

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2178

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 22, 2020

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 2178.

As amended, this bill repeals section 7 of the “Work First New Jersey Act,” which prohibits a household from gaining additional cash assistance benefits as a result of the birth of a child. Such policies that prevent an increase in welfare benefits as a result of the birth of a child are commonly known as “family caps.”

The Work First New Jersey – Temporary Assistance to Needy Families (TANF) program provides cash and other assistance to low income families with dependent children. The amount of monthly cash assistance provided to a household by the program is based on the household’s size. However, current law prevents the amount of the grant from increasing as the result of the birth of a child, unless the child is born fewer than 10 months after applying for benefits or the birth of the child is a result of rape or incest. Certain limited exceptions to the family cap are provided pursuant to N.J.A.C.10:90-2.18 for families with a working parent and for children born to minors.

COMMITTEE AMENDMENTS

The committee amendments revise the rule making authority originally provided for in the bill.

These amendments make the bill identical to Assembly No. 3292 (1R).

FISCAL IMPACT:

The Office of Legislative Services (OLS) estimates that the bill will increase annual State expenditures for Work First New Jersey – Temporary Assistance to Needy Families (WFNJ-TANF) cash benefits. Based on June 2020 program levels, the OLS projects that the State expenditure increase will be, at a minimum, \$1.1 million annually.

There is substantial uncertainty, however, regarding the magnitude of the annual State expenditure increase, particularly due to the economic impacts of the coronavirus disease 2019 pandemic. As such the \$1.1 million estimate provides a minimum baseline for increased

expenditures under the bill, as the OLS anticipates enrollment has grown beyond the June 2020 enrollment numbers, which are the basis for this estimate.