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PUBLIC HEARING

before

ASSEMBLY HEALTH AND HUMAN SERVICES COMMITTEE

ASSEMBLY BILL Nos. 4700, 4701, 4702, 4703, 4704, 4705

(AFDC Legislation)

July 9, 1991  
Stella Wright Homes  
Apartment Complex  
Newark, New Jersey

MEMBER OF COMMITTEE PRESENT:

Assemblyman George J. Otlowski, Chairman

ALSO PRESENT:

Assemblyman Wayne R. Bryant  
District 5

David Price  
Office of Legislative Services  
Aide, Assembly Health and Human  
Services Committee

\* \* \* \* \*

Hearing Recorded and Transcribed by  
Office of Legislative Services  
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State House Annex  
CN 068  
Trenton, New Jersey 08625

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New Jersey State Legislature  
ASSEMBLY HEALTH AND HUMAN  
SERVICES COMMITTEE  
STATE HOUSE ANNEX, CN-068  
TRENTON, NEW JERSEY 08625-0068  
(609) 292-1646

GEORGE J. OTLOWSKI  
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## NOTICE OF PUBLIC HEARING

The Assembly Health and Human Services Committee will hold a public hearing on the following legislation:

- |                  |  |
|------------------|--|
| A-4700<br>Bryant | The "Family Development Act".  |
| A-4701<br>Bryant | Establishes comprehensive social services information hotline in DHS.                      |
| A-4702<br>Bryant | Provides for AFDC eligibility for certain family members.                                  |
| A-4703<br>Bryant | Directs the Commissioner of Human Services to revise the schedule of AFDC benefit amounts. |
| A-4704<br>Bryant | Directs DHS to allow full benefits for AFDC two parent families.                           |
| A-4705<br>Bryant | Establishes the Council on Community Restoration.  |

The hearing will be held on Tuesday, July 9, 1991 at 11:00 A.M. in the Community Room, Stella Wright Homes Apartment Complex, 159 Spruce Street, Newark, New Jersey.

*The public may address comments and questions to David Price, Committee Aide and persons wishing to testify should contact Pamela Chisolm, secretary, at (609) 292-1646. Those persons presenting written testimony should provide 10 copies to the committee on the day of the hearing.*

Issued 6/26/91

STATE OF NEW JERSEY

INTRODUCED APRIL 15, 1991

By Assemblyman BRYANT

1 AN ACT concerning family development, supplementing Title 44  
2 of the Revised Statutes and amending P.L.1947, c.156,  
3 P.L.1987, c.282 and P.L.1987, c.283.

4  
5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. (New section) This act shall be known and may be cited as  
8 the "Family Development Act."

9 2. (New section) The Legislature finds and declares that  
10 within New Jersey, there are counties and municipalities which  
11 are experiencing high unemployment and underemployment  
12 among their populations, and that these are conditions which  
13 contribute to the overall economic decline of the State and  
14 generally threaten the public health, safety, morals and welfare;  
15 that the population within each of these counties and  
16 municipalities consists of a disproportionate number of  
17 economically disadvantaged and unskilled individuals who face  
18 crippling barriers to employment and who are in need of special  
19 training in order to become members of the productive work  
20 force; that the REACH program established pursuant to P.L.1987,  
21 c.282 (C.44:10-9 et seq.) has not and cannot, as it is currently  
22 operating, provide the variety or intensity of services to address  
23 the many and deep-rooted needs of the populations of these  
24 counties and municipalities; and that the obstacles to economic  
25 achievement and permanent escape from the bonds of welfare  
26 dependency for these people can only be overcome through a new  
27 initiative which offers intensified and coordinated services that  
28 go beyond the parameters of the REACH program and address the  
29 educational, vocational and other needs of the public assistance  
30 recipient's family, rather than the recipient alone.

31 3. (New section) As used in this act:

32 "Benefits" means benefits received under the program of aid to  
33 families with dependent children established pursuant to  
34 P.L.1959, c.86 (C.44:10-1 et seq.).

35 "Commissioner" means the Commissioner of Human Services.

36 "Department" means the Department of Human Services.

37 "Program" means the "Family Development Initiative"  
38 established pursuant to this act.

39 "Recipient" means a adult recipient of benefits under the  
40 program of aid to families with dependent children.

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the  
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 4. (New section) The Family Development Initiative is  
2 established in the Division of Economic Assistance of the  
3 Department of Human Services. The objective of the Family  
4 Development Initiative is to enable recipients of aid to families  
5 with dependent children to secure permanent full-time  
6 unsubsidized jobs, preferably in the private sector, with wages  
7 and benefits that are adequate to support their families, and to  
8 ensure that these individuals and their family members obtain the  
9 necessary educational skills and vocational training, as  
10 appropriate, to secure these kinds of jobs, in addition to other  
11 health-related, social, educational and vocational services that  
12 may be necessary to assist the family.

13 The commissioner shall initially establish the program in the  
14 three counties which have the largest numbers of recipients,  
15 during the first year of the operation of the program. During the  
16 two succeeding years, the commissioner shall phase in the  
17 program in the remaining counties Statewide. As the program is  
18 implemented in each county, the fiscal and personnel resources of  
19 State, county and municipal government agencies which are being  
20 utilized by the REACH program established pursuant to P.L.1987,  
21 c.282 (C.44:10-9 et seq.) shall be transferred to the program, and  
22 the REACH program shall be terminated in that county.

23 5. (New section) a. A recipient whose youngest child is two  
24 years of age or older shall participate in education, vocational  
25 assessment and training, or employment activities, or a  
26 combination thereof, under the program.

27 b. A recipient whose youngest child is less than two years of  
28 age shall participate in counseling and vocational assessment  
29 activities and the development of a family plan pursuant to  
30 section 7 of this act, and may voluntarily participate in  
31 education, vocational training or employment activities, or a  
32 combination thereof, under the program.

33 6. (New section) A recipient who without good cause fails or  
34 refuses to enroll and actively participate in the program, which  
35 includes failure to attend or make satisfactory academic progress  
36 in educational or vocational training classes under the program,  
37 according to rules and regulations adopted by the commissioner,  
38 shall thereupon, as determined by the commissioner, be subject to  
39 a reduction in benefits of at least 20%, or shall become ineligible  
40 for benefits for a period of at least 90 days. The period of  
41 ineligibility shall commence at the end of the current benefit  
42 period, and at the end of the period the recipient shall again  
43 become eligible for benefits, if the recipient complies with all  
44 requirements of the program as determined by the commissioner  
45 or shows a willingness to do so. For a subsequent failure or  
46 refusal to enroll and actively participate in the program without  
47 good cause, the recipient may be subject to a termination of  
48 benefits.

1 7. (New section) a. Services shall be provided to each  
2 participant in the program according to a family plan which  
3 includes a written contract. The contract shall be signed by the  
4 participant and a program representative who shall act as a case  
5 manager, advocate and broker of services for the participant and  
6 the participant's family, and shall set forth the specific mutual  
7 obligations of the participant and the program and a detailed plan  
8 for the participant and the participant's family. The family plan  
9 and contract, which shall explicitly state the services that the  
10 program will provide to the participant, shall be reviewed by both  
11 the participant and the program representative at least once a  
12 year and may be revised from time to time according to the  
13 needs of the participant, the participant's family and the  
14 program.

15 b. The services to be provided under the program shall include,  
16 but not be limited to: job development and placement in  
17 full-time permanent jobs, preferably in the private sector;  
18 counseling and vocational assessment; intensive remedial  
19 education, including instruction in English-as-a-second language;  
20 job search assistance; community work experience; employment  
21 skills training focused on a specific job; and on-the-job training  
22 in an employment setting.

23 c. The program shall be designed to ensure that each  
24 participant and member of the participant's family, as age  
25 appropriate, has attained the equivalent of a high school degree,  
26 before assigning that person to a vocational-related activity  
27 under the program.

28 d. The program shall assign one or more persons in each county  
29 which is participating in the program to be responsible, on a  
30 full-time basis, for job development for persons who have  
31 completed their educational or training activities under the  
32 program, with an emphasis on finding and creating permanent  
33 full-time unsubsidized jobs, preferably in the private sector,  
34 which offer wages and benefits that are adequate to support  
35 recipients and their families.

36 e. The commissioner, in consultation with the Commissioner of  
37 Commerce, Energy and Economic Development, shall seek to  
38 recruit private sector employers in each county to offer  
39 employment to persons who have completed their educational or  
40 training activities under the program.

41 f. The commissioner, in consultation with the Chancellor of  
42 Higher Education, shall develop a scholarship program to provide  
43 tuition and related financial assistance, as needed, to each  
44 program participant or other family member who has been  
45 accepted into an institution of higher education or a  
46 post-secondary vocational training program, according to  
47 standards established by the commissioner.

48 g. The program shall provide supportive services to a program

1 participant as a last resort when no other source is available  
2 therefor and when these services are included in the family plan.  
3 The supportive services shall include, but not be limited to, one  
4 or more of the following:

5 (1) day care services for the participant's child, to be  
6 purchased through a voucher issued to the participant by the  
7 program, which may be used to obtain care at a State licensed  
8 child care center or school age child care program, or at a family  
9 day care home approved by the department, that accepts the  
10 voucher;

11 (2) transportation services, to be provided directly by the  
12 program or through an allowance or other means of subsidy by  
13 which the participant may purchase transportation; and

14 (3) health insurance coverage, to be provided by a participant's  
15 employer, or through a continuation of Medicaid benefits  
16 pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) for up to one year  
17 if the participant becomes ineligible for financial assistance  
18 under P.L.1959, c.86 (C.44:10-1 et seq.) as a result of earned  
19 income.

20 8. (New section) In each county, the designated representative  
21 of the commissioner responsible for the development of a family  
22 plan for a participant in the program shall conduct an assessment  
23 of the health-related, social, educational and vocational needs of  
24 the participant's family unit in preparing the family plan for the  
25 participant. If the designated representative determines that the  
26 participant faces multiple barriers to employment, is not eligible  
27 for the services of the Division of Vocational Rehabilitation  
28 pursuant to P.L.1955, c.64 (C.34:16-20 et seq.), or needs special  
29 individualized services in order to be able to maintain steady  
30 employment after participation in the program, or that any of the  
31 other family members require educational services or vocational  
32 training, then the designated representative shall include in the  
33 family plan a requirement that the participant, or the other  
34 family members, as appropriate, receive special services in  
35 addition to the other services provided to the participant  
36 pursuant to this act. The designated representative shall then  
37 arrange for the provision of these services. These special  
38 services may include: individual counseling; family counseling;  
39 parental skill training and development; individualized job  
40 training services; substance abuse counseling; individualized  
41 remedial educational or tutorial services for the participant or  
42 other family members based upon the assessment of the family's  
43 educational needs; and any other health-related, counseling,  
44 educational or vocational training services determined by the  
45 commissioner to be necessary to provide each family member  
46 who is eligible for benefits with the basic skills that are  
47 necessary to secure and maintain gainful employment, and to  
48 prepare the program participant for steady employment following

1 participation in the program.

2 The special services shall be provided to program participants  
3 in accordance with guidelines established by the commissioner, in  
4 consultation with the Commissioners of Health, Labor, Education,  
5 Community Affairs, and Commerce, Energy and Economic  
6 Development, and with the implementation plans established for  
7 each county pursuant to this act.

8 9. (New section) The commissioner shall establish a program  
9 office in each of the three counties with the largest number of  
10 recipients, to be designated as a family resource center. The  
11 center shall provide all program enrollment and case management  
12 services, including counseling and health-related, social,  
13 educational and vocational needs assessment services, to program  
14 participants and their families in a single setting within the  
15 county, in order to facilitate their access to these services.

16 10. (New section) The commissioner shall take such actions as  
17 are necessary to reorganize the services provided by the Divisions  
18 of Economic Assistance, Youth and Family Services, and Mental  
19 Health and Hospitals of the department, the county welfare  
20 agencies and private nonprofit agencies and organizations with  
21 which the department contracts to provide services, and to  
22 promote innovative approaches to the delivery of program  
23 services through partnerships between public and private entities,  
24 and between nonprofit and for-profit entities within the private  
25 sector, in order to provide for the most effective and efficient  
26 use of public and private resources in the implementation and  
27 operation of the program.

28 11. (New section) a. The commissioner shall establish a  
29 planning council in each county to determine the most effective  
30 way to organize and administer the program in that county. The  
31 planning council shall include no less than 12 and no more than 15  
32 persons and shall, at a minimum, include: the director of the  
33 program in each county, who shall be designated by the  
34 commissioner; the director of the county welfare agency; a  
35 member of the board of chosen freeholders; a representative of  
36 the county human services advisory council; a representative of  
37 the local Private Industry Council established pursuant to the  
38 "Job Training Partnership Act," Pub.L.97-300 (29 U.S.C. §1501 et  
39 al.), or of a successor entity as may be provided by federal law; a  
40 representative of a child care agency in the county; a  
41 representative of the local community college; a representative  
42 of the county vocational school; a representative of private  
43 business or industry in that county; a recipient of aid to families  
44 with dependent children residing in that county; a representative  
45 of the commissioner; and a representative of the Division of  
46 Youth and Family Services.

47 b. The council shall develop a program implementation plan  
48 for the county which shall ensure that training and education

1 services provided by the program in that county reflect local  
2 needs and resources and that supportive services provided to  
3 program participants utilize existing local arrangements  
4 wherever possible. The plan shall also designate a county agency  
5 to coordinate services provided by the program and to report to  
6 the commissioner on program implementation and effectiveness,  
7 according to criteria and standards established by the  
8 commissioner.

9 12. (New section) The commissioner shall reimburse a county  
10 for 100% of the reasonable costs associated with administration  
11 of the program and program services which are not reimbursed by  
12 the federal government.

13 13. Section 8 of P.L.1947, c.156 (C.44:8-114) is amended to  
14 read as follows:

15 8. The State shall provide, through each municipality, public  
16 assistance to the persons eligible therefor, residing therein or  
17 otherwise when so provided by law, which assistance shall be fully  
18 funded by the State and administered by a local assistance board  
19 according to law and in accordance with this act and with such  
20 rules and regulations as may be promulgated by the commissioner.

21 [As hereinafter provided, employable persons] An employable  
22 person who is receiving public assistance shall be required, except  
23 when good cause exists, to [perform such public work as shall be  
24 assigned to them by the Division of Employment Services in the  
25 Department of Labor or, in the manner described herein, by the  
26 director of welfare of the municipality providing public  
27 assistance.

28 The division shall provide for the establishment of public work  
29 programs for the assignment of employable persons in receipt of  
30 public assistance. Public work may include the performance of  
31 work for the municipality providing public assistance, or the  
32 performance of work in the operation of or in an activity of a  
33 nonprofit agency or institution pursuant to a contract with the  
34 municipality. Public work projects to which employable persons  
35 are assigned by the division may include work for other levels of  
36 government besides the municipality, and shall be approved by  
37 the Commissioner of Labor. If a recipient is injured while  
38 performing work assigned by the division or a municipal welfare  
39 director pursuant to this act, liability for such injury shall be  
40 assumed by the State, pursuant to the Workers' Compensation  
41 Act, R.S.34:15-1 et seq. No State agency, municipality or any  
42 governmental or nonprofit agency or institution which has  
43 contracted with the division or a municipality pursuant to this  
44 act, or its employees, shall be liable in a civil suit for damages  
45 for any injury sustained by a recipient while performing work  
46 required by this act.

47 The director of welfare in the municipality shall notify the  
48 division of persons in receipt of public assistance who, in his

1 judgment, and in accordance with the regulations established by  
2 the Commissioner of Human Services, are able to perform work.  
3 From the time that he has so notified the division until such time  
4 as the division shall assign such persons to a public work project,  
5 the director of welfare shall assign such employable persons to  
6 perform public work if such work is available, and shall notify the  
7 division. The division may approve any such employment assigned  
8 by the director of welfare without further need for assignment or  
9 reassignment or may make another assignment. In assigning  
10 public work, the director of welfare or the division, as the case  
11 may be, shall be satisfied that such employable persons will not  
12 be used to replace any regular employees of any department or  
13 unit of such municipality.

14 In assigning persons to public work in a nonprofit agency or  
15 institution, the division or the director of welfare, as the case  
16 may be, shall also be satisfied that such assignment will not  
17 result in the displacement of regular employees of the agency or  
18 institution.

19 The Commissioner of Labor shall establish regulations  
20 concerning the appropriateness of work-site assignments.

21 Persons performing such work assigned by the division or the  
22 director of welfare shall work only the number of hours equal to  
23 the amount of their grant divided by an hourly wage rate  
24 commensurate with beginning regular employees similarly  
25 employed. Performance of such work shall result in payment to  
26 the person of his public assistance grant] enroll and actively  
27 participate in the Family Development Initiative established  
28 pursuant to P.L..... c..... (C.....) (now pending before the  
29 Legislature as this bill).

30 Each person receiving public assistance who is required to  
31 participate in the Family Development Initiative shall receive a  
32 health-related, social, educational and vocational assessment and  
33 those services, as appropriate, which are provided to other  
34 participants in that program pursuant to P.L..... c.....  
35 (C.....) (now pending before the Legislature as this bill).

36 Any person who without good cause fails or refuses to [report  
37 for or to perform work to which he has been assigned by the  
38 director of welfare or the division] enroll and actively participate  
39 in the Family Development Initiative, which includes failure to  
40 attend or make satisfactory academic progress in educational or  
41 vocational training classes under the program, according to rules  
42 and regulations adopted by the commissioner, shall thereupon, as  
43 determined by the commissioner, be subject to a reduction in  
44 benefits of at least 20%, or shall become ineligible for public  
45 assistance for a period of at least 90 days, which shall commence  
46 at the end of the current benefit period and at the end of which  
47 the person shall again become eligible for public assistance;  
48 provided that he [reports for and performs work to which he has

1 been assigned] complies with all requirements of the Family  
2 Development Initiative as determined by the commissioner or  
3 shows his willingness to do so. For a subsequent failure or refusal  
4 to enroll and actively participate in the program without good  
5 cause, the person may be subject to a termination of benefits.

6 [Good cause for failure or refusal to report for or to perform  
7 work shall include, but shall not be limited to: working conditions  
8 which are a substantial risk to health and safety; physical  
9 inability to engage in a particular type of work; or lack of a  
10 reasonable means of transportation.

11 Willingness to report for or to perform work shall be  
12 demonstrated by maintaining a current registration with the  
13 division; by reporting to a division office upon request and  
14 providing all required information; by reporting for employment  
15 interviews as scheduled by the division; by accepting employment  
16 or better employment when offered, whether or not the offer is  
17 made through or referred by the division; by accepting training  
18 for employment as offered when the person is unemployed; and by  
19 continuing in employment training, unless the person has good  
20 cause to fail or refuse to report for or to perform the work to  
21 which the person has been assigned.]

22 (cf: P.L.1990, c.66, s.17)

23 14. Section 11 of P.L.1987, c.282 is amended to read as follows:

24 11. This act shall take effect immediately[, but shall remain  
25 inoperative until the enactment into law of Senate Bill No. 2047  
26 or Assembly Bill No. 4182 of 1986-1987 or a similar bill; and  
27 sections 1 through 8, inclusive, and section 10 shall remain  
28 inoperative until the submission by the commissioner to the  
29 Senate Revenue, Finance and Appropriations Committee and the  
30 General Assembly Appropriations Committee, or their successor  
31 committees, of the REACH program implementation report  
32 required pursuant to subsection a. of section 9 of this act] and  
33 shall expire three years after the effective date of P.L.....  
34 c..... (C.....) (now pending before the Legislature as this  
35 bill).

36 (cf: P.L.1987, c.282, s.11)

37 15. Section 1 of P.L.1987, c.283 (C.30:4D-6b) is amended to  
38 read as follows:

39 1. The Legislature finds and declares that: the protection  
40 afforded recipients of aid to families with dependent children  
41 (AFDC) pursuant to P.L.1959, c.86 (C.44:10-1 et seq.), through  
42 the provision of health care coverage under the Medicaid  
43 program, established pursuant to P.L.1968, c.413 (C.30:4D-1 et  
44 seq.), is a major disincentive to public assistance recipients who  
45 are considering employment; and while the federal government  
46 has recognized the relationship between medical coverage and  
47 successful employment initiatives through its policy of allowing  
48 limited extensions of Medicaid to former AFDC recipients who

1 lose eligibility for both programs as a result of employment. only  
2 12% of those entering employment receive Medicaid extensions  
3 for more than four months because of the strict income eligibility  
4 requirements.

5 The Legislature further finds and declares that: New Jersey's  
6 welfare reform program[, known as REACH.] aims to transform  
7 the present AFDC program, which is a payment system, into an  
8 employment and training program the goal of which is to assist  
9 New Jersey's welfare families to realize self-sufficiency; and,  
10 therefore, it is necessary to extend Medicaid coverage for a  
11 period of up to 12 months to those AFDC recipients who lose  
12 eligibility for AFDC and Medicaid as a result of employment  
13 obtained through the welfare program.

14 (cf: P.L.1987, c.283, s.1)

15 16. (New section) The commissioner, in consultation with the  
16 Commissioners of Health, Labor, Education, and Commerce and  
17 Economic Development, and the Chancellor of Higher Education,  
18 shall report to the Governor and the Legislature no later than  
19 three years after the effective date of this act, and annually  
20 thereafter, on the effectiveness of the program in meeting its  
21 objectives, accompanying that report with any recommendations  
22 for changes in the law or regulations governing the program that  
23 the commissioner deems necessary.

24 17. There is transferred \$10,000,000 from the Grants-In-Aid  
25 account for the Realizing Economic Achievement (REACH)  
26 Program within the General Fund to provide the funds necessary  
27 to implement the Family Development Initiative.

28 18. The commissioner, pursuant to the "Administrative  
29 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt  
30 rules and regulations to carry out the provisions of this act.

31 19. This act shall take effect on the 90th day after the  
32 effective date of this act, except that the commissioner may  
33 take such actions prior to the effective date as are necessary to  
34 effectuate the purposes of this act.

35  
36  
37 STATEMENT

38  
39 This bill establishes the "Family Development Initiative" in the  
40 Department of Human Services. The Commissioner of Human  
41 Services shall initially establish the program in the three counties  
42 with the largest numbers of aid to families with dependent  
43 children (AFDC) recipients during the first year of the program's  
44 operation. The other counties will be phased in during a  
45 subsequent two-year period. The REACH program established  
46 pursuant to P.L.1987, c.282 (C.44:10-9 et seq.) is to be phased out  
47 on a county-by-county basis as the Family Development  
48 Initiative is implemented in that county, with the fiscal and

1 personnel resources of public agencies which are being utilized by  
2 the REACH program transferred to the Family Development  
3 Initiative. The bill provides for the expiration of P.L.1987, c.282  
4 three years after the effective date of the bill.

5 The REACH program has failed to provide a viable  
6 programmatic approach to the increasing problem of welfare  
7 dependency in New Jersey, with its attendant features of broken  
8 families and wasted lives. A new more comprehensive approach  
9 to addressing the needs and responsibilities of public assistance  
10 recipients is required, with an emphasis on strengthening  
11 families, remedying basic deficiencies in educational skills,  
12 developing real private sector job opportunities with a future, and  
13 providing meaningful penalties for noncompliance.

14 The Family Development Initiative created under this bill will  
15 expand the range and intensity of services available to  
16 participants in the existing REACH program and enlarge the  
17 programmatic focus to include the entire family and its  
18 health-related, social, educational and vocational needs, while  
19 emphasizing the role of private sector employers in the job  
20 creation and training components of the program. In addition,  
21 the new program will expand the mandate of the REACH program  
22 to include recipients of general public assistance administered by  
23 the municipalities as program participants. The bill stipulates  
24 those penalties to be imposed on AFDC and general public  
25 assistance recipients who fail to comply with program  
26 requirements without good cause, as determined by the  
27 Commissioner of Human Services.

28 The Family Development Initiative will be designed to ensure  
29 that each participant and member of the participant's family, as  
30 age appropriate, has attained the equivalent of a high school  
31 degree, before assigning that person to a vocational-related  
32 activity under the program.

33 The program will be required to assign one or more persons in  
34 each county which is participating in the program to be  
35 responsible, on a full-time basis, for job development for persons  
36 who have completed their educational or training activities under  
37 the program, with an emphasis on finding and creating permanent  
38 full-time unsubsidized jobs, preferably in the private sector,  
39 which offer wages and benefits that are adequate to support  
40 participants and their families.

41 The bill directs the Commissioner of Human Services, in  
42 consultation with the Commissioner of the Department of  
43 Commerce, Energy and Economic Development, to seek to  
44 recruit private sector employers in each county to offer  
45 employment to persons who have completed their educational or  
46 training activities under the program.

47 The bill transfers \$10 million from the budget for the REACH  
48 program to cover the costs of implementing the Family

1 Development Initiative.

2 Finally, the bill requires that the Commissioner of Human  
3 Services, in consultation with the Commissioners of Health,  
4 Labor, Education, and Commerce and Economic Development,  
5 and the Chancellor of Higher Education, report to the Governor  
6 and the Legislature no later than three years after the effective  
7 date of the bill, and annually thereafter, on the effectiveness of  
8 the Family Development Initiative.

9

10

11 HUMAN SERVICES

12

13 Designated the "Family Development Act."

STATE OF NEW JERSEY

INTRODUCED APRIL 15, 1991

By Assemblyman BRYANT

1 AN ACT establishing a comprehensive social services information  
2 hotline in the Department of Human Services and  
3 supplementing Title 30 of the Revised Statutes.

4

5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. a. The Commissioner of Human Services, in consultation  
8 with the Commissioners of Community Affairs, Health and Labor,  
9 shall establish and maintain on a 24-hour daily basis a  
10 comprehensive social services information toll-free telephone  
11 hotline service, operating through one of the existing telephone  
12 hotline services of the department. The hotline service shall use  
13 a computerized Statewide social services data bank to be  
14 developed by the Department of Human Services. The hotline  
15 service shall receive and respond to calls from persons seeking  
16 information and referrals concerning agencies and programs  
17 which provide various social services, including but not limited  
18 to: child care, child abuse emergency response, job skills  
19 training, services for victims of domestic violence, alcohol and  
20 drug abuse, home health care, senior citizen programs, rental  
21 assistance, services for persons with developmental disabilities,  
22 mental health programs and services for the deaf, as well as  
23 information about public assistance, Medicaid, Pharmaceutical  
24 Assistance to the Aged and Disabled, Lifeline, Hearing Aid  
25 Assistance for the Aged and Disabled, food stamps and home  
26 energy assistance.

27 b. The Commissioner of Human Services, in conjunction with  
28 the Commissioners of Community Affairs, Health and Labor,  
29 shall take such actions as are necessary to consolidate existing  
30 State telephone hotline services into the comprehensive social  
31 services information toll-free telephone hotline service, and  
32 thereby eliminate duplicative telephone hotline services.

33 2. This act shall take effect immediately.

34

35

36

STATEMENT

37

38 This bill establishes a 24-hour social services information  
39 hotline in the Department of Human Services to serve as a  
40 comprehensive information and referral source for social service  
41 programs and agencies throughout the State. This new hotline  
42 will serve to consolidate and expand the information and

1 referral resources that are currently available through a number  
2 of telephone hotlines being provided by the State, and thereby  
3 offer greater convenience to persons who may have multiple  
4 social service needs and are seeking information and assistance  
5 about one or more different kinds of agencies or programs.

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#### HUMAN SERVICES

9

10 Establishes comprehensive social services information hotline in  
11 the Department of Human Services.

STATE OF NEW JERSEY

INTRODUCED APRIL 15, 1991

By Assemblyman BRYANT

1 AN ACT concerning benefits under the program of aid to  
2 families with dependent children and supplementing P.L.1959.  
3 c.86 (C.44:10-1 et seq.).  
4

5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. As used in this act:

8 "Benefits" means benefits provided under the program of aid to  
9 families with dependent children established pursuant to  
10 P.L.1959, c.86 (C.44:10-1 et seq.).

11 "Eligible parent" means a person who is or would be eligible for  
12 benefits based upon the income of that person and the person's  
13 natural children.

14 2. a. The Commissioner of Human Services shall, no later than  
15 the 90th day after the effective date of this act, revise the  
16 schedule of benefits in accordance with the provisions of  
17 subsection b. of this section.

18 b. An eligible parent who is married to a person who is not the  
19 parent of one or more of the eligible parent's children shall not  
20 be eligible for benefits if the household income exceeds the State  
21 eligibility standard for benefits; however, the eligible parent's  
22 natural children shall be eligible for benefits according to a  
23 sliding income scale established by the commissioner which does  
24 not take into account the income of the eligible parent's spouse,  
25 if the total annual household income does not exceed 150% of the  
26 official poverty level, adjusted for family size, established  
27 pursuant to section 673 (2) of Subtitle B, the "Community  
28 Services Block Grant Act," of Pub.L.97-35 (42 U.S.C. § 9902 (2)).  
29 The spouse of the eligible parent and the spouse's natural child,  
30 if any, who is not the eligible parent's natural child, who is living  
31 with the family shall not be eligible for benefits.

32 3. The Commissioner of Human Services, pursuant to the  
33 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
34 seq.), shall adopt rules and regulations to implement the  
35 provisions of this act.

36 4. This act shall take effect immediately.  
37

38 STATEMENT  
39

40 This bill directs the Commissioner of Human Services to revise  
41 the rules and regulations governing the program of Aid to  
42 Families with Dependent Children (AFDC) for a family in which

1 the income of one parent and that parent's natural children does  
2 not exceed the State eligibility standard for the program.

3 The bill provides, for example, that if an AFDC-eligible  
4 mother (based upon her income and that of her natural children)  
5 is married to a person who is not the parent of one or more of the  
6 mother's children, the mother shall not be eligible for AFDC  
7 benefits if the household income exceeds the State eligibility  
8 standard for benefits; however, the mother's natural children  
9 shall be eligible for benefits according to a sliding income scale  
10 established by the commissioner which does not take into account  
11 the income of the mother's husband, if the total annual household  
12 income does not exceed 150% of the official poverty level. The  
13 mother's husband and his natural child, if any, who is not the  
14 mother's natural child, who is living with the family would not be  
15 eligible for benefits.

16 This bill is intended to encourage marriage and family stability  
17 among AFDC recipients, by enabling the natural child of a  
18 recipient to receive benefits after the recipient marries, provided  
19 that the father's income does not exceed 150% of the poverty  
20 level, while ensuring that fathers meet the financial  
21 responsibilities of supporting their spouses and their natural  
22 children. The promotion of two-parent families among AFDC  
23 recipients should enable more recipients to become economically  
24 self-sufficient.

25

26

#### 27 HUMAN SERVICES

28

29 Provides for AFDC eligibility for certain family members.

STATE OF NEW JERSEY

INTRODUCED APRIL 15, 1991

By Assemblyman BRYANT

1 AN ACT revising benefits under the program of aid to families  
2 with dependent children and supplementing P.L.1959, c.86  
3 (C.44:10-1 et seq.).  
4

5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. The Commissioner of Human Services shall, no later than  
8 the 180th day after the effective date of this act, revise the  
9 schedule of benefits to be paid to a recipient family under the  
10 program of aid to families with dependent children (AFDC)  
11 established pursuant to P.L.1959, c.86 (C.44:10-1 et seq.), by  
12 eliminating the increment in benefits under the program for  
13 which that family would otherwise be eligible as a result of the  
14 birth of a child during the period in which the family is eligible  
15 for AFDC benefits, or during a temporary period in which the  
16 mother or family is ineligible for AFDC benefits pursuant to a  
17 penalty imposed by the commissioner for failure to comply with  
18 benefit eligibility requirements, subsequent to which the family is  
19 again eligible for benefits. The commissioner shall provide  
20 instead that a recipient family in which the mother gives birth to  
21 an additional child during the period of her eligibility for AFDC  
22 benefits, or during a temporary penalty period of ineligibility for  
23 benefits, may receive additional benefits only pursuant to section  
24 2 of this act, except in the case of a general increase in the  
25 amount of AFDC benefits which is provided to all program  
26 recipients.

27 2. In the case of an AFDC recipient family in which the  
28 mother gives birth to an additional child during the period in  
29 which the family is eligible for AFDC benefits, or during a  
30 temporary penalty period of ineligibility for benefits subsequent  
31 to which the family or mother again becomes eligible for  
32 benefits, the Commissioner of Human Services, subject to federal  
33 approval, shall provide that in computing the amount of financial  
34 assistance which is eligible for federal reimbursement to be  
35 granted to that family, the following shall be deducted from the  
36 monthly earned income of each employed person in the family:

37 a. those earned income disregards provided for under federal  
38 law as set forth at N.J.A.C.10:82-4.4; and

39 b. an additional amount earned by each employed person  
40 which, at a maximum, is equal to the difference between the  
41 amount of subsection a. of this section and 25% of the monthly

1 payment of financial assistance, adjusted for family size.

2 3. The Commissioner of Human Services, pursuant to the  
3 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
4 seq.), shall adopt rules and regulations to implement the  
5 provisions of this act.

6 4. This act shall take effect immediately.  
7  
8

9 STATEMENT  
10

11 This bill directs the Commissioner of Human Services to revise  
12 the schedule of benefits to be paid to a recipient family under the  
13 program of Aid to Families with Dependent Children (AFDC).  
14 The bill would eliminate the increment in AFDC benefits for  
15 which a family would otherwise be eligible as a result of the birth  
16 of a child during the period in which the family is eligible for  
17 AFDC benefits, or during a temporary period in which the family  
18 is ineligible for AFDC benefits pursuant to a penalty imposed by  
19 the commissioner for failure to comply with benefit eligibility  
20 requirements, subsequent to which the family again becomes  
21 eligible for benefits, and provide instead that a recipient family  
22 in which the mother gives birth to an additional child during the  
23 period in which the family is AFDC-eligible, or during the  
24 penalty period, may receive additional benefits only through an  
25 increased earned income disregard. The family would still be  
26 entitled to receive additional benefits as a result of any general  
27 increase in the amount of the monthly grant for all AFDC  
28 recipients.

29 The bill would increase the earned income disregard for  
30 employed AFDC recipients to an amount up to 25% of the  
31 monthly AFDC grant, adjusted for family size.

32 This bill is intended to discourage AFDC recipients from having  
33 additional children during the period of their welfare dependence,  
34 while at the same time giving an incentive to work to those  
35 families that do have additional children by allowing them to earn  
36 up to 25% of their monthly grant and still retain their eligibility  
37 for AFDC benefits.  
38  
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40 HUMAN SERVICES  
41

42 Directs Commissioner of Human Services to revise schedule of  
43 AFDC benefit amounts.

## STATE OF NEW JERSEY

INTRODUCED APRIL 15, 1991

By Assemblyman BRYANT

1 AN ACT concerning benefits to certain families under the  
2 program of aid to families with dependent children and  
3 supplementing P.L.1959. c.86 (C.44:10-1 et seq.).  
4

5 BE IT ENACTED by the Senate and General Assembly of the  
6 State of New Jersey:

7 1. The Legislature finds and declares that:

8 a. This State has established welfare reform as one of the  
9 major priorities of State government, with the intended goal of  
10 achieving a substantial reduction in the number of residents of  
11 this State who are enrolled in the program of aid to families with  
12 dependent children (AFDC) established pursuant to P.L.1959. c.86  
13 (C.44:10-1 et seq.).

14 b. The primary obligation to support children enrolled in the  
15 AFDC program rests with the family and not the State; however,  
16 the welfare system as it currently operates in this State  
17 undermines family unity by reducing AFDC benefits for families  
18 which have able-bodied fathers of AFDC-enrolled children living  
19 in the home, even if the family's income, including the father's  
20 earnings from full or part-time employment, falls below the  
21 State AFDC eligibility standard.

22 c. The welfare system in this State should be designed to  
23 promote family stability among AFDC recipients by eliminating  
24 the incentive to break up families created by AFDC program  
25 regulations, which undermines the ability of AFDC-enrolled  
26 mothers to achieve economic self-sufficiency and thereby  
27 perpetuates their dependence, and that of their children, on  
28 welfare.

29 2. The Commissioner of Human Services shall, no later than  
30 the 180th day after the effective date of this act, revise the rules  
31 and regulations governing the AFDC program to permit the  
32 program to provide full benefits to a family, whose income does  
33 not exceed the State eligibility standard, in which the parents are  
34 married and reside in the same household, without placing  
35 restrictions on the employment of either parent.

36 3. The Commissioner of Human Services, pursuant to the  
37 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
38 seq.), shall adopt rules and regulations to implement the  
39 provisions of this act.

40 4. This act shall take effect immediately.

## STATEMENT

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This bill directs the Commissioner of Human Services to revise the rules and regulations governing the program of Aid to Families with Dependent Children (AFDC) to allow full AFDC benefits to be paid to families, whose incomes do not exceed the State AFDC eligibility standard, in which both parents are married and reside in the same house, without placing restrictions on the employment of either parent. Currently, these families suffer a reduction in their AFDC benefits, which serves as a disincentive to maintaining family unity and, by promoting the breakup of family units, makes it more difficult for them to achieve economic self-sufficiency and thereby work their way off the AFDC rolls.

## HUMAN SERVICES

Directs Commissioner of Human Services to allow full benefits for two-parent families in AFDC program.

STATE OF NEW JERSEY

INTRODUCED APRIL 15, 1991

By Assemblyman BRYANT

1 AN ACT establishing the Council on Community Restoration and  
2 supplementing Title 52 of the Revised Statutes.

3  
4 BE IT ENACTED by the Senate and General Assembly of the  
5 State of New Jersey:

6 1. a. There is established in the Department of Community  
7 Affairs the Council on Community Restoration.

8 b. The council shall be composed of:

9 1) a director, to be appointed by and to serve at the pleasure  
10 of the Governor;

11 2) the Commissioner of Community Affairs, or his designee, ex  
12 officio;

13 3) the Commissioner of Human Services, or his designee, ex  
14 officio;

15 4) the Commissioner of Commerce, Energy and Economic  
16 Development, or his designee, ex officio;

17 5) the Commissioner of Labor, or his designee, ex officio;

18 6) the Attorney General, or his designee, ex officio;

19 7) the Commissioner of Transportation, or his designee, ex  
20 officio;

21 8) the Commissioner of Health, or his designee, ex officio;

22 9) the Commissioner of Education, or his designee, ex officio;

23 10) a representative from and designated by the Economic  
24 Development Authority;

25 11) a representative from and designated by the Health Care  
26 Finance Authority;

27 12) a representative from and designated by the Housing and  
28 Mortgage Finance Authority; and

29 13) five members from the private sector representing  
30 nonprofit organizations and professional service providers,  
31 appointed by the Governor, with the advice and consent of the  
32 Senate, to serve staggered three-year terms. Of the members  
33 first to be appointed three shall be appointed for a term of one  
34 year each, one for a term of two years, and one for a term of  
35 three years. The successors of the members first appointed shall  
36 be appointed for three-year terms. Vacancies other than by  
37 expiration of terms shall be filled for the unexpired term. Any  
38 member may be reappointed.

39 c. The director shall employ a person to serve as secretary to  
40 the council. The secretary shall not be a member of the council.

41 d. All members of the council shall serve without  
42 compensation but shall be reimbursed for their actual expenses in  
43 attending the meetings of the council and in the performance of  
44 their other duties.

1       2. a. It shall be the duty of the council to consult with and  
2 advise the Governor with respect to the allocation, coordination  
3 and prioritization of resources for community restoration  
4 projects. The council shall target neighborhoods as  
5 demonstration projects for new community development. The  
6 targeted projects shall include infrastructure improvement and  
7 expansion, facility rehabilitation and renovation, economic  
8 development, and neighborhood revitalization.

9       b. The council shall meet at least once annually at the call of  
10 the director and at such other times as the council shall  
11 determine, the time and place of such other meetings to be fixed  
12 by resolution of the council.

13       3. It shall be the responsibility of the Department of  
14 Community Affairs to furnish such equipment and staff as are  
15 necessary to implement the work of the council within the limits  
16 of appropriations for the purpose.

17       4. This act shall take effect immediately.

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19

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#### STATEMENT

21

22       This bill establishes the Council on Community Restoration to  
23 advise the Governor with respect to the allocation, coordination  
24 and prioritization of resources for community restoration  
25 projects. The council would be composed of the following  
26 17 members: the Commissioners of Education, Human Services,  
27 Community Affairs, Commerce, Energy and Economic  
28 Development, Labor, Health, and Transportation, the Attorney  
29 General; a representative of the Economic Development  
30 Authority; a representative from the Health Care Finance  
31 Authority; a representative from the Housing and Mortgage  
32 Finance Authority; five members from the private sector  
33 representing nonprofit organizations and professional service  
34 providers, appointed by the Governor, with the advice and  
35 consent of the Senate, to serve staggered three-year terms; and a  
36 director, to be appointed by and to serve at the pleasure of the  
37 Governor.

38       Specifically, the council would target certain neighborhoods as  
39 demonstration projects for new community development. These  
40 demonstration projects would include infrastructure improvement  
41 and expansion, facility rehabilitation and renovation, economic  
42 development, and neighborhood revitalization.

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#### ECONOMIC DEVELOPMENT

46

47

Establishes Council on Community Restor: ion.

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ASSEMBLYMAN GEORGE J. OTLOWSKI (Chairman): Can we come to order, please? We're going to try to do this as expeditiously as possible, and we're going to begin by a statement -- a preliminary statement that I'm going to make. And then, of course, the sponsor of the bill -- the Majority Leader -- Wayne Bryant, will outline the purpose of this legislation; the nature of this legislation -- or proposed legislation -- and what, you know, brings it about.

So, we're ready now, and let me just introduce the people that are here at the table so that you'll know who's sitting at this table. You want to begin, Kenny?

MR. FRIEDMAN: My name is Kenneth D. Friedman. I'm the Assemblyman's district aide.

MR. PRICE: I'm David Price. I'm the Committee aide from the Office of Legislative Services.

ASSEMBLYMAN OTLOWSKI: George Otlowski.

MR. GANGES: Kelly Ganges, Assembly Majority Office.

ASSEMBLYMAN BRYANT: Wayne Bryant, Assemblyman of 5th District.

MR. GAYMONE: James Uzcategui-Gaymone, Assemblyman Bryant's office.

MS. SYLVESTER: Barbara Sylvester, Hearing Unit.

ASSEMBLYMAN OTLOWSKI: From the Badlands of the Dakotas. (laughter)

All right. I would like to point out that today we'll accept testimony on the welfare reform package introduced by Assembly Majority Leader Wayne Bryant. I'm pleased that the Majority Leader was able to join the Committee this morning. The six-bill package represents a thoughtful and thorough attempt to improve the welfare system in New Jersey.

Public assistance is responsible for the care of more than 380,000 persons, many of whom are children. I want to publicly commend the Majority Leader for his sponsorship of this progressive and timely legislation. The approach that we

have selected seeks to improve a government system, thus enabling people to better help themselves. Helping people to make it over an obstacle or to eliminate certain conditions was the basis of the programs which evolved out of the administrations of Roosevelt, Kennedy, and Johnson.

Certainly the REACH experiment has been much less than successful, and at great expense to the State. Although some of the programs were flawed, they were well-intended. Assembly Majority Leader, Wayne Bryant is proposing a concept and an approach which would improve upon the positive components of existing programs, coupled with new ideas which give people the boost that they need to become taxpayers; productive members of society. It is important to note that he is not promoting an outlandish concept. His approach is realistic, practical, and long overdue.

It is, indeed, appropriate that we discuss that concept of self-help, self-determination, in the Stella Wright Homes. This facility has been a resident management corporation since 1978. This is the only resident-managed facility in the City of Newark. As a legislator, a former Mayor, a lifelong resident of an urban area -- Perth Amboy -- I can tell you that the involvement -- the active participation from the people will ensure that government programs will, indeed, be responsive to the problems with which we seek to resolve.

There are many persons who have requested the opportunity to speak on the bills today. And, incidentally, we're going to limit it to the bills before us. Prior to calling persons forward to offer testimony, I want to ask each person to restrict your remarks to five minutes, given the number of persons desiring of speaking. I want to caution everyone that we will accept testimony as it relates to the six package bill as I just mentioned a moment ago.

To begin the testimony, I want to recognize the sponsor, Majority Leader Wayne Bryant, and again I want to commend him for his daring, for this whole new approach. And, with that, I want to introduce my very dear friend, the Majority Leader, Wayne Bryant.

ASSEMBLYMAN BRYANT: Mr. Chairman Otlowski, I want to first thank you for holding these hearings today because I think we're on a very important topic, not only to the State of New Jersey, but to the residents that are affected by our social welfare system.

I think sometimes we get a little too comfortable in the State capitol and neglect to go outside of Trenton and see firsthand why certain pieces of legislation are needed.

Chairman Otlowski, I commend you, and I hope your quest for discovery will be contagious among our colleagues, both in the Republican caucus as well as the Democratic caucus. In addition to providing a touch of realism to this proceeding, being here in the Stella Wright Homes has some special symbolic value that connects with this underlining thrust of my legislation we are here to discuss.

This housing complex is operated and managed by the tenants themselves. It is the only such enterprise in the great City of Newark where public housing tenants have control of their own destiny. It is up to them to decide whether this complex is clean and operated in an orderly fashion. It's up to them to decide whether they will help the police control drugs and other problems affecting their tenancy. It is up to them to decide whether inconsiderate and noisy neighbors should be allowed to stay here.

Improving the quality of life here at Stella Wright Homes is something the tenant managers have been working hard to accomplish for years, and signs of their progress is apparent everywhere. They know a lot remains to be done.

They're willing to make it happen, motivated mostly by the fact that the final results will be the results obtained by them themselves.

Let me explain, basically, a fundamental underlining view of why I proposed this overhaul -- what we call the Family Development Program. First, we honed in on the issue of family and brought together the view that we must, in government, begin to practice what it is that we profess so most profoundly as the underlining values of this nation; the family being the basic unit upon which this nation builds its communities. Yet our economic policies and the welfare system has belied that fact. It discourages the family unit and basically puts a lie to what it is that we preach: that the family is important to America; important to New Jersey.

My program brings back the family as the basic unit, and says that we will treat the family at least as equally as we do not treat it today. And our economic policies will be such that the family that stays together will be an important commodity that we hold most deeply in New Jersey.

The second most important part of this legislation is something that we, Mr. Chairman, clearly recognize, through all of the studies in education in the Labor Department: that education is going to be the cornerstone by which we, here in New Jersey, will measure the success of how we will be positioned in the year 2000. Yet we do not require, in our social welfare system, the requirement that education be first. We seem to have this quest to put people in any job, regardless of whether it takes them from poverty or not. And therefore, this legislation makes the fundamental basis that education shall be first obtained, before we look for job qualifications.

We want to do also, Mr. Chairman, away with what I call the "invisible man," to have what we know -- that men and women will conjugate together and yet not encourage the family

like we do in middle-class families. We're saying we're going to put aside the fact that men who live with women-- We want to encourage them to form families in order that this family value can be reborn again in the most vulnerable of our society.

And lastly, Mr. Chairman, we want to empower those who have been rendered in many ways powerless. I believe that those who are impoverished have a great gift to give back to all of us. They are bright. They're intelligent and they are creative. Where else could one live off of less than \$700 a month with a family of four, and yet tread through some of the most dangerous, most complicated parts of our society, and have those who matriculate to be successful. They have done it. We must tap into that energy and let it be as creative as possible. We must release that energy to be as creative and productive as possible, and at the same time, to have that energy fall within the middle-class values that we hold so dearly.

Mr. Chairman, I think if we embody these six bills as well as hear -- and that's why I'm glad you're here, to hear from the people -- what else we can add to make, not the mere promises government's made in the past, but to retool and make our system a retooling system as opposed to a permanent poverty system, I think we will make great strides in New Jersey. No longer can we hold out the promise for middle-class values and middle-class dreams, but we must actually step to the plate as government and make sure that these dreams can become reality. But on the one hand we also must say to the recipient, "You must step to the plate. You must have obligations, too. Your inability or failure to want to go to school to become educated, to want to have those values-- Then you must opt another way than through what government's willing to offer."

So, yes, as part of this new deal, it will be you coming to the plate with wanting to take advantage of what government has to offer, and government coming to the plate and

stop shuffling papers and offer real programs that can offer you the educational opportunity to make it real for you. I think if both of us come to the plate at the same time, as we also invest in the Quality of Education act for your children, then education will become the hallmark of a change within our community so that we can make truly a difference, not only in your life, but your children's life.

Mr. Chairman, I think if we begin with this package of bills, I think we could turn, not only New Jersey -- to be not only the first State to really deal with the community holistically, because we're not only dealing with the women and the children, but this bill also deals with the municipal welfare system. It deals with the male component so they have an opportunity at the same time that the women and the children have an opportunity, and, therefore, we will for the first time in the history of this State, not deal with this community piecemeal, but deal with it in a holistic fashion.

With that, Mr. Chairman, I'd like to hear from the community, so that we can add and even make what I think is a humble beginning, but a most important beginning -- an even better bill -- as we end up hearing their testimony today.

Thank you, Mr. Chairman.

ASSEMBLYMAN OTLOWSKI: Thank you. Thank you, Mr. Majority Leader.

I think that with the explanation that was given by the Majority Leader, you're able to see how broad, and how all-encompassing this approach is.

Before we do anything else, I really want to recognize Lynn King who is standing in the rear of the room, I understand, who is our hostess and a resident manager. (applause) Thank you very much for having us.

And now, if I may, I want to call upon Stephen Adubato, the first witness, who is the Executive Director of the North Ward Development Center. Mr. Adubato?

S T E P H E N   A D U B A T O: Thank you, Assemblyman Otlowski and Assemblyman Bryant. Welcome to Newark. I wish the Mayor were here to welcome you, but in the interim I'm glad to do that job.

My name is Steve Aduato. I'm the Director of the North Ward Center in Newark for 20 years, an institution that has specialized in training, and training of people on welfare. The kind of training we do is specialized. It leads to entry level jobs in the business world: clerk typists, receptionists, and so forth. A great majority of the students are women, and a minority. And without going any further, I'd like to introduce, by first name only -- although I have ages, they asked me not to use ages -- but they're all young and rather attractive-- They did not know this morning that they would be here, and that was on purpose. This is the way they appeared in school. I didn't want them to be prepared for the television cameras; I wanted them to be prepared for you on a typical day of training. And we appreciate you giving us this opportunity first so they can get back -- they can get back to that training.

Shawn Smith: She takes two buses to come to school everyday. She has two children, four and six. Shawn, you want to stand over here?

Ann Boykin has one child. Ann has been on welfare seven years.

Cynthia Washington: Four children. She's been on welfare 18 years. She takes two buses.

That's impressive to me because I don't remember in my lifetime where I've taken two buses to go anywhere. They take four buses a day to come to training, and that's important.

Mercedes walks a mile-and-a-half each day -- three miles both ways; eight years on welfare, two children.

The other ladies will stand here, please.

Gwendolyn-- The last two ladies describe themselves as "happily divorced." I don't know quite what that means. And the interesting thing is, both have been on welfare for one year. Three children. You also take two buses? (affirmative response)

And Carol, who is also happily divorced. Is that right, Carol? (affirmative response) Unhappily, after being divorced for a short time, she found out it was necessary to be on public assistance.

This is our story -- very quickly. We've had two conversations. It was not all pleasant. It was not all polite, and I felt rather uncomfortable through some of those conversations. I'm a middle-class American and I see it as a taxpayer. I mentioned the two buses, and that's only the beginning. It's hard for me to translate what it means to make this change. But to you, Assemblyman Bryant, even though you were not in the room on those two occasions, who you are, and what you're doing, came up continually. And I'll repeat this at the end, but they want to give you and your legislation a chance, because it's a breakthrough. It's a new beginning. People who will say it's imperfect miss the point. How imperfect is the system as it is? That's the point. The thing that we like about your program is that, indeed, it does help to keep the family together. It encourages shared responsibility -- the client, the bureaucracy, the taxpayer, and everybody else. But most important, it's a breakthrough, and if I can address you as your first name, and say: Wayne, the ridicule that you have taken and will take -- the complaints-- They're worth listening to, but most worthwhile, Assemblyman, is you giving us a chance for that new beginning. I say, "right on," and together we want to applaud you. (applause)

Do you have any questions for anyone here that they may--

ASSEMBLYMAN OTLOWSKI: Incidentally, I'm sure that the Majority Leader may have some questions. Mr. Bryant?

ASSEMBLYMAN BRYANT: Well, I'd like to ask any of the ladies as to what you're doing in the North Ward -- and I know of the valuable kind of training that Mr. Adubato has done over the years. Do you find that the educational components and also the job training components and the ability -- as my legislation will deal with -- assuming that you felt that you wanted to go to community college, would be most helpful in terms of your ultimate goals, in terms of for you, your family, and your children? And I'd like to hear you say it. I mean, the reason I'm here-- Let me let you know: I want to hear from people to tell me what it is that they find important to give them the key to get out of maybe where they happen to be. And you're there for all various reasons, and we should not be inputting those reasons, but how do we unlock the key to let you out, and do you think it's important that we stress education, stress job opportunities, and your ability to choose between further education or going into the job world? I'd like to hear from any of you ladies that might want to--

ASSEMBLYMAN OTLOWSKI: Did you want to say something? Would you get to the microphone?

C A R O L C R A W F O R D: Thank you. I would like to continue my education. I also did 32 credits-- (motioned to step closer to microphone) Certainly. I already completed 32 credits at community college and I intend, after this training, to continue. Yes, I would like to do that.

MR. ADUBATO: By the way, there are two other individuals that need to be introduced: One is Willie Narvaez. He heads the Hispanic programs at the North Ward Center. He was raised in a single-parent family. His mother was on welfare. He's a graduate of NYU. Willie, come on up.

And probably I left-- You know, we always do this. Somebody who is more critical, certainly than myself, or any

one of us, Marcia Gaskins-- Twenty-six years ago, she was my-- I was her teacher at Broadway Junior High, in Newark, her social studies teacher. In 1975, Marcia found that it was necessary to become a welfare client. Today, she heads this program. She's a graduate of Upsala College, and an expert in computer training. Marcia? She's up here already.

I don't want to lead you, Assemblyman, but the toughest question had to do with the children and the payments. I'd like you to -- encourage you, maybe, to hear from them. Maybe--

ASSEMBLYMAN BRYANT: I'd like to hear from them.

MR. ADUBATO: I think the public would like to know their feeling about no extra payment concerning the children. But they had one question. I'm going to ask the four of them. They said okay, we understand that. But if there is another child, would the medical insurance cover that child? They're very concerned about that.

ASSEMBLYMAN BRYANT: What we've allowed to happen -- two things, and again it goes back to getting people prepared to work in society, as I view it, in terms of the basic working class-- The power to make the decision that you would have another child is yours and yours alone, but you would end up doing exactly what I would do or anyone else. I give you the ability to work and earn the dollars necessary, at the same time receiving -- if you're still involved in the system -- whatever you are receiving, and to make up to 25% of your total grant, in order to support that next child. And the reason I didn't limit the number of children-- You come into the system different ways. I think one said they were divorced and they have three. That's why I didn't say one child or two children, dependent on how you might come to the system. Whatever it is, we will deal with that, but while we are retooling it. And I see this system as a short term -- short term only from the point of view -- to continually give you what it is that you

need until you can get off and be self-sufficient -- not in terms of you having to be on it for 20 years or 30 years because we haven't given you the tools, at that point in time.

MR. ADUBATO: Assemblyman, would you consider -- and this certainly is not a demand, because we are totally enthusiastic about what you're doing-- Would you consider looking into the possibility that if it occurred that there was another child, that the medical payments might be extended? Not an increase in benefits. Would we look at that?

ASSEMBLYMAN BRYANT: Yes. I think that's an important improvement without looking at even the economics of it. But I understand why that is necessary, because many of those children have particular problems that we need to make sure that we address. Yes, I would definitely take that under consideration as something that-- And that's what these hearings are about, to talk about those kind of things that might help it to be improved, but yet keep the basic thrust of what we are trying to do. Yes, I would definitely take that as a consideration, and you will believe that we will have discussions about how we could have it to kick in.

MR. ADUBATO: Okay.

ASSEMBLYMAN OTLOWSKI: Mr. Adubato, I just-- Marcia, did you want to address the Majority Leader? He may have a question to ask of you.

MR. ADUBATO: Want to tell him what grade I gave you?  
(laughter)

M A R C I A G A S K I N S: I was the one that brought up the medical question, because I felt that the children should not necessarily be penalized because of the parents' irresponsibility, or whatever you want to call it. I can understand no problem with you denying the additional moneys, but I think with most of the people coming from the poor economic background, there may be health problems. So I am

steadfast on that issue. I would appreciate you looking into the matter of the health benefits.

ASSEMBLYMAN BRYANT: You're exactly right. I think the health of the children is important. And let me explain, I didn't come from the vantage point I was trying to penalize anyone. I believe empowerment has-- We, in government, sometimes view ourselves as taking care of people from cradle to grave and almost treating some of our adult population like they're children; like I've got to make all the decisions for you. I believe that you ladies are very capable of making those decisions whether, in fact, you want a larger family or not. I think also, if, in fact, I give you an opportunity to produce economics-- And let me translate: Basically, an additional child in this State should get \$64 to \$80 -- per child. I don't think anybody has a child for that reason.

MS. GASKIN: I agree with you wholeheartedly.

ASSEMBLYMAN BRYANT: And my point is that-- And your point is well taken that they might not be able to cover medical. So you might need to look at medical in terms you want a kid to have good health, because in the long run, that saves us money if, in fact, we protect their health in a preventive maintenance kind of situation. But even if you decided to work 15 hours a month at a McDonald's, you would make more than \$84. So, in essence, that's what I might have to do in terms of working overtime, or whatever else, while I am being retooled, educated, and whatever else I need to do. So, in essence, it's not a penalty. I'm just empowering you while you're there. And I think your point about medical coverage makes good sense, even from the taxpayers' standpoint, to make sure that kid is a healthy child and therefore, we don't have the health problems, 5, 10, 15 years down the line. We will definitely take that--

MR. ADUBATO: And remember this, Assemblyman: They intend to be part of the middle class. Already they're

thinking about taxes, which is good. So they-- Not only are they thinking about themselves as they are, but in this transition they're beginning to see themselves in that other situation.

And one other point: This legislation should have the support of the working class and the middle class. I think it's necessary, and that's why we're enthusiastic. We think some of these things will encourage that part of our society to be a part of the solution.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much, and the ladies and gentlemen--

MS. GASKIN: I wanted to make one brief comment, one brief comment about the students here. They didn't really want to come because they didn't want to miss class. They're enjoying the training at the North Ward Center. Most of them have, you know, some skills, and we're improving on those skills, and they're happy to be here. As I said, they would prefer to be in class, though. We have a very enthusiastic--

ASSEMBLYMAN BRYANT: Well, we thank you for taking the time. We think it's important, and we appreciate you ladies coming. Much success in your school training, and hopefully if this legislation goes on, we can even add more to it.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much.  
(applause)

And now may we hear from Melville Miller, the President of Legal Services of New Jersey?

M E L V I L L E D. M I L L E R, JR., ESQ.: Thank you, Mr. Chairman, Committee members, and Majority Leader Bryant. Appreciate the opportunity to speak today to you. Legal Services of New Jersey has been involved in welfare policy issues for 20 years. We were, among other things, the organization that brought-- Maybe I'll hold it for a second.  
(disturbance from audience in back of the room)

ASSEMBLYMAN BRYANT: (speaking to audience in back of room) May I ask that-- I don't mind you interviewing people, but if you could do it out in the hallway so we can hear the other testimony, I'd appreciate that. Thank you.

Excuse us, Mr. Miller.

ASSEMBLYMAN OTLOWSKI: As a matter of fact, we have to have absolute quiet here because the acoustics aren't the best in this room, and it's very difficult for us to discern what is being said.

You want to continue?

MR. MILLER: Sure.

Turning to the subject of today's hearing, which is the bills proposed by Assemblyman Bryant-- We first commend him for his interest and his leadership on public assistance issues. Progressive initiatives in this area and, indeed, even attention on behalf of New Jersey's lowest income people, are very rare indeed.

Secondly, we join him in his stated commitment to reinforce the most basic values, those of family life, and working, and self sufficiency, through the public assistance system. We would add, and emphasize as a theme to guide welfare reform efforts in this State, that the State must do all that is possible and practical to support the efforts of individuals to become self-sufficient, and I'll return to that theme in just a bit.

Basically, my testimony will be brief and will fall into three sections with items that we would suggest be added to the legislation -- items that we support in the legislation, and items that we specifically oppose in the legislation.

I've expressed to Assemblyman Bryant, and I'll express to the Committee now, our willingness to work closely with him, and with you, in fashioning language that would encapsulate these amendments and move forward.

In terms of the items that we would add: First, the package needs to be broadened to undertake significant grant reform so that two things will occur: 1) welfare grant levels which have not increased in several years, and are less than half of the standard of need and decency that has now been promulgated by the Department of Human Services, must be steadily increased so the people can live decently and manage to stand on their own feet. And with that, we need to reform the grant system so that people who are working are able to keep -- are working, but still below the standard of need -- are able to keep a greater share of their earnings than they are now. Now, many of them are totally disqualified from being eligible at all, and still get some public assistance and supporting services, until they're able to make it on their own. So, two points: Raise the welfare grants and reform the system so that those who are working are able to keep a greater share of earnings, and we'll propose specific language to accomplish both those ends.

The second thing that we urge be done -- and I know some women share this general goal -- is to restructure and reform the surrounding program of services for welfare public assistance so that they, the recipients, are able to get supporting help that they need to become self-sufficient. The key areas-- There are a number of things now that were adopted in the REACH program. There was a lot promised; there was little delivered. The stuff that was promised, itself, was not sufficiently comprehensive and farseeing in terms of vision. In addition to the critical elements that are talked about a lot, like child care and transportation, where we know we've got to provide an underbedding of -- a firm underbedding there -- we also have to have a system of counseling and case management that works for people, so that as problems come up for low-income people-- Their lives are, by a long measure, the hardest to live of any of us in society. They have many

more obstacles and struggles in front of them. There's got to be a case management system that works and, quite frankly, not enough case management managers were assigned under REACH. They weren't well enough trained. They weren't well enough supported in terms of staff. All of that has got to change.

So, the first area brought grant reform. The second area brought program reform. And thirdly, we would urge that as a kind of a related effort with this package of bills and the changes as it moves forward, that we encourage the State as a whole -- the administration of the State, meaning the Governor -- to look at the other aspects of State programs in other departments that have a major impact on low-income people, and integrate and rationalize those programs in a way that supports the purposes of public assistance, starting with housing, the Department of Community Affairs, the need for a housing subsidy program; a variety of things like that.

I should say, I'm not going to distribute today, Mr. Chairman and Mr. Majority Leader, a written statement. We will submit the written statement to you by mail next week. Then, following that, we'll have some specific legislative proposals that would implement the things that we're talking about adding. So those are the three areas where we think additions need to be made to the package as it stands. With regard to the package itself, we support a number of the aspects. The notion, first of all, of a comprehensive social services hot line -- very important, except that let's not understate -- and I know Assemblyman Bryant understands this -- understate the difficulty of this task. In order to work and not just be another hot line that the State throws money after, there has to be an enormous publicity campaign that makes people understand it's this hot line, and no other hot line, that they really need to resort to, to get a line on social services.

The second thing is that the information given out must be truly comprehensive. It must tie in all of the social

services, the key social services, that the State funds and provides -- not just ones run by the welfare department, but ones financed by all the other sections of the Department of Human Services. Otherwise, it won't be comprehensive. It won't be holistic. It will still lead to confusion or void the goal that we all share of one-stop shopping for social services.

The second thing that we support in general, although we have some questions about it, are the provision in A-4702 for, in effect, greater expanded eligibility for stepparent families, when upon marriage-- The thing that we think has to be changed there is the apparent premium for those families. The way it reads now it could be interpreted by some to create a bonus for a stepparent family over a natural family in the grant structure. I'm pretty sure that's not what was intended and I think that could be redrafted in a way that avoids that result. That's more of a technical issue.

The third area we would join and support is A-4704, in that it would provide an emphasis on two-parent families getting the assistance that they need without the limiting work history requirements that are now present in the AFDC "F" segment. Really what it does-- The provision of this bill would impact on the AFDC "N" segment, but we need to be clear -- and this will be a general point that I'll make at the conclusion of my testimony-- We need to be clear that the State is likely to bear the full brunt of this cost, because it's very, very unlikely that the Federal government will grant the waivers necessary in the "F" program -- to enfold this into the "F" program -- so it's really going to have to be a change in the "N" program.

The other thing that we would question, and it may pose a problem legally and policy-wise, is, that the way that 4704 is now drafted, it seems to only provide that consideration to families where there's a marriage, and not to two families -- I mean, two-parent families functioning

together where marriage has not occurred yet. That kind of favoring may not be legally permissible, and I would suggest as a policy matter, may not be wise either. But then, again, that's more or less within the realm of fine-tuning an otherwise affirmative proposal.

What we oppose-- Two more minutes and I'll be done, Mr. Chairman. We oppose those aspects of 4700 which would increase the penalty and the disqualification period beyond Federal sanction levels. We don't think that kind of increased penalty is necessary. We think that the better approach is matter of policy which would be an incentive approach, and we think we can make suggestions about an incentive approach which would encourage people to work and become self-sufficient, and that's really what we'd like to explore.

The second thing is, we very much oppose 4703, which is the area that's gotten the most press attention, which relates to what I will call, "after born children" -- children born to a family after the family becomes eligible for public assistance. We think that that kind of penalty, number one, is constitutionally and legally impermissible, and two, winds up penalizing those kids. But we think the most important point about this I would make -- other than our opposition -- is, this is a small detail in Assemblyman Bryant's overall package. It's very important not to let his package get cast as being about penalizing or limiting grants to "after born children." It's a much broader vision, and we need to reinforce that vision.

The third thing that we would oppose is what now reads in 4700 as an absolute educational attainment regard--

ASSEMBLYMAN OTLOWSKI: Excuse me. I don't want to do this, but we're limited with the amount of time. Could you just summarize now, and whatever else you would want to say, I would suggest that you submit it to us in writing?

MR. MILLER: I will submit it in writing, and I will be finished in two minutes.

ASSEMBLYMAN OTLOWSKI: Would you mind summarizing now, please?

MR. MILLER: Sure thing. The last thing that we oppose is the educational attainment requirement. The high school requirement in 4700 needs to have enough exception so the people who generally can't make it -- have limitations, disabilities-- There needs to be some exceptions drafted there. We can propose the language on that.

Overall, meaningful welfare reform is going to cost money. The thing that we are most fearful of is that the will in the Legislature and the body politic in the State may not be there to finance the reforms that are necessary, so that as we work with you, we will very much want to see that the reforms that are necessary are adequately financed, and that the money to finance them not come out of the existing programs that work -- not be taken out of things that are now providing essential services. I think that area is the one where we may have, ultimately, the greatest difficulty in proceeding.

I thank you for the opportunity to testify. We'll submit the written statement next week, and we look forward to working with Assemblyman Bryant and the Committee on the changes.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much.

ASSEMBLYMAN BRYANT: Mr. Chairman, can I--

ASSEMBLYMAN OTLOWSKI: Yes? Just a moment, the Majority Leader has a question.

ASSEMBLYMAN BRYANT: Let me express two things. The only two areas that I think that I see having any problems with this are: 1) I don't necessarily agree that there's more money than is necessary in the social services area. We're spending almost \$5 billion. It might be where we take our resources and spend them, and I think Legal Services and other groups have to

be open, to be critical, and analytical as to the value of where dollars are being spent, as opposed to just adding on additional layers of dollars. If they're actually needed, then that's the difference, but we have to look at what we're spending today and whether it's worth spending it where they are.

And secondly, I would not be inclined to deal with raises for grants in this legislation for one important reason: Grants, to me, are an independent determination that the system's going to make with regards to economics of what we can afford to pay. I don't believe offering opportunity to get from within in the system in any way should be tie barred to whether in fact you increase a person's ability and what we are willing to pay as they're going through the system. I think that would be-- Now, I'm not saying you can't raise it. I don't think it's a service to individuals for us -- and I'd like to hear your reflection on that -- to stop a package of bills that go through that might completely revamp their ability to get from under the system because someone will not raise their grant.

MR. MILLER: I'd be happy to talk with you at length about this. My response is that much of what you talk about and some of the specific proposals touch on the fundamental grant structure, and that in making changes to that structure it's very important -- aside from what it will cost -- that we look at the adequacy of grant levels and use strategically increases in grant levels to complement the overall reform of the welfare structure in a way that gets, I would suggest, to the goals we both share, more expeditiously. The other piece of that is that you know, and I know, and we all know, that we will not get meaningful welfare grant increases as a freestanding separate issue out of the Legislature or the government -- not in these political times. But those increases-- The public needs to be reassured, I think, but

those increases are tied to a deliberate political governmental leadership strategy that will reform the welfare system in a way that's positive and makes sense and reinforces basic values. So I really see this as an opportunity that complements what you're trying to do.

ASSEMBLYMAN BRYANT: We will make sure we invite you in so that we have that discussion.

Thank you.

ASSEMBLYMAN OTLOWSKI: Thank you.

May we hear from the Reverend Willie A. Simmons, the Vice-Chairman of the Committee on Black Churches of the City of Newark?

REVEREND WILLIE A. SIMMONS: Thank you very much. I am Reverend Willie A. Simmons. I wear a few hats, so let me qualify myself. But first of all, I represent Senator Wynona Lipman, who says welcome to the 29th Legislative District, which you are sitting in now. She is addressing a group in New Brunswick. She hopes to get here before the hearing is over.

I am the Chairman of the Newark/North Jersey Committee of Black Churches Homeless Program, which represents over 200 churches in the Newark/North Jersey area. I'm the Executive Vice President of CWA Local No. 1081, which represents all of the caseworkers and clerical staff of the Essex County Division of Welfare. I'm a Federal service worker in Essex County working directly with welfare clients. I serve on the Board of Directors of The New Jersey Black Issues Welfare Reform Task Force, Legal Services Board of Directors of Essex/Newark, and the United Community Cooperation.

I think Dale Carnegie said, "Talk about what you've earned the right to talk about," so I qualified myself to let you know that I know what I'm talking about.

First of all, I want to commend you, Assemblyman Bryant, for even attempting to realign the welfare system.

It's not an easy job. I'm going to agree with you on some issues and disagree on the others.

First of all, this morning, when I first looked in the paper of the USA Today, it said, "Welfare is in a mess. There's children who's going to bed hungry." Very upsetting. And I looked back on the next page and it says, "Millionaire's Rich Family on Welfare." I want you to pick up this today and look at it, Wayne.

First of all, on your bills -- and this is the Human Services Committee -- and I can do with five minutes-- Until we raise the standard of need for the welfare recipients in this State, I think all welfare reform is going to go down the drain. First of all, before we can teach somebody, to give them a job, we got to feed them. And right now, we got right here in Essex County, over 600 families I got living in hotels. And first of all, before I can give them people a job, I got to find them a place to stay.

As you are no doubt aware, Essex County has approximately 30,000 Aid to Families with Dependent Children cases, equalizing approximately 95,000 individual clients and 7500 general assistance cases. It's the largest caseload in the State of New Jersey.

Wayne, your bill reads -- and I got somebody else that's going to touch on that briefly-- After looking over this bill, I think that REACH-- The bill that you got in there replacing REACH is the same thing. I see no difference in that bill. One thing I am concerned about is that overall goals and objectives of that bill, in the bottom line, where it's going to be jobs, child care, and education-- Right now in Essex County -- within the State -- I do not see jobs. I do not see the day-care centers, nor the incentives therefore, to be in education. In the bill, and I'm very insistent about this -- about my people -- you tell my people, if they want to go to college, you got to give up college to go to work during the

day, and if there's anything left over you can go to school at night. One thing that I would like to do in this, and I have not seen this incentive since the WIN Program-- If I got a child, a young lady, that I could send to Essex County College for two years, and I pay that bill in child care, I almost got to guarantee you that that client will not come back on welfare again. But if I just give you a job and take your medical away from you, 75% of the time that client's going to return to welfare roles. Now, what a success rate.

I know REACH people are not going to like this, but right now there's approximately a 60% return rate back on welfare from the REACH program. Now, am I part of the problem here, or am I part of the answer? In other words, we're going to remove the people from welfare. Let's make sure it's permanent.

Your last in here, that I'm afraid--

ASSEMBLYMAN OTLOWSKI: Yeah, Pastor. You just want to hold it a minute? The Majority Leader would like to ask you some questions, please.

REVEREND SIMMONS: All right.

ASSEMBLYMAN OTLOWSKI: Mr. Bryant?

ASSEMBLYMAN BRYANT: Reverend, as you said, you will be reviewing the bills, but as you review them, some of the things that you have asked or posed, you'll find in the bills.

I make education as a hallmark, and I'm sure you realize that you're not productive in this society unless you're educated, but I don't make job training, which REACH says job training shall be the primary, and education secondary. I reversed the spin. I say education is primary, and then we do job training. Secondly, I do give the opportunity, as once you get to be educated through high school, to go to county college as opposed to going into job training. I put as much value, because I believe that many of these individuals that we're talking about in our community

will show the potential to be even more than what we believe they can be. So many of the points that you're raising -- and you're saying you don't see the difference between REACH and my bill -- are in the bill.

Secondly, there's a major difference between my bill and REACH. REACH doesn't do, and start out with, the fundamental basis, and I know a man of the cloth believes the family is important; that no system should be designed not to keep the family together in which I'm sure, with your extensive experience, you realize the family is an important unit that you should have. So there are quite a few differences and as you have a chance to analyze each of the six bills -- and it's not like the REACH bill which was one bill; this is six bills -- I think you will see many of the things that you raised as components of what I tried to accomplish.

REVEREND SIMMONS: All right.

Now, regardless of whether or not we agree now, we're going to work with you. The community-based organizations are going to work with you to make sure that we have a welfare reform bill that would answer the needs of the people. We will do that. Although we may not agree here, what we don't agree with, we're not just going to leave it hanging. We're going to make a total commitment to support you until we get this bill off the ground.

Now, the other part is that I believe this was No. 4703, and I'm quite sure that you received a lot of flack from this -- the legislation which proposes to deny a family additional benefits when another child is born. The fiction that welfare women have additional children for additional benefits must be dispelled. Another child is worth approximately \$60 more per month to a welfare mother, or \$2 per day. We don't think that. But I think the incentive's here -- although we don't encourage it -- that you have more children that you can't support. We do not deny a family assistance for

a child that is born. We're not denying that family; we are victimizing that child. We're denying that child a right. Let's work on that part of it and try to get the wrinkles out of that so it will fall in line with that of community. And I think that we could work forward with you on this bill.

Again, I want to commend you for even touching it. Welfare is a sticky subject within the State, and in order for us to benefit, we're going to have to work together to resolve these problems.

Thank you, Assemblyman.

ASSEMBLYMAN BRYANT: Thank you.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much.

May we hear from Ms. Margaret Woods, the Executive Director of Independence High School?

M A R G A R E T L. W O O D S: Good day. My name is Margaret Woods. I am the Executive Director of Independence High School.

ASSEMBLYMAN OTLOWSKI: Margaret, you want to get close to the microphone, please?

MS. WOODS: My name is Margaret Woods. I'm the Executive Director of Independence High School, a multiservice agency providing alternative education, mental health, and social services to the families in the greater Newark area. Independence has firsthand knowledge of the problems which confront both adults and children who are receiving public assistance. I would like to thank the Committee for the opportunity to present testimony on Assemblyperson Bryant's proposed legislation. Since you have copies of my written testimony, I'm going to try to highlight a couple of areas.

Assemblyperson Bryant is to be commended for drafting legislation which attempts to give people on public assistance, the tools they require to become self-sufficient. However, even though the proposed legislation is bold, there are areas of concern, and I would like to address some of these.

As written, the legislation presumes, I believe, that women on AFDC indiscriminately have children and that there must be a mechanism which creates a disincentive for having additional children once a woman is on AFDC. First of all, this part of the package of bills, A-4703, belies the current national research which says that the average AFDC family is a mother and two children. Furthermore, only 5% to 6% of all women on AFDC have families -- six or more children. Is it sound public policy to write legislation for those few women who appear to have a large number of children while on AFDC? Would it not be wiser to draft legislation which is aimed at the majority of public assistance recipients? Does government have the right to dictate or regulate family size simply because a woman is poor and on public assistance? I do not see any existing or proposed legislation which dictates the family size of middle- and upper-income individuals. Further, there's a serious question as to whether legislatively stipulating that children born to a woman after she is on AFDC violates federal law.

In any event, the proposed legislation, A-4703, raises, at the very least, a moral issue as to whether an unborn child should be penalized for the actions of a parent over whom she or he has absolutely no control. I would argue that A-4703 raises such serious and troublesome issues, that it should be dropped from the package of bills.

There's also, I believe, an overall punitive undertone in the package of bills, whether intentional or not. Hopefully this undertone will be eliminated in the final draft of the legislation. Allow me to give you an example:

Recipients who ultimately refuse to participate in remedial and/or vocational services "may be subject to termination of benefits." This section of A-4700 presumes once again the majority of people on public assistance, women who have dependent children, or individual adults, are part of a

culture of poverty or welfare culture. As such, they are content to stay on welfare and do not want to improve their lives. The vast majority of recipients whom I have come into contact with during my almost 20 years in human services, want nothing more than to get off welfare and to stay off permanently.

One of the major problems confronted by people on public assistance is that they do not possess the skills which will enable them to get off and stay off the roles. I believe that the intent of this legislation is to make it possible for people to get permanently off of public assistance. However, if certain basic issues and/or deficiencies in the current system are not immediately addressed, the positive aspects of this package will be lost.

The package of bills takes a very strong pro traditional family stance. It would appear from the language of the proposed legislation that the family is defined as Mom, Dad, Dick, Jane, and Spot. While there's absolutely nothing wrong with the nuclear family, it is not the only viable family model. Father does not always know best. Are other family models, for example, single parent, unmarried man and woman, or gay and lesbian families to be penalized because they do not mirror this ideal family? Are they not also part of New Jersey? Do we have the right or the expertise to pronounce that they are inherently dysfunctional and not worthy of our respect and support? Do they not have the right to the same governmental support as the nuclear family, as long as they are good parents? It is not the quality-- Is it not the quality and not the quantity of parenting that is the most important aspect?

Adequate child care programs for preschool and school-aged children must be developed. It is criminal to force a mother or father to work or participate in a State-mandated educational or vocational training program, if

her or his children are not safely cared for when she or he is absent from the home. Currently in New Jersey there is a scarcity of day-care slots for the poor, working poor, and middle class. In a State as progressive and affluent as New Jersey -- nationally, New Jersey ranks second in per capita income -- no parent should have to undergo -- have to forego, excuse me, employment because she or he cannot afford or find safe quality day-care for their children. In a State as affluent as New Jersey, latchkey children should not exist in the numbers that they do.

We should take a lesson, I believe, from the current REACH program. The most effective REACH program, one in Assemblyperson Bryant's home county, and has placed the most women in jobs, is run by a nonprofit agency and not by a government bureaucracy. It has placed the most women in jobs, and there is indication that it is more cost-effective.

A full array of community-based supportive and remedial services must be available to participants and their families. The Assemblyperson is to be praised for insisting that services must be available to all family members and not only to the person on public assistance. The problems facing many people on welfare are not simply individual problems. They are, as we all know, family problems. It will not suffice to help a recipient to find employment if her or his children are doing poorly in school or having behavior problems or succumbing to drug or alcohol abuse.

The State must be urged to provide the funding and the mechanisms to provide services -- a full array of supportive services -- to all people who need it, and particularly those people who are on public assistance.

To ensure that the representation of public assistance recipients is not merely tokenism, more than one recipient should sit on the proposed county planning councils. The recipients are the people who know firsthand the strengths and

weaknesses of the current system. Theirs is a vital voice and it should not be lost through being outnumbered by government or private agency employees.

Finally, the proposed package of bills is, indeed, a bold step. Assemblyman Bryant should be applauded for having the courage to introduce such legislation which has the potential of reducing New Jersey's welfare roles by employing those of our fellow citizens whom many believe are unemployable.

Thank you.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much.

May we hear from Pastor Warren Strickler of the First Lutheran Church of Kearny?

P A S T O R W A R R E N S T R I C K L E R: I'm grateful for this chance to talk about simply my own experience. I come not as an expert in any sense, but as a pastor who has experienced certain things which I'm sure other people have also experienced.

I think the first thing that I have seen is, I have attempted to guide people through the welfare system and try to get minimal help, even a disabled person to obtain food. His humiliation -- humiliation of persons to the point of which they become numb, and not able to act, or take any initiative anymore-- I think this is a burning problem and that the program which I believe is proposed, as I begin to understand REACH, begins to address that.

It occurs to me that there's something that no one has spoken of, which I can only call incompetence, and I wonder how law can address that at all. It is particularly in attempting to guide a person, give moral support to a person as she applied for help as a disabled person, or as a person who simply wanted to receive help for her children. This person would find her records lost again and again, and say, "We do not have you on the computer. Your record has been lost in the process of going from this floor to another floor." I don't

know how to address this, but it is the competence of people who are involved. I don't think we can simply blame it on the computer, but I think it's a major problem.

I think that the other thing that has been very obvious to me, as I have tried to help a person -- a mother of four children, for example -- is that she becomes terrified, and I believe the REACH program begins to address this. She is terrified that if she makes any money at all on a job, that it will be deducted from the money she receives for AFDC. I think part of that is personal, but she has actually experienced that, where even if a daughter began to earn money, or she began to earn money, it was deducted from what she would receive for support.

I want to commend you. You give me a sign of hope. I believe that what we need is not a punitive system, but an encouraging system, and you begin to address that. And I commend you all.

Thank you.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much.

May we hear from Dr. May Daniels?

M A Y D A N I E L S, Ed.D.: Can you hear me?

ASSEMBLYMAN OTLOWSKI: You want to bring that mike down?

DR. DANIELS: How's that? I'm real short.

ASSEMBLYMAN OTLOWSKI: Yeah, good. That's better.

DR. DANIELS: I want to thank you for this opportunity to share my thoughts with you on the proposed legislation. I was fortunate enough to see you, Assemblyman Bryant, on television. It was either "Caucus New Jersey" or "Rutgers Forum," and there my eyes got opened. And I found out you were going to have regional hearings, and I figured you'd have one in Newark, which is near my home.

To give you a little information about me, because I don't represent an organization, I'd just like to tell you

where I come from relatively and figuratively. I was born in Newark, right here in the Central Ward, and part of my heart is here. I'm a home economist. I'm retired from college teaching. My doctoral work was in home economics education with a social and behavioral sciences base at Teachers College, Columbia University, in the Department of Family and Community Education. I just want to interject, at this point, that I went back to school at the age of 35, so I know what every one of the women who will be given this opportunity, I hope, for education -- the problems that they will have. My dissertation focused on the problems of early adolescent inner-city girls. I've had the belief that if we are to break this cycle of poverty, welfare dependence, and denial of self-realization, then we also need to work with women in their formative years.

Your bills are concerned with the development of adults, and for the most part I commend you. For the most part, these are steps in the right direction and there will probably be far-reaching effects if passed and implemented with care and sensitivity to the families living under welfare programs.

The 4700 bill proposes that able adults be ensured a high school diploma as a prerequisite to vocational training. Now, I don't think that all people will be capable of achieving this, either through lack of motivation, or ability to learn what is required. My belief is that there should be an alternate curriculum to develop literacy skills, basic arithmetic, communication skills, and orientation to the world of work.

I checked my gut feeling on this, not only guts, but based on my experience having supervised in high schools -- supervised student teachers. I checked with the director of a program which does vocational training, and before I even-- I told her what was in it, and before she even said-- Before I

even asked her, "How do you feel about this?" she said, "Oh, no." And so I think that I'm not-- I think that I'm not on the wrong track.

That there will be scholarships available for higher education is going to mean that life will be open for many people who can take advantage of college programs. Having been a college teacher, I saw that sometimes people came to college who were not prepared, and then it was just total frustration for everybody. But if people can go to college, it helps ensure a way out of poverty.

I'm glad to know that supportive services are built in, as combining academic life with family obligations is not easy. I really want to tell you: It's very hard even for a middle-class person who has resources, more than a person on welfare funds. It would be good to include personal and family management skills development in the training program.

The problem of poor attendance and learning will certainly be worked on in the program, but I'm sure that there will be some people who will not be able to cope with this for a variety of reasons. Again, managing family obligations and career development is difficult. There must be a way to work this through without denying families their AFDC support. Taking money away would really make matters worse.

After a time and level of employment families will lose Medicaid benefits, which will work a hardship if employers do not provide health insurance. At this time, under the newly signed Health Care Act, employers only need facilitate the buying of health insurance by employees. Individual and family health insurance in the private market is very expensive, we know, and would require an unduly large proportion of entry job wages. We can hope that a health insurance program for small business employees will take care of this problem when that program gets underway, but in the meantime a more liberal extension of Medicaid would seem to be the answer. To throw it

back on hospital clinics, and then hospitals getting the money through compensatory care programs, is just a lot of rigamarole. It would be nice and easy and simpler, and probably would provide good health.

If carried through, this program can only make a difference to people on AFDC and the society as a whole. It's in the right direction. I only hope that our economy can turn around fast enough to provide jobs for the trainees who hopefully will have been helped to learn marketable skills.

I look forward not only to the three-year report on this initial program, but interim progress reports of ongoing evaluation and adjustment. I don't think we should have to wait for the end to know if things are not going right.

Assembly Bill No. 4704 revising benefits, has an excellent incentive to work feature by giving families receiving AFDC funds additional money for each employed person. That's good. However, the bill does contain a punitive measure which would deny support for children born after AFDC eligibility of the family, and I would suppose that means children born after the passage of the bill. Withdrawing funds can only hurt the children and families. I further think this would violate the religious freedom of people whose belief is not to interfere with conception. I can say that this is not the problem of the State, but it is in the end. Additionally, what is a woman or a family to do if contraception fails? And, I hate to bring this word up, but really, even if abortion is acceptable to some people, to poor people it's not always a possibility, with a highly limited income. I think that conception prevention can be dealt with on a continuous educational level in the training program, and supportive services for those who will accept it. It would be excellent if the proposed comprehensive social services information hot line would include referral to family planning services.

Bills 4703 and 4702, affecting benefits based on marital status -- affect benefits based on marital status. May I first say that loving, committed parenting makes the difference in the rearing of healthy, well-adjusted children who will do well for themselves and the society; marital status of their parents may not. Assembly Bill No. 4703 denies fullest benefits to an AFDC eligible family in which the parents are not married and not residing in the same household. This is punitive and denies funds to children who cannot control their parents' status.

ASSEMBLYMAN OTLOWSKI: Excuse me, just a moment. The Majority Leader would like to ask you a question. Will you just hold it for the question?

DR. DANIELS: Sure.

ASSEMBLYMAN BRYANT: The question I pose is that where my misunderstanding becomes most grave is that when individuals consider every rule that is made for those who are in poverty as penalties, and yet in the middle class if, in fact, to function within a working-class society we live by a set of rules every day that either affects whether I work or don't work-- If I don't go to work on time for a week, I lose my job. You have no problem with that kind of penalty in the regular work-place, yet when it comes to those who are poor-- I don't understand why we believe that we should set up some sheltered kind of existence that makes them live in an unreal world that you want them to someplace matriculate in? That is why--

What I tried to model this off of is a working class model that we live everyday -- when you work -- by some rules. Now, you might want to call them penalties -- and it's interesting how you classify everything that happens to the folks who are impoverished as penalties -- yet you would not consider that in the regular work world where you have rules

everyday as penalties, but as the system that allows us to matriculate in.

Why would we want to insulate, and to bring a group of people into a false existence that, for some reason, if you're in this pot, you have no obligations? Everything is going to be done free, and good for you. And yet we want you to matriculate into a pot that ends up having all these -- which would then be called penalties, if you get out there and wonder why they don't understand about the penalties of real working life. And what I ask folks to bring to the table is--

What you're prescribing is not working. It is absolutely bankrupt in our country. You got to bring something to the table that tells us will work; something that is different. And why is it a penalty when we deal with our impoverished folk? Again, my position is that we want to take care of folks from cradle to grave -- they can't think for themselves -- that we have to worry about everything that happens in their life. And yet I don't worry about that in your life; I don't worry about it for the guy who's working right out there cleaning that street, in his life. Why do I have to do that without asking them to be part of the solution; in other words, to tell a person in my program they will be tested to find out whether, in fact, they can learn.

Now whether you decide you want to learn-- Why can't you be penalized if you don't want to learn? All you've decided is you want to take a new route. Fine, but you don't have to be in our system. You can go do it today. You don't have to sign up for welfare if you decide you don't think that's a program you want, and nobody objects to that. Why, if in fact, we set up a program that we know all the things that your college professors tell me the year 2000 if you don't have a high school education you can't function in this society-- Why should I relegate folks not to have a high school

education, that can learn? That's what I want to hear from folks. Tell me what difference you're going to make?

DR. DANIELS: Okay. I think somebody who can learn, should learn, but there will be some people who can't learn at the high school--

ASSEMBLYMAN BRYANT: My program says you won't. You got a mental disability? Fine. We're going to deal with that. You got a handicap disability? We're going to deal with that. But if you can learn, the only difference is your own initiative. Why shouldn't they have initiative? That's a basic value in our country -- initiative -- you wanting to improve yourself.

DR. DANIELS: Well, may I answer you?

ASSEMBLYMAN BRYANT: Yes.

DR. DANIELS: I think that, you know, we all do need initiative. This is how we become self-realized. This is how we provide for--

ASSEMBLYMAN BRYANT: Well, why is it a penalty if I put it in a program? Why is it a penalty when I do it for folks who are less fortunate?

DR. DANIELS: Okay. First of all, if you're putting somebody into an education program, somebody who maybe hasn't gone to school for awhile, this is a very fragile condition and you have to-- If you take money away for the children, this is going to impinge on a person's feelings and emotional state -- I mean, this is just an example -- and perhaps that person won't do well in school. I think that while the person is in school, the person should have a cocoon.

ASSEMBLYMAN BRYANT: So I guess what your position is, is that the children are the constant shield of the adult. And therefore, because of children, adults ought to receive constantly on the basis of the child and not have any responsibilities.

DR. DANIELS: Well, the name of the program is Aid to Families with Dependent Children, and--

ASSEMBLYMAN BRYANT: That's what it is now.

DR. DANIELS: All right. Well, this is my position: that we should do everything to ensure the health and well-being of everybody -- mainly the children -- and we should give people these opportunities. However, it may work out that some people can't take advantage of them. There should be alternate routes.

ASSEMBLYMAN BRYANT: What alternate routes are you telling me?

DR. DANIELS: Well, I mentioned that not everybody will do a high school diploma.

ASSEMBLYMAN BRYANT: They can get a vocational diploma. I'm allowing that also. I'm allowing them to go to college. What other avenues are there?

DR. DANIELS: Okay. Then perhaps I misunderstood the bill. I did my best to read it, but perhaps--

ASSEMBLYMAN BRYANT: I'm allowing folks to have vocational education as equivalent to high school.

DR. DANIELS: Well, vocational education and high school, I consider them parallel.

ASSEMBLYMAN BRYANT: Well, what other way are you successful in our society?

DR. DANIELS: I had understood--

ASSEMBLYMAN BRYANT: Let me ask you this question: What other way are you successful in our society if you don't have a high school diploma, some vocational skill? How are you successful in this society to come out of poverty?

DR. DANIELS: It's very hard. But--

ASSEMBLYMAN BRYANT: There are no unskilled jobs left.

DR. DANIELS: I'm saying that I hope that everybody could get a high school diploma, but I think there will be some that won't be able to work it through. And whether it's a

vocational diploma or regular diploma -- academic, whatever, I don't know. We should give everybody a chance, but let's not punish. That's my position. And the children don't ask to be born. We have to take care of them. If we don't take care of them when they're little, we'll have even more problems.

Well, anyway, there was another bill in there that denied money to the woman who was eligible for AFDC if she was married to -- or a parent under AFDC, married to a person not under AFDC. Let's see. I'll read:

Assembly Bill No. 4702 does not deny funds to a child of an AFDC eligible parent married to a person whose children are not eligible, but does deny the benefits to the parent of the eligible child. This could be a disincentive to marriage -- only to point it out, you know. Marriage or no marriage, the benefits to families should be based on needs standards with incentives for all employed adults for maximum motivation.

That's what I have to say. And I hope it works out. I just hope that nobody gets punished and denied.

ASSEMBLYMAN OTLOWSKI: Doctor, thank you very, very much. Thank you very much.

May we hear from Clare Elston, please, of the Essex County REACH program? Is she here?

C L A R E E L S T O N: I'm actually here on behalf of our County Executive, Thomas D'Alessio. I have his comments to read into testimony before you today. I have copies for you as well.

As Reverend Simmons already indicated, we have 30,000 cases on AFDC today, indicating 95,000 individual clients. So you can see, we have a vested interest in this particular bill. We support certain aspects of the proposed legislation, but cannot support it in its entirety. We want to commend the Assemblyman for attempting to improve a welfare system which has few defenders. Neither the welfare recipients who receive its services, nor the professionals responsible for its

operation, nor the taxpayers who provide the resources for its existence will argue about the need for substantive and radical reforms. By any account, the current welfare system is extraordinarily bureaucratic, difficult to administer, and fails to satisfy its essential object, that is, to meet the clients' basic needs.

Three basic changes must be considered as critical elements to any welfare reform initiative: the development of simplified rules and regulations which are reasonable and defensible, protecting both the clients' and the taxpayers' interests; a monthly grant structure which provides a safety net for this State's most vulnerable citizens, the 200,000 children who are served by this program each month; and a holistic and comprehensive array of client services and supports which lead a client to genuine economic self-sufficiency, beyond the ones proposed in this bill.

We welcome your attempts to reform the current system, but we feel constrained by two major factors:

1) The reform program offered is essentially the REACH jobs program with a different name. Whatever was effective under REACH would continue to be effective. Whatever was problematic would continue to be so. For example, although this county was the most vocal and acerbic critic of the REACH program when it first was conceived, it has provided substantive services to over 3000 clients, residents in Essex County. We do not share your appraisal that this program has failed.

In fact, this program presently proposed -- offers the exact same components as the current welfare reform model, and we are unable to see where your proposal differs from what exists. The specific difficulties with REACH in A-4700-- For example, scope and magnitude of available resources; real employment opportunities; day-care opportunities; coordination

difficulties between various State departments; OMEGA -- the computer system problems; absence of precise goals to measure success.

In addition, the proposed model does not provide adequate resources to effect major changes in behavior, perceptions, or perspectives for a large number of current welfare recipients. Given that there are in excess of 110,000 adult welfare recipients in New Jersey, how many of these will be gainfully employed? What are the measurable objectives to be achieved via A-4700? We have learned a great deal from REACH and we ought not replicate the misconceptions or ambiguities which surround the welfare program.

The aspects that we do support are as follows:

1) Support for family stabilization and preservation is especially notable; his focus on the family as a viable, potentially autonomous unit, merits very strong support -- A-4702 and A-4704.

2) Attention to the general assistance client is long overdue, and Assemblyman Bryant is correct in focusing resources and energies to that particular population.

3) Development and implementation of a 24-hour social services hot line is innovative, and we support it with an understanding that services will be available to clients who seek the same; an information system that informs clients of a waiting list is of no real assistance.

We also encourage the bill to propose an increased literacy level as opposed to the singular attainment of a GED or high school diploma.

Finally, the most troubling aspect of the entire package is A-4703, the legislation which proposes to deny a family additional benefits when another child is born. The fiction that welfare women have additional children for additional benefits must be dispelled. Another child is worth \$60 more per month to a welfare mother, or \$2 a day.

If anything, an additional child places an increasing burden on the welfare family. Simply stated, there is no economic initiative or incentive to have more children while receiving public assistance.

In addition to contradicting existing Federal legislation regarding benefits to welfare recipients, A-4703 places an especially large burden on the newborn infant. As his family will be denied additional financial assistance for his birth, who will be responsible for his basic needs? I am fearful that this infant's basic needs will be denied, and not his parent's. In that context, A-4703 is cruel, punitive, and potentially devastating for innocent children. I urge the members of your Committee to oppose this particular piece of legislation.

Thank you for the opportunity to comment on this legislation. I hope they are helpful to you as you consider your reforms and improvements to the welfare system.

Thank you. Very truly yours, Thomas J. D'Alessio,  
Essex County Executive.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much.

May we have Martha Davis, Esq., the staff attorney for the NOW Legal Defense and Education Fund?

M A R T H A D A V I S, ESQ.: Yes. I've got written testimony. Shall I hand it up to you?

ASSEMBLYMAN OTLOWSKI: May we have the copies, please?

MS. DAVIS: Good afternoon, members of the Committee and Assemblyman Bryant.

ASSEMBLYMAN OTLOWSKI: Wait. Excuse me. Would you just hold it? You know-- Could I ask you to try to summarize this as much as you possibly can since we have the written copy?

MS. DAVIS: That's my intention, sir.

ASSEMBLYMAN OTLOWSKI: Would you, please?

MS. DAVIS: Yes. Absolutely. I intend to keep this brief. As you'll see from the title of my written testimony, I'm commenting on only two of the bills.

My name is Martha Davis. I'm a staff attorney at the NOW Legal Defense and Education Fund. The NOW Legal Defense and Education Fund is a legal advocacy and litigation group that focuses on womens' rights. We were founded by the members of the National Organization of Women more than 20 years ago.

We have two principal objections to the bills that are under consideration today. First, we oppose Bill No. A-4703, which would limit benefits when a family on AFDC has an additional child.

In addition, we're concerned about the possibility that A-4704 represents a differential earned income disregard for individuals who are married, as opposed to individuals who remain unmarried while on AFDC, and we're very much in favor of having earned income disregards available on an equitable basis to everyone, not AFDC.

As other speakers before me have indicated, we, too, agree with the underlying goals of Assemblyman Bryant's proposal. Certainly AFDC recipients who marry shouldn't be penalized for that decision. Certainly educational and training opportunities should be enhanced for AFDC recipients. Neither should those who do not marry, for whatever reason, be penalized. We were active -- my organization and me, personally -- in Wisconsin in opposing a similar measure on which, I understand, Assemblyman Bryant's proposals were modeled.

ASSEMBLYMAN BRYANT: That's not true. I don't want that to be a misconception. That was not true.

MS. DAVIS: Okay. I'm drawing that from the press, so that's where I got that misconception.

At any rate, those proposals were identical in large measure with the proposals submitted by Assemblyman Bryant. The major difference was that the Wisconsin proposal was limited, capping benefits to AFDC families who's limited to teen mothers and not to all AFDC mothers. I'm happy to report

that the measures introduced in Wisconsin were defeated by the Joint Finance Committee, were never introduced in the legislature, and the Governor's efforts to reintroduce those measures have failed.

Even more than Wisconsin, as I'm sure I don't have to tell you, New Jersey has a strong tradition of protecting individual rights. One of the first states-- New Jersey was one of the first states to recognize privacy rights with the case of Right to Choose v. Byrne, which is a case that's been a model for litigation in other states. More recently, New Jersey's reassessment of the standard of need has been a model for other states, particularly in New York -- which is where our organization is based -- which is trying to replicate some of the success that you all had in assembling individuals to reassess the standard of need.

Bill No. A-4703 bucks this tradition, as well as common sense and authoritative research, on the relationship between benefit levels and behavior. My written testimony sets out the illegality of the proposal. It's explicitly gender specific which, we think, renders it unconstitutional on its face. Even if the legislation was amended to make it not gender specific-- Right now the legislation applies only to families that include a mother, and so long as that's the case, I think we would argue that it's gender specific and violates the equal protection clause.

Even if that drafting difficulty was modified, we believe that this is an impermissible attempt to intrude on the private life-style choices of poor women. It makes irrational distinctions between families on AFDC, based on their size at the time that they began the program, and based on the marital status of parents which, of course, the children in the AFDC family have no control over.

Also, my written testimony points out the authoritative research that indicates that, even aside from the

legal question, this type of program is not designed to further the goals that Assemblyman Bryant is rightly concerned about. This is not a radical conclusion. The authorities have included William Julius Wilson of the University of Chicago, David Elwood of Harvard University Kennedy School, and the Congressional Budget Office, all of which have concluded that attempts to limit benefits as a means to encourage AFDC to have smaller family size have not worked, and better ideas to address that issue are to increase education and work training opportunities which are, of course, included in other portions of Assemblyman Bryant's bill. In addition, increased benefits are a way to encourage people to limit family size.

I should add that certainly when one considers that New Jersey's benefits are currently set at about 40% of the standard of need, the idea that incremental increases based on additional children are rewards or incentives is, I'd have to say, patently, are clearly not the case, and this is what distinguishes these proposals from the problems faced by middle-class families when they have additional children. Benefits in New Jersey are set at a very subsistence level, and individuals whose benefits are limited in the way that Assemblyman Bryant proposed will be faced with benefits lower than the subsistence level at which they're set now, which is a very different scenario than what a middle-class family faces.

In sum, I urge this Committee to follow the lead of the Joint Finance Committee in Wisconsin, which recognized the illegality and the punitive nature of the proposal, such as A-4703; struck them from that state's welfare reform legislation. And I'd also urge the Committee to consider the issue of the differential earned income disregards based on marital status.

ASSEMBLYMAN OTLOWSKI: Wait a minute. Excuse me. I just want to say this to you: First of all, the legal arguments that you're offering here obviously -- and the

Majority Leader will speak for himself in just a moment -- but the legal arguments that you're offering here-- I'm sure that the sponsor gave them great consideration so that they would fall within under the umbrella of the protection of the Constitution. But let him speak for himself. In the meantime, the Assemblyman has some questions that he wants to ask you.

ASSEMBLYMAN BRYANT: As one compares this to-- You're comparing it to Michigan -- I think it's to Michigan or Wisconsin. My recollection from Wisconsin -- major difference. It's clear to me that everybody that speaks against it doesn't focus on it. I give people opportunity to work; to add to what they don't have, and keep it. Wisconsin didn't do that. So therefore, when folks say it's a denial of benefits -- no, I just came up with another way that folks could be responsible like the rest of us. I often wonder why no one focuses on that point, that we have given folks an opportunity to be, if you want to call it -- do like other folks do -- work for their kids, and that's a major distinction, than of cutting off of benefits.

MS. DAVIS: I agree.

ASSEMBLYMAN BRYANT: Secondly, I want to ask another question:

All those who oppose social welfare reform, I want to know what you believe responsibility has to do with an ability of a person to be part of any program, and where do you put responsibility as part of a person's growth in terms of becoming mainstreamed into our society, and how do you do that?

MS. DAVIS: Okay. You're right that a distinction between the New Jersey and the Wisconsin proposals is the additional opportunity to work and retain benefits. I would be more sanguine about that proposal if it looked to me as if the additional opportunity to earn benefits was comparable for a family that fell into the A-4703 category to the earned income disregards available to married families. And my reading of the bill indicates that while a single--

ASSEMBLYMAN BRYANT: Let me explain the earned disregard: Earned disregard really set up a stepfather or stepmother. It's not a disregard which is parallel to the legal system in which you represent -- where a stepparent walks into a family. They are not assuming to take everybody-- And if you looked at the bill closely, it takes the wife or the husband, whoever the earned income disregard is, off of the system and allows the system to pay for children, which basically our system of jurisprudence does today. So, that earned disregard only deals with a stepparent. Okay? So I mean, and it's clear-- And jurisprudence today deals with earned disregards with stepparents.

MS. DAVIS: Right. My concern is that single women who fall within the A-4703 category are given the opportunity to only earn 25% of their monthly benefits package -- I'm sorry -- yes, that's right, 25% of their monthly income benefits package -- which does not match the earning opportunities that are given under your bill to, for example, individuals covered in A-4704. And we think that those earning opportunities should be equal across-the-board, based on family size and not based on the marital status, the composition of the family--

ASSEMBLYMAN BRYANT: What I'm trying to tell you is, you're dealing with two different problems. You're dealing with one problem where you're talking about a stepparent whose children-- They're not his or her natural children, and we make those distinctions all the time in the law. You also mention that to make a distinction with marriage-- We do that presently within our governmental system, in our income taxes. I mean, what I have problems with is, people come in-- And like, this is unique in terms of making distinctions of whether you're married or not married, whether you treat stepparents with children different. And what I'm saying is: I think the social welfare system has to come to the plate evenly, and talk about how our system with jurisprudence and other systems work today within the broad-based society.

And, what's contained in this package is not different. I mean, I don't consider it such creative-- I've taken models that we've done for the rest of society. Income tax deals with marriage -- we treat the difference -- so it is an acceptable principle in our society. Our jurisprudence system deals with stepparents and not making them responsible for their nonnatural children -- right from the jurisprudence system; not something unusual -- and all I did was apply it to folks who happen to be impoverished.

MS. DAVIS: Sir, I'd have to take exception to that. I think that the justice system does make a distinction when you're dealing with benefits -- subsistence benefits made available to welfare recipients. And in that area the government is very concerned about the influence that those benefits can have on individual choices and life-styles. And I think if you look back on the cases, you know, certainly Goldberg v. Kelly--

ASSEMBLYMAN BRYANT: Let me ask you a question: In stepparents, does the court take in consideration for the support of that child a new father's or mother's -- whoever the stepparent is -- income for the support of the child based on the natural child?

MS. DAVIS: Right. I think that you're--

ASSEMBLYMAN BRYANT: Does it do it?

MS. DAVIS: No, I think that you're--

ASSEMBLYMAN BRYANT: Does it do it now?

MS. DAVIS: No, I think that your bill is--

ASSEMBLYMAN BRYANT: And that's exactly what that bill does. That's all it does.

MS. DAVIS: Right. I understand that. And what I'm saying is, though--

ASSEMBLYMAN BRYANT: So that's why it's a distinction; it is a distinction only in that area.

MS. DAVIS: Right. Well, I think that I've made my point that we're concerned about whether or not that opportunity to earn additional income goes across-the-boards and applies to individuals who are single parents, the heads of household, as well as married parent heads of household. That's my concern, and perhaps that doesn't exactly cross issue with the bill that you proposed, but it is a concern that we've got, and I urge the Committee to take a look and make sure that there isn't inadvertent discrimination against single-parent households.

ASSEMBLYMAN BRYANT: We discriminate in the United States today on our income tax system -- and it's acceptable -- from head of household, to married folks, to folks who are stepparents.

I guess what I get frustrated at is, all of our social welfare folks come and say you can't do these things, and we do it all the time. Why aren't we willing to apply those same middle-class, working-class systems, or programs we've already set up that work so beautifully -- or at least we claim they do in America, for everyone else-- Why can't they apply within a system that we develop for those who are trying to get out of poverty?

MS. DAVIS: Right. I think you can't ignore the fact, sir, that people who are on AFDC have very little resources and very little money, and that when you're talking about a middle-class kind of system -- like the income tax system, the--

ASSEMBLYMAN BRYANT: What I get annoyed at is, some folks view the system as a permanent poverty system, and therefore they get their wealth from that system. They don't see it as a transitional system, so they come up with all kinds of rational reasons to stop it from changing. And what I'm saying is, that I defy folks to tell me many of the systems that I have applied are not taken directly from systems that we use in the United States to treat the working class of the

United States. Marriage is one; income tax is that way; head of household is another; how we treat stepparents in our judicial system in terms of their rights or obligations to children which we don't do in our social welfare system, saying, "If you become a stepparent, you must take them completely off the rolls." That is an enigma to our social system. Why should it not be an enigma to our poverty system?

MS. DAVIS: Right. I think we, sir, in answer to your second question about responsibility-- As I indicated, we are very supportive of the educational and job training opportunities that you have suggested in your bill, and we view that as a way to increase responsibility and participation in the life of the community, and believe that that's the route this Committee should pursue as opposed to punitive financial incentives or disincentives as part of the subsistence welfare benefits.

ASSEMBLYMAN BRYANT: If I enlarge-- If I enlarge the ability of people to earn money-- In 4703, if I enlarge the ability of people to earn money, would you agree?

MS. DAVIS: No, sir, we wouldn't. I think that our concern is that--

ASSEMBLYMAN BRYANT: You told me that was a concern versus the person who was the stepparent, that they could earn more money. So I'm saying, if I enlarge the opportunities -- instead of being 25%, let's say we make it 75% of what you make, is that--

MS. DAVIS: Right. I'm sorry. I would certainly agree that that's a piece of our concern, but we would remain concerned about cutting off benefits when there's no--

ASSEMBLYMAN BRYANT: I'm not cutting off, because you don't have the benefit to start with. You don't have that benefit.

MS. DAVIS: How about refusing additional benefits for children born during the course of the family being on

welfare? I mean -- in part because of the other legal issues that I raised -- it still creates an illegal distinction between those children whose mother is able to go out and work and earn that 75%, and those children whose mother is not able to do that.

ASSEMBLYMAN BRYANT: Through you, Mr. Chairman, let me ask one other question: Is there a legal entitlement to welfare, constitutionally?

MS. DAVIS: I'm sorry. Pardon?

ASSEMBLYMAN BRYANT: Is there a legal entitlement to welfare, constitutionally?

MS. DAVIS: Well, it's been much litigated and I don't know what New Jersey State law is under that, and there may well be an argument.

ASSEMBLYMAN BRYANT: Or, Federal law. Federal law-- Is there a constitutional right to welfare?

MS. DAVIS: No, under Federal law there's not a constitutional right to welfare. Now, I think what states have--

ASSEMBLYMAN BRYANT: We need to start with the premise that there's not a constitutional right to it. So therefore, you have a lot of latitude and longitude as to how you develop the system. All I'm asking is that as people condemn -- and I have no problem with people condemning-- I want them to compare to their own life-style and end up figuring out a way that you allow folks to do some of the same decision empowerment decisions you make. If you decide to have another child, nobody decides for you whether you get something or not; whether you have to work more. You don't have to work more, whether you have a day-care center, you don't have a day care center; whether you have a place to put that child, or not. And I start to question why, when it gets to impoverished folks, we have to, in government, make all those decisions for them? Why can't they be empowered to do that?

MS. DAVIS: I think what we're talking about is subsistence benefits, and these are not people who have a lot of choices. If you're getting \$64 a month to feed your child, you don't have a lot of choices. The government is not making decisions for you--

ASSEMBLYMAN BRYANT: You might not have been here. I don't agree. I tell you, I don't think people have children for the \$64. I understand that. I mean, that's not my basis. Let me put it in the most basic terms: If we're talking about paying \$64-- I think the medical issue is an important issue that has been overlooked, and I'm going to take a look at that.

Working at McDonald's that have signs all over Newark and Camden -- and everyplace else -- for 15 hours a week, at the minimum wage today -- 15 hours a month, you get more than you have on welfare. Why is it a problem to tell a person that if you make the mental decision to have a child -- I'm not stopping you from having it; you can have it -- that you might have to go spend 15 hours a week or work within whatever schedules, like you do and I do, and might work at McDonald's while we're also training you or educating you to do whatever you want to do? Why is that such a problem?

MS. DAVIS: Sir, I think that option, of course, to work and earn more money is always available to AFDC recipients, and certainly something that anyone who really wants to better their children's lives would do. And the question is, how do you handle people who are on the subsistence budget, and do you limit their benefits even below what the State has determined to be a fair, basic minimum? And that's what we would argue against. I mean, certainly people can better their lot if they work and they should be--

ASSEMBLYMAN BRYANT: Do you believe people in poverty can handle responsibility?

MS. DAVIS: Pardon?

ASSEMBLYMAN BRYANT: People in poverty can handle responsibility?

MS. DAVIS: Can handle responsibility, of course. But I don't think--

ASSEMBLYMAN BRYANT: And make decisions that are in their best interests?

MS. DAVIS: Sir, I don't think that's the issue here, but, of course, I agree. Of course I agree.

ASSEMBLYMAN BRYANT: I'm asking-- Well, part of what the bills are is about people making informed decisions in their best interest. I mean, what you condemn is-- See, people call it a penalty that you might lose benefits if, in fact, you don't go to school. I don't see it as a penalty. I lose money if I don't go to work. We don't consider it a penalty. We say, "That's the way things are". Why, when it gets to folks who are poor, do we-- I ask the question: Is it the basic tenet that they can't responsibly make that decision for themselves?

MS. DAVIS: Sir, what we're talking about is a basic human rights issue: What level should the State set the minimum standard of need and minimum standard of benefits at? And, should it have the option, you know, based on an individual's behavior -- which they may not control -- or which the State may not really be allowed to look at-- I'm talking about childbirth, whether those sorts of behavior should enable the State to, in effect, decrease their amount of benefits? And we say that, no, that's illegal and unconstitutional, and it's not good policy, either.

ASSEMBLYMAN BRYANT: It's not unconstitutional because it's not a constitutional right to welfare, so we know that.

MS. DAVIS: No, but I'm talking about one thing I'd like to add to that. There isn't a constitutional right to a certain minimum level in welfare, of course not, but there's a constitutional right to equity once welfare is available, and

making the distinctions between children whose parents are able to work and children whose parents, for whatever reason, are not able to supplement their income in that way, would, we think, violate the equal protection clause.

So, thank you very much.

ASSEMBLYMAN OTLOWSKI: Thank you, Ms. Davis. Thank you very much. May we hear from Cecilia Zalkind, please?

C E C I L I A Z A L K I N D: Thank you, Assemblyman Otlowksi, Assemblyman Bryant. I represent the Association for Children of New Jersey, which is a Newark-based, statewide child advocacy organization. I thank you for the opportunity to comment on this package of bills. My comments today are oral, but I will submit our written testimony to the Committee, and also to you, Assemblyman Bryant. We appreciate your request for us to comment on the legislation, and we will follow up in more detail.

Let me begin by saying that ACNJ very strongly supports some of the policy direction in this package of bills. Especially noteworthy and receiving our strong support, is the emphasis on family throughout this package of bills. We feel that the provisions which talk about keeping the father in the home by not reducing AFDC eligibility if parents live together, is very important and something that has been an issue of concern to us for a long time.

Second, continuing eligibility for children even when the mother remarries, so long as the family income is below 150% of the poverty level, is also very positive and we strongly support it. We also feel that the whole family development initiative focuses welfare reform in a different way. It looks at the whole family and the needs of the family. We think that is very important, and strongly support it.

We also feel that the family development initiative places very important emphasis on individual needs and, rather

than setting an outside standard of what a person has to achieve to be ready for work, your bill really stresses assessing the individual, the individual's needs, and what services will get him ready for the job market. We think that is very important. And also, the written individual plan that the client negotiates with the caseworker is very important in terms of the education, job training, and employment.

We also feel that there is a very important emphasis on comprehensive services. The bills that look at a planning entity create the hot line. The family resource centers, we think, are excellent provisions to look at the needs of families living in poverty in a comprehensive way.

We also feel that this comprehensive look at services really emphasizes that what you are looking for is enabling people to achieve self-sufficiency, not enabling them merely to get off AFDC, which was our concern with the REACH program when it was first initiated.

We also strongly support the elimination of financial disincentives to work, the expansion of the earned income, disregard the allowance of full AFDC benefits for intact families who work but earn less than the AFDC eligibility levels-- We think these are very, very positive provisions of this package and strongly support them.

We are, however, concerned about some of the implementation pieces. This is the "but." We have some concern that the bill lays out a really excellent policy framework, but falls a little short on implementation. Although we realize full implementation is really for the regulatory process, we would like to see some issues addressed in the bill, at least to give some direction not only to the Department of Human Services, but to the other departments of the State that are needed to be involved in this program.

One, we think there is a need to address critical service development needs. Jobs are not out there in all

communities. Job development is going to be a key development of this proposal. We would like to see some language that puts some responsibility on both the public and private sectors to develop the needed jobs.

Two, we are very concerned about education remediation. In Essex County, when an assessment was done of who would participate in the REACH program, the original assessment done by the Department of Citizen Services indicated that the average client participating in REACH was reading on a fourth grade level, tremendous educational deficits that have to be addressed in remediation. We would like to see some responsibility put on the Department of Education to work within this. There are many gaps between departments. We feel it is very critical that the bill talk not only -- or the package of bills talk not only about the Department of Human Services, but also the Department of Community Affairs, Department of Education, Department of Health, because they are all going to have some involvement.

Now I know in the planning pieces these Departments are addressed, but I think there needs to be some stronger language around the implementation pieces of this. I would certainly be glad to comment on this in more detail later.

We are also concerned that the only financial resources available to the plan are through REACH funding. I have to say up front that ACNJ has not been a strong fan of the REACH program. We were pretty vocal critics of REACH when it was being considered by the Legislature and the Department, and have pushed, through the budget and appropriation process, for an evaluation of REACH.

We are very concerned that the family development initiative will replace -- dismantle REACH without looking at some assessment of what has worked for REACH and what hasn't. This has been a very costly proposition for New Jersey. We would like to see something in this bill -- this package of

bills that says, "Let's take a look at what has worked about REACH and build on some of the successes. Let's look at what has been a problem and try and address that before we replace one system with another."

Our concern is that this looks like replacement of REACH by the family development initiative. We are concerned that the administrative costs will be great unless we take a look at some of the prior history of REACH. We have invested a lot in REACH. Let's see if there is something we can salvage out of it.

Our broader concern involves some of the issues the package does not address which we feel are very important to consider in looking at the root causes of poverty and the continued dependence of families on the AFDC system. ACNJ has advocated for many years for reevaluation of the standard of need. We participated in the Standard of Need Advisory Committee, and we also joined with many other organizations to advocate for an AFDC grant increase. I don't think it is possible to do meaningful welfare reform without taking a look at the inadequacy of the grant levels in our State. Families cannot function on the AFDC grant levels that we offer in New Jersey, and we would really want this to be a part of this package as well.

Second, the issue of homelessness and affordable housing is a very important one, and it varies from county to county. If you look at Essex County -- and I am sure it is no different in Camden or the other urban counties -- affordable housing is not out there for families. Part of adjusting the standard of need, adjusting the AFDC grant level is looking at helping families afford to live. Housing is not affordable in this area. Perhaps there is a way to look at a rent subsidy program -- a meaningful rent subsidy program -- or some part of this package that also addresses housing and homelessness.

Lack of jobs, especially in these troubled economic times, is serious. The affordability, availability, accessibility of child care will be a critical element of any welfare plan. We need to take a look at what kind of child care is available for families who are going to participate in this welfare reform initiative. This was a critical element of REACH that we felt, and feel fell short.

We also are concerned about some health issues, the impact of substance abuse, for example. There is not much language in these bills talking about rehabilitative services for families who are going to need that kind of help before they can participate in education, job training, and employment.

We feel very strongly that we will never have meaningful, effective, and successful welfare reform until these issues are addressed as well.

I have to say that I agree with some of the prior speakers. The one part of the bill that we are totally opposed to is the bill that would deny benefits to additional children. As a child advocacy organization, we are very concerned about a bill that would serve to penalize children. In our view, they are the real clients of the AFDC program, and we feel that this raises some serious issues around Federal law.

In closing, we would like to commend you, because I think some of the policy directions in terms of family support are very exciting and very innovative, and we would like to continue to support those. We would also like to say, "Slow down a bit." This is an enormous-- REACH is an enormous system to replace. The welfare system itself needs some looking at in terms of its structure, administration, and accountability. We would like to see the implementation slow down a bit. Take a look at what has worked for REACH and what hasn't. Do some assessment if this bill complies with the requirements of the Federal Family Support Act. We think the implementation is the most critical element of this package, and would like to see some more direction in that area.

I thank you for the opportunity to speak to you this morning, and I will be glad to -- as I said -- follow up in writing with our comments.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much.  
Senator Ronald Rice.

**S E N A T O R R O N A L D L. R I C E:** Good afternoon, Mr. Majority Leader, Assemblypersons, staff. Let me apologize for not being able to get here at 12 as I indicated, but the City Council is at its pre -- actual special meeting to really address some of the ills that surround the issues you are dealing with here today.

I am going to be very brief, because I know that there is still work to be done, the legislation being a part of the process. I would like to take this opportunity, first of all, to thank the Committee and the Majority Leader for choosing Newark as the location to hold this public hearing, which I think is very important, but also choosing the Central Ward, and also choosing public housing. There are those of us in the City who think that if, in fact, we are going to have welfare reformation, that African-American-Latino leadership that is selected need to step to the forefront of arguing the case and shaping the legislation. So I want to commend you also, Assemblyman, for that bold step.

I know that I have a couple of bills in the Assembly -- at least in the Senate, and I know that when I talk to political people who look like us -- African-Americans and others -- from cities with problems like ours-- We are so interested in counting the votes sometimes, that we are fearful of doing the right kinds of things for the people we represent. I have oft been told that if I continue to try to push welfare reformation, that the voters in the cities like mine, and cities like yours, are going to throw us out of office. That is not what I hear from those who come to my Council office on a daily basis.

It is very interesting to note that as a Councilperson and an active community leader, I would say that my office is probably as busy as most of my colleagues put together. But the interesting note is that nine out of ten people, regardless of age, and regardless of ethnicity -- although in the City of Newark they are predominantly black and Latinos -- who come into my office, come in and say, "Councilman Rice, Senator Rice, I want a job." My first question is the old routine of getting facts and information: "Well, what do you do now?" "Well, I am on welfare." Now, I find that very interesting, because young adults -- 18, 19, 20 -- middle-aged adults, and older people, come to my office, and I'm telling you, statistically, nine out of ten come in and say, "I want a job." "What are you doing?" "I am on welfare."

That, in itself, tells me -- doing a kind of a raw type polling, something informal -- that the majority of the people in our society, regardless of where they live, particularly in urban distressed communities, want to work -- that are on welfare. Then the problem becomes what? As I continue to drill the people and question individuals, the problem is many of the things that are depicted in your bill, and that is providing for the young people if, in fact, a job is identified.

The other is the amount of dollars the recipient may receive as related to what an industry or an occupation may be paying. What I have found is that once again we can put people to work if there are job opportunities. But what I also get from the community in general, and once again it is not what I read about, it is what I get from meetings -- and I hold a lot of meetings in my ward, and particularly in my district -- is that those who receive welfare benefits don't realize, many times, how much of an asset they are to themselves and how much of an asset they can be to the general community.

What I would like to see on behalf of the people I represent is some reflection in the legislation that, number one, would address the concerns many of my constituents have who are on welfare. They find jobs. Oftentimes they are told that if you work in a fast food restaurant, or if you are a secretary and make the minimum wage, that the job is not honorable; that you are better off on the drug corners. You are better off just continuing on welfare, because what you make on welfare is equivalent sometimes. I disagree with that philosophy, by the way. However, it has become very clear to me that if we can provide for day care and all the things that are necessary for the young mothers, and mothers in general, and the fathers and the families, to address education, keeping kids in school, addressing the hours that they work, because some people have to work midday, in the evenings, and get those things out of the way, I think you will find that many of the jobs that are depicted in our local newspaper and are available, whether it is in a shopping mall as a sales clerk, or what have you, people will go to those jobs.

The other part of those jobs is that the residents and the taxpayers and the constituency I have, have indicated, "I have no problem doing honest work. If honest work means being a computer operator and I can get the skills, or if I have the skills, I will work. If honest work means I have no skills, but am willing to get them, but in the interim you give me a job, whether it is maintenance or something else that may not require a lot of skills, I am willing to take it. But the bottom line is that economically it does not make good sense, because every time I look for a job and find one, the State of New Jersey or the Federal government or somebody, cuts my welfare payments."

So, it is almost like a contradictory statement. What my constituency is saying is what I have been arguing -- and I have legislation in -- that if a person is willing to go on his

or her own volition and happens to find a job, whether it is in the local McDonald's, whether it is in the corporate community doing typing work, whether it is in city government doing maintenance work at a lower pay scale, then doesn't it make good sense to at least let them keep the full welfare benefits they are receiving for a year to go along with what they are going to receive?

I have watched the State economically, and we have people who want to work, but because of the situations and variables I have just described, they won't go to work and accept those jobs because it does not pay in the long run in their minds. It seems to me that those are the kinds of individuals that we are keeping on the welfare rolls year after year after year. From a cost benefits analysis perspective, long term is costing the State -- the taxpayers -- a lot of dollars economically. But the wear and tear psychologically, and from the sociopsychological perspective, is even greater when you factor those variables into the overall cost benefits analysis.

People like to feel good about themselves and like to feel they are accomplishing something. So it seems to me that if a person found a job and was allowed to keep those benefits for a year-- What will happen is, ultimately they may wind up back on the rolls, but what are the circumstances? After six months on the job, you normally get past probation. At the end of the year, there is normally a stipend. But the incomes coming together give a person an opportunity not to stand in line for public housing with 16,000 people ahead of them, waiting to get a subsidy, when they can take the combined income and find some available real estate that may be available to them, and also give them a chance to kind of diminish some of the liabilities and responsibilities they have.

So, we need to look at that arena and factor out, is there a real cost saving? In my mind, across the State there will be.

The other thing is, when I go through the community, people say things for different reasons. Some people worked hard all of their lives, and never asked for help when they needed it. Other folks go for help because they deserve it. They should ask. But when you talk to people about their own notions, you are going to get different things. The feeling of most people is that those who do work, regardless of their income level, are willing to assist their fellow mankind, if you will, their brothers and sisters. The problem is, the dollars we are spending on welfare are enhancing themselves on the negative side. There is this feeling -- and I have legislation, once again, to depict at least the tone of the people I represent, in general-- Certainly it is not the agreement of everybody, because in a just society everybody doesn't agree. But the tone is that if a person is physically healthy and mentally healthy and able to work, there is no problem with assisting them until they can get the skills, if they have them, or get a job, if one is available. There is no problem with assisting.

But, can we at least look at community service time, not to the degree that it is demeaning, not to the degree that it is an eight hours a day job, but oftentimes in the Boys and Girls Club within my ward -- within the Central Ward -- we lack volunteers. Some of the people we are trying to assist, and we are trying to give subsidies to, if they could give us two or three hours a day, because we mandate that they get assigned, say, to the Boys and Girls Club-- With some mothers, the infants are too young for them to go out and seek employment. But there are other families whose youngsters are large enough for them to seek employment, but they cannot find enough day care.

It seems to us, some of us-- Our philosophy of thinking is that if, in fact, we were to have those parents and individuals who are evaluated and are capable to volunteer some

time in a day care center, we could probably open more facilities at least cost. It seems to me that we need to be talking to the ministers within our communities where we know we have church space, to see how we can legally identify a system -- a church -- in that particular area and convert that space, if you will, to day-care facilities for the youth that we can funnel in, and for some of the recipients until we can get them trained.

The other loss to us as a State and as a community are those individuals who, for whatever reason, have been laid off, or can't find employment, or their unemployment benefits have run out and they wind up on the welfare rolls. A lot of those individuals have some very unique skills. Some of them are teachers; some of them are carpenters; some of them are plumbers; some are typists. They come from all walks of life. There are some who never work. The ones who have never worked cannot put together a resume. What community service would do, in the right environment, would be to give that individual with no ability to put together a resume an opportunity to say, "Yes, I'll work," although we know it is kind of a community service type. But, they are working. They are working doing some typing. The ones with the skills can share in that same location or entity the skills they have until they can find employment. So now you have an education component that kind of grows within itself and self-perpetuates itself.

The concern we have also is that we feel, from an economic perspective, that the majority of the people who receive subsidies -- as I have indicated before -- prefer work; prefer doing something else; want skills. But then there is a small segment of our community -- whether we like it or not, it is the real world -- that receives subsidies because they don't have employment or skills. In the small segment, many, many are young people who have nothing but idle time. It is the idle time, in some cases, that allows us to stand around the

street corners and just kind of shoot the breeze. I am not even talking about the criminal aspects. That is a whole different story with individuals, regardless of their status. But there are some who have nothing to do but hide in the house or stand around. We buy a bag of potato chips, we buy a cup of coffee and, while we are shooting the breeze, the coffee cup, the potato chip bag, and the newspaper wind up on the ground.

Well what happens is, the residents and taxpayers and the community in general complain about how filthy our communities are, or the way our brooms come through. What happens also is that we have to identify, in sanitation, how to attack that need. Oftentimes, the only way we can address that need is to increase the taxes, hire additional people to go and clean up. That probably could be eliminated if, in fact, we could find some positive things for people to do. Now, I am not talking about people doing community service sweeping up the streets. I am saying that if a person was working in a facility here two or three hours a day, some of that could be abated.

So, there is another piece, I believe, that needs to be looked at with this legislation, with legislation to follow. It is the sentiment of a lot of people. I think if we were to poll in some kind of way, you would see that the majority, particularly in the urban communities, agree. I think that in any work we find, there needs to be an education component, to let people know that all work that is honest work is honorable work. I think that is the attitude.

The final thing I want to say in closing is, we are working from here to here. That is very important, because the problems facing us today have to be addressed today. But we also have to think long term. The notion of providing some type of impetus to do something for the assistance and help you are receiving plays down here. If young people grew up knowing that we wouldn't have a "welfare system" in the future, but we

had a self-help system and we called it work or something else -- that when you get to a certain position in life and a certain age, you are going to have dollars coming in, either through the State, which we know to be welfare today, or you are going to find employment-- At least that youngster is mentally conditioned to know that at a certain age he is going to "work," even though under this system it is welfare if we allow them to do something.

What that means is that-- The feeling is that if you tell a youngster today, "I will give you \$5 to kind of sit over here and get out of my way while I move this podium to that stage, but I will give you \$10 to move the podium," they will probably say, "Well, move the podium, \$5." Do nothing. "Give me the five." If you tell a youngster, "I will give you \$5 to move the podium to the stage, but I will give you \$10 to move it from here to the wall," he will say, "Well, if I have to move it anyway, I might as well move it to the wall and pick up \$10." There is this notion that if a young person grows up knowing that everybody works, regardless of how they work, or what we call it -- whether they work for the State, because we give the subsidy, or in a community type program until we can find something more permanent, or go someplace else and work -- more than likely-- The law of probability says that the likelihood of one looking for the more permanent position, the more full-time position, with probably a higher income, is going to occur. That is long-term planning, and something we devaluate.

I want to thank you once again on behalf of the community I represent -- the City of Newark -- and my Council members, who could not be here, and the Mayor, and also on behalf of Senator Lipman, whose district you happen to be in. They didn't give all of it to me.

Thank you very much for hearing me.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much, Senator. We appreciate your coming. (applause)

What we are going to do now-- There is a part of your anatomy that needs a break. We are going to take an eight-minute recess.

(RECESS)

AFTER RECESS:

ASSEMBLYMAN OTLOWSKI: Can we come to order, please? Can we come to order? It is getting into the afternoon. I just want to remind you that the more we get into the afternoon, the hotter and hotter it is going to get in here. I would like to wrap this up within a reasonable amount of time.

We are going to call on Guida West. Is she here?

UNIDENTIFIED SPEAKER FROM AUDIENCE: She left.

ASSEMBLYMAN OTLOWSKI: She's here?

UNIDENTIFIED SPEAKER FROM AUDIENCE: She already left.

ASSEMBLYMAN OTLOWSKI: She left. All right. Can we call on Carol Kasabach? Carol, can you arrange those microphones so that you speak into them?

C A R O L K A S A B A C H: Yes, but let me give you these first. (hands copies of written statement to Committee) In church, they give me a little box to stand on. Okay?

ASSEMBLYMAN OTLOWSKI: Which is the mike, the center one?

MR. PRICE: The black one--

MS. KASABACH: The black microphone. Okay.

Thank you for giving me the opportunity to speak. My name is Carol Kasabach, Director of the Lutheran Office of Governmental Ministry in New Jersey. This is an office established in 1985 to advocate justice for the poor and the powerless. Welfare reform has been a critical issue for the Lutheran Office Policy Board and the Evangelical Lutheran

Church in America. The New Jersey Synod of the ELCA, in fact, was amicus in the Standard of Need case before the New Jersey Supreme Court.

Just last night I was in Camden -- because I am a member of the Camden Lutheran Housing Corporation -- talking after the meeting with one of our pastors about this package of bills, along with the affordable housing bond issue and other things. I always find it so exciting when I do go into Camden, because I know a lot of folks don't want to go there. But I see a vitality there that I think you, Assemblyman Bryant, expressed in some of the words in your introduction today; that you see people who are bright, intelligent, and creative. We have to tap into that energy and release that energy.

I am excited every time I go to Camden. I know they are working hard. I know there are a lot of obstacles, and I know they are going to do it. A couple of weeks ago, I was there when they opened up 401 State Street and opened up two co-ops. Wonderful, wonderful in that community, and Lawyers' Row may again be something to be proud of.

I have been looking at the welfare reform system for quite a while, fortunately never having been personally involved in it. When REACH was being debated in New Jersey, the New Jersey Council of Churches facilitated a working group to study the different aspects of the program. I was a part of that group. This piece that is attached to your work there is a product of that work: "Escape Route From Poverty? or New Peril for the Poor?"

Also attached is something called: "Guiding Principles in Social Welfare Reform," prepared by the Lutheran Consultation on Welfare Reform, held in 1987. This came about through a series of six hearings held around the country, called, "More Than Charity," talking with people who are welfare recipients, service providers, advocates, people really concerned about the system.

Then a group of people got together in Washington, in '87, welfare recipients, those people wanting to make -- not a welfare system, but a system that would make it possible for people to reach self-sufficiency. I really commend to you these two documents because they are still valid today, I'm afraid, as they were in 1987. They raise a lot of the questions and concerns that the Lutheran Policy Board raised when they met on June 3 to look at these bills.

What I did was, I went bill by bill, page by page, line by line, and mentioned concerns and questions, and went on through there. I would be happy to answer any questions as we go on.

Right in the beginning, A-4700 is an act concerning family development. I know I will be reiterating what some of the previous persons before me said, but has there been a systematic evaluation of REACH: What has worked, and what has not worked?

Please don't take those questions lightly. They are very, very important. I talk to people, and it is only anecdotal stuff I hear. Someone from Union County told me that the Home and Health Aides Program was working really well in their county because people were not bouncing back onto welfare. They were receiving enough compensation where they were working, and they had health benefits. They were able to provide their own housing. They were able to provide their own child care. So they were not bouncing back into the system, and that is a critical piece, and that is a successful part of it.

ASSEMBLYMAN OTLOWSKI: Ms. Kasabach--

MS. KASABACH: Yes, sir?

ASSEMBLYMAN OTLOWSKI: --may I make this suggestion?  
We have your written testimony.

MS. KASABACH: Yes, sir.

ASSEMBLYMAN OTLOWSKI: And, of course, you go into it line by line. May I just suggest, for the purpose of this, that you just summarize now the gist of the paper, because we have it before us and we will be able to give it the kind of attention it needs?

MS. KASABACH: Fine.

ASSEMBLYMAN OTLOWSKI: Would you just summarize it, please?

MS. KASABACH: I would be happy to.

The concern in A-4700 is, again: Are the resources available to address all the clients in the AFDC system? You want a program that is going to work. You want people to become self-sufficient. You want them to have hope and dignity. By making this a mandatory program, you are putting an enormous number of people into the system with a limited amount of resources. People do want to work. They do want to become self-sufficient. If this program works, people will see that it works, and they will come and they will volunteer for the program. That is basically the concern I raise in that particular bill.

Also, in looking at the punitive aspects of the bill diminishing the grant levels, these people are under a great deal of stress. They are hungry. There will be more homeless, and abuses can occur as stress mounts.

We talk about resources. I asked questions about the child care voucher: How much is it worth? Will it cover the services that are needed? How long will the services last?

It was mentioned earlier about substance abuse counseling. That is mentioned in this bill, but substance abuse treatment is not, and that may, in fact, be what is an important factor in helping a person before they can get involved in the program.

I think it is quite commendable to include the general assistance clients, but, again, this should be an incentive

program, and not a disincentive program. In speaking about the \$10 million, is that a realistic figure for a mandatory program?

My concern with A-4701 is that, in fact, yes, it is a very good idea, but how much will it cost? I know the Governor's Committee on Children's Services Planning was trying to develop a State clearinghouse for children's services. They were able to do that, but now there is nothing in place to implement that. So let's look at the cost of that, too.

In A-4702, concerning benefits under the program, I ask that you change the terminology from "eligibility standard for benefits," to "the standard of need." Now, you know that the Department of Human Services has established a standard of need at which to survive in this State. The welfare levels are not adequate to really survive in this State.

In A-4703-- When I mentioned this to one of our pastors in Camden last night, he said: "If that particular bill is implemented, the churches again are going to have to pick up the pieces."

Right now, as you are all well aware, a mother with two children on AFDC receives \$424 a month. She and her children cannot live on that for one month, and adding another child penalizes four individuals and gains nothing.

In A-4704-- I will really be reiterating what Senator Rice said, in fact, that when a person does have employment, and that employment is just at the welfare grant level, that is really not enough for that person to survive. I would merely echo what he said, to make it possible for that person to continue to receive the benefits until they are, in fact, able to stand on their feet. That might be at the level of what is considered the standard of need now in New Jersey.

I really applaud the work you have done. I would like to be a part of the continuing dialogue here, and I do want to help bring hope and dignity to those people who are trying to make it on inadequate levels.

I just want to quote what I heard from two different people at the "Time for Concern" conference held in the spring. These were welfare recipients. Here are their two comments: "Don't give us anything, just invest in us." And the other person said, "Open the gate, open the door, I can do the rest." If we develop a realistic program, lots of people can do it.

Thank you.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much. May we have Mr. George Hampton, Vice President, Urban and Community Affairs, University of Medicine and Dentistry of New Jersey. It's good to see you.

G E O R G E H A M P T O N: Thank you. I appreciate this opportunity to be here. I understand you are under some time constraints, so I am going to give you a little benefit: I won't read everything that has been handed out to you. Instead, for the most part, I will try to concentrate more on the recommendations, rather than the total gist of the entire paper that has been provided for you.

My comments will be on all the bills that have been sent to me, namely: A-4700, A-4701, A-4702, etc., etc. You will see them as we go through this.

Again, I am very happy to be here. You should know, before I start, a couple of points about why I took such a significant interest in this subject. First and foremost, Stella Wright is across the street from my former girlfriend's house, who is now my wife of 20 years, so I am very much familiar with this neighborhood. I played basketball in this very room. This area I am very much familiar with and I think it is an appropriate place to have this hearing.

But I think I am an expert when it comes to AFDC and welfare, primarily because I am a former, indeed, welfare recipient. From the time I was 11 to the time I was about 19 or 20, even while at Rutgers University, I was, indeed, on

welfare, so I understand what it is like for many people who are experiencing this system now. My number one concern was, indeed, trying to figure out a way to improve this system. This is, indeed, an opportunity to do that, so I looked forward to it. I had no choice but to participate in this process. My mind would not allow me to do otherwise.

With that in mind, we took the whole bill, everything that was said, and we looked at it. You guys are in for a boring time, but you are going to hear it, this one time at least.

First off, in terms of A-4700, there are a few issues that I thought we might want to try to improve upon. Keep in mind one thing, and I heard it already earlier. You probably have heard it several times thus far, but I think it bears repeating, too. The purpose of this, as I see it, is to help people. It is to be positive; it is to be proactive. This is not to be punitive. As I understand it, the purposes of these bills was not trying to look for those who are the worst, the welfare cheaters and the terrible people, if you will, in that regard, but more so trying to figure out ways to help people who are, indeed, caught up in the system which, in their opinion, is hard to get out of. I think these bills would help get people off of a system that they want to get off, and you have heard this several times spoken before.

Section 5 under A-4700, a. and b.-- These sections state: "A recipient whose youngest child is two years of age or older shall participate in education, vocational assessment," and so forth. My recommendation is as follows: Consider changing the age of the child to one year. Most working mothers return to work, or school, before a newborn is six months old, so one year for an AFDC mother is not unreasonable. Also, AFDC children ages 17 to 21, who aren't in school or college, would benefit from participating in this program.

Section 6 states: "A recipient who, without good cause, fails or refuses to enroll and participate in the program -- shall be subject to a reduction of benefits of at least 20%." My recommendation: Rather than the complete suspension of a monthly grant which would deprive innocent children, consider, instead, decreasing the recipient's grant by 10% for each month they refuse to participate. Once the person begins to participate, the 10% for that given month could be prorated, and the balance for the month could be given to them. For those who participate in the job training programs and subsequent job search activities, a temporary 10% increase in their monthly grant would serve as an incentive to begin and finish the program." It is important to look at ways to provide incentives, I think, in this regard, and that 10% might be a way to do that, and as a stipend to defray personal costs related to the program. As a further incentive for individuals who participate in the vocational development program, a negative income tax could be employed which would either defer or free the payment of State taxes until the participant reaches a determined income threshold. After the tax-deferred threshold has been reached, State taxes would be withheld, at a rate commensurate with income.

Again, we don't want to punish people by joining something new. We need to think of ways to keep it going, to keep the economics in their benefit, and we need to make it economically worthwhile.

Section 7 stipulates that services shall be provided to recipients "according to a family plan which includes a written contract," etc., etc. My recommendation: When undergoing the initial interview in which the family plan is developed, the agency should provide easy to understand written information regarding program requirements, benefits, regulations, expectations, and so forth, in English, Spanish, Portuguese, and Creole. That is a consistent problem with

written literature. There is just never enough written literature, particularly in other languages, for people to understand.

Another section, d., states: "One or more persons per county would be responsible for job development." My recommendation is that that one person per county to handle job development will not be enough. At least four persons per county are needed, especially in highly populated counties like Essex County. I mean, this is the place. I know one person wouldn't hardly be able to handle the job load that would be required.

Developing after school programs for AFDC children ages 12 and over which would teach pride, leadership, and excellence and encourage the pursuit of higher education, could also be included. These children could be given exposure and information on diverse occupations, as well as job preparation skills. The program could be modeled after programs such as ASPIRA, which is highly successful.

Section g. provides for health insurance coverage for welfare recipients through either an employer or the continuation of Medicaid, and so forth and so on. I think this concept is a very good idea, and I am glad to see others taking a look at it. It is very important for recipients or their children, who are in the midst of a particular health treatment regimen, to continue with such treatment and become eligible for Medicaid. It would provide for the continuity of treatment and a smooth transition to the new form of health insurance coverage. It is a very good idea.

Section 9. establishes a program office in each of the three largest counties to serve as a family resource center. My recommendation: Children's after school programs could be included in the Family Resource Center's objectives, and perhaps this Resource Center could include -- and I underline -- personal family finances courses and nutritional services.

Here is one of the things that I have not often seen-- It is not taken up in colleges. It is not taken up in high schools, for that matter, and a majority, in this case, have gone to high schools. But no one ever talks about personal family finances. Now, I will admit to you on the one hand that for a mother of four to have to figure out a way to take that mediocre check and manage it in the course of a year to deal with rent, food, clothing, and a bunch of other things, she has to be good. On the other hand, there might be a few around who aren't so good who could benefit -- seriously benefit -- by getting an understanding of what I call "personal family finances."

One of the fears that I have always had -- and I watched it in my own youth-- Back in those days, the issue was playing numbers. I would see people who would get \$50 a week, spending \$25 a week trying their doggoneist to hit that number to get a little bit more money in their family. But they could just not conceive what was really happening in terms of the probabilities and statistics of actually hitting, and how that \$25 they were using could have had a better use. Nothing could be more important, I think, in terms of teaching people the importance of understanding personal family finances, no matter what level they are in. Of course, if middle-income people can lose on this, you know poverty people really need some help in that regard.

Section 11. talks about the establishment of a planning council in each county, and I argue that the planning council should have at least two -- not just one, but at least two -- AFDC recipients and a representative from the New Jersey Department of Medicaid -- Medical Assistance. Medicaid is the highest cost in the public assistance system. Also, the councils, if at all possible, should be reflective of the ethnic/racial compositions of their respective service areas,

and the AFDC recipients should have their travel and baby-sitting expenses paid so that they can attend these meetings.

Again, if they are having difficulty getting to see their doctors, getting to go to other places, of course they are going to have difficulty getting to go to just another, if you will -- or in their mind, perhaps -- boring meeting. We need to think of ways, particularly economic incentives, to encourage them to participate in those meetings, and there should be more than just the one, I argue.

Section b. states: The planning council "shall develop a program implementation plan." My suggestion is: Municipal governments, school districts, and social service agencies should have input in developing community work experiences. There is a variety of ways. I think if others were given an opportunity to participate, other planning agencies, community-based organizations, civic organizations, perhaps they could be involved in job creation programs for these people.

Section 13.: "The Family Development Initiative will be provided with a health related social, education, and vocational assessment." My recommendation: You may want to change "health related" to a "comprehensive medical" evaluation. The issue here, as you already know, is that there is a variety of problems -- health problems -- affecting these populations. It seems to me that one of the things we should be doing is getting a comprehensive medical evaluation. A comprehensive checkup could be used to detect illness and they should also undergo a regular plan of follow-up.

In the middle of paragraph 3. of the same section, it states: "Anyone who does not perform work which has been assigned -- shall be subject to a deduction in benefits of at least 20%." My recommendation: A temporary 10% reduction of a grant for failure to comply with program rules would urge an

AFDC parent to comply, while still serving the needs of children. Again, we must not be punitive to the child, regardless, if you will, of the parent's actions.

Further on this section: "good cause for failure or refusal is--" One of the good causes is the lack of reasonable means of transportation. My recommendation: Since many AFDC recipients don't have cars, and public transportation is scarce or costly in the State's rural counties, the program must look at this whole issue about transportation. Either we are going to have to supply transportation-- You are going to have to supply transportation subsidies, or vouchers, or something to that effect. It is a major issue. How are you going to get people back and forth?

Section 15: The goal is to transform the present AFDC REACH program, which is a payment system, into an employment and training program. My discussion: I think it is a great idea. This will work because it is a positive incentive, as mentioned earlier, for AFDC recipients to secure employment. Indeed, the goals should be positive, proactive, and supportive of these families; not negative, not reactive, and not punitive. That should not be our purpose, and again, from what I read, I must admit I don't think that is the purpose -- to be punitive.

The other areas and the other sections I will go through very quickly, and you can throw me out of here.

A-4701, section 1. calls for the establishment of a "round-the-clock" toll-free social services hot line. My recommendation: The hot line would be more effective if it were available in other languages -- Spanish, Portuguese, and Creole -- so it may truly serve the multicultural population of the State.

Other subjects which may be included in the hot line are: legal services, emergency shelter, rape and battered

women's counseling, runaway's help line, and how to access health care.

A-4702, section 2.: This bill speaks to the revision of AFDC program regulations for families in which the eligible child's natural parents' earned income does not exceed eligibility guidelines. My recommendation: Often in such systems, families which are truly in need may be denied assistance due to a technicality. There needs to be a special consideration given for certain cases such as these, when a family is, for example, homeless.

Special medical review should also be given in cases of children with handicaps -- physical or mental development disorders -- which require occasional institutionalization or continuous treatment. Often, families with "borderline poverty incomes" lack comprehensive medical coverage, thus such children may not receive proper medical attention. A continuance of the child's medical benefit could be considered. A special income category and/or formula must be utilized to this end. Looking at the child, always think about that medical benefit. Of course, I am giving the health background -- a slight commercial for UMDNJ perhaps. Who knows?

A-4703, section 1.: This eliminates the increment in benefits under the program for which the family would otherwise be eligible as the result of the birth of a child, etc., etc. My recommendation: Women who continually give birth to children while on welfare should be placed in a mandatory planned parenthood program. Also, their teenage sons and daughters need to attend such preventative pregnancy programs. I argue that people just simply need to be exposed to the importance of providing planned parenthood. This is not to say that they should change, but it is to say that they need to really thoroughly understand the issues nonplanned pregnancies have.

Section 2.b.: This section provides for earned income disregards in the computation of a working recipient's monthly grant. My recommendation: Baby-sitting and transportation should be provided for by the AFDC program, and considered an additional disregard. Today, baby-sitting costs range from \$40 per week to perhaps \$100 per week. Most newly employed welfare mothers cannot afford this. A lot of people who aren't on welfare can't afford 100 bucks a week. I can't afford that. The development of latchkey programs and the like could also be considered.

We should note that an applicant receives an initial interview and grant. The agency's legal department should perform an investigative review. This should be repeated annually.

Often, because public assistance grants are meager, a parent in an AFDC household may begin working and earning a decent income and does not report it, and continues to receive the monthly grant as "supplemental income." This is unfair to the taxpayer and even more unfair to other AFDC families who are not working, genuinely need assistance, and should receive a grant which more adequately meets their needs. Monthly grants for new workers, in my opinion, should be decreased gradually, not just abruptly snatched from them the minute a person works. But it should be decreased gradually. In this way, recipients would be less fearful to report their new incomes. On the other hand, those who don't report their incomes should be terminated promptly.

A-4704: This bill aims to preserve family unity by changing the county welfare practice of reducing a family's monthly grant if the father is in the house. This is done even if the father is unemployed and has no income whatsoever. I am glad to see the bill now because this is an excellent alternative bill, because it supports the unity of the family and promotes the development of a nuclear family, which is a vital support system for children.

A-4705: This bill establishes a Council on Community Restoration. I just simply indicate that the Council should be ethnically and racially reflective of the State's population.

Those are my comments. I hope I didn't take too long. I thank you for your time, and I am willing to answer questions, if you have any.

ASSEMBLYMAN BRYANT: I want to say something to him, Assemblyman.

ASSEMBLYMAN OTLOWSKI: The Majority Leader has a question or two.

ASSEMBLYMAN BRYANT: I would just like to thank you for your excellent testimony, as well as your participation in cross sectional government, helping in this -- not only the tenant/management, but the Housing Authority. I understand the University of Medicine and Dentistry has helped us with the microphone system, and we appreciate that. I mean, that is governments coming together to make sure that we could have this public hearing. We appreciate that, Mr. Hampton.

MR. HAMPTON: I was glad to be of help.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much. Thank you.

Can we hear from Ms. Ruby Grace?

R U B Y G R A C E: Good afternoon. My name is Ruby Grace, and I am here today representing the Newark Community Health Center for the clients we represent through the clinics. I am also a former representative, most times, of Welfare Rights, as many of you might know. I am a former welfare recipient for the past four years. I work now. Before when I was recipient, I raised four children, two girls and two boys; two that went to college for five years each. I did that, not because welfare was so good, but because as a mother I was determined to make it and see that my children made it. Yes, I am nervous today, very nervous, more nervous than I was when I was on welfare. When I faced you on welfare, I was not nervous. Now that I work I am nervous. Okay?

My testimony I am going to pass to you when I am finished. I am going to respond to some of the things I heard here today. As a recipient -- a former recipient -- I still work with clients on welfare everyday. I still advocate for them in my spare time.

One of the things-- The hot line, I think, is very good. Welfare Rights pushed it for many years, that there be one hot line and all services would be through that line. I agree that it needs to be in many languages because of the different languages we have throughout the State, but I also think that the persons on those hot lines should be very informative as to the different services on which they are to give information, so that clients will not be misled, so that they will know. That is why they are calling, because they don't have all the answers. Okay? I think one of the other things is that they should be sensitive people who know how to talk to a person on the telephone.

The restoration program you have-- I see where it says, like, some communities type people. Communities does not always mean a person that is directly involved. I think it should be people who are directly involved in the area. See, I live here in Stella Wright. I am concerned about what happens here at Stella Wright. I am concerned about what happens in Newark. If the wrong person is on that committee, information is never filtered down to the small people. I think we should think about a person in that category that would be able to relate to people in their own community, and take their ideas back and say, "This is what is going to be a part," unless I am understanding the legislation wrong. Okay?

One of the other things-- When you said, "If another child is born to a parent on welfare, it will not be included on the grant--" I did not have other children when I was on welfare, but other parents did. Now, with the gag law going into effect where you cannot educate around abortions, what is

going to happen? I know if I had another child after being on welfare, I would be neglecting my other children because I would have to feed that child out of whatever I am given for the other children, because I consider myself as being a good mother, and a good mother has to look out for all of her children. So I would like to see, you know, some thought really being given to that.

The work program, where you say REACH-- You have a program to do away with REACH. To me-- My perception is, I have seen many work programs here in the State of New Jersey, and they all have failed. They have failed because they did not have enough input, and the input was not from the people that used the program. When you set up a program, you've got to know what's best for me, if I am the person to use that program. Otherwise, you know, how can the program be set?

Now, sometimes many of us have to have others to speak for us, like today this gym should be running over with clients on welfare. I talked to them. I did that this week and last week, since I received a letter about the hearing. When I received your appeal asking for comments, I talked to them outside of the buildings. You have to go where they are.

I would like to commend you for bringing this hearing here. That is one of the things that we have fought for, that hearings be brought to the people. They don't always come out because they have fears; they are fearful. They have a fear that if Welfare is sitting here they might be harassed when they go to the Welfare Department, which happens in many cases. You have to be strong enough to fight for what you believe in, and stand up for it. Until people are really educated and feel comfortable in doing that -- and I don't know if that will ever happen -- you are going to have other people speaking for them. But people should talk with the people who use the services, and make sure that this is what they want.

My thought was, when I read the legislation after seeing the Emergency Employment Act that Newark had some time ago, where 8000 welfare recipients registered, but there were no jobs for them-- They were not allowed to get Civil Service jobs. I think, whether being on welfare or not, you are already stigmatized by being on welfare. When I went looking for a job, I was told that I was overqualified. For State jobs, I was told that I was overqualified. I was given a job by a man that came out of the state -- out of Philadelphia. People who know me and have worked with me throughout the years did not give me a job. I know my age had a lot to do with that, you know. I might look 20, but I am a lot older.

When people have age along with the stigma of being on welfare, and they say you are dirty, you are lazy, you are shiftless, and all of that-- They could never stare at me and tell that I was on welfare, because I never looked to be on welfare. You don't have to look like you are on welfare. You are supposed to let people know that you are as intelligent as they are. I never went to college. I got a GED, but I don't think anyone is more smarter than me. Anything anyone else can do, I can do it, too. I even work computers now, and I never worked them before. But, by having the push, watching my children-- I work with them, they work with me. We push each other. But we were trained to do that, because I came from a family that trained that, so your family unit-- I like to see a family unit stand together. It does not always happen, nor is it always possible.

The only way you can let a family unit stay together and really accomplish something, is by giving the kind of income and jobs that will make people self-sufficient so they can come completely off of welfare, not a disregard. A disregard does not lead anywhere. You have to come completely off of welfare and have health benefits. On my job, the benefits are terrible, very bad. On the little jobs, like

security work, there is no health care. I did security. So many jobs do not have health care.

For the first year when a recipient comes off welfare, if they could be given their full benefits for one year, that would give them a chance to be able to get sufficient clothes to wear to work. That would give them an opportunity to be like any other individual; to pay day care on their own. All of these things people would be able to do. But when you first get off welfare it is very hard, because you have borrowed money from people. You owe everybody, and nobody wants to see you, you know, because they feel you are looking for something. But if you had your little income coming in, after a year, with a lot of jobs, you may be able to get your own insurance if the job does not provide it, or maybe there should be legislation to make jobs provide health care, so that people would have it. More people would work. People have really registered to work in this county, but it is just that the jobs are not there. Many people in the REACH program have talked to me. They went through REACH training and still don't have a job.

So why do we give training and training and training, and overtrain people, when it is not leading anywhere? Your concept, I think, is very well-thought-out, but I think you need to put some more into it and really, really put some emphasis on what happens to people with what kinds of jobs, private and public sector jobs. Get those people to make a commitment to give jobs after this training to put recipients into.

Let me say this. I know you want to respond. Instead of taking 5500, or whatever, clients per year, and saying, "Well, we are going to put them in this training program and let them be trained," say, "Well, this year, we are going to start with 100. We are going to send a committee over there, three people. These three people on this committee-- The only

thing they are going to do is work with the private and public sectors to find jobs. We don't mean no bull stuff. When they come out of this training, we want you to have some jobs to put these people in." And put those people in some jobs that lead somewhere.

If you take 100 people off the rolls this year, and they get good jobs and stay off the rolls, then you have gotten somewhere. Then next year you can say, "Well, we'll shoot for 200." You would have some goal in mind. If you've got a program and you put \$20 million in that program, half of it is going for administration. So when administration gets finished getting paid, there is not very much left for the person who is in the program to even get any use from. But if you took a certain goal and said, "Well, these people-- We are going to educate them, train them, and we are going to guarantee them 100 jobs at the end of this program." And at the end of this program they got the child care, they got the job-- You've got these people here that you are accountable to. We are going to be watching, and we are going to make them do what they are supposed to do. They are going to find jobs and put these people into the private sector, and the private sector is going to provide health benefits, and all this good stuff, and then they are going to be supporting us as they come out to testify.

I heard a Councilman out of the North Ward where I work. He spoke on all of these good people up here, how they come from the rolls, and how good they have done. I work in that district, in the project area, where you really, really have people who have nobody to push -- okay? -- nobody to push. Many times you go into a politician's office and nothing happens. They say, "Did you vote? Are you registered to vote?" and if you are not registered to vote, then you are left alone.

I am not saying this to knock anybody. I am saying what is really happening. We are in the real world out here.

We are dealing with real people out here. I, myself, am willing to work with you on reform, and encourage people to work with you on reform. I am sure there are many more people in here, or have been here, who are ready to do that. We don't want to discourage you from coming up with reform, because the present system does not work. It has not worked, and it will never work. But to come up with another system that still is not complete-- You are not going to get perfect reform, but there are some things that I know you are aware of that you can try to make better, and try to push through.

ASSEMBLYMAN BRYANT: Let me say, you probably gave testimony to some of the things that I have put in. My bill doesn't talk about training. It talks about education first, because we understand that you must be educated in order to do the types of jobs that are being developed in our society. So, let's start dealing with the-- What I ask folks to do is deal with the facts. You are not going to survive in our society if you are not educated, in terms of what is happening between now and the year 2000. So I did education for them, not training.

Secondly, I also understand that only 4% of the jobs are ever taken from our Job Training Partnership Act. Why is that? Because the private sector doesn't believe in it. If you look at my bill, the training is done by the private sector, not by the government -- exactly what you just said.

Thirdly, I tell them what they can do is job development. Go find out. Talk to the industry which is developing the jobs, so that you will have real jobs for real people. I used the model that you just testified to, because I understand that that is important to be done, I mean, in order to have real jobs and real opportunities. Let's stop talking about things that we know are not real.

I also think we must consider-- As much and as laudable as I might believe giving a person a total welfare benefit check for a year when they start working is-- It might

be laudable, but I don't think America is ready for that, because we see a lot of other folks who start working every day, and they don't get a check for a year while they start working. I am not saying it might not be a laudable goal. There might be a sliding scale. There might be something in-between that I think can be talked about. But in the real world-- I understand who creates the jobs in this State. Eighty percent of all jobs are created by the private sector, and yet most of our training is government based. I tried to change that in this legislation; make the job training from where the jobs are created, and do what we do well in government, and that is define the jobs helpful to health care, helpful to child care, helpful to transportation in those areas we have especially, and stop promising folks that we are going to train them, when we know nobody buys into the training the way government does.

MS. GRACE: In my testimony, I responded issue by issue to your deal. A lot of things-- I am speaking on the things that I heard here today. We can't turn off what we hear, be it me or be it be you.

One of the other things is, we could sit down and we could write a piece of legislation, but when it gets to the Welfare Department, or whatever person is implementing that program, it is all totally different. Everybody who reads a piece of legislation reads it differently. Okay?

Maybe this wouldn't interest you, but I was on a committee on welfare -- being the only client on there. It was a policy committee where the policy was reviewed and recommendations were made, you know, for this policy to be approved to be used on welfare recipients. Being the only recipient on there, it was kind of hard, with 13 directors of welfare, to make a change. So I had to struggle, fight, and argue -- fighting and arguing back and forth -- to get the point across, you know, what happens when it gets back to the

actual welfare board? See, because you have workers there-- You could have one worker with 400 clients, and they don't feel in a good mood. So when they see your legislation and read your legislation, they are going to read it to fit them.

When I go in to represent a client's welfare rights, you know, I am going in for all it's worth. So if we have something clear -- clear for everybody to understand -- so that when we go to Collingswood, New Jersey we don't have one manual and one piece of legislation, and when we go up to Montclair we've got another piece. See, I am not talking from what I heard. I worked with welfare throughout the country, as a recipient, you know, and evaluating legislation, testifying all over the country, pushing hard, working with clients, the whole thing.

Like I said, I am truly not here today to knock you. I am here to commend you, you know, but to let you know that if you were the kind of person that I heard talk on the television, or if you were the kind of person that I received a letter from-- I felt it was worth coming to let you know what kind of reality is out here, so you can take it back and try to make a change. Asking for welfare to be continued for a year for clients-- I have been asking that at every Joint Appropriations hearing going back 20 years, because for 20 years, that is how long I was out here with Welfare Rights fighting for clients. That has been a long time, every year going to hearings. Not only that, you work with the housing and you see that if you have jobs and nowhere to live, then what still happens, you know. So, it is a whole vicious cycle that got welfare recipients into what they are in, and the reason they are not leading anywhere.

We, as leaders-- When I say "we," I consider myself a leader because I set examples. I feel that we are not leading them in the direction they should be going, and we have to devote some time to that.

ASSEMBLYMAN OTLOWSKI: Ms. Grace, may I make a suggestion? You were very forceful in your presentation. As a matter of fact, I think you made a wonderful contribution. Would you do me a favor? Would you sum up now so that we--

MS. GRACE: I'm finished; I'm finished. I would like to thank the Committee and the public.

ASSEMBLYMAN OTLOWSKI: Thank you very much. Thank you. I really appreciate it.

Now, may we have Bonnie Perry, please? Is she here? (no response) Sylvester Carroll -- Cuyler? Sylvester?

S Y L V E S T E R C U Y L E R: Yes. Good afternoon. I am Sylvester Cuyler. I am with the State Athletic Control Board. I am up here on behalf-- I brought two of my coworkers who would like to testify. Okay? We have Rosalind Nash Caldwell.

R O S A L I N D N A S H C A L D W E L L: Hi. My name is Rosalind Nash Caldwell. I am a former recipient of the Mercer County welfare system. I am a little nervous, so I am going to start off by saying--

ASSEMBLYMAN BRYANT: Take your time; take your time. Say it in your own words. That is what we are here for. You know, just give it to us real.

MS. CALDWELL: Okay. One of the things I heard mentioned was about women who have kids after they are on the system. They shouldn't get additional moneys. Well, I think every circumstance is different. You shouldn't characterize, you know, a group of people and say, you know, "This lady is having a baby because she wants more money," because \$63 is not a lot of money to take care of a child.

Also one issue is that, with abortion-- They want to not legalize abortion. When you have women -- poor women -- who are pregnant, where do they go? You tell me: "You are not supposed to have this child. You are not going to get any money." So we have, like, a lot of illegal abortions, dangerous abortions, because they are caught in the middle of the system.

Also one of the issues I heard mentioned is that if a woman gets off assistance-- I was on assistance, and when I went there I had the same myth about welfare; that these women are lazy, that they just sit around and have babies, and live off the taxpayers' money. But when I had to go down to the system, I found it real degrading. They ask you a whole lot of questions. A lot of people gave me advice, told me, "Don't tell them who the father is, because if you do you won't get any money." When I was making that transition, getting off the system, I went through training. They provided day care. I received my full benefits. But after I got a job, they snatched up my Medicaid; they snatched up my food stamps. They took everything away from me.

So, I was left paying a baby-sitter an astronomical amount, which I couldn't afford. After a year of struggling, I turned back to the system. So I think it should be -- I agree -- a sliding scale that may provide you maybe with Medicaid, because I had a job with no medical benefits. I was told, "Well, you make too much -- \$2 too much, and you are not eligible for Medicaid."

So I am with a lot of women who are saying, "Well, it is better if I just live off the system. I don't have to worry about getting up, finding a baby-sitter, dragging her there, bus fare to get to work." It was really hard, so there should be an easier transition when you are getting off the system.

Also, if you have children and you marry someone who is not on assistance, I think that person is not responsible for your children. You should not have to make the choice, "Well, I am not ever going to get married, because I have these kids." The person who is with you, if he doesn't have any benefits, then I think, yeah, you should be eligible for benefits.

ASSEMBLYMAN BRYANT: Thank you very much.

ASSEMBLYMAN OTLOWSKI: Thank you very, very much.  
Thank you.

MS. CALDWELL: All right. You're welcome.

ASSEMBLYMAN OTLOWSKI: Do you have somebody else?  
(Mr. Cuyler's response from audience indiscernible to  
transcriber; no microphone)

May we have Frank Bell?

F R A N K B E L L: Good afternoon. My name is Frank Bell,  
and I am representing Council President Donald Tucker, City of  
Newark. On behalf of Councilman Tucker, I would like to  
welcome you to the City of Newark, and commend you on the  
conduct of this hearing.

ASSEMBLYMAN OTLOWSKI: Do you have written testimony  
there?

MR. BELL: Yes, I do.

ASSEMBLYMAN OTLOWSKI: May we have it? (witness  
complies)

MR. BELL: On behalf of Councilman Tucker, I would  
like to read his comments on your welfare reform bill into the  
record:

"Dear Majority Leader Bryant: I am most appreciative  
of receiving a courtesy copy of your 'Family Development Act,'  
the six-bill package which proposes to make an overhaul of a  
portion of the State of New Jersey's welfare system. As you  
may know, the Newark Municipal Council and a coalition of other  
child welfare organizations have been in the forefront over the  
years strongly advocating for a reformation of the welfare  
system.

"Our major concern has been the establishment of a  
standard of need for the Department of Human Services which  
would be applied to the AFDC and general assistance populations  
of the City of Newark, the County of Essex, and the State of  
New Jersey. We have been successful in obtaining a judgment  
from the New Jersey State Supreme Court mandating the

establishment of a standard of need, but at this time, as you are aware, it has not been funded. The absence of a standard of need and other portions of the existing welfare system has proven to be inadequate and reduces recipients to an existence which is not only detrimental to their children, but to their very well-being, and is often impossible to escape.

"I, too, agree that welfare reform is long overdue. The existing system breeds conditions which perpetuate the cycle of poverty, and is a major factor for such social ills as teenage pregnancy, drug abuse, poor academic achievement, juvenile crime, and the problem of homelessness.

"While the Newark Municipal Council is of the opinion that adequate employment opportunities are the ultimate solution for successful welfare reform, we are also of the opinion that until a client is provided with gainful employment, that she should be afforded sufficient income to meet the standard of need requirements established by the Department of Human Services.

"As the President of the Newark Municipal Council, I fully recognize the need for welfare reform and in general, with duly noted exceptions, am supportive of the concept of the Family Development Act. I am of the opinion that unsubsidized private sector employment is the best program for welfare reform, provided that wages and health benefits are adequate for the client's self-sufficiency and financial independence. I wonder, however, given the admitted shortcomings of the existing REACH program, in terms of job training and employment, how effective the Family Development Act will be in this regard. I further support and endorse full funding for the standard of need and increased grants which the Department of Human Services' welfare clients must have in order to begin to lead a safe and decent life. Therefore, above all else, additional dollars should be appropriated by the New Jersey Legislature to meet the existing minimum standards which

welfare families need for their food, shelter, personal care, transportation, and daily survival.

"I have carefully reviewed the package of bills -- A-4700, A-4701, A-4702, A-4703, A-4704, and A-4705 -- and offer the following statements as constructive comments which I believe will make this a better package."

The Councilman goes on to do an analysis of various segments in the bill. I won't read them all, but I will highlight what I think are some of the important issues:

Under Assembly Bill No. 4700, the Family Development Act, section 6. -- which another gentleman alluded to -- offers the stipulation that clients must make satisfactory academic progress in their vocational or educational classes, or be subject to a reduction of their grants. It is recommended that, despite the proposal for welfare reform, there is no quick fix which will immediately bring about welfare clients' economic and financial independence. Positive reenforcement has proven, over time, to be a much better motivating factor for changing human behavior than penalties and negativism. As such, the client and her family should not be penalized by a reduction, suspension, or termination of benefits for her failure to make satisfactory academic progress in educational or vocational training classes.

Section 7.b. of A-4700 states in part, "Services to be provided under the program shall include, but not be limited to -- community work experience." The recommendation is that the requirement for community work experience is essentially a workfare component. Persons assigned to such work should work the maximum number of hours at least equal to the minimum wage rate.

Section 7.c., under Assembly Bill No. 4700, states: "The program shall be designed to ensure that each participant and member of the participant's family has attained the equivalent of a high school degree, before assigning that

person to a vocational-related activity." The recommendation is that as long as the client and the family member is satisfactorily progressing towards the attainment of a GED, there should be no time limit imposed. Since most GED courses offered during the day are provided at county colleges, vouchers should be available to pay for the cost of child care, course registration, and credits at these facilities.

Section 8 of Assembly Bill No. 4700 refers to "an employable person." The recommendation is that the term "employable person" should be clearly defined within the Act.

Under Assembly Bill No. 4702: This bill enables the natural child of a client to receive AFDC benefits if the client is married, as long as the father's income does not exceed 150% of the poverty level. It is intended to encourage the marriage of the client and the natural child's father to increase family stability.

It is understandable that the State would want to encourage the legal marriage of an eligible parent and the natural child's father. However, in reality there may be a number of cases where the couples may choose not to marry each other, but rather cohabit. So long as both parents are trying to contribute to the support of the child, that child should still be eligible for AFDC benefits within the 150% income guideline, whether or not the natural parents "legally" marry. This allowance will facilitate the economic stability of the two-parent family and may very well encourage legal marriage at a later time. As drafted, the bill penalizes those couples who do not choose to get married.

Under Assembly Bill No. 4703: This controversial bill puts a cap on the amount of benefits an AFDC client can receive, regardless of the family size. This portion of the bill package assumes that AFDC welfare benefits are a sexual stimulant, enticing men and women to make unwanted children. Clearly this is not the case. It is debatable as to whether or

not the benefits cap will actually deter a client from having additional children. It is more likely that increased education about planned parenthood and birth control would be a better deterrent against unwanted children. Thus, these counseling services should be mandated in A-4700. This bill hurts the additional child who, through no fault of its own, is denied needed benefits and medical coverage, and because it is regressive in nature, is not supported.

Assembly Bill No. 4704 allows full AFDC benefits to be paid to families whose incomes do not exceed the eligibility standard, in which both parents are married and reside in the same house without placing restrictions on the employment of either parent. This bill, like A-4702, encourages couples to get married, but penalizes those couples who may choose not to marry but rather live together. The same allowance of income should be provided to live-in couples.

Assembly Bill No. 4705 establishes the Council on Community Restoration to assist the Governor in targeting State resources to support efforts such as neighborhood revitalization. This bill should provide for community service work and/or employment opportunities for AFDC and general assistance recipients.

Thank you very much.

ASSEMBLYMAN OTLOWSKI: Okay, thank you.

As far as the record is concerned here, the hearing is concluded. But, before we conclude, I am sure that Assemblyman Wayne Bryant would want to say something at the conclusion of this hearing. Wayne, you may want to review some of the things that were said. So we will conclude now with Assemblyman Bryant's remarks.

ASSEMBLYMAN BRYANT: Thank you, Mr. Chairman. I think, first of all, I want to thank everybody who came to testify. It is clear, out of this hearing and probably out of subsequent hearings, that we will be adding elements to the

bill. We will be clarifying things that I think a lot of people talked about that were either intended in the bill, or might not be as clearly stated as they should be stated. We will be looking for even additional information. I ask those who have not put down their ideas in writing-- It is helpful also to add a writing.

I want to commend you, Mr. Chairman, for holding the Committee hearing. I want to thank the Housing Authority. I want to thank the tenants' management, because I think it is important -- as the Senator said, and I want to thank him for coming, and Councilman Tucker for his remarks -- that we do bring a lot of these hearings more so to the community and give them an opportunity, because much of what we are talking about-- This is where the action happens.

We want to learn what it is that we learned today. Once we get a transcript from OLS, we will study a lot of the recommendations, a lot of the things that were said, and see if we can't make it more specific.

But let me caution everybody, there is no way we are probably going to write a piece of legislation that has every specific detail. There are some that are going to be left to regulation. But I do agree that we should not leave as much, in terms of at least intent, to regulation, so the intent isn't clear.

Also, someone else -- I don't know whether it was George Hampton or not -- talked about making it in plain language; making sure that we also provide it in different languages, so we make sure that we do touch the populations, whether they be Hispanic, whether they be Portuguese, whether they be Creole, or other commonly known languages. I think those are very instructive things we need to do, so that everybody understands.

So, Mr. Chairman, on behalf of myself as the sponsor, I want to thank you because you have taken your day and your

time to make sure that we get to the public and get as much information as possible.

ASSEMBLYMAN OTLOWSKI: Thank you very much. On that note, I want to point out that the next hearing will be held July 30 at 11:00 a.m. at the State House Annex, in Room 403. Mr. Kelly Ganges, on my left here, has copies of the bills for those of you who may be interested and who may want a copy.

The next hearing will be held July 30 at 11:00 a.m. at the State House Annex. If you know of anybody who feels they still want to testify, they are welcome to come to that hearing.

Yes, ma'am?

MS. KASABACH: Has one been set for Camden, yet?

ASSEMBLYMAN BRYANT: Camden had a hearing held by the Human Services Coalition in May -- around May 23 -- which was at the Office of Economic Opportunity. The Camden County Coalition, which is made up of all our in-services groups, sponsored that public hearing themselves, which I attended.

ASSEMBLYMAN OTLOWSKI: All right. Thank you very-- Ruby?

MS. GRACE: (speaking from audience) Yes. Before you close, I just want my daughter to stand. She is a product of our welfare system. (applause)

ASSEMBLYMAN OTLOWSKI: Ruby, I thought you were going to give her a chance to talk, but you took all the time yourself. (laughter) Thank you, Rudy. (Ms. Grace's final comment indiscernible to transcriber; no microphone)

We stand adjourned.

(HEARING CONCLUDED)

APPENDIX

TESTIMONY BEFORE THE  
ASSEMBLY HEALTH AND HUMAN SERVICES COMMITTEE

BY

MARGARET L. WOODS  
EXECUTIVE DIRECTOR  
INDEPENDENCE HIGH SCHOOL, INC.

JULY 9, 1991

/X

Good day. My name is Margaret Woods. I am the Executive Director of Independence High School, a multi-service agency providing alternative education, mental health and social services to families in the greater Newark area. Independence has first hand knowledge of the problems which confront both adults and children who are receiving public assistance. I would like to thank the Committee for the opportunity to present testimony on Assemblyperson Bryant's proposed legislation.

Frequently when people discuss the welfare system in this country, they talk about welfare as being synonymous with the notion of a culture of poverty. In fact a writer for Forbes magazine, talks about people being married to the welfare system. He believes that the system helps to promote a culture of poverty which encourages people to lay up and collect a welfare check and to take little or no responsibility for their lives or for their families. According to its proponents, this malaise is one of the dominate features of a culture of poverty.

The notion of a culture of poverty is a myth. The problem of people on Aid to Dependent Children (AFDC) or General Assistance is not that they are enmeshed in this negative culture but rather that they are poor. They have no money and the welfare system is not designed to help recipients acquire the skills necessary to obtain the resources they need to survive let alone have a decent quality of life.

Assemblyperson Bryant is to be commended for drafting legislation which attempts to give people on public assistance the tools they require to be self-sufficient. However, even though the proposed legislation is bold there are areas of concern. I would like to address some of these areas.

As written the legislation presumes that women on AFDC indiscriminately have children and that there must be a mechanism which creates a disincentive for having additional children once a woman is on AFDC. First of all, this part of the package of bills (A4703) belies the current national research which says that the average AFDC family is a mother and two (2) children. Furthermore, only five (5) to six (6) percent of all women on AFDC have large families ( 6 or more children). Is it sound public policy to write legislation for those few women who appear to have large numbers of children while on AFDC? Would it not be wiser to draft legislation which is aimed at the majority of public assistance recipients.

Does government have the right to dictate or regulate family size simply because a woman is poor and on public assistance? I do not see any existing or proposed legislation which dictates the family size of middle and upper income individuals. Further there is a serious question as to whether legislatively stipulating that children born to a woman after she is on AFDC violates federal law.

In any event, the proposed legislation (A4703) raises at the very least a moral issue as to whether an unborn child should be penalized for the actions of a parent over whom s/he has absolutely no control. I would argue that since A4703 raises such serious and troublesome issues that it should be dropped from the package of bills.

There is an overall punitive undertone in the package of bills. Hopefully this undertone will be eliminated in the final draft of the legislation. Recipients who ultimately refuse to participate in remedial and/or vocational services "...maybe subject to termination of benefits." This section of A4700 presumes once again that the majority of people on public assistance, women who have dependent children or individual adults, are part of a culture of poverty or welfare culture. As such, they are content to stay on welfare and do not want to improve their lot. The vast majority of recipients with whom I have come into contact during my twenty (20) years in human services want nothing more than to get off of the welfare roles permanently. Again national statistics bears out this statement. Only fifteen (15%) of the AFDC population nationally stay on welfare continuously for long periods of time. Some researchers state that twenty (20) to thirty (30) percent of the total population remain on welfare for protracted periods of times. The average length of stay on AFDC is eighteen (18) months.

One of the major problems confronted by people on public assistance

is that they do not possess the skills which will enable them to get off of and stay off of the roles. I believe that the intent of this legislation is to make it possible for people to get permanently off of public assistance. However, if certain basic issues and/or deficiencies in the current system are not immediately addressed the positive aspects of this legislative package will be lost.

The package of bills takes a very strong pro traditional family stance. It would appear from the language of the proposed legislation that the family is defined as Mom, Dad, Dick, Jane and Spot. While there is absolutely nothing wrong with the nuclear family, it is not the only viable family model. Father does not always know best. Are other family models e.g. single parent, unmarried man and woman or gay and lesbian families to be penalized because they do not mirror this ideal family? Are they not also part of New Jersey? Do we have the right or the expertise to pronounce that they are inherently dysfunctional and not worthy of our respect. Do they not have the right to the same governmental support as the nuclear family as long as they are good parents? Is it not the quality and not the quantity of parenting that is the most important aspect of parenting?

Adequate child care programs for preschool and school aged children must be developed. It is criminal to force a mother or father to work or participate in a state mandated educational or vocational

training program if her or his children are not safely cared for when she or he is absent from the home. Currently in New Jersey there is a scarcity of day care slots for the poor, working poor and middle class. In a state as progressive and affluent as New Jersey (nationally New Jersey ranks second in per capita income) no parent should have to forego employment because she or he can not find or afford safe quality day care for their children. In a state as affluent as New Jersey latch key children should not exist in the numbers that they do.

We should take a lesson from the current Reach program. The most effective Reach program, the one which placed the most women in jobs, is the one run by a nonprofit agency and not by a government bureaucracy. The nonprofit agency is also more cost effective.

Whether the case managers in the Community Development Act programs are staff of a nonprofit agency or government employees, the case managers caseloads must be limited in size. They must be small enough to allow for the intensive, supportive and individualized attention participants are going to need if they are to be successful. The case managers can not simply broker and monitor services. They will have to be a counselor for program participants.

A full array of community based supportive and remedial services must be available to participants and their families.

Assemblyperson Bryant is to be praised for insisting that services must be available to all family members and not only to the person on public assistance. The problems facing many people on welfare are not simply individual problems they are family problems. It will not suffice to help a recipient find employment if her or his children are doing poorly in school, or are having behavior problems or are succumbing to drug or alcohol abuse. If a parent is going to get off of welfare and become self-sufficient then the conditions which hinder this attempt must be recognized and addressed. The entire family and not simply the individual parent must be helped to become strong and healthy.

To ensure that the representation of public assistance recipients is not merely tokenism more, more than one recipient should sit on the proposed county Planning Councils. The recipients are the people who know first hand the strengths and weaknesses of the current system. Theirs is a vital voice and it should not be lost through being out numbered by government or private agency employees.

The proposed package of bills is a bold step. Assemblyman Bryant should be applauded for having the courage to introduce legislation which has the potential of reducing New Jersey's welfare roles by employing those of our fellow citizens whom many believe are unemployable.

Hearing on New Jersey State Assembly Bills Numbers

4700 Family Development Act  
4701 Social Services Information Hotline  
4702-3 AFDC Benefits Act  
4704 AFDC Benefits Act  
4705 Council on Community Restoration Act

July 9, 1991 11:00 a.m. Stella Wright Homes 155 Spruce Street Newark

To: Assemblyman Bryant

From: May Daniels, Ed.D.  
69 C Mountain Avenue  
Springfield, N.J. 07081

201-467-7860

Thank you for this opportunity to share my thoughts with you on the above proposed legislation. I was fortunate enough to see you and others on a recent TV program, either Caucus New Jersey or Rutgers Forum in a discussion of these bills and found out that you would be holding regional hearings.

To give you a little information on where I come from literally and figuratively let me say that I am a native Newarker born right here in the Central Ward. I am a Home Economist retired from college teaching; my doctoral work was in home economics education with a social and behavioral sciences base at Teachers College, Columbia University, Department of Family and Community Education. My dissertation focussed on the problems of early adolescent inner city girls. I have had the belief that if we are to break the cycle of poverty, welfare dependence and denial of self realization then we also need to work with women in their formative years.

Your bills are concerned with the development of adults and for the most part I commend you on the probable far reaching effects of of these bills, if passed and implemented with care and sensitivity to the families living under welfare programs.

The Family Development Act No. 4700 proposes that able adults be ensured a high school degree (diploma?) equivalency as a prerequi-

site to vocational training. I do not think that all people will be capable of achieving this either through lack of motivation or ability to learn what is required. My belief is that there should be an alternate curriculum to develop literacy skills, basic arithmetic, communication skills and an orientation to the world of work. That there will be scholarships available for higher education is going to mean opening up life for those people who can take advantage of college programs, and hopefully insure escape from poverty. I am glad to know that supportive services are built in, as combining academic life with family obligations is not easy. It would be good to include personal and family management skills development in the training program.

The problem of poor attendance and learning will certainly be worked on in the program, but I am sure that there will be some people who really will not be able to cope for a variety of reasons. Again, managing family obligations and career development is difficult. There must be a way to work this through without denying families their AFDC support. Taking money away would make matters worse.

After a time and level of employment families will lose Medicaid benefits which will work a hardship if employers do not provide health insurance. At this time under the Health Care Act employers only need facilitate the buying of health insurance by employees. Individual and family health insurance in the private market is very expensive and would require an unduly large proportion of entry job wages. We can hope that that a health insurance program for small business employees will take care of this problem, but in the meantime a more liberal extension of Medicaid would seem to be the answer.

If carried through this program can only make a difference to people on AFDC and the society as a whole. I only hope that our economy

can turn around fast enough to provide jobs for the trainees who hopefully will have been helped to learn marketable skills.

I look forward not only to the three year report on this initial program but interim progress reports of ongoing evaluation and adjustment.

Bill Number 4703 Revising Benefits under the AFDC Program has an excellent incentive to work feature by giving families receiving AFDC funds additional money for each employed person. However, the bill does contain a punitive measure which would deny support for children born after AFDC eligibility of the family. Withdrawing funds can only hurt the children and families. I further think that this would violate the religious freedom of people whose belief is not to interfere with conception. We can say that this is not the problem of the state, but in the end it is. Additionally what is a woman, a family to do if contraceptive measures fail. If acceptable, abortion is not always a possibility for people with highly limited incomes. I think that conception prevention can be dealt with on a continuous educational level in the training program and supportive services for those who will accept it. It would be excellent if the proposed Comprehensive Social Services Information Hotline under Bill Number 4701 would include referral to family planning services.

Bills Numbers 4704 and 4702 affect AFDC benefits based on marital status. May I first say that loving, committed parenting makes the difference in the rearing of healthy, well adjusted children who will do well for themselves and the society; marital status of their parents may not. Bill 4704 denies fullest benefits to an AFDC eligible family in which the parents are not married and not residing in the same household. This is punitive and denies funds to children who can not control their parents' status. Bill Number 4702

does not deny funds to a child of an AFDC eligible parent married to a person whose children are not eligible, but it does deny benefits to the parent of the eligible child. This could be a disincentive to marriage. Marriage or no marriage, benefits to families should be based on needs standards with incentives for all employed adults for maximum motivation.

The Establishment of the Council on Community Restoration Act Bill Number 4705 seems to be a positive move in the direction of integrative efforts in state government. I do not yet know the ramifications of Title 52 of the revised statutes.

Thank you very much for hearing me. My best wishes to you and I do appreciate your efforts. If I can be of further help please call on me.

May Daniels  
May Daniels, Ed.D.

OFFICE OF THE COUNTY EXECUTIVE  
ESSEX COUNTY

THOMAS J. D'ALESSIO  
COUNTY EXECUTIVE



HALL OF RECORDS  
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July 8, 1991

Hon. George J. Otlowski  
Chairman, Assembly Health and  
Human Services Committee  
State House Annex  
CN 068  
Trenton, New Jersey 08625

Dear Assemblyman Otlowski:

I take this opportunity to comment upon Assemblyman Bryant's series of recent bills designed to improve the State's welfare system. As you are no doubt aware, Essex County has approximately 30,000 Aid to Families with Dependent Children (AFDC) cases (equalling approximately 95,000 individual clients) and 7,500 General Assistance (GA) cases, the largest caseloads in New Jersey.

As a result, whatever changes occur through Assemblyman Bryant's initiatives will have substantial impact on a great number of clients in this jurisdiction. We have a great deal of interest, therefore, in how this legislation is both enacted and implemented. In summary, we support certain aspects of the proposed legislation but cannot support it in its entirety.

At the outset, we want to commend the Assemblyman for attempting to improve a social welfare system which has few defenders—neither the welfare recipients who receive its services, nor the professionals responsible for its operations nor the taxpayers who provide the resources for its existence will argue about the need for substantive and radical reforms. By any account, the current welfare system is extraordinarily bureaucratic, difficult to administer and fails to satisfy its essential objective, i.e. guaranteeing that a client's most basic needs (food, clothing and shelter) are met.

Complex rules and regulations circumscribe practically every decision made by a social worker; client-support objectives conflict with client-control objectives; and, the current monthly grant structure remains inarguably inadequate for a client's basic needs. Genuine welfare reform must, in my view, come to terms with these structural defects.

Three basic changes must be considered as critical elements to any welfare reform initiative: the development of simplified

Hon. George Otlowski  
July 8, 1991  
page 2

rules and regulations which are reasonable and defensible, protecting both the client's and the taxpayer's interests; a monthly grant structure which provides a bona fide 'safety net' for this State's most vulnerable citizens, the 200,000 children who are served by this Program each month; and, a holistic and comprehensive array of client services and supports which lead a client to genuine economic self-sufficiency beyond the ones proposed by Assemblyman Bryant.

Although we welcome Assemblyman Bryant's attempts to reform the current system, they are constrained by two major factors:

- 1) the welfare reform program he offers is essentially the REACH/JOBS program with a different name; whatever was effective under REACH/JOBS would continue to be effective and whatever was problematic with REACH/JOBS would continue to be problematic. For example, although this County was the most vocal and acerbic critic of the REACH Program when it was first conceived, it has provided substantive services to approximately 3,000 clients in Essex and we do not share the Assemblyman's appraisal that the program has failed.

In fact, his program offers the exact same components as the current welfare reform model and we are unable to see where his proposal differs from what exists at the current time. The specific difficulties with REACH (scope and magnitude of available resources; real employment opportunities; daycare opportunities; lack of coordination among various State departments; OMEGA problems; absence of precise goals to measure 'success'; et. al) are not addressed by A-4700.

- 2) The proposed model does not provide adequate resources to effectuate major changes in behavior, perceptions or perspectives for a large number of current welfare recipients. Given that there are in excess of 110,000 adult welfare recipients in New Jersey, how many of these clients will become gainfully employed through the proposed legislation? What are the measureable objectives to be achieved via A-4700? We have learned a great deal from the REACH/JOBS program and we ought not replicate the misconceptions or ambiguities which surrounded that welfare reform effort.

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July 8, 1991  
page 3

The aspects of the Bryant legislation that we do support, however, are as follows:

- 1) Support for family stabilization and preservation is especially notable; his focus on the family as a viable, potentially autonomous unit, merits very strong support (A-4702 and A-4704.)
- 2) Attention to the General Assistance client is long overdue and Assemblyman Bryant is correct in focusing resources and energies to that particular population.
- 3) Development and implementation of a 24-Hour social services hotline is innovative and we support it with an understanding that services will be available to clients who seek the same; an information system that informs clients of a waiting list for services offers no real benefits (A-4706.)

Finally, the most troubling aspect of the entire package is A-4703, the legislation which proposes to deny a family additional benefits when another child is born. The fiction that welfare women have additional children for additional benefits must be dissipated; another child is worth \$60 more per month to a welfare mother, or \$2 per day.

If anything, an additional child places an increasing burden on a welfare family to make ends meet. Stated simply, there is no economic incentive to have more children while receiving public assistance.

In addition to contradicting existing federal legislation regarding benefits to welfare recipients, A-4703 places an especially large burden on the newborn infant. As his family will be denied additional financial assistance for his birth, who will be responsible for his basic needs? I am fearful that this infant's basic needs will be denied, not his parents. In that context, A-4703 is cruel, punitive and potentially devastating for innocent children. I urge the Members of your Committee to oppose this particular piece of legislation.

I thank you for the opportunity to comment on Assemblyman Bryant's proposed legislation. I am hopeful these comments are helpful to you and the Members of your Committee as you consider

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July 8, 1991  
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reforms and improvements to the welfare system. Thank you.

Very truly yours,

Thomas J. D'Alessio  
County Executive

cc: Members, Assembly Health and Human Services Committee  
Hon. Wayne R. Bryant, Assemblyman, 5th District

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Members of the Assembly Committee on Health and Human Services

Hon. Thomas J. Deverin, Vice-Chairman (20th District)

Hon. Harold Colburn (8th District)

Hon. Nicholas R. Felice (40th District)

Hon. Ann Mullen (4th District)

\*\* all mail can be sent to the State House Annex, CN 068,  
Trenton 08625

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Address for Assemblyman Bryant:

Hon. Wayne R. Bryant  
Assemblyman, 5th District  
309 Market Street - Suite 302  
Camden, New Jersey 08102



# Legal Defense and Education Fund

99 HUDSON STREET • NEW YORK, NY 10013 • (212) 925-6635 • FAX: (212) 226-1066

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July 9, 1991

STATEMENT OF THE NOW LEGAL DEFENSE AND EDUCATION FUND  
BEFORE THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE NEW  
JERSEY ASSEMBLY CONCERNING BILL NOS. A4703 AND A4704





# Legal Defense and Education Fund

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July 9, 1991

STATEMENT OF THE NOW LEGAL DEFENSE AND EDUCATION FUND  
BEFORE THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE  
NEW JERSEY ASSEMBLY CONCERNING BILL NOS. A4703 AND A4704

The NOW Legal Defense and Education Fund ("NOW LDEF"), founded in 1970 by leaders of the National Organization for Women, is a nonprofit civil rights organization that performs a broad range of legal and educational services nationally in support of women's efforts to secure equal rights. We are particularly concerned about the civil and constitutional rights of poor women. In particular, we have actively opposed provisions introduced in the Wisconsin State Legislature similar to those now proposed by Assemblyman Wayne R. Bryant in Bill Nos. A4703 and A4704, which would limit the AFDC benefits available to families that have additional children while on AFDC and impose differential income retention rules depending upon the marital status of an AFDC recipient.

While NOW LDEF agrees with efforts to expand work opportunities for AFDC recipients and to eliminate financial penalties associated with marriage, we strongly believe that the "capping" provision of Bill No. A4703 violates the federal requirements for a state plan under AFDC as well as the state and federal constitutions. In addition, we believe that the complex system of earned income disregards proposed by Assemblyman



system of earned income disregards proposed by Assemblyman Bryant, apparently designed to reward those who marry and punish those who do not, should be replaced by a fair and uniform system that allows all AFDC recipients to retain earnings up to the level of the standard of need for their family size.

We are pleased to report that the Wisconsin proposals on which Assemblyman's Bryant's Bill Nos. A4703 and A4704 are modeled were voted down by that State's Joint Finance Committee. We urge this Committee to similarly scrutinize the discriminatory effect of these proposals and to eliminate them from the so-called "welfare reform" package proposed by Assemblyman Bryant.

#### DISCUSSION

##### Bill Nos. A4703 and A4704

Bill No. A4703 provides that an AFDC-recipient family in which the mother gives birth to an additional child during the family's period of eligibility for AFDC (or during a temporary sanction period), would not receive an incremental, need-based increase in benefits -- currently approximately \$64 per child. Regardless of family size, the family's benefits would be "capped" at the level at which benefits were set when the family entered the AFDC program. In lieu of incrementally increased benefits, such a family would be eligible for earned income disregards of up to 25% of the family's monthly public assistance payment.

Bill No. A4704 provides that two-parent families consisting

of an "eligible parent" and a person who is not the parent of one or more of the eligible parent's children, may retain income up to 150% of the state's poverty level. The allowable income of these families appears to be greater than that allowed to single parent families.

#### State and Federal AFDC Law

It is clear that "need" is a fundamental principle governing AFDC benefit levels under both state and federal law and that "need," i.e., the cost of basic necessities, increases with family size. See, e.g., In re Petitions for Rulemaking, N.J.A.C., 117 N.J. 311, 566 A.D.2d 1154 (1989); Boyle v. Riti, 175 N.J. Super. 158, 417 A.2d 1091 (1980). See also 42 U.S.C. § 602(a)(13). In accordance with the emphasis on need as a central factor in determining AFDC eligibility, federal law provides that an otherwise eligible child may not be denied AFDC "because of the conditions of the home in which the child resides" or because the home is considered "unsuitable." 45 C.F.R. § 233.90(b)(1). See Eherenstorfer v. Division of Public Welfare, 196 N.J. Super. 405, 483 A.D.2d 212 (1984) (state must conform its AFDC program to federal statutes and regulations).

Bill No. A4703, which would deny additional benefits to children solely because the mother had a child while on AFDC, clearly violates these state and federal requirements. Rather than calculate benefits based family composition and need, the Bill rests on the illegal premise that a home in which the mother has an additional child while on AFDC is "unsuitable," and would

deny incremental benefits to children of the family on that basis.

B. State and Federal Constitutions

The legislation proposed by Assemblyman Wayne R. Bryant, denominated as the Family Development Act (the "FDA"), would also violate the equal protection and due process clauses of both the state and federal constitutions. In particular, the proposed law violates principles of equal protection and due process by singling out and discriminating against AFDC recipient families that include a "mother" and by impermissibly infringing on the privacy rights of poor women.

First, the FDA discriminates against women in violation of the state and federal equal protection clauses by explicitly limiting benefits to only those families that include a "mother." Bill No. 4703's prohibition on incremental need-based public assistance would apply only to "a recipient family in which the mother gives birth to an additional child during the period of her eligibility for AFDC" (emphasis added). Families that do not include a female parent -- i.e., families headed by single males -- would not be subjected to any such limitation. This differential treatment of female-headed families and other families that include a female parent is unconstitutional, gender-based discrimination. See Califano v. Westcott, 443 U.S. 76 (1979); Califano v. Goldfarb, 430 U.S. 199 (1977); Frontiero v. Richardson, 411 U.S. 677 (1973); Wrightstown v. Medved, 193 N.J. Super. 398, 474 A.D.2d 1077 (1984).

The FDA's differential treatment of families that include a female parent extends beyond capping of benefits to encompass differential earned income disregards. Under Bill No. 4704, while a family in which the mother has had an additional child may earn supplemental income only up to 25% of their public assistance grant set at about 40% of New Jersey's proposed standard of need), certain two-parent families may earn additional amounts to bring their income up to 150% of the standard of need level. Because single, female-headed families with additional children will uniformly fall into the former category and qualify only for a 25% earned income disregard, this provision will clearly have an unconstitutional disparate impact on women.

Second, the FDA would impermissibly infringe on the constitutional right of poor women to make decisions concerning childbirth and marriage free of government interference. See, e.g., Bowen v. Gilliard, 483 U.S. 587, 601-02 (1986); Right to Choose v. Byrne, 91 N.J. 287, 450 A.2d. 925, 935 (N.J. 1982). In contrast to AFDC provisions that have previously been upheld despite their incidental influence on family living arrangements, the FDA is intended to have a "direct effect" on these intimate decisions. As set out in the "Statement" of legislative purpose accompanying Bill No. A4703, "[t]he bill is intended to discourage AFDC recipients from having additional children during the period of their welfare dependence." The Statement accompanying Bill No. A4704 indicates that it is "intended to

encourage marriage and family stability." This use of financial incentives to coerce welfare recipients to marry and to postpone childbearing constitutes an "unconstitutional condition" on an individual's fundamental rights to make such choices unfettered by government interference.

If these provisions are challenged in court, we believe that they will not withstand the heightened scrutiny appropriate in light of the fundamental rights that they implicate. Marriage, family stability and childbirth are areas where government intrusion is impermissible. See generally Mills v. Habluetzel, 456 U.S. 91, 101 n.8 (1982); New Jersey Welfare Rights Organization v. Cahill, 411 U.S. 619, 620 (1973).

Moreover, the means proposed to meet the professed goals of the FDA are neither narrowly tailored nor likely to be effective. Financial incentives cannot prevent "unintended" pregnancies, yet families where such pregnancies occur will be penalized. In addition, the thesis upon which the program is based -- that reducing welfare will affect family structure -- has been effectively disproved by authoritative research. See William Julius Wilson, The Truly Disadvantaged (Chicago, Illinois: University of Chicago Press, 1987), at 77-81. In fact, in a recent report on teen pregnancies, the Congressional Budget Office recommended increased education, better economic opportunities and increased welfare payments as the best policies for addressing the problems associated with adolescent childbearing. The report rejected policies designed to encourage

young women to marry as ineffective and potentially harmful.

"Sources of Support for Adolescent Mothers," Congressional Budget Office, Sept. 1990, at pp. 67-75.

#### Conclusion

We believe that the law is clear that the capping provisions and differential earned income disregards in Bill Nos. 4703 and 4704, proposed as a means to "discourage" welfare recipients from having additional children and to "encourage" marriage, violate both state and federal statutes and the state and federal constitutions. We urge the Committee to eliminate these discriminatory provisions from the proposed legislation.



# LUTHERAN OFFICE OF GOVERNMENTAL MINISTRY IN NEW JERSEY

Carol Kasabach, Director

176 W. State St., Trenton, NJ 08608 609/396/4071 or 609/396/9546

Public Hearing Testimony  
before the  
New Jersey Assembly Health and Human Services Committee  
at  
Stella Wright Housing Complex, 159 Spruce St., Newark, NJ  
July 9, 1991

REGARDING: A-4700 - A-4704, "The Family Development Act"

My name is Carol Kasabach, Director of the Lutheran Office of Governmental Ministry in New Jersey. This is an office established in 1985 to advocate justice for the poor and the powerless. Welfare reform has been a critical issue for the Lutheran Office of Governmental Ministry in New Jersey (LOGM/NJ) policy board and the Evangelical Lutheran Church in America (ELCA). The New Jersey Synod - ELCA was amicus in the "standard of need" case before the New Jersey Supreme Court.

When REACH was being debated in New Jersey, the New Jersey Council of Churches facilitated a working group to study the different aspects of the program. I was a part of that group. Escape Route From Poverty? Or New Peril for the Poor? is the product of that working group and is attached; and I shall refer to certain sections of that report in my testimony. Also, attached is Guiding Principles in Social Welfare Reform prepared by the Lutheran Consultation on Welfare Reform held in 1987. I was part of that consultation, too. The questions and concerns raised in these two reports are as valid today as when REACH was debated and when we were addressing welfare reform on the federal level.

The Lutheran Office of Governmental Ministry in NJ policy board met on June 3 and discussed the merits of these proposed bills. Here are some of our concerns and questions about A-4700 - A-4704, "The Family Development Act":

### A-4700, an act concerning family development

1. page 1, lines 20-24: Has there been a systematic evaluation of REACH? What has worked? What has not worked?
2. page 2, lines 3-12 states the objective of the Family Development Initiative and it looks good on paper; but we need to ask, "Are the resources available to address all the clients in the AFDC program?"
3. page 2, lines 24 and 28 makes the program mandatory for all recipients of AFDC. With limited resources available for case management (see page 3, lines 1-14), the varied needs of each recipient and the desire to have families secure "permanent full-time unsubsidized jobs

OUR PARTNERS IN MINISTRY

New Jersey Synod of the Evangelical Lutheran Church in America, New Jersey Council of Churches, and Lutheran Social Ministries of New Jersey

25X

with wages and benefits that are adequate to support their families", it would be only practical to make the program a VOLUNTARY one.

4. page 2, line 14 establishes the program in the three counties which has the largest numbers of recipients. That is probably a good idea; but it is only practical to have a voluntary program. If the program works, AFDC and GA recipients will want to take part. This can be an incentive program, not a disincentive program.

5. page 2, lines 33-40 is a punitive aspect where no one will benefit. Taking away already inadequate benefits will only cause more stress in the family, possibly leading to more hunger, homelessness and abuse as the stresses mount. Who will suffer the most? the children!

6. page 3, lines 1-14 lays out the parameters of the family plan and it looks good. A recommendation would be that if either party does not fulfill their part of the contract, the contract is terminated and the recipient must wait a certain period of time to reapply. They go back to receiving their regular benefit levels.

7. page 3, line 20, "community work experience" should be meaningful with the intent to lead to full-time employment. It should not be used as a "workfare" model to work off the benefits you receive.

8. page 3, lines 36-40 are good. This should be done before the program is implemented so that recipients have a goal.

9. page 3, lines 41-46: How practical is it to set up a scholarship program for welfare recipients in this New Jersey State fiscal crisis?

10. page 3 line 48 - page 4 line 1: Support services "as a last resort" is a concern. How much assistance will the case manager give? Housing needs are not even mentioned.

11. page 4 lines 5-10: How much is the day care voucher worth? Will it cover the services needed? How long will the service last? Will it last through the first year of employment if salary is not sufficient to handle child care costs?

12. page 4 line 40 mentions substance abuse counseling. Many people are in need of substance abuse treatment. This has to be added to the legislation and funds allocated to see that it happens.

13. page 5, line 10: The family resource center is a good idea. It should be in place before the program starts.

14. page 5 lines 16-27 is a good idea but should be implemented before the program begins.

15. page 5 lines 28-49 establishes a planning council. Consider the possibility of including the county youth services commission and the people who handle the alcohol and drug programs and dollars.

16. page 6 starting at line 8 - page 8 line 5 is including those individuals who receive General Assistance (GA). That is commendable; but it, too, should be an incentive program. Reducing or eliminating the meager benefit levels only increases the stresses under which that person is living.

17. page 9, line 17 Is \$10 million a realistic figure for a mandatory program that includes both AFDC and GA recipients?

A-4701 establishing a comprehensive social services information hotline

1. page 1 lines 12-14 this is a good idea; but how much will it cost?

A-4702 an act concerning benefits under the program of aid to families with dependent children

1. page 2 lines 7 and 8 should be changed from "the State eligibility standard for benefits" to "the State standard of need".

A-4703 an act revising benefits under the program of aid to families with dependent children

1. The entire bill assumes that mothers want to stay on welfare and continue to have babies so that they can get more money at the expense of the State. A mother with two children on AFDC receives \$424 a month. She and her children cannot live on that for one month. Add another child, penalize four individuals and gain nothing. This is a despicable bill and would only lead to more despair, a sense of hopelessness and complete destruction of self esteem and dignity on the part of the welfare recipient and her children if this bill is enacted into law.

A-4704 an act concerning benefits to certain families under the program of aid to families with dependent children

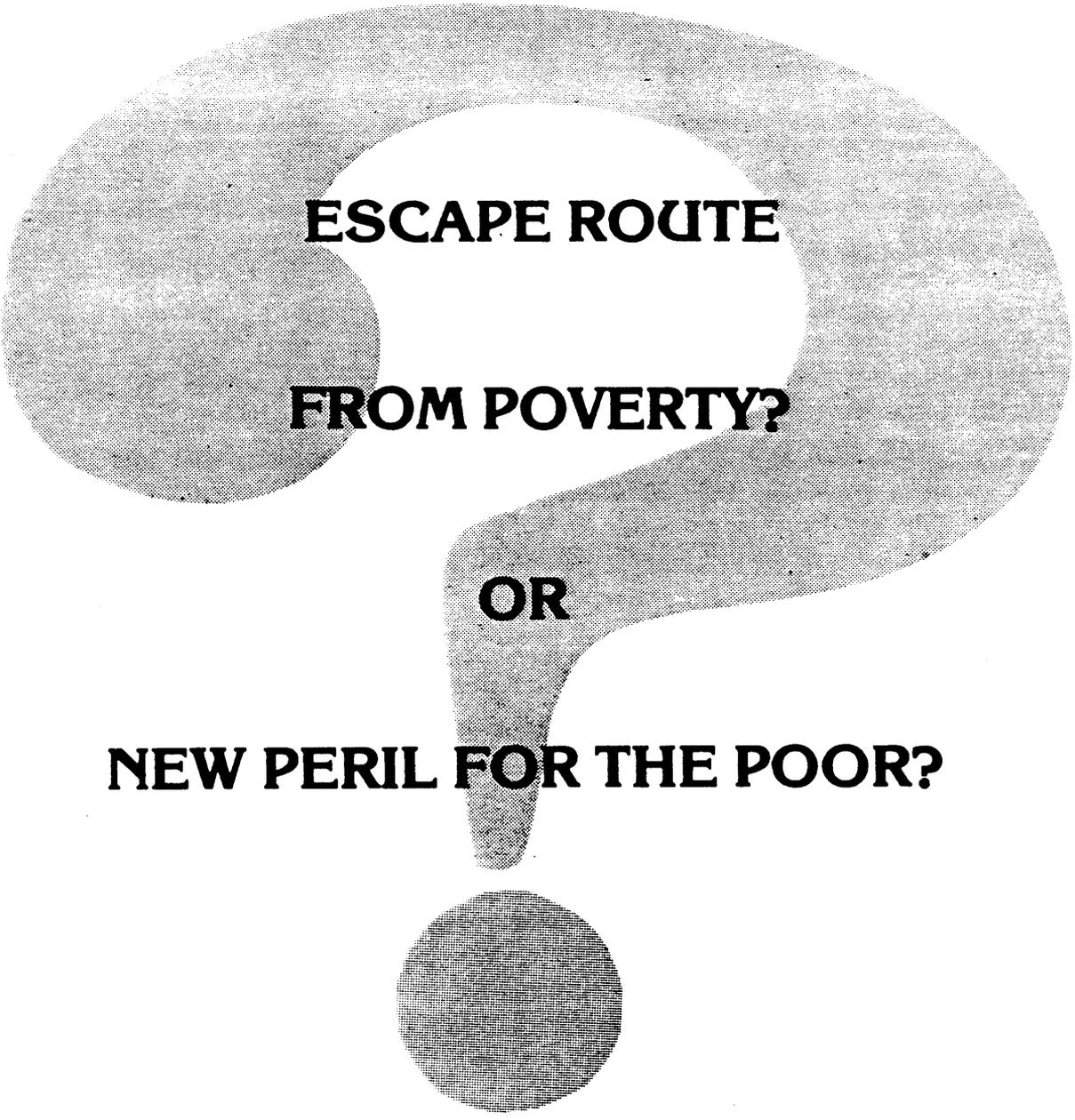
1. The intent of the bill is excellent but it implies that the AFDC benefits a family receives makes it possible to survive in New Jersey. Looking back at A-4700, the objective stated in part, "to secure permanent full-time unsubsidized jobs, preferably in the private sector, with wages and benefits that are adequate to support their families". The language in A-4704 seems to imply that once the family is earning more than they receive in welfare benefits, they are then ineligible for anymore funds to help them survive until their salary reaches the level "adequate to support their families". Language needs to be added that states that they will continue to receive benefits until they at least reach the standard of need in New Jersey.

We look forward to continued dialogue as we all strive to offer opportunities of hope with dignity to people in a state trapped in the welfare system. Let me quote two people receiving AFDC benefits who spoke at the "Time for Concern" conference sponsored by many caring groups this past spring: "Don't give us anything, just invest in us" and "Open the gate, open the door, I can do the rest".

Thank you for the opportunity to come before you today.

**WELFARE REFORM:  
THE NEW JERSEY  
“REACH” PROPOSAL**

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**ESCAPE ROUTE  
FROM POVERTY?**

**OR**

**NEW PERIL FOR THE POOR?**

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**YOU CAN HELP SHAPE THE ANSWER.  
TO LEARN MORE, READ ON ...**

# **A WORKING GROUP OF REPRESENTATIVES FROM THE RELIGIOUS, HUMAN SERVICES, LABOR, ACADEMIC AND CIVIC COMMUNITY BELIEVES "REACH" CAN SUCCEED, BUT ONLY IF WE MODIFY AND STRENGTHEN IT**

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In recent months a working group composed of representatives of religious, human services, labor, academic and civic organizations has studied the administration's welfare reform proposal, called REACH. While they have commended Governor Kean for his leadership, they also believe that REACH has serious flaws that must be corrected if it is to help people escape poverty. Their analytical paper published here describes the areas where REACH needs amendment and strengthening.

In summary, the Working Group believes REACH needs to:

- Stress career opportunities in a voluntary setting.
- Stress private and public sector job creation to ensure the dignity of work to every person in REACH.
- Provide training for real jobs without an interruption in health benefits.
- Provide financial support for and access to child care.
- Provide transportation to training and jobs where needed.
- Assess costs in relation to the real needs of education, training, child care and health benefits.
- Create a one-stop, unified service-provider system.
- Guard against intrusiveness.
- Address the whole problem: adequate grant levels, housing and a wage and benefit floor.
- Carefully evaluate the initial pilot project in Union, Bergen and Middlesex counties so that the state does not impose a non-workable and untested plan on the whole state.

The full text follows:

*Economic justice denotes the fair apportioning of resources and products, of opportunities and responsibilities, of burdens and benefits among the members of a community. It includes the provision for basic human need, fair compensation for work done, and the opportunity for the full utilization of personal gifts in productive living.*

## **WORKING GROUP'S ANALYSIS OF "REACH"**

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**June 1, 1987**

For nearly a decade, there has been little public discussion about the need to increase domestic spending so that the nation's poor could strive successfully for a more dignified and economically independent life. For this reason, we applaud the new efforts of the Kean Administration to develop an economically sound and morally responsible program to assist the poor. The Administration's welfare reform proposal, REACH, is a starting point for serious public debate. However, we believe that if it is to be successful, REACH must be altered and strengthened in several ways.

### **1. REACH SHOULD BE VOLUNTARY NOT MANDATORY**

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Based on recent experience in other states, work requirements should be voluntary in any approach to welfare reform. This best preserves the human dignity of the individual. The voluntary ET (Education and Training) program in Massachusetts was developed following the failure of its mandatory WT (Work and Training) program. The non-punitive and voluntary nature of the ET program generated good will among participants and early success in job placement. Even recipients with pre-school age children have participated, despite their exempt status. The emphasis on career opportunities and incentives, such as wage and benefit floors, has created a manageable and successful program in that state. The program's stress on voluntarism represents an important philosophical change in welfare policy creating an emphasis on human dignity and economic reality. Motivation is provided by the positive goals and real career opportunities offered. A voluntary program also allows mothers with pre-school age children the option to stay home and do the valuable work of raising their children. In such instances a personal plan can be designed for the recipient that still leads to education and training.

There are a host of other questions that fall somewhere along the continuum between a fully mandatory and fully voluntary program:

- What are the mutual obligations of both the client and the State?
- What is the nature and legal ramification of the "contract"? We certainly know the consequences if the client fails to live up to the contract. But what are the avenues of redress open to the client? What recourse is there if the State fails in some manner? A contract between such unequal parties needs safeguards for the weaker party.
- By what criteria are REACH staff to determine who is able-bodied and also emotionally ready for work?
- Does REACH recognize that welfare recipients are a mix of people with different problems and diverse abilities requiring different strategies, time frames, and resources?

In REACH's current mandatory form, the financial projections offered by the state are inadequate and unrealistic if the program is to succeed. For example, in the Massachusetts voluntary ET program, the cost of after school day-care, alone, increased 600 percent in three years. When contrasted with a mandatory program and realistic cost projections, the voluntary approach is sounder in fiscal terms.

## **2. EDUCATION, TRAINING, CHILD CARE, TRANSPORTATION AND BENEFITS SHOULD BE RELATED TO MEANINGFUL AND ACCESSIBLE JOBS**

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One of the dangers inherent in welfare reform is that it may attempt to solve by means of individual rehabilitation and training what is in fact a structural weakness of the economy. Upheavals caused by technological change and world competition have made training needs and future work careers difficult to predict. The consequence of such variables could be that welfare recipients are blamed for problems external to even their most heroic efforts.

### **The Job Market**

We must not blindly start training people without job guarantees. Can the current and future job market provide the kind of jobs people can stay with? Can they be trained to meet the needs of the current high tech job market, and can they get to those jobs? If welfare reform is to succeed the state needs to develop a full employment program with emphasis on both private and public sector job creation.

### **Transportation**

The state needs, in consultation with private industry and counties, to improve the public transportation system to ensure that it will be adequate to service existing jobs and future job creation. With cities emptied of many manufacturing and service jobs that formerly provided work for their urban population, with work increasingly located along distant highway corridors, a major

transportation component with both public and private sector support must be a part of the job placement strategy in REACH.

### **Education and Training**

Of particular concern are those clients whom the education system of the last 10 or 12 years has failed to educate. How long and with what educational programs are they to be re-educated effectively so that they can compete in the present high tech job market—and at what level? The state needs, after investigating previous training and education programs and observing other state models, and in consultation with private industry, to create a training and education program which is client sensitive and tied either to industry realities or to a publicly supported program of job creation.

### **Benefits**

jobs need a full complement of benefits so that they are not revolving doors for workers. We cannot expect to train people for entry level jobs, which usually provide few benefits, and then expect families and children to survive long term without adequate medical protection. The state needs to address the question of medical/health benefits relative to the available jobs and investigate alternatives to ensure adequate health care. For example, the State Health Department needs to explore establishing a public health care system based upon ability to pay/sliding fee schedules for all working poor. If a REACH family obtains stable employment in a job that does not provide sufficient medical insurance, and loses state medicaid benefits, then a public health care program is indispensable for real economic independence.

### **Day-Care**

Every mother should be able to enter the training and education program, or take a job, with adequate day-care provided for her children. We do not have enough day-care slots to handle the current day-care needs of families. Where will the new influx go? The state needs to initiate, with industry, development of a program for creating a stable day-care industry in the state, where meaningful jobs can exist caring for our children.

## **3. INVESTMENT AND FUNDING MUST BE ADEQUATE TO FULLY IMPLEMENT REACH IN ITS INTENT**

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Based on all that we know from other states' attempts at welfare reform, the current spending projections to implement REACH are totally unrealistic. Are the estimates of cost of the various components of REACH realistic estimates of the investment needed to really train, educate and employ the current and future pool of welfare recipients? And have the long term needs of REACH been fully assessed? Historically, the state has underfunded social welfare programs. This has been a major contributing factor in the wide-scale failure of programs which, if properly funded, would have reduced welfare dependency. We could

generate a long list of failures—Home Energy Assistance, Medically Needy, and Welfare Equalization, to name just a few—all of which make today's discussion of welfare reform necessary.

The Massachusetts' voluntary ET program spent \$18 million in 1986 on its day-care program alone, and that was for a case load approximately one-half the size of New Jersey.

We see many areas which have not been fully researched, assessed and planned in the REACH proposal. We believe the state needs to do a careful assessment of the investment needed to fully implement REACH in its intent. Our questions include:

- What is an adequate staff level to handle REACH in its fullest implications and what is the dollar value committed to this goal? Are the dollars committed sufficient to fund the number of staff positions needed? Is there funding for staff training in REACH to train competent new case managers?
- REACH has short-term client training money. Will this be sufficient to overcome client educational and training deficits and prepare them for jobs that are available?
- How long will health benefits continue in REACH after training; and will the state keep the benefits level adequate relative to the cost of living?
- How much will be spent on transportation and how much out of pocket expense is involved for the client?
- What is the cash value of the day-care voucher in relation to current cost rates at existing facilities? What funds have been allocated to create new day-care centers or new slots in existing facilities?

#### **4. REACH MUST PROVIDE A ONE-STOP, UNIFIED, SERVICE PROVIDER SYSTEM**

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New Jersey's vast array of public and private resources for Social Services are not organized into a unified system of family centered services. The current organizational scheme fosters fragmentation of services. There should be a one-stop service center where a family can obtain information and assistance. REACH will require a good deal of organizational change. The experiences of past programs, such as C.E.T.A., P.I.C., W.I.N., M.D.T.A., and A.R.A. indicates that for REACH to be effective, REACH must be focused and coordinated. The current existing service delivery organizations (i.e. County Welfare, Employment Service, Day-care, Medicaid) are separate operating organizations having separate goals and priorities. We applaud the intent to apply the use of case managers to help clients to self sufficiency. Attention must be especially paid to insure that these case managers are thoroughly trained. More coordinated organizational efforts are necessary and the State Department of Human Services needs to continue and to expand its efforts to unify services into a coherent, one-stop, direct service provider system.

## **The Question of Intrusiveness**

As proposed, even in a voluntary form, REACH is potentially the most extreme governmental intrusion into people's personal affairs. This will be particularly so in the contemplated on-going contacts, monitoring, counseling, and referrals by the individualized case manager. Great care must be taken to ensure that the means selected are the least intrusive possible, and that fundamental personal rights of privacy are not violated.

## **5. ADDRESS THE WHOLE PROBLEM**

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We commend the Governor for his initiative in the Welfare Reform area and for the attempt to deal with the problem in a unified way. However, we see three major issues that, if not thoroughly dealt with, will frustrate this ambition. They involve such key issues that not addressing them in conjunction with the rest of REACH, may doom REACH to failure.

### **Grant Levels**

First, the Governor recommends an increase of only 5 percent in the basic welfare grant. Last year there was no increase, and because of lack of state responsiveness in this area in prior years, many people have been left in the very difficult position of having to choose between having a place to live and having food to eat. For people in the second wealthiest state in the U.S. this is a heartless predicament. The state needs promptly to restore the basic welfare grant to the poverty line and study the degree to which even this level of assistance is insufficient. A separate shelter allowance also should be added.

### **Housing**

Second, it has been very clear to the people of New Jersey that housing is a serious and worsening problem especially for lower income people. Federal housing policy has provided fewer dollars to construct low-cost housing. The new State Council on Affordable Housing is only dealing with a part of the problem and even its efforts face dilution from political pressure. Much more is needed and it must be extensive and comprehensive. Housing should be dispersed in areas where jobs, shopping, public transportation and related community support services exist. Basic housing needs for people must be met.

### **Wage and Benefit Floor**

Third, studies of past training and education programs and other current state models, indicate that one of the key indicators of whether an individual placed after training and education will become independent of public assistance is their starting wage and the availability of health benefits. Clearly, to ensure the long term effectiveness of REACH, the question of an appropriate wage and health benefit floor must be fully developed by the state in conjunction with business and labor. One building block toward this need is to increase the minimum wage substantially.

## **6. SOUND PROGRESS IS PREFERABLE TO QUICK CHANGE**

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REACH is targeted to begin to operate in three counties early in Fiscal Year 1988. The state intends for it to be fully operational in all 21 counties within two years. The speed of implementation must be slowed down! We strongly recommend that REACH begin, after a thorough public debate, as a pilot, experimental program in three counties, with extensive evaluation and modification before extension to other counties and state-wide. Let's take the time to develop and implement a sound program for welfare reform. Reform should imply progress.

## **SUMMARY**

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The principles which guide REACH (economic independence, mutual obligation of the state and the client, targeting resources and supporting but not supplanting parental obligation) are all notable for their good intentions. However, noting the good aspects of REACH does not prevent us from recognizing clearly the program's weaknesses. And it must be understood that if New Jersey fails adequately to confront the inherent weaknesses in REACH, the program will not succeed. As advocates on behalf of our State's poor, we don't want to see another well intended, but significantly flawed program, become an excuse for blaming the poor for remaining poor. If REACH is to enable our welfare recipients to achieve self-sufficiency and not just join the working poor, the state must be realistic in its expectations, inclusive in its plans and programs, and willing to modify them accordingly.

# WHAT YOU CAN DO

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BEGIN THE DISCUSSION IN YOUR OWN BACKYARD: IN YOUR CHURCH, UNION HALL, CIVIC ORGANIZATION—WITH YOUR ELECTED STATE REPRESENTATIVES

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INVITE A MEMBER OF THE WORKING GROUP TO SPEAK TO YOUR OWN ORGANIZATION

## ACTIONS NEEDED:

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Express your opinion in favor of strengthening REACH.

1. Write to the Speaker of the Assembly, Chuck Hardwick, 203 Elm Street, Westfield, New Jersey 07090.
2. Write to the President of the Senate, John F. Russo, 917 North Main Street, Toms River, New Jersey 08753.
3. Write your own State Assemblyman and State Senator. (For the address call the League of Women Voters toll free, 1-800-792-8836.)
4. Write Governor Thomas H. Kean, State House, Trenton, New Jersey 08625
5. Write Drew Altman, Commissioner of Human Services, Capital Place One, 222 South Warren Street, Trenton, New Jersey 08625.
6. Write a "letter to the editor" of your local paper.

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## LIST OF GROUPS AND INDIVIDUALS ENDORSING THIS STATEMENT

American Friends Service Committee, New Jersey Community Relations Program  
Ms. Bonnie Kerness, Associate Director

Association for the Advancement of the Mentally Handicapped

Communications Workers of America, District 1, John Loos, National Representative

Communications Workers of America, Local 1081, David Heasley Weiner, President

Communications Workers of America, Local 1082, Don Rice, President

Community Action Program: Executive Director's Association of New Jersey

Council for Human Services in New Jersey, Ms. Janet Pearson, Chairperson

League of Women Voters of New Jersey

Lunch Break, Edward Rogers, Director

National Association of Social Workers, New Jersey Chapter

Arthur Rosenfeld, Executive Director

Metropolitan Ecumenical Ministry, Newark, The Rev. David Burgess, Executive Director

Mr. Robert and Mrs. Ann Edelson

New Jersey Area of the American Jewish Committee, Gayle B. Sarkow, Executive Director

New Jersey Council of Churches, the Rev. Charles W. Rawlings, Executive Director

New Jersey Office of Governmental Ministry, Carol Kasabach, Director

Professor Bernard Indik, Ph.D., School of Social Work, Rutgers University

Reformed Church in America, Synod of the Mid-Atlantics, the Rev. Frank Villerius

State-Wide Emergency Food and Anti-Hunger Network

Women's Resource Center, Keyport, Ms. Marcia Seal, Executive Director

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This brochure was created by a Working Group formed following a state-wide Consultation on Welfare Reform sponsored by the New Jersey Council of Churches. The group is composed of religious, human services, labor, academic and civic organizations.

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# GUIDING PRINCIPLES



# IN SOCIAL WELFARE REFORM

PREPARED BY THE LUTHERAN CONSULTATION ON WELFARE REFORM



“MORE THAN CHARITY,” a campaign of the American Lutheran Church, Lutheran Church in America and Association of Evangelical Lutheran Churches which are uniting as the Evangelical Lutheran Church in America, is designed to assist Lutherans to be active and effective advocates in the current national debate on welfare reform. The following are among the campaign’s goals:

- To gather information and advice from the poor and persons working with the poor in order to understand and respond to needs not being met.
- To develop appropriate principles and priorities for the church to address within the welfare reform debate.

As a first step in meeting these goals seven regional hearings on poverty and welfare reform were held during the fall of 1986 in Hibbing, Minn.; Omaha; Cleveland; Wichita, Kan.; Saint Louis; Denver; and Montgomery, Ala. At the hearings poor individuals, Lutheran social service personnel serving persons in need, pastors in economically distressed communities and government officials described for bishops and national Lutheran representatives the extent of poverty and what is and is not working in the current welfare system.

The next step was a three-day consultation February 15-17, 1987, in Washington, D.C., at which the information gathered at the hearings was synthesized and suggestions were made to the church for appropriate actions. Participants in the consultation were low-income persons, Lutheran staff persons engaged in advocacy at the federal and state levels, staff members of the church in society offices of the national church bodies, Lutheran social service and direct service staff members, theologians and ethicists.

The consultation participants reflected on the Lutheran social statements related to social welfare policy in light of the political and social context of the late 1980s. They also began to develop appropriate public policy principles which will enable the church to advocate more effectively with and on behalf of the poor in the welfare reform debate.

The report of the consultation as given here is organized into three parts: excerpts from church body statements important to the discussion, policy principles seen as a framework for evaluating welfare reform proposals and recommended public policy advocacy strategies.

# CHURCH BODY SOCIAL STATEMENTS

The following are among the social and policy statements of the church bodies which provided the theological and conceptual foundation for the deliberations of the consultation: "Poverty," LCA, 1966; "The Church and Social Welfare," LCA, 1968; "The Role of Government in Social Welfare," Lutheran Council in the USA, 1970; "Human Rights," LCA, 1978; "Economic Justice," LCA, 1980; "Toward Fairness in Public Taxing and Spending," ALC, 1982; and "Budget Choices," ALC, LCA and AELC bishops, 1985.

The consultation affirmed the depth and value of the statements, providing a normative framework for the discussion of poverty and appropriate individual and corporate responses to it. The following are particularly relevant excerpts from these statements.

- "Justice for the impoverished and dispossessed has been the concern of the people of God under both the Old and New Covenants. Under the divine imperative of prophetic faith, Christians today continue to seek justice for all whose lives are subject to adject poverty. Under the abundant mercy of the Father of our Lord Jesus Christ, Christians are constrained to minister compassionately to the needs of all their neighbors. Motivated by the love of God in Christ, the church has this double commission: to serve human need and to testify prophetically for justice in the ordering of society and the use of its resources" ("Poverty").
- "In a sinful world God intends the institutions of government to be the means of enforcing the claims of economic justice. Government should neither stifle economic freedom through excessive regulation nor abdicate its responsibility by permitting economic anarchy. Legitimate governmental activity normally includes such functions as: protection of workers, producers and households from practices which are unfair, dangerous or degrading; . . . provision for the seriously ill and disabled, needy and unemployed; and establishment of an equitable system of taxation to support these functions. Compliance with these and other legitimate governmental activities should be affirmed, even as their

improvement and correction are sought through appropriate political means . . . .

“Economic justice is that aspect of social justice involving the material dimension of social relationship and the social activities of production, distribution and consumption of goods and services. Economic justice denotes the fair apportioning of resources and products, of opportunities and responsibilities, of burdens and benefits among the members of a community. It includes the provision for basic human need, fair compensation for work done, and the opportunity for the full utilization of personal gifts in productive living. Economic justice includes the elements of equity, accessibility, accountability and efficiency” (“Economic Justice”).

- “All persons in society are entitled to that which is necessary to lead a healthful existence. Employment for all able to work, with remuneration sufficient to provide the minimum of what is needed for full participation in society, is essential to the well-being of the nation. When employment is not possible, society properly provides for individuals an income adequate to achieve at least a minimal living standard . . . .

“In the face of continuing inequities of wealth and power, justice demands that the needs of the poor and others on the margins of society be consistently met. Since people do not always naturally seek what is best for their neighbor, the guarantees and enforcement of law in this area are necessary. The government is responsible for providing a basic floor of benefits at an adequate level for health and decency: it is to ensure that no one is forced to go hungry or homeless and none are deprived of adequate medical care. The benevolence activities of individuals and voluntary organizations complement but in no way replace the responsibility of government to establish social justice” (“Toward Fairness in Public Taxing and Spending”).

- “In contemporary society the church has tasks of service to perform in obedience to Jesus Christ, its servant Lord. It is he who places upon his people the indelible mark of servanthood and gave them the mission to identify with all who are disadvantaged and suffer hurt. They bear this mark not to serve themselves but to give witness to Christ. The foremost task of the church in social welfare is to proclaim the Word of God in such ways that it makes all of its members alert and responsive to human need at home and abroad and to the many faces of injustice. It should abhor and oppose all that erodes and destroys human dignity and deprives people of their God-given rights” (“The Church and Social Welfare”).

# GOVERNMENT'S RESPONSIBILITY IN SOCIAL WELFARE POLICY

As a God-given means of enforcing the claims of economic justice, government is responsible for ensuring that all people have access to the minimum necessities which are prerequisites for full participation in society.

The primary purpose of such social assistance is to preserve human dignity and provide resources to sustain an adequate quality of life. Given the specifics of our historical situation and the current political climate, the consultation affirmed that the federal government's responsibility is to set minimum standards in matters affecting the national welfare, including employment, income maintenance, shelter, health care, education and nutrition and to ensure that these standards are met. While setting and enforcing standards is a national concern, the patterns of funding and delivery of services may vary. The federal government may assume full responsibility for some programs while sharing responsibility in other areas with state and local governments.

## **A. Financial Support**

Income security programs must provide financial assistance adequate to meet basic human needs and be available to all in need. Currently the federal-state public assistance system does not provide benefits which reflect the cost of living, nor are the benefits accessible to all in need. In 1986 the combined benefits from Aid to Families With Dependent Children and food stamps was less than three-fourths the federal poverty line in 41 states. Two-parent families by virtue of their structure do not receive income maintenance benefits in approximately half the states.

Given the shortcoming of the current federal-state system, the consultation affirmed that:

- The role of the federal government is to ensure that benefits are adequate to provide for basic human needs and are accessible to all in need.
- A single criterion of financial need to determine eligibility for public assistance should be established.

The federal government should develop a national methodology for determining an adequate living standard for individuals and families – a standard which reflects the actual cost of living in different areas throughout the country. This standard should be based on 100 percent of market costs, regionally adjusted and annually indexed, with its methodology reviewed periodically. The cost of adequate nutrition, clothing, housing, utilities, transportation, supplemental school requirements and other maintenance matters should be included in the calculation.

For many people the adequate living standard could be achieved through employment. For those working at low-paying jobs, wages may need to be supplemented by government benefits to ensure that the adequate standard is achieved. For still others, including the unemployed and those not able to be employed, the government would provide benefits sufficient to achieve the adequate living standard.

- The federal government should set standards, fund and administer a program which provides adequate income and nutrition assistance to poor individuals and families.

In terms of existing programs and short-range, incremental reforms, “cashing out” may be advisable for AFDC and food stamps, if adequate benefit levels are provided. A combined program could be administered similarly to the Supplemental Security Income program. However, if a consolidated grant is to cover items over which a welfare recipient has no control, such as housing and energy, care must be taken to ensure adequacy of the benefit level. A national methodology must ensure that regional and local differences in costs are reflected in the grant. However, including benefits for housing costs in a consolidated grant would in no way reduce the responsibility of the government to ensure that an adequate stock of affordable housing is developed.

## **B. Medical Care**

A fragile patchwork of public health programs, including Medicaid and maternal and child health block grants, exists for the poor and working poor without private health insurance. But due to inadequate funding and often arbitrary eligibility rules, public health programs reach only a fraction of the people who need them. An estimated 49 percent of those with incomes below the federal poverty standard do not have public or private insurance. Given the reality that the poor often lack access to health care, the consultation affirmed that:

- The role of the federal government is to set standards, fund and administer a program which provides adequate health care to individuals

and families who do not earn an income adequate to provide health care coverage.

### **C. Employment**

Every able-bodied adult should be afforded the opportunity for meaningful employment sufficiently remunerated to secure at least the minimal necessities required in our society for living in decency and dignity.

To say that the best way out of poverty is a good job is axiomatic. The link between the economy and poverty is clear. But a tragic reality of our economy is an unemployment rate which, although lower than at the depth of the recent recession, is still far above the 4 percent level mandated by the Humphrey-Hawkins Full Employment Act. Exacerbating this situation is the inadequacy of unemployment benefits for many workers who have lost their jobs and the economy's reliance on jobs which do not pay wages sufficient for full-time workers to pull themselves and their families out of poverty. The minimum wage has not been adjusted for inflation since 1979. Two-parent working poor families represent the fastest growing segment of today's poverty population.

Given these realities the consultation affirmed that:

- The government should implement policies which reflect a fundamental commitment to reducing unemployment.
- Major efforts need to be directed to job creation.

Both the public and private sectors share responsibility for creating and maintaining an economy where employment is available to all, with remuneration adequate to support a family decently. Both sectors need to be pro-active in their efforts to achieve this goal. However, where the goal is not achieved, government should serve as the employer of last resort in a full employment program.

Society must also attempt to deal creatively with the possibility that traditional employment may not exist for everyone. Within this context the nation needs to rethink its definitions of work/employment and entitlements and to address the question of how society will provide a decent living for all able-bodied adults.

- The federal minimum wage, severely eroded by inflation in recent years, should be increased and indexed to prevent further erosion. This is one way for families to achieve an adequate living standard.

Unless the minimum wage is increased substantially – and in some instances, even if it is – wage supplements may be necessary

to ensure that workers achieve an adequate living standard for their families.

- To enable employed poor persons to maintain employment, such supplementary support services as child care and health care coverage should be provided on a gradually reduced basis as income levels increase.
- Renewed commitment to quality education for all citizens must be a priority within any full employment effort.

#### **D. From Welfare to Adequate Employment**

Today's welfare system thwarts individuals and families who desire and strive for self-sufficiency rather than dependency. For example, the dollar-for-dollar reduction in a recipient's AFDC grant from his or her earnings undermines the recipient's drive and initiative to get ahead economically. Thus the current discussion on how to assist welfare recipients to make the transition to adequate employment is welcomed. But such assistance must be viewed as a social investment leading to long-term economic self-sufficiency and not simply as a way to reduce the current welfare roles.

The consultation affirmed the following principles in this area:

- The goal of a welfare-to-employment program should be to assist people toward long-term economic self-sufficiency.

Providing cash and medical benefits to poor families does not fulfill the government's responsibility to help the poor escape poverty and dependency. The government should also ensure that recipients have access to adequate opportunities for making meaningful employment possible.

- As part of a national full-employment program, a variety of options should be made available to welfare recipients to aid them in the transition from welfare to adequate employment.

Options which facilitate economic self-sufficiency fall on a continuum from remedial education and skills training through higher education. Structured work experience and job counseling and placement should also be provided.

Traditional "workfare" by which beneficiaries work off their benefits does not lead to long-term economic self-sufficiency and therefore should not be required. A limited work experience may be offered as one option on the continuum of education and training. Workers in training should receive the same civil protections as all other workers.

- As part of an intensive case management approach, with attention given to serious assessment of skill levels, individuals should be able to

choose the activity which will best help them achieve long-term economic self-sufficiency.

- Increased opportunities for education and training for welfare recipients go hand in hand with job creation and economic development.

Enough jobs are simply not available in many areas of the country. To train people in anticipation of their securing a job in the face of inadequate employment is cruel and inhuman.

- Adequate support services, such as child care, health care and transportation, should be available to recipients as they take part in education and training. After employment is secured, the support services can help overcome some of the greatest barriers to maintaining employment. The chief criterion for the gradual reduction of supplementary support services should be a commensurate increase in income to the individual or family.
- All welfare recipients should be afforded the opportunity to improve their employability through education, training and job search services, but these programs should utilize positive incentives rather than sanctions to ensure participation.

The consultation addressed the difficult question of whether such programs should be voluntary or mandatory and raised the following caveats concerning broad mandatory participation requirements:

- Recent experience suggests no lack of welfare recipients who wish to take part in meaningful programs leading to real job opportunities, given the availability of adequate support services.
- Under mandatory participation the caseload for caseworkers would increase to the point that they could not weigh carefully the myriad of individual circumstances. Thus unwarranted sanctions may frequently be imposed.
- Mandatory work, education or training places the state in the awkward and untenable position of deciding for parents when their children are most appropriately placed in child care. Parents are both nurturers and economic supporters of their families and ultimately must have a say in how to balance and carry out these two roles.
- Given current funding shortfalls, a decision for broad mandatory participation requirements may result in the state providing very little in the form of transitional opportunities. Voluntary participation may, however, result in at least some people receiving intensive services leading toward long-term economic self-sufficiency.
- Ultimately sanctions hurt the dependent children for whom the existing programs were originally fashioned.

# PUBLIC POLICY ADVOCACY STRATEGIES

The consultation recommended the following strategies for public policy advocacy by the church with and on behalf of the poor:

- The focus should be on achieving comprehensive welfare reform. A major goal of this effort should be the enactment of legislation developing a methodology for determining an adequate living standard for individuals and families and the mechanisms to ensure that this standard is achieved. The standard should reflect the actual cost of living throughout the country.

A fundamental restructuring of the welfare system is necessary to ensure that all individuals and families in need have access to the minimum necessities which are prerequisites for full participation in society. The system must provide adequate employment opportunities or education/training to secure employment, residual aid to the employed poor which would allow them to maintain a decent standard of living and benefits sufficient to achieve an adequate living standard for those who cannot be employed.

- While comprehensive welfare reform is the primary goal, incremental improvements in the current system should be supported in the interim with the focus on adequacy, accessibility, family stability and opportunities for long-term economic self-sufficiency.

Improvements should include a national minimum benefit standard for AFDC. In combination with food stamps, the standard should equal 100 percent of the federal poverty line and be indexed for inflation. States should not be allowed to lower existing standards at the time national standards become effective.

Other improvements should be a mandate that all states provide benefits to financially eligible two-parent families where the principal earner is either unemployed or participating in an education or training program, removal of existing work disincen-

tives, raising the minimum wage and providing residual aid and supports to the employed poor which gradually decrease as earnings increase.

- States should be urged to take advantage of options currently provided by the federal government in key programs for the poor. For example, states are permitted but not all have chosen to extend automatic Medicaid coverage to all pregnant women and children younger than 5 with family incomes less than the federal poverty level but in excess of state AFDC eligibility levels.

The consultation also urged that the church should:

- **Lead all other advocates for the poor in refusing to adopt a defeatist attitude regarding resources needed to achieve comprehensive welfare reform.** The church must continue to advocate for a reorientation of national budget priorities, with particular attention given to reducing military spending and increasing taxes. Funding to provide for an adequate living standard for individuals and families or incremental changes in the public assistance system should not be shifted from other programs which are targeted to meet the longer range needs of the poor.

- **Engage more intentionally in teaching, witnessing and sensitizing its own members and society as a whole about poverty.** The church can play a vital role in helping people to recognize the reality of poverty in the United States and its linkage to poverty throughout the world, to understand the framework that Christian ethics provides for dealing with poverty and to equip its members to become active in addressing this issue.

- **Increase advocacy activities at the local, state and federal levels as well as vis-a-vis the private sector.**

- **Replicate such consultations across the country as part of a strategic advocacy process.** This would allow a broader segment of church members to participate in intentional discussions about poverty and welfare reform. Such consultations could also address racism and sexism and their relationship to poverty; child support; poverty, welfare and immigrant populations; preventive measures to reduce the need for government assistance; the relationship between poverty/welfare reform and economic development; and the relationship between domestic poverty and the global economy.

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**SECTION 5:** A & B These sections state that "a recipient whose youngest child is two years of age or older shall participate in education, vocational assessment and training, or employment activities..." Also "...counseling and vocational assessment activities..."

**Recommendation:** Consider changing the age of the child to one year. Most working mothers return to work (or school) before a newborn is 6-months old, so one year for an AFDC mother is not unreasonable. Also, AFDC children ages 17 to 21, who aren't in school or college would benefit from participating in this program.

**SECTION 6:** States that "a recipient who without good cause fails or refuses to enroll and participate in the program, which includes failure to attend or make satisfactory academic progress in education or vocational training classes...shall be...subject to a reduction of benefits of at least 20%, or shall become ineligible for benefits for a period of at least 90 days."

**Recommendation:** Rather than the complete suspension of a monthly grant which would deprive innocent children, consider instead decreasing the recipient's grant by 10% for each month they refuse to participate. Once the person begins to participate, the 10% (for that given month) could be pro-rated, and the balance for the month could be given to them. For those who participate in the

job training program and subsequent job search activities, a temporary 10% increase in their monthly grant would serve as an incentive to begin and finish the program, and as a stipend to defray personal costs related to the program. As a further incentive for individuals to participate in the vocational development program, a negative income tax could be employed which either defers or frees the payment of state taxes until the participant reaches a determined income threshold. After the tax deferred threshold has been reached, state taxes would be withheld, at a rate commensurate with income.

**SECTION 7:** (A) Stipulates that services shall be provided to recipients "according to a family plan which includes a written contract," and that a program representative shall act as a case manager of services for the participant, setting forth mutual obligations and a detailed plan.

**Recommendation:** When undergoing the initial interview in which the family plan is developed, the agency should provide easy-to-understand written information regarding the program's requirements, benefits, regulations, expectations, etc., such as brochures in English, Spanish, Portuguese, and Creole.

(D) States that one or more persons per county would be responsible for job development for those who have completed their educational/training activities under the (AFDC) program.

**Recommendation:** One person per county to handle job development will not be enough. At least four persons per county

are needed especially in populated counties like Essex. In addition, including ~~for~~ children as a target group for job development would be great: Developing after school programs for AFDC children ages twelve and over which would teach pride, leadership, and excellence, and encourage the pursuit of a higher education. These children could be given exposure and information on diverse occupations, as well as job preparation skills. The program could be modeled after programs such as ASPIRA, Inc. which is highly successful.

**(G)** Provides for health insurance coverage for welfare recipients through either an employer or the continuation of Medicaid for up to one year after the participant leaves the (AFDC) program.

**Recommendation:** Good idea. This is very important for recipients or their children whom are in the midst of a particular health treatment regimen, i.e. dental surgery, or health follow-up when they secure employment and become ineligible for Medicaid. It would provide for the continuity of treatment, and a smooth transition to their new form of health insurance coverage.

**SECTION 9:** Establishes a program office in each of the three largest counties to serve as a family resource center. The center is to provide: "all program enrollment and case management services, including counseling and health-related, social, educational and vocational needs assessment services..."

**Recommendation:** Children's after school programs could be included in the Family Resource Center's objectives and perhaps

this resource center could include personal family finance courses and nutritional services.

**SECTION 11:** (A) Through the commissioner, the section sees to the establishment of a planning council in each county to "determine the most effective way to organize and administer the program in that county." Membership on the council would consist of 12 to 15 people.

**Recommendation:** The planning councils should have at least two AFDC recipients and a representative from the New Jersey Department of Medical Assistance. [Medicaid is the highest cost in the public assistance system.] Also the councils, if at all possible, should be reflective of the ethnic/racial composition of their respective service areas, and the AFDC recipients should have their travel and babysitting expenses paid so that they can attend the meetings.

**(B)** States the planning council "shall develop a program implementation plan...which shall ensure that training and education services...reflect local needs and resources,...."

**Recommendation:** (B) Municipal governments, school districts and social service agencies should have input in developing community work experiences.

**SECTION 13:** Those persons receiving public assistance who are required to participate in the Family Development Initiative will be provided with a "healthrelated social, education, and vocational assessment..."

**Recommendation:** You may want to change "health related" to a comprehensive medical evaluation. Often, because certain people go to welfare as a last resort, they do so only after a lengthy period of financial duress, and have consequently neglected their health. It is important in such cases, that they receive a comprehensive checkup, and if illness is detected, undergo a regular plan of follow-up.

**In the middle of paragraph 3,** states that anyone who does not perform work which has been assigned...shall thereupon...be subject to a deduction in benefits of at least 20% or shall become ineligible for public assistance for a period of at least 30 days.

**Recommendation:** A temporary 10% reduction of a grant for failure to comply with program rules would urge an AFDC parent to comply, while still serving the needs of the children.

**Further on this section,** "good cause for failure or refusal to report for or to perform work; or lack of a reasonable means of transportation.

**Recommendation:** Since many AFDC recipients don't have cars and public transportation is scarce or costly in the state's rural counties, the program must supply transportation, or transportation subsidies or vouchers.

**SECTION 15:** The goal of the New Jersey State Legislature is to transform the present **AFDC Reach Program**, which is a payment system, into an employment and training program, the goal of which is to assist ...welfare families to realize self sufficiency...and

to extend Medicaid coverage for up to 12 months to recipients who lose eligibility..."

**Recommendation:** Great idea. This will work, because it is a positive incentive for AFDC recipients to secure employment. Indeed the goals should be positive, proactive and supportive of these families, not negative, reactive and punitive.

#### A-4701

**SECTION 1:** This calls for the establishment of a 'round the clock, toll-free, social services hotline and data bank to serve those seeking information regarding the state's diverse social programs and agencies.

**Recommendation:** The hotline would be more effective if it were available in Spanish, Portuguese, and Creole, so it may truly serve the multi-cultural population of the State.

Other subjects which may be included in the hotline are: legal services, emergency shelter, rape and battered women's counseling, runaway's helpline, and how to access healthcare.

#### A-4702

**SECTION 2:** This bill speaks to the revision of AFDC program regulations for families in which the eligible child's natural parent's earned income does not exceed eligibility guideline: "if

the total annual household income does not exceed 150% of the official poverty level, adjusted for family size."

**Recommendation:** Often in such systems, families which are truly in need, may be denied assistance due to a technicality. There needs to be special consideration given for certain cases such-as these, when a family is, for example, homeless.

Special medical review should also be given in cases of children with handicaps--physical or mental development disorders which require occasional institutionalization or continuous treatment. Often, families with "borderline poverty incomes" lack comprehensive medical coverage, thus, such children may not receive proper medical attention. A continuance of solely that child's medical benefit could be considered. A special income category and/or formula could be utilized to this end.

**A-4703**

**SECTION 1:** This act "eliminates the increment in benefits under the program for which the family would otherwise be eligible as the result of the birth of a child during the period the family is eligible for AFDC benefits or during a temporary penalty period, etc."

**Recommendation:** Women who continually give birth to children while on welfare should be placed in a mandatory planned parenthood program. Also their teenage sons and daughters need to attend such preventive pregnancy programs.

**SECTION 2-B:** This section provides for earned income disregards in the computation of a working recipient's monthly grant.

**Recommendation:** Babysitting and transportation should be provided for by the AFDC program, and considered an additional disregard. Today, babysitting costs range from \$40 per week to \$100 per week, per child. Most newly employed welfare mothers cannot afford this. The development of latchkey programs and the like could also be considered.

**NOTE:** After an applicant receives an initial interview and grant, the agencies' legal department should perform an investigative review. This should be repeated annually.

Often because public assistance grants are meager, a parent in an AFDC household may begin working and earning a decent income (and does not report it) and continues to receive the monthly grant as "supplemental income." This is unfair to the taxpayer and even more unfair to other AFDC families who are not working, genuinely need assistance and should receive a grant which more adequately meet their needs. Monthly grants for new workers should be decreased gradually, rather than abruptly. In this way, recipients would be less fearful to report their new incomes. On the other hand, those who don't report their incomes should be terminated promptly.

A-4704

This bill aims to preserve family unity by changing the county welfare practice of reducing a family's monthly grant if the father is in the house (this is done even if the father is unemployed and has no income whatsoever).

**Recommendation:** This is an excellent bill, because it supports the unity of the family and promotes the development of the "nuclear family," which is a vital support system for children.

A-4705

This bill establishes a Council on Community Restoration to advise the Governor on community restoration projects.

**Recommendation:** The Council on Community Restoration, should ethnically and racially be reflective of the state's population.

ASSEMBLY HEALTH & HUMAN SERVICES

COMMITTEE

PUBLIC HEARINGS

Testimony by: Ms. Ruby Grace

Stella Wright Homes

Girls Club

Newark, New Jersey July 9, 1991

Good morning, My name is Ruby Grace, and I am here today to testify about the proposed changes in the welfare law contained in the legislation introduced by Assemblyman Wayne Bryant. I am speaking here today as a representative of the Newark Community Health Center.

In my opinion, the advantages of the legislation are far outweighed by the detrimental effects proposed changes would have on welfare ~~recipients~~ recipients who are already receiving only half of what the State of New Jersey says they need to live on. I will start with the bill which sets up a new jobs and training program in place of REACH. Almost all of the provisions of this bill are already contained in the current REACH Program. There is nothing in the bill that established a different approach to providing jobs and training that will make this program succeed where REACH failed. One of the reasons REACH has failed is that the State of New Jersey has said that services will be provided if money is available. There is no provision under the proposed law to address that problem.

The new jobs program also does not specify what types of jobs which recipients will be trained for. In order to really make a break with the welfare system, a mother or father trying to get off welfare needs to get a job paying at least \$10.00 per hour with medical benefits or some type of medical coverage. One of the biggest problems with job and training programs set up through welfare agencies is that they funnel recipients into low-paying jobs with no medical benefits. This is like providing welfare to employers who don't want to pay a decent wage. There have to be specific goals for a number of people to be placed, and in what kinds of jobs and what pay rate.

I am now going to talk about the bill that limits the amount of benefits paid to eligible recipient families. This law accepts the myth that the main problem with welfare is "young girls making babies". In fact, the average family size of a welfare family in the U.S. is a little over 3, not much different than other families. Many mothers on welfare are temporary recipients of benefits, between jobs. Many others are mothers of young children without available day care. Despite these facts, the myth persists about "welfare mothers ripping off the system".

Now, the State is in an economic crisis. The powers that be need to blame these problems on someone else. Welfare mothers, many of whom are black and hispanic, are a convenient target. Unfortunately, this law gives sanction to the type of thinking that would see the encouragement of welfare mothers not to have children as a "solution" to the depression that grips this state. This is the same kind of thinking that would support offering money to "low IO" mothers so that they won't have children, and this comes at a time when family planning centers can't legally advise mothers of their option to abort.

In summary, the bills that are now written are an attempt to reform the system which will fail unless they are radically changed. The bills will have the effect of cutting benefits to many people and increasing benefits to only a few. The bills will create a jobs program which is not really different from the one that exists now. Worst of all, the bills fall into the trap of blaming the victim of the system for the problems of the system. Here is what I propose: Refer people to jobs which pay at least \$10.00/hr. and guarantee the training and services needed to get the job; make specific goals for people to be trained and placed; eliminate the disincentive to the father to remain in the home through earned income disregard; raise the grants to keep up with the Standard of Need.

The law also does not say what would be a good cause for refusing to take a job or make it illegal for the jobs program to be used to undercut unionized workers who employers may want to replace their employers with lower-paid former welfare recipients desperate to get work. It does not even say what the procedures will be to reduce or terminate the benefits of those don't comply (The REACH program at least provides several advance notices to recipients who miss appointments or assignments).

I am now going to talk about the bill setting up the exception to "stepparent deeming". Right now, the federal law says that some money received by the stepparent has to be counted for the natural children of the eligible parent. So for this law to be allowed, the state would have to get the federal government to permit it.

Although it is a good idea to not count stepparents income, why is it that there is only an incentive for a parent to marry someone else, as opposed to living with the father of the children? This brings me to the bill changing the benefits for a family with a father in the home.

Right now, the welfare system only pays a family less if the father is in the home than if the father is out of the home. (unless the father has worked)  
We all know that encourages the father to leave, and that this law should be abolished. The new proposal only makes the father stay a little longer than otherwise. The father and the family are still better off if the father is outside the home, even if he is on city welfare. If the government really wants to do something about the problem of single parent families, why don't they propose not counting earned income of the father of the children, not just the stepparent?

Analysis of Assembly Bill A-4700 "Family Development Act:

**Page 2, Section 5a** of the Act states "A recipient whose youngest child is two years of age or older shall participate in education, vocational assessment and training, or employment activities, or a combination thereof, under the program."

Recommendation

In addition to the monthly grant, additional dollars, via vouchers, should be made available to the client for babysitting and child care services, as well as transportation to and from the respective social services and employment training agencies. Infants (2) years of age and under should be allowed to accompany their mother to assessment activities and counseling sessions to save the cost of childcare.

**Page 2, Section 6** of the Act states in part that "a recipient who without good cause fails or refuses to enroll and actively participate in the program, which includes failure to attend or make satisfactory academic progress in educational or vocational training classes under the program.....shall be subject to a reduction in benefits of at least 20%, or shall become ineligible for benefits for a period of at least 90 days."

Recommendation

Despite this proposal for the reform of the welfare system, there are no quick fixes which will immediately bring about welfare clients economic and financial independence. Positive reinforcement has proven, over time, to be a much better motivating factor for changing human behavior then penalties and negativism. As such, the client and her family should not be penalized by a reduction, suspension or termination of benefits for her failure to make satisfactory academic progress in educational or vocational training classes.

**Page 2, Sectional 7a** states "Services shall be provided to each participant in the program according to a family plan which includes a written contract. The

contract shall be signed by the participants and a program representative who shall act as a casemanager, advocate and broker of services for the participants and the participant's family, and shall set for the specific mutual obligations of the participant and the program and a detailed plan for the participant and the participant's family.

### Recommendation

The family development plan and contract should be developed by someone other than the casemanager who can adequately assess and is fully aware of the myriad of problems which the client may have and who can adequately prepare a plan of action suitable to the client's needs. The client should be allowed to have representation (of her choice) so she can fully understand the terms of the contract and should have the right to appeal if she disagrees with the contents of the contract.

**Page 3, Section 7b** states in part "The services to be provided under the program shall include but not be limited to.....community work experience."

### Recommendation

The requirement of community work experience is essentially a workfare component. Persons assigned to such work should work the maximum number of hours at least equal to the minimum wage rate.

**Page 3, Section 7c** states "The program shall be designed to ensure that each participant and member of the participant's family has attained the equivalent of a high school degree, before assigning that person to a vocational-related activity."

### Recommendation

As long as the client and a family member is satisfactorily progressing towards the attainment of a GED there should be no time limit imposed. Since most GED courses offered during the day are provided at County Colleges, vouchers should be available to pay for the cost of child care, course registration and credits at these facilities.

**Page 4, Section 9** states "The Commissioner shall establish a program office in each of the three counties with the largest number of recipients to be designated

as a family resource center. The center shall provide all program enrollment and case management services including counseling and health related, social, educational and vocational assessment services, to program participants and their families in a single setting within the county, in order to facilitate their access to these services.

#### Recommendation

The designated family resource center should be designed and made conducive for the clients to bring their children (2) years of age and under to avoid the cost of child care.

**Page 6, Section 8** states "An employable person who is receiving public assistance shall be required....."

#### Recommendation

The term employable person should be clearly defined in the act.

#### Recommendation for Assembly Bill A-4702

This bill enables the natural child of a client to receive AFDC benefits if the client is married as long as the father's income does not exceed 150% of the poverty level. It is intended to encourage the marriage of the client and the natural child's father to increase family stability.

It is understandable that the state would want to encourage the "legal" marriage of an eligible parent and the natural child's father. However, in reality there may be a number of cases where the couples may choose not to marry each other, but rather cohabit. So long as both parents are trying to contribute to the support of the child, that child should still be eligible for AFDC benefits within the 150% income guideline, whether or not the natural parents "legally" marry. This allowance will facilitate the economic stability of the two parent family and may very well encourage legal marriage at a later time. As drafted, the bill penalizes those couples who do not choose to get married.

#### Recommendation for Assembly Bill A-4703

This controversial bill puts a cap on the amount of benefits an AFDC client can receive regardless of the family size. This portion of the bill package assumes that AFDC welfare benefits are a sexual stimulant, enticing men and women to make unwanted children. Clearly this is not the case. It is debatable as to

whether or not the benefits cap will actually deter a client from having additional children. It is more likely that increased education about planned parenthood and birth control would be better deterrent against unwanted children. Thus, these counseling services should be mandated in A-4700. This bill hurts the additional child who through no fault of its own, is denied needed benefits and medical coverage, and because it is regressive in nature, it is not supported.

#### Recommendation for Assembly Bill A-4704

This legislation allows full AFDC benefits to be paid to families whose incomes do not exceed the eligibility standard, in which both parents are married and reside in the same house without placing restrictions on the employment of either parent. This bill, like A-4702, encourages couples to get married, but penalizes those couples who may choose not to marry but rather live together. The same allowance of income should be provided to live-in couples.

#### Recommendation for Assembly Bill A-4705

This bill, which establishes the Council on Community Restoration to assist the Governor in targeting state resources to support efforts such as.... neighborhood revitalization, should provide for community service work and/or employment opportunities for AFDC and general assistance recipients.

## Legal Services of New Jersey

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### The Organization of New Jersey Legal Services Programs

Bergen County Legal Services  
Camden Regional Legal Services  
Cape-Atlantic Legal Services  
Essex-Newark Legal Services  
Hudson County Legal Services  
Hunterdon County Legal Service  
Legal Aid Society of Mercer County  
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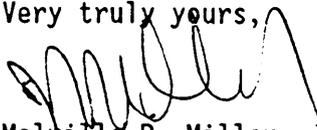
August 2, 1991

David Price  
Office of Legislature Services  
Room 457  
State House Annex  
CN 068  
Trenton, New Jersey 08625-0068

Dear Mr. Price:

Enclosed as requested is a copy of my July 9 written statement concerning  
Assemblyman Wayne Bryant's welfare proposals.

Very truly yours,



Melville D. Miller, Jr.  
President

MDM:mdf  
Enclosure

STATEMENT  
OF  
MELVILLE D. MILLER, JR.  
PRESIDENT, LEGAL SERVICES OF NEW JERSEY  
TO THE  
ASSEMBLY HEALTH AND HUMAN SERVICES COMMITTEE

July 9, 1991

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Statement of Melville D. Miller, Jr.  
July 9, 1991  
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My name is Melville D. Miller, Jr., and I am President of Legal Services of New Jersey (LSNJ). LSNJ has for two decades been involved in efforts to promote progressive policy reform in the welfare system. Among other initiatives, we brought the litigation that led to a New Jersey Supreme Court declaration that the Department of Human Services must promulgate as regulation an accurate standard of need - an assessment of what it really costs low-income people to live decently in New Jersey. The Department has finally published such a revised standard in draft form, and presumably final adoption is near. Among all the aspects of the welfare system which require attention and reform, it is now essential that the Legislature turn its attention to raising welfare grants toward this decency level, in the face of grants which are now at less than one-half the standard.

Turning to the subject of today's hearing, first, we commend Assemblyman Wayne Bryant for his interest and leadership on public assistance issues. Progressive initiatives - and indeed even attention - on behalf of New Jersey's lowest income people are all too rare.

Second, we join Assemblyman Bryant in his stated commitment to reinforce the most basic values: family life and an orientation toward working and self-sufficiency. We would add and emphasize as a theme to guide welfare reform efforts that the State must do all that is possible and practical to support the efforts of individuals to achieve these basic values. In particular,

for some there are difficult barriers on the road to self-sufficiency, and assistance is frequently necessary to overcome such obstacles.

We call on Assemblyman Bryant, your Committee, and the Legislature, to take the following steps. We offer to work with you all to achieve these ends:

- (1) Use the occasion of the introduction of these bills to undertake significant grant reform, so that welfare grants are increased to a level that allows recipients to live with decency, while still maintaining strong incentive for people to work and become self-sufficient. At the same time, the welfare grant system must be fair, in terms of overall public policy, to those non-recipients who are working.
- (2) Undertake broad program reform, with new assessment of and support for those efforts, services, and programs which help people in their own attempts to overcome the obstacles and become self-sufficient.
- (3) Begin statewide policy reform in the other programs and areas which have a major effect on, and constitute the State's de facto policy toward, low-income people. These include, but are not limited to the need for a state-based housing subsidy; a comprehensive jobs strategy which addresses training and education, placement, and creation of employment with a living

wage and a future; a meaningful state minimum wage; and a progressive tax policy, which does not assess - as it does now - people making as little as \$3,000 per year, has less reliance on regressive vehicles such as the current sales tax, and initiates a state earned income tax credit.

Specifically with regard to Assemblyman Bryant's bills, we support a number of aspects:

- (1) The notion of a comprehensive social services hotline, suggested in A.4701, except that it must be exceedingly well publicized and thoroughly comprehensive and integrated, encompassing all key social services, both extremely difficult tasks.
- (2) The interest, reflected in A.4700, in increasing the availability of jobs-related and other services to the General Assistance population.
- (3) A.4704's emphasis on providing full grant assistance to two parent families without work history limits, although it must be noted that federal waivers for this program are extremely unlikely, and therefore it will have to be fully financed by the State. A.4704 would essentially raise grant and eligibility levels for some recipients under the AFDC-N program to the same level as now applies to two parent families that meet the federal work history requirements under AFDC-F. We note that the A.4704's

restriction on eligibility to married two adult families appears to be constitutionally infirm, and in any event, better social policy would seem to suggest that eligibility be extended to two parent families irrespective of marriage, as the N & F programs now do.

We oppose:

- (1) Those aspects of A-4700 which would increase the amount and period of ineligibility for failure to meet work participation requirements beyond federal sanction levels and for failure to progress successfully in an academic program. The better policy is to have sanctions end as soon as the period of non-compliance ceases, and to focus policy reform efforts, instead, on improving positive program incentives and increasing their prevalence.
- (2) The approach in A-4700 which replaces the REACH/JOBS program with another services/jobs program. This is premature. The actual way REACH/JOBS operates in the 21 different counties is not fully understood as yet. The program is still young, and given the start-up costs of new ventures and the considerable investment of time, energy, and funds in REACH, any reforms should come after the strengths and weaknesses of these different county-based programs have been surveyed so we can improve upon what exists.

- (3) A-4703, which would generally bar increases in grants associated with "afterborn" children (those born after a family begins to receive public assistance), a constitutionally impermissible distinction which also makes bad public policy - the principal losers will be the children in these families, as the families' grants must be spread thinner. A-4703 also perpetuates the fallacious myth of the large family as the norm under AFDC; rather, the typical AFDC family in New Jersey, in fact, has only two children.
- (4) The absolute educational attainment (high school diploma) requirements in A-4700. These can be sound general rules, but there must be exceptions to allow for limited ability and other extenuating circumstances. The federal JOBS program educational assessment requirement provides adequate and appropriate flexibility.
- (5) As noted earlier, A.4704's limitation to married two adult families.

We offer to work with Assemblyman Bryant, this Committee, and others in the Legislature, and will shortly make available specific proposed legislation, to accomplish the needed public assistance reforms I mentioned earlier. We urge you to stay the course of reform: don't look for the quick, easy, or limited fix; resist all stereotyping, as the causes of poverty are as diverse as the number of its victims; also resist all demagoguery and simplistic formulas; consider all viewpoints in this hearing process, especially those of clients, but still move as

Statement of Melville D. Miller, Jr.

July 9, 1991

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swiftly as you can; be comprehensive as well as bold in your approach; and above all, don't be hindered by the apparent lack of immediate political payoff in this area - do it because it is right, these are the people who need your attention the most, and ultimately any state and society must be judged first by how it attends those least able to fend for themselves.

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ATTACHMENT -- A PRELIMINARY ASSESSMENT OF THE COST IMPLICATIONS  
OF THE BRYANT PROPOSAL

The Bryant legislative package is not a "no cost" proposal. This is not to say that we oppose these provisions because they are costly, but that it is disingenuous to argue that FDI could be implemented at no cost. Given that it will be an expensive initiative, there are a number of higher priority and more appropriate ways to spend these funds in the interest of welfare reform.

BILL A-4700:

\* FDI would greatly increase the class of recipients that must participate in a services/jobs program to ones now exempt from or not covered by REACH/JOBBS, and thus, increase the cost of providing case management and program services by increasing the caseload alone.

\* Before July 1, 1991 caretakers of a child less than two years old were fully exempt from REACH; FDI would require they participate in counseling and vocational assessment activities. As of July 1, 1991 caretakers of a child under age 3 are exempt from REACH/JOBBS; FDI would require participation in the full services/jobs program for all whose youngest child is at least age two.

\* Employable General Assistance recipients are required to participate in FDI to the same extent as AFDC recipients; they are not now served by REACH/JOBBS at all. These clients would have to be served at 100 percent additional state cost.

\* The requirement that a high school diploma be attained before a person is assigned to a vocational-related activity will increase time spent on the welfare rolls, increasing costs for assistance and services. JOBS enables the high school prerequisite to be waived for certain recipients, based on a needs assessment, educational assessment and other factors. Large numbers of participants test many grade levels below GED level and it will take many years under FDI to bring them up to that level, if it is possible at all, especially since individual deficiencies may explain the low initial education level. These recipients will not be permitted to pursue job-related activities to enable them to work their way off welfare during this time.

\* FDI seems to require more intensive case management than REACH/JOBBS currently provides, with much person to person contact. REACH/JOBBS caseworkers already find that with tremendous AFDC caseload turnover (about one third per year in good economic times), the multitude of different responsibilities clients have and the associated potential sanctions, and the volatility of each client's eligibility status and mandatoriness of participation, tracking cases is essential and absorbs most of case managers' time. To provide more intensive case management with more personal contact would require funds to reduce the tremendous caseloads that now exist. This is especially true when GA recipients are included as they are traditionally an even more volatile, harder-to-track population.

\* FDI requires considerable additional costs to the State for administration. It provides for 100 percent State reimbursement of counties' reasonable costs for program administration, and for services not reimbursed by the federal government; currently the State contributes nothing toward the counties' costs for administration. A State system to administer this reimbursement would certainly be necessary, at further added cost.

\* FDI requires development of a scholarship program to provide tuition and related financial assistance, as needed, to each participant or other family member accepted into post-secondary education. To the extent this expands the mandate of the Higher Education scholarship programs now existing, it will also be an added cost to the State.

\* Establishment of a family resource center in the three counties with the largest recipient populations at which to provide all case management, assessment and program enrollment services in one center, would require the added expense of an additional site in each of these counties, with computer hook-ups to all relevant departments including DEA and other DHS divisions, the Department of Labor, the Department of Education, and etcetera.

\* To the extent that \$10 million is no more than what the three biggest counties spend on REACH/JOBBS, FDI's expanded program cannot be implemented in them. To the extent it is more than they now spend, this transfer from the REACH account will diminish the concurrent REACH services in the smaller counties, to the detriment of their clients and perhaps jeopardize the participation requirements there.

BILL A-4701:

\* Establishment of a 24-hour comprehensive social services hotline using a computerized Statewide databank will require funds to design, implement, and operate.

BILL A-4704:

\* This bill makes all families in which both parents are married and in the home eligible for full AFDC benefits. Currently, if neither parent meets the work history requirements for federal eligibility, such families receive maximum benefits which are only two-thirds the level comparable federally-eligible AFDC families may receive. This increase in eligibility and benefits would generate no federal financial participation and would have to be fully funded with new State funds.

BILLS A-4702 and A-4703:

\* It is not readily apparent whether the indicated changes in the way in which eligibility and benefit levels for step-families or families in which an additional child is born while the family is already on assistance would increase or decrease the costs of assistance or administration. Nonetheless, the serious legal, political, and policy impediments to the altered treatment of the latter, make it unlikely that A-4703 will be passed, and thus, the associated savings, if they exist, cannot be expected to offset the considerable costs of the other proposals in this legislative package.

