

# ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 3905**

with committee amendments

# STATE OF NEW JERSEY

DATED: MAY 7, 2020

The Assembly Commerce and Economic Development Committee reports favorably and with committee amendments Assembly Bill No. 3905.

As amended by the committee, this bill would revise the requirements for cash assistance benefits under the Work First New Jersey (WFNJ) program.

Specifically, the bill provides that an individual who is otherwise eligible for general assistance benefits under WFNJ will not be deemed ineligible for public assistance solely on the grounds that the individual is enrolled in an institution of higher education.

The bill will allow recipients engaging in alternative work experience to engage in unpaid work and training with either a for-profit or nonprofit employer; current law only allows placement with nonprofit or charitable employer. An assignment to a for-profit employer may not exceed six months, and will be conditioned on the assignment likely leading to full-time employment with the employer. The bill limits the amount of time a recipient may be assigned to alternative work experience with any employer to no more than six months in a 12-month period. The bill similarly limits the amount of time a recipient may be assigned to community work experience to no more than six months in a 12-month period.

The bill adds language clarifying that, when determining whether good cause exists to excuse noncompliance with program requirements, good cause is to be considered broadly in consideration of the recipient's health, safety, family needs, financial considerations, and other factors as determined by the commissioner.

The bill will expand the earned income disregard for the purposes of the program. Current law provides that, for recipients employed 20 or more hours a week, and certain recipients with a disability who are unable to work more than 20 hours per week, 100 percent of earned income is disregarded for the first month in which it would be counted as earned income; the disregard drops to 75 percent for the next six consecutive months after that, and to 50 percent for each consecutive month of employment after that. In the case of recipients working less

than 20 hours per month, the disregard is 100 percent for the first full month of employment and 50 percent for each continuous month of employment after that.

The amended bill revises the earned income disregard to allow a 100 percent disregard for the first two full months of employment in which the earned income would be counted. The disregard would then drop to 75 percent for six cumulative months of employment, and to 50 percent for each month of employment thereafter. If a recipient loses employment then becomes reemployed, the two months of 100 percent income disregard and the six months of 75 percent income may be reapplied no more than once every 12-months; otherwise, the 50 percent income disregard will apply.

The bill revises the eligibility criteria for aliens, which currently makes various distinctions on who is eligible based on the individual's date of entry into the United States, country of origin, length of time in the United States, whether the individual is a veteran, whether the individual is a victim of domestic violence, and whether the individual has satisfied certain work requirements, among other factors, to revise the term to refer to "eligible immigrants" and provide that the term applies to all immigrants who otherwise meet program requirements and are lawfully present in the United States. The term will include individuals who are "qualified aliens" or "lawfully present" for the purposes of federal law, individuals granted relief from federal immigration laws under the federal Deferred Action for Childhood Arrivals program, and any other non-citizen or non-national of the United States who is otherwise authorized to live in the United States.

The bill revises the requirements to provide additional supportive services to program recipients. Current law provides that assistance may be provided as a last resort when no other source of support is available. The bill would revise this standard to allow for the provision of additional services in appropriate circumstances, as determined by the commissioner.

Currently, additional assistance is limited to child care services, transportation assistance, an allowance for work-related expenses, and extended Medicaid eligibility. The bill provides that recipients receiving parenting support services are to be provided with educational materials, referrals, and other support to identify, access, and enroll in quality child care services for their dependent children.

The bill requires that, when a recipient has reached 24 months of benefits, welfare agencies are to offer additional case management and supportive services to the recipient, based on an assessment of the barriers to the recipient securing employment.

The bill establishes a new joint reporting requirement for the Commissioner of Human Services and the Commissioner of Labor and Workforce Development concerning various aspects of the program. The Commissioner of Human Services will be required to make

changes to the program based on the data gathered in order to improve the performance of the program.

The amended bill requires, commencing September 1, 2020 through July 1, 2022, the temporary assistance for needy families (TANF) benefit amount to be annually increased by any increase in the consumer price index plus an amount equal to 33.3 percent of the difference between the benefit amount in effect as of the effective date of the bill and 50 percent of the federal poverty level in effect as of the effective date of the bill. During this period, general assistance benefits will be annually increased by a percentage amount equal to the percentage increase in TANF benefits for that year. Commencing July 1, 2023, the TANF benefit amount is to be annually increased by any amount necessary to make the benefit amount equivalent to at least 50 percent of the federal poverty level in effect on that July 1, and the general assistance benefit is to be increased by any increase in the consumer price index.

In addition, commencing July 1, 2023, the commissioner is to conduct an annual assessment of the real cost of living and actual deprivation as reflected in the current standard of need established pursuant to section 9 of P.L.1997, c.13 (C.44:10-42); the commissioner will be required to transmit this assessment to the Legislature for consideration when deciding on appropriations to fund cash assistance benefits. In no case may benefit amounts be reduced.

The bill provides that the full amount of child support provided to the assistance unit for which federal reimbursement is waived is to pass through to the unit. Child support that passes through to the unit will not count as income.

The bill revises language setting forth the general purposes and goals of the WFNJ program to provide that the purpose of the program is to provide recipients with the opportunities, training, and work skills needed to help elevate them out of poverty. The bill removes certain language concerning how the program interacts with young parents and how the system can be disruptive to the family structure, as well as language stating that the program is consistent with federal law by including a time limit on benefits, work requirements, enhanced measures to determine paternity, enhanced child support collection, sanctions for noncompliance with program requirements, incentives for teenage parents to complete school, and restrictions on eligibility for aliens. The bill additionally removes language providing that WFNJ benefits will only be available when other forms of support and maintenance are unavailable.

The bill expands the work requirements under the program to promote the use of educational, training, work-study, internship, and other opportunities that will lead to the recipient's removal from, and sustainable avoidance of, poverty. Recipients will be permitted to forgo work opportunities for good cause or for other opportunities that will better enable the recipient to emerge from, and sustainable avoid,

poverty. The bill requires that good cause be considered broadly in consideration of the recipient's health, safety, family needs, financial considerations, and other factors determined by the commissioner. The bill removes a requirement that recipients continuously and actively seek employment.

The bill reduces the hourly requirement for work activity from 40 hours per week to 30 hours per week, and provides that the maximum aggregate requirement is 20 hours per week for assistance units with a child under six years of age. Current law provides for a deferral from the work activity requirement for parents and relatives caring for a child under 12 weeks of age; the bill extends this deferral to apply to parents and relatives caring for a child under one year of age.

The amended bill adds a provision to the section of law concerning the sanctions that may be imposed for noncompliance with program requirements to specify that any sanctions imposed are to be applied only to the pro-rata share of an adult recipient who is noncompliant, and will not apply to any other adult or child members of the assistance unit who are compliant with program requirements, which members will continue to be eligible for their full pro-rata share of cash assistance benefits. If the cases of all the adult members of the assistance unit are closed for noncompliance, the dependent child members will still receive their pro-rata share of assistance benefits as a dependent child-only unit.

Ordinarily, recipients are allowed a lifetime total of 60 months of benefits; however, current law provides for an extension in certain cases, including up to 12 additional months of benefits in cases where: a recipient would be subject to extreme hardship in the absence of WFNJ assistance; the recipient is engaged in full-time employment but remains eligible for benefits based on income disregards; the recipient has not had an opportunity to engage in work activities; or the recipient was engaged in full-time employment and was income-ineligible, but the recipient was terminated from employment through no fault of the recipient. The bill revises the exceptions involving employment to provide that they will apply to any form of employment, not just full-time employment. The bill further provides that an exception will be provided for any parent of a minor child who was in compliance with program requirements for the six months of enrollment immediately preceding the date the recipient reached the 60-month limit.

The bill provides that WFNJ benefits received while the individual is under 18 years of age will not count against the 60-month lifetime limit on benefits. The bill further provides that, in the event any adult in an assistance unit loses eligibility on the grounds that the individual reached the 60-month cap, that loss of eligibility will not affect the eligibility of any other recipient in the assistance unit, including, but not limited to, a minor child who is receiving assistance.

The bill provides that organizations that receive State or local economic incentives will be required to partner with local community organizations to provide work activity opportunities and other appropriate services to WFNJ recipients, including training, work-study opportunities, internships, and job retention and advancement services.

The bill removes outdated language in the definition of “dependent child” that required a child in school or vocational training to reasonably be expected to complete the school or training.

The bill provides that, for the duration of the state of emergency or public health emergency declared in response to the coronavirus disease 2019 (COVID-19) pandemic, whichever is longer, an applicant who appears to be eligible for benefits under WFNJ based on the applicant’s certification of income, resources, and family composition, and based on other information immediately available to the agency at the time of application, will be deemed presumptively eligible for WFNJ assistance and immediate need assistance. Additionally, any months in which a recipient is unable to comply with work activity requirements because of the COVID-19 state of emergency or public health emergency will not count against the 60-month lifetime cap on benefits.

The bill repeals section 3 of P.L.1997, c.14 (C.44:10-46), which concerned benefits for recipients in the State less than 12 months, and which was invalidated by court ruling and currently has no force or effect.

As amended, the bill appropriates \$17 million from the General fund to the Division of Family Development in the Department of Human Services for the purposes of implementing the provisions of the bill.

As amended, the bill will take effect July 1, 2020, but with the exception of the provisions of the bill concerning presumptive eligibility during the COVID-19 pandemic, the repeal of C.44:10-46, the \$25 million appropriation, and the increase in benefits amounts that takes effect September 1, 2020, the provisions of the bill will remain inoperative until January 1, 2021, to allow the Department of Human Services adequate time to make the administrative, systemic, and organizational changes that will be necessary to implement the bill. The section concerning presumptive eligibility during the COVID-19 pandemic will take effect immediately.

As reported by the committee with amendments, Assembly Bill No. 3905 is identical to Senate Bill No. 2329, which the committee also reported on this date with amendments.

#### COMMITTEE AMENDMENTS:

The committee amendments revise the law concerning the income disregards that are available to recipients who are employed, to include language partially codifying a regulation that provides that the higher

levels of income disregard may be reapplied to a recipient who loses employment and is subsequently reemployed.

The committee amendments revise the increases in benefits amounts that would have taken effect July 1, 2020 to provide that they will instead take effect September 1, 2020.

The committee amendments add a provision to the sections concerning the sanctions that may be imposed for noncompliance with program requirements, to specify that the sanctions only apply to the pro-rata share of an adult member of the assistance unit who is noncompliant; the other adult and child members of the assistance unit will continue to receive their full pro-rata share of the total household benefit amount. The amendments further specify that, if the cases of all the adult members of the assistance unit are closed for noncompliance, the dependent child members will still receive their pro-rata share of assistance benefits as a dependent child-only unit.

The committee amendments reduce the appropriation under the bill from \$25 million to \$17 million.

The committee amendments revise the effective date of the bill to provide that the bill will take effect July 1, 2020, but that, with certain exceptions, it will remain inoperative until January 1, 2021. The revised effective date does not affect the section of the bill providing for presumptive eligibility for benefits during the COVID-19 pandemic, which section will take effect immediately.