

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 12

STATE OF NEW JERSEY

DATED: DECEMBER 5, 1996

The Assembly Appropriations Committee reports favorably Assembly Bill No. 12 (Aca).

Assembly Bill No. 12 (Aca) establishes 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. This bill is part of a legislative package of bills along with Assembly Bills 13, 14, and 15.

This bill: repeals certain provisions of existing law; provides limitations on program benefits for recipients parenting additional children while in the program, with certain exceptions; requires recipients to engage in certain work or educational activities; seeks to meet federal requirements for the participation of recipients in work activities; requires teenage parents to live with parents or guardians, or in adult supervised settings, and to complete high school or equivalency program of study for program benefits; and penalizes the failure to actively cooperate with the program or participate in required work activities, and directs certain job-placement procedures to be followed.

Many of the provisions of this bill are intended to implement requirements which the State must adopt under the recently enacted federal welfare reform law, Pub.L.104-193, the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996." The new federal law eliminates the open-ended entitlement program of aid to families with dependent children and creates a temporary assistance for needy families (TANF) block grant for states to provide time-limited cash assistance. The "Work First New Jersey" program will serve as the TANF program for New Jersey pursuant to Pub.L.104-193. For a more detailed description of this bill, the Assembly Policy and Regulatory Oversight Committee statement of this date, should be consulted.

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.

During a hearing on the Senate version of these bills, the Commissioner of Human Services 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 fixed 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 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.