

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:

C 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.);

C 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;

- C 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.
- C 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;
- C 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;
- C 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;
- C 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;
- C 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;
- C 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;
- C 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;

C 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;

C 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;

C 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;

C 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

C 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:

C 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.

C 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.

C 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:

C 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.

C 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.

C 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.