burial, and crematory services, including contributions by others, at \$4,340.

Based upon data provided by the New Jersey State Funeral Directors Association, \$4,340 is only approximately 28 percent of the average cost of funeral and cemetery charges in 2021, or \$15,268. As such, the current funding policy leaves a funding gap of over \$7,000 per funeral and burial provided under the WFNJ and SSI programs, according to the statutory provision that the allowable payment for services is to be at least 75 percent of the average cost for a proper funeral and burial, which in 2021 would be \$11,452.

**S4272 CUNNINGHAM**

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- 1 This supplemental appropriation of \$8 million, therefore, begins to
- 2 close this gap and increase the financial support provided to the
- 3 industry to provide these services.