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P U B L I C   H E A R I N G

before

ASSEMBLY INSTITUTIONS, HEALTH AND WELFARE COMMITTEE

on

SENATE BILL 1501  
(Workfare)

Held:  
March 29, 1979  
Assembly Chamber  
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Richard F. Visotcky (Chairman)  
Assemblyman George J. Otlowski  
Assemblywoman Mildred Barry Garvin  
Assemblyman Walter J. Kozloski  
Assemblyman Raymond Lesniak  
Assemblyman Donald Di Francesco  
Assemblyman Clifford W. Snedeker

ALSO:

John D. Kohler, Research Associate  
Legislative Services Agency  
Aide, Assembly Institutions, Health and Welfare Committee

\* \* \* \*

New Jersey State Library



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SENATE, No. 1501

STATE OF NEW JERSEY

INTRODUCED DECEMBER 4, 1978

By Senator MERLINO

Referred to Committee on County and Municipal Government

AN ACT to amend *\*and supplement\** the "General Public Assistance Law," approved May 13, 1947 (P. L. 1947, c. 156).

1 BE IT ENACTED *by the Senate and General Assembly of the State*  
2 *of New Jersey:*

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

3 8. Every municipality shall provide public assistance to the  
4 persons eligible thereto, residing therein or otherwise when so  
5 provided by law, which shall be administered by a local assistance  
6 board according to law and in accordance with this act and with  
7 such rules and regulations as may be promulgated by the com-  
8 missioner.

9 As hereinafter provided, employable persons receiving public  
10 assistance shall be required, except when good cause exists\*,\* to  
11 perform such public work as shall be assigned to them by the New  
12 Jersey Employment Service *or, in the manner described herein,*  
13 *by the director of welfare of the municipality providing public*  
14 *assistance.*

15 The New Jersey Employment Service shall provide for the es-  
16 tablishment of public work programs for the assignment of em-  
17 ployable persons in receipt of public assistance **\*[to perform work**  
18 **[for] in the municipality providing public assistance]\*.** Public  
19 work **[projects]** may include *\*the performance of work for the*  
20 *municipality providing public assistance, or\** the performance of  
21 work in the operation of or in an activity of a nonprofit agency or  
22 institution pursuant to a contract with the municipality. Public  
23 work projects *to which employable persons are assigned by the*  
24 *New Jersey Employment Service may include work for other levels*  
25 *of government besides the municipality, and shall be approved by*  
26 *the Commisisoner of the Department of Labor and Industry. No*  
27 *municipality or nonprofit agency or institution which has con-*

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

28 tracted with a municipality pursuant to this section shall be liable,  
 29 except for gross negligence, for any injury received by a recipient  
 30 while performing work required by this act, provided that such  
 31 work is supervised by a State representative\*, or by the director  
 32 of welfare in the municipality pending approval of the employment  
 32A assignment, or further assignment or reassignment, by the New  
 32B Jersey Employment Service\*. Such liability shall be assumed by  
 32C the State pursuant to the "New Jersey Tort Claims Act" (P. L.  
 32D 1972, c. 45).

33 The director of welfare in the municipality shall notify the New  
 34 Jersey Employment Service of such employable persons in receipt  
 35 of public assistance who, in his judgment, and in accordance with  
 36 the regulations established by the "[commissioner]" \*Commis-  
 37 sioner of Labor and Industry\*, are able to perform [the] work  
 38 [required in a public work project]. From the time that he has so  
 39 notified the New Jersey Employment Service until such time as the  
 40 New Jersey Employment Service shall assign such persons to a  
 41 public work project, the director of welfare shall assign such em-  
 42 ployable persons to perform public work "[for the municipality,  
 43 but the]" \*if such work is available, and shall notify the New  
 44 Jersey Employment Service. The\* New Jersey Employment  
 45 Service may approve any such employment assigned by the director  
 46 of welfare without further need for assignment or reassignment.  
 47 The New Jersey Employment Service, after receipt of such notifica-  
 48 tion from the director of welfare, shall assign such employable  
 49 persons to perform work in a public work project provided that  
 50 such work is available[, and provided further that it is]. In  
 51 assigning public work, the director of welfare or the New Jersey  
 52 Employment Service, as the case may be, shall be satisfied that  
 53 such employable persons will not be used to replace[, or to perform  
 53A any work ordinarily and actually performed by] any regular em-  
 53B ployees of any department or unit of such municipality.

54 In assigning persons to public work [projects operated by] in  
 55 a nonprofit agency or institution, the New Jersey Employment  
 56 Service or the director of welfare, as the case may be, shall also be  
 57 satisfied that such assignment will not result in the displacement  
 58 of regular employees of the agency or institution [or in the per-  
 59 formance of work that is ordinarily and actually performed by such  
 60 regular employees].

61 Persons shall be assigned to perform only such work as they are  
 62 able to perform, in accordance with regulations established by the  
 63 Commissioner of Labor and Industry.

64 Persons performing such work assigned by the New Jersey Em-  
 65 ployment Service *\*or the director of welfare\** shall work only the  
 66 number of hours equal to the amount of their grant divided by an  
 67 hourly wage rate commensurate with **[other]** *beginning regular*  
 68 employees similarly employed. Performance of such work shall  
 69 result in payment to the person of his public assistance grant.

70 Any person who refuses without good cause to report for or to  
 71 perform work to which he has been assigned by *the director of*  
 72 *welfare or* the New Jersey Employment Service, shall thereupon  
 73 become ineligible for public assistance until he reports for and  
 74 performs work to which he has been assigned or shows his willing-  
 75 ness to do so according to regulations established by the Commis-  
 76 sioner of Human Services in consultation with the Commissioner  
 77 of Labor and Industry.

78 Good cause for refusal to report for or to perform work shall  
 79 include, but shall not be limited to: working conditions which are a  
 80 substantial risk to health and safety; physical inability to engage  
 81 in a particular type of work; or lack of a reasonable means of  
 82 transportation.

1 *\*2. The Department of Human Services and the Department of*  
 2 *Labor and Industry shall transmit copies of all rules and regula-*  
 3 *tions proposed to implement the provisions of this amendatory and*  
 4 *supplementary act to the Senate and General Assembly on a day*  
 5 *on which both Houses shall be meeting in the course of a regular*  
 6 *or special session, and, on the same day, to the County and Municip-*  
 7 *al Government Committee and the Institutions, Health and Wel-*  
 8 *fare Committee, both of the Senate, and the Municipal Government*  
 9 *Committee and the Institutions, Health and Welfare Committee,*  
 10 *both of the General Assembly, or such committees' respective*  
 11 *successors as designated from time to time by the President of the*  
 12 *Senate and the Speaker of the General Assembly. The provisions*  
 13 *of the "Administrative Procedure Act," P. L. 1968, c. 410 (C.*  
 14 *52:14B-1 et seq.), or any other law to the contrary notwithstanding,*  
 15 *no such rule or regulation shall take effect if, within 60 days of the*  
 16 *date of its transmittal to the Senate and General Assembly, the*  
 17 *Legislature shall pass a concurrent resolution stating in substance*  
 18 *that the Legislature does not favor such rule or regulation.\**

1 *\*[2.]\* \*3.\* This act shall take effect on the first day of the fourth*  
 2 *month following enactment.*

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ASSEMBLYMAN RICHARD F. VISOTCKY (Chairman): Good morning, ladies and gentlemen. I am pleased to welcome you this morning to the Assembly Institutions, Health and Welfare Committee hearing on Senate Bill No. 1501. As you know, we hope to give everyone who is present and wishes to share his views on this important legislation an opportunity to speak. Our staff has prepared a list of witnesses. If you wish to speak and have not yet contacted our staff, please arrange to have your name put on the list through our staff person, John Kohler. If you have prepared remarks, please submit copies to Mr. Kohler prior to testifying. Before we start, I'd like to introduce my colleagues; I'll start from my left, Assemblywoman Mildred Garvin, Walter Kozloski, Clifford Snedeker, to my right, a new senatorial candidate, Assemblyman Donald DiFrancesco, Raymond Lesniak, and George Otlowski. S-1501 amends the General Public Assistance law by requiring that a municipal Director of Welfare assign employable persons to perform public work during the period between the time the director notifies the New Jersey Employment Service and the time the Employment Service assigns such persons to a public works project. The bill provides the New Jersey Employment Service may approve the employment assignment of the municipal director without need for further assignments or reassignment. Our first speaker today will be the sponsor of the bill, the Acting Governor of New Jersey, Senate President Joseph Merlino.

SENATOR JOSEPH P. MERLINO: Thank you, Mr. Chairman. I have no verification that I am Acting Governor today. I haven't checked in with the Governor to see if he has returned from New Haven as yet. In any event, as the Senate sponsor of this bill, I want to thank you for allowing me to testify and I certainly hope you didn't hold up the beginning of the proceedings because of my late arrival. This bill authorizes the local welfare directors to assign public work to able-bodied welfare recipients. This legislation, I believe, will fill the gap in the State's existing Workfare Program. The bill provides for local welfare directors to assign work to an employable recipient until the State Employment Service takes over the case. The State's General Assistance Program is a statewide welfare system designed to provide financial and medical aid to individual adults and childless couples. It is administered by the 567 municipal welfare departments in the State under the supervision of the Division of Public Welfare. The program, which receives no federal funds, has more than 23,000 participants. It costs the State's taxpayers almost \$4,000,000. This program should not be confused with the larger or more visible federal Workfare Program, Aid to Dependent Children, in which most welfare recipients in our State are enrolled. The State Legislature cannot force a welfare mother with small children to place her children in a day-care center and seek employment. We are only free to act on the State's General Assistance Program. The State's Workfare Program was authorized by the Legislature in December of 1977 as a means of moving able-bodied GAP recipients off the welfare rolls and into self-supporting jobs. The State's program has so far been focused on the larger cities where caseloads are high and the program is succeeding. According to statistics put out by the Department of Human Services in June of 1978, of the almost 25,000 persons assisted by the program, over 15,000 were considered employable. Of this number, 1,058 employable recipients obtained jobs in the private sector, another 100 enrolled in subsidized jobs, 444 were working at municipal jobs and almost 2,100 participated in job search programs.

The State's Workfare Program went into effect in June. The very next month there was a decline in the number of welfare recipients. A total 4,143 people withdrew from the program between July and October. The State's Workfare Program has reduced the rolls of employable recipients it had registered by 35 percent. Many recipients simply got off welfare once they found that they were subject to work assignments. About 11 percent have been placed in regular, unsubsidized jobs after receiving work orientation.

While the State has been very successful with recipients it has put to work, it cannot cover every case. It has not been able to take care of all its recipients.

This bill will ensure that recipients are put to work right away. Not quite half -- 7,000 -- of the State's 15,000 able-bodied welfare recipients have been registered with the State so far. The State may never get around to assigning work to all the recipients.

Again, I re-emphasize the State's program has focused on our larger cities. A welfare director in a small community with 5 or 10 welfare recipients would be better equipped than some bureaucrat in Trenton in giving his people useful work now.

The typical employable welfare recipient is male, single and between the ages of 21 and 50. Most recipients do not have a high school diploma. Most recipients live alone, and pay an average monthly rent of \$106. The majority have little or no work experience and when they did work, they worked at low-skill, low-paying jobs that they did not hold very long. The typical recipient has no source of income other than general assistance. Most of these are individuals who would like to work and I want to give them that opportunity.

Workfare provides these individuals with a work track record so they can move off the welfare rolls and into the private sector employment rolls.

There was some controversy in a town close to Trenton recently about local work assignments for welfare recipients. This bill establishes local authority for Workfare recipients. I don't know why we leave it nameless, the city is Bordentown.

It would not, however, create 567 different welfare systems. We have a State welfare program because we recognize a need to help people who are down and out -- a need that, frankly, we have not been all that generous in satisfying. People should not find different eligibility standards and work requirements in different towns.

For that reason, we do provide for overall State regulation and require that every municipality give work assignments to its needy employables.

But, such local action is only a stopgap. It must not replace the effective work program maintained by the State. The Employment Service is trained to find permanent work for people, local welfare directors are not. And, ours has been a very effective Workfare Program to date which we now would like to move into the local municipalities to hold the line until the State can get in there and do the job that we know we can do. That, in essence, is my statement. I think you are all very familiar with the bill. You went over it very carefully at your first meeting. Some questions did arise; I believe most of these questions have been satisfied with the proposed amendments that you have today. I've discussed those amendments with the chairman of the committee and I think that we are in general agreement as to most of the amendments.

ASSEMBLYMAN VISOTCKY: Thank you very much, Senator. Any questions from any members of the panel?

ASSEMBLYMAN KOZLOSKI: Yes, Mr. Chairman. One of the main questions I had in committee or concerns, you might say, Senator, is the fact that we in the State are forcing upon many municipalities another one of our programs. In this case where a municipality pays an individual \$3,000 to act right now in this capacity of assisting people to get jobs and things like that, can you tell me what we can say to these people when they say, "Well, if we're going to be giving new jobs" -- and that's what we're doing, we're telling them that they've got to increase their jobs? Obviously, they're going to ask for more money. Where will these people get the money from?

SENATOR MERLINO: If I understand you correctly, Assemblyman, you think there'd be an additional cost to municipalities?

ASSEMBLYMAN KOZLOSKI: Yes, sir.

SENATOR MERLINO: I don't know that there is any more entailed to their employment than they have now. They are there to assist these people, not to just dole out money. And this is

just further assistance to them. I think any small town welfare director who thinks he should command a larger salary because of his trying to help several people, (these involve towns with very few people on public assistance) should be very quickly replaced.

ASSEMBLYMAN KOZLOSKI: My comments were No. 1, as I just said, with the money aspect, also. I had people working in this capacity right now as welfare directors saying, 'timewise - almost all of them are part-time people - they are deathly afraid that we're going to be forcing upon them full-time work when they are only putting in very part-time hours.

SENATOR MERLINO: That is the weakest and most absurd excuse that you can get from any public employee.

ASSEMBLYMAN KOZLOSKI: Well, you tell them.

SENATOR MERLINO: I will. In fact, I'm telling them right now through you.

ASSEMBLYMAN VISOTCKY: Any other questions? Mr. Snedeker.

ASSEMBLYMAN SNEDEKER: Senator, there are several amendments. We have one I had a question on before I think you cleared up earlier that was the tort liability - now the individuals will come under Workmen's Compensation with that amendment.

SENATOR MERLINO: Yes, that's right.

ASSEMBLYMAN SNEDEKER: One other one, Senator, I had with regards to the bill (I don't know if you have a copy available there with you), on page 2, starting on line 51, Senator, it states (I have the official copy reprint), "in assigning public work, the Director of Welfare or the New Jersey Employment Service, as the case may be, shall be satisfied that such employable persons shall not be used to replace any regular employees of any department or unit of such municipality." And I'm wondering, Senator, why we left out the State of New Jersey. Why don't we word it in there that they can't be used to replace State employees in any way?

SENATOR MERLINO: I don't know whether that means that those who are put into job training programs.. I don't know that they're a replacement. I had considered the others, that's why it is in the bill.

ASSEMBLYMAN SNEDEKER: I had a suggested amendment and I'd just like to read it to you for your consideration and it... Where it says, "State or municipal employees of any department or unit whose employment has been terminated for any reason other than unsatisfactory job performance within 90 days prior to such assignment". I'm just wondering, Senator, would you have any objection to such an amendment?

SENATOR MERLINO: I think you are complicating the bill. I think the least number of words you put in a bill, the better off you are. When we start trying to define every little incident, I think is when we get into trouble. I think the language is clear - it's simply that no Workfare assignee should replace any regular employee, period - I think would suffice.

ASSEMBLYMAN SNEDEKER: I would agree with you but this refers to municipalities. My only concern at this point, it says ....

SENATOR MERLINO: That's where they're going to be put to work, in the municipalities.

ASSEMBLYMAN SNEDEKER: No, this says that the New Jersey Employment Service, as the case may be ... This is not where the director of the municipality assigns someone; it's where the director of the New Jersey Employment Service assigns them, from what I read in the bill.

SENATOR MERLINO: I think we're nitpicking because New Jersey State Employment Service only assigns people where there is a job. They don't go pushing people out to make another job for someone. I wouldn't expect them to do that.

ASSEMBLYMAN SNEDEKER: I wouldn't either. I just want to make it clear that we don't expect them to do it in the bill, if we're going to....

SENATOR MERLINO: I think we can almost assume that they place people where there are jobs. They're not accomplishing a thing if they put one of these recipients in and push somebody else out. They've created another recipient.

ASSEMBLYMAN VISOTCKY: I think the question is, by the same token, if a person is employed by the municipality, he's still working. It doesn't really matter where the person's working - the private sector or the public sector. The idea is to get him to work.

SENATOR MERLINO: The idea is to get this bill enacted into law as quickly as possible so that we can get the program going.

ASSEMBLYMAN OTLOWSKI: Senator... Mr. Chairman, may I?

ASSEMBLYMAN VISOTCKY: Surely.

ASSEMBLYMAN OTLOWSKI: Can you just give us a brief idea about the amendments?

SENATOR MERLINO: Well, the basic idea in the amendments is in the original State Workfare law there is a reference to tort liability. That's been amended to have these people covered by Workmen's Compensation. The rest of the amendments aren't really that (as we call in the trade) technical.

ASSEMBLYMAN OTLOWSKI: Technical in the sense that they clean up the original bill?

SENATOR MERLINO: That's the purpose of technical amendments. We don't really talk about them. They're technical in nature and they clean up the act.

ASSEMBLYMAN OTLOWSKI: I see. If you don't want to talk about them...

SENATOR MERLINO: Oh no. I'll talk about them. They're there. I can talk about them but as I say they are technical and they do not change the substance of the bill. The only real change of substance was the substitution of Workmen's Compensation for liability.

ASSEMBLYMAN OTLOWSKI: They're just to clean up....

SENATOR MERLINO: That's all.

ASSEMBLYMAN VISOTCKY: Any other questions? Mrs. Garvin.

ASSEMBLYWOMAN GARVIN: Good morning, Senator.

SENATOR MERLINO: Good morning.

ASSEMBLYWOMAN GARVIN: Seems like we just left each other.

SENATOR MERLINO: Yes, we did. For 30 some days we worked together with the Appropriations Committee and you're right back here fresh this morning. Congratulations.

ASSEMBLYWOMAN GARVIN: Thank you. O.K. I have a question which has to do with the Department of Labor which would establish the regulations concerning work assignments. Are we assuming, (and this is something I would have to be very careful about) that the department would begin to identify work sites that are not considered work sites presently? Are we talking about the department being responsible?

SENATOR MERLINO: Yes. They are responsible to do that - identify work sites.

ASSEMBLYWOMAN GARVIN: O.K. One of the things that I would want to caution in that part of the bill has to do with the department perhaps determining new kinds of work sites that are demeaning. One of the things, and I don't think the intent of your bill is to in any way create a subservient position, and I understand that, but I think that when we begin to administer and implement bills, many times, those departments that are responsible have a different viewpoint. I would just perhaps, and I have not had time to do it and I would like to recommend, it that there be something in the bill to monitor the work sites that the department will be responsible for identifying. And would you have any problem with that kind of amendment?

SENATOR MERLINO: I do have a problem with that kind of amendment because, while you're asking the Department of Labor not to identify demeaning work sites, you're demeaning the department by assuming that they would do that. I think we should have faith and confidence in those people who are in the bureaucratic sector that they certainly would not participate in identifying demeaning jobs merely because, in this particular instance, they would be assigning welfare recipients. I would be the first to move to have them all fired if that were the incident. I think it would be demeaning to them to suggest that we have to legislate that they not place these people in demeaning jobs.



ASSEMBLYWOMAN GARVIN: Well, Senator, I respect that and I think that if you were the administrator, I perhaps would not ask.

SENATOR MERLINO: That's one job I don't have at the present time. I'd be glad to take it on.

ASSEMBLYWOMAN GARVIN: But, I do think I know in our town of East Orange, the local board became a work site for the welfare recipients. And because we had slots, my position then on the local level is the same as I have on the State level. And one of the things that I cautioned my superintendent and the board about was that we not assign the people to the cleanup jobs. I think, just dealing with my own local situation, I have people who...

SENATOR MERLINO: You're assuming that cleanup jobs are demeaning. An awful lot of us got our education by doing cleanup jobs. It certainly wasn't demeaning.

ASSEMBLYWOMAN GARVIN: No. I'm not assuming that. My darling, I don't want us to deal with that because I won't tell you about me picking cotton.

SENATOR MERLINO: Nothing demeaning about that is there?

ASSEMBLYWOMAN GARVIN: You'd better believe it. It got me here. I think my only point is, and the concept of the bill I do support and I think it's a good thing and I think we need more work - work gives pride - but I think I do want to caution those people that will be responsible to do it well.

SENATOR MERLINO: Our State Department will be overlooking and overseeing all this and I think our Welfare Department...

ASSEMBLYWOMAN GARVIN: Oversight. Right?

SENATOR MERLINO: Oh sure. Not just by the Legislature. I would certainly have faith in Mr. Riti and his department to see that things of that sort do not happen.

ASSEMBLYMAN VISOTCKY: Thank you very much, Senator. Any other questions for the Senator? My next speaker is G. Thomas Riti, Director of Division of Public Welfare, Department of Human Services

G. T H O M A S R I T I: Good morning. I'm Tom Riti, Director of the Division of Public Welfare and I'm here to share with you some of my thoughts on the Workfare Program. And I'm happy to have this opportunity to appear before you. The Workfare Program in New Jersey which is known as the General Assistance Employment Program came into being about a year ago with actual referrals by the Municipal Welfare Department to the special project offices of the State Employment Service starting in June. Since that time, there were many thousands of general assistance recipients involved in the General Assistance Employment Program, some who found jobs in the private sector, some who worked in municipal work sites established by the Employment Service, and others participating in a three-month training in job search techniques. In addition to that, a significant number have left the General Assistance rolls rather than participate in work-job projects or in job search activities. This is a side effect of the General Assistance Employment Program and it's an important one to all of us who are concerned with helping people who really need help because it eliminates those who may have been using the General Assistance Program for a free ride. Other worthwhile results have become apparent as the program is moved into full swing. For example, in one municipality a work site project provided 4 clerical positions to which 4 women were assigned. One woman had been without a job for a long time partly due to lack of transportation. Her supervisor made arrangements for her to travel to the location, which was the township office, and she not only performed satisfactorily but also volunteered extra time. When the CETA funds became available, she was hired as a full-time employee and now, no longer needs welfare. Another of these four women reacted very differently. Even her simple task of filing papers for the required 26 hours a month proved too stressful for her although she had previously been certified as employable by a psychiatrist. Her status was re-evaluated by the welfare department based on this experience and she was determined to be unemployable. She now receives the higher General Assistance

allowance of \$178 per month which is provided to unemployable General Assistance recipients. It seems fortunate that this woman's limitations became known without the trauma of losing real employment which could well have made her condition worse.

These two examples demonstrate my own concern regarding welfare recipients, namely, that anyone who is able to work should do so, but that those who are not physically or mentally capable of working or holding a job should receive help. The first woman was led back into the labor market and the second was realistically evaluated as unemployable. This brings me to an observation which I'm sure we all hear very frequently, "Look at all the want ads in the daily paper. Why can't all those out-of-work welfare recipients get jobs?" The first woman I mentioned, the one now working in the CETA funded position, had been out of work for more than two years. With her sagging self confidence, it was more and more unlikely that she would successfully land one of those advertised jobs. Now that she is again employed and performing satisfactorily, her self confidence is restored and the welfare office is not likely to see her again. This matter of restoring self confidence seems to me to be one of the most positive features of the Workfare Program. If our overall objective is to get people into the mainstream labor market, and I believe that has to be our goal, then every bit of job search, orientation, and work site activity will help to prepare participants for getting back into that mainstream. I think we can all agree that that's no small undertaking. There are about 15,000 employable recipients on the General Assistance rolls and while the Employment Service is handling large numbers of these, there must necessarily be a time lapse in moving them through the present General Employment system.

Senator Merlino's bill proposes an additional opportunity for municipal welfare directors to establish work sites and assign persons to them at once. It will, thus, put the weeding-out process that I mentioned earlier into effect immediately and will commit those who can work to at least twenty some hours of work activity a month. The Senator's bill also gives the Labor Department responsibility for approving work sites which municipalities may set up. There is a significant difference here between the plan proposed in Senate Bill 1501, which we're discussing today, and the independent course which Bordentown took last summer which led to that well-publicized situation. This bill provides safeguards to clients as well as to municipalities in that the work sites and the work required must be acceptable under labor standards and that under the proposed amendments, workers will be protected by the State Workers' Compensation Policy.

This may be a good time to set the record straight regarding the Bordentown situation. Thanks to the news media, many people have had the impression that only the good fathers of that municipality had an effective approach to getting welfare recipients to work. In fact, the requirement for registration with the State Employment Service and acceptance of available jobs was part of the General Assistance Program long before Workfare was ever enacted. Bordentown's total unconcern for formal applications for public assistance, confidentiality regarding applicants and recipients, and need for investigation before establishing eligibility became our concern and led to the confrontations between the town and the State. For your information in this part of the record, our statement on the situation is attached to the materials that you have before you. The response to the General Assistance Employability Program by most municipalities throughout the State has been good. As Labor's special project offices have processed more and more employable General Assistance recipients, most welfare directors have found the system workable and effective. The number of local work sites has been increasing and problems such as transportation to and from the sites have been at least partially resolved. Both my staff and Labor and Industry are studying the results of the first nine months of the program. I'll be happy to share the results with you as soon as they are available. But, in the meantime, we've developed a profile of the typical employable General Assistance client. He's a Black male between the ages of 21 and 35. He is single and he's completed between nine and eleven grades of school. Although he has some work experience, he last worked more than two years ago. His most recent employment in a low-skill job

lasted for less than three months. This is not to say that all General Assistance recipients fit that pattern. As a matter of fact, the study that we completed showed that 30% are women, 20% are white, and 10% are Latin American, 47% are over age 35, 30% did complete high school, 18% have never worked at all, and 35% were in their previous jobs for more than a year. So, we're indeed involved with a cross section of the State's population. The need for a last resource to which to turn for financial aid comes to many people at different times in their lives. General Assistance is that last resource and the opportunity to work and again to be independent is all many of them really want. To them, the Workfare Program can be a stepping stone rather than a penalty for being on assistance; and frankly, we have to support Senator Merlino's bill. Thank you.

ASSEMBLYMAN VISTOCKY: Thank you very much Mr. Riti. On the first page of your statement you said, "it eliminates those who may have been using the General Assistance Program for a free ride." Can you define a free ride?

MR. RITI: Well, we're talking about those people who, somehow or other - and let's face it there are a few of them - get on the municipal welfare rolls while at the same time they may be doing other little things on the side - collecting money for work that they haven't reported. There are a few of them and we want to eliminate them, obviously, from any part of these kinds of programs.

ASSEMBLYMAN VISTOCKY: But did you eliminate them?

MR. RITI: Yes. We found some obviously and we continue to ... We have what we call a quality control system where we review a selected number of cases every month and we find these and we eliminate them from the rolls.

ASSEMBLYMAN VISTOCKY: Do we have any idea of what type of percentage we've eliminated or if we have eliminated it?

MR. RITI: Well, in the General Assistance Program, I don't have the percentages but in the larger programs, for example, in the Assistance For Dependent Children Programs it boils down to approximately 1% of the caseload.

ASSEMBLYMAN VISTOCKY: Can I ask another question? I realize this is a welfare program, but, when we send out people to see if the recipient is doing his or her work or they're working, what are the hours they're allowed to go to a person's home to investigate?

MR. RITI: What are the hours?

ASSEMBLYMAN VISTOCKY: Yes.

MR. RITI: Well, the normal working day whatever it is from 9 'til 5, 6, 7...

ASSEMBLYMAN VISTOCKY: Isn't it very possible that a person living with someone who is receiving welfare can live with someone and go to work at eight o'clock and we go there at four o'clock because those are the hours, and the persons could still be living together and getting welfare?

MR. RITI: It's possible.

ASSEMBLYMAN VISTOCKY: What are we doing about it?

MR. RITI: Well, obviously we're attempting to discover that through the - The County Welfare Boards or the Municipal Welfare Departments are attempting to discover that and when they do, they eliminate those people from the rolls. That doesn't mean, of course, and I think we ought to understand something, we may be talking about a different program. But we want to realize immediately that there are some people who are perfectly legitimately receiving public assistance through, for example, the AFDC Program where there is a mother and father in the home both of whom may be employed. But, their income is such that they are still eligible for public assistance. That's perfectly permissible.

ASSEMBLYMAN VISTOCKY: Well, what do we do with a person who is living with a person, not married, receiving welfare because the person claims to be living alone?

MR. RITI: Well, if we discover it, obviously, we attempt to see to it that the grant is

adjusted so that we are not supporting someone who is not eligible for that public assistance.

ASSEMBLYMAN VISTOCKY: I personally think that if you would amend your rules and regulations so they can go and visit the person in the evening or earlier, I think you can find a lot of that throughout the State - not necessarily any particular area.

We talk about your work sites - welfare director's established work sites - does that mean that we are talking about the private sector as well as the public sector?

MR. RITI: Right.

ASSEMBLYMAN VISTOCKY: They say here you talked about the Bordentown situation and you said we've had this on the books and we've been doing things about this. Do you have any idea what percentage of people went to work prior to the 1977 Act?

MR. RITI: I don't have the figures before me but I'm sure we have...

ASSEMBLYMAN VISTOCKY: Do you have any idea how many people we put to work by our welfare directors throughout the State of New Jersey?

MR. RITI: I'm sure there are a significant number, but, again, I'm not prepared. I don't have those numbers before me but it's a significant number that were put to work by welfare directors. Frankly, sir, one of their responsibilities is to find jobs for welfare recipients, jobs that could be done putting people back into the mainstream of employment. That's what the whole thing is about. Municipal Welfare Directors have been doing this for a good number of years, and have been doing a creditable job.

ASSEMBLYMAN VISTOCKY: You didn't answer my question. I'm asking you, since we boast in Senator Merlino's statement that in 1978 there were 24,000 people assisted by the program, 15,000 were considered employable and again we have 1058 who were employable recipients, how many did we have prior to this?

MR. RITI: Well, the caseload continues to fluctuate. I'm not sure I'm getting your question....

ASSEMBLYMAN VISTOCKY: My question is this. Since we have this bill, we're boasting of putting a thousand people to work or so, fine, great, but what were we doing before?

MR. RITI: We were putting people to work where ever we could...

ASSEMBLYMAN VISTOCKY: Excuse me, sir. I'm the chairman, O.K.? We have 24,000 which we're boasting about. What were we doing prior to this? Now, I think you should be prepared to tell us that, "Sure, we put 500 to work or 500, 600, 1,000". We're boasting of this now only because maybe we had a Bordentown incident - maybe we had some of this other thing throughout the State and you can shake your head but I'm still going to tell you. I'd just like to see some comparable figures if you'd supply this committee with them.

MR. RITI: Well, I'd be happy to do that but, as I say, I wasn't prepared to bring you figures today on the number of people that were put to work prior to this Workfare Bill.

ASSEMBLYMAN VISTOCKY: Mrs. Garvin?

ASSEMBLYWOMAN GARVIN: Thank you, Mr. Chairman. I have two questions and one has to do with the point I was trying to make in my previous question. In that you are the Director of the Division of Public Welfare, Department of Human Services, and to read in your statement - a statement that I'm sure will be taken out of context - that people using General Assistance have used it for a free ride, Mr. Riti, I beg of you as a bureaucrat working for the State, that it is just that kind of attitude that I would not want to see. I'm sure there are people who abuse in all levels of government including welfare recipients. And, I personally take issue that in your position, that terminology was used. I have another question on page 5 that deals with the data that you presented here where you said, "18% had never worked at all". Did you do any correlation between those 18% and education?

MR. RITI: No. I don't think we did that.

ASSEMBLYWOMAN GARVIN: The reason I said that is I would like to think that perhaps those 18% lack any skills at all and then education becomes a factor. So, through you



Mr. Chairman, if we could through the department, find out how many of those 18% who had never worked - what level of education did they have? Could I request that through you?

ASSEMBLYMAN VISTOCKY: I think we'll have a request to the department in view of the things I asked about.

MR. RITI: Yes. We can get that.

ASSEMBLYWOMAN GARVIN: Thank you.

ASSEMBLYMAN VISTOCKY: Mr. Lesniak.

ASSEMBLYMAN LESNIAK: Thank you, Mr. Chairman. First of all, Mildred, to respond to one of your questions, if I may, there are many people who are able to work and obtain employment regardless of their educational level. I can think of one person who graduated from the 8th grade that just retired after 39 years of work at a factory. By the way, that was my father. Mr. Riti, I have two questions on some collateral issues involved in the entire welfare program. Are you allowed to presume that a person living with an AFDC recipient is supporting that family?

MR. RITI: No, sir. You are not.

ASSEMBLYMAN LESNIAK: Is that a Supreme Court decision?

MR. RITI: I don't know if it is Supreme Court but it was one of the courts' decisions.

ASSEMBLYMAN LESNIAK: I don't know what we could do about that, Mr. Chairman, legislatively, because it may be a judicial decision, but my understanding is that a woman divorced can be presumed to be supported by the person she's living with, and yet, someone receiving welfare can not be presumed. I don't think that makes any sense. What's the level of general assistance to unemployables? What's the amount, a month?

MR. RITI: \$178 a month.

ASSEMBLYMAN LESNIAK: And how long has it been that way?

MR. RITI: Oh, since 1975, I believe. I think that was the last time that was changed.

ASSEMBLYMAN LESNIAK: And how do you certify people as unemployable?

MR. RITI: Through their statement and through the statement of the physician.

ASSEMBLYMAN LESNIAK: And these are people who couldn't work even if there was work available?

MR. RITI: That's right.

ASSEMBLYMAN LESNIAK: Do you think they can live on \$178 a month?

MR. RITI: No. I don't.

ASSEMBLYMAN LESNIAK: Thank you.

ASSEMBLYMAN VISTOCKY: Mr. Snedeker.

ASSEMBLYMAN SNEDEKER: I'm sure, Mr. Riti, you've read the bill of Senator Merlino's. The bill in here indicates that that person who is on welfare will work the hours it would normally take to reimburse the municipality or State for the moneys that are being given to him or her.

MR. RITI: Yes, sir.

ASSEMBLYMAN SNEDEKER: Can he or she work longer?

MR. RITI: I suppose he or she can but that's dependent upon the municipality or whoever it is that ...

ASSEMBLYMAN SNEDEKER: Well, the question would be then - if he or she were to work longer, who would pick up the difference in cost?

MR. RITI: I would assume that whoever employs that person - if it were the municipality, it would be the municipality that would pick up that cost.

ASSEMBLYMAN SNEDEKER: Under the bill, you're prepared - the department I should say - is prepared to pick up 75% of the cost as we normally do now. Is that the way it's done?

MR. RITI: Well, maybe I'm misunderstanding the question. If the person is assigned to a work site to work off, if you will, the amount of money that they get for assistance, \$119 a month, they would still be receiving welfare. That \$119 is still welfare assistance and the State would

pay 75% of that cost.

ASSEMBLYMAN SNEDEKER: It would pay 75% of \$119 maximum?

MR. RITI: That's right.

ASSEMBLYMAN SNEDEKER: There's a time lapse now between the time that a person signs up locally that they need assistance and/or that the State can pick up that individual in your work program. What would you say the time lapse is now?

MR. RITI: Frankly, I don't know. That's really picked up by the State Department of Labor and Industry. They're not referred to the Department of Human Services....

ASSEMBLYMAN SNEDEKER: Oh. You don't assign them to work; the Department of Labor and Industry does. O.K. Do you feel that there is going to be any additional paper work in that now municipalities are going to be hiring individuals to work, let's say, as a laborer on the Road Department for \$119 the minimum wage for so many hours? What forms or paper work would you set up for that municipality to get reimbursed? They would pay the individual \$119 - some way they're going to get reimbursed 75%.

MR. RITI: The municipality submits, as they do now, a form that says that this person was paid so much and then we pay the 75% of that. There wouldn't be, as far as I know, any additional work on the part of the municipality to send materials to the State for reimbursement.

ASSEMBLYMAN SNEDEKER: You're not going to require any additional paper work from municipalities if they work on Workfare locally?

MR. RITI: None other than what they have right now.

ASSEMBLYMAN SNEDEKER: How are you going to then define that individual who gets \$119 and can't work for a particular reason as compared to that person who gets \$119 and may be working for the municipality? Are you going to keep track of that in some way or another to see...

MR. RITI: Well, the municipality will be advising us insofar as both employable or unemployable people are concerned. And, obviously, the State Employment Service will be telling us about the people who have actually been referred for work site placements.

ASSEMBLYMAN SNEDEKER: You mention one in here, one individual who, when CETA funds became available (as you know, CETA funds are now becoming less available throughout New Jersey due to the cutback in federal funding) my question is, are we setting up another department here in which we are going to take people on welfare and put them on CETA positions that have been eliminated due to federal cutbacks? And the State is going to pick up the difference in the cost?

MR. RITI: Well, all I know is that some of the municipalities are assigning people to a lot of CETA positions and as you all know they are federally funded. What will happen to them if the program should phase out (and it has been gradually declining) I'm not sure what's going to happen to them.

ASSEMBLYMAN SNEDEKER: Well, would we still then, the State of New Jersey, be picking up 75% of all the CETA funds that are cut out in the municipalities?

MR. RITI: Not to my knowledge.

ASSEMBLYMAN SNEDEKER: Why not?

MR. RITI: We're only talking about paying the 75% of the welfare grant that's given to the recipient. And if the welfare grant is \$119 a month, the State will continue to assume responsibility for 75% of that. But there is nothing that I know of that would suggest that the State would pick up 75% of the CETA funds that are lost.

ASSEMBLYMAN SNEDEKER: If you put a welfare recipient in there you'd pick up 75% of the CETA money, if you put him in the CETA position.

MR. RITI: But, if they move into the CETA position, I think I know what we're saying, the chances are they're no longer going to be on welfare - that's a regular job.

ASSEMBLYMAN SNEDEKER: But, the problem is the CETA money is running out at this point, at least, the federal government has indicated it is running out. Larger cities have indicated

they have had to lay off a lot of individuals because of a cutback in CETA funding. And, what I'm looking at, at the bill, it's a great idea to have more people work but I don't want to see more people on federal, state or county payrolls than we need to have. I think the object, really, is back in your first paragraph - look at the want ads. I think we'd all rather get back into private industry rather than on State employment or on local employment. I think that's the purpose of the whole act.

MR. RITI: That's right. We agree.

ASSEMBLYMAN VISOTCKY: I think we're losing the point here today. We're talking about \$119 a month and we're talking about if a person does get a job, he has to work off the \$119 a month. Now, if he or she is working for \$5 or \$6 an hour - if they should get a job - they will no longer receive welfare.

MR. RITI: They'll have a job and they're not eligible for welfare.

ASSEMBLYMAN VISOTCKY: The question I think Mr. Snedeker is leading up to is you have a 90 day period in there, in the bill, before the State takes it over - or some number of days.

MR. RITI: I don't remember seeing any 90 days.

ASSEMBLYMAN VISOTCKY: I think it was 60 or 90 days... The point is that if a person is working, and getting a job for \$5, \$6 or \$7 an hour (I wish him luck), they would no longer receive welfare once they get the job, period.

MR. RITI: Right.

ASSEMBLYMAN VISOTCKY: I think some people were under the impression that they would still receive the subsidized \$119 a month plus the salary they are receiving. You say, no, and I agree with you but I think the people out on the streets believe this - that they get subsidized \$119 because we got them a job. The question is that once they get the job, they will no longer receive the \$119.

MR. RITI: If they are making money in excess of the amount of the assistance grant, obviously, they would no longer be eligible.

ASSEMBLYMAN VISOTCKY: Mr. Otlowski.

ASSEMBLYMAN OTLOWSKI: Mr. Chairman before I follow up the question that you raised, I was a little envious when Mr. Lesniak said that his father had an 8th grade education and worked all of his life; my father only had a 1st grade education and worked all his life. I suppose the only comfort I can take in that is that he had a little better education than Abraham Lincoln - formal education. But, in any event, what I wanted to ask you is, if they are on the Workfare Program (and we all admit that the kind of money they get is very questionable for any kind of a living) is there any leeway at all for them to supplement that income, that welfare income, by any other kind of part-time job? Is there a cutoff point or they can't get any other part-time job?

MR. RITI: Yes, there's always a possibility. Let me give you an example. In the Assistance for Families with Dependent Children Program, which is the big one that spends a lot of money, people are permitted to get a job and we do not deduct from their income dollar for dollar from the assistance grant. It goes something like this: we eliminate or we forget the first \$30, it's a disregard, (this is an incentive to get people off welfare and get jobs)...

ASSEMBLYMAN OTLOWSKI: Is that \$30 a week or a month?

MR. RITI: A month. We disregard the first \$30 per month, disregard 1/3 of the remainder, O.K.? ... And then, deduct from that the mandatory payroll deductions, income tax or what have you, and the work expenses, like transportation to and from the job, and then the balance of that is taken into account in determining the amount of the assistance grant. It is compared to the standard and the balance is given - if there is a balance.

ASSEMBLYMAN OTLOWSKI: So, on the whole, they can just probably, from what you're saying, make an additional \$30 on another job?

MR. RITI: A little more than that.

ASSEMBLYMAN OTLOWSKI: Maybe a little more.

MR. RITI: A little bit more than that.

ASSEMBLYMAN OTLOWSKI: Forty or as high as fifty, do you think?

MR. RITI: Yes, I think so. A month, we're talking about.

ASSEMBLYMAN OTLOWSKI: Will this program fit in with this kind of....

MR. RITI: Not the Workfare Program itself but the General Assistance Program itself will fit into that. In other words, the Workfare Program again if ....

ASSEMBLYMAN OTLOWSKI: The Workfare Program is only working off the money....

MR. RITI: The Workfare Program is strictly working off the \$119, strictly that - nothing else.

ASSEMBLYMAN OTLOWSKI: The Workfare Program is only he or she working off the money?

MR. RITI: That's right.

ASSEMBLYMAN OTLOWSKI: Right. But, they would be able to earn, in another part-time job, \$30, \$40, maybe as high as \$50?

MR. RITI: Not in conjunction with the Workfare Program.

ASSEMBLYMAN OTLOWSKI: They wouldn't be able to take any other job?

MR. RITI: Oh, sure. If they could get the job they could go off of welfare most likely.

ASSEMBLYMAN OTLOWSKI: Yes, but if they could only get a job that pays \$50 a month, would they be cut off for Workfare? - cut off of welfare?

MR. RITI: I doubt that.

ASSEMBLYMAN OTLOWSKI: Oh.

MR. RITI: That's different.

ASSEMBLYMAN SNEDEKER: Bringing back to that then, Mr. Chairman, if they made over \$119 in a job, or close to that, would they be cut off the amount of money - the difference of the two? Is that the plan?

MR. RITI: On a regular job?

ASSEMBLYMAN SNEDEKER: Well, if someone, you say an individual would take \$119. We're taking a single, unmarried individual? Is that the income that person's allowed to receive?

MR. RITI: That's right.

ASSEMBLYMAN SNEDEKER: A month.

MR. RITI: Right.

ASSEMBLYMAN SNEDEKER: If that person were to come in and apply for welfare, we would give that person \$119?

MR. RITI: That's correct.

ASSEMBLYMAN SNEDEKER: Under the Workfare Bill we would say that you are required to work a certain number of hours - and if it were a \$6 rate or \$5 rate, whatever it may be - your're talking about 20 hours a month?

MR. RITI: Yes. That's about it.

ASSEMBLYMAN SNEDEKER: That person would work 20 hours a month and you would then give them \$119. Would you allow that person to go out and work some place else and make an extra \$50 as Mr. Otowski said? Or would you take that off the \$119?

MR. RITI: I'm not really sure how that would work. The \$50 that he might earn on the side may be sufficient - no, it really wouldn't be sufficient to have them move off the rolls - so I'm assuming that would be part of their income in relation to the \$119 that they would normally get. And, there would be a deduction in the amount of money, how much - I'm not sure.

ASSEMBLYMAN SNEDEKER: How can an individual in the State of New Jersey live on \$119 a month?

MR. RITI: I've been asking that for a long time. I really don't know the answer. I'm

not trying to be facetious. We've tried many times to have that number changed.

ASSEMBLYMAN SNEDEKER: Are you trying to tell me that \$119 is all the money I would get if I applied for welfare, for my food, heat, electric, rent, everything?

MR. RITI: That's right sir. That's it. If you're an employable person and you are single, you are living alone, the amount of income that you could get from the General Assistance Program is \$119 a month. If you are unemployable, it would be \$178 a month. That's it.

ASSEMBLYMAN SNEDEKER: Mr. Riti, would you say the Workfare Program then would be - I don't know what to use in this sense, I don't want to get Mildred mad at me now in any way, but - requiring individuals to get off of the rolls to go out and try to make more money than \$119 by forcing them to take a lower amount and not go out and get another job unless they snuck around to a job someplace? This is about what it sounds like to me. If I were to go out and work at a gas station for three or four hours and make an extra \$10 or \$15 a week, I would be getting \$40 extra a month. And, if you found out about it, or the director did, they would legally have to take the \$40 off of \$119 and give me the difference.

MR. RITI: No, not exactly. Again, if you're in the Workfare Program, there is another story.

ASSEMBLYMAN SNEDEKER: I'm in the Workfare Program, now, I am in the Workfare Program.

MR. RITI: O.K. If the person goes out and earns another \$40 or \$50 a month, (remember I told you the \$30 and 1/3 that would be taken into account in determining the amount of money that would be granted to the General Assistance recipient?) ... But, it wouldn't be a dollar for dollar deduction, is what I'm trying to say.

ASSEMBLYMAN SNEDEKER: Well, that's what I'm trying to find out - exactly what would happen if someone got a part-time job - for there's an awful lot of people.... I'll let Lester, Mr. Lesniak...

ASSEMBLYMAN LESNIAK: Thank you. Now, are you getting AFDC confused with Workfare? I think you gave us the regulations as they apply to AFDC and I understand them. But, your answers to the questions as it applies to this program, which we're interested in, which were raised by Assemblyman Snedeker and Assemblyman Otlowski, this committee is very interested in and I don't think we can accept answers like, "I doubt it" and "I assume so" and "I presume not". Now, what type of... Where and when can we find the regulations as opposed to what type of income people on the Workfare Program can earn without losing the benefits of this program? Because, I think what we ought to do is strive for a program that's going to have the greatest incentive to get the people into meaningful full-time employment. And, if we can allow for some supplementary work, maybe we ought to. Can we have some answers as far as that?

MR. RITI: Yes. Insofar as the person who is not assigned to a work site or a Workfare Program, (the figures that I gave you before are applicable to the General Assistance Program - the \$30 and the 1/3)...

ASSEMBLYMAN LESNIAK: They apply to the General Assistance...?

MR. RITI: That's correct. But, what I don't have before me is the same regulation that would relate to someone in the Workfare Program. That, I just don't have. That would tie in with the Department of Labor.

ASSEMBLYMAN OTLOWSKI: I would like to request that the Chair make an effort to get that information for the committee because it could determine amending this legislation to provide this kind of freedom and incentive for supplementary work and supplementary income.

ASSEMBLYMAN VISTOCKY: I'm sure we'll take care of that.

MR. RITI: I will get that.

ASSEMBLYMAN SNEDEKER: Mr. Riti, one other question. Can you make up, in your department under the rules and regulations, a roll published in the register that an individual who worked in the Workfare Program could, in addition to the moneys that are granted by welfare, receive an



additional income up to - and I'm not going to pick a figure out of the air of \$75 or \$100 or what ever it may be ... Could you do that legally under your power as director?

MR. RITI: I think it could be done under the Department of Human Services. All regulations come from the Commissioner.

ASSEMBLYMAN SNEDEKER: It can be done, in other words, we don't need legislation to do this?

MR. RITI: I don't think you do.

ASSEMBLYMAN SNEDEKER: Are you getting reimbursed any of this \$119 by the federal government?

MR. RITI: Not one nickel of that.

ASSEMBLYMAN SNEDEKER: All right. That is all State funding money from there.

MR. RITI: That's right. It's just the federal programs, the AFDC Program for example, where there are federal dollars.

ASSEMBLYMAN VISOTCKY: Has your department thought about - the Department of Human Services - thought about the subsidy for people to work as an incentive? And, if they got the extra \$20 a week, let's say for argument sake, which gave him \$80 a month in the private sector --- I know you can only pay \$3 an hour and we're going to supplement his income and get him off the program too --- Until that person does make a \$4 or \$5 figure, and they don't come off, do we have any ideas - anything coming along the tubes?

MR. RITI: Well, Mr. Chairman, only in the sense that - notwithstanding the Workfare Program - those incentives have been put into the General Assistance Program - you know I mentioned the \$30 the 1/3 disregard. But frankly, we haven't done that with respect to the Workfare Program itself. But, I commend you for considering that kind of thing. The \$119, as we've all indicated, is rather a low figure to try to get people to live on. The difference, I suppose, is in relation to the fact that the average length of stay on the GA Program is only about 7 or 8 months. And, I suppose, you struggle along with whatever income you can get - not paying your rent, and that sort of thing - and hoping you'll find a job later on and make up for the losses. That's one of the things that happens to people.

ASSEMBLYMAN LESNIAK: Mr. Riti, I think we got our answer. There are no regulations for incentives, as we have in General Assistance and AFDC, for people in the Workfare Program. Correct?

MR. RITI: Not that I'm aware of. I do not recall any regulation on that.

ASSEMBLYMAN LESNIAK: I think we can presume that there aren't.

ASSEMBLYMAN VISOTCKY: Any other questions? Thank you very much, Mr. Riti.  
Mr. Joseph Malone, III, mayor of the city of Bordentown.

J O S E P H R. M A L O N E, III: Members of the Committee, Ladies and gentlemen, I would like to sincerely thank you for the opportunity to be here today. It really is gratifying to see the culmination of about 8 months worth of hard work, aggravation, legal battles coming to what I hope will be a very satisfactory end in this legislation. As I was listening to Senator Merlino, I was really quite impressed. I think he has a true understanding of the problems that small communities are faced with in dealing with this kind of a problem. I fully understand we're not --- We don't have as complex a problem as some of the larger cities do. But, the concept of what we tried to push last summer, I think, is a concept that has substantial merit. And, I think that if this bill goes through it will really be something that can be implemented on a local level and be very responsive to individuals that we have in our community. What I would like to do is give you a brief synopsis of our program, what we've been involved in, and then make a few comments on some of Mr. Riti's comments. Our program started last August, as you have probably heard or read of. The adoption of our program was an emergency measure taken by us because of the retirement of our Welfare Director - not because of any direct attempt by us to usurp the authority of the State Welfare Department. And, I think this should be made very clear. We had received

notice through our Welfare Director that the city would be required to have a full-time director, caseworker, petty cash fund of \$500, a waiting room. That has since been recinded and hopefully cleared up permanently. But, that, combined with the retirement of our Welfare Director, plus the fact that we could not find a person to replace her, put us in a dilemma. In the very beginning when we announced at our local commission meeting that we would be taking over the welfare program, the announcement was not that we were taking it over because we wanted to usurp the authority of the State. The statement that we made was that we were going to run the program until such time as we could find a replacement for the Welfare Director - and that is how it started. Also, in our discussions with the Welfare Director, it was brought to our attention that out of the approximately 30 people a month that we had receiving assistance, approximately 4 or 5 of those individuals were physically unable to work. They were truly in a situation where they needed as much assistance as possible in the community. So, we combined those facts together and I think that's probably the seed that's ended us up here today. All through the legal battle and all through the subsequent press releases, news articles, television coverage, the State had never really offered us the opportunity to sit down and work with us on a Workfare Program. We had to find out the State's comments through a newspaper article - there wasn't even so much as a phone call. There were derogatory comments made about our director, there were derogatory comments made about the city in general for getting involved in this program. That was rather infuriating. If you look at that situation, you'll know it's not the best kind of situation to be presented with. As time went on, the positions hardened and we ended up in a law suit. That law suit is still going on today. As it stands right now, there are two programs being run in the city of Bordentown. There is the State program, which we, by law, have to have, there's also the city of Bordentown Welfare Program, which has three parts to it. We have our employment part of the Workfare Program, we have the Workfare part, and we also have the General Assistance part. An individual may choose, in the city of Bordentown, which program he feels, or she feels, is in his or her best interest. They can come in; they have a free choice to go to either the State's program or the city of Bordentown's program. As of right now, the majority of people that do come in for assistance are much in favor of going with the city's program. That can be documented by affidavits that I have copies of here. The program has been successful. In the time that we ran the program from the first of August to the middle of December, we dropped the caseload from approximately 120 over that period down to 14. The combined cost to the State and the city would have been approximately \$9,000 over that period of time. The cost to the city and State combined was \$1,000 over that period of time. Right now, with the new program that we have running alongside of the State program, we are averaging around \$350-\$400 a month as compared to last year of somewhere in the vicinity of \$2,000 a month for the welfare program.

ASSEMBLYMAN VISOTCKY: Can I interrupt you, sir? You talk about the city's program - that's no State money?

MR. MALONE: That's correct.

ASSEMBLYMAN VISOTCKY: So, actually, when you tell me the cost is \$1,000, you're not really giving me the exact figures because it may be costing you to put the person on the payroll X amount of dollars. So, it's actually an outlay with no 75% reimbursement by the State to the city of Bordentown.

MR. MALONE: Total cost between August and December to the city of Bordentown welfare was \$1,000.

ASSEMBLYMAN VISOTCKY: That's how many people working?

MR. MALONE: O.K. You're looking at a situation --- You're saying we made up jobs for people to do. That is not what happened.

ASSEMBLYMAN VISOTCKY: But I didn't say that.

MR. MALONE: O.K. We had positions available such as many communities do, where we

have from time to time employed temporary employees. We have, on occasion, had to go out and hire individuals from outside the community to come in and do part-time employment. We made a strong effort to have individuals come in and fill those positions through the Workfare Program, not through advertising in newspapers, and such.

ASSEMBLYMAN VISOTCKY: But, my question is that you still used moneys from the city of Bordentown and no 75% reimbursement from the State. If you can use the same people under this bill to work for you for the city or somewhere else in the community, you're getting \$119 that's going to save you right from your treasury. This is going to be reimbursed 75-25.

MR. MALONE: Oh, I'm not disagreeing with this bill. I think it's a tremendous bill.

ASSEMBLYMAN VISOTCKY: But, that again, alleviates the condition you had there...

MR. MALONE: Oh, correct. Absolutely. I have absolutely no objections to this bill. It is exactly what we would like to see. I think, in the very beginning, if this kind of cooperation had existed, we wouldn't be in the state that we're in today.

ASSEMBLYMAN KOZLOSKI: You made reference before about certain individuals having their choice between working for the local program versus the State program. Could you tell me why they are choosing the local program rather than the other?

MR. MALONE: I can give you a couple different reasons. Number 1 - It has been our experience that most welfare recipients do not have automobiles or don't have a means of transportation. They don't want to go and try to find a way to come up to Trenton, go through the Department of Labor, and then be shuffled through the bureaucracy, and then be sent back to possibly Bordentown or possibly some other community. For the most part, individuals in our community that are on assistance have been contributing members in our community for years and it just so happens that they have a problem. And, we feel, that as a community, we have an obligation to try to work with them in their problem. If you look at the situation, how would you like to come in, be faced with 7 or 8 different forms under a State program, basically give them everything from your shoe size to any other information that the State may deem necessary, have that basically go into a public record and be, what has been considered, a stain on you for the rest of your life? Our concern is that people who come into or live in our community don't deserve to be put in that kind of a situation. When they come into the community, the community should have an obligation to work with them, try to find them employment - we have 2 rather large companies that are in Bordentown, Ocean Spray and Yates Industry who have offered to work with us on the program; we have municipal slots since we have approximately 50 municipal employees in Bordentown and we do have a turnover - we try to place these individuals in permanent full-time employment and try to work with an individual's needs. The amount mentioned in questions earlier for an individual to live on for a month is pretty unreasonable. And, if an individual came in, for example, the girl who was on 60 Minutes, Joann Gibbs, under the State program she would have been entitled to \$119. That would not have satisfied the need that she had. She had a rent problem. We've been able to get her enrolled in school - she's going back and get educated. We've had the lady who had her house burned out; we've been able to mobilize the community behind her to help her get reorganized; put her back in her home; the city took trucks and moved furniture from other places in the community; we paid her first month's rent - which was far in excess of \$119 that she would have received under the State program - and yet this cost us less. And, to get back to the question that was raised - is it costing the city more - it's not costing us more because we are utilizing the city, the positions that we have in the city, to the best advantage of the city residents itself. And looking at it internally, and mobilizing an entire city to help people who are in need, - I, from my experiences we've had over the last six months and from talking to other communities - someone is going to have to show me a program - maybe I'm a little biased on this - that can work any better than what we have right now.



ASSEMBLYMAN SNEDEKER: Mr. Malone, you have indicated that there was very little co-operation when you had called to ask for information from the State. I'm sure you're familiar with Title 44 which pretty much specifically indicates what a town can do under welfare. It says that no public official can run a welfare program. That's a State statute.

MR. MALONE: Mr. Snedeker, I think that you should read that section of the statute that's in the New York Times article. I think it would be very important.

ASSEMBLYMAN SNEDEKER: I've got the statute ---

MR. MALONE: I think if you'd read it, it would be very specific.

ASSEMBLYMAN SNEDEKER: But, this is available to everyone ---

MR. MALONE: But, I think that the point that you're trying to make, and I think it is a very valid point, but I think you should be very specific about it because that statute refers to public officials being paid out of welfare funds.

ASSEMBLYMAN SNEDEKER: I don't see anything that says pay in here. It says no employee of welfare ---. You're not an employee but you can't ---.

MR. MALONE: No. I think you should read ---. As a matter of fact, I think it is quoted in the New York Times article that you have.

ASSEMBLYMAN SNEDEKER: O.K. I'll read the New York Times article. I have it.

MR. MALONE: It's much more specific.

ASSEMBLYMAN SNEDEKER: All right. Fine. But, you had indicated that you had 120 people on welfare at one time? All at one time?

MR. MALONE: No. Over that four month period of time we had approximately or seen 120 recipients.

ASSEMBLYMAN SNEDEKER: You'd seen them during that period of time?

MR. MALONE: We would have. Yes.

ASSEMBLYMAN SNEDEKER: I'm still not clear on the point of your spending less money. In other words, you said you spent \$1,000?

MR. MALONE: That's correct.

ASSEMBLYMAN SNEDEKER: And you paid all the people who worked for you? Was it just \$1,000 for all the people that worked?

MR. MALONE: I don't know exactly what point you're trying to raise.

ASSEMBLYMAN SNEDEKER: So, you put them into the public system and paid them from the public funds?

MR. MALONE: No, no, no. It depends on the circumstances. For example, - I'll give you specific examples because these people have been in the press and it is a matter of public record - for example, Joann Gibbs, she worked under our Workfare Program. She determined the hours that wished, she determined the type of work that she wanted to do. She would call up one of the other commissioners and say, "Commissioner, I'll be in at such and such a time." He would say, "No problem, Joann, set you own hours." She worked off, over a period of time, the \$200 that she had received for her assistance. Now, if you're talking about us putting individuals to work, and I want to make this very clear because it goes back to the question I was asked by the Chairman, we have to, in a small community, hire individuals at times on a part-time basis. This is a known fact and I think anyone who has had experience in local government knows that you have to hire part-time people on occasion to do particular jobs, for example, meter readers, or people around Christmas time to handle the other functions that may come up. What we have done is made those part-time jobs available to welfare recipients who live in the community. We have not gone outside of our community to try to fill those positions. Our first concern is to the people who live in our community. And, this is indicative, there is no indication that it is costing us more, budgetwise, there are no indications that it is costing us more.

ASSEMBLYMAN SNEDEKER: Well, I agree with that. But, you're spending more than \$1,000 to keep people ---.

MR. MALONE: Not in welfare.

ASSEMBLYMAN SNEDEKER: Not in welfare, but you're spending it out of the treasury - more than \$1,000 to keep people employed. You might have to hire a part-time meter reader that you would pay \$3 an hour to, so you take a welfare person and pay them \$3 an hour.

MR. MALONE: Correct. If you want to look at it in the overall sense, less money is being spent. If you want to say, yes, you are spending more money because you want to give these individuals part-time employment in necessary jobs, I think that's what it's all about. That's what the community should be doing. I hope that's what we're considering here. I think an individual community should try to give individuals who may have this predicament part-time employment. We're not spending more money.

ASSEMBLYMAN SNEDEKER: What's the difference then in just calling up the State and saying we have a part-time job available and we have Mary Jones, who has applied for welfare, she fits the specifications for that particular job, we're going to assign her to that job? Why couldn't you have done that under the Workfare Program of the State?

MR. MALONE: Let's put it this way. I have never known the State to operate that simply. And, I think, for us to make a phone call, I think if one understands the welfare Workfare situation, it's my understanding that an individual him- or herself had to go up and register at the Employment Office. They had to then be certified, they had to then go through a processing period of time in which they had to get involved in this. It's not a clean and simple kind of action as you're stating.

ASSEMBLYMAN SNEDEKER: Did you try to call up the Welfare Department, and they had a problem --- ?

MR. MALONE: Yes. Up until the time that we introduced our program, no one in our community had ever been notified or been in any way informed that there was anything such as a Workfare Program.

ASSEMBLYMAN SNEDEKER: The neighboring town of Cherry Hill has been in it since it started, I don't understand it.

MR. MALONE: Cherry Hill has? Cherry Hill just implemented Workfare approximately a month ago.

ASSEMBLYMAN SNEDEKER: I had understood that they were in the State Workfare Program.

MR. MALONE: No. I think you should double check, Mr. Snedeker. It was two weeks ago it was announced in most of the local newspapers ---.

ASSEMBLYMAN SNEDEKER: I read that and they were in the Workfare Program.

MR. MALONE: Yes. Approximately a month ago. We've been involved in Workfare now for close to six months.

ASSEMBLYMAN SNEDEKER: Do you find, Mr. Malone, that most people would rather go to work in private industry or would work for the municipality in the Workfare Program?

MR. MALONE: Most people, in general, I found, Mr. Snedeker, are much interested in working, period, for a living. If those individuals can find employment in the private sector, we would be more than glad to help them find a job in the private sector. I don't feel it is the obligation of the government to find a job or place anyone to bloat government. I have stood on that and I think it is probably one of the reasons we have this kind of a situation that we have today. I'm very much concerned about the size of government and the cost of government. That is why I have contacted several industries in the area and talked to several industries about placing individuals in the private sector.

ASSEMBLYMAN SNEDEKER: You mentioned Ocean Spray which is again seasonal and I would think that they would be able to handle many people. It's not a skilled type operation, in some cases, if people don't have to know how to type, they could go in and get a position there. I'm sure they would rather hire someone from Bordentown than hire someone from Trenton or some other areas.

MR. MALONE: Absolutely. We've had a very good response from Ocean Spray and from Yates Industry. Ocean Spray hires approximately 300 local people, so, it has been an asset.

ASSEMBLYMAN SNEDEKER: You said earlier that the three programs that you have, one is when someone comes in they can go and get \$119 and not do anything, that's the State program ---

MR. MALONE: No. We have ---.

ASSEMBLYMAN SNEDEKER: That's the State program?

MR. MALONE: Yes. There is a State program and there's also our program.

ASSEMBLYMAN SNEDEKER: All right. I'm just talking about the State program. Now, that's the first program, now, the State program and you say, "Here's one option. It's a State program and the maximum we can pay you is \$119 under that program - we can pay you no more and you don't have to do anything".

MR. MALONE: Basically, correct.

ASSEMBLYMAN SNEDEKER: Then the next program is the Bordentown program which you may give them an option to work in a position either in the city or in private industry.

MR. MALONE: Right.

ASSEMBLYMAN SNEDEKER: But, that private industry is still part of the welfare program and has been for years where welfare directors, to my knowledge, had tried to get people employment. So, that's no different from what it was before. The only difference is where you put them on the city payroll for a specific period of time and then pay them more than the \$119.

MR. MALONE: Well, let's put it this way. You say that has been the case, you say that is what has been done ---.

ASSEMBLYMAN SNEDEKER: I'm asking a question, I'm sorry, I didn't want ---.

MR. MALONE: Oh, O.K. All indications that I have are that that has not been the true case. And I think, sure, some welfare directors may have attempted to do that but I don't think, in general, that has been the over-riding case - that they have made a real diligent effort to place people in private sector jobs. And, I think, if an investigation was made of that, I think it would indicate that my facts are reasonably accurate on that. My concern is this, if you have a situation or community such as Bordentown, or be it Chesterfield or be it Mount Holly or whoever it may be, if the businesses in the community are aware of what the community is trying to do, the private sector businesses, I think they would much more receptive in working with the community than under the previous system. Under the previous system, everyone's impression of a so-called welfare recipient is the person that goes in, gets their \$119 and goes home and watches the soap operas or goes to the local bar and drinks. We have not found that to be the case. And, we have taken the opportunity to try to show people that that is not the case and actually tried to give the individuals the dignity that they are entitled to. And, I think the results of this Bordentown situation with the State have had such far-reaching effects, statewide, nationally, and even internationally with the kind of responses I've gotten, that I think the concept that the State had - fine, if they had it first, tremendous, I'm not going to differ with that, my impression from talking with people is the State never really expected to fully implement Workfare - at this point they have a choice, the people are demanding that Workfare be implemented.

ASSEMBLYMAN SNEDEKER: I think you're incorrect in that. The Legislature did pass the law that Workfare would work.

MR. MALONE: The Legislature doesn't implement it though.

ASSEMBLYMAN SNEDEKER: No, but the Legislature oversees it. That's the thing and we should oversee it as the program. I don't have any other questions, Mr. Chairman.

ASSEMBLYWOMAN GARVIN: Mr. Chairman, through you ---. Mr. Malone, I assume you have read this bill because you said that you supported it.

MR. MALONE: Yes, I do. I have read it.

ASSEMBLYWOMAN GARVIN: Do you have a copy? O.K. Turn to page 3, if you will, line 70 to 73 that deals with either the New Jersey Employment Service, the Director of Welfare - either or - shall make assignments. And then, if we look at line 78 through 82, we use as a good cause for them refusing to work as a lack of a reasonable means of transportation. I'm having a little

problem with that part of the bill because you say you're running three programs. You know, the State program, in other words ---.

MR. MALONE: Two programs actually, the State program and the city program.

ASSEMBLYWOMAN GARVIN: O.K. Would you say that in implementing this bill, as this is written presently, would a person who because of transportation, perhaps, refuse the job site identified by the Labor Department - would they then have a choice of having a part in your city program? Or would they then be eliminated from the program?

MR. MALONE: No. The point that I raised earlier and I think is basically spelled out here - let's say if we didn't have a city program or we didn't have the whole situation that came up because of Bordentown - what individuals could do and have a legitimate reason for doing - is say, I can't make my way to Trenton. I can't go there, so therefore, it is a legitimate reason why they couldn't work. What we're trying to do is eliminate that. Say to the State or to the Welfare Department, look, we can try to place individuals and we have work that has to be done in the community. Let the people stay here. There's no reason they have to be gypsying around trying to find employment. We want them to stay home.

ASSEMBLYWOMAN GARVIN: O.K. I have a reason for making this point. Number 1, how large is your community?

MR. MALONE: We're approximately one square mile.

ASSEMBLYWOMAN GARVIN: And what's your population?

MR. MALONE: We're approximately 5,000 people.

ASSEMBLYWOMAN GARVIN: 5,000 people ---. I think for a community of 5,000 to implement the Workfare and to have choices for its recipients is positive. But when I take the big cities where you have all of the industries have left, so there may not be private industry left in certain communities for the welfare director or the mayor to go to for jobs, now when I think of that, I really supported this bill. But, I'm saying if in the large urban cities there are no jobs, and transportation is a problem, and people refuse the jobs because of transportation, and there are no alternatives in the city, I see this as maintaining a system that the intent of this bill is to change. Could you help me with that?

MR. MALONE: Most large cities that I am familiar with have some form of mass transportation be it bus or rail. I think that in a large city you would not have the same kind of problems that you would have, let us say, in a rural setting, such as around the Bordentown area. So, I would think that the problem of transportation in a large city would not be that great a problem. And I think the thing is ---.

ASSEMBLYWOMAN GARVIN: I have to take issue because actually we don't have the bus services to job sites, believe me, it is still a problem and I don't want to go into that. I think transportation is a problem - period.

MR. MALONE: That's another issue we can work on.

ASSEMBLYWOMAN GARVIN: And that's another issue ---. And, I think that what I'm trying to do in supporting this bill and respecting what you are doing in your city, by the way, I was trying to deal with it as it related to the big urban centers. And, I'm having problems because to have a system that I totally support that would not work is like having no system at all.

MR. MALONE: Correct. If it is just there in name only, you might as well not even have it because all it does is frustrate people. I would hope that the individuals who'd be working in the welfare departments of larger cities in the State would be aware of these various problems that you are now bringing up. And, I think they should be aware of that and be willing to try to work those problems out. I don't want to get sidetracked but the Workfare itself, as a concept, and if we say that we should try first to get people into the private sector, we should, absolutely, but if we can't, and we're talking strictly about a Workfare situation, there's no reason that they cannot be utilized in municipal operations under the Workfare. And, hopefully, try to get those

individuals over a period of time who may be working in municipal jobs under Workfare into a situation where they might be able to more easily - I'm not going to say it is definitely easy - more easily, get involved in a private sector job. It's a big task. It's a lot of work. I think we're going to have to look at a situation where we need dedicated, hard-working, determined welfare directors and social workers. And, getting back to a comment that was raised earlier in reference to how much money, and so forth, I always refer back to a movie I saw, "Claudine" with James Earl Ray and Diahann Carroll and I look at that movie and I say, here is a situation where she is trying to make ends meet with five or six kids and here was a social worker coming in, and every time she tried to get ahead the social worker was knocking her back. She got a new toaster - "Well, I've got to take that off of your monthly allotment," these kinds of drawbacks in the present welfare system are not helping. All it is doing is perpetuating people staying on welfare - it's not giving them the incentive to do better. I think that this is something the State has to look at. What can we do to work with people to give them the incentive to do better?

ASSEMBLYMAN VISOTCKY: You're talking about Aid to Dependent Children ---.

MR. MALONE: No, no. I'm just talking about the concept of welfare in general. This had children in it but I'm more talking about a concept than I am specific children or single adults or childless couples.

ASSEMBLYMAN VISOTCKY: Mr. Lesniak.

ASSEMBLYMAN LESNIAK: Mayor is the city a township? A borough?

MR. MALONE: City of Bordentown. We've got to make that clear.

ASSEMBLYMAN LESNIAK: Do you now have a local Assistance Board?

MR. MALONE: Yes, we do.

ASSEMBLYMAN LESNIAK: And, you have a local Welfare Director?

MR. MALONE: Yes, we do.

ASSEMBLYMAN LESNIAK: And, do you believe that people should have to go to politicians to determine whether they are eligible for work or qualified for work?

MR. MALONE: O.K. Let's put it this way. I don't think there is any problem with people coming to an elected official - I dispute the term "politician" ---

ASSEMBLYMAN LESNIAK: I'm a politician. We all are.

MR. MALONE: Well, I don't consider myself a politician.

ASSEMBLYMAN LESNIAK: I see nothing wrong with it. I don't know how you get elected if you're not. My question is a simple question and I think a simple answer could suffice. Do you believe that a local Assistance Board is better qualified to make these determinations rather than people who are up for elected office?

MR. MALONE: I would say, in general, yes.

ASSEMBLYMAN LESNIAK: Do you think that where a person is up for elected office to make a decision like that, it could be subject to abuse?

MR. MALONE: Some could.

ASSEMBLYMAN LESNIAK: O.K. That's all.

ASSEMBLYMAN VISOTCKY: Any other questions?

MR. MALONE: Could I make, very briefly, ---. Mr. Riti made some comments and ---.

ASSEMBLYMAN VISOTCKY: I wish we wouldn't start rebuttal ---.

MR. MALONE: O.K.

ASSEMBLYMAN VISOTCKY: Mr. Joseph Simonetta, Executive Director, Conference of Mayors, representing the New Jersey League of Municipalities.

J O S E P H S I M O N E T T A: Good afternoon, Mr. Chairman and members of the committee. My name is Joseph Simonetta. I am the Executive Director of the New Jersey Conference of Mayors. And, I want to thank you for allowing me to testify before you today. I am speaking on behalf of both the Conference of Mayors and the New Jersey State League of Municipalities. Both

organizations support Senate Bill S1501 on the following grounds.

The actual content of the legislation mandates the duty of the local welfare directors, thus streamlining the method of applying a useful Workfare Program statewide. S1501 also encourages welfare recipients to begin, develop, and maintain a work record. The implications of the legislation, in their most positive sense, are also supported by the League and the Conference for the following reasons. By assigning the local welfare director to the task of finding a job for the employable Workfare participant, time needed to find a permanent position is put to use. Also, the interim period provides the opportunity for the welfare participant to examine his/her need to rely on welfare as a means of income.

One more final point regarding the nature of S1501. Our organizations most often are opposed to mandated legislation. In this case, however, we conclude that if S1501 was anything other than mandatory in nature, its intent and implementation would be impossible to execute equally throughout the State. Thus, we support both the nature and the content of the bill.

ASSEMBLYMAN VISOTCKY: O.K. Nice and short. Any questions? Mr. Snedeker.

ASSEMBLYMAN SNEDEKER: Would you feel under the present allocation - we asked this of Mr. Riti - the amount of \$119 should be in some way upped so that they can reimburse the municipality for more moneys if that individual - or at least let that person make more money on a scaled basis of some kind - do you feel that ---?

MR. SIMONETTA: If it were financially feasible. I don't personally see how someone can get along on \$119 a month. However, the intent of giving the General Assistance recipient the ability to experience the work field and to gain work experience would, therefore, give him the incentive without increasing his pot if it were not financially feasible, to go out and seek employment based with and carrying with him a work experience record.

ASSEMBLYMAN SNEDEKER: But, don't you think if we had ---. Really, it's one welfare program, it's a Workfare and welfare is really the same amount ---. If you're on welfare and you're an individual single - we're just going to try with that one person - he/she would get \$119 if he/she were on Workfare, he/she would still get \$119. Don't you think it would encourage that person to go on to Workfare if he/she could get \$119 plus an additional amount of money and not take it off the \$119 paid for by the State, or reimbursed proportionally by the State?

MR. SIMONETTA: Yes.

ASSEMBLYMAN VISOTCKY: Bruce Potter, President of the Municipal Welfare Directors Association of New Jersey and Welfare Director of the City of East Orange.

W. B R U C E P O T T E R: Good afternoon. My name is W. Bruce Potter. I represent the Welfare Directors Association, and I thank you for inviting me to speak to you today. I have a prepared position paper which Mr. Kohler is going to pass out to you and I'd like to read that. And, then, I'd like to answer some questions which you had asked that are pertinent - one of them is that you can work and receive assistance and also work for Workfare.

The General Assistance Employability Program under the Department of Labor and Industry has created a great deal of publicity for the welfare in our State. The impact of the work eligibility program has been the cause of major confusion, major antagonism, and yet is one of the most innovative approaches providing service to our clients. If the program has fallen short it is because of a lack of understanding of the intent and procedure established under the original legislation. Senator Merlino's bill S1501 appears to be an attempt to allow each municipality to set up its own Workfare Program until such time as the Department of Labor and Industry is able to serve the able-bodied clients of a municipality. The Municipal Welfare Directors Association of New Jersey supports the intent of this legislation with one exception - it is our interpretation that S1501 would require each municipal welfare director to establish his own Workfare Program. It is the association's feeling that the legislation should be changed to allow each local Assistance Board/welfare director to choose if they want to implement this program in their service plan. In a

survey of the State Welfare Directors there are some towns that would not have a welfare department staff set up to be able to supervise these work sites. In addition, it is felt by some welfare departments that their municipalities are not interested in setting up the program as they wish to continue with their own emphasis on gaining full-time employment in the private sector for their able-bodied clients. A mere changing in the wording in your law, from shall to may, would accomplish our concern. It is also the concern of the Municipal Welfare Directors Association that adequate and proper training be provided those municipal welfare directors who wish to implement the Workfare Program. We strongly recommend that this training be provided by the Department of Labor and Industry. Financial costs for these training sessions should be incurred by the Department of Labor and Industry. Most importantly, the association wishes to emphasize to this committee that the prerogatives and policy making responsibilities of the local Assistance Board should not be overlooked. The local Assistance Board is your direct community liaison that oversees and sets the tones the type of services your State committees wish to provide its citizens.

ASSEMBLYMAN VISOTCKY: You say here - shall to may. Why may and not shall?

MR. POTTER: The two examples I gave you are very strongly recommended that I bring to you. There are welfare departments - with all due respect to what Senator Merlino has said he has implemented ---. Welfare directors have been doing for years - they have been seeking in the private sector for jobs for their people - there's no need for a "Workfare Program." Your legislation, as we interpret it, would require the welfare director to do just one more task and one more supervisory responsibility that welfare directors already have burdening them.

ASSEMBLYMAN VISOTCKY: Can you answer me the question, how burdened are the welfare directors now in all our municipalities?

MR. POTTER: I would say that they are one of the most burdened civil servants that we have. We have part-time directors responsible for 30 and 40 clients per month. State law requires that they must see them and have them sign State affidavits once a month. You may find some municipalities where the welfare director is also a secretary to the health officer and priorities in the Health Department sometimes require that person to take very little time with the welfare responsibility. My interpretation is that the welfare director is very very burdened.

ASSEMBLYMAN VISOTCKY: Well, if he has been doing this right along why does he need proper training now in the Workfare Program? If you say you've been doing it right along now all of a sudden you want to go to school.

MR. POTTER: The training that is referred to in this position paper is how to set up a proper Workfare Program. One of the things I've heard this morning is that people don't seem to understand these are not what you would consider normal jobs. They are a training and an employment experience. These work sites, which was only 1/3 of the original intention of the legislation - the original intention, if I can refresh your memory, was to provide first, again, seeking employment for these clients in the private sector, two, to provide orientation and work experience, or work readiness, and only then, after those two didn't work, to create work sites. So, most municipalities do not already have a Workfare Program in their municipality thus they find it difficult - I'll give you an example of my municipality. I have a very good Workfare Program but it was only because my municipal government and my mayor directed my department heads to work very strongly with me. Some directors don't have that cooperation, - and if a department head, for example, in the Engineering Department doesn't want to be bothered with supervising a Workfare client, that Workfare Program is not going to work.

ASSEMBLYMAN VISOTCKY: Well, a person is only going to go there if he/she is qualified to go into that department. They're not going to put someone who doesn't know how to type into a job of typing.

MR. POTTER: That's correct.

ASSEMBLYMAN VISOTCKY: So, I think the director should know whether to send someone in to type or not.



MR. POTTER: Yes.

ASSEMBLYMAN VISOTCKY: What you're asking is really surprising. Why have a law then if it's may or shall?

MR. POTTER: Excuse me?

ASSEMBLYMAN VISOTCKY: If we have a law and we say may, we are going back to where we were prior to 1977? When you tell me that you want to have a Workfare Program that you want to go to school, or you want to have a seminar or you want to go to the Department of Labor and Industry, and you've been doing it all along ---. You know, it's amazing to hear you say that all of a sudden I'm getting a big job to do when it's not really a big job. If a small town like Bordentown can do it, and they did it, and I don't think they're burdened that much ---. I happen to be the mayor of my town and I don't think my director's burdened that much at all today because of the County Welfare Program and the State plan. I don't think they have that many local people to worry about. I think that what ever they have, they should worry about. I know my director, when I was mayor, he put people to work. Now, we've got to train them to put people to work? I don't understand that.

MR. POTTER: If that's the interpretation of the position paper, I apologize. The intent of what the position paper says is to provide a process for the welfare director to understand how to set up a work site component. I assume that you, the legislators, would not want work sites to be created that would violate the constitutional and civil rights of an individual of your community. That is possible.

ASSEMBLYMAN VISOTCKY: For instance.

MR. POTTER: Well, as you indicated, a person who does not have any typing skills to be told that you will work at that typewriter and if you refuse to, you will be kicked off welfare.

ASSEMBLYMAN VISOTCKY: I wouldn't think much of that director.

MR. POTTER: But, that has happened. There have been attempts at that to happen.

ASSEMBLYMAN LESNIAK: Mr. Chairman, isn't there an appeal process for the recipient if that occurs? I see a lot of nods in the audience.

MR. POTTER: There are, yes.

ASSEMBLYMAN LESNIAK: Mr. Chairman, Mr. Potter, I think, gives the best reason for the mandatory aspect of this bill. If the municipalities aren't doing their work and they don't want to, we don't want to give them the out to say - well, we just won't do it. Let's make them do it. Let's make the program work.

ASSEMBLYMAN VISOTCKY: Mrs. Garvin.

ASSEMBLYWOMAN GARVIN: Mr. Chairman, as you know I'm from East Orange. And, as we all know I'm up for re-election and I might make a political faux pas here but I guess I just have to continue to be myself.

ASSEMBLYMAN VISOTCKY: Mildred, I wish I could move into your district and vote for you.

ASSEMBLYWOMAN GARVIN: Thank you. I may need to have all of you move into my district before it's over. But, I think - Number 1, that I am concerned there is a Workfare Program that I was of the opinion was working well in East Orange. The Board of Education did agree with the welfare director and the chief executive to hire people. And, I can understand the association's position but I think that if you review the bill, one of the things the bill states is that the State department will identify job sites. So, therefore, the intent of the bill is not to overburden a local welfare director as being responsible for those job sites. So, I would like to make that correction because the bill is mandating that the Department of Labor and Industry identify work sites so, therefore, an overburden for the director is not the intent of the bill. I thought I wanted to clarify that. I think the second point I'd like to clarify is that part of your paper that deals with giving the welfare director and the local Assistance Board the right to choose if they want to implement this service plan. And here, I have to - it's a double edged sword ---. I think that if welfare directors had been more sensitive to the needs of their clients there would be no need for



this particular mandate at all. And, I think, the fact that the State will mandate it in this case, is positive and so that part of your recommendation, through you Mr. Chairman - I feel through working with the State with a mandated law, both the local jurisdiction and the State can meet the needs of the clientele, rather than either one having total jurisdiction of it. And, as far as the training component is concerned, you must know one of the processes with local bills has to do with a fiscal note. And, there is no fiscal note attached to this bill. Were this committee to take into consideration training, it then would add a fiscal note to the bill. And, a fiscal note takes other kinds of consideration. I would imagine those educated trained directors would be more than capable of implementing the processes after the State department has identified the sites. So, I wouldn't see the need of a training component because really, we'd be talking about a fiscal note. And, when we add a fiscal note to a bill, usually the bill is in greater danger of not passing.

MR. POTTER: One of the things that's interesting about this association is that while 500 or so municipalities have welfare directors, the large majority of the welfare clients are in large cities. What Mrs. Garvin is saying - and I have to agree with her, being one of the large municipalities - we have been able to bring Workfare into the large cities with very minimal problems. The concern of the association, however, is that a small municipality may not have the ability, if it is a part-time director, to implement the program smoothly without the training necessary to understand what the legislation is involved. This is the reason why the association directed me to bring this component in. As it has turned out, for example, in East Orange, when Workfare came into East Orange, we worked very closely with the councils from the Department of Labor and have now what I consider the best in the State. We've reduced our caseload, for example, from 1,300 to 600 in a matter of 5, 6 months. We've reduced our city appropriation request from \$300,000 to \$72,000 for State aid this year. In addition to that, we've now been able to provide more thorough service to the clients who are still remaining. The other thing that I'd like to clear up about the program is that it is a training component. It is an experience for the Workfare client which he/she would not normally receive during the course of the month doing nothing or perhaps working and getting just \$119. We automatically build in a training component. If a person, for example, has experience, as we have in East Orange, with running a computer, we set up a job site in our computer center and that person is working, running the computer so that he can keep his hand in to that. A person was an upholsterer ---.

ASSEMBLYMAN VISTOCKY: How long?

MR. POTTER: Excuse me?

ASSEMBLYMAN VISTOCKY: How many hours?

MR. POTTER: That's one of the quirks of the law. The person is working, based on the number of hours based on the minimal approved salary for that job title, as it turns out, he's only working 10 hours a month. Because, his job title requires that he get a minimum of \$8 or \$9 an hour. But, for those 10 hours a month, he is able to go into our computer center and help us key punch and run the computer. Another person, as I was about to say, has been an upholsterer. To keep his hand with his trade, we had him do some renovations of our furniture in the new welfare office in East Orange rather than putting him out on the street in a work site, sweeping the streets. It is the feeling of my local Assistance Board that we are going to try to assist the person in using this work site as a means to keep up their skill. A third situation occurred, a girl had told our counselor that she had experience as a typist. When she went to the municipal court to provide clerk-typing skills, it turned out that she was a stenographer but she had lost her skill and was afraid. That department head worked with her and within six weeks, her skill was of such a nature that that department hired her. So, it is primarily, and we view it primarily as a training component not merely a job or not merely a way in which a city can supplement their regular work force.

ASSEMBLYMAN VISOTCKY: We agree.

MR. POTTER: If I may, the East Orange Record had an article this morning about our Workfare Program, I would like to pass out some copies of this article for you.

ASSEMBLYMAN VISOTCKY: I'd like to call Mary Patrick, Legislative Liaison to the Department of Labor and Industry to introduce Janice Yunginger. Incidentally, Janice recently won a national award for her work in establishing a State Workfare Program.

MARY PATRICK: It was nice of you to introduce Janice. That's why I came because people have a way of avoiding sounding their own horn. My name is Mary Patrick and I'm Legislative Liaison for Commissioner Horn, Department of Labor and Industry. I present to you Janice Yunginger, General Assistance Coordinator, who will testify on behalf of the department. I thank you for the invitation to testify.

JANICE YUNGINGER: Thank you for the nice introduction. I hope what I have to say is worthy of the introduction I received. On behalf of Commissioner John J. Horn and the Department of Labor and Industry, Division of Employment Services, I would like to thank you for this opportunity to comment on Senator Merlino's amendments to the recently enacted "Workfare" provisions of the General Public Assistance Law.

Under the current law, P.L. 1977, Chapter 286, the Division of Employment Services has primary responsibility for both administering and operating what is now called the General Assistance Employability Program or "Workfare". Program accomplishments through the month of February are as follows:

Many of the General Assistance recipients who have gone through orientation and/or assessment have obtained unsubsidized jobs (1,440). Another 149 participants have been enrolled in subsidized employment and training slots through local CETA programs. Of the number of people who have participated in municipal work sites (630), some have been picked up as salaried employees of that municipality. Another 2,907 have participated in world of work orientation sessions. 6,197 of those registered for the program have been terminated from the welfare rolls.

These figures, however, tell only part of the story of the success of Workfare. Assignments to municipal work sites and participation in orientation have enabled many of those welfare recipients to gain the confidence necessary to enable them to compete in today's labor market. Municipal work sites established as a cooperative effort among three parties - The Employment Service, the local welfare director, and a municipal official - have provided General Assistance recipients with a work history or job reference - something many never had before, an opportunity in some cases to gain job related skills, and an opportunity to learn what good work habits are. Unfortunately, it is physically impossible for 63 staff from The Employment Service to be in every municipality to operate a Workfare Program. Our efforts to date have been focused on the municipalities that have the largest General Assistance population (21 cities in New Jersey have approximately 80% of the State's General Assistance population). Since The Employment Service feels that this program has had a positive impact on providing employability services to the GA population, the Department of Labor and Industry strongly supports Senator Merlino's proposed amendments. By amending the current Workfare legislation, all municipalities with General Assistance caseloads no matter how small would be able to provide some of these employability services.

In summary, the Department of Labor and Industry feels that Workfare is a viable program that benefits the General Assistance population, and should be broadened so that all municipalities can participate and benefit from the positive effects of the program. Thank you.

ASSEMBLYMAN VISOTCKY: Any questions from the members of the panel?

ASSEMBLYMAN LESNIAK: Mr. Chairman. Janice, could you explain the table you have at the end of your testimony? Do it, for instance, for the city of Elizabeth which I'm very familiar with.

MS. YUNGINGER: O.K. This is not done according to cities. Elizabeth happens to be the city where our special programs office is located. The numbers across from Elizabeth would be for Union County municipalities. We have a separate breakdown but it's not on the statewide report.

\* See chart on page 1X

ASSEMBLYMAN LESNIAK: O.K. Can you go over it for Union County?

MS. YUNGINGER: Sure. For the month of February, there were 56 new applications received from employable General Assistance recipients. The active number of people that we have registered right now in Union County is 359.

ASSEMBLYMAN LESNIAK: Is that with the new ones or without?

MS. YUNGINGER: That's with the new ones. But that does not include those people who have registered and already been terminated, which is the next column. For the month of February, there were 67 people terminated from the General Assistance rolls. Cumulatively, the figure is 376.

ASSEMBLYMAN LESNIAK: What does that mean?

MS. YUNGINGER: 376 people in Union County municipalities were terminated from the General Assistance rolls - of those who registered for the program.

ASSEMBLYMAN LESNIAK: Since when?

MS. YUNGINGER: Since, basically, June. That's when the program started.

ASSEMBLYMAN LESNIAK: That's what we want to know. Since June of 1978?

MS. YUNGINGER: Right. In most areas the program started in July and in some areas it started a little earlier. Elizabeth is one of the first. There have been no work site assignments in Union County municipalities.

ASSEMBLYMAN LESNIAK: And why would that be?

MS. YUNGINGER: We're still working with some of the municipal officials on that. They really don't seem to be interested in setting up work sites. But also, in Union County we have one of the highest placement rates in the State of people that have gotten unsubsidized jobs in the private sector, because that's what our staff is concentrating its efforts on.

ASSEMBLYMAN LESNIAK: That would be the column number ---

MS. YUNGINGER: That's the number of people who obtained employment.

ASSEMBLYMAN LESNIAK: Obtained employment through the State? Through The Employment Service?

MS. YUNGINGER: People that have come into the program. Now it's not necessarily a direct referral to a job but it may be a question of telling people what they have to know in order to go out and get a job, and then having them go out and get a job on their own. We really try to encourage people to go out and get jobs - giving them the skills they need in order to go for job interviews.

ASSEMBLYMAN LESNIAK: Do you know the reduction in unemployment rate in Union County in the last year?

MS. YUNGINGER: The reduction in the unemployment rate?

ASSEMBLYMAN LESNIAK: In the rate --- Is there a particular problem with setting up the work sites in Union County?

MS. YUNGINGER: We've met with municipal officials in the city of Elizabeth primarily, and they're really not interested in setting up work sites.

ASSEMBLYMAN LESNIAK: There are no further questions.

ASSEMBLYMAN VISOTCKY: Mrs. Garvin.

ASSEMBLYWOMAN GARVIN: Yes. I just have a quick question. I've been told that in Essex County where you have Newark - and I understand Newark has not implemented a Workfare Program ---

MS. YUNGINGER: No. That's not correct. Newark has implemented the Workfare Program. We have not had municipal work sites in the city of Newark until last month. But, we did have orientation sessions there and we were referring people to jobs.

ASSEMBLYWOMAN GARVIN: So, would this figure for Essex County in essence include - in other words, the total figures here, how would you compare that to the total people on General Assistance in the county?

MS. YUNGINGER: In the county? I can't really answer that. I know that the city of Newark alone has almost, I think, 50% of the General Assistance population in New Jersey. So the high numbers are primarily Newark's but East Orange has a large caseload - Orange has a large caseload.

ASSEMBLYWOMAN GARVIN: So this figure represents the combination of all the caseloads?

MS. YUNGINGER: Right. That right - Irvington - all the Essex County municipalities.

ASSEMBLYMAN VISOTCKY: Mr. Snedeker.

ASSEMBLYMAN SNEDEKER: It was indicated earlier that there is a problem with regards to the forms and paper work that has to be filled out for some person to enter into the State Workfare Program. Do you ask a volume of paper work to be completed by someone?

MS. YUNGINGER: I'm not sure if the reference was to forms a person has to fill out in order for them to receive public assistance. The only form we require the General Assistance recipient to fill out is an employment application, which has basically their work history on it, where they live, their Social Security number, stuff like that. Not how many pairs of shoes somebody has.

ASSEMBLYMAN SNEDEKER: It doesn't require the size of the shoes? I didn't think so. Transportation. It was also indicated that there seems to be a problem of transportation from the suburban areas into the area in which you would be ---.

MS. YUNGINGER: Well, first of all, our staff, The Employment Service staff that works on the program, normally goes to the municipality where the person is receiving their General Assistance. We don't require people to come into Trenton to participate in the program.

ASSEMBLYMAN SNEDEKER: Well, that was the indication that was given by one speaker before this in the Bordentown situation in which people would rather not come to Trenton. It was much easier to go right to their town hall.

MS. YUNGINGER: For Burlington County we have someone who works out of our Mount Holly special programs office. And he goes to the various municipalities in Burlington County, except for Mount Holly. Then the people come into our office.

ASSEMBLYMAN SNEDEKER: Do you go there once a month or on a schedule?

MS. YUNGINGER: It depends on how many people are involved in the caseload.

ASSEMBLYMAN SNEDEKER: Have you been asked by the municipality in Bordentown?

MS. YUNGINGER: We have one person who has participated in the program from Bordentown and that person is working now.

ASSEMBLYMAN SNEDEKER: And you only have one that you've picked up?

MS. YUNGINGER: Right.

ASSEMBLYMAN SNEDEKER: Why would you say there would be a difference where they have had more people volunteer to go into the Bordentown program that they operate compared to the Workfare Program the State operates?

MS. YUNGINGER: I'm really not sure because the procedure is that a welfare director - anyone who is considered an employable General Assistance recipient is asked to fill out an employment application, which is sent to our office and we, in turn, contact the person and we've only gotten one of those employment applications from Bordentown. I don't know about the other people who were involved.

ASSEMBLYMAN SNEDEKER: Are you on the same basis that you pay \$119 for a single person and no more?

MS. YUNGINGER: We don't really pay anything. If someone is participating in a work site it means that they get their public assistance grant through the Welfare Department.

ASSEMBLYMAN SNEDEKER: You just place them? And they get their \$119 from the State?

MS. YUNGINGER: Right. But, we emphasize first trying to get the person what we call a "real job" as opposed to just referring people to work sites. That's the reason for the orientation sessions that we hold. In other words, we emphasize trying to get a person a job in the private sector if they're able to do that.

ASSEMBLYMAN SNEDEKER: Rather than go work for a municipality for a short period of time and keep looking?

MS. YUNGINGER: Right. Well, then if they're unsuccessful or if there is some reason why they cannot get a job in the private sector, we would then try to set up a work site for the person. But, the work site is set up almost in the same way that we would develop a job for somebody. It's based on the person's skills and abilities as well as what the needs of the municipality are.

ASSEMBLYMAN SNEDEKER: Do you find that you are getting the cooperation from industry in hiring people on the welfare rolls as you should get? Do you find that there is something we could do on that end?

MS. YUNGINGER: I don't think we advertise the fact when we're doing job development in the private sector that we have people coming from the welfare rolls. We try and sell the positive aspects of the person - their skills, maybe the fact that they've been coming into our office for orientation, and they're always on time, and things like that - we really don't advertise the fact that somebody is receiving General Assistance.

ASSEMBLYMAN SNEDEKER: What I meant to indicate - not that so much as to - are you getting the cooperation of industry? If they have positions available will they take people or ---. I assume they asked you, where did this person work before and if they are referred by you, they would sort of know that they are on welfare, I would think ---.

MS. YUNGINGER: Not necessarily because we are The Employment Service and we refer all kinds of people for all kinds of jobs.

ASSEMBLYMAN SNEDEKER: So, you don't indicate at all they've been on welfare, so you can refer anyone as long as they qualify?

MS. YUNGINGER: Not unless there is a specific reason to do that. But, usually that's not the case and we try to emphasize the positive aspects.

ASSEMBLYMAN SNEDEKER: One other thing. Do you think that where you're trying to put people to work who are on welfare and not on welfare, do you have enough help to go into the suburban and urban areas to industry and say when you have openings, contact us? Are they doing this or are they doing the advertising? What I'm trying to get at is I see an awful lot of ads in the paper, as was mentioned earlier, are jobs available? Look in the newspaper. Are they contacting you or are they just putting ads in the paper of skills?

MS. YUNGINGER: Again, it really depends on the employer. There are some employers who always list their job openings with The Employment Service. There are other employers who choose not to do that and put their ads in the newspapers. And, in that case, again, we may not advertise the fact that we know an employer does

not like to list jobs with the Employment Service. But, if we see an ad in the paper, we encourage the people to go out and apply if we thought they were qualified for the job.

ASSEMBLYMAN SNEDEKER: Are you doing any retraining in your field of people who are not capable of doing a certain type of job? Do you have any retraining programs ---?

MS. YUNGINGER: Well, we try to use the municipal work sites for that type of thing and we also try to use the local CETA programs. Because, despite the fact that they are being cut back in their public service employment funding which is the public jobs part of the CETA program, they do have a lot of training services available and those services are for the economically disadvantaged people. And, General Assistance people certainly fit into that category.

ASSEMBLYMAN VISOTCKY: Janice, do you think, according to previous testimony, that we have to train our welfare directors at work sites?

MS. YUNGINGER: I think, in some cases, it might be necessary to do that. Our department, and the staff that currently works on the program now, would be willing to do that. It would really not involve anything more than probably having a meeting with some of the local welfare directors who have not been actively involved in the program and explaining how we go about developing a work site, and emphasizing the fact that the work site development should be based on the person's capabilities as well as what the needs of the municipality are.

ASSEMBLYMAN VISOTCKY: At any time, I sure, we don't put people to work to type that don't know how to type.

MS. YUNGINGER: I haven't heard of anything happening like that. No. And, I would expect that most of the municipal welfare directors certainly would not consider doing something like that.

ASSEMBLYMAN VISOTCKY: O.K. Thank you very much. Congratulations to you again. Ronald Frano, National Federation of Independent Business.

R O N A L D F R A N O: Mr. Chairman, ladies and gentlemen of the committee, my name is Ronald Frano, and I'm Area Director for State and Local Affairs, for the National Federation of Independent Business. I'm here today in behalf of our 11,000 New Jersey members who are small independent business people. Our New Jersey members were surveyed on the question of Workfare - 98% strongly favor the concept. This is fairly indicative, from our studies, of how all small business feels on this issue. There are two reasons for this stand, as hard working individuals themselves, small business people see no reason why an able-bodied employable individual should not work for his/her benefits. They feel it is important that people be encouraged to work for their money if they are capable. Also, the small business person gets a first-hand glimpse of any abuses of welfare. They therefore strongly support any attempt to reduce or eliminate these abuses. Workfare, we feel, is a step in that direction. Therefore, on behalf of our New Jersey members we respectfully request this committee to favorably consider S1501.

ASSEMBLYMAN VISOTCKY: Very good, Ronald. Will your association, your committee, notify our welfare directors, where ever they are, and say we will take a person who is employable to work 3 or 4 hours?

MR. FRANO: Yes, we would make an effort to do that.

ASSEMBLYMAN VISOTCKY: Then, I wish you would send those letters out to all our towns. Any other questions? Mrs. Michael Keller, Welfare Director, Perth Amboy.



J U L I E K E L L E R: Good afternoon. My name is Julie Keller and I'm the Local Welfare Director in Perth Amboy. I'm glad I have an opportunity to speak here even though I wasn't put on the agenda initially because I think it is important that you get a clear picture of a particular situation. I will be speaking only about Perth Amboy and how we view this program. Our town, first of all, is less than 4 square miles. We have ample public transportation from all areas of the town. In the last 4 months, when we have really gone full speed ahead with our General Assistance Program, we have, I believe, come a long way. We didn't start the program back in June of 1978 when it was first implemented statewide, primarily because the Labor counselor who was assigned to our county and two other counties besides, did not even have an assistant to help him. He was working with 3 counties. There were only 2 towns in our county of Middlesex - New Brunswick and myself - that were equipped to give him a room in which to meet so that he could meet with our recipients and in my case, a Spanish translator because our town is comprised of many Spanish-speaking people. He didn't have any Spanish-speaking counselors on his staff and to date he still doesn't have any Spanish-speaking counselors on his staff. Our average monthly caseload is approximately 140 to 150 recipients a month, 50 to 60 of which usually are employable. We average 30 to 40 new applications a month. As a result of this Workfare Program, and I'm referring specifically to the last four months when we've been able to implement it, we are averaging 20 to 30 terminations a month, - these terminations include drop-outs, refusals to cooperate, etc., - as opposed to the 5 to 10 terminations we had prior to the program being implemented. Before this if we had terminations, usually they were as a result of added income, for example, AFDC, Workmen's Comp., SSI, Unemployment benefits, etc. All employable recipients first go through a job search orientation program as Janice Yunginger mentioned before, with a GAP counselor before being assigned to any work site. I'd like to note now that even though we've been with this program for 4 months we will only be starting the work sites component of it in April. So far, I started this month with about 40 employable recipients and I am down to 2 employable recipients because the rest would not cooperate with the program. To this date, I have 2 people left to put on work sites starting April first. I'll also add at this time that 5 of those people who would not cooperate found jobs on their own, I do not know what the rest are doing. We have noticed, also, that there has been a significant drop in new applications for General Assistance - and I'm talking primarily about employable people - in the last two months. We average 30 to 40 new applications a month, as I said before, and in the last couple of months we've dropped down to about 10 to 15 a month. If I may make reference to a remark Mr. Riti made before about trying to eliminate some of the recipients that go on a free ride through the welfare program, yes, we've had our share of free-ride recipients. We usually catch them. And the way we do this is through investigations during the day. My office is open 9 to 5; I am not paid overtime even though I am on call 24 hours a day, seven days a week.

ASSEMBLYMAN VISOTCKY: You'd better see the mayor about that.

MRS. KELLER: Oh, I give him a hard time all the time. In conclusion, our experience has been that those who are truly motivated to work will do so and welcome any help that we may give them in trying to find them jobs. A conscientious director will do all that is necessary to help employable people find jobs and eliminate those who do not want to work. One added note, we have found and I personally have found that private and public industry alike are far more receptive

to having a welfare recipient referred to them by a Labor person as opposed to a welfare director. And, I say this specifically because unfortunately, the welfare recipient has a negative connotation - he/she is usually thought of as being lazy, wanting to come on welfare for a free ride, living high on the hog, and generally doing nothing more than sitting back while the city supports them. Now, I don't know how they can do all this when they are only receiving \$119 a month but, unfortunately that is a misconception by many people. One other thing and I'll end right now is that if the recipient is working part-time or we get him a part-time job or he has one before he comes to us, he is capable of earning over \$200 a month and still receive supplemental assistance from us. The way that works is, for example, if someone is earning \$230 a month, we disregard \$60 of that income - which comes out to \$170 - we take 1/3 of that, deduct it, it comes out to \$113 a month that we count. If he is living alone and he receives \$119, he receives a difference of \$6. Now, that may not sound like much, however, he is also entitled to medical coverage. And, we would encourage that as opposed to just sitting back and not working or not making any attempt to work at all. I don't feel that welfare directors are trained or equipped to go out in the private market and try to find these recipients jobs. As I noted before, private industry would prefer referrals from Labor and not from welfare directors. That has been my personal experience.

ASSEMBLYMAN VISOTCKY: Thank you very much. You're to be commended for doing a good job. Mr. Lesniak.

ASSEMBLYMAN LESNIAK: The disregard that you mentioned, that applies to people who are not in a Workfare Program?

MRS. KELLER: It applies to anyone who has worked in part time.

ASSEMBLYMAN LESNIAK: How come you were able to give us that information and Riti wasn't? Is that under State regulations?

MRS. KELLER: Yes, sir.

ASSEMBLYMAN LESNIAK: Oh. Thank you.

ASSEMBLYMAN VISOTCKY: Since there are no other people to testify, we're going to go into the amended version of the bill. I'll therefore call a committee meeting to act on the amendments we have before us. That's all for the public hearing. Thank you.

(Hearing Concluded)

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