

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 36

STATE OF NEW JERSEY

DATED: NOVEMBER 18, 1996

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 36 (1R) of 1996.

Senate Bill No. 36 (1R) 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 Senate Bills 35 (1R), 37 (1R) and 38 (1R). For a more comprehensive discussion of the contents of this bill, the Senate Human Services Committee statement of November 18, 1996 for this bill should be consulted.

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.

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.

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.

In a statement presented on November 14, 1996 to this committee and the Senate Human Services Committee by the Commissioner of Human Services during a public hearing on Senate Bills 35, 36, 37, and 38, the commissioner 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 fiscal 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 to the committee in conjunction with the legislative package, 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. He also indicated he would present a proposed budget for Fiscal Year 1998 for the committee's review. As of the date of this statement, the committee had not yet received this information.