

ASSEMBLY, No. 581

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblyman LUSTBADER

1 AN ACT to reimburse counties for costs associated with the
2 administration of various welfare programs and supplementing Title
3 44 of the Revised Statutes.

4

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

7

8 1. The Legislature finds and declares that: the administrative cost
9 of welfare is a significant component of county expenditures despite
10 the assumption of the major portion of such costs by the federal
11 government; the administrative costs of welfare to the county
12 governments are reflected in the real property taxes paid by county
13 residents; the State does not provide any significant funds to offset the
14 administrative costs of welfare to the county governments; and that
15 consistent with the recommendations of the State and Local
16 Expenditure and Revenue Policy Commission, it is necessary to
17 establish a program to reimburse counties for a portion of the
18 administrative cost of welfare.

19

20 2. Funds shall be distributed under this act according to the
21 following formula:

22

$$E = (CW \times 20\%) \times \frac{(CAFDC + CNFS)}{(SAFDC + SNFS)}$$

23

24 where

25 E is the entitlement for a county;

26 CW is the administrative cost of welfare to the county government
27 in the State fiscal year ending in the calendar year prior to the calendar
28 year in which funds are to be distributed as reported to the Division of
29 Family Development in the Department of Human Services, less all
30 federal and State funds received by the county to offset such costs;

31 CAFDC is the average number of recipients in the aid to families
32 with dependent children program in a county in the State fiscal year
33 ending in the calendar year prior to the calendar year in which funds
34 are to be distributed as reported to the Division of Family
35 Development in the Department of Human Services; and

1 CNFS is the average number of recipients in the non-categorical
2 component of the Food Stamp program in a county in the State fiscal
3 year ending in the calendar year prior to the calendar year in which
4 funds are to be distributed as reported to the Division of Family
5 Development in the Department of Human Services.

6 SAFDC is the average number of recipients in the State in the aid
7 to families with dependent children program in the State fiscal year
8 ending in the calendar year prior to the calendar year in which funds
9 are to be distributed as reported to the Division of Family
10 Development in the Department of Human Services;

11 SNFS is the average number of recipients in the State in the
12 non-categorical component of the Food Stamp program in the State
13 fiscal year ending in the calendar year prior to the calendar year in
14 which funds are to be distributed as reported to the Division of Family
15 Development in the Department of Human Services;

16

17 3. On or before January 5 of each year the Commissioner of
18 Human Services shall determine and certify to the Director of the
19 Division of Local Government Services in the Department of
20 Community Affairs the amount to which counties may be entitled
21 under the provisions of this act. On or before January 10 of each year
22 the director shall certify to the chief financial officer of each county
23 the amount of the entitlement.

24 For the initial year of implementation, however, the commissioner
25 shall determine and certify the amount to which a county is entitled
26 within two weeks of the effective date of this act and the director
27 shall, within one week of receiving the certification from the
28 commissioner, certify to the chief financial officer of each affected
29 county the amount of the entitlement.

30 The State Treasurer, upon certification of the director and upon
31 warrant of the State Comptroller shall pay and distribute to each
32 county the amount determined and certified in two equal installments,
33 the first to be payable annually on August 1 of each year and second
34 payable annually on the succeeding December 1. However, for the
35 initial year of implementation, the State Treasurer shall pay and
36 distribute to each county the amount determined and certified within
37 two weeks of the date of certification.

38

39 4. A county entitled to receive funds under this act shall anticipate
40 the amount certified by the director in its budget and may amend its
41 budget during the first year in which funds are received.

42

43 5. This act shall take effect immediately and shall apply to
44 administrative costs incurred by counties during State fiscal year 1992.

1 STATEMENT

2

3 This bill establishes a program wherein 20% of the total reported
4 county costs of administering the various welfare programs are
5 reimbursed by the State. Each county will be reimbursed in relation
6 to their percentage of the total number of recipients in the three Aid
7 to Families with Dependent Children (AFDC) programs and the total
8 number of recipients in the non-categorical component of the Food
9 Stamp program (in order to avoid double counting AFDC recipients).
10 Thus, counties with a higher percentage of AFDC and non-categorical
11 Food Stamp recipients will receive more reimbursement for their
12 administrative costs than counties with a smaller percentage of AFDC
13 and non-categorical Food Stamp recipients. All counties, however,
14 will receive some reimbursement.

15 Based on FY 1992 data, county administrative costs were
16 approximately \$153.5 million and the State would provide
17 approximately \$30.7 million in total reimbursement to counties.
18 Counties would receive between \$78,000 and \$7.5 million in
19 reimbursement, based on their percentage of the number of AFDC and
20 non-categorical Food Stamp recipients.

21

22

23

24

25 Reimburses counties for costs associated with the administration of the
26 various welfare programs.