SENATE HEALTH, HUMAN SERVICES AND SENIOR CITIZENS COMMITTEE

STATEMENT TO

SENATE, No. 2397

STATE OF NEW JERSEY

DATED: FEBRUARY 9, 2021

The Senate Health, Human Services and Senior Citizens Committee reports favorably Senate Bill No. 2397.

This bill establishes the COVID-19 Transitional Assistance Local Grant Program in the Department of Human Services. The goal of the program is to award one-time grants to certain municipalities in order to provide residents who have been financially affected by the coronavirus disease 2019 (COVID-19) outbreak with transitional assistance. As used in the bill, "transitional assistance" means any form of support, monetary or otherwise, provided to eligible low-income individuals and their families in order to meet their basic needs and achieve long-term economic self-sufficiency.

To be eligible to receive a grant under this program, a municipality is required to: (1) have a population of 50,000 or less, as determined by the most recent federal decennial census; and (2) designate an existing local assistance board, social services agency, board of health, COVID-19 relief fund, or another entity approved by the Commissioner of Human Services, to administer the distribution of grant funds to residents, provided that, if a municipality does not deem an existing entity appropriate for this task, the municipality may establish an entity for this purpose within 60 days after the effective date of the bill.

Municipalities are to apply for a grant in a method, manner, and time frame determined by the Commissioner of Human Services, provided that all grant funds are to be awarded no later than six months following the effective date of the bill. The bill also expressly permits municipalities to retain counsel for the purpose of assisting in the application and administration of the grant program.

The Commissioner of Human Services is to award all eligible municipalities a grant award equal to $5,000 for every 7,500 residents of the municipality, within the limits of available funds. Specifically, the bill appropriates $3.5 million from the General Fund to the Department of Human Services to fulfill the provisions of the bill. If eligible grant awards exceed the available funds, the commissioner is to adjust the award formula in a manner that will result in an equitable distribution among the eligible municipalities based upon each municipality's population.

Upon receipt of a grant award, a municipality's designated entity is required to immediately commence accepting and evaluating applications for transitional assistance submitted by residents. All applications are to be submitted using a universal form designed for the COVID-19 Transitional Assistance Local Grant Program by the Commissioner of Human Services and made available in a digital format on the Department of Human Services' website. The form is required to include restrictions on the receipt of assistance, as determined by the Commissioner, such as, but not limited to, eligibility criteria and the amount of time an individual can receive payments. The designated entity is to distribute transitional assistance benefits within 30 days of determining an applicant's eligibility, and is to continue to accept and evaluate applications until all grant funds are expended.

Under the bill, the Office of the State Comptroller is directed to conduct an audit of the distribution of transitional assistance by a designated municipal entity receiving a COVID-19 Transitional Assistance Local Grant, and submit the audit to the Commissioner of Human Services, the Governor, and the Legislature within 18 months after the effective date of the bill. The bill is to take effect immediately and expire upon the submission of this audit.