

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 3960

### STATE OF NEW JERSEY 220th LEGISLATURE

DATED: DECEMBER 18, 2023

#### SUMMARY

- Synopsis:** Extends eligibility for certain individuals for emergency assistance.
- Type of Impact:** Five-year State expenditure increase. Five-year local expenditure and revenue increases.
- Agencies Affected:** Department of Human Services, county governments.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Five-Year Duration of Extension</u></b>
<b>Annual State Expenditure Increase</b>	\$6.4 million to \$7.4 million
<b>Annual Local Expenditure Increase</b>	\$6.4 million to \$7.4 million
<b>Annual Local Revenue Increase</b>	\$6.4 million to \$7.4 million

- The Office of Legislative Services (OLS) determines that annual State expenditures will increase between \$6.4 million and \$7.4 million in order to extend by five years the Commissioner of Human Services' authority to provide an extension of emergency assistance benefits for recipients of Work First New Jersey/Temporary Assistance for Needy Families, Work First New Jersey/General Assistance, or Supplemental Security Income benefits. Under current law, the commissioner's authority to provide this benefits extension will expire on February 1, 2024.
- Since county welfare agencies serve as a conduit for providing emergency assistance to the beneficiary population, any additional increase in State expenditures under the bill will result in an equivalent revenue gain and expenditure increase for county governments.

## **BILL DESCRIPTION**

This bill extends the authority of the Commissioner of Human Services to provide an extension of emergency assistance benefits to certain recipients of Work First New Jersey/Temporary Assistance for Needy Families, Work First New Jersey/General Assistance, or Supplemental Security Income benefits. In order to qualify for an extension of emergency assistance benefits, an individual must also be: the full-time caretaker of a disabled child or another disabled dependent, permanently disabled, over sixty years of age, or chronically unemployable. Legislation, enacted in 2018, stipulated that the provisions extending this authority were to expire on the first day of the 60th month after the effective date of the 2018 law, which is February 1, 2024. This bill extends, by an additional five years, the commissioner's authority to provide an extension of emergency assistance benefits to qualifying individuals, until February 1, 2029.

## **FISCAL ANALYSIS**

### ***EXECUTIVE BRANCH***

None received.

### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS concludes that annual State expenditures will increase between \$6.4 million and \$7.4 million in order to extend by five years the Commissioner of Human Services' authority to provide an extension of emergency assistance benefits for a recipient of Work First New Jersey/Temporary Assistance for Needy Families, Work First New Jersey/General Assistance, or Supplemental Security Income benefits. To qualify for an extension on emergency assistance benefits, an individual must also be the full-time caretaker of a disabled child or another disabled dependent, permanently disabled, over sixty years of age, or chronically unemployable.

Since county welfare agencies serve as a conduit for providing emergency assistance to the beneficiary population, any additional increase in State expenditures under the bill will also result in an equivalent revenue gain and expenditure increase for county governments.

The OLS cautions that this cost estimate is based on current State economic trends. Any future changes in State or national economic conditions will almost certainly affect enrollment in the emergency assistance program, the number of individuals potentially eligible for a benefits extension under the bill, and, therefore, the fiscal impact of the bill's provisions.

Estimated State and county costs under the bill are projected to be higher than the original estimated costs pursuant to the provisions of P.L.2018, c.164 due to two countervailing trends. First, the number of individuals receiving emergency assistance benefits in the State, and therefore the population of emergency assistance recipients who may qualify for a benefits extension, has decreased by 13.7 percent since FY 2019. Although the number of individuals receiving emergency assistance benefits has decreased, the weighted average monthly benefit amount per recipient has increased by 51.6 percent over this time period, rising from \$742.92 in FY 2019 to \$1,126.06 in FY 2024.

Emergency assistance is available, for a total of 12 cumulative months, for certain individuals who receive Supplemental Security Income or assistance under the Work First New Jersey/Temporary Assistance for Needy Families or the Work First New Jersey/General Assistance programs. Eligible individuals include homeless individuals, those at immediate risk of homelessness, and individuals who have experienced a significant loss of housing, household

furnishings, clothing, or food subsequent to a fire, flood, or similar disaster. The array of emergency assistance benefits available to eligible individuals includes, but is not limited to: shelter, household furnishings, temporary rental assistance, past-due rent or mortgage payments, essential utility payments, moving expenses, and transportation to search for housing. In FY 2024, the Department of Human Services anticipates that approximately 6,700 individuals will qualify for emergency assistance benefits.

Under P.L.2018, c.164, the commissioner may provide a renewable six-month extension of emergency assistance benefits for individuals who receive Supplemental Security Income or assistance under the Work First New Jersey/Temporary Assistance for Needy Families or the Work First New Jersey/General Assistance programs, and who are also: the full-time caretakers of a disabled child or other disabled dependent, permanently disabled, over the age of sixty years, or chronically unemployable. The commissioner's current authority to provide this benefits extension will expire on February 1, 2024.

*Section: Human Services*

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).