

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3586
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MARCH 21, 2019

SUMMARY

Synopsis: Allows individual to receive additional lifetime emergency assistance under certain circumstances, subject to annual allocation limits.

Type of Impact: Annual General Fund and county expenditure increases.

Agencies Affected: Department of Human Services, Division of Family Development and counties.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual Impact</u>
State Cost	Indeterminate; Potential \$25 million increase
County Cost	Indeterminate

- The Office of Legislative Services (OLS) has insufficient information on the number of households that may be affected by the bill to allow for an estimate on the cost for the Department of Human Services (DHS) to provide additional emergency assistance benefits and case management services, as outlined under the bill; however, pursuant to the bill, such costs will be capped at \$25 million.
- The bill may also raise the costs of county welfare agencies (CWAs) due to a need to process more applications for emergency assistance. However, the increased volume is likely to be small relative to the volume of other work done by CWAs.
- The DHS may incur some cost to fulfill the reporting requirements of the bill and to make changes to the computer systems used by the CWAs, in order to provide information on whether an applicant's past receipt of emergency assistance occurred past the seven year look-back period provided in the bill.

BILL DESCRIPTION

This bill requires that Work First New Jersey emergency assistance benefits received by an individual more than seven years prior to submitting an application for emergency

assistance benefits will not be counted toward the cumulative 12-month limit on benefits that may be provided to an individual under the program. However, the bill specifies that no individual may receive a cumulative total of more than 24 months of emergency services benefits pursuant to the bill, which cumulative total will not include extensions of benefits that are available under current law to: qualifying families with dependent children; single adults and couples without dependent children who are receiving temporary rental assistance; and individuals who are disabled, are providing full-time care to a disabled child or other dependent to whom they are related, are over 60 years of age, or are chronically unemployable.

The DHS will be required to provide case management services to assist individuals and families who are receiving additional emergency assistance benefits under the bill.

Of the total revenues appropriated to the Division of Family Development (DFD) in the DHS during any fiscal year, no more than \$20 million will be available for the cost of additional emergency assistance provided pursuant to the bill, and no more than \$5 million will be available for case management services provided pursuant to the bill. Emergency assistance is to be awarded based on the order in which applications are received. In no case is the monthly allotment of emergency assistance awarded to any individual to be reduced based on the overall funding cap for emergency assistance established under the bill, and no additional emergency assistance is to be provided under the bill once the overall funding cap is reached.

The Commissioner of Human Services will be required to annually report to the Legislature the number of emergency assistance cases terminated on the grounds that the recipient reached the maximum allowed period of emergency assistance, and the total number of months of emergency assistance provided by the department.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS has insufficient information on the number of households that may be affected by the bill to allow for an estimate on the cost for the DHS to provide additional emergency assistance benefits and case management services, as outlined under the bill. The bill would affect households that have received a total of 12 months of emergency assistance, at least one of which was seven or more years in the past, and have not repaid that assistance in the intervening time. There are possibly tens of thousands of households that meet this description, but many of these may never again apply for emergency assistance regardless of the bill, due to more stable housing, lack of awareness of the change in rules, or having moved out of the State. According to the FY 2019 Budget, the Executive anticipates approximately 8,000 emergency assistance cases in an average month in FY 2019. The projected monthly grant for emergency assistance ranges from approximately \$600 to \$1000, depending on the particular characteristics and needs in each case.

While the OLS cannot quantify the cost of these provisions of the bill, the bill caps the total revenues appropriated to the DFD during any fiscal year for such purposes to no more than \$25 million. Without information from the Executive, the OLS cannot predict if this funding

cap will be met through existing resources, additional resources, or a combination of the two. The OLS notes that if no additional funding is appropriated to the division for the purposes of this bill, the division may be required to shift funds from other programs to provide emergency assistance benefits and case management services, as required under this bill. For reference, the FY 2019 Appropriations Act appropriated nearly \$480 million to the division, of which over \$20 million was for emergency assistance benefits.

The bill may also raise the costs of program administration, as CWAs may need to process more applications for emergency assistance, though the increased volume is likely to be small relative to the volume of other work done by CWAs. Additionally, CWA staff will need to determine whether an applicant's past receipt of emergency assistance occurred past the seven year look-back period provided in the bill. This information is known to DHS, but would need to be distributed to the counties in a useable form, which may require some indeterminate expense to make changes to the computer systems used by the CWAs. The DHS may also incur marginal costs to fulfill the reporting requirements of the bill.

Section: Human Services

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