

**CHAPTER 81**

**PUBLIC ASSISTANCE MANUAL**

**Authority**

N.J.S.A. 44:10-3, Federal Family Support Act of 1988 (P.L. 100-485), 58 FR 49218, 57 FR 30407, 45 CFR 250.30(b)(a), 45 CFR 250.73(e)1 and 255.2.

**Source and Effective Date**

R.1994 d.429, effective July 25, 1994.  
See: 26 N.J.R. 1573(a), 26 N.J.R. 3479(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 81, Public Assistance Manual, expires on July 25, 1999.

**Chapter Historical Note**

Chapter 81, Public Assistance Manual, was filed and became effective prior to September 1, 1969. Chapter 81 was repealed and new rules were adopted as R.1975 d.29. See: 6 N.J.R. 244(a), 7 N.J.R. 105(c). Pursuant to Executive Order No. 66(1978), Chapter 81 was readopted as R.1989 d.496. See: 21 N.J.R. 1795(a), 21 N.J.R. 3006(a). Subchapters 1 through 10, 12 and 14 were amended by R.1991 d.8, effective January 7, 1991. See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b), based on the Family Support Act of 1988 (P.L. 100-485) (54 F.R. 42146).

Chapter 81 was readopted as R.1994 d.429. See: Source and Effective Date. As a part of R.1994 d.429, Subchapter 12, Newark/Camden Teen Progress Demonstration, was repealed effective August 15, 1994. See: 26 N.J.R.1573(a), 26 N.J.R. 3479(a). See, also, section annotations.

**Cross References**

New Jersey Care, special Medicaid programs manual, scope, see N.J.A.C. 10:72-1.1.

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## SUBCHAPTER 1. PUBLIC ASSISTANCE IN NEW JERSEY

### Subchapter Historical Note

All provisions of this subchapter were filed and became effective prior to September 1, 1969. A new revised subchapter was filed February 11, 1975, as R.1975 d.29 to become effective April 15, 1975. See: 6 N.J.R. 244(a), 7 N.J.R. 105(c). Amendments were filed and became effective March 1, 1976 as R.1976 d.63. See: 8 N.J.R. 69(b), 8 N.J.R. 195(b). Further amendments were filed and became effective December 1, 1977 as R.1977 d.452. See: 9 N.J.R. 367(c), 10 N.J.R. 16(b). Further amendments were filed and became effective September 1, 1979 as R.1979 d.278. See: 11 N.J.R. 280(b), 11 N.J.R. 383(b). Further amendments were filed on an emergency basis effective September 30, 1981 to become operative October 1, 1981 to expire November 30, 1981 and to be readopted December 30, 1981 as R.1981 d.518. See: 13 N.J.R. 759(a), 14 N.J.R. 102(c). This subchapter was readopted, effective August 23, 1984 with amendments to become operative October 1, 1984 as R.1984 d.405. See: 16 N.J.R. 1446(a), 16 N.J.R. 2437(a). See chapter and section levels for further amendments.

### 10:81-1.1 Purpose and scope

(a) The purpose of this manual is to set forth the policies and procedures necessary for the orderly and equitable provision of public assistance on a Statewide basis. It is binding on the county welfare agencies (CWAs) and enforceable by the Division of Economic Assistance. Ques-

tions of interpretation will be resolved by the Division of Economic Assistance.

(b) The community recognizes that the security and welfare of each individual are essential to the security and welfare of the community as a whole. Therefore, it has established, among others, programs of social service and public assistance.

(c) Supplementary services under private auspices are also available in the community. To the greatest extent possible clients should be informed of these services as additional resources, not in lieu of public programs.

(d) Public assistance and social services programs are administered within the framework of Federal and State laws and regulations in accordance with equitable and objective standards. Policy is limited by law and is effective only as it is consistent with law.

(e) Such assistance and services shall be rendered to all eligible individuals and families in an atmosphere of mutual respect between agency employees and the people they serve. Agencies shall ensure that assistance and services are:

1. Extended in a manner and environment which increases a person's sense of importance, dignity and self-esteem;
2. Designed and administered to respect the human and civil rights of persons applying for or receiving assistance;
3. Provided in the least restrictive, most appropriate setting.

(f) This manual sets forth the policies and procedures necessary to the orderly and equitable provision of public assistance on a Statewide basis. It is binding on the county welfare boards and enforceable by the Division of Public Welfare. Questions of interpretation will be resolved by the Division of Public Welfare.

Amended by R.1979 d.278, effective September 1, 1979.

See: 11 N.J.R. 280(b), 11 N.J.R. 383(b).

Amended by R.1979 d.426, effective December 1, 1979.

See: 11 N.J.R. 376(b), 11 N.J.R. 560(d).

Amended by R.1989 d.496, effective September 18, 1989.

See: 21 N.J.R. 1795(a), 21 N.J.R. 3006(a).

Stylistic changes.

#### Case Notes

Cited as example of expression of legislative desire to help the elderly grow old with dignity and independence. *Texter v. Dept. of Human Services*, 88 N.J. 376, 443 A.2d 178 (1982).

County welfare board's discretion is severely restricted by state and federal regulations. *Battaglia v. Union Cty. Welfare Bd.*, 88 N.J. 48, 438 A.2d 530 (1981) certiorari denied 102 S.Ct. 2045, 456 U.S. 965, 72 L.Ed.2d 490 (1982).

#### 10:81-1.2 Opportunity and decision to apply

Any person who believes he or she and his or her children are eligible for public assistance must be given the opportunity to apply without delay. Applicants will be informed about the eligibility requirements and their rights and obligations in applying for and receiving assistance. The decision to apply rests with the applicant. The applicant has the right to withdraw the application before eligibility or ineligibility has been determined.

Amended by R.1984 d.405, effective September 17, 1984 (operative October 1, 1984).

See: 16 N.J.R. 1446(a), 16 N.J.R. 2437(a).

#### 10:81-1.3 Presumptive eligibility in cases of immediate need

When immediate need is apparent and applicant provides evidence of eligibility by a written statement signed under oath, the director of the county welfare board shall issue a grant effective as of the date of application. (Immediate need is defined in N.J.A.C. 10:81-9.1.)

#### Cross References

Initial payment, see N.J.A.C. 10:81-4.3.

#### Case Notes

*Gilbert v. Tull*, 145 N.J. Super. 53, 366 A.2d 1012, 59 (Law Div.1976) (regulation cited as PAM § 1120).

#### 10:81-1.4 Prompt disposition by county welfare agency

County welfare agency staff shall move with all reasonable speed in accepting, processing and recommending action on applications for assistance. If applicant is eligible, payment shall be issued as soon as need is apparent. The agency's standards of promptness for acting on applications or re-determining eligibility shall not be a basis for delay in granting aid.

Amended by R.1979 d.278, effective September 1, 1979.

See: 11 N.J.R. 280(b), 11 N.J.R. 383(b).

#### 10:81-1.5 Primary source of information

Applicants and recipients are in all instances the primary source of information about themselves and their families. It is the responsibility of the agency to determine eligibility and, as necessary, to secure verification from secondary sources. Such verification information shall be limited to those facts which are essential to establish eligibility and shall be obtained only with the consent of the client. It will be explained to the client that verification is necessary and lack of consent to obtain it will make processing of the application impossible.

(e) When continued absence as defined in this section exists, eligibility for AFDC-F or -N ceases. The family shall be evaluated for AFDC-C.

1. In situations where the parent is to be incarcerated, hospitalized, institutionalized or incapacitated for a period beyond 30 days, eligibility for AFDC-F or -N ceases. The remaining members of the family shall be evaluated for AFDC-C.

As amended, R.1977 d. 452, effective December 1, 1977.

See: 9 N.J.R. 367(c), 10 N.J.R. 16(b).

As amended, R.1979 d.423, effective December 1, 1979.

See: 11 N.J.R. 446(a), 11 N.J.R. 559(e).

As amended, R.1980 d.118, effective March 19, 1980.

See: 11 N.J.R. 625(a), 12 N.J.R. 194(c).

Added second sentence and cross reference.

As amended, R.1984 d.415, effective September 17, 1984.

See: 16 N.J.R. 825(a), 16 N.J.R. 2440(a).

Amended by R.1986 d.9, effective February 3, 1986.

See: 17 N.J.R. 2333(a), 18 N.J.R. 272(a).

(d)1-3 added.

Amended by R.1992 d.366, effective September 21, 1992.

See: 24 N.J.R. 2147(a), 24 N.J.R. 3345(a).

Text deleted at (c)3 to conform to equalization of payment standards.

#### Case Notes

“Absent parent” for AFDC eligibility defined. In the Matter of Souder, 204 N.J.Super. 132, 497 A.2d 1258 (App.Div.1985).

“Absent parent” defined for AFDC eligibility. Burrus v. Dept. of Human Services, 194 N.J.Super. 60, 476 A.2d 285 (App.Div.1984).

Continued absence of parent. Shannon v. Dept. of Human Services, 157 N.J. Super. 251, 384 A.2d 899 (App.Div.1978) (regulation cited as PAM § 2533).

Husband residing in same apartment building as recipient spouse does not constitute continued absence of parent; benefits reduction approved (Director’s Final Decision). A.S. v. Bergen Cty. Welfare Bd., 7 N.J.A.R. 258 (1981), revised 191 N.J.Super. 228 (App.Div.1983).

AFDC grant terminated because children were not being deprived of parental support. Burlington Cty. Welfare Bd., v. H.R., 3 N.J.A.R. 363 (1980).

Physical incapacity of parent. R.R. v. Hudson County Division of Welfare, 2 N.J.A.R. 228 (1978).

Continued AFDC assistance denied because father was not continuously absent from home. Gloucester Cty. Welfare Bd. v. “C.R.”, 2 N.J.A.R. 14 (1980).

#### 10:81-2.8 FDP or REACH participation in AFDC-C, -F, and -N segments

(a) The IM worker has responsibility for determining each AFDC-C, -F and -N family member’s need to participate in FDP or REACH (the AFDC work/training program) as a condition of eligibility for AFDC (see N.J.A.C. 10:86 or N.J.A.C. 10:81-14), unless exempt. The FDP or REACH exemptions as described in N.J.A.C. 10:86 or N.J.A.C. 10:81-14.3A will be explained to each applicant.

1. If an individual claims exemption due to incapacity, he or she shall be given Form DRS-1, Examining Physician’s Report, to be completed by a physician or licensed or certified psychologist of his or her choice and returned to the CWA for payment as authorized by the Division of Medical Assistance and Health Services.

i. If the completed DRS-1 indicates that the individual will be incapacitated for at least 90 days, the client shall be referred to the Division of Vocational Rehabilitation Services by means of Form PA-14, Referral for Services.

2. Those individuals not exempt from FDP or REACH shall be informed that they must participate in the FDP or REACH program (see N.J.A.C. 10:86 or N.J.A.C. 10:81-14.3 and 14.8 for failure to participate in FDP or REACH).

i. The IM worker shall immediately refer all individuals who wish to volunteer for participation in FDP or REACH to case management.

(b) During the application process the income maintenance worker shall:

1. Provide an orientation to the FDP or REACH program to applicants;

2. Determine the participant status for FDP or REACH;

3. Inform exempt FDP or REACH applicants of their right to voluntarily participate in the FDP or REACH program;

4. Refer nonexempt applicants and volunteers for FDP or REACH evaluation by the case manager;

5. Establish FDP or REACH participant’s target group category in accordance with N.J.A.C. 10:86 or N.J.A.C. 10:81-14.3(j); and

6. Refer FDP or REACH applicants and participants to the county welfare agency IV-D Child Support Unit for child support orders.

(c) The IM worker shall inform AFDC-N applicants that the condition of insufficient income or resources upon which eligibility is based cannot be the result of a voluntary termination of employment without good cause (see N.J.A.C. 10:86 or N.J.A.C. 10:81-14.8(e)) within the last 90 days prior to application by either of the applicant parents regardless of reason. When voluntary termination of employment causes ineligibility, neither the father nor the mother will be included in the eligible family for a period of 90 days. The 90-day penalty period shall begin with the date of the termination of employment. However, eligibility shall be considered for the children.

Repeal and New Rule: R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Section was “WIN registration in AFDC-C and -F segments (WIN counties only).”

Prior rulemaking activity is as follows:

Amended by R.1976 d.63, effective March 1, 1976.

See: 8 N.J.R. 69(b), 8 N.J.R. 169(a).

Amended by R.1977 d.226, effective July 1, 1977.

See: 9 N.J.R. 223(b), 9 N.J.R. 370(a).

Amended by R.1977 d.452, effective December 1, 1977.

See: 9 N.J.R. 367(c), 10 N.J.R. 16(b).

Amended by R.1979 d.428, effective October 18, 1979.

See: 11 N.J.R. 344(a), 11 N.J.R. 560(e).

Amended on an emergency basis by R.1981 d.397, effective September 30, 1981, (operative October 1, 1981), expired November 30, 1981.

See: 13 N.J.R. 759(a). Readopted, R.1981 d.518, effective December 31, 1981.

See: 13 N.J.R. 759(a), 14 N.J.R. 102(c).

(b)-(b)1v added.

Amended by R.1992 d.366, effective September 21, 1992.

See: 24 N.J.R. 2147(a), 24 N.J.R. 3345(a).

References to Family Development Program added.

### 10:81-2.9 (Reserved)

Repealed by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Section was: "Employment in AFDC-N." Prior rulemaking activity and "Case Note" follows.

Amended by R.1977 d.452, effective December 1, 1977.

See: 9 N.J.R. 367(c), 10 N.J.R. 16(b).

#### Case Notes

Olds v. Klein, 166 N.J. Super. 28, 398 A.2d 1311, 32 (App.Div.1979), certif. den., 81 N.J. 63, 404 A.2d 1162 (1979).

### 10:81-2.10 Residence law

The law requires that an applicant for or recipient of public assistance shall reside in New Jersey. Application should be made to CWB in county of residence even though temporary.

### 10:81-2.11 Support from relatives

(a) The IM worker will explain to applicant that certain relatives must be contacted and evaluated to determine what capacity, if any, they have to contribute to the family's support. Payment will not be delayed pending evaluation of legally responsible relatives.

(b) Applicant should be advised that their entitlement to assistance will not be jeopardized by the unwillingness of legally responsible relatives to provide support.

### 10:81-2.12 Repayment (all segments)

The IM worker shall determine from the applicant whether there is a pending claim against any individual, group or agency on behalf of any member of the eligible unit. If such a non-exempt claim does exist, applicant shall be advised that completion of Form PA-10D, Agreement to Repay, must be executed before a grant may be given.

Amended by R.1977 d.452, effective December 1, 1977.

See: 9 N.J.R. 367(c), 10 N.J.R. 16(b).

#### Case Notes

Statute requiring those who receive public assistance for children living with them, as condition of continued eligibility, to agree to repay, from settlement of certain legal claims or interests, assistance granted by welfare agency from date of entitlement to such claims or interest does not preclude recovery of such funds in the absence of agreement to repay. Childs v. Essex County Div. of Welfare, 236 N.J. Super. 127, 564 A.2d 889 (L.1988).

### 10:81-2.13 Administrative action on application

(a) The IM worker again will review all appropriate forms for completeness and accuracy, and give them to his/her supervisor. The supervisor will examine the forms for consistency of applicant's statements, completion of all necessary information and correct budgetary computations. If acceptable, the supervisor will indicate his/her approval by signing Form PA-3A or Form 105, as appropriate; if not acceptable, the forms will be returned to IM worker for correction.

(b) For those CWAs still using the PA-3A, the following applies:

1. Following the supervisor's approval, the director's approval shall be obtained and indicated on the PA-3A form.

As amended, R.1979 d.428, effective October 18, 1979.

See: 11 N.J.R. 344(a), 11 N.J.R. 560(e).

### 10:81-2.14 Ratification by welfare agency

(a) If immediate need is apparent and applicant provides evidence of eligibility, a grant will be issued on the director's approval and prior to the welfare agency ratification.

(b) If immediate need is not apparent a grant will be issued as soon as eligibility is established, with subsequent ratification by the welfare agency.

As amended, R.1979 d.428, effective October 18, 1979.

See: 11 N.J.R. 344(a), 11 N.J.R. 560(e).

### 10:81-2.15 Notice and information to client

(a) If immediate need is not apparent and a decision of approval or disapproval is not reached within 30 days of application, the CWB shall notify the applicant in writing of this fact and the reason for the delay. If the lack of decision is due to circumstances within the control and knowledge of the applicant, the welfare board will remind the applicant of the steps he/she must take to enable the welfare board to make a decision. (This notice shall include a sentence in Spanish cautioning the client that it relates to his/her eligibility for public assistance and if he/she does not understand the notice he/she should contact the CWB.)

(b) When a decision is reached, the applicant shall be notified in writing of this decision (approved or disapproved). If the application is denied, the notice shall provide information regarding food stamp eligibility requirements for nonpublic assistance households and financial and medical assistance available through general assistance.

(c) Client will also be advised in writing that if he/she is dissatisfied with any action or inaction of the welfare agency, he/she may request a hearing. He/she shall be informed of the steps that are to be followed in making such a request.

**10:81-3.12 Parent-minor in AFDC-C, -F and -N**

(a) For purposes of this section the term parent-minor refers to a parent under age 18. (Special income deeming rules apply to a parent under the age of 18 residing in the same home as his or her parent(s) or guardian(s); see N.J.A.C. 10:82-3.14.) When application is made for AFDC-C by a parent who is under age 18 or for -F or -N where both parents are under age 18, the following action shall be taken in specific situations:

1. When a parent-minor who is maintaining or establishing a separate home for the child(ren), that is, in his or her own home or in the home of persons who would not qualify as parent-person, an application shall be accepted from such parent-minor. The parent-minor's parents shall be evaluated as legally responsible relatives (LRRs) for purposes of establishing capacity to support in accordance with the provisions of N.J.A.C. 10:82-3.10.

2. When a parent-minor and his or her child(ren) are living in the home of one or both of the parent-minor's natural or adoptive parents, or relative(s) who qualify as parent-person(s) of the parent-minor, and such parent(s) or parent-person(s) are themselves eligible for AFDC-C or -F, the eligible family shall consist of the following persons:

i. The parent-minor, brothers and sisters of the parent-minor described at N.J.A.C. 10:82-1.3(a)1, and the parent(s) or parent-person(s).

ii. There is no requirement that assistance be sought for the child(ren) of the parent-minor. However, if application is made for such children, then they must be included in the eligible family in (a)2i above.

3. When the parent-minor and child(ren) are living in the home both natural or adoptive parents (of the parent-minor) and the parents are not eligible for AFDC-C, then the application must be accepted from the parent-minor. This rule is made because in this situation the parent-minor, although perhaps a "needy child", is not a child "deprived of parental support or care"; hence, the parents cannot apply for AFDC for such a parent-minor. Deeming of income of parents and guardians of AFDC-C and -F adolescent parents shall be in accordance with the provisions of N.J.A.C. 10:82-3.14.

(b) Circumstances requiring special handling which are not conditions of eligibility:

1. Any person who applies for assistance shall be presumed to be mentally competent unless there is professional diagnostic evidence to the contrary, or unless there is question regarding competency because of certain observable behavior or reactions.

(c) Criteria for alleged incompetency of applicant include:

1. Inability or substantial difficulty in giving simple identifying information such as his/her correct name, address, names of members of his/her family, names of persons with whom he/she lives or has frequent association (during the course of the interview references should be made to these previously directed questions and the consistency of the response noted); inability to report in a general way factual information about his/her economic status, his/her education, his/her employment history (if any), and his/her medical history.

2. Insistence on relating irrelevant information in a way which appears genuinely unbalanced.

(d) If, after considering the client's response according to the above criteria, the CWB has reasonable doubt of his/her mental competency (alleged incompetency), the IM worker shall accept an application from him/her and when immediate need is apparent, issue grant. The case shall immedi-

ately be referred to the social service unit to locate a protective payee.

(e) If any of the following conditions appear to exist in the relationship between parent and child, the case shall immediately be referred to the social service unit which shall contact the Division of Youth and Family Services (DYFS) for appropriate action. The CWA shall provide DYFS with pertinent information as appropriate and will cooperate in planning and implementing action in the best interest of the child. (See also N.J.A.C. 10:81-7.46)

1. Physical or sexual abuse or cruel treatment;

2. Exploitation by prostitution or overwork, having the child beg or involving the child in illegal activities;

3. Neglect as shown by apparent malnutrition or lack of supervision necessary for the health and safety of the child;

4. These conditions, of themselves, will not affect eligibility of the children to receive assistance.

(f) In the event of any indication that the death of a child resulted from abuse or neglect, such matter shall be reported immediately to DYFS.

As amended, R.1977 d.332, effective October 1, 1977.

See: 9 N.J.R. 340(c), 9 N.J.R. 479(a).

As amended, R.1977 d.452, effective December 1, 1977.

See: 9 N.J.R. 367(c), 10 N.J.R. 16(b).

As amended on an emergency basis, R.1984 d.464, effective September 28, 1984 (operative October 1, 1984).

See: 16 N.J.R. 2833(a).

(a) amended.

Readopted, R.1984 d.569, effective November 28, 1984.

See: 16 N.J.R. 2833(a), 16 N.J.R. 3439(b).

(a): deleted "parent-minors" and inserted "AFDC-C and -F adolescent parents."

Amended by R.1987 d.379, effective September 21, 1987.

See: 19 N.J.R. 31(a), 19 N.J.R. 1738(a).

Text of (a) 2 replaced.

Amended by R.1989 d.496, effective September 18, 1989.

See: 21 N.J.R. 1795(a), 21 N.J.R. 3006(a).

Threshold age changed to 18 from 19, for deeming purposes.

### 10:81-3.13 Age requirements

(a) To be considered of eligible age, a child in AFDC must be under age 18, or under age 19 and a full-time student in a secondary school or in the equivalent level of vocational or technical training and is reasonably expected to complete the program before reaching age 19. Program completion is defined as the day of ceremonial graduation. See N.J.A.C. 10:82-1.9 for definitions regarding school attendance.

1. When any school or course of training involves attendance during an academic year, a child shall be considered eligible during the summer months when he or she has been accepted for admission in the fall. He or she shall be considered eligible during regular vacation periods unless the educational program has been completed or unless there is verification that the child does not attend or is not acceptable to reenter the program.

(b) A child between 18 and 21 years of age residing with an AFDC recipient family who, except for age, would be eligible for inclusion in the grant, may be eligible for Medicaid Special (see N.J.A.C. 10:81-8.22-8.25).

(c) In all segments, when the year of birth can be determined but not the month, July 1 shall be designated to be the birth date. When the month can be determined but not the date, the child will be eligible at the end of that month.

(d) A recipient child cannot be included in the AFDC cash payment after the month in which he/she attains the age when he/she is no longer eligible. Furthermore, a child who attains such age on the first day of the month is not considered to be of eligible age during that month and is not eligible for inclusion in the grant for that month. Additionally, the family ceases to be eligible when the youngest child is no longer of eligible age.

(e) The county welfare agency shall establish and maintain appropriate administrative controls in all AFDC cases, identifying those members of the eligible unit who may be rendered ineligible because of age. Specifically in this regard, agency controls shall provide advance identification of children attaining age 18 and/or 19, as appropriate for possible referral for general assistance. Parents approaching age 65 should be alerted to the Supplemental Security Income Program.

As amended, R.1977 d.452, effective December 1, 1977.

See: 9 N.J.R. 367(c), 10 N.J.R. 16(b).

As amended, R.1978 d.190, effective June 8, 1978.

See: 10 N.J.R. 286(a).

As amended, R.1977 d.212, effective July 1, 1977.

See: 9 N.J.R. 342(b).

As amended, R.1982 d.482, effective January 17, 1983.

See: 14 N.J.R. 1078(a), 15 N.J.R. 92(a).

Deleted (c); changed (d)-(f) to (c)-(e).

Amended by R.1987 d.349, effective September 1, 1987 (operative September 1, 1987).

See: 19 N.J.R. 618(a), 19 N.J.R. 1559(a).

Text added to (a) "Program completion is defined as the day of ceremonial graduation."

#### 10:81-3.14 Noneligible persons in the household

When a noneligible individual is living in the household of an eligible unit, a monthly amount shall be recognized as the cost standard for that individual's share of household expenses (see N.J.A.C. 10:82-2.3).

As amended, R.1977 d.452, effective December 1, 1977.

See: 9 N.J.R. 367(c), 10 N.J.R. 16(b).

#### 10:81-3.15 (Reserved)

As amended, R.1975 d.64, effective April 15, 1975.

See: 6 N.J.R. 476(a), 7 N.J.R. 167(b).

#### Case Notes

Failure of agency to comply with former regulation regarding notice of intended AFDC reductions and recipient's burden of proof required remand for proper hearing (also citing predecessor regulation N.J.A.C. 10:81-28.1). *Walker v. New Jersey Dept. of Institutions and Agencies*, 147 N.J.Super. 485, 371 A.2d 739 (App.Div.1977).

#### 10:81-3.16 Deprivation of parental support or care (AFDC-C)

(a) The statutory definition of "dependent child" sets forth two eligibility factors: economic "need" and "deprivation of parental support or care". These two factors are not identical, and the law requires that both be demonstrated in each case.

(b) "Need" refers to financial eligibility and is determined in accordance with provisions contained in the Assistance Standards Handbook.

(c) "Deprivation" is the result of death, physical or mental incapacity or continued absence from the home of a natural or adoptive parent.

1. A child may be found to be deprived of parental support or care by reason of the documented death of either or both natural or adoptive parent(s).

2. A child may be found to be deprived of parental support or care by reason of the physical or mental incapacity of either or both natural or adoptive parents, whether such parent is in the home or is receiving treatment away from home.

(d) The determination of incapacity for persons other than those delineated in N.J.A.C. 10:81-2.7 is made by the Disability Review Section, Division of Medical Assistance and Health Services, on the basis of medical evidence provided by the IM worker. This is done in the following way:

1. Forms DRS-1 (or DRS-1A) and DRS-2 (see appendix C) must be completed and forwarded with all pertinent medical and hospital records to the Disability Review Section, Division of Medical Assistance and Health Services. This should be done as quickly as possible and must be completed within 30 days.

i. Give Form DRS-1 or DRS-1A to applicant to be filled in by his or her physician and returned to the welfare agency. If applicant prefers, the IM worker will send the form with signed release to the doctor. The client should be warned that many physicians may not be as prompt in returning this form by mail as when filling it in the client's presence. When the form is returned, it must be reviewed for completeness, including the physician's signature.

ii. Complete Form DRS-2 (Medical Social Information Report). This requires full and careful discussion with applicant of the relevant information and possibly a home visit.

(e) The existence of a physical or mental defect, illness, or impairment must be substantiated by current medical information (pertinent within the past three months):

CWB changed to CWA.

As amended, R.1984 d.405, effective September 17, 1984 (operative October 1, 1984).

See: 16 N.J.R. 1446(a), 16 N.J.R. 2437(a).

#### 10:81-4.19 Criteria for and limitations on appointments of a representative payee

(a) The major personnel criterion for selection of a representative payee is an interest in being of service to the recipient. Appropriate sources of recruitment include: the immediate family and other relatives and friends; a person previously appointed to act on behalf of the client by another State or Federal benefit paying agency; and staff members of voluntary agencies.

(b) Under no circumstances shall a person be selected as a representative payee who has him or herself been determined by professional diagnostic procedures to be mentally incompetent or "marginally competent".

(c) No person shall be appointed a representative payee when such appointment would raise questions of conflict of interest. The exclusion from appointment includes:

1. The Director of the CWA;
2. The income maintenance worker determining eligibility for the particular recipient;
3. CWA staff handling fiscal procedures related to the recipient;
4. Banks, trust companies and similar corporate bodies functioning in a ministerial rather than a decision making role; and
5. Vendors of goods, services, or items dealing with the recipient.

(d) No person shall be proposed for appointment, nor accept appointment, as a representative payee who is in the employ of the CWA except in situations where such person has a close personal relationship with the client which makes him or her the most suitable person to serve as the client's representative. If an employee with such a relationship is so appointed, he or she shall not thereafter be involved in any agency decision relating to the client's payment or other official actions regarding the client.

As amended, R.1982 d.424, effective December 6, 1982.

See: 14 N.J.R. 1034(a), 14 N.J.R. 1395(a).

Language added concerning CWA staff exclusion from role as protective payee.

#### 10:81-4.20 Payee in AFDC-F and -N

The payee shall be the parent(s) designated on the application form to receive assistance payment on behalf of the eligible family members. In companion cases, the payee can either be the father or mother.

As amended, R.1977 d.452, effective December 1, 1977.

See: 9 N.J.R. 367(c), 10 N.J.R. 16(b).

#### 10:81-4.21 Suspended grant

(a) When there is a substantial question of continuing eligibility to be resolved, the monthly grant may be suspended, with intent to reinstate, for a period of up to three months. When the determination is to reinstate, the grant shall be retroactive to the time of suspension, adjusted to meet the eligibility which existed during the period. No grant may be suspended without timely and adequate notice and full fair hearing rights including continued unreduced assistance pending the fair hearing. (See subchapter 6 of this chapter.)

(b) Reinstatement from suspension requires adequate notice in accordance with subchapter 7 of this chapter.

As amended, R.1984 d.405, effective September 17, 1984 (operative October 1, 1984).

See: 16 N.J.R. 1446(a), 16 N.J.R. 2437(a).

Deleted (c).

#### 10:81-4.22 Emergency assistance

(a) The basic monthly assistance payment is intended for use in meeting the routine expenses of daily living. It is recognized, however, that there will be occasions when it becomes necessary for the CWA to provide additional financial assistance during periods of time when the eligible family experiences emergency situations (see N.J.A.C. 10:82-5.10 for policy and procedures relative to authorization and issuance of emergency assistance payments).

As amended, R.1984 d.405, effective September 17, 1984 (operative October 1, 1984).

See: 16 N.J.R. 1446(a), 16 N.J.R. 2437(a).

Changed "board" to "Agency".

Amended by R.1989 d.496, effective September 18, 1989.

See: 21 N.J.R. 1795(a), 21 N.J.R. 3006(a).

Emergency financial assistance provisions added; subsections (b) and (c) deleted.

#### 10:81-4.23 Basis for recovery of overpayments

(a) Overpayment means a financial assistance payment received by or for an eligible unit for a payment month which exceeds the amount for which that unit was eligible.

(b) Overpayments may occur through administrative error; failure of a client to inform the county welfare agency of a change in income, resources, or circumstances; or when the client has received continued assistance at an unreduced level pending a fair hearing but has been found ineligible to receive such assistance by the fair hearing decision.

(c) The CWA shall seek recovery of all overpayments regardless of fault including payments caused by administrative action or inaction. The CWA shall recover such overpayments in accordance with procedures set forth in N.J.A.C. 10:82-2.19.

(d) Procedures to recover any overpayments of FDP or REACH child care benefits, post-AFDC child care benefits and FDP or REACH transportation and related supportive

service payments made to a FDP or REACH participant or service provider are set forth at N.J.A.C. 10:86 or N.J.A.C. 10:81-14.24(b) and (c), respectively.

Amended by R.1977 d.452, effective December 1, 1977.  
See: 9 N.J.R. 367(c), 10 N.J.R. 16(b).  
Amended by R.1979 d.428, effective October 18, 1979.  
See: 11 N.J.R. 344(a), 11 N.J.R. 560(e).  
Amended by R.1984 d.347, effective August 20, 1984 (operative September 1, 1984).  
See: 16 N.J.R. 1314(a), 16 N.J.R. 2285(b).  
Substantially amended.  
Amended by R.1991 d.8, effective January 7, 1991.  
See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).  
Added new subsection (d).  
Amended by R.1992 d.366, effective September 21, 1992.  
See: 24 N.J.R. 2147(a), 24 N.J.R. 3345(a).  
Text on Family Development Program added.

#### Case Notes

Recovery of deduction from retroactive salary increase. *Miller v. Essex Cty. Welfare Bd., et al.*, 151 N.J.Super. 280, 376 A.2d 1245 (App.Div.1977).

AFDC overpayments not received as result of willful withholding of employment information; agency precluded from seeking recoupment of overpayments (citing former regulation). *Mercer Cty. Welfare Agency v. E.S.*, 5 N.J.A.R. 427 (1983).

#### 10:81-4.24 Periodic notice to client

(a) The client shall be informed periodically (at least once every six months) of his or her continuing obligation to furnish accurate and timely information to the CWA concerning changes in income, resources or other circumstances which may affect the amount of the grant. The applicant will receive, and have explained if necessary, a copy of the pamphlet, *Your Rights and Responsibilities*, (PA-197). This pamphlet will be given to the applicant at the time of application and at each redetermination if the recipient has not retained the copy previously provided. The client shall inform the CWA of any change as soon as possible but in no event later than two weeks after the change takes place. Failure of the client to so inform the CWA shall constitute willful withholding of information.

(b) The notice (pamphlet) shall also instruct the client that, if an assistance check exceeds the amount of the payment received the previous month and no notice of change has been received, such check should not be cashed but the CWA should be contacted immediately so that corrective action can be taken.

(c) The client, by signing the affidavit, agrees that he or she has received the pamphlet (PA-197), has been informed of his or her rights and obligations as stated in the pamphlet, and understands them.

As amended, R.1979 d.428, effective October 18, 1979.  
See: 11 N.J.R. 344(a), 11 N.J.R. 560(e).  
As amended, R.1984 d.405, effective September 17, 1984 (operative October 1, 1984).  
See: 16 N.J.R. 1446(a), 16 N.J.R. 2437(a).

#### Case Notes

AFDC overpayments not received as a result of willful withholding of employment information; agency precluded from seeking recoupment of overpayments. *Mercer Cty. Welfare Agency v. E.S.*, 5 N.J.A.R. 427 (1983).

### SUBCHAPTER 5. CONTINUING ELIGIBILITY IN AFDC AND AFWP

#### Authority

N.J.S.A. 44:7-6 and 44:10-3; 45 CFR 206.10(a)(9)iii, and 45 CFR, Parts 400 and 401.

#### Source and Effective Date

R.1984 d.405, effective August 23, 1984.  
See: 16 N.J.R. 1446(a), 16 N.J.R. 2437(a).

#### Subchapter Historical Note

This subchapter was filed and became effective prior to September 1, 1969. A new revised subchapter was filed February 11, 1975 as R.1975 d.29, to become effective April 15, 1975. See: 6 N.J.R. 244(a), 7 N.J.R. 105(c). Amendments were filed and became effective March 1, 1976 as R.1976 d.63. See: 8 N.J.R. 69(b), 8 N.J.R. 195(b). Further amendments were filed and became effective July 1, 1977 as R.1977 d.226. See: 9 N.J.R. 223(b), 9 N.J.R. 370(a). Further amendments were filed and became effective December 1, 1977 as R.1977 d.452. See: 9 N.J.R. 367(c), 10 N.J.R. 16(b). Further amendments were filed and became effective October 18, 1979 as R.1979 d.428. See: 11 N.J.R. 344(a), 11 N.J.R. 560(e). Further amendments were filed and became effective November 13, 1979 as R.1979 d.444. See: 11 N.J.R. 505(d), 11 N.J.R. 626(a). Amendment on an emergency basis for section 5.9 was filed and became effective September 30, 1981 (operative October 1, 1981, expired November 30, 1981) as R.1981 d.397. See: 13 N.J.R. 759(a); to be readopted December 31, 1981 as R.1981 d.518. See: 13 N.J.R. 759(a), 14 N.J.R. 102(c). Further amendments were filed and became effective March 7, 1983 as R.1983 d.54. See: 14 N.J.R. 1341(a), 15 N.J.R. 340(a). This subchapter was readopted, effective August 23, 1984, with amendments to become operative October 1, 1984 as R.1984 d.405. See: 16 N.J.R. 1446(a), 16 N.J.R. 2437(a). See chapter and section levels for further amendments.

#### 10:81-5.1 Continuing eligibility defined

(a) The eligibility of each case shall be redetermined at regular intervals. This redetermination provides an opportunity to evaluate the total situation and enable the IM worker to ascertain whether any adjustment in public assistance payments should be made.

(b) The requirement for regular periodic evaluation does not remove the requirement that a grant be adjusted as promptly as possible whenever the county welfare board knows of a change in the client's need or eligibility which should be reflected by a change in grant level or termination of assistance.

(c) The IM worker should be alert to indications of change in need for financial assistance or change in circumstances which may affect the eligible unit's continuing eligibility or amount of payment and shall take appropriate action without delay. It shall be the agency's responsibility to review cases to assure that the client receives the full grant he/she is entitled to and that public funds are not granted illegally. Any adjustment shall be made as promptly as possible.

(c) The purpose of this subchapter is to:

1. Identify individuals eligible for the REACH program;
2. Establish policy for the REACH program;
3. Establish policy for determining eligibility and support services for the REACH program; and
4. Establish procedures for providing and accessing employment-directed educational and training services and support services for participants.

(d) Distribution of subchapter: Copies of this subchapter shall be provided to administrative staff and to other appropriate staff working with applicants and recipients. Those individuals are expected to be thoroughly familiar with its contents in order that policy and procedures may be consistently applied.

(e) The REACH program will be phased into counties on a schedule developed by the Department of Human Services. REACH participation requirements will apply to AFDC applicants and recipients in accordance with that schedule.

Amended by R.1991 d.8, effective January 7, 1991.  
See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Revised (a), (a)1 and (b) to update text, set out principles of REACH and conform with P.L. 100-485, the Family Support Act of 1988.

Amended by R.1992 d.366, effective September 21, 1992.  
See: 24 N.J.R. 2147(a), 24 N.J.R. 3345(a).

Text on Family Development Program added at (a)4.

#### Case Notes

Reduction of grant was premature. Hunterdon County Board of Social Services v. G.C., 94 N.J.A.R.2d (DEA) 19.

### 10:81-14.2 Definitions

The following definitions shall apply to REACH:

“Basic literacy level” means a literacy level that allows a person to function at the level of an individual who has proficiency at a grade 8.9 level.

“Case manager” means the individual in the county responsible for service coordination and participation by an individual in REACH, in accordance with N.J.A.C. 10:81-14.3.

“County selected entity” means the agency selected by the county to administer a particular REACH employment-directed activity, including but not limited to, a county welfare agency, JTPA agency, or Employment Services.

“Compliance” means participation in REACH evaluation and assessment, and in employment or the REACH employ-

ment-directed activity as set forth and scheduled in the REACH Agreement.

“County IV-A agency” means the county board of social services in the respective county.

“EDA” means an employment-directed activity including non-educational employment-directed activities (that is, but not limited to: work supplementation programs, community work experience programs, and on-the-job training) and educational employment-directed activities (that is, but not limited to: English as a Second Language, Adult Basic Education, secondary, technical and post-secondary educational programs).

“Excused participant” means a mandatory REACH participant whose participation is excused for the reasons at N.J.A.C. 10:81-14.3(d).

“Exempt participant” means an individual applying for or receiving AFDC who is not required to participate in REACH for the reasons at N.J.A.C. 10:81-14.3(b).

“Lead child care entity” means the lead child care agency or other agency or administrative entity established in each county to assist the case manager and REACH participant in obtaining child care.

“Limited English proficiency” means the ability to speak, read, write or understand the English language to function in the community.

“Mandatory participant” means an individual applying for or receiving AFDC who is required to participate in REACH, and whose participation is not exempt.

“REACH Agreement” means the agreement between the participant and agency that sets forth the obligations of each party.

“REACH employment-directed activities” means REACH employment-directed activities that are designed to lead to economic self-sufficiency through employment of AFDC recipients, and include:

1. REACH Job Search (see N.J.A.C. 10:81-14.10);
2. REACH Work Supplementation Program (see N.J.A.C. 10:81-14.11);
3. REACH Community Work Experience Program (see N.J.A.C. 10:81-14.12);
4. REACH training programs (see N.J.A.C. 10:81-14.14);
5. REACH educational services (see N.J.A.C. 10:81-14.15); and

6. Vocational assessment and counseling (see N.J.A.C. 10:81-14.13).

“Satisfactory progress in an educational component” means that the participant in any educational activity is meeting, on a periodically measured basis of less than one year, such as a term or quarter, a consistent standard of progress based upon a written policy that was developed by the educational institution or program in which the participant is enrolled, and approved by the appropriate State and/or local education agency and the county IV-A agency. The standard shall include a qualitative measure of the participant’s progress, such as a satisfactory grade point average or performance, and quantitative measure, such as a reasonable time limit by which a student is expected to complete his or her studies. Upon review and approval by the State or local education agency and the county IV-A agency, the standard shall provide that a student who does not meet the institution’s or program’s progress standard is nonetheless making satisfactory progress during a probationary period, or shall be deemed to be making satisfactory progress because of mitigating circumstances. Such circumstances include the death of a relative, injury or illness of the REACH participant or other special circumstance.

“Satisfactory progress in a training component” (that is, on-the-job (OJT), Community Work Experience (CWEP) and skills training) means that the participant in a training activity is meeting, on a periodically measured basis of less than one year, such as quarterly, a consistent standard of progress based upon a written policy that was developed by the training provider, and approved by the county IV-A agency. The standard shall include both a qualitative measure of the participant’s progress, such as competency gains or proficiency level, and a quantitative measure, such as a reasonable time limit for completion of the training program. Upon review and approval by the county IV-A agency, the standard may provide that a student who does not meet the training program’s progress standard is nonetheless making satisfactory progress during a probationary period, or shall be deemed to be making satisfactory progress because of mitigating circumstance. Such circumstances include the death of a relative, injury or illness of the REACH participant or other special circumstance.

“Voluntary participant” means an individual applying for or receiving AFDC who is not required to participate, but who chooses to participate on a voluntary basis.

Amended by R.1988 d.551, effective November 21, 1988.  
See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Added definition “lead child care entity”.

Amended by R.1991 d.8, effective January 7, 1991.  
See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Deleted “deferred payment” definition. Added: “Basic literary level,” “County IV-A Agency,” “EDA,” “Limited English proficiency,” and definitions relating to “Satisfactory progress.”

### 10:81-14.3 REACH participation

(a) Participation: All individuals shall, except as otherwise provided in this subchapter, participate in REACH as a condition of eligibility for AFDC. Individuals in immediate need shall be entitled to a presumptive eligibility determination in accordance with N.J.A.C. 10:81-3.3 prior to REACH participation. Referral for REACH participation will be made after a final determination of AFDC eligibility is made. However, individuals determined presumptively eligible for AFDC may participate in REACH on a voluntary basis before that final eligibility determination.

1. AFDC-C: All individuals, including a stepparent included in the eligible unit as a person whose presence in the home is essential to the well-being of the spouse, are required to participate in REACH, except as otherwise provided in this subchapter. Failure or refusal to participate may result in the imposition of the sanctions specified at N.J.A.C. 10:81-14.8.

2. AFDC-F: All individuals are required to participate in REACH, except as otherwise provided in this subchapter. Criteria identified at N.J.A.C. 10:81-3.18 shall be used to identify the principal earner in the household. Failure or refusal to participate may result in the imposition of the sanctions specified at N.J.A.C. 10:81-14.8.

3. AFDC-N: All Individuals are required to participate in REACH, except as otherwise provided in this subchapter. Failure or refusal to participate may result in the imposition of the sanctions specified at N.J.A.C. 10:81-14.8.

(b) Exemption from REACH participation: Individuals classified as exempt, as delineated at N.J.A.C. 10:81-14.3A, are not required to participate in employment or REACH employment-directed activities. However, they may participate on a voluntary basis (see N.J.A.C. 10:81-3.19(f) and 14.3(s) for “volunteers in REACH”). An individual may claim at any time that he or she is entitled to an exemption. Any exemption which does not have a stated reevaluation period shall be reviewed at such time as the condition is expected to terminate, but no less frequently than at each redetermination of AFDC eligibility. During the periodic review, if there is a change in exemption status or the individual decides to volunteer for participation, the IM worker shall take appropriate action on the change in status and update FAMIS accordingly. The IM worker shall promptly notify the recipient of any change in the recipient’s exemption status.

1. IM shall notify case management of a change in exemption status. Likewise, if during case management contact with the participant it is discovered that circumstances render a change in the exemption status, the case manager shall notify the IM worker concerning the change in circumstances so that appropriate action can be taken and FAMIS updated.

1. If an exempt individual "volunteers" to participate in REACH, he or she is not subject to sanctioning due to nonparticipation (see N.J.A.C. 10:81-14.8).

i. In determining the priority of participation within the REACH target populations (see N.J.A.C. 10:81-14.3(j)), the agency shall give first consideration to applicants for or recipients of AFDC who are exempt but "volunteer" to participate.

ii. When a "volunteer for REACH" stops participation in REACH without good cause, that individual shall not be given priority to participate again so long as other individuals are actively seeking to participate, unless the individual loses exemption status and becomes REACH mandatory.

(t) Participant (for purposes of determining a State's participation rate for Federal Financial Participation): An AFDC recipient who is assigned to a REACH program component (including educational activities, job skills training, job readiness activities, job search, OJT, WSP, CWEP and post-secondary education) for at least the minimum activity level, is a participant. Minimum activity levels include making satisfactory progress in all educational activities, and participating at least 20 hours per week in the other components noted; except for OJT and WSP, the minimum level is the number of hours defined by the employer as full-time work for that position. For participants in CWEP, the minimum level is the lower of either 20 hours per week or the maximum CWEP hours calculated as allowable for that individual. An individual's hours of participation for the week can be a combination of the hours of participation in more than one activity.

1. An individual active only in assessment, employability development planning or case management is not considered a participant for these purposes.

Amended by R.1988 d.551, effective November 21, 1988.

See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Restructured rule throughout text. In (b): deleted old 1-4 and replaced with new text at (b)1-2. Revised (c), added new (d) and recodified (d) as new (e). Recodified (e)-(g) as (f)-(h). Added new (i)1-4. Added new (j)-(t).

Amended by R.1994 d.429, effective August 15, 1994.

See: 26 N.J.R. 1573(a), 26 N.J.R. 3479(a).

#### Case Notes

REACH participant could not pursue four-year college degree. A.D. v. Morris County Board of Social Services, 92 N.J.A.R.2d (DEA) 25.

### 10:81-14.3A REACH/JOBS exemptions

(a) Individuals classified as exempt are not required to participate in employment or in REACH/JOBS employment-directed activities (see N.J.A.C. 10:81-14.3(b)). The following categories of individuals are exempt from participation in REACH/JOBS.

1. Children and students: Children under age 16; or between 16 and 18, enrolled or accepted for enrollment as full-time students for the next school term in an elementary, secondary, or vocational or technical school; or under age 19 and attending full-time, a secondary school or the equivalent level of a vocational or technical school, and expected to complete the program of the school before reaching age 19;

2. Persons who are 60 years of age or older;

3. Persons who are incapacitated: When verified that a physical or mental impairment, as determined by a physician or licensed or certified psychologist or by the Disability Review Section, Division of Medical Assistance and Health Services, either by itself or in conjunction with age, prevents the individual from engaging in employment and/or training, and such incapacity is expected to exist for a continuing period of at least three months (see N.J.A.C. 10:81-3.16(g)). Alcohol or drug addiction shall be considered physical impairments if they prevent an individual from engaging in employment or training. Incapacity may include a period of recuperation after childbirth if prescribed by the woman's physician.

i. Uncomplicated pregnancy of itself shall not be considered incapacitating; however, any claim to complications shall be verified in writing by a physician or licensed or certified psychologist by use of Form DRS-1, Examining Physician's Report, for an appropriate period of recuperation prescribed by her physician/psychologist.

ii. If the individual could be served or employed if reasonable accommodation(s) for his or her condition were made, then the possibility of participation in REACH shall be encouraged, rather than exemption of the individual.

iii. When an individual claims exemption under incapacity or illness but further verification is necessary (for example, a medical or psychological examination), the individual's needs may be included in the AFDC-C payment, or the needs of the entire eligible family included in the AFDC-F payment, while the exemption is being verified. Verification of the exemption shall be made as expeditiously as possible, but may not take longer than 30 days. If such verification is not provided within 30 days, the individual shall be required to participate unless there is a legitimate delay in obtaining a medical appointment. In such instance, the 30 day limit may be extended to 45 days;

4. Persons who are ill or injured: When determined on the basis of medical evidence or on some other sound basis that the illness or injury is serious enough to temporarily prevent participation in employment or training. Reasons for exemption on a temporary basis include observation of a cast on a broken limb, or information of scheduled surgery, recuperation from surgery, or other instances where the condition will be of limited duration.

This exemption normally will not exceed 90 days. As part of the income maintenance function, the case shall be reviewed every 30 days to determine changes in circumstances that may render the individual able to participate in REACH. Minor ailments and injuries (for example, colds, broken fingers, rashes, and so forth) do not normally exempt the individual under this criterion.

i. Where an individual evidences symptoms of alcohol or substance abuse or behavioral problems, referral for social services will be made. If such referral is not accepted or the individual stops participating in the treatment program, participation in other REACH activities will be required, as provided in N.J.A.C. 10:81-14.16(b)1;

5. Persons who are required in the home: When verification is obtained that a physical or medical impairment, as determined by a physician or licensed or certified psychologist, of another member of the household requires the individual's presence in the home on a substantially continuous basis, and no other appropriate member of the household is available;

6. Pregnancy: With medical verification of the expected date of delivery, a woman is exempt after the first trimester of pregnancy, that is, months four through childbirth;

7. Caretaker of young child: The parent or other caretaker relative of a child under three years of age who personally provides care for the child, subject to the following:

i. Exception: Custodial parents under age 20 must participate in REACH (see participation requirements at N.J.A.C. 10:81-14.3(m)) regardless of the age of the youngest child if the individual does not satisfy any of the other exemption criteria and the individual has not finished high school (or its equivalent) and child care is otherwise available.

ii. Only one parent or other relative in the family may be exempt from REACH participation for the reason of personally providing care to a child under two years of age.

(1) Limited participation of 20 hours in any REACH/JOBS activity is required for one caretaker relative whose child is three years of age or greater, but less than age six (see N.J.A.C. 10:81-14.3(g)3).

8. Remoteness: Despite the provision of support services, when commuting time between home and the site of the employment-directed activity by available public or private transportation is not reasonable. Commuting time of one hour each way, exclusive of the time necessary to transport children to and from a child care facility, is considered reasonable. However, if normal round trip commuting time in the area is more than two hours, then the round trip commuting time considered reasonable shall be the generally accepted community standards for commuting as determined at the county level.

i. The principal earner in an AFDC-F or -N segment family, if exempt from participation in REACH due to remoteness, shall register with the State Employment Service;

9. Another adult relative participates: An exemption may be granted to the parent or other caretaker of a child who is deprived of parental support or care by reasons of the death, continued absence from the home, or physical or mental incapacity of a parent, if another adult relative in the home is a mandatory REACH participant and has not refused to participate in the REACH program or to accept employment without good cause;

10. Another parent is not exempt (AFDC-F): An exemption may be granted to a parent (who is not the principal earner) in the AFDC-F segment of a child who is deprived of parental support or care by reason of the unemployment of a parent, if the other parent (who is the principal earner) is not exempt under one of the other paragraphs of this section;

11. The parent who is not the principal earner in the AFDC-N segment;

12. If the individual is a full-time volunteer serving under the Volunteers in Service to America (VISTA) program pursuant to Title I of the Domestic Volunteer Service Act of 1973, he or she shall be exempt from REACH participation; and

13. A person who is working 30 or more hours a week shall be exempt from REACH participation (see N.J.A.C. 10:81-14.3(c) above).

New Rule, R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Amended by R.1994 d.429, effective August 15, 1994.

See: 26 N.J.R. 1573(a), 26 N.J.R. 3479(a).

#### 10:81-14.4 REACH case management

(a) General: Case management is a structured approach to the delivery of multiple and interrelated services to assure that the goals and objectives of REACH are met. It is essential to maintain an ongoing and accurate exchange of information between case management and income maintenance to ensure that timely and correct action is taken for each participant so that necessary services are provided and participation requirements fulfilled. Case management functions will ensure that the principles of REACH set forth at N.J.A.C. 10:81-14.1 are applied in the development of the REACH Employability Plan, the REACH Agreement, in evaluation and monitoring, and during an individual's participation in REACH. Staff included in the case management function are the REACH case manager, supervisory staff, clerical staff, and other support staff. Case management functions include but are not limited to:

1. Reviewing basic concepts of the REACH program: concept of mutual obligation; participation requirements; commitment to removing barriers to employment; emphasis on self-sufficiency; options available for training, education, and employment opportunities; client's rights;

2. Identifying barriers to self-sufficiency, including education and training, health, child support, social, housing, transportation, child care;

3. Referring the participant to appropriate potential service providers (for example, health, social, education and training, housing, child care) for further assessment and evaluation;

4. Consulting with the participant and potential service providers to develop a plan of service for each REACH participant;

5. Developing with the participant a REACH Employability Plan and REACH Agreement which will outline steps toward self-sufficiency;

6. Maintaining an assigned caseload of participants and coordinating their program participation with all participating agencies and educational institutions and programs to facilitate movement through REACH;

7. Monitoring a participant's progress and re-evaluating needs and services as necessary;

8. Correcting possible discontinuities in service delivery and determining excused participation status;

9. Maintaining records of an individual's participation;

10. Taking necessary action in cases involving sanctioning, including timely referral to the income maintenance worker for client notification and change in eligibility and grant amount;

11. Reevaluating a participant's post-AFDC needs; and

12. Monitoring continued eligibility and provision of services to post-AFDC participants who receive REACH services of child care and/or Medicaid.

(b) Case manager: A REACH case manager will be assigned to coordinate the activities of the REACH program participants. For a participant, the case manager is the integral link among the different service subsystems of income maintenance, employment, training, child support enforcement and support services. Case managers or interpreters fluent in a participant's primary language will be provided when a participant is not fluent in English.

1. Responsibilities of case manager: The case manager is responsible for contact with the participant. Specific responsibilities of the case manager include:

i. Conducting the individual evaluation with the participant;

ii. Making appropriate referrals (for example, social services, lead child care entity);

iii. Developing and signing the REACH Employability Plan and REACH Agreement;

iv. Approval of eligibility of payments for child care, transportation and training-related expenses;

v. Notifying income maintenance that a sanction should be imposed for noncompliance with REACH participation requirements;

(1) The case manager shall also notify income maintenance not to impose a sanction when an individual complies with REACH participation requirements before the sanction period begins.

vi. Maintaining responsibility for the case record during sanction. After a participant is referred for the imposition of a sanction as set forth in N.J.A.C. 10:81-14.8, the case manager shall retain the original REACH case file and shall have responsibility for making decisions about exemption, excused participation, placements and modifications to the REACH Agreement, communications with the participant (other than those directly involved with the imposition of the sanction), and overall handling of the REACH case;

vii. Maintaining an assigned caseload of participants and coordinating services and activities to ensure a participant's progress, and reevaluating needs and services necessary for continued participation; and

viii. Arranging and monitoring procedures necessary to ensure payment of post-AFDC child care fees.

(c) Other support staff: Case management functions other than those in (b) above may be provided by case management staff and other support staff.

(d) Case management support functions: Certain administrative functions are essential to support REACH case management but need not be performed as part of the case management function. These case management support functions include but are not limited to: processing of payments for support services, training, outreach to potential participants, providing information about REACH to community groups, and data entry of participant information into non-REACH automated management information systems. The case management agency and county may designate the appropriate entities or agency units to perform these functions.

(e) Participant rights: In addition to the rights set forth in this chapter (including the right to confidentiality, notice and hearings), the participant has the right to inform the case manager when services as set forth in the REACH Agreement are not being provided to ensure that the agency fulfills its part of the mutual obligation. The case manager shall explain to the participant that communicating such information as quickly as possible is in the best interest of

the family, and that it will enable the case manager to remedy the situation so that continued participation will be ensured.

(f) Case management functions within REACH program client flow: Upon application or redetermination of AFDC eligibility, AFDC clients will proceed through the REACH program client flow. The REACH program client flow begins with an orientation to REACH by the income maintenance worker and proceeds through case management as set forth below.

1. AFDC eligibility determination: The income maintenance worker at intake or in the active case unit will determine eligibility/continued eligibility for AFDC. The worker will also provide an orientation to the REACH program and determine whether the individuals are exempt from participation, in accordance with N.J.A.C. 10:81-14.3A.

i. Individuals exempt from participation will be given the opportunity to volunteer for the REACH program.

ii. All volunteers and individuals who are not exempt will be referred for REACH evaluation. This referral will initiate assignment of the individual to REACH case management.

2. Initial assessment of employability: As part of REACH participation, all potential REACH participants shall receive an initial assessment of employability.

i. The initial assessment of employability is based on:

(1) The individual's educational, child care, and other supportive service needs;

(2) The individual's proficiencies, skills deficiencies, and prior work experience;

(3) A review of the family circumstances, which may include the need of any child of the individual; and

(4) Other factors relevant in developing the employability plan set forth in N.J.A.C. 10:81-14.5.

ii. The initial assessment of employability shall consist of the following:

(1) An individual evaluation by the REACH case manager;

(2) A determination of the participant's literacy level if the participant has not completed high school or equivalent; and, as appropriate,

(3) An assessment by a county-selected assessment entity.

3. Individual evaluation: Individual evaluation involves an initial assessment of a REACH participant's existing employment-related skill levels, education level, and similar characteristics related to employability and the job market, and of support service needs. The case manager will meet individually with each participant and conduct an initial evaluation of barriers to job readiness and of the need for social services, such as mental health services, vocational rehabilitation, drug and alcohol treatment programs, and health care.

i. If the participant has not completed high school or its equivalent, the case manager shall determine the participant's literacy level based on information provided by the client and, when necessary through further assessment testing by the appropriate county entity.

(1) If the participant's literacy level cannot be determined at this time, the case manager shall refer the participant to the entity chosen by the county to assess, by use of standardized test, the participant's educational aptitudes.

ii. REACH Agreement: As part of the individual evaluation, the case manager and participant will jointly develop the initial REACH Agreement. The initial REACH Agreement will indicate whether the participant has been referred to social services, REACH job search, or assessment. The initial Agreement will also contain the support services necessary to enable the individual to participate in social services, job search or assessment.

(1) If the individual has been referred to REACH job search, the initial Agreement will be the final REACH Agreement. Individuals referred for social services will have signed only an initial Agreement.

(2) The case manager and participant will also develop the REACH Employability Plan.

(3) If the individual has been referred for assessment, the initial Agreement will be followed by the REACH Employability Plan and final REACH Agreement after assessment (see (f)5 below).

4. Assessment: Participants will be referred to the entity chosen by the county to assess the participant's educational and vocational aptitudes (including literacy level as necessary) and interests, or for social services assessment not done by the case manager. The entity will recommend to the case manager whether participants are job ready, in need of preparatory educational services, post-secondary educational services, job skills training, CWEP, or similar services, and will identify potential deliverers of these services where possible.

5. REACH Employability Plan and REACH Agreement: The case manager and participant will review the assessments and the initial REACH Agreement and jointly develop the REACH Employability Plan and final REACH Agreement (see N.J.A.C. 10:81-14.5).

6. Participation in employment and employment-directed activities: The participant will pursue activities as scheduled in the REACH Agreement. Participation will be monitored as part of the case management function.

(g) (Reserved)

(h) Referral for social services: The case manager may recommend specific social services for participants who may be in need of such services, for example, where there is evidence of substance abuse or behavioral problems (see N.J.A.C. 10:81-14.16). Although acceptance of these services is optional, the case manager has the responsibility to explain the consequences of not participating in social services: that the individual will be required to participate in another employment-directed activity, that participation requirements for that activity will be set forth in the REACH Agreement, and that nonparticipation in that activity without good cause will result in application of sanctioning procedures.

(i) Unavailability of support services: The case manager shall take all steps reasonably necessary and feasible to ensure that services are provided to support an individual's participation in the REACH program, as set forth in the REACH Agreement. When any service required for participation in REACH is not available or when it is reasonably apparent that available services will not enable the individual to fully comply with the REACH Agreement, the case manager will recommend that the individual's participation in REACH be excused. This recommendation shall be reviewed by the supervisor, and the participant counselled on the ability to participate in the absence of such services. If the supervisor and case manager determine that the individual will be unable to participate, the individual will be temporarily excused from participation.

1. The case manager will record on the REACH Agreement or in the case record the circumstances surrounding the excused participation, the date of excuse, reason, and dates of expected resumption of service and participation.

2. The case manager will immediately make all reasonable efforts to arrange for the necessary support service(s) so that the individual can participate in REACH as quickly as possible.

(j) Child care during preliminary sessions: A participant will be provided necessary child care, in a manner agreeable to the participant, for all sessions involving evaluation, counselling, assessment, testing, social services and development of the REACH Employability Plan and REACH Agreement.

(k) Type of placement and employment: REACH is designed to allow each participant to maximize his or her individual abilities. Every effort will be made to place participants in jobs which offer the greatest range of responsibility, opportunity for advancement, and rate of pay, given

the participant's abilities and experience. If a job which maximizes the participant's abilities and experience is not available, the participant may be encouraged to take another job. Where such a participant's assessment(s) indicate the ability to hold a job requiring more advanced skills, but the participant is impeded from securing such a position because of lack of experience, education or training, reasonable efforts will be made through REACH to place the participant in employment-directed activities which would provide the necessary experience, education or training, whether or not the participant is contemporaneously working at another less skilled position.

(l) Waiver for the reassignment of case management functions: It is recognized that the phase-in of AFDC families into REACH may result in a high workload for the case management agency, with the possibility that REACH participants may not be served timely. To alleviate this temporary workload and to ensure that all participants receive REACH services timely, the case management agency may request that certain case management functions set forth in the REACH program client flow in (f) above, be temporarily reassigned to another work unit in that agency. To request a waiver of reassignment of case management functions, the case management agency must write to the Director, Division of Economic Assistance, including the following:

1. The specific case management function(s) to be waived;
2. The agency unit to which they will be reassigned;
3. The duration of this reassignment;
4. Assurances that the unit will perform the function and provide the same information and service that the case manager would; and
5. A description of the REACH client flow with the reassigned function, affirming that monitoring and case review will be conducted with the same adequacy as by case management, and will interface with the REACH automated management information system.

Amended by R.1988 d.551, effective November 21, 1988.

See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Substantially amended.

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Text restructured throughout.

Added new language in (a) regarding case management. Added new (b)1v(1) and (b)1vi-viii. Revised text at (f)2. In (f)3i(1) added text. Added new (f)3ii(2), recodifying (2) as (3).

#### 10:81-14.5 REACH Employability Plan and REACH Agreement

(a) REACH Employability Plan: On the basis of the initial assessment of employability, the case manager shall develop a REACH Employability Plan (Form R-14) in consultation with the participant, including a participant in a client-selected activity. The Employability Plan shall take

into account available REACH program resources; the participant's supportive services needs, skills level and aptitudes; local employment opportunities; and, to the maximum extent possible, the preferences of the participant.

1. A REACH Employability Plan shall be completed for each REACH participant. The Employability Plan shall be signed by the case manager and the participant and a copy retained in the participant's case record. The participant shall also receive a copy of the Plan.

2. The REACH Employability Plan is an outline of the REACH activities and services needed by the participant to achieve an employment goal. The REACH Employability Plan shall not be considered a contract.

3. The REACH Employability Plan shall be used in conjunction with the REACH Agreement which provides detailed information concerning the specific REACH activities and support services to be undertaken to achieve the employment goal.

4. Contents of the REACH Employability Plan: The REACH Employability Plan shall contain the following:

- i. General case information;
- ii. An employment goal for the participant developed in consultation with the client which should reflect availability of jobs in the local and/or relevant market;
- iii. A list of the REACH activities that will be undertaken by the participant to achieve the employment goal; the specific details of the REACH activity, such as dates and hours of participation, shall be identified in the REACH Agreement;
- iv. The supportive services to be provided to enable REACH participation such as child care, transportation and other supportive services; the specific details concerning services to be provided, such as the name of the provider, dates, time, and so forth, shall be identified in the REACH Agreement;
- v. Any other needs of the family, identified during assessment, that might be met by REACH, such as participation by a child in drug education or life skills planning;
- vi. The participant's literacy level, including date assessed, and the name of the specific test used to assess the literacy level; and
- vii. The participant's education level, that is, highest grade completed.

5. Final approval of the REACH Employability Plan rests with the REACH case manager.

6. Changes to the REACH Employability Plan: The case manager shall make changes to the REACH Employability Plan as follows:

i. Update the literacy level when the participant completes a preparatory educational employment-directed activity, such as GED, ABE or ESL, as appropriate;

ii. Record satisfactory progress in a noneducational employment-directed activity at the time of completion of the activity or every three months, whichever occurs first;

iii. Record satisfactory progress in an educational component on a periodic basis of less than one year, such as a term or quarter, which is consistent with the progress report policies set by the educational institution, program, or the training provider; and

iv. Complete a new REACH Employability Plan when there is a change in the participant's employment goal or to reflect new activities.

(b) Purpose and scope: The REACH Agreement will set forth provisions for both the REACH participant and the agency to comply with under the principle of mutual obligation. Each REACH participant will sign an initial REACH Agreement with the case manager affirming participation, provision of support services (such as child care and transportation) and commitment to self-sufficiency. The final REACH Agreement places the participant in employment or an employment-directed activity, and will be adapted to each participant's skills and necessary employment activities. A Spanish language version of the REACH Agreement is available for any participant whose primary language is Spanish.

1. All mandatory REACH participants will be required to complete and sign a REACH Agreement as a condition of continued eligibility for the AFDC program.

2. Voluntary REACH participants should complete a REACH Agreement affirming participation in REACH and provision of necessary support services. Completion of the REACH Agreement by voluntary REACH participants is not a condition of AFDC eligibility.

3. Post-AFDC REACH participants: All REACH participants no longer receiving AFDC will be required to complete and sign a REACH Agreement as a condition of receiving post-AFDC child care. All REACH participants receiving post-AFDC Medicaid (see N.J.A.C. 10:81-14.20) should complete and sign a REACH Agreement. If the participant would be penalized by the employer for taking time off from work, the REACH Agreement may be mailed to the participant with the approval of the case management supervisor. Absence of a REACH Agreement will not relieve the participant of complying with eligibility requirements for extended Medicaid benefits (see N.J.A.C. 10:81-14.20).

(c) Contents of REACH Agreement: The REACH Agreement will set forth:

1. Participation required by the REACH participant in employment and REACH employment-directed activities, including the weekly hours of participation in the activity (see N.J.A.C. 10:81-14.3(t)).

2. Recommended participation in social service programs (but such participation is not required unless the participant so agrees);

3. Support services to be provided or arranged by the agency or participant, including child care, transportation training-related expenses, and post-assistance Medicaid coverage;

4. Objectives, starting dates, completion dates, measures of accomplishments, deliverers of employment-directed and support services;

5. Participant responsibility to advise of changes in circumstances and the right to report discontinuities in support services;

6. Sanctions for failure or refusal of the participant to comply with employment and the REACH employment-directed activities set forth in the REACH Agreement;

7. That participation will be excused when support services set forth in the REACH Agreement are not available; and

8. Effective date, duration and expiration date of the REACH Agreement.

(d) Signing of the REACH Agreement: Both the participant and the case manager will be required to sign the REACH Agreement.

1. Failure or refusal of the participant to sign the Agreement without justification will result in sanctions set forth in N.J.A.C. 10:81-14.8. Justification shall include good faith disagreements about the particular employment or employment-directed activity proposed by the case manager or about the specific support services that will be required. If the case manager can demonstrate with available and pertinent information that there is no reasonable basis for the participant's position, then the disagreement will be deemed to be without justification.

2. Inadvertent failure of the agency representative to sign the REACH Agreement will not relieve the participant or the CWA of compliance with the terms of the Agreement and sanctions for noncompliance. However, where it is determined that the case manager failed to sign the Agreement, the case manager shall sign the Agreement immediately after such a determination.

3. Prior to being asked to sign the Agreement, each participant shall be advised that legal responsibilities are involved and that the participant has three business days to have the Agreement reviewed by an attorney or other adviser.

4. Conciliation and Agreement terms: If, after evaluation and assessment, the participant is not satisfied with

the terms of the Agreement, including the results of the assessment, the scheduled employment-directed activities or support services set forth in the Agreement, and if, after the three days in 3 above, the case manager cannot resolve the disagreement, then the following conciliation procedures shall be applied.

i. The participant shall be offered the opportunity to immediately voice his or her dissatisfaction to the supervisor of the case manager. The supervisor will review the assessment and proposed REACH Agreement, listen to the concerns of the participant and, within one working day, make a decision.

ii. If the participant is not satisfied with that decision, the Administrative Supervisor will review the issue with the participant and case manager, and, within one working day, make a decision which shall be considered the final position of the agency. If the participant still has disagreement about the Agreement terms the participant shall be advised orally and in writing that he or she has a 10-day period to request a fair hearing as to whether the participant's position is without reasonable basis.

(1) If a hearing is not requested and sanctions later arise from noncompliance with the Agreement, the reasonableness of the terms of the Agreement may be challenged at the later fair hearing on the sanction.

(2) If a hearing is held and the agency is upheld, that is, the participant's position is determined to be without reasonable basis, this determination shall be accepted by the Administrative Law Judge at any subsequent hearing arising from sanction and the issue of reasonableness not reopened.

iii. In instances in which sanctions arise from noncompliance with the resulting Agreement, and a fair hearing is requested, agency records of all conciliation efforts surrounding the Agreement will be made available to the Administrative Law Judge.

(e) Specifications: The REACH Agreement shall conform to the following specifications:

1. Effective date: The REACH Agreement and amendments to the REACH Agreement shall be effective upon signing by the participant and the case manager, subject to (d)2 above.

2. Duration and expiration date: The REACH Agreement is continuous and has no automatic or periodic expiration date. Once signed, it remains in force until any of the following occurs: the individual becomes ineligible for AFDC for a reason other than employment or receipt of unemployment insurance benefits or temporary disability insurance, a sanction is imposed, the individual moves to another county, or the participant completes the last scheduled activity with no subsequent activity scheduled. In absence of a change in AFDC eligibility, the

Agreement will expire on the ending date of the last activity unless the case manager and participant amend the Agreement with a new activity. To ensure continuous participation in REACH, the case manager shall review the individual's progress in REACH, schedule an appointment with the participant, and jointly update the Agreement with the participant within two weeks of the ending date of the last REACH activity set forth in the Agreement.

i. Example: On January 2, a participant and case manager signed the REACH Agreement for the following activities: training from January 3 through February 28, group job search from March 1 through March 15, and individual job search from March 16 through May 15. The time period covered by the REACH Agreement is January 2 through May 15. The case manager and participant should update the Agreement by May 30 with an additional REACH activity to ensure continuous REACH participation.

(f) Amendments: The REACH Agreement may be amended or updated at any time. Amendments may reflect changes in skills, education levels of the participant and changes in assignment to employment-directed activities, as well as any other agreed change in terms. Whenever the Agreement is amended or updated the case manager shall review the support services to ensure that they will continue to support REACH participation. Amendments shall be effective in accordance with (e) above.

(g) REACH Agreement review: A review of the REACH Agreement shall be completed at time of the redetermination of AFDC eligibility. At a minimum, the case manager and the participant shall review compliance with the existing Agreement, discuss changes that may be needed, and make the necessary amendments. The effective date and duration of the amendments to the REACH Agreement shall conform to (e) above.

Amended by R.1988 d.551, effective November 21, 1988.  
See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Substantially amended.

Amended by R.1989 d.353, effective July 3, 1989.  
See: 21 N.J.R. 1086(b), 21 N.J.R. 1908(b).

"Post-employment" changed to "post-AFDC".

Amended by R.1991 d.8, effective January 7, 1991.  
See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Added new (a), recodifying (a) as (b). Recodified (b)-(f) as new (c)-(g). Technical changes made to restructured sections.

#### 10:81-14.6 Income maintenance functions

(a) General: The functions and tasks of income maintenance (IM) staff concerning the REACH program are set forth in this section. It is essential to maintain an open and accurate exchange of information between income maintenance and case management to ensure that timely and appropriate action is taken for each participant so that necessary services are provided and participation requirements fulfilled. The functions include but are not limited to:

1. Determination of eligibility for AFDC, computation of the AFDC grant amount, and determination of net loss of cash income at the time of an offer of employment, when necessary;
2. Providing an orientation of the REACH program to all AFDC applicants and recipients (see (b) below);
3. Determining exempt or mandatory status for REACH participation and identifying participant target group (see N.J.A.C. 10:81-14.3);
4. Referral of AFDC applicants and recipients who do not meet the criteria for exempt participation at N.J.A.C. 10:81-14.3(b) for REACH orientation;
5. Explaining voluntary participation in REACH and referral of interested individuals to case management for families determined presumptively eligible for AFDC;
6. Referral of potential REACH participants to the county welfare agency IV-D Child Support Unit, for prioritization and evaluation of the need for upward modification of a child support orders and for income withholding;
7. Applying the sanction to the individual's AFDC eligibility and grant after notification from the case manager of sanctions for failure or refusal to comply with REACH participation requirements;
8. Issuing notices of adverse action (Form PA-15);
9. Informing the case manager of a determination of ineligibility for the AFDC program for reasons other than a sanction; and
10. Informing exempt REACH participants of their right to voluntarily participate in the REACH program.

(b) REACH orientation: The county welfare agency (CWA) shall, at time of application or redetermination, provide an orientation to REACH. That is, IM shall inform all AFDC applicants and recipients, in writing or orally as appropriate, of the availability of REACH program activities, the supportive services for which they are eligible, the participation requirements under the principle of mutual obligation, the REACH Employability Plan and the REACH Agreement.

1. The content of information provided in orientation shall include, but not be limited to, the following:
  - i. Educational, employment and training opportunities available in REACH;
  - ii. Supportive services, including but not limited to child care, post-AFDC child care, Medicaid Extension, payments for transportation, work-related expenses, car maintenance;
  - iii. Agency obligations, including provision of program and support services;

iv. Rights, responsibilities, and obligations of participants, including grounds for exemption, consequences of failing or refusing to participate, mandatory and voluntary participation;

v. Information about child care services are as follows:

(1) Availability: Types and locations of child care services reasonably accessible to REACH participants;

(2) Selection: Type of assistance available to help participants select appropriate child care services; and

(3) Obtaining child care: Type of assistance available, on request, to help participants obtain child care services; and

vi. Child support: Responsibility of participant to cooperate in establishing paternity and enforcing child support; responsibility of the CWA to assist individuals in obtaining paternity establishment and child support services for which they may be eligible.

2. Orientation may be conducted in a group setting or at an individual interview, based on county operational procedures.

3. During the orientation process, voluntary participants may decide whether to continue in REACH. All mandatory participants and voluntary participants continuing in REACH will be referred for case management.

4. REACH Orientation for post-AFDC participants: AFDC recipients who have not participated in REACH but who become ineligible for AFDC due to excess income from employment are eligible for post-AFDC REACH benefits. For these individuals, the IM worker should attach to Form R-10, REACH Benefit Letter, a written description of the REACH program that includes at a minimum all items at (b)1 above. For these individuals, Form R-10 and attached written orientation will serve as REACH orientation. If the participant subsequently contacts the case manager for extended child care benefits, an individual evaluation interview must be held at which time the participant may receive a more in-depth orientation.

5. The date of orientation shall be as follows:

i. Applicants and reapplicants: The date of application or reapplication will be the date of REACH orientation.

ii. Redeterminations: The date of redetermination of AFDC eligibility will be the date of orientation.

iii. Post-AFDC participants: The date of Form R-10 will be considered the date of orientation.

6. REACH Addendum: To ensure that Quality Control errors are not incurred, every AFDC applicant and

every AFDC recipient at time of redetermination must sign the REACH Addendum to Form PA-1J, indicating enrollment in the REACH program.

(c) Operating procedures: The REACH program will be operated in a county under standard procedures approved by the Department of Human Services. County procedures must ensure coordination of the income maintenance and case management functions and ensure that the AFDC eligibility and AFDC grant amount of REACH participants will not be adversely affected by lack of coordination between or among agencies involved in the REACH program.

(d) Voluntary participation: The income maintenance worker shall inform all exempt AFDC-C, -F, and -N segment applicants and recipients who could benefit from REACH program services of their right to voluntarily participate in REACH and of their right to withdraw such participation at any time without loss of assistance payments.

(e) Individuals who have been determined to be exempt from REACH on the basis of incapacity shall be referred to the Division of Vocational Rehabilitation Services. Form PA-14, Referral for Services, shall be used for this purpose. Acceptance of referral for such services is optional with the individual and shall not affect a recipient's entitlement to benefits.

Amended by R.1988 d.551, effective November 21, 1988.

See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Substantially amended.

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

In (a): added text regarding case management functions, added new (a)3. Recodified 3.-9. as 4.-10.

Added new (b) and recodified (b) as new (c).

### 10:81-14.7 Hearings and notices

(a) Hearings: The provisions governing fair hearings at N.J.A.C. 10:81-6 shall apply to the REACH program. The hearing process is maintained by the Office of Administrative Law and is applicable to all REACH participants concerning REACH program requirements which are unrelated to wage and hour statutes. These decisions must be reviewed for final decision by the Director, DEA. It is the right of every REACH participant adversely affected by the agency to request a fair hearing if the individual is dissatisfied with components of REACH participation including, but not limited to:

1. The determination of the individual's participation requirements (for example, computation of hours of CWEP and WSP participation);

2. The determination of the individual's exempt or excused participation status;

3. The supportive services being offered the individual;

4. The sanction or adverse actions being imposed upon the individual; and

5. The determination of all issues concerning the reasonableness of the elements of the REACH Agreement and the participant's cooperation and noncooperation with the Agreement in accordance with N.J.A.C. 10:81-14.8.

(b) Notices: Adverse actions taken by the agency are subject to timely and adequate notice provisions. Notices of action taken by the CWA concerning REACH participants are subject to the provisions of N.J.A.C. 10:81-7.1 and N.J.A.C. 10:90-2.5, as appropriate, and shall be provided in a Spanish language version for any participant whose primary language is Spanish.

1. Changes in the manner of payment of supportive services do not require timely notice unless they result in a discontinuation, suspension, reduction or termination of supportive service benefits or they force a change in child care arrangements.

(c) Provisions concerning continuation of REACH child care and supportive service benefits (see N.J.A.C. 10:81-14.18 and 19), pending a hearing, are as follows:

1. If the individual had been receiving REACH child care or transportation benefits and is awaiting a hearing because such benefits were reduced, he or she is not entitled to receive REACH child care or transportation benefits at the prior unreduced level. Benefits shall continue at the determined reduced level pending the hearing.

2. If the individual had not been receiving any child care benefit or a specific REACH supportive service benefit, as delineated at N.J.A.C. 10:81-14.19, for which he or she believes he or she is eligible and is awaiting a hearing due to non-receipt of those benefits, he or she is not entitled to receive that child care benefit or the specific REACH supportive service benefit pending the hearing.

3. If the individual had been receiving REACH child care benefits or transportation benefits and is awaiting a hearing because such benefits were discontinued or terminated, he or she is not entitled to receive those REACH benefits pending the hearing.

4. If the individual is contesting the amount of the REACH child care benefits received and is awaiting a hearing, he or she shall continue to receive REACH child care benefits in the amount previously established by the agency, pending the hearing. Likewise, if the individual is contesting the amount of specific REACH supportive service benefit received, the amount of the benefit shall remain in the amount previously established by the agency, pending the hearing.

(d) Violations of New Jersey wage and hour statutes are appealed through the New Jersey Department of Labor's Division of Workers' Compensation and Workplace Standards. Employees' complaints concerning issues such as work assignments, working conditions, and wage rates of individuals who are employed are handled by those Divisions through existing procedures. (The term "employees" as used in this context refers to OJT/WSP participants as well as other workers hired by the employer (not under REACH contract)).

Amended by R.1991 d.8, effective January 7, 1991.  
See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Added new (a)1-5, (b)1; (c)-(d), expanding and clarifying text regarding hearings and notices.

#### **10:81-14.8 Noncompliance; good cause; conciliation; sanctions**

(a) The REACH principles of self-sufficiency through employment, mutual agency/participant obligation, dignity and self-respect of the individual, and flexible program design, are all directed to encourage participation by the individual. However, it is recognized that situations may occur in which the individual may not comply with the REACH participation requirements. In instances where noncompliance by a mandatory participant is indicated, the case manager may begin a series of procedures called the conciliation process (see (f) below), to resolve disputes involving an individual's participation in REACH. Conciliation is designed to assist the participant in complying with the requirements of REACH and the REACH Agreement in most instances, before a decision is made to impose a sanction for noncompliance. Either the recipient or the case manager can request that the conciliation process be initiated.

1. Voluntary participants: If an individual classified as a voluntary participant (see N.J.A.C. 10:81-14.3(s)) discontinues participation in the REACH program, the individual and the individual's family are not subject to the procedures and sanctions set forth in this section. However, under the principles of the REACH program, the case manager may wish to discuss with the individual the circumstances surrounding the decision not to participate and the benefit of participation.

(b) Situations not considered noncompliance: The following situations are not considered to be noncompliance with REACH program requirements:

1. Supportive services set forth in the REACH Agreement are guaranteed to those in need of such services; however, if resources necessary to provide supportive services to a participant are unavailable to meet that individual's needs, then the individual is temporarily excused from participation in REACH (see N.J.A.C. 10:81-14.3(f)).

(b) Subject to the provisions of N.J.A.C. 10:81-14.4(k), all mandatory REACH participants will be required to accept a reasonable offer of employment unless good cause exists.

#### 10:81-14.10 REACH job search component

(a) Purpose and scope: The purpose of REACH job search component is to reduce welfare dependency by assisting individuals in obtaining regular unsubsidized full-time employment of not less than 30 hours per week. The REACH job search component may include different job search activities or impose different participation requirements based on an individual's characteristics and local job availability conditions.

1. The Department of Human Services, Division of Economic Assistance, the agency designated in the State Plan for Title IV-A to supervise the AFDC program, shall supervise the REACH job search program.

2. Job search is an employment-directed activity (EDA) in which mandatory and voluntary participants engage in activities with the immediate goal of obtaining full-time employment. It is geared to the individual participant's needs and local job market conditions and may serve participants in either group or individual job-seeking activities, or in a combination of both methods. Group job search shall be used as much as possible over individual job-seeking/job search activities.

3. Job search activities include referrals to potential employers, the provision of employment counseling, information dissemination and moral support. Group job search is a group setting where participants are taught job-seeking skills, and which may include a phone bank from which participants contact potential employers.

(b) Eligibility: All REACH participants may participate in REACH job search. Participation in REACH job search may be postponed while an individual is participating in another REACH employment-directed activity, including a social service component (see N.J.A.C. 10:81-14.4) or educational component of REACH.

1. Job search is an appropriate activity for job ready individuals who have basic workplace skills and experience applicable to the labor market. Job search for those who are skills deficient shall be coupled with other educational and training activities based on the needs of the individual.

(c) Job search participation: Participation in the job search component is subject to the following requirements and limitations:

1. Job search requires that an individual participate for an equivalent of at least 20 hours per week for Federal participation purposes.

2. The individual may participate in job search for Federal participation purposes as a component of

REACH for participation purposes, for a period of eight weeks in any period of 12 consecutive months.

3. Participation in job search beyond the eight week participation period is permissible. However, participation in job search beyond this compulsory eight-week timeframe is an unmatchable REACH activity for FFP purposes. In order to claim FFP, the individual must participate in another REACH component (such as education or training) and the job search activity becomes part of that other REACH component. FFP is available for administrative and supportive service costs of the job search-related portion of the other approved REACH component. Participation in the Job Search component beyond the Federal eight-week limit, as a REACH activity component, is State funded only.

4. Should an individual leave AFDC, upon filing a new application (re-opened case), he or she becomes eligible for a new eight week job search participation period.

(d) Assignment to job search activities and the duration of the activities will be based on individual employability potential and geographic location. The minimum requirement for participation in REACH job search is at least 20 hours per week.

(e) Additional job search requirements: The following additional requirements apply to participation in REACH job search activities.

1. Job contacts: A job contact is defined as a contact with a prospective employer. The county selected entity may assist the participant by providing a list of employers. The following apply to job contacts:

i. Referral: A referral to an employer shall be considered a job contact provided the participant presents himself or herself to the employer as available for employment.

ii. Initiated by participant: To be considered a job contact initiated by the participant, the participant must present himself or herself to the employer as available for work and the employer must ordinarily employ persons in the areas of work that the participant is reasonably qualified for by means of experience, training or ability.

iii. Depending upon the position sought, the job contact requirements may be fulfilled by either a personal visit to the prospective employer or another method of application which is considered by the county selected entity to be a generally accepted practice, including telephone contacts where the job offer or advertisement lists a telephone number.

iv. The participant cannot count the contact of the same employer more than once in a four-week period unless the employer indicated that vacancies in addi-

tional positions may soon exist, or a subsequent advertisement is made by the employer.

v. Reporting job contacts: The participant will be required to report the result of all job contacts to the county selected entity at a prescheduled time. The time may vary with the job search participation requirements set forth in the REACH Agreement.

(1) Job contacts shall be reported in writing in a manner prescribed by the county selected entity at the time the REACH Agreement is signed. This writing requirement shall be reasonable given the participant's language abilities. While such reporting will not require the employer's written confirmation of the job contact, the participant shall be required to sign written documentation to attest to its validity. The written report shall be submitted to the county selected entity at the participant's follow-up interview. The participant shall be responsible for providing the county selected entity with any additional information concerning job contacts.

vi. County selected entity review of job contacts: The county selected entity shall review the participant's job contacts and determine if the participant has completed the assigned number of job contacts, as set forth in the REACH Agreement.

vii. It is a goal of REACH to help and ensure that all participants are prepared to apply for and secure employment. Therefore, before a participant is placed and required to participate in job search activities, the case manager shall take such steps, including referrals, as are necessary, including employment counselling, to ensure that the participant can read and complete a job application, and is otherwise able to present himself or herself properly for employment.

2. Group job search activities: REACH group job search activities may include the classroom group job search training and supervised job clubs.

3. Review of job search: The county selected entity shall review the individual's participation in job search, and determine if participation in job search should continue or if assignment to another REACH employment-directed activity is appropriate. If reassignment is appropriate, the county selected entity must notify the case manager so that the REACH Agreement may be updated.

(f) Child care and transportation: Federal financial participation is available as reimbursement or direct payment for expenditures for child care, transportation, and other costs reasonably incurred by participants in meeting the requirements of REACH job search.

Amended by R.1988 d.551, effective November 21, 1988.

See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Substituted "selected" for "designated"; added text to (a)4 "If reassignment is . . .".

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Restructured text of rule extensively to expand job search components of REACH.

Added new (a)2-3, deleting old (a)1 and recodifying (a)2 as new (a)1.

Added new (b)1. Replaced (c)1-3 with (c)1-4.

In (e): deleted old (e)1 and recodified (e)2-4 as (e)1-3, with textual revisions deleting "once every four weeks" requirements.

#### 10:81-14.11 REACH Work Supplementation Program

(a) Purpose and scope: Under the REACH Work Supplementation Program (WSP), AFDC funds are used to develop and subsidize employment for REACH participants as an alternative to aid provided to AFDC recipients.

1. Under WSP, REACH participants may choose, on a voluntary basis, to accept an offer of work to the extent such jobs are made available through the REACH program.

(b) Administration: The REACH WSP program shall be administered through the Department of Human Services, Division of Economic Assistance, the agency designated to supervise the administration of the AFDC program in New Jersey.

(c) Eligibility: Mandatory and voluntary REACH participants are eligible to participate in the WSP if they are eligible for AFDC. Placement in WSP is defined as the date on which the agency and the employer agree on the terms of the placement and on the specific individual to participate.

1. There is no specific limit on the number of times an individual may participate in WSP, but participation in WSP shall not exceed a cumulative total of nine months for each individual.

(d) Types of jobs: Any appropriate job may be provided or subsidized under the WSP, but acceptance of any such position by a REACH participant shall be voluntary. The job position which may be provided for AFDC recipients must be of the following general types:

1. A job position provided to an eligible individual by the Department of Human Services, Division of Economic Assistance, CWAs, the Department of Labor or JTPA; or

2. A job position provided to an eligible individual by any other employer for which all or part of the wages are paid by the entity selected to administer the WSP wage pool.

(e) Providing or subsidizing jobs: The county selected entity may use whatever means are appropriate to provide or subsidize jobs for participants in WSP. The county selected entity may make whatever arrangements it deems appropriate with regard to the type of work provided, the length of time the position is to be provided or subsidized, the amount of wages to be paid to the recipient receiving the work supplemented job, the amount of subsidy to be provided and the conditions of participation.

(f) Conditions of employment: The following provisions apply to conditions of employment under REACH WSP:

1. The Department of Human Services or Division of Economic Assistance is not required to provide employee status to any eligible individual to whom it provides a job position under the WSP, or with respect to whom it provides all or part of the wages paid to such individual by another entity under this program.

2. The county selected entity is not required to ensure that eligible individuals filling job positions provided by other entities under WSP be granted employee status by such entity during the first 13 weeks during which they fill such position. Employee status confers on the individual the benefits available to regular employees of that employer (for example, insurance coverage and vacation leave).

3. Wages: Participants in the REACH WSP will be paid wages which shall be counted as earned income and are subject to the monthly reporting requirements set forth at N.J.A.C. 10:90-2.3.

4. No WSP participant can be assigned to fill any established, unfilled position vacancies at the site of employment.

(g) Application of AFDC earned income disregards under WSP: The application of earned income disregards as set forth at N.J.A.C. 10:82-4.4 pertains to WSP participants. (See N.J.A.C. 10:81-14.21(d) for calculation of AFDC grant under WSP.) A WSP case with earned income is computed the same as any other AFDC case with earnings.

1. The \$90.00 work expense disregard shall apply to earned income of WSP participants.

2. The \$30.00 and one-third disregard shall be extended for the entire period of an individual's participation in WSP, up to a maximum of nine months. The participant is eligible for the \$30.00 and one-third disregard under WSP regardless of the prior application of that disregard to non-WSP earned income while receiving AFDC.

i. Example: A REACH participant has received AFDC benefits for three years. During the first year of public assistance, the REACH participant was employed for a period of six months; the participant received four months of the \$30.00 and one-third disregard and two months of the \$30.00 disregard during that time. The participant has remained continuously on assistance. Under WSP participation, this individual is entitled to the \$30.00 and one-third disregard for each month of participation in WSP up to a maximum of nine months.

ii. Example: A WSP participant completed four months of WSP participation in January and subsequently continued to receive AFDC benefits. Participation in WSP resumed on June 1 and continued through October 31, completing a total of nine months

in WSP. The participant is eligible for the \$30.00 and one-third disregard for the entire nine months of WSP participation even though entitlement to that disregard had been exhausted under previous non-WSP employment.

3. The WSP participant who has never had the benefit of the \$30.00 and one-third disregard is entitled to the \$30.00 and one-third disregard for each month of WSP participation and may, at the end of this WSP participation period, be eligible for any of the remaining months of the \$30.00 and one-third disregard or the \$30.00 disregard regularly applied to earned income as set forth at N.J.A.C. 10:82-4.4.

i. Example: An individual who has had no previous employment participates in WSP from January 1 through September 30 (the nine month maximum time permitted for WSP participation) and receives the \$30.00 and one-third disregard during the entire nine month period. The individual then enters unsubsidized employment on October 1 and is eligible for the \$30.00 disregard for three months (through December 31).

ii. Example: An individual who has had no previous employment participates in WSP from January 1 through March 31 and receives the \$30.00 and one-third disregard for those three months. The individual then enters unsubsidized employment on April 1 and is eligible for the \$30.00 and one-third disregard for one additional month (through April 30) and for the \$30.00 disregard for another eight months (through December 31).

4. The child care disregard is not applied to WSP earned income. Payment for child care will be made directly to the provider as a vendor payment as set forth at N.J.A.C. 10:81-14.18.

(h) Explanation of WSP: Individuals may remain in REACH WSP for up to a lifetime participation limit of nine cumulative months. While in WSP status, the participant is in a subsidized job as an alternative to AFDC. During WSP participation the calculated grant received by the individual, if any, is termed a residual grant. The residual grant is determined at the time of placement in the supplemented job. The residual grant ((AFDC) grant monies for the family size minus earnings and other countable income) is recalculated on a monthly basis based on information supplied by the individual on the monthly status report.

1. If the individual becomes otherwise ineligible for AFDC benefits (such as youngest dependent child reaching the AFDC age limits), the individual shall continue in the WSP job until the WSP contract expires. All monies from the AFDC grant for those individuals are diverted to the WSP wage pool. Because of contractual arrangements with the employer, changes which render an individual ineligible for AFDC, such as a change in family composition, do not render them ineligible to continue in WSP.

2. If more than one individual in the family unit is participating in WSP, the amount of the Federal reimbursement to the State will not exceed the AFDC standard allowance for that family (see N.J.A.C. 10:82-1).

3. A REACH participant shall not simultaneously participate in WSP and in OJT. No one is allowed to be in both components at the same time.

4. A WSP participant is eligible for supportive services as a participant in REACH. Since the participant is working, he or she is treated as any AFDC individual who finds employment. The individual may be eligible for the JOB and CAR allowances as set forth at N.J.A.C. 10:81-14.19. Transportation costs are covered through the \$90.00 work expense disregard. Child care payments for necessary child care services will be made directly to the child care provider as set forth at N.J.A.C. 10:81-14.18.

5. Medicaid coverage is provided for the duration of the WSP contract to the participant and family members so long as the family remains eligible for AFDC. If the family loses eligibility for AFDC, the family may be eligible for extended Medicaid benefits as set forth at N.J.A.C. 10:81-14.20.

6. If the family loses AFDC eligibility during the WSP contract, the individual would continue participating in REACH; however, child care payments after loss of AFDC eligibility shall be treated as post-AFDC child care benefits if the individual meets those requirements set forth in N.J.A.C. 10:81-14.18. After fulfilling the WSP contract, the individual shall be eligible for post-AFDC child care benefits for the number of months remaining in the 12-month post-AFDC period.

(i) Diversion of calculated earned income (CEI) to WSP wage pool: The WSP wage pool is used to provide wage subsidies to employers who hire WSP participants.

1. After application of WSP earned income disregards, the resulting CEI monies are diverted to the WSP wage pool. The WSP participant will receive a residual grant equal to the difference between the CEI and the maximum AFDC assistance payment for the family unit.

2. If the resulting CEI monies are greater than or equal to the maximum AFDC assistance payment for the family unit, then the entire assistance payment is diverted to the WSP wage pool and the participant will receive no residual grant; however, extended Medicaid benefits may be continued as set forth at N.J.A.C. 10:81-14.20.

Amended by R.1988 d.551, effective November 21, 1988.  
See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Added (c)1, deleted old (g) and added new (g)-(h).  
Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

In (c): added sentence: "Placement in WSP ... to participate."

In (f)2: added sentence: "Employee status ... and vacation leave."

Added new (f)4.

In (g): added (g)2 and recodified 3 and 4 as 2 and 3, with new (g)4.

Added new (h) and recodified old (h) as new (i).

### 10:81-14.12 REACH Community Work Experience Program

(a) Purpose and scope: The purpose of the REACH Community Work Experience Program (CWEP) is to provide work experience for AFDC recipients when and to the extent that such experience is necessary to enable them to adjust to and learn how to function in an employment setting. A participant shall not be placed in a CWEP position simply to give him or her employment when the participant is fully qualified and able to engage in unsubsidized employment but is unable to do so because of the absence of available jobs. The REACH CWEP will operate community work experience programs which serve a useful public purpose.

1. REACH CWEP must meet appropriate standards for health and safety and may not displace persons currently employed nor fill established unfilled vacancies.

2. Subject to the conditions at N.J.A.C. 10:81-14.17 through 14.18 the county designated entity must provide necessary transportation, child care and other related services or reimburse REACH CWEP participants for costs directly related to participation in the program.

3. Allowable costs to operate REACH CWEP, are matched by the Federal government.

(b) The following categories of AFDC recipients may not be required to participate in REACH CWEP, in accordance with Section 409(b) of the Social Security Act:

1. An individual who is exempt from participation in REACH in accordance with N.J.A.C. 10:81-14.3;

2. An individual who is both currently employed for at least 80 hours per month and earning not less than the legally established or defined minimum wage for such employment (for jobs which do not have an established minimum wage, recipients currently employed 80 hours must be exempted from REACH CWEP regardless of wage level);

3. An individual who was denied AFDC solely because the amount of his or her AFDC grant would have been less than \$10.00 per month;

4. An individual who would have been a mandatory participant due to care of a child at least two years old, but appropriate child care cannot be secured to enable participation in the Work Experience project; or

5. An applicant for AFDC.

(c) Participation services and reimbursement: The services of child care and transportation that are necessary to CWEP participation will be provided as part of the REACH Agreement. In cases where the county selected entity is unable to provide these necessary services, the county selected entity must provide reimbursement for necessary transportation and child care costs that are incurred by the recipient and directly related to participation in CWEP.

1. Transportation costs: Participants shall be reimbursed for transportation costs directly related to their participation by mutual agreement between the CWEP participant and the REACH case manager based on the availability of transportation in that locality.
2. Child care costs: Participants shall be reimbursed for child care costs in such amounts as are determined by the CWA to be reasonable, necessary, and cost-effective, or by direct payment to the child care provider. Child care payments shall be made in accordance with N.J.A.C. 10:81-14.18 and N.J.A.C. 10:82-5.3.
3. Additional \$10.00 CWEP reimbursement: The CWA must provide reimbursement for costs other than transportation and child care that the CWA determines are necessary and directly related to participation in CWEP incurred by the participant. Such costs include clothing and personal care items, materials and supplies and similar expenses related to applying for or accepting employment. For purposes of Federal Financial Participation, this amount shall not exceed \$10.00 per month per participant.
4. Participant's AFDC grant, income and resources: Participants may not be required to use their AFDC grant or their income or resources to pay CWEP participation costs which are within the limits specified as allowable in (c)1 through 3 above.
  - (d) Participant protection: Workers' compensation or other comparable protection shall be provided for CWEP participants. Workers' compensation shall be provided to those participants performing work for Federal offices or agencies to the same extent as is provided to other CWEP participants in the State. The cost of this protection shall be considered an administrative expense and matched accordingly.
  - (e) Participation requirements: The following additional participation requirements shall apply to CWEP:
    1. Part-time participation: Part-time participation in CWEP combined with other REACH employment-directed activities may be required and negotiated in the REACH Agreement. Part-time CWEP participation is defined as less than 30 hours per week.
    2. Maximum monthly participation: No eligible family may be required to participate in CWEP (as employment or training or both) more than the number of hours which would result from dividing the family's monthly grant amount by the Federal minimum wage. The child support collection assigned to the CWA minus the \$50.00 pass-through, which represents a portion of the recipient's assistance payment, is deducted from the standard allowance (see N.J.A.C. 10:82-1) before computation of the maximum number of hours that the individual is required to participate in CWEP.
    3. Coordination of CWEP with other activities: The county must have procedures under which there is coordination among CWEP, the job search program and other REACH employment-directed activities, to ensure that job placement will have top priority over participation in CWEP, and that individuals eligible to participate in more than one program under REACH are not denied AFDC on the grounds of failure to participate in one such program if they are actively and satisfactorily participating in another.
    4. Nothing in this section shall be construed as authorizing the payment of AFDC as compensation for work performed nor shall a participant be entitled to a salary or to any work or training expenses provided under any other provision of law by reason of the individual's participation in a CWEP program.
    5. CWEP participants who perform work in the public interest for a Federal office or agency shall not be considered for any purpose as Federal employees.
    6. CWEP participants who claim "good cause" for refusing or failing to participate in CWEP must meet the criteria set forth at N.J.A.C. 10:81-14.8(b).
    7. Reevaluation of CWEP participation: Participation in CWEP shall be reevaluated at least once every three months and at the conclusion of each CWEP assignment by the case manager to determine if CWEP and the specific worksite are still appropriate for that individual. The agency shall provide a reassessment and revision, as appropriate, of the individual's employability plan.
    - (f) Sponsor requirements: The agency will designate a sponsor to operate each project or, at the agency's option, more than one project. Only public agencies, which include, but are not limited to, Federal offices or agencies, and nonprofit organizations may be sponsors. For purposes of this provision Federal offices or agencies include agencies of the Executive branches of the Federal government, Congressional offices, and Federal courts.
    - (g) Project requirements: REACH CWEP projects must satisfy all of the following requirements:
      1. Serve a useful public purpose in fields such as health and social services, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety and day care;
      2. Do not result in the displacement of persons currently employed or the filling of established, unfilled position vacancies. This means that CWEP participants may not perform tasks which would have been undertaken by employees or which have the effect of reducing the work of employees. However, CWEP participants may perform the same type of tasks as performed by employees;

3. Are not in any way related to political, electoral or partisan activities;

4. Are not in violation of applicable Federal, State or local health and safety standards, and provide reasonable work conditions; and

5. Have not been developed in response to, or in any way associated with, the existence of a strike, lockout or other bona fide labor dispute, or violate any existing agreement between employees and employers.

(h) Project assignment criteria: Assignment of participants to REACH CWEP projects must conform to the following:

1. Assignments to REACH CWEP projects will take into consideration to the extent possible the prior training, proficiency, experience and skills of a participant;

2. Participants will not be assigned without their consent to projects which require that they travel unreasonable distances from their homes or remain away from their homes overnight; and

3. After an individual has been assigned to a CWEP position for a total of nine months, such individual may not be required to continue in that assignment unless the maximum number of hours of participation is no greater than the family's grant divided by the Federal minimum wage, or the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site, whichever is higher.

i. The portion of a recipient's aid for which the State is reimbursed by child support collection (minus the \$50.00 pass-through) shall be excluded in determining the number of hours that such individual may be required to work.

Amended by R.1988 d.551, effective November 21, 1988.  
See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Substantially amended.

Amended by R.1991 d.8, effective January 7, 1991.  
See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

In (c)2: added N.J.A.C. 10:82-4.4 reference.

Added text at (e)2, 3, 4, and 7; (g)1 and added new (h)3 and 3i.

Amended by R.1991 d.555, effective November 4, 1991.

See: 23 N.J.R. 2214(a), 23 N.J.R. 3365(a).

Revised text at (c)2 to clarify how payments for child care are made during participation in a REACH/JOBS CWEP component.

### 10:81-14.13 Vocational assessment and counselling

(a) Purpose: Vocational assessment and counselling is intended to assist individuals in exploring their employment options.

1. Vocational assessment and counselling services must be provided in the county's REACH plan.

2. Vocational assessment and counselling is available to all REACH participants. It will primarily be provided to REACH participants who do not have a recent work history or marketable job skills.

(b) Parent with a child under age three: A special vocational assessment and counselling component may be required for any parent who is exempt from participation in REACH/JOBS due to care of his or her child under age three. The REACH/JOBS orientation may be used to satisfy this requirement.

1. Exempt REACH participants will be encouraged to participate in employment and/or employment-directed activities and to develop individual plans for economic self-sufficiency. REACH Agreements developed under this component will conform to N.J.A.C. 10:81-14.4.

2. Services available will include:

i. Basic instruction and counselling in parenting skills and caring for a child's physical and emotional well-being;

ii. Provision of information on the availability of community resources for protection and development of children; and

iii. The identification of future educational, training and employment goals of the parent.

Amended by R.1988 d.551, effective November 21, 1988.

See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Added text to (b), "The REACH orientation . . ."

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

In (b)1: revised text to "Exempt REACH participants" from "Temporarily deferred."

Amended by R.1994 d.429, effective August 15, 1994.

See: 26 N.J.R. 1573(a), 26 N.J.R. 3479(a).

### 10:81-14.14 REACH employment and training services

(a) Purpose and scope: REACH employment and training services are designed to provide job training and other preparatory services for REACH participants. Such services include, but are not limited to, instructional skills training, on-the-job training, work experience and retraining. Education or training should be utilized wherever there is potential for upgrading a participant's skills and employment prospects.

1. Training and employment programs allowable under P.L. 97-300 Job Training Partnership Act sections 204, 205, 251 and 303 are permissible programs for REACH participation.

2. All occupational training programs funded through REACH will be in accordance with guidelines established by the private industry councils established under the Job Training Partnership Act.

3. REACH funded employment and training programs are intended to supplement, not supplant, existing programs and resources available to the REACH participant.

4. REACH employment and training services will be provided as set forth in the REACH Agreement.

(b) On-the-job training: REACH on-the-job training (OJT) is an employment opportunity which includes training. Under this component, a REACH participant is hired by a private or public employer and provided training which is subsidized under agreement between the employer and the county-designated provider agency. At the end of the OJT as established in contracts between the IV-A agency and the employer, the participant shall be retained by the employer as a regular employee if the individual has made satisfactory progress during the OJT contract period.

1. Employers will provide increased supervision and training through agreements with the provider agency, pursuant to which the provider agency will reimburse the employer for the extraordinary costs of such training and supervision. The agency shall monitor the satisfactory progress of the individual in the OJT assignment for an increase in a participant's skills and competencies.

i. Payments to an employer for on-the-job training shall not exceed 50 percent of the wages paid by the employer to the participant during the period of such training.

2. For purposes of AFDC benefits, REACH OJT participants are considered to be employed. However, REACH OJT participants shall be required to complete the OJT agreement period and are considered mandatory REACH participants during the agreement period.

3. A participant in OJT shall be compensated by the employer at the same rates, including benefits and periodic increases, as similarly situated employees or trainees and in accordance with applicable law but in no event less than the Federal minimum wage.

4. Wages paid to participants in OJT are considered to be earned income for purposes of these provisions.

5. If a participant in OJT becomes ineligible for AFDC pursuant to the rules applicable to earned income or pursuant to the 100-hour rule in the case of a principal earner in an AFDC-F case, he or she shall remain a REACH participant for the duration of the OJT contract.

i. If the family loses AFDC eligibility, they may be eligible for appropriate supportive services available to individuals with earned income (including the JOB and CAR allowances). Transportation costs shall be paid from the \$90.00 work expense disregard.

ii. Child care benefits may continue to the end of the OJT contract period. If the family loses AFDC eligibility while participating in OJT; the individual would continue participating in the OJT, however, child care payments after loss of AFDC eligibility shall be treated as post-AFDC child care benefits if the individual meets those requirements set forth in N.J.A.C. 10:81-14.18. After fulfilling the OJT contract, the family shall be eligible for post-AFDC child care benefits for the number of months remaining in the 12-month post-AFDC child care period.

iii. When the family loses eligibility for AFDC, they may be eligible for extended Medicaid. Post-AFDC Medicaid coverage shall begin with the first month subsequent to the loss of AFDC eligibility subject to timely and adequate notice requirements. Individuals participating in OJT are eligible for Medicaid so long as the individual remains eligible for AFDC.

6. Eligibility for REACH OJT is dependent on the participant's previous knowledge and/or experience in the specific job position under consideration.

(c) Vocational training: Vocational training is a component involving institutional or other classroom training conducted by an instructor in either a worksite or non-worksite setting.

Amended by R.1988 d.551, effective November 21, 1988.

See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

In (b): added text regarding the employer's retaining the OJT participant at the end of the OJT. Added text at (b)1 and new (b)1i. Added new (b)3-5iii.

### 10:81-14.15 REACH educational services

(a) Purpose and scope: REACH offers certain educational services directly. Other educational programs, although not offered directly through REACH, may nevertheless be a component of the REACH Agreement, and as such may satisfy REACH participation requirements. The need for educational services will be determined during assessment.

(b) The following educational services are available through the REACH program:

1. Preparatory educational services: Preparatory educational services are those designed to remedy educational deficiencies and to provide a REACH participant with the basic skills for entry to the labor market. A high school diploma, ability to speak and understand the English language, literacy, and minimum competency in basic mathematics and writing skills are desirable for increasing employability potential. Preparatory educational services include the following:

i. Programs for completion of a high school education or the equivalent, such as a General Educational Development (G.E.D.) certificate, available to individuals who lack a high school education;

ii. English as a Second Language (ESL) programs for participants who are non-English speaking or who have limited competency in the English language and such competency is needed for the participant to obtain employment; and

iii. Adult Basic Education (ABE) programs for individuals who lack basic competency in reading, writing and mathematics necessary for achieving the basic literacy level or obtaining employment.

(c) Postsecondary education: Postsecondary educational opportunities are those programs at colleges, mostly community colleges, that lead to recognized careers for which there is or will be a demand in the job market. Such programs may be of longer duration than six months, including up to one year or longer in certain circumstances, and will often lead to a recognized college credential, such as a certificate or an associate degree.

1. Financial aid for postsecondary educational services will not be provided by REACH. However, any scholarships, grants or similar financial aid obtained by the participant in conjunction with REACH postsecondary educational services shall be treated in accordance with N.J.A.C. 10:82-1.7 through 1.9 in determining AFDC eligibility and grant amount.

Amended by R.1988 d.551, effective November 21, 1988.

See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Deleted the word "directly" from (b).

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

In (b)1iii: added phrase "... achieving the basic literacy level or ..." to ABE text.

#### Case Notes

REACH participant could not pursue four-year college degree. A.D. v. Morris County Board of Social Services, 92 N.J.A.R.2d (DEA) 25.

#### 10:81-14.16 Social services

(a) Social services as related to REACH participation are intended to address problems such as substance abuse (including alcohol and narcotic abuse) or behavioral problems that may prevent or seriously impair an individual's ability to participate in the REACH program. Examples include mental health services, vocational rehabilitation, drug and alcohol treatment programs, and health care.

(b) Participation: Acceptance of social services is optional. For the period the individual is receiving these services or participating in treatment programs, he or she will be deemed to be complying with REACH program requirements.

1. If an individual does not accept these services or stops participating in a treatment program, the individual will not be subject to sanctions at N.J.A.C. 10:81-14.8. In such instances, the individual will be required to participate in the next activity set forth in the REACH Agreement.

#### 10:81-14.17 REACH support services; general provisions

(a) Purpose and scope: The agency shall pay for or reimburse the costs of transportation and other work/training-related supportive services through REACH, if the case manager determines that such services are not provided through existing resources and those services are necessary for an individual to participate in REACH. REACH supportive services are intended to supplement, not supplant, existing programs and resources available to the REACH participant. The services set forth at N.J.A.C. 10:81-14.18 through 14.20 are available to support REACH participation in employment and employment-directed activities (including the initial assessment of employability) under the principle of mutual obligation.

(b) Need for services: In determining need for the services, the participant will be encouraged to use all sources already available to him or her. The case manager will determine the projected need for support services based on the participation requirements in employment and employment-directed activities set forth in the REACH Agreement. The services available through the participant's sources will be compared to the projected service needs. Services will be available for child care, transportation and related expenses, and post-assistance medical coverage where the participant's resources do not provide the support needed for participation in REACH.

(c) Payment for services: In determining source of payment for the support services, the principle of REACH as payor of last resort will apply.

(d) Unavailability of support service: If a support service needed for participation in REACH is not available, the case manager shall proceed according to N.J.A.C. 10:81-14.4(i).

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

In (a): revised REACH purpose and scope for supportive services.

#### 10:81-14.18 REACH/JOBS support services: child care

(a) General provisions: The general provisions in this subsection apply to all child care benefits available through the REACH/JOBS program, including post-AFDC child care benefits.

1. Availability of REACH child care benefits and post-AFDC child care benefits: To the extent that such child care is necessary to permit an AFDC eligible family member to accept employment, to remain employed, to participate in a REACH employment-directed activity (including job search by an AFDC applicant) or to complete the initial assessment of employability, REACH child care is available, based on the individual needs of each family.

i. REACH child care benefits and post-AFDC child care benefits are guaranteed for the following children:

(1) A child who is under age 13; or is physically or mentally incapable of caring for himself or herself, based on a determination by a physician or a licensed or certified psychologist, as verified by the county or county welfare agency based on a determination by a physician or a licensed or certified psychologist; and who would be a dependent child, if needy;

(2) A child age 13 or older, as determined on a case by case basis, due to extenuating circumstances (for example, environmental conditions or maturity level of child), which shall be documented in the case record, through State funds only;

(3) A child who would be a dependent child except for the receipt of benefits under Supplemental Security Income under Title XVI or foster care under Title IV-E; and

(4) A child who meets the requirements of (a)1i(1), (2) or (3) above but who is excluded from the eligible unit for cash assistance purposes in accordance with N.J.A.C. 10:81-3.8(c) and who would otherwise be a dependent child.

ii. Payments through the REACH program for child care shall not be made for care provided by the child's own parents, legal guardians, or members of the participant's AFDC family unit (including essential persons) whose needs are met through AFDC benefits on the basis of their responsibility of caring for the child(ren).

2. Child care arrangements: The case manager, the participant, and the lead child care entity will mutually arrange for child care for the REACH participant's child(ren) while the individual is employed or participating in an employment-directed activity, as set forth in the REACH Agreement. Additional responsibilities of the case manager and lead child care entity are set forth in (h) and (i) below.

i. Child care arrangements shall be in the best interests of the child and shall consider the individual needs of the child, including the reasonable accessibility of the care to the child's home and school, and the appropriateness of the care to the age and special needs of the child.

ii. Child care arrangements shall be agreeable to the participant and located within reasonable commuting distance from the participant's home, place of employment or site of employment-directed activity. The hours provided or claimed for reimbursement are reasonably related to the hours of participation or employment and shall be sufficient to accommodate the hours required by the employer or employment-directed activity.

iii. The entity providing child care shall allow parental access.

iv. Child care arrangements shall meet applicable standards of State and local law.

3. County responsibilities: Each county, as delegated to the case manager or lead child care entity, shall:

i. Inform families requesting REACH child care benefits of their rights and responsibilities;

ii. Respond to a request for REACH child care benefits within a reasonable period of time; and

iii. Assist the caretaker relative to explore all types of child care arrangements authorized for payment through the REACH program (that is, licensed child care centers, registered family day care homes, in-home

care, school-age child care programs, and summer camps) and provide the caretaker relative the opportunity to choose his or her child care arrangement from those available options, including those other programs for which the caretaker relative or child may be eligible under (a)4 below.

4. Required coordination: Each county shall coordinate REACH/JOBS child care activities and post-AFDC child care with existing child care resource and referral agencies; with early childhood education programs in the county, including Head Start programs, preschool programs funded under Chapter 1 of the Education Consolidation and Improvement Act of 1981 (P.L. 97-35), school and nonprofit child care programs (including community-based organizations receiving funds designated for preschool programs for disabled children); and with Federal and/or State demonstration programs, such as the Good Starts program, the REACH Capital Expansion Program and the Mini Child Care Center program.

5. Hearings and notices: AFDC applicants and recipients are entitled to hearings and notices under the provisions at N.J.A.C. 10:81-6, 10:81-7, 10:81-14.7 and 10:90-2.5 on issues concerning the appropriateness of, denial of, prompt issuance of, or intended actions to discontinue, terminate, suspend or reduce REACH child care benefits.

i. Changes in the manner of payment are not subject to timely notice requirements unless they result in a discontinuation, suspension, reduction or termination of benefits, or they force a change in child care arrangements.

ii. The provisions of N.J.A.C. 10:81-6.9 regarding aid paid pending a hearing do not apply. Therefore, if the individual had been receiving REACH child care benefits and is awaiting a hearing concerning those benefits because such benefits were reduced, he or she is not entitled to receive REACH child care benefits at the prior unreduced level. Benefits shall continue at the determined reduced level pending the hearing. If the individual had not been receiving any child care benefits and is awaiting a hearing due to nonreceipt of child care benefits, he or she is not entitled to receive any REACH child care benefits pending the hearing.

6. Refusal of REACH child care and post AFDC child care benefits: A mandatory REACH participant may refuse available appropriate REACH child care or post-AFDC child care benefits, if the participant can arrange other child care or can show that such refusal will not prevent or interfere with participation in REACH or employment.

i. Inference of refusal of REACH child care benefits: Refusal of REACH child care benefits may be inferred if the participant does not select a child care provider within one month of the date the participant and the case manager or lead child care entity, as appropriate, evaluate the participant's child care needs and preference of providers and made referral(s) to appropriate child care provider(s).

ii. Inference of refusal of post-AFDC child care: Refusal of post-AFDC child care may be inferred if the participant does not request post-AFDC child care benefits, that is, fails to respond to Form R-10, REACH Benefit Letter; does not provide the information necessary for determining eligibility and fee amount, including verification of earnings; does not sign a REACH Agreement for the period of post-AFDC child care; or, does not report participation in post-AFDC REACH activities.

iii. Documentation: Refusal of REACH child care benefits and post-AFDC child care benefits shall be documented in the case record.

iv. In instances where refusal of child care is disputed, it is the responsibility of the lead child care entity or case manager, as appropriate, to show that referrals for appropriate care were made, and it is the responsibility of the participant to show that he or she complied with the referrals timely and in good faith (see N.J.A.C. 10:81-14.18A and 18B).

7. The county shall take reasonable precautions to guard against fraud and abuse in the funding and provision of REACH child care benefits, including following the provisions of N.J.A.C. 10:81-7.40.

(b) Payment for the cost of child care to support participation is available through the REACH program at rates established by the Department of Human Services.

1. When child care that is in the best interests of the child has been arranged, the case manager has the responsibility to determine eligibility and authorize payment for the child care that will obtain the maximum Federal financial participation for the particular employment-directed activity. In determining payment of the cost of child care, the following sequence will be applied:

i. The participant's own sources of child care involving no REACH child care payment;

ii. Federally-matched child care costs while an individual is participating in REACH job search, work supplementation, and community work experience programs;

iii. Federally-matched child care costs while an individual is participating in training for employment or in a program of vocational rehabilitation;

iv. The participant's funds for the amount of the required post-AFDC child care co-payment (see (e) below); and

v. State REACH funds.

2. Payment for child care using State REACH funds may be made when the participant's own source or Federally matched child care are not available or not sufficient to pay for the cost of child care. The priority of funding sources in (b)1ii through v above will be automatically incorporated into every REACH child care payment through fiscal procedures and reporting from the CWA to DEA, unless otherwise specified.

3. Effective date: In all counties, REACH child care payments will be available as each begins the operation of the REACH program, as defined by the Department of Human Services. Payment of the required post-AFDC child care co-payment will be effective for participants becoming ineligible for AFDC on or after April 1, 1990 in accordance with criteria at (e)3i below.

(c) Types of care and payments: REACH/JOBS child care payments are available for care in an infant, toddler, preschool child, school-age child or child with special needs in various types of arrangements, including full and part-time day care and care before and after school. The Statewide rates for REACH/JOBS child care payments are set forth at N.J.A.C. 10:82-5.3(g) and are also available from the Department of Human Services, CN 700, Trenton, NJ 08625, or the local Division of Youth and Family Services District Office or the county welfare agency.

1. "Special needs" is defined as serious physical, emotional, mental or cognitive conditions for which day care is recommended as part of a treatment plan.

i. Records of children referred because of special needs situations shall contain documentation of the result of a standardized developmental or psychological test given by a certified individual, written verification by a physician identifying and delineating the special needs of the child, or documentation by the case manager, approved by the case management supervisor, attesting to a child's special social or emotional needs.

2. Care during summers and school vacations: Payment for care of school-aged children, which is normally limited to part-time or after school care during the school year, shall be made at the full-day rates during summer vacations and recognized vacations and holidays during the school year, for example, Christmas, spring vacation, and so forth.

3. Costs of transportation: Payment in addition to the REACH/JOBS training-related expenses allotment may be made for the cost of transportation of a child to and from a day care center in accordance with N.J.A.C. 10:82-5.3(c)3.

(d) Duration of payment: REACH/JOBS child care benefits are routinely available to participants for participation in a REACH/JOBS employment-directed activity for a limited time to bridge the period between participation in REACH/JOBS employment-directed activities or between a REACH employment-directed activity and employment; for the post-employment period after commencement of employment that does not result in ineligibility for AFDC, that is, while a participant is employed and receiving AFDC, as a direct payment or to supplement as necessary, child care paid by the participant as required by the Social Security Act (see (g)4 below); and, after the commencement of employment that results in ineligibility for AFDC, one year post-AFDC child care, subject to payment of a post-AFDC child care co-payment.

1. Post-employment child care: The post-employment period shall start with the first week in which a participant is employed and receiving AFDC and shall expire when the participant is either ineligible for AFDC for reason other than sanction or penalty or is no longer employed. State REACH funds shall be used for child care costs of REACH/JOBS employed individuals. Such payments may be made as direct payment of child care costs or, as supplemental payments for families using the disregard process if the costs of child care exceed the Federal child care disregard limits set forth at N.J.A.C. 10:82-2.8(a). Payment is made only when the care is provided through a REACH/JOBS authorized child care arrangement (see (f) below).

i. If an employed participant becomes ineligible for AFDC for a reason other than a sanction or similar penalty for noncompliance with AFDC program requirements, the participant shall be eligible for payment of child care through the REACH program for the one year post-AFDC period while the participant is employed, subject to (e)3 below.

2. Post-AFDC child care: Duration of post-AFDC child care benefits is set forth in (e)4 below.

3. Bridge child care payments: For a participant who is waiting to enter a REACH employment-directed activity or to start employment, REACH child care benefits are available to bridge the period between REACH activities:

i. For a period not to exceed two weeks; or

ii. For a period not to exceed one month (defined as five weeks to accommodate calendar months of up to 31 days for operational purposes) where child care arrangements would otherwise be lost and the subsequent activity is scheduled to begin within that period.

4. Transitional support services for working families: Payment for child care after the one year post-AFDC period may be available from the REACH program, as transitional support services for working families, subject to availability of State funds. Duration of payment and eligibility for transitional support services shall be based on criteria established by the Department of Human Services, and may include mandatory verification of income, size of household or family, shelter costs and similar factors.

(e) Post-AFDC child care pertains to child care available to families whose eligibility for AFDC has ceased due to increased earnings, increased hours of employment (including new employment) which result in increased earnings, or as a result of the loss of earned income disregards due to the expiration of time limits at N.J.A.C. 10:82-4.

1. Availability of post-AFDC child care: Post-AFDC child care is available to the extent that post-AFDC child care is necessary to permit a member of an AFDC family to accept or retain employment.

i. Post-AFDC child care is guaranteed for the following:

(1) A child who is under age 13; or is physically or mentally incapable of caring for himself or herself, as verified by the county or county welfare agency, based on a determination by a physician or a licensed or certified psychologist; or under court supervision, and who would be a dependent child, if needy; and

(2) A child who would be a dependent child, except for the receipt of benefits under Supplemental Security Income under Title XVI or foster care under Title IV-E.

ii. Post-AFDC child care is available for a child age 13 or older, determined on a case by case basis.

iii. Post-AFDC child care is available for a child who meets the requirements of (e)1i or ii above but who is excluded from the eligible unit for cash assistance purposes in accordance with N.J.A.C. 10:81-3.8(c) and who would otherwise be a dependent child.

2. Notice of potential eligibility for post-AFDC child care: The county welfare agency must notify orally, as appropriate, and in writing all families whose AFDC eligibility has been or will be terminated due to the reasons in (e)3i below, of their potential eligibility for post-AFDC child care benefits by Form R-10, REACH Benefit Letter. Form R-10 advises a family who loses or may lose AFDC eligibility due to income from employment, of potential eligibility for post-AFDC child care and extended Medicaid benefits (see N.J.A.C. 10:81-14.20), and asks the family to request such benefits by contacting the REACH case manager whose name and telephone number are included in the letter. Form R-10 includes the steps the family must take to establish eligibility for post-AFDC child care benefits and their rights and responsibilities with regard to those benefits.

3. Eligibility for post-AFDC child care: A family is eligible for post-AFDC child care, provided the following conditions are met:

i. The family must have ceased to be eligible for AFDC as a result of increased hours of, or increased income from employment, including earnings from new employment, or the loss of earned income disregards, due to the time limitations at N.J.A.C. 10:82-4;

ii. The family must have received AFDC in the month preceding the first month of ineligibility (although Federal financial participation for post-AFDC child care payments is available only if the family received AFDC in at least three of the six months preceding the first month of ineligibility);

iii. The family requests post-AFDC child care benefits and provides the information necessary, including verification of earnings, for determining eligibility and fees;

iv. The participant signs a REACH Agreement covering the period during which the child care is to be provided;

v. The participant cooperates in post-AFDC activities set forth in the Agreement;

vi. The family pays the required co-payment, if the family ceased to be eligible for AFDC on or after April 1, 1990; and

vii. The family complies with REACH program requirements to report participation in post-AFDC activities.

4. Period of eligibility for post-AFDC child care: Notwithstanding when the family requests post-AFDC child care, eligibility for post-AFDC child care begins with the first month for which the family is ineligible for AFDC for the reasons at (e)3i above, and continues for a period of 12 consecutive months computed according to (e)4i below. The 12-month post-AFDC period shall consist of 52 consecutive weeks, if the participant remains employed and does not receive AFDC during that period of time. Families may begin to receive post-AFDC child care in any month during the 12-month eligibility period.

i. The 12-month post-AFDC eligibility period shall begin with the month AFDC is terminated due to income from employment, but no later than the payment month corresponding to the budget month in which the family becomes ineligible due to earnings from employment. If the family fails to report the earnings causing ineligibility, the 12-month eligibility period shall begin with the first month in which the family became ineligible for AFDC.

(1) Example: A participant starts employment and first receives earnings in the January budget month and reports the earnings timely in the February processing month. The earnings render the family ineligible for AFDC; assistance is terminated effective for the March payment month. The eligibility period for post-AFDC child care benefits will start on March 1, the effective date of AFDC case closing.

(2) Example: In January a participant starts working and receives earnings that cause ineligibility for AFDC. However, the family does not report the earnings until April. Assistance is terminated effective May 1. The eligibility period for post-AFDC child care benefits will start on January 1, the month in which the family first became ineligible for AFDC due to income from employment.

(3) Example: In January a participant starts working and receives earnings that cause ineligibility for AFDC but fails to report the earnings to the CWA. In May the agency discovers the unreported earnings and terminates assistance for June, effective June 1. The eligibility period for post-AFDC child care benefits will start on January 1, the month in which the family first became ineligible for AFDC due to income from employment.

(4) Example: In February an AFDC recipient voluntarily requests that the AFDC case be closed. The agency processes the request and terminates assistance for March, effective March 1. It is later determined that the recipient has been and is currently employed, and the earnings would have rendered the family ineligible for AFDC starting in January. If the individual applies for post-AFDC child care benefits, the eligibility period for post-AFDC child care benefits will start on January 1, the month in which the family first became ineligible for AFDC due to income from employment.

ii. Only weeks during which the participant is employed and not receiving AFDC shall be counted toward the 12-month post-AFDC period. Employment shall be presumed unless the participant reports otherwise.

5. Ineligibility for post-AFDC child care: The family is not eligible for post-AFDC child care for any remaining portion of the 12-month period if the caretaker relative:

i. Terminates employment without good cause, as defined at N.J.A.C. 10:81-14.8(b);

ii. Fails to cooperate with the county welfare agency in establishing payments and enforcing child support obligations; or

iii. Fails to pay required co-payment (see (e)7iii below).

6. Reestablishing eligibility for post-AFDC child care: If the caretaker relative loses a job with good cause, and then finds another job, the family can qualify for the remaining portion of the 12-month post-AFDC child care eligibility period.

i. If the family reestablishes AFDC eligibility during this period, it may qualify for a new 12-month period of post-AFDC child care. To be eligible for a new 12-month period, the family must have received AFDC in at least three of the six months preceding the first month of ineligibility for AFDC, and must satisfy all other conditions of eligibility at (e)3 above.

7. Co-payment requirement for post-AFDC child care: Each family receiving post-AFDC child care is required to contribute a co-payment toward the cost of such care.

i. Co-payment scale: A co-payment scale established by the Department of Human Services will provide for some level of contribution by all recipients of post-AFDC child care. The co-payment scale shall consider: family income, family size, number of children, and number of children in care. The co-payment scale is set forth in N.J.A.C. 10:81-14.18A.

ii. Collection of co-payments: Pursuant to requirements established by the Department of Human Services, each county must establish methods and procedures for the collection of co-payments, and may vary the period of collection for different fee levels. The requirements for co-payments collection are set forth in N.J.A.C. 10:81-14.18B.

iii. Failure to pay the required co-payments: Individuals who fail to cooperate in paying the required co-payments will, subject to appropriate notice and hearing requirements, lose eligibility for post-AFDC child care benefits for so long as back co-payments are owed, unless satisfactory arrangements are made to make full payment.

8. Refusal of post-AFDC child care: A mandatory REACH participant may refuse available appropriate post-AFDC child care if the participant can arrange other child care or can show that such refusal will not prevent or interfere with employment.

i. Inference of refusal: Refusal of post-AFDC child care may be inferred if the participant does not request post-AFDC child care benefits, that is, fails to respond to Form R-10 by the end of the first month of AFDC ineligibility; does not provide the information necessary for determining eligibility and fee amount, including verification of earnings; does not sign a REACH Agreement for the period of post-AFDC child care; or, does not report participation in post-AFDC REACH activities.

9. Notice and hearings for post-AFDC child care: Provision of post-AFDC child care benefits is subject to timely and adequate notice and hearing requirements at N.J.A.C. 10:81-6, 10:81-7, and 10:90-2.5 (also see N.J.A.C. 10:81-14.7).

i. Timely and adequate notice must be given if post-AFDC child care benefits are reduced, discontinued or suspended due to nonpayment of the co-payment; or if a change in the manner of payment results in a discontinuance, suspension, reduction or termination of benefits; or forces a change in child care arrangements.

ii. Timely and adequate notice is not required for a change in the manner of payment that does not result in an action in (e)9i above.

(f) Provider requirements: REACH/JOBS payments to providers of child care are available according to the following conditions:

1. Child care centers: To qualify for REACH child care payments, a child care center or program shall meet one of the following:

i. Centers providing care for pre-school children shall be licensed by DYFS, Bureau of Licensing or shall have a letter of exemption from DYFS, Bureau of

Licensing; or shall be operated under the auspices of the public school system;

ii. Child care programs for school-age children shall meet local occupancy building and fire codes and shall have satisfactorily completed an inspection using the DHS' "Check List of Standards for School Age Child Care Programs"; or shall be operated under the auspices of the public school system; or

iii. Summer camps shall be approved by the New Jersey Department of Health. (See N.J.A.C. 8:25).

2. Family day care providers—registered homes: All family day care providers who serve three or more nonsibling children must be registered pursuant to the Family Day Care Provider Registration Act (see N.J.A.C. 10:126) in order to qualify for payment through the REACH program for child care provided to children of REACH participants.

i. Family day care providers of one or two children may choose to register under the Family Day Care Provider Registration Act or to provide family day care as an approved home.

ii. Payment shall be made to the provider who has secured a temporary registration certificate, as defined by rules promulgated under the Family Day Care Provider Registration Act.

3. Family day care providers—approved homes: Providers of family day care who are not living in the home of the REACH/JOBS participant and who are not registered under (f)2 above shall be approved by the Department of Human Services in order to qualify for payment through the REACH/JOBS program. Unregistered relatives, friends or neighbors are eligible for approved home status.

i. The minimum requirements for approval of the home are an inspection of the home using the "Self-Arranged Care Inspection and Interview Checklist" (see Appendix A, incorporated herein by reference), and standard interview procedure with the provider and family members.

ii. As an approved home, providers may receive payment for a maximum of two nonsibling children or of all the sibling children of one family.

4. Providers of in-home care: Providers of in-home care, that is, care of a REACH/JOBS participant's children in the participant's own home, shall be evaluated using the "Self-Arranged Care Inspection and Interview Checklist", in order to qualify for payment through the REACH/JOBS program.

5. Providers of child care not in the categories (f)1 through 4 above are not entitled to payment through the REACH/JOBS program for child care provided to children of REACH/JOBS participants.

(g) Payment procedures: REACH/JOBS funds are expended for child care as direct vendor payments to providers or as direct payments to participants.

1. Vendor payments: Vendor payments to providers are the primary method for issuing child care payments in REACH/JOBS. Under this method, a voucher is issued to the child care provider. The provider completes the voucher, indicates appropriate attendance code for the child and payment required, and returns it to the agency responsible for issuing payment. Upon verification of the voucher information, the agency issues a REACH/JOBS child care payment to the provider. The agency shall only issue payment to a child care provider for vouchers which have been received no later than 60 days from the end of the designated service period or from the date of issuance, whichever is later. Failure to submit completed voucher forms for receipt by the county agency within the established timeframe shall result in loss of payment to the child care provider for services claimed on the voucher.

2. Direct payment to participant: In exceptional or emergency situations, payment for child care provided may be made directly to the participant. As with the child care voucher, payment is issued upon verification of the child's attendance and care provided.

3. Special payments for child care: Payments for child care at other than the standard payment rates may be made for special circumstances such as, emergency needs, drop-in care and approved interim care, as deemed appropriate by the case manager.

4. Employed REACH/JOBS participants receiving AFDC-C or -F: The preferred method of payment of REACH/JOBS child care benefits for employed AFDC-C or -F REACH/JOBS participants shall be by direct vendor payment to authorized providers of service that meet those requirements set forth in (f) above.

i. When the REACH/JOBS participant reports the start of employment, the income maintenance worker shall determine eligibility for AFDC prospectively by deducting the work expense disregard and the applicable \$30.00 and one-third disregard as set forth at N.J.A.C. 10:82-2.8 and 4.4. Additionally, actual expenditures made by the REACH/JOBS family for care of an incapacitated adult living in the AFDC-C or -F household shall be disregarded in the eligibility determination and benefit calculation up to a maximum of \$175.00 per month per incapacitated adult during full-time employment of the REACH/JOBS participant, or up to \$135.00 per month for part-time employment (see N.J.A.C. 10:82-2.8). Cost of care of the incapacitated adult remains the responsibility of the REACH/JOBS family; no supplemental monies for incapacitated adult care are provided through REACH/JOBS in excess of the disregard limits. Such adult care costs if incurred by the family shall always be disregarded regardless of the method of payment of REACH/JOBS child care costs. No disregard shall be applied in the prospective eligibility determination for REACH/JOBS child care purposes (except as delineated in (g)5 below) as those costs are made by direct vendor payment by the agency.

ii. If the employed REACH/JOBS family remains prospectively eligible for AFDC, the costs of REACH/JOBS child care shall not be disregarded in the computation of the family's AFDC assistance benefit except in situations as delineated in (g)5 below. The income maintenance worker shall explain to the participant that actual REACH/JOBS child care costs shall be paid directly to the child care provider.

iii. For participants in Work Supplementation, the child care disregard and payment of child care shall be handled in accordance with N.J.A.C. 10:81-14.11(g) and 14.21(d).

iv. The income maintenance worker shall inform the case manager verbally and in writing via Form R-3 REACH Referral Form, or a similar agency developed form, of the participant's eligibility status. The worker shall file a copy of the R-3 (or agency form) in the AFDC case record and forward two copies to REACH case management for filing in the REACH case record and distribution to the lead child care entity. The income maintenance worker, case manager, and lead child care entity must work together to ensure timely receipt by the provider, of the REACH post-employment child care payment.

v. If the family is prospectively ineligible for AFDC due to the earnings from employment, the AFDC case will be closed and the participant referred for post-AFDC child care benefits in accordance with (e) above.

(1) The period of eligibility for post-AFDC child care is set forth in (e)4, 5 and 6 above.

(2) The income maintenance worker shall notify orally, as appropriate, and in writing, all families whose AFDC eligibility has been or will be terminated for the above reason, of their potential eligibility for post-AFDC child care benefits via Form R-10, REACH Benefit Letter, or a similar locally-developed letter (subject to DEA approval). A copy of the R-10 or similar letter shall be sent to case management as verification that the potential participant has been notified of the post-AFDC benefits and for the possible initiation of the post-AFDC REACH benefits (see (e)2 above for procedures to be followed in such instances).

(3) The IM worker shall code FAMIS with the correct reason code for case closing due to earnings.

(4) Voluntary case closings at the request of the participant shall be explored by the IM worker for the true reason of closing to determine if employment is a possible reason for the voluntary termination of assistance benefits. The IM worker shall contact the participant by phone (if possible) and by sending Form R-10 or a similar locally-developed letter. A copy of the letter shall be sent to case management for possible initiation of the post-AFDC REACH benefits.

(5) As soon as case management receives the Form R-10, the case manager shall contact the participant to advise of available post-AFDC REACH benefits and to ascertain whether the participant needs child care. The case manager shall advise the participant of the need to sign a REACH agreement and provide verification of earnings for extended child care benefits.

vi. If an employed participant receiving AFDC pays for child care not approved by the REACH program, the actual expenditures for unauthorized child care shall not exceed the child care disregard limits set forth at N.J.A.C. 10:82-4.4 in the determination of eligibility and in the calculation of benefits. In such circumstances, no supplemental payments for child care are provided through REACH in excess of the disregards.

5. Exceptions to direct payment of REACH/JOBS child care for employed REACH/JOBS AFDC-C and -F participants: The earned income disregard procedure for expenditures made for care of a child (see N.J.A.C. 10:82-2.8 for disregard limits) shall remain available to eligible families participating in REACH/JOBS in the situations delineated in (g)5i through iv below:

i. The REACH/JOBS child care payment is made to a child care provider selected by the AFDC-C or -F family participating in REACH/JOBS and that provider does not meet the criteria set forth in (f) above as an authorized child care arrangement for direct payment through REACH/JOBS funds. In addition, no supplemental monies over the disregard limits are provided through REACH/JOBS for such unauthorized arrangements.

ii. Any AFDC-C or -F REACH/JOBS family who has an employed family member who has been participating in REACH/JOBS prior to April 1, 1991 and who has been utilizing the disregard method on or before April 1, 1991, for payment of child care costs (see (g)5iii(1), (2) and (3) below for applicable procedures).

iii. Any employed AFDC-C or -F family who has been continuously eligible for and was receiving AFDC-C or -F benefits on October 13, 1988 and had earnings on that date whereby the child care disregard was the method of payment for child care costs, and who would be financially disadvantaged due to the loss of AFDC eligibility as a result of the direct payment of child care costs rather than the use of the disregard when employed and participating in REACH/JOBS.

(1) The employed REACH/JOBS AFDC-C or -F participant shall pay actual child care costs up to the Federal disregard limits directly to the provider of care. The child care disregard shall be applied to that first budget month in which the REACH/JOBS employed participant begins payment for child care costs. Cost of care in excess of the Federal disregard limits may be supplemented by the REACH/JOBS

program as a REACH/JOBS post-employment child care payment up to the maximum rates authorized by DHS (see N.J.A.C. 10:82-5.3(g)). Supplemental REACH/JOBS payments are issued as vendor payments to the child care provider when the child(ren) is in an authorized child care arrangement (see (f) above). Such REACH/JOBS supplemental payments shall not be counted as income or resources in any month received.

(2) Direct vendor payment by the agency is available as a bridge payment (see (d)3 above) for families using the disregard payment procedure, to assist the REACH/JOBS family in transition to work. That bridge payment through REACH/JOBS may be paid by the agency as a direct payment to the provider for care in authorized arrangements up to the receipt of the first pay check or for a period not to exceed one month. Child care costs paid through a bridge payment shall not be disregarded in the calculation of the REACH/JOBS family's assistance payment.

(3) REACH/JOBS families may voluntarily request direct payment of child care costs rather than the use of the disregard process. Upon request, a prospective AFDC eligibility determination shall be made to determine if continued eligibility exists if the child care disregard is not applied. The participant shall be informed of the result of the determination and of the consequences. If eligibility continues to exist and the client decides to have direct payment rather than the disregard, the case record shall be documented as to the request and appropriate action taken.

iv. Any AFDC-C or -F applicant family which has an employed family member who is defined as a REACH/JOBS mandatory participant (that is, not exempt from REACH/JOBS participation) shall utilize the disregard procedure for costs of child care due to employment during the interim time period covering referral of that mandatory individual to REACH/JOBS case management; and, until such time (subject to timely and adequate notice provisions at N.J.A.C. 10:81-7.1 and 14.7) that income maintenance is subsequently advised by case management of the direct payment of child care costs through REACH/JOBS.

6. Payments for employed participants receiving AFDC-N: Payments of REACH child care benefits for AFDC-N participants shall be by vendor payment to the provider of service from State REACH funds for actual costs of care up to the maximum rates established by DHS.

(h) Case manager responsibilities: The case manager shall be responsible for assessing and determining the need for child care and referral to the Lead Child Care Agency

(LCCA) and authorizing issuance of REACH child care payments.

1. Before the period of post-AFDC child care expires, the case manager shall advise the participant, the provider and the lead child care entity of the expiration date of REACH child care payments and that the participant shall be responsible for payment of the entire cost of child care. The case manager, with the assistance of the lead child care entity, will work with the participant to ease the transition to payment of child care not subsidized by REACH.

(i) Lead child care entity responsibilities: The lead child care entity will assist the case manager and participant in obtaining appropriate child care based on the parent's and child's needs; will assist in identifying child care resources available for a participant during orientation, assessment, participation in employment-directed activities and employment; and shall verify and document that the child care arrangements meet the criteria as specified in (f) and (g) above.

(j) If the total amount of the REACH child care payment for a given period is insufficient to secure appropriate and agreed upon child care necessary to support participation in REACH, then the participant shall be under no obligation to participate in REACH for the time period that such child care is unavailable.

Amended by R.1988 d.551, effective November 21, 1988.

See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Substantially amended.

Amended by R.1989 d.353, effective July 3, 1989.

See: 21 N.J.R. 1086(b), 21 N.J.R. 1908(b).

Post-AFDC and post-employment child care provisions specified at (d). Maximum limits for child care disregards increased to \$175.00 per month for a child over age two and \$200.00 per month for a child under age two, at (d) and (f).

Amended by R.1990 d.206, effective April 2, 1990.

See: 22 N.J.R. 136(a), 22 N.J.R. 1140(b).

In (b)1, added new iv. regarding participant's Funds and recodified iv. as new v. In (b)3, added sentence with April 1, 1990 deadline. In (d), added language, "one-year post-AFDC . . . child care fee." In (d)3, deleted text regarding the one-year post-AFDC period and added reference to new (e)4.

Added new (e) with post-AFDC child care provisions, and recodified (e) through (i) as (f) through (j) with stylistic changes.

Amended by R.1990 d.340, effective July 2, 1990.

See: 22 N.J.R. 1054(a), 22 N.J.R. 2010(a).

In (e), clarified applicable criteria regarding loss of AFDC eligibility; added new (e)7 and renumbered existing (e)7 and 8 as 8 and 9.

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Revised extensively subsection (a) and reformatted text throughout rule to explain REACH child care benefits and FSA amendments. Repealed and replaced with new text at (a) and (a)1, adding (a)2 through (a)7.

In (d): deleted (d)1 and recodified (d)2 and 3 as 1. and 2. Deleted (d)5. Deleted (g)1; adding "... In exceptional emergency situations . . ." to direct payment text. Added new (g)4-5.

Amended by R.1991 d.555, effective November 4, 1991.

See: 23 N.J.R. 2214(a), 23 N.J.R. 3365(a).

Revised subsections (d) and (g) to be consistent with FSA provisions to set forth preferred option of direct vendor payments. Added citations to subsection (c) and (c)3.

Added new (g)4i and ii and recodified ii-v as iii-vi. Added new text as (g)5, and recodified existing (g)5 as new (g)6.

Amended by R.1991 d.601, effective December 16, 1991.

See: 23 N.J.R. 2981(a), 23 N.J.R. 3791(a).

Co-payment (was sliding scale) fees schedule standardized throughout Human Services.

Amended by R.1992 d.366, effective September 21, 1992.

See: 24 N.J.R. 2147(a), 24 N.J.R. 3345(a).

Elimination of automatic entitlement upon birth of child.

Amended by R.1994 d.429, effective August 15, 1994.

See: 26 N.J.R. 1573(a), 26 N.J.R. 3479(a).

Amended by R.1995 d.448, effective August 21, 1995.

See: 27 N.J.R. 1929(b), 27 N.J.R. 3231(a).

Established mandatory voucher submittal time and forfeiture provisions for untimely submittals.

### 10:81-14.18A REACH post-AFDC co-payment scale

(a) By the adoption of a Statewide co-payment fee scale for REACH post-AFDC child care benefits provided to families ineligible for AFDC as a result of increased earnings, increased hours of work or the loss of time-limited earned income disregards on or after April 1, 1990, the REACH Program seeks to:

1. Enable an AFDC family to accept and maintain employment;

2. Ensure that the parent has freedom of choice in selecting child care arrangements and is provided with flexibility to choose the location and type of provider that best meets their child care needs; and

3. Require that all recipients of REACH post-AFDC child care benefits pay a portion of the cost of care based on ability to pay, as required by the Federal Family Support Act of 1988.

(b) The REACH post-AFDC child care co-payment scales, based on the family size and gross income of the AFDC eligible unit at case closing, are used to determine the co-payment. Once assessed, the co-payment is deducted from the amount to be paid to the provider by the REACH Program up to the maximum REACH rates. This assessed co-payment for child care services is then paid directly by the parent to the provider of care. Any balance remaining (up to the maximum REACH rates) is paid by the REACH Program for the total cost of care. The REACH post-AFDC child care co-payment policy and procedures are applicable for all types of care arrangements available through the REACH Program and approved by the appropriate child care evaluating agency, as follows:

1. Licensed child care centers;

2. Registered family day care homes;

3. Self-arranged care (including in-home care);

4. Summer camps which are approved by the Department of Health (see N.J.A.C. 8:25); and

5. School-age child care programs as set forth at N.J.A.C. 10:81-14.18(e)1.

(c) All AFDC families who become ineligible for AFDC on or after April 1, 1990 due to (increased) income from employment shall pay a co-payment toward the cost of REACH Post-AFDC child care services.

- i. Co-payment Scale Table I—Full-Time Care; and
- ii. Co-payment Scale Table II—Part-Time Care.

(d) The co-payment scales are as follows:

1. The amount of the required co-payment is based on the family's income level, family size, number of children, and number of children in care. There are two co-payment scales:

2. Assessed co-payments are apportioned weekly and are due for the entire 52-week period that subsidized child care assistance is received. Holidays, emergency closings, and absences do not exclude or reduce the required fee co-payment.

Table I  
CHILD CARE CO-PAYMENT SCHEDULE  
FULL TIME CARE \*

Weekly Full Time Co-Payment		Monthly Full Time Co-Payment**		Percent of State 1989 Median Family Income	Family Size and Annual Income****					
First Child	Second Child***	First Child	Second Child***		1 or 2	3	4	5	6	0
\$0	\$0	\$0	\$0	0%	0	0	0	0	0	0
\$1.10	\$0.55	\$4.76	\$2.38	1%- 5%	1- 1,768	1- 2,184	1- 2,600	1- 3,016	1- 3,432	
\$4.40	\$2.20	\$19.05	\$9.53	6%-10%	1,769- 3,536	2,185- 4,368	2,601- 5,200	3,017- 6,031	3,433- 6,863	
\$6.60	\$3.30	\$28.58	\$14.29	11%-15%	3,537- 5,304	4,369- 6,552	5,201- 7,799	6,032- 9,047	6,864-10,295	
\$9.90	\$4.95	\$42.87	\$21.43	16%-20%	5,305- 7,071	6,553- 8,735	7,800-10,399	9,048-12,063	10,296-13,727	
\$12.10	\$6.05	\$52.39	\$26.20	21%-25%	7,072- 8,839	8,736-10,919	10,400-12,999	12,064-15,079	13,728-17,159	
\$15.40	\$7.70	\$66.68	\$33.34	26%-30%	8,840-10,607	10,920-13,103	13,000-15,599	15,080-18,094	17,160-20,590	
\$19.80	\$9.90	\$85.73	\$42.87	31%-35%	10,608-12,375	13,104-15,287	15,600-18,198	18,095-21,110	20,591-24,022	
\$24.20	\$12.10	\$104.79	\$52.39	36%-40%	12,376-14,143	15,288-17,471	18,199-20,798	21,111-24,126	24,023-27,454	
\$29.70	\$14.85	\$128.60	\$64.30	41%-45%	14,144-15,911	17,472-19,655	20,799-23,398	24,127-27,141	27,455-30,885	
\$35.20	\$17.60	\$152.42	\$76.21	46%-50%	15,912-17,679	19,656-21,839	23,399-25,998	27,142-30,157	30,886-34,317	
\$40.70	\$20.35	\$176.23	\$88.12	51%-55%	17,680-19,446	21,840-24,022	25,999-28,597	30,158-33,173	34,318-37,749	
\$47.30	\$23.65	\$204.81	\$102.40	56%-60%	19,447-21,214	24,023-26,206	28,598-31,197	33,174-36,188	37,750-41,180	
\$55.00	\$27.50	\$238.15	\$119.08	61%-65%	21,215-22,982	26,207-28,390	31,198-33,797	36,189-39,204	41,181-44,612	
\$62.70	\$31.35	\$271.49	\$135.75	66%-70%	22,983-24,750	28,391-30,574	33,798-36,397	39,205-42,220	44,613-48,044	
\$67.10	\$33.55	\$290.54	\$145.27	71%-75%	24,751-26,518	30,575-32,758	36,398-38,996	42,221-45,236	48,045-51,476	

  

Weekly Full Time Co-Payment		Monthly Full Time Co-Payment**		Percent of State 1989 Median Family Income	Family Size and Annual Income****					
First Child	Second Child***	First Child	Second Child***		7	8	9	10	11	12
\$0	\$0	\$0	\$0	0%	0	0	0	0	0	0
\$1.10	\$0.55	\$4.76	\$2.38	1%- 5%	1- 3,510	1- 3,588	1- 3,666	1- 3,744	1- 3,822	1- 3,900
\$4.40	\$2.20	\$19.05	\$9.53	6%-10%	3,511- 7,019	3,589- 7,176	3,667- 7,332	3,745- 7,488	3,823- 7,644	3,901- 7,800
\$6.60	\$3.30	\$28.58	\$14.29	11%-15%	7,020-10,529	7,177-10,763	7,333-10,997	7,489-11,231	7,645-11,465	7,801-11,699
\$9.90	\$4.95	\$42.87	\$21.43	16%-20%	10,530-14,039	10,764-14,351	10,998-14,663	11,232-14,975	11,466-15,287	11,700-15,599
\$12.10	\$6.05	\$52.39	\$26.20	21%-25%	14,040-17,548	14,352-17,939	14,664-18,329	14,976-18,719	15,288-19,109	15,600-19,499
\$15.40	\$7.70	\$66.68	\$33.34	26%-30%	17,549-21,058	17,940-21,527	18,330-21,995	18,720-22,463	19,110-22,931	19,500-23,399
\$19.80	\$9.90	\$85.73	\$42.87	31%-35%	21,059-24,568	21,528-25,114	21,996-25,660	22,464-26,206	22,932-26,752	23,400-27,298
\$24.20	\$12.10	\$104.79	\$52.39	36%-40%	24,569-28,077	25,115-28,702	25,661-29,326	26,207-29,950	26,753-30,574	27,299-31,198
\$29.70	\$14.85	\$128.60	\$64.30	41%-45%	28,078-31,587	28,703-32,290	29,327-32,992	29,951-33,694	30,575-34,396	31,199-35,098
\$35.20	\$17.60	\$152.42	\$76.21	46%-50%	31,588-35,097	32,291-35,878	32,993-36,658	33,695-37,438	34,397-38,218	35,099-38,998
\$40.70	\$20.35	\$176.23	\$88.12	51%-55%	35,098-38,606	35,879-39,465	36,659-40,323	37,439-41,181	38,219-42,039	38,999-42,897
\$47.30	\$23.65	\$204.81	\$102.40	56%-60%	38,607-42,116	39,466-43,053	40,324-43,989	41,182-44,925	42,040-45,861	42,898-46,797
\$55.00	\$27.50	\$238.15	\$119.08	61%-65%	42,117-45,625	43,054-46,641	43,990-47,655	44,926-48,669	45,862-49,683	46,798-50,697
\$62.70	\$31.35	\$271.49	\$135.75	66%-70%	45,626-49,135	46,642-50,229	47,656-51,321	48,670-52,413	49,684-53,505	50,698-54,597
\$67.10	\$33.55	\$290.54	\$145.27	71%-75%	49,136-52,645	50,230-53,816	51,322-54,986	52,414-56,156	53,506-57,326	54,598-58,496

\* Full time care is defined as six (6) or more hours of care per day.

\*\* The monthly co-payment is calculated by multiplying the weekly co-payment by 4.33.

\*\*\* The co-payments listed are for the first and second child of the family receiving care. The co-payment for the second child receiving care is calculated at one-half of the full co-payment for that child. No additional co-payment is charged for the third or subsequent child(ren) in the family receiving care.

\*\*\*\* Families with a maximum gross income for their family size in excess of their scale will be assessed an additional weekly fee of \$1.00 (\$2.00 for a Bi-weekly fee) for each \$1,000 of gross income above their scale.

Table II  
CHILD CARE CO-PAYMENT SCHEDULE  
PART-TIME CARE \*

Weekly Part-Time Co-Payment		Monthly Part-Time Co-Payment**		Percent of State 1989 Median Family Income	Family Size and Annual Income****					
First Child	Second Child***	First Child	Second Child***		1 or 2	3	4	5	6	0
\$0.00	\$0.00	\$0.00	\$0.00	0%	0	0	0	0	0	0
\$2.20	\$1.10	\$9.53	\$4.76	1%- 5%	1- 1,768	1- 2,184	1- 2,600	1- 3,016	1- 3,432	
\$3.30	\$1.65	\$14.29	\$7.14	6%-10%	1,769- 3,536	2,185- 4,368	2,601- 5,200	3,017- 6,031	3,433- 6,863	
\$4.40	\$2.20	\$19.05	\$9.53	11%-15%	3,537- 5,304	4,369- 6,552	5,201- 7,799	6,032- 9,047	6,864-10,295	
\$5.50	\$2.75	\$23.82	\$11.91	16%-20%	5,305- 7,071	6,553- 8,735	7,800-10,399	9,048-12,063	10,296-13,727	
\$7.70	\$3.85	\$33.34	\$16.67	21%-25%	7,072- 8,839	8,736-10,919	10,400-12,999	12,064-15,079	13,728-17,159	
\$9.90	\$4.95	\$42.87	\$21.43	26%-30%	8,840-10,607	10,920-13,103	13,000-15,599	15,080-18,094	17,160-20,590	
\$12.10	\$6.05	\$52.39	\$26.20	31%-35%	10,608-12,375	13,104-15,287	15,600-18,198	18,095-21,110	20,591-24,022	
\$14.30	\$7.15	\$61.92	\$30.96	36%-40%	12,376-14,143	15,288-17,471	18,199-20,798	21,111-24,126	24,023-27,454	
				41%-45%	14,144-15,911	17,472-19,655	20,799-23,398	24,127-27,141	27,455-30,885	

Weekly Part-Time Co-Payment		Monthly Part-Time Co-Payment**		Percent of State 1989 Median Family Income	Family Size and Annual Income****					
First Child	Second Child***	First Child	Second Child***		1 or 2	3	4	5	6	
\$17.60	\$8.80	\$76.21	\$38.10	46%-50%	15,912-17,679	19,656-21,839	23,399-25,998	27,142-30,157	30,886-34,317	
\$19.80	\$9.90	\$85.73	\$42.87	51%-55%	17,680-19,446	21,840-24,022	25,999-28,597	30,158-33,173	34,318-37,749	
\$23.10	\$11.55	\$100.02	\$50.01	56%-60%	19,447-21,214	24,023-26,206	28,598-31,197	33,174-36,188	37,750-41,180	
\$27.50	\$13.75	\$119.08	\$59.54	61%-65%	21,215-22,982	26,207-28,390	31,198-33,797	36,189-39,204	41,181-44,612	
\$30.80	\$15.40	\$133.36	\$66.68	66%-70%	22,983-24,750	28,391-30,574	33,798-36,397	39,205-42,220	44,613-48,044	
\$33.00	\$16.50	\$142.89	\$71.45	71%-75%	24,751-26,518	30,575-32,758	36,398-38,996	42,221-45,236	48,045-51,476	

  

Weekly Part-Time Co-Payment		Monthly Part-Time Co-Payment**		Percent of State 1989 Median Family Income	Family Size and Annual Income****					
First Child	Second Child***	First Child	Second Child***		7	8	9	10	11	12
\$0	\$0	\$0	\$0	0%	0	0	0	0	0	0
\$0.00	\$0.00	\$0.00	\$0.00	1%-5%	1- 3,510	1- 3,588	1- 3,666	1- 3,744	1- 3,822	1- 3,900
\$2.20	\$1.10	\$9.53	\$4.76	6%-10%	3,511- 7,019	3,589- 7,176	3,667- 7,332	3,745- 7,488	3,823- 7,644	3,901- 7,800
\$3.30	\$1.65	\$14.29	\$7.14	11%-15%	7,020-10,529	7,177-10,763	7,333-10,997	7,489-11,231	7,645-11,465	7,801-11,699
\$4.40	\$2.20	\$19.05	\$9.53	16%-20%	10,530-14,039	10,764-14,351	10,998-14,663	11,232-14,975	11,466-15,287	11,700-15,599
\$5.50	\$2.75	\$23.82	\$11.91	21%-25%	14,040-17,548	14,352-17,939	14,664-18,329	14,976-18,719	15,288-19,109	15,600-19,499
\$7.70	\$3.85	\$33.34	\$16.67	26%-30%	17,549-21,058	17,940-21,527	18,330-21,995	18,720-22,463	19,110-22,931	19,500-23,399
\$9.90	\$4.95	\$42.87	\$21.43	31%-35%	21,059-24,568	21,528-25,114	21,996-25,660	22,464-26,206	22,932-26,752	23,400-27,298
\$12.10	\$6.05	\$52.39	\$26.20	36%-40%	24,569-28,077	25,115-28,702	25,661-29,326	26,207-29,950	26,753-30,574	27,299-31,198
\$14.30	\$7.15	\$61.92	\$30.96	41%-45%	28,078-31,587	28,703-32,290	29,327-32,992	29,951-33,694	30,575-34,396	31,199-35,098
\$17.60	\$8.80	\$76.21	\$38.10	46%-50%	31,588-35,097	32,291-35,878	32,993-36,658	33,695-37,438	34,397-38,218	35,099-38,998
\$19.80	\$9.90	\$85.73	\$42.87	51%-55%	35,098-38,606	35,879-39,465	36,659-40,323	37,439-41,181	38,219-42,039	38,999-42,897
\$23.10	\$11.55	\$100.02	\$50.01	56%-60%	38,607-42,116	39,466-43,053	40,324-43,989	41,182-44,925	42,040-45,861	42,898-46,797
\$27.50	\$13.75	\$119.08	\$59.54	61%-65%	42,117-45,625	43,054-46,641	43,990-47,655	44,926-48,669	45,862-49,683	46,798-50,697
\$30.80	\$15.40	\$133.36	\$66.68	66%-70%	45,626-49,135	46,642-50,229	47,656-51,321	48,670-52,413	49,684-53,505	50,698-54,597
\$33.00	\$16.50	\$142.89	\$71.45	71%-75%	49,136-52,645	50,230-53,816	51,322-54,986	52,414-56,156	53,506-57,326	54,598-58,496

\* Part-time care is defined as less than six (6) hours of care per day.  
 \*\* The monthly co-payment is calculated by multiplying the weekly co-payment by 4.33.  
 \*\*\* The co-payments listed are for the first and second child of the family receiving care. The co-payment for the second child receiving care is calculated at one-half of the full co-payment for that child. No additional co-payment is charged for the third or subsequent child(ren) in the family receiving care.  
 \*\*\*\* Families with a maximum gross income for their family size in excess of their scale will be assessed an additional weekly fee of \$.50 (\$1.00 for a Bi-weekly fee) for each \$1,000 of gross income above their scale.

(e) The criteria for determination and re-determination of the co-payment are as follows:

1. The criteria for determining the amount of the co-payment are family size and family annual gross income.
  - i. Family size consists of all members of the AFDC eligible unit at the time the AFDC case is closed.
  - ii. Family income includes all gross earned and unearned income, as defined at N.J.A.C. 10:82-4, received by all members of the AFDC eligible unit. The gross amount of family income must be verified by wage stubs or similar documentation, as a condition of receiving post-AFDC child care benefits.
2. The co-payment scale is determined by the number of hours child care services are being provided to the child.
  - i. Full-time care is defined as care for 30 hours or more per week.
  - ii. Part-time care is defined as care for less than 30 hours per week.
  - iii. In no case may the co-payment exceed the cost of care.
3. Once the co-payment is determined, it will remain unchanged for the duration of the eligibility period for the 12-month post-AFDC period, unless there is an increase in family size, or a reduction in gross family income. The participant must notify the CWA of any such changes occurring in the family. The CWA (case management) shall determine any changes in the co-payment based on reported circumstances affecting co-payment calculation.

(f) The process for co-payment assessment is as follows:

1. The process for co-payment assessment is based on up to two children in care in a family. If more than two children in a family are in care, no co-payment is required for the third and subsequent children. The co-payment is determined on a per week basis.
2. The weekly co-payment is based on whether the care is full-time or part-time care, on the number of children (up to two per family) in the family needing such care through the program, and on the family's annual gross income level.
3. If only one child is in care, the weekly co-payment is the payment which results from Table I or Table II in (d)1 above. That co-payment is assessed on that family's size, the family's annual gross income, and whether the care is full-time or part-time care for that child, resulting in the co-payment from Table I or Table II.
4. If two or more children in the family receive child care services through the Program, the weekly co-payment amount is a composite total payment for up to two children in the family receiving such service.
  - i. The weekly co-payment sum equals the full co-payment assessed for the first child from Table I or Table II plus one-half of the full assessed co-payment for the second child in care from Table I or Table II. The two children are selected for determination of the co-payment from all children in the family in care, based first, on the number of children in the family in full-time care arrangements.

(1) If two or more children in the family are in full-time care arrangements, the full co-payment amount is assessed on two children in full-time care. A full co-payment amount is assessed for the first child in full-time care from Table I; to that co-payment amount is added one-half of the full co-payment amount for the second child in full-time care from Table I. The resulting composite co-payment equals one and one-half of the full-time co-payment amount from Table I based on the family's size and annual income level.

(2) If at least one child in the family is in a full-time care arrangement and the second and subsequent children are in part-time care arrangements, the full weekly co-payment amount is assessed from Table I on the first child in full-time care; to that co-payment amount is added one-half of the part-time co-payment amount from Table II for the second child in part-time care. The resulting composite co-payment equals the full-time co-payment assessed amount from Table I plus one-half of the part-time co-payment amount from Table II.

(3) If all children in the family are in part-time care arrangements, the full weekly co-payment amount is based on up to two children in care and is one and one-half times the part-time co-payment amount from Table II for the family's size and income amount.

(g) The requirements for a provider's receipt of co-payment are as follows:

1. The composite co-payment is paid to only one provider of care based on the care arrangements of the family. That is, the composite co-payment amount is paid in total to the provider of the highest cost of care arrangement (that is, either the full-time care provider or the provider with the highest reimbursement rate per category of care). The following situations may result and the co-payment is distributed as follows:

i. When one child is receiving child care services through the Program, the full assessed co-payment from Table I or Table II is made by the recipient to that provider of care.

ii. If one child is receiving child care services through the Program but more than one provider is involved in giving care, the co-payment from Table I or Table II is paid by the recipient to that child care provider who provides the highest cost of care arrangement.

iii. When two children are receiving child care services from the same provider, the composite co-payment amount is determined in accordance with (f) above, and the sum total is paid by the recipient to that provider of care. The composite total is based on the respective type of care (full-time or part-time) provided

each child; the full assessed co-payment fee from Table I or Table II for the first child is added to one-half of the full assessed fee from Table I or Table II for the second child in care with the provider, for the total co-payment amount.

iv. When both children are receiving different child care services from separate providers, the child care provider providing either full-time care or who receives the highest reimbursement rate per category of care will receive from the recipient the full amount of the composite co-payment assessed for both children from Table I and Table II based on the respective type of care provided (full-time or part-time care) for both children.

v. When both children are receiving the same child care services but from different providers (for example, both receiving full-time care), the provider assessed at the highest cost of care arrangement receives the full composite assessed co-payment from the recipient.

vi. No co-payment shall be assessed for the third and additional children in a family receiving child care service program benefits.

vii. Fees shall be rounded down to the nearest dollar.

(h) The requirements for refunds of co-payments are as follows:

1. Refunds are made to the participant by the REACH program as a lump sum payment when:

- i. A fair hearing decision results in a reduced co-payment; or
- ii. An error in co-payment computation has resulted in overcharges to the participant.

2. Overcharges are refunded within 30 calendar days of the fair hearing decision or discovery of the error.

New Rule, R.1990 d.340, effective July 2, 1990.

See: 22 N.J.R. 1054(a), 22 N.J.R. 2010(a).

Amended by R.1991 d.601, effective December 16, 1991.

See: 23 N.J.R. 2981(a), 23 N.J.R. 3791(a).

Co-payment (was sliding scale) fees schedule standardized through-out Human Services.

Amended by R.1993 d.396, effective August 16, 1993.

See: 25 N.J.R. 1692(a), 25 N.J.R. 3772(b).

Amended by R.1994 d.206, effective April 18, 1994.

See: 26 N.J.R. 296(a), 26 N.J.R. 1636(a).

#### **10:81-14.18B Co-payment determination, collection and monitoring**

(a) This section sets forth procedures for determining the amount of a REACH participant's co-payment toward the cost of post-AFDC child care, for the collection of the co-payment, monitoring payment (and nonpayment) of the co-payment, and for notification of nonpayment of co-payments, and termination of post-AFDC child care benefits for continued nonpayment of co-payments.

1. The procedures are listed according to the entities involved in the co-payment determination and collection process: the county welfare agency income maintenance staff, the county REACH case management staff, the provider of child care, and the county REACH lead child care entity.

2. Counties are responsible for the entire co-payment determination and collection process and functions, according to the standard procedures detailed in this section. Counties may adapt the procedures to local operations, and may reassign functions among the entities listed below. However, counties must make sure that the tasks are completed, benefits are processed in a timely manner that affords participants maximum benefits, co-payments are accurately determined, and participants are not denied benefits they are otherwise eligible to receive.

(b) Procedures for determining REACH post-AFDC child care co-payments are as follows:

1. County welfare agency (CWA) income maintenance (IM) functions are as follows:

i. When the AFDC recipient becomes employed, she must report employment to the CWA and provide documentation to verify employment—the start date and amount of earnings—as a condition of eligibility for REACH post-AFDC benefits of one year of extended Medicaid coverage and post-AFDC child care.

ii. When the IM worker receives the documentation referenced in (b)1i above, the worker will determine if the family will continue to be eligible for AFDC based on income.

iii. If earned income received or expected to be received renders the family ineligible for AFDC, the IM worker will initiate AFDC case closing and the processing of post-AFDC REACH benefits, including extended Medicaid benefits and post-AFDC child care.

(1) The IM worker will do the following:

(A) Enter the amount of verified earnings into FAMIS at the time the action is taken on computer to close the AFDC case. These earnings will be used to compute the co-payment that the participant must pay toward cost of post-AFDC child care, if the participant elects to apply for such benefits.

(B) Send out Form PA-15, Notification Form, advising of the termination of AFDC benefits and effective date.

(C) Send out Form R-10, REACH Benefit Letter, advising the participant of:

(I) The availability of post-AFDC REACH benefits—extended Medicaid and post-AFDC child care:

(II) The requirement to pay a co-payment toward the cost of post-AFDC child care; and

(III) The need to apply for post-AFDC child care by contacting (by phone, mail or in-person) the REACH case manager listed at the bottom of Form R-10.

(D) Forward one copy of Form R-10 to REACH case management.

(2) If the participant has not provided verification of earnings at time of case closing, the IM worker will complete steps (b)1iii(1)(A) through (B) above, inserting estimated earning in FAMIS, and including a statement in the Form R-10 of the need to provide such verification of earnings as a condition of eligibility for the extended benefits.

iv. To the extent possible, the IM worker should complete the AFDC case closing, income verification process and mailing of Form R-10 before the AFDC case is closed. This will ensure that participants receive child care benefits in a timely and uninterrupted manner, and ensure that providers receive payment of co-payments and REACH voucher payments. If this is not possible, the process should be completed as soon as possible after the AFDC case is closed, during the first month of AFDC ineligibility.

v. Computation of eligibility period for post-AFDC child care benefits: The eligibility period for post-AFDC child care benefits will be computed in accordance with N.J.A.C. 10:81-14.18(e)4i.

2. REACH case management functions are as follows:

i. Upon receipt of the Form R-10 from IM, case management will monitor the form to see if the REACH participant contacts case management.

ii. The date the REACH participant contacts case management in response to the Form R-10 will be considered the date of application for REACH post-AFDC child care benefits. In order to begin receiving payments for post-AFDC child care, the participant must make a complete application, which includes providing verification of earnings.

iii. The period of eligibility for post-AFDC child care benefits is computed according to N.J.A.C. 10:81-14.18(e)4. A REACH participant will begin receiving post-AFDC child care benefits when a complete application is received, computed according to (b)2iii(1) and (2) below:

(1) If the participant submits a complete application within 30 days of the effective date of AFDC case closing, that is, by the end of the month for which the case was closed, the participant will start receiving post-AFDC child care benefits as of the effective date of case closing. The benefit period will be 12 months.

(2) If the participant submits a complete application after the AFDC case has been closed for one calendar month, the participant will start receiving post-AFDC child care benefits commencing with the date the complete application was received by the CWA. The benefit period will be the balance of the 12-month period. In such situations, post-AFDC benefits will not be retroactive to the first day of the month the complete application was received.

iv. Upon receipt of a response from a participant requesting REACH post-AFDC child care benefits, the REACH case manager and the participant will discuss the child care arrangements, including the requirement to pay a co-payment toward the cost of care. The REACH case manager will determine the amount of the participant's co-payment based on verified earnings, family size and the number of children in post-AFDC child care. The case manager and participant will then complete a REACH Agreement for Support Services indicating the child(ren) for whom child care is to be provided, the duration of the child care benefits, the name(s) and address(es) of the child care provider(s), and the amount of the child care benefits.

(1) The case manager will give the participant a copy of the Agreement and forward a copy of the REACH Agreement to the lead child care entity.

(2) Once the REACH Agreement is signed, case management will process the support agreement, and mail out vouchers to the provider(s) listed in the REACH Agreement(s).

v. The case manager, in consultation with the REACH participant, will complete Form R-20, Notification of REACH Post-AFDC Child Care Co-payment. Form R-20 is a four-part form which contains information about the REACH post-AFDC child care co-payment arrangement. It sets forth the requirement of the REACH participant to pay a co-payment toward the cost of care and of the REACH program to pay the balance of the approved cost of child care. It contains the amount(s) of co-payment(s) computed for the first and, if necessary, second child in care, the total co-payment to be paid. It provides instructions about co-payment arrangements, proof of payment and accounting of co-payments collected. The form specifies actions to be taken for nonpayment of the co-payment, including written notice from case management and termination of all post-AFDC child care benefits for continued nonpayment (with right to a fair hearing). Form R-20 is signed by the REACH case manager, and may be signed by additional agency representatives.

(1) The purposes of Form R-20 are to:

(A) Provide the participant receiving REACH post-AFDC child care benefits with written documentation of his or her co-payment obligation;

(B) Establish the responsibilities of the participant and the provider; and

(C) Establish a basis for monitoring compliance with the REACH post-AFDC co-payment policy.

(2) Form R-20 is to be completed and signed for each child for whom a co-payment is assessed.

(3) Case management must immediately send copies of Form R-20 to the participant, child care provider(s), lead child care entity, and must retain one copy.

vi. The biweekly REACH child care voucher process will be used to report post-AFDC child care co-payment collection and nonpayment. Case management (or other entity designated by the county REACH program to process its REACH vouchers) will issue the voucher biweekly listing the name(s) of the post-AFDC REACH participant's child(ren). Case management or the county entity will ensure that a method for recording payment or nonpayment of the fee is included in this voucher issuance. Acceptable methods include a separate form attached to the voucher, a computer-printed message on the voucher, or any other method approved in writing by the county's Division of Economic Assistance representative.

3. Child care service provider functions are as follows:

i. Upon receipt of the Form R-20, Notification of REACH Post-AFDC Child Care Fee, from case management, the participant and the provider must negotiate the frequency of co-payments and collection (either weekly or biweekly), and date or day of co-payment. Frequency and day of co-payment can be based on individual circumstances, including the participant's source and frequency of income and the co-payment procedures already established by the provider, but the co-payment must be paid by the last day of the voucher service period. Collection periods must coincide with the periods covered by the REACH post-AFDC child care voucher.

(1) The voucher service period is the two week period listed on the REACH voucher for which REACH child care services are provided.

ii. The provider should implement a system designed to ensure an efficient, error-free method of recording and accounting for all co-payment collections. The Lead Child Care Entity is available to provide technical assistance to providers in establishing such a system. The provider may wish to adapt recordkeeping systems used in the Social Services Block Grant (SSBG) system, such as the One-Write Fee Collection System or a comparable method.

(1) Providers must establish procedures for the collection of the co-payment from the participant.

iii. The provider and REACH participant will then follow the terms of the Form R-20 notification. The provider will collect the assessed co-payments from the participant during the voucher service period. The child care provider has the responsibility to make reasonable efforts to collect assessed co-payments from the REACH post-AFDC participant.

iv. At the end of the voucher service period the provider will complete the voucher indicating the child(ren)'s attendance, the amount of the REACH payment due for child care services provided and whether the REACH participant(s) paid the required co-payments. The provider must return the voucher to obtain payment for REACH services provided, to document co-payments not paid and thereby to preserve his or her right to possible reimbursement for unpaid co-payments.

v. The income and co-payment information recorded on the Form R-20 notification is confidential. The provider, Lead Child Care Entity, and REACH Case Manager are responsible for ensuring that access to this information is restricted to those individuals responsible for assessing and collecting co-payments.

4. REACH Lead Child Care Entity functions are as follows:

i. The Lead Child Care Entity is responsible for advising the provider at time of recruitment into REACH of the post-AFDC co-payment requirements, including the requirement that the participant must pay a portion of the cost of care; training the provider in voucher completion; and providing assistance in co-payment collection and monitoring, as determined by the county.

ii. The functions of the REACH Lead Child Care Entity are as follows:

(1) To maintain a file of the completed REACH Agreements for Support Services for all participants receiving post-AFDC child care as part of the overall provision of child care services;

(2) To maintain a file of the completed Forms R-20 for the same reason; and

(3) To offer technical assistance to child care providers as needed and when requested.

5. Reassignment of functions shall be accomplished as follows:

i. A county may opt to reassign functions set forth in this subsection to county entities other than those listed, for example, the Lead Child Care Entity, if, given the county's REACH operations, those functions would be more appropriately handled by that other entity. A county must obtain approval from the Division of Economic Assistance representative for the county prior to any reassignment.

(1) Functions that may not be reassigned to entities other than those listed in this subsection include: determining eligibility or ineligibility for REACH post-AFDC child care benefits, or sending adverse action notices to the REACH participant advising of the termination of REACH post-AFDC child care benefits.

ii. A county must use the Form R-20 in its REACH post-AFDC operations. Each county must provide to the Division of Economic Assistance a copy of its notice of co-payment payment and nonpayment. This is completed by the provider and its notice of termination of REACH post-AFDC benefits.

(c) Co-payment collection, monitoring, and procedures for late payment or nonpayment of co-payments and termination of REACH post-AFDC child care benefits are as follows:

1. The following are provider functions:

i. It is the responsibility of the child care service provider to collect co-payments and report nonpayment of co-payments in accordance with the terms of the R-20 notification.

ii. Whenever the REACH post-AFDC child care co-payment has not been paid to the provider by the end of the voucher service period, the co-payment is considered unpaid.

iii. In the event of nonpayment of assessed co-payments by the participant, the provider will complete the voucher, indicate on the voucher the child(ren) for whom the participant(s) failed to pay the required co-payment; and return the voucher to the designated entity in the county REACH program. This action by the provider in conjunction with the REACH case manager will initiate the process for terminating REACH post-AFDC child care benefits.

iv. The provider must continue to attempt to collect co-payments from the participant and must document such collection efforts.

v. Under no circumstances may the participant be charged a late co-payment penalty.

2. The Lead Child Care entity will provide technical assistance to the provider in cooperation with REACH case management as needed.

3. REACH case management functions are as follows:

i. It is the responsibility of case management to monitor co-payment collection by examining the completed REACH post-AFDC vouchers returned by providers and responding to nonpayment of co-payments reported in the voucher.

ii. Following receipt of a REACH voucher from a provider indicating nonpayment of assessed co-payments by the participant, the REACH case manager will do the following:

(1) Determine the effective date that REACH post-AFDC child care benefits will be terminated; and

(2) Complete a letter notifying the participant of termination of REACH post-AFDC child care services. A county may develop a letter specifically for this purpose or may amend an existing notification letter. The letter must contain at a minimum the information in the sample form, Notice of Termination of REACH Child Care Support Agreement, in Appendix A. The purpose of this notice is to provide written notice to:

(A) Advise the participant of a child receiving REACH post-AFDC child care services of the amount of assessed co-payments which have not been paid;

(B) Advise the participant of the right to request and obtain a fair hearing;

(C) Serve as formal notice to the participant that REACH post-AFDC child care services will be terminated by a specific date unless overdue co-payments are paid;

(D) Serve as written confirmation for the provider and Lead Child Care Entity that child care services will be terminated due to the late or nonpayment status of the REACH post-AFDC participant; and

(E) Advise the participant to pay the required co-payments and to contact the county REACH program immediately if she has already paid the overdue co-payment(s) so that benefits may be continued.

(3) Four copies of the notification of termination must be completed and signed by the REACH case manager. The REACH case manager will:

(A) Send the original to the participant;

(B) Distribute copies to the provider and the Lead Child Care Entity; and

(C) Retain a copy for the participant's files.

4. When post-AFDC child care services are terminated due to nonpayment of co-payments, the participant of a child receiving REACH post-AFDC child care services retains the right to request a fair hearing. If timely request (within 10 days) is made, the REACH Program will continue to make payment to the provider for the REACH portion of child care services rendered until a fair hearing is held, and a final determination is made.

i. In all cases where a fair hearing is requested, the procedures outlined in N.J.A.C. 10:81-6, 10:81-7, and 10:90-2.5 (see N.J.A.C. 10:81-14.7) are to be followed.

5. Reassignment of functions shall be accomplished as follows:

i. A county may opt to reassign functions set forth in this subsection to county entities other than those listed, for example, the Lead Child Care Entity, if, given the county's REACH operations, those functions would be more appropriately handled by that other entity. Prior to any reassignment, a county must obtain approval from the Division of Economic Assistance representative for the county.

(1) Functions that may not be reassigned to entities other than those listed in this subsection include: determining care benefits, sending adverse action notices to the REACH participant advising of the termination of REACH post-AFDC child care benefits, or involvement in the fair hearing process.

ii. A county must use the Form R-20 in its REACH post-AFDC operations. Each county must provide to the Division of Economic Assistance a copy of its notice of co-payment payment and nonpayment that is completed by the provider and its notice of termination of REACH post-AFDC benefits.

6. Reimbursement of unpaid co-payments shall be accomplished as follows:

i. If a REACH participant fails to pay assessed co-payments for care provided to her child(ren), the provider(s) may be reimbursed by the REACH program for the amount of unpaid co-payments subject to the following:

(1) Reimbursement by the REACH program will be made if all of the following conditions are met:

(A) The child's attendance at the provider's facility was documented on the REACH voucher;

(B) The provider has documented on the REACH voucher nonpayment of the co-payments for each voucher service period for which a claim of nonpayment is made; and

(C) The participant's post-AFDC REACH benefits were actually terminated.

(2) Reimbursement of unpaid co-payments is limited to a maximum period of two months. Exceptions may be granted in extreme circumstances with prior written approval by the Division of Economic Assistance representative for the county.

(3) Reimbursement of unpaid co-payments to the provider must be paid from State REACH funds.

ii. If a participant whose post-AFDC REACH benefits have been terminated due to nonpayment of co-

payments reapplies for post-AFDC child care benefits, the participant must reimburse the amount of the unpaid co-payments before eligibility for post-AFDC child care benefits will be granted for the balance of the post-AFDC period.

(1) If the county REACH program has already paid the provider(s) for previous unpaid co-payments, the participant must reimburse the county for the full amount of co-payment arrearages due. Reimbursement may be in the form of a lump sum or installment payments as determined by the county.

(2) If the county REACH program has not yet paid the provider(s) for previous unpaid co-payment arrearages, the participant must reimburse the provider(s) for the full amount of co-payments due. Reimbursement may be in the form of a lump sum or installment payments as determined by the county and the provider(s).

New Rule, R.1990 d.340, effective July 2, 1990.

See: 22 N.J.R. 1054(a), 22 N.J.R. 2010(a).

Amended by R.1991 d.601, effective December 16, 1991.

See: 23 N.J.R. 2981(a), 23 N.J.R. 3791(a).

Co-payment (was sliding scale) fees schedule standardized throughout Human Services.

**10:81-14.19 REACH/JOBS supportive services: participant allowances (PALs) for transportation and work/training-related expenses**

(a) REACH participant allowances (PALs) shall be paid or reimbursed to the participant for costs of transportation and other work/training-related supportive services if the case manager determines that such services are not provided through existing resources and those services are necessary for an individual to participate in REACH. The PALs are allowances to cover expenses incidental to REACH participation or employment. Transportation-related expenses (TREs), allowances for employment-directed activities (EDAs), expenses required to accept or maintain employment (JOBS), REACH cumulative payments for automobile-related expenses (CARs) and the CWEP allowance are the various types of participant allowances, and are detailed as follows.

(b) Transportation-related expenses (TREs): The agency shall provide payment or reimbursement for transportation costs (which includes meals) for participation in training as approved by the case manager, when determined necessary to enable participation in REACH, under conditions specified below. The participant shall be encouraged to make use of his or her available transportation resources.

1. Transportation costs shall be provided for the following:

i. REACH preparation activities: REACH applicants and recipients, in preparation activities such as evaluation, assessment, and REACH Agreement conferences, for the duration of participation in such activities, for costs of transportation that are reasonably necessary for attendance;

ii. Employment-directed activities (EDAs): EDAs include educational and non-educational activities;

(1) Educational activities—training programs or education services: Participants in approved education and training courses preparatory to employment, such as General Education Development (GED), English as a Second Language (ESL), and Adult Basic Education (ABE), job skills training and job readiness activities, for the duration of their participation in such educational programs/services;

(2) Non-educational employment-directed activities: Approved REACH non-educational employment-directed activities, including but not limited to, Job Search and Community Work Experience Programs (CWEP) (see N.J.A.C. 10:81-14.10 and 14.12);

(A) Transportation costs for participation in Work Supplementation (WSP) and REACH On-the-Job Training (OJT) are not covered under this section as those costs are accounted for through the \$90.00 work expense disregard of earnings (see N.J.A.C. 10:81-14.11(g) and 14.14(b));

iii. Employment: Payments for transportation for employed individuals are issued only in instances when a participant is starting employment. For such participants, transportation payments may be issued until the first paycheck is received to ease the transition into employment. Those payments shall not exceed one month.

(1) Transportation costs for regularly employed individuals shall not be covered under this section as those costs are accounted for through the \$90.00 work expense disregard of earnings (see N.J.A.C. 10:82-2.3(a)2, 2.8(a), and 4.4).

2. Transportation allowances are utilized when such costs are not available from or paid by any other existing funding source and it is determined that a need to help defray such costs exists. REACH remains the payor of last resort, outside of any REACH contractual agreements.

i. In determining necessary transportation expenses, the case manager shall consider the most available and economical means of transportation based on the accessibility of private and public transportation from the individual's home to the site of the activity.

ii. Transportation allowances shall be provided to the REACH participant during the period of need which may begin with participation in the first REACH activity following orientation by income maintenance, and may end with the receipt of the first paycheck from employment. However, payment for transportation is based on the actual length of the participation period for the specific activity.

3. Transportation allowance: An allowance of up to \$6.00 per day (\$30.00 per week) may be paid for transportation needs (including meals as determined necessary for attendance in training). However, payment shall be the actual cost of transportation/meals incurred by the participant. The \$6.00 per day allowance (\$15.00 in special instances) shall not be apportioned between meals and transportation. The allowance is the maximum flat fee amount for those combined expenses and as such, the TRE payment is inclusive of both costs (meals and transportation), transportation only or meals only, as applicable to the individual's needs for the REACH activity. If actual transportation costs exceed the above limit, a higher amount to cover actual costs may be provided up to a maximum of \$15.00 per day (up to a maximum of \$60.00 per week) with the approval of the case management supervisor provided that:

i. The actual cost of the transportation exceeds \$6.00 per day;

ii. The transportation to be used is the lowest priced transportation reasonably available and accessible to the participant;

iii. The activity or service needed by the participant is not available in the vicinity of the participant's home or at a location accessible to the participant by less expensive means of transportation; and

iv. The county has documented the circumstances, including costs of transportation, surrounding the need for the higher TRE in the REACH case record and approval has been given by the supervisor of the case manager.

4. Increased transportation allowance for extraordinary situations: Allowances in excess of \$15.00 per day (capped, up to a maximum of \$60.00 per week) may be provided in extraordinary situations determined on a case-by-case basis by the case manager. Before a county issues allowances in excess of the \$15.00 maximum standard or \$60.00 per week maximum, the county must have obtained written approval from DEA.

5. Method of payment: Transportation costs are usually direct reimbursement payments made retrospectively to participants. Transportation costs, however, shall be paid prospectively for sessions involving evaluation and assessment, development of the REACH Agreement, or for the initial two weeks of an activity if the individual is unable to participate without the payment, or requires the payment to cover the expense of New Jersey Transit

vouchers for the purchase of discounted monthly passes on bus and rail routes. However, if a county has arranged for transportation for participants by means other than established transportation (through the contracting process) then the participant may request to use that source of transportation and direct that his or her transportation allowance be paid directly to the county or the provider of the transportation as a vendor payment.

i. Example: A rural county with minimum public transportation has contracted with a vendor to provide transportation in a specific geographic area for REACH participants from their homes to training and job search sites. To offset the cost of this transportation and to ensure availability of transportation, the participant would request that the \$6.00 per day transportation allowance would be paid directly to this vendor. Once the participant completed the activity in the geographic area served by this vendor, he or she would discontinue the arrangement of payment to the vendor.

6. Amounts paid to REACH participants for transportation related expenses incident to participation in REACH activities are excluded as income for purposes of the Food Stamp Program.

7. Transportation-related expenses (TREs) shall be paid through OMEGA.

(c) Transportation costs for transporting children to child care facilities (TCCs)—Non-REACH, Title IV-A funds: In addition to the standard transportation allowances for participation in REACH as delineated in (b) above, a Title IV-A transportation allowance may be made for actual costs up to the rate of \$10.00 per week maximum per child, for the cost of transportation of a REACH participant's child(ren) to and from a licensed child care center or day camp (see N.J.A.C. 10:82-5.2(e)1). The payment for the cost of transporting a "special needs" child of a REACH participant to and from the child care site may be authorized through Title IV-A funds for actual costs up to a maximum of \$10.00 per week per child as set forth at N.J.A.C. 10:82-5.2(e)2. Amounts paid for such transportation costs are excluded as income for purposes of the Food Stamp Program. Such payments are made through FAMIS.

(d) \$100.00 cumulative allowance for participation in REACH employment-directed activities (EDAs): Allowance payments based on need up to a maximum cumulative total of \$100.00 per eligibility participation period (see (g) below) are provided for necessary expenditures to permit participation in approved REACH employment-directed activities (EDAs) during the participation period, including training programs, educational services and non-educational employment-directed activities. Such payments shall be made in preparation of and during participation in the specific activity. EDA allowances are not an entitlement and are issued based on need only.

1. Employment-directed activities: Approved non-educational REACH employment-directed activities, include, but are not limited to, Job Search and CWEP (see N.J.A.C. 10:81-14.10 and 14.12). Non-educational employment directed activities not eligible for \$100.00 cumulative EDA allowance payments are WSP and OJT programs as those activities are classified as subsidized employment activities per Federal requirements. Participants in those activities may be considered for the JOB allowance described in (e) below (see N.J.A.C. 10:81-14.11 and 14.14(b)).

2. Allowable expenditures include, but are not limited to, the following: books; supplies; equipment; uniforms; tools for a particular training or employment-directed activity; licensing fees; testing fees; clothing (that is, special shoes or boots, protective devices such as safety glasses, gloves and helmets or other clothing necessary or within reason for a participant to attend training); and other materials required for participation in REACH EDA activities. Payment for regular clothing items is not permitted. Items purchased become the property of the participant.

3. The case manager shall determine that the costs of participation are not available or paid by any other funding source (for example, JTPA). REACH remains the payor of last resort, outside of any REACH contractual agreements.

4. Each eligibility participation period covered by the cumulative \$100.00 EDA fund begins with enrollment in the first REACH employment-directed activity (the effective date of the activity as indicated on the OMEGA System) and ends with the last day of participation in the final employment-directed activity in the eligibility participation period (see (g) below for further clarification of eligibility periods).

5. The \$100.00 cumulative total EDA fund shall cover needed payments made for expenditures for combined participation in all REACH activities during the eligibility participation period.

6. In extraordinary circumstances, determined on a case-by-case basis by the case manager, EDA payments exceeding the \$100.00 maximum in the eligibility participation period may be made. Written approval from the DEA shall be obtained before the payment can be issued. The case manager shall document the particular circumstances surrounding the payment in the case record.

i. Additional monies for this purpose shall be capped at \$50.00 over the \$100.00 EDA allowance per eligibility participation period (that is, the \$100.00 EDA allowance value plus the ability to approve additional payment(s) of up to \$50.00 more, when warranted, or \$150.00 maximum for the EDA allowance). Under no circumstances shall DEA approval be granted for amounts which exceed the \$150.00 EDA allowance maximum.

7. EDA payments are excluded as income for purposes of the Food Stamp Program.

(e) \$100.00 cumulative allowance to accept or maintain employment (JOB): Allowance payments (JOBs) based on need, up to a maximum cumulative total of \$100.00 per eligibility participation period (see (g) below), are provided for actual expenses necessary to permit an individual to accept or maintain employment. Such payments shall be issued in preparation for and during the course of employment. JOB payments are not an entitlement and are issued based on need only for actual expenses incurred.

1. Participants in WSP and OJT programs (see N.J.A.C. 10:81-14.11 and 14.14(b)) are eligible for the \$100.00 cumulative JOB allowance payments as those programs are categorized as subsidized employment under Federal provision.

2. Allowable expenditures include, but are not limited to, the following: clothing (that is, special shoes or boots, protective devices such as safety glasses, gloves and helmets, waterproof garments, uniforms or other clothing necessary or within reason for a participant to attend work); tools and equipment for a particular type of employment (for example, welder's torch and supplies); union dues (see (e)2i below); books; and other items needed for employment that are not available from an employer or other funding source (for example, JTPA). As in (d) above, payment for regular clothing items is not permitted. If other sources of funding are available to pay such costs, then JOBs payments are not available to the individual.

i. Union dues are paid on an initial, one-time basis where such membership is a prerequisite to employment including initiation fees. Documentation from the employer concerning the fact that union membership is mandatory is required before the JOB payment can be issued. If initial union dues are automatically deducted from the participant's paycheck, the participant may be reimbursed for those costs.

3. The case manager shall determine that JOB expenditures are necessary and not available from, or paid by, any other funding source. REACH remains the payor of last resort, outside of any REACH contractual agreements.

4. AFDC-C, -F, and -N recipients, who become ineligible for assistance due to income from employment and who were not participating in REACH, may be eligible for JOB allowance payments provided the individual complies with REACH requirements for such payments, including signing a REACH Agreement. In those circumstances, the JOB allowance may be an incentive for the individual to remain employed. The county shall advise the individual that he or she may only be eligible for the remaining balance of the JOB cumulative total of \$100.00 should the individual return to AFDC within a two-year period from the date of termination of AFDC (see (g) below for further clarification of eligibility participation periods).

5. Each eligibility participation period covered by the cumulative \$100.00 JOB fund begins with the first day the participant receives a firm job offer and accepts the position (the effective date of employment indicated on the OMEGA System) and ends 90 days after loss of eligibility for AFDC cash assistance. Therefore, employed individuals receiving post-AFDC child care and/or Medicaid, if determined in need of monies available through the JOB allowance, shall be authorized for payment of that allowance or of the remaining portion of that allowance fund only for the first 90 days following the AFDC case closing. The eligibility participation period for WSP and OJT participants begins with the effective date of the activity, as indicated on the OMEGA system, and ends no later than 90 days after loss of eligibility for cash assistance or the expiration of the OJT contract, whichever occurs first.

i. Example: If an AFDC individual enters a six month OJT or WSP activity in January and loses AFDC eligibility effective March 1, he or she would remain eligible for the JOB allowance through May 29 in the post-AFDC period which encompasses the 90-day limited timeframe for Federal financial participation (FFP). Although there are four months remaining in the activity contract period through June, the final month of participation in the activity, no authorization for participant allowances can be made for that final month.

6. The JOB allowance is capped at \$100.00 per eligibility participation period. Therefore, no payments beyond the \$100.00 maximum JOB allowance shall be authorized.

7. Amounts paid as JOB allowances are excluded as income for purposes of the Food Stamp Program.

(f) REACH/JOBS \$500.00 cumulative motor vehicle related (CAR) expense allowance: Allowance payments based on need, up to a maximum cumulative total of \$500.00 per eligibility participation period (see (g) below), are available for REACH/JOBS participants who own motor vehicles to make those vehicles operational to transport the REACH/JOBS participant to REACH/JOBS activities or employment. CAR allowances are not an entitlement and are issued based on need, only for actual expenses incurred. CAR allowance payments are available beginning with participation in the first REACH/JOBS activity (the effective date of the activity as indicated on the OMEGA System) and ending no later than 90 days after loss of eligibility for AFDC in the post-AFDC period.

1. Example: A former AFDC REACH/JOBS participant has been employed and is in receipt of post-AFDC child care services. The AFDC case closed as of August 1. On November 15, the recipient requests a CAR allowance of \$50.00. In this instance, case management cannot authorize payment from the CAR allowance fund since the 90-day authorization period has expired.

2. Allowable expenditures include: motor vehicle servicing and repairs, including necessary tune-ups and tires if needed to make the vehicle operable, roadworthy or as required in order to pass the State safety inspection; payment of motor vehicle insurance (including mandatory surcharges by the insurer due to the participant's past driving record) or other costs clearly related to the participant's use of his or her own automobile. CAR allowance payments shall not be used to purchase or rebuild a motor vehicle, pay for its licensing or registration, for routine maintenance, or for radio and air conditioning repairs.

3. Payments from the \$500.00 cumulative CAR allowance may be issued provided that the following circumstances are considered first:

i. No less expensive alternative means of transportation is available to the participant;

ii. The motor vehicle under consideration for a CAR expenditure is owned by the participant or a member of his or her immediate family living in the same home who is eligible for AFDC as a member of the same filing unit or as an essential person, and the vehicle will be at the participant's disposal for traveling to and from REACH activities or a job. CAR allowance payments are not available for a vehicle that is registered (for any reason) in the name of another relative outside the eligible family as described above;

iii. The actual repair or service expenditure cannot be met through the regular transportation cost (TRE) process even at maximum funding (of up to \$15.00/day but no more than \$60.00/week);

iv. The participant has documented the need for necessary motor vehicle repairs or service with a written estimate from a bona fide auto mechanic;

v. The general overall condition of the vehicle justifies the cost of repairs (as determined by a bona fide auto mechanic);

vi. The repairs (including towing and road service) or part replacements are necessary to make the vehicle operable, roadworthy or are required for it to pass the State safety inspection;

vii. The REACH activity or service needed by the participant is not available in the vicinity of the participant's home or at a location accessible to the participant by less costly means of transportation; and

viii. The county has provided all REACH activities or services needed by the participant (especially individual evaluation and assessment) thus far through its resources through a site visit either to the participant's home or to a location in the vicinity of the participant's home and the participant is in need of activities/services beyond the scope of those activities already provided.

4. The county welfare agency may develop a list of "REACH-approved mechanics" to perform CAR repairs;

however, any mechanic whose rates and services meet the requirements of this section and are otherwise competitive for repair/service costs shall not be excluded when his or her service can be rendered in these situations.

5. CAR allowance payments for insurance purposes are limited to the quarterly premium for the minimum insurance required under New Jersey State law for a private vehicle. Payment may include mandatory surcharges by the insurer due to the participant's past driving record.

i. The participant shall be financially able to continue to pay insurance costs after the quarterly premium is paid.

ii. If the participant cancels the insurance policy after the quarterly premium has been paid via a CAR allowance payment and receives reimbursement of the premium, that reimbursement is an overpayment subject to recovery (see N.J.A.C. 10:81-14.24).

6. The \$500.00 cumulative total CAR fund may not exceed the \$500.00 limit for a participant except in extraordinary circumstances, determined on a case-by-case basis by the case manager. Payments in excess of the \$500.00 limit may be issued only after obtaining the written approval by DEA. The case manager must document the particular circumstances surrounding the payment(s) in the case record.

i. Additional monies for this purpose shall be capped at \$500.00 over the \$500.00 CAR allowance per eligibility participation period (that is, the \$500.00 CAR allowance plus the ability to authorize, with DEA approval, additional payment(s) of up to \$500.00 more, when warranted, or \$1,000 maximum for the CAR allowance). Under no circumstances shall DEA approval be granted for amounts which exceed the \$1,000 CAR allowance maximum.

7. CAR allowance payments are excluded as income for purposes of the Food Stamp Program.

(g) Determining the eligibility participation period for full EDA, JOB and CAR allowances: An eligibility participation period is that period of time during which expenditures from the EDA, JOB and CAR funds up to their respective maximum cumulative totals (\$100.00, \$100.00 and \$500.00) are made. A participant shall have been off assistance (including post-AFDC extended benefits) for at least one full year (12 consecutive months) to be once again entitled to a new eligibility participation period with full maximum EDA, JOB and CAR allowances upon resumption of AFDC/REACH. Interrupted participation in AFDC shall result in the following EDA, JOB, and CAR allowance amounts:

1. If a REACH participant receiving AFDC leaves AFDC, does not receive post-AFDC benefits for one year or more and then returns to AFDC and REACH:

i. The participant begins a new eligibility participation period and will be allowed the full EDA, JOB, and CAR allowances.

2. If a REACH participant leaves AFDC and remains off AFDC for less than one year and then returns to AFDC and REACH:

i. The participant will be eligible for the balance remaining in his or her EDA, JOB, and CAR allowances (\$100.00, \$100.00 and \$500.00 less expenditures made) for the resumed period of participation; therefore, the previous eligibility period continues.

3. If a post-AFDC REACH participant receives such post-AFDC benefits, stops REACH participation by stopping REACH post-AFDC benefits, remains off AFDC for one year or more, and then returns to AFDC and REACH:

i. The participant will begin another eligibility participation period and will be allowed the full EDA, JOB, and CAR allowance (\$100.00, \$100.00 and \$500.00 respectively) for this new period of participation.

4. If a post-AFDC REACH participant stops extended REACH benefits, remains off AFDC for less than one year and then returns to AFDC and REACH:

i. The participant will be allowed only the balance remaining in his or her EDA, JOB and CAR allowance (\$100.00, \$100.00 and \$500.00 respectively less expenditures already made) for the resumed period of participation.

(h) Payment procedures for allowance: EDA, JOB and CAR allowances are to be issued as follows:

1. Allowances are on a cumulative account basis. The participant is eligible to receive up to the maximum amount of the allowance during the relevant participation period (see (g) above).

2. Payments are to be issued to cover actual expenses, either as a one-time lump sum payment, or in a number of smaller payments during the course of the eligibility period.

3. Payments may be issued retrospectively as reimbursements or prospectively if needed, on or after the OMEGA effective date of the REACH activities.

i. Payments are to be issued as vendor payments when possible.

ii. Payments may be issued directly to the REACH participant as a reimbursement of expenditures already made.

iii. Payments shall be issued as "lump sum" payments.

4. Costs currently paid through REACH contracted service providers (for example, contracted through JTPA) or other providers servicing REACH participants shall not be transferred to the REACH TRE, EDA, JOB, or CAR allowances.

(i) Administration of TRE, EDA, JOB, CAR, TCC, and CWEP funds: The county shall be responsible, to the greatest extent possible, for ensuring the prudent administration of the TRE, EDA, JOB, CAR, TCC, and CWEP funds by:

1. Providing REACH activities or services on site, when possible, at participants' homes or at locations which are accessible to participants by less expensive means of transportation. This may be applicable to groups of participants living in the same general area and to homeless participants living in the same shelter accommodations;
2. Scheduling participants to complete more than one REACH activity on the same day when possible; and
3. Enrolling participants in equivalent non-REACH contracted activities or services provided in the vicinity of their homes (for example, GED programs are offered at most local high schools).

(j) Additional \$10.00 CWEP reimbursement: The CWA shall provide reimbursement for costs which are determined necessary and are directly related to participation in CWEP. Such costs incurred by the CWEP participant include clothing and personal care items, materials and supplies and similar expenses related to applying for or accepting employment through CWEP. This amount shall not exceed \$10.00 per month per participant.

Repeal and New Rule, R.1991 d.8, effective January 7, 1991.  
See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Section was "REACH support services, transportation and related expenses." Prior rulemaking activity is as follows:  
Amended by R.1988 d.551, effective November 21, 1988.  
See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Substantially amended.  
Amended by R.1994 d.429, effective August 15, 1994.  
See: 26 N.J.R. 1573(a), 26 N.J.R. 3479(a).

#### **10:81-14.20 REACH/JOB support services: medical assistance**

(a) Post-assistance Medicaid coverage: When an AFDC-C, -F or -N family becomes ineligible for AFDC (including families deemed to be recipients of AFDC) for any of the reasons listed in (b) below, the members of the family shall continue to receive Medicaid for a period of 12 months, unless such family falls within the provisions of N.J.A.C. 10:86, the Family Development Program.

(b) Eligibility: To be eligible for the 12-month Medicaid extension, the family must lose AFDC eligibility for any one of the following reasons:

1. Earnings or increased earnings from employment, including earnings from new employment;
2. Loss of the \$30.00 or one-third disregards of earning income (see N.J.A.C. 10:82-4) because of the time-limited application of those disregards;
3. Increased hours of employment; or
4. Receipt of New Jersey state unemployment or temporary disability insurance benefits.

(c) Additional requirements: The following additional requirements apply to the 12-month Medicaid extension:

1. Except as specified in 1i below, the family must have received AFDC in the month preceding the month in which the family became ineligible for AFDC.
2. Eligibility for the 12-month Medicaid extension is not available for any month to any individual who, except for income, resources or hours of employment, is not otherwise eligible to receive AFDC.
3. With the exception of a child born to the family during the extension period, only those family members who received AFDC at the time the family became ineligible for AFDC may receive the 12-month Medicaid extension.
4. Periodic reporting: The Department of Human Services may require that the individual or family periodically report certain information, such as health insurance coverage from an employer or absent parent, earnings and continued employment, to ensure that the individual or family continues to be eligible for Medicaid. Eligibility for the 12-month Medicaid extension will be discontinued if the individual or family does not comply with such reporting requirements.

(d) The 12 calendar-month period begins with the month AFDC is terminated, but no later than the payment month corresponding to the first budget month in which the family became ineligible due to the change in circumstances. If the family fails to report the change in circumstances causing ineligibility, the 12-month extension shall begin with the first month in which the family became ineligible for AFDC.

1. Example: A client receives increased earnings in the January budget month and reports the increase timely in the February processing month. The increased earnings render the family ineligible for AFDC; assistance is terminated effective for the March payment month. Extension of Medicaid benefits shall begin with March, the payment month for which assistance was terminated.

2. Example: In January a family receives increased earnings that cause ineligibility for AFDC but fails to report the earnings to the CWA. In May the agency discovers the unreported earnings and terminates assistance for June. The 12-month Medicaid extension shall begin in January, the month in which the earnings causing ineligibility were first received.

Emergency Amendment, R.1987 d.495, effective October 26, 1987 (operative November 1, 1987, expires December 24, 1987).

See: 19 N.J.R. 2206(a).

Substantially amended.

Adopted Concurrent Proposal as R.1988 d.47, effective December 24, 1987.

See: 19 N.J.R. 2206(a), 20 N.J.R. 291(a).

Amended by R.1988 d.551, effective November 21, 1988.

See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Added (c)4.

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Deleted (c)1i, text referring.

In (e): added "... prior to April 1, 1990 ..." to requirements.

Amended by R.1992 d.36, effective January 21, 1992.

See: 23 N.J.R. 2988(a), 24 N.J.R. 287(b).

Deleted (d).

Amended by R.1992 d.366, effective September 21, 1992.

See: 24 N.J.R. 2147(a), 24 N.J.R. 3345(a).

References to Family Development Program added.

### 10:81-14.21 Need and amount of assistance in REACH

(a) General: Determination of need and amount of assistance for REACH participants shall be made in accordance with established regulations and policy at N.J.A.C. 10:81 and N.J.A.C. 10:82, with the exceptions set forth below.

(b) Income earned by AFDC parents serving as child care providers (600 Child Care Provider Slots): Income earned by AFDC parents from providing child care for children of REACH participants and other AFDC recipients shall be considered income from self-employment, and shall be treated in accordance with (b)1 through 4 below.

1. Maximum income eligibility: In determining gross earned income for purposes of the maximum income level at N.J.A.C. 10:82-1.2, an amount equal to one-half (50 percent) of the total income earned from providing child care shall be disregarded. The remaining income is compared to the maximum income limits table at N.J.A.C. 10:82-1.2 based on the eligible family size.

2. Prospective needs test: In determining prospective need an amount equal to one-half (50 percent) of the total income earned from providing child care shall be disregarded. The remaining income is then compared to the payment standard at N.J.A.C. 10:82-1.2, Schedule II, for the eligible family size to determine if the family is prospectively eligible.

3. Determination of calculated earned income—AFDC-C, -F and -N: In determining the calculated earned income for the AFDC-C, -F and -N segments, from the total gross earnings from providing child care, deduct an amount equal to one-half (50 percent). The remaining income shall be counted in computing the AFDC grant. No additional deductions shall be made for expenses of producing self-employment income set forth at N.J.A.C. 10:82-4.3, or for the Federal and State disregards as set forth at N.J.A.C. 10:82-2.8 and 4.4.

4. If a child(ren) is born to the participant and the provisions of N.J.A.C. 10:82-1.11 are applicable, then the participant shall have the option of having income budgeted in accordance with N.J.A.C. 10:86-5.8(a) and 10:81-14.21(b) or may have the earned income disregards applied as set forth at N.J.A.C. 10:82-2.8 and 4.4.

(c) Disregard of income earned in a training program (all segments): Earned income received through a training program, regardless of whether the program is through Job Training Partnership Act (JTPA), by an AFDC dependent child who is under age 18 or age 19 if attending school or by an AFDC parent who is under age 18 or age 19 if attending school, shall be disregarded in the determination of maximum income eligibility, initial eligibility, prospective needs test, and amount of the AFDC grant. However, the exemption of such income shall not exceed six months in any calendar year.

1. This disregard of income is independent of the earned income disregard at N.J.A.C. 10:82-4.7(g). If a full-time student secures employment unrelated to participation in a training program, a second six-month period shall be established in accordance with the provisions of that subsection.

(d) Disregard of earned income in REACH Work Supplementation Program: In determining the calculated earned income for a WSP participant, from the total gross earnings deduct the WSP disregards as set forth at N.J.A.C. 10:81-14.11.

1. The CWA shall disregard from the earned income of the WSP participant the first \$90.00 of such earnings.

2. The CWA shall disregard the first \$30.00 from the WSP participant's remaining earned income. After that disregard is taken, an additional one-third of the remaining earned income shall be disregarded. The \$30.00 and one-third disregards are applicable up to a maximum of nine months.

3. The remaining calculated earned income shall be deducted from the maximum AFDC assistance payment for the family unit to determine the WSP participant's residual grant.

(e) Calculation of net loss of cash income through employment as good cause for nonacceptance of the job (-C and -F segments): Individuals shall have good cause for refusing a specific employment opportunity, as set forth at N.J.A.C. 10:81-14.8(e)2, if accepting that job would result in a net loss of disposable cash income for the family of the participant. This calculation shall ensure that the family of a participant is not penalized by having less disposable income after employment than would be available to the family while receiving assistance. The calculation is a manual process which is done on a case-by-case basis by income maintenance at the time of the offer of employment if the participant requests a determination of "good cause" for nonacceptance of a job. If the agency makes direct payments for the actual costs of child care up to the maximum limits established by DHS (see N.J.A.C. 10:82-5.3(g)) or makes a supplemental payment for child care costs over the disregard limits, then good cause for net loss of cash income does not exist. Any child care supplemental payment shall be computed monthly on a case-by-case basis.

1. Net loss of cash income means that actual work-related expenses which would otherwise not be incurred shall be subtracted from the family's gross income to determine whether the resulting disposable income is at least equal to the AFDC cash assistance benefit which would be received at the time employment is offered. The cash assistance payment is equal to the flat grant amount (Needs Allowance Standard) less any unearned income.

i. Gross income includes, but is not limited to, earnings from the offered job, any unearned income the family receives, and the adjusted grant determined based on the income at the time the employment is offered, including the application of the appropriate earned income disregards.

ii. The determination of net loss of cash income is a comparison of actual expenses incurred from the job versus the applicable earned income disregards.

iii. The net loss of cash income is a manual calculation which shall be computed on a case-by-case basis at the time the participant gains employment.

iv. The value of the family's food stamp allotment is not included in the calculation.

v. Actual work-related expenses due to that specific job shall be used in the computation. Work-related expenses to be considered are mandatory payroll deductions, union membership fees, transportation costs, required uniforms/clothing, and/or necessary equipment or tool costs.

vi. The calculation is a simultaneous, two-step process: Step I is the determination of the adjusted grant through the application of applicable earned income disregards; Step II is the determination of the net loss of income determined by subtracting the actual work expenses incurred from the gross income (including the adjusted grant from Step I when the grant is \$10.00 or more) and then making a comparison to the cash assistance payment that would be received by the family if they did not accept the offer of employment.

2. In Step I, subtract from the gross earned income, the \$90.00 work expense disregard; the \$30.00 and one-third disregards (if applicable) and the disregard of child care/incapacitated care (if applicable). Next, add any unearned income. The resulting available income is subtracted from the needs allowance standard for the family size; the resulting adjusted grant shall be used in Step II if the grant is \$10.00 or greater. If the resulting adjusted grant is less than \$10.00, then there is no adjusted grant to be carried over for the computation in Step II.

3. In Step II, subtract from the gross earned income, the actual work expenses and actual child care costs; add the adjusted grant from Step I (if greater than \$10.00).

4. Determine the difference between the resulting income figure from Step II and the cash assistance payment (that is, the flat grant less any unearned income) for the family.

5. The resulting difference is the net loss of cash income.

6. The following examples (Examples I and II) illustrate the calculation process.

**EXAMPLE I: Calculating Net Cash Loss**

Case demographics: Client + 2 children (AFDC-C); flat grant amount of \$424.00; unearned income of \$112.00; secures employment at \$5.50/hr., 40-hour week; 1 child needs child care at a cost of \$75.00/wk; \$176.00 actual work expenses (FICA, taxes, etc.) per month.

<b>Step I</b>	
<b>Calculation of Adjusted Grant</b>	
\$880.00	Gross monthly earned income
<u>-90.00</u>	Work expense disregard
\$790.00	
<u>-30.00</u>	Disregard
\$760.00	
<u>-253.33</u>	1/3 disregard
506.67	
<u>-200.00</u>	Child care disregard
306.67	Calculated earned income (CEI)
<u>+112.00</u>	Unearned income
\$418.67	Available income
\$424.00	Flat grant
<u>-418.67</u>	Available income
\$ 5.33	Adjusted grant

<b>Step II</b>	
<b>Determination of Net Loss of Cash Income</b>	
\$880.00	
<u>-176.00</u>	Actual work expenses
\$704.00	
<u>-300.00</u>	Actual child care costs
\$404.00	Income
<u>+ 0.00</u>	Adjusted grant from Step I (deficit)
\$404.00	Step I (deficit)
<u>\$404.00</u>	Total income from job
\$424.00	Flat grant
<u>-112.00</u>	Unearned income
\$312.00	*Cash assistance payment
\$404.00	Available income from job

No grant is used for Step II since it is under \$10.00      \*\*No net loss of cash income exists

\*Cash assistance payment is equal to the flat grant amount less any unearned income.

\*\*No net loss of cash income exists as the income available from the job is greater than the cash assistance payment.

**EXAMPLE II: Calculating Net Cash Loss**

Case demographics: Client + 2 children (AFDC-C): flat grant amount of \$424.00; secures employment at \$5.50/hr., 40-hour week; 1 child needs child care at a cost of \$390.00/month; \$200.00 actual work expenses (FICA, taxes, union initiation fees) for month.

<b>Step I</b>	
<b>Calculation of Adjusted Grant</b>	
\$880.00	Gross monthly earned income
<u>-90.00</u>	Work expense disregard
\$790.00	
<u>-30.00</u>	Disregard
\$760.00	
<u>-253.33</u>	1/3 disregard
\$506.67	
<u>-200.00</u>	Child care disregard
\$306.67	Calculated earned income (CEI)
<u>+ 0.00</u>	Unearned income
\$306.67	Available income
\$424.00	Flat grant
<u>-306.67</u>	Available income
\$117.33	Adjusted grant
\$117.00	Adjusted grant

<b>Step II</b>	
<b>Determination of Net Loss of Cash Income</b>	
\$880.00	
<u>-200.00</u>	Actual work expenses
\$680.00	
<u>-390.00</u>	Actual child care costs
\$290.00	
\$290.00	Income
<u>+117.00</u>	Adjusted grant from Step I (deficit)
\$407.00	Total income from job
\$424.00	Flat grant
<u>- 0.00</u>	Unearned income
\$424.00	Cash assistance payment
<u>-407.00</u>	Available income from job
\$ 17.00	Net cash loss

Amended by R.1988 d.551, effective November 21, 1988.

See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

Added (d).

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

In (b): added "... 600 Child Care Provider slots ...".

Added text at (b)1 and 2 regarding income limits and allowance standard.

In (b)3: raised work expense deduction to "\$90.00" from "\$75.00."

Added new subsection (e).

Administrative correction to (b).

See: 24 N.J.R. 2257(b).

Amended by R.1992 d.366, effective September 21, 1992.

See: 24 N.J.R. 2147(a), 24 N.J.R. 3345(a).

Income-budgeting option added at (b)4.

4. REACH participants who have signed the Final REACH Agreement should be referred to the CWA's IV-D unit by case management for prioritization and upward modification of support orders. The referral shall be made via Form R-3, REACH Referral, or a locally developed form, on the day the REACH participant enters the identified case activity type. The referral shall include: the AFDC case number; the participant's name, the departmental client number (DCN) or date of birth or Social Security Number (SSN), and the date entering the case activity type.

(b) The activities in (a) above will be conducted in accordance with procedures established by the Division of Economic Assistance, Department of Human Services, and the Administrative Office of the Courts.

Amended by R.1991 d.8, effective January 7, 1991.

See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

Added new (a)4.

**10:81-14.22 Child support enforcement**

(a) General: In addition to the activities set forth in N.J.A.C. 10:81-11, the following activities related to child support enforcement shall be conducted by the State and CWAs on behalf of REACH program participants:

1. Prioritization of the child support workload, such that enforcement efforts are directed first toward absent parents of children of REACH participants, followed by the remaining AFDC cases;

2. Upward modification of existing court orders for child support; and

3. Income withholding, wherein for an established court order for payment of child support, the income of the absent parent will be subject to withholding, that is, the amount of the court-ordered child support payment will be deducted from the income and forwarded to the county probation department on behalf of the child.

**10:81-14.23 County planning**

(a) General: A county planning process, which integrates the local human services system and the local employment and training system, will be used for the REACH program. The purposes of the county planning process are to:

1. Coordinate and ensure the delivery of employment, training, education, case management and support services for REACH recipients;

2. Maximize the use of resources from various Federal, State, county and private funding sources for REACH services; and

3. Establish efficient and effective administration and decision making operations for REACH program management.

(b) Minimum county requirements: Each county is required to establish a REACH Planning Committee, appointed in accordance with established county procedures and designated as a standing committee of the County Human Services Advisory Council, and to submit a REACH County program implementation plan in accordance with deadlines established by the Department of Human Services for each county.

1. REACH Planning Committee: The purpose of the county REACH Planning Committee is to determine the most effective way to plan and organize services for REACH participants in that county.

i. Required membership: The planning committee shall, at a minimum, include the following as voting members: the Director of the County Welfare Agency, the Director of the Private Industry Council or Service Delivery Area established pursuant to the Job Training Partnership Act, the Chairperson or a designee of the County Human Services Advisory Council, a representative of the Board of Chosen Freeholders or County Executive or a designee. In addition, the planning committee shall include as non-voting ex officio members representatives of the following agencies: the Division of Economic Assistance in the Department of Human Services, the Division of Employment Services in the Department of Labor, the Bureau of Adult Education in the Department of Education, the Division of Housing and Development in the Department of Community Affairs, and the county representative of the Department of Human Services.

ii. Additional members: The planning committee may also include as voting members the following: a representative of the local community college; a representative of the county vocational school; a representative of private business or industry in the county; two or more recipients of Aid to Families with Dependent Children residing in the county, whose costs of participation in the planning committee will be reimbursed by the REACH program, in accordance with procedures established by the Division of Economic Assistance; county residents who represent the nonprofit and religious communities in the county; representatives of the lead REACH child care agency or other providers of child care in the county; and other individuals and/or organizations that the county believes would provide a valuable contribution to the REACH program planning and implementation process.

2. REACH County program implementation plan: The content and submittal of the REACH County program implementation plan shall conform to the requirements of and procedures established by the Department of Human Services. At a minimum, the plan shall:

i. Contain a needs assessment of the employment related characteristics and problems (including a target population profile), describe the proposed County REACH program structure (including a resource analy-

sis and service delivery system that addresses employment-directed activities and support services), and describe the flow of the REACH participant through the county REACH program;

ii. Specify the arrangement and method by which employment, training, education and support services will be selected, integrated and provided to eligible applicants and participants of the REACH program in that county;

iii. Ensure that the program components reflect local needs and resources and that support services provided to REACH participants use existing local arrangements wherever possible; and

iv. Designate a county REACH Program Coordinator who will manage and coordinate the planning and implementation process.

(c) Planning and program management: Additional requirements for counties will be specified by the Department of Human Services for REACH planning and program management as follows:

1. REACH Program Coordinator: The Department will contract with the county governing body to provide an amount of funding for REACH program planning and implementation activities, with no county match required. Primarily these funds must be applied toward support of a full time REACH Program Coordinator who will be responsible for centrally managing implementation of the program and coordinating the planning process to the extent possible. Demonstration that a REACH Program Coordinator has been designated will be required for final approval of the REACH county program implementation plan (see (b)2iv above).

2. To assure that REACH services are productive in terms of reducing welfare dependency and increasing the employment and earnings of the REACH participants, the Department of Human Services will establish performance standards for the REACH program.

i. Payments of REACH monies to a county may be linked to achievement of these performance standards. Bonuses for exceeding standards and deferral of payment for failure to meet mutually agreed-upon goals will be proposed for county review and comment prior to adoption.

ii. The performance standards and goals initially negotiated by the county and the Department will be reviewed on the basis of actual experience in the REACH program and may be modified as appropriate for future program years. In the first year of the REACH program, the focus will be on payments for exemplary performance.

(d) Submittal and approval of REACH county implementation plan: Upon completion of the REACH county imple-

mentation plan by the county, the following submittal and approval process shall occur:

1. County process: At the county, the plan shall be submitted to the Private Industry Council/Service Delivery Area (PIC/SDA), County Welfare Agency (CWA), and County Human Services Advisory Council (CHSAC) for review and endorsement of the plans as consistent with respective agency goals, objectives, and service delivery plans. Signatures of the PIC/SDA Director, CWA Director, and CHSAC Chairperson are required as evidence of endorsement. The plan shall be submitted to the county governing body for review and approval, with signature of the County Freeholder Director or County Executive and freeholder resolution required as evidence of approval. The county shall provide for public input on the plan in accordance with existing county public input procedures, with confirmation of input received included in the plan. The REACH County Plan with required endorsements and approvals and required number of copies shall be submitted to the Department of Human Services in accordance with deadlines established by the Department for each county.

2. Minimum standards for REACH county implementation plans: A county is required to meet minimum standards for acceptance of its REACH county implementation plan into the review process:

i. Demonstration of both the establishment of a REACH Planning Committee with minimum membership requirements achieved and the designation of a REACH Program Coordinator;

ii. Evidence of endorsement and approval of the plan by the PIC/SDA, CWA, CHSAC and county freeholder director or county executive;

iii. Minimum required information as specified in Section IV of the REACH County Plan Guidelines; and

iv. Evidence that the specified range of employment, training, education, case management and support services will be offered to REACH participants.

3. Department of Human Services process: The review and approval process set forth below will begin upon receipt of the REACH county implementation plan by the Department of Human Services.

i. The Department will convene an interdepartmental REACH Review Committee to review and make recommendations on the REACH county implementation plan.

ii. The Committee will determine if the REACH County Plan is incomplete or does not contain adequate information for approval. For any plan determined incomplete or inadequate, the Committee may request additional information from the county, conditionally approve the plan, or formally return the plan to the county with specific instructions.

iii. After a review of the complete REACH County Plan, the Committee, will develop a recommendation as to whether approval can be granted and forward that recommendation to the Commissioner of the Department of Human Services.

iv. The Commissioner of the Department of Human Services on behalf of the REACH Review Committee will send formal notification of plan approval to the county.

Amended by R.1988 d.551, effective November 21, 1988.  
See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).  
Substantially amended.

**10:81-14.24 Overpayments and underpayments of supportive services: child care and transportation**

(a) This section applies to overpayments and underpayments of supportive services, including REACH child care benefits and post-AFDC child care benefits at N.J.A.C. 10:81-14.18, and payments for transportation and related costs at N.J.A.C. 10:81-14.19.

1. Definition of overpayment: An overpayment is a payment which exceeds the amount of REACH child care benefits, post-AFDC child care benefits or REACH transportation and related payments for which the participant or service provider was eligible.

2. Amount of overpayment: The amount of the overpayment subject to recovery is the difference between the amount actually paid to the REACH participant or service provider and the amount for which the participant or service provider was eligible.

i. If the participant was ineligible for the benefits for the period for which the service was provided, the entire amount paid is an overpayment.

ii. If the service provider was not approved by the REACH program, the entire amount paid is an overpayment.

(b) Requirement to recover overpayments: The county shall take all reasonable steps necessary to promptly correct any overpayment of REACH child care benefits, post-AFDC child care benefits and REACH transportation and related payments made to a REACH participant or service provider. Recovery shall be attempted in the following circumstances:

1. In all cases of fraud;

2. In all cases involving current recipients; and

3. In all cases where the overpayment amount would equal or exceed the costs of recovery.

(c) Method of recovery: An overpayment to a family or provider currently receiving child care or supportive service benefits shall be recovered through repayment (in part or in full) by the family or provider responsible for the overpayment, or by recovering the overpayment through a benefit reduction in the amount payable to the family or provider.

1. In recovering overpayments from an AFDC family, the family shall be permitted to retain, for any month, a reasonable amount of funds.

2. Overpayments to individuals may be recovered as follows:

- i. From the family unit which was overpaid;
- ii. From individuals who were members of the family when it was overpaid; or
- iii. From families which include members of a previously overpaid family.

3. In cases of former recipients or recipients who refuse to repay, recovery shall be made by appropriate action under State law against the income and resources of the overpaid individual or family.

4. Recovery from benefits: Recovery of child care benefits may be made only from child care benefits, and

recovery of transportation and related payments may only be made from those REACH benefits.

5. Recovery from AFDC grant: Any recoveries of overpayments of child care or transportation and related benefits may be made from the AFDC grant only upon a voluntary request of the recipient family.

(d) Offset: Underpayments and overpayments may be offset against each other in correcting incorrect payments.

(e) Recovery not required: The Department of Human Services may provide that a county need not attempt recovery of overpayments from providers if obligated to make the full payment under the contract. However, Federal financial participation may not be claimed for such overpayments.

(f) Recordkeeping requirements: Counties shall collect and maintain information on the collection of overpayments.

New Rule: R.1991 d.8, effective January 7, 1991.  
See: 22 N.J.R. 2405(b), 23 N.J.R. 63(b).

#### Cross References

Basis for recovery of overpayments, see N.J.A.C. 10:81-4.23.

APPENDIX A

SELF-ARRANGED CARE INSPECTION AND INTERVIEW CHECKLIST

Historical Note

The appendix formerly contained rules on the Cuban Refugee Program. This appendix was repealed and recodified as N.J.A.C. 10:81-10 and were filed and became effective December 6, 1982, as R.1982 d.425. See: 14 N.J.R. 948(a), 14 N.J.R. 1397(b). New rule, R.1988 d.551, effective November 21, 1988. See: 20 N.J.R. 2222(b), 20 N.J.R. 2916(a).

This checklist shall be used by agency conducting evaluation at a preliminary visit to home of new caregiver applicant.

Agency conducting evaluation \_\_\_\_\_

Evaluator \_\_\_\_\_ Date of Visit \_\_\_\_\_

Applicant \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

County \_\_\_\_\_ Telephone \_\_\_\_\_

Applicant's Social Security Number \_\_\_\_\_

For office use only:  
Approved:  
Denied:

(Children's Name) (Date of Birth) (Sex) (Case Numbers)

Referred by \_\_\_\_\_ For \_\_\_\_\_  
(REACH Participant)

Language Spoken In Home \_\_\_\_\_ Case Manager \_\_\_\_\_