

SENATE BILL NO. 2329
(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 2329 (First Reprint) with my recommendations for reconsideration.

This bill would make a variety of changes to the criteria for eligibility to participate in the Work First New Jersey program. Among other things, the bill would revise work experience requirements, expand the earned income disregard for purposes of determining income eligibility, and broaden eligibility requirements for immigrants and students enrolled in institutions of higher education. In addition, the bill would annually increase the monthly temporary assistance for needy families ("TANF") benefit according to the consumer price index, plus an amount equal to 33.3 percent of the difference between the benefit amount and 50 percent of the federal poverty level.

Although the bill would appropriate \$17 million from the General Fund to implement its provisions, the fiscal note prepared by the Office of Legislative Services estimates that the increase in the monthly TANF benefit would cost approximately \$24.4 million annually and that the bill's other provisions would result in additional, indeterminate increases on State expenditures under the TANF and General Assistance components of the Work First New Jersey program.

Work First New Jersey benefits provide a critical lifeline to vulnerable populations in New Jersey, enabling individuals and families to exit poverty. It is for this reason that the first two budgets that I signed included substantial increases for monthly cash assistance and safety net services, such as emergency housing assistance, job training and case management. Working in close collaboration with my colleagues in the Legislature, Work

First New Jersey assistance increased by ten percent in Fiscal Year 2019 and by an additional twenty percent in Fiscal Year 2020. In Fiscal Year 2019, my legislative partners and I also eliminated the Work First family cap, a punitive rule that unfairly limited family benefits regardless of size. These measures, the first meaningful increases in cash assistance in a generation, translated into direct relief for individuals and families in need across the State, increasing the monthly TANF allowance for a family of three receiving from \$424 to \$559 and the monthly General Assistance allowance from \$140 to \$185.

I commend the bill's sponsors for their efforts to build upon the critical steps we have already taken to reduce poverty across our State and appreciate their advocacy for a broader and more generous safety net at a time when so many families are facing unprecedented economic challenges. The COVID-19 pandemic has increased the number of New Jerseyans at risk of entering poverty and exacerbated the financial struggles of those already in crisis. However, although I support many of the bill's worthy initiatives, I am unable to approve the bill in its present form because it would trigger an indeterminate, unbudgeted cost. Even under normal circumstances, I would be hesitant to endorse a bill with such far-reaching fiscal implications outside of the annual budget negotiation process; the State's current budgetary and economic conditions compel even greater restraint.

The COVID-19 pandemic is having a profoundly negative impact on the State's economy and financial condition. The hard reality is that we will continue to face unprecedented budgetary challenges in the coming months and beyond. I have been advised by the State Treasurer that we expect this pandemic to cause precipitous declines in revenues well into Fiscal Year 2021. While I absolutely share the sponsors' concerns for the well-being of those

in need, it is incumbent upon us to make informed decisions in full consideration of our financial position.

As my Administration continues to fight for direct assistance from our federal government, there are steps that our State must take on its own to secure our budgetary and cash flow position. Among the most crucial is swift passage of the New Jersey COVID-19 Emergency Bond Act ("Bond Act"), which will allow New Jersey to access billions of dollars in loans through the federal lending facility and the public and private markets. Passing the Bond Act is essential to ensuring the State can meet its short-term obligations in light of present revenue and liquidity challenges.

While I cannot approve the new spending authorized by this bill at a time when the State's fiscal circumstances are so dire, I have worked closely with the Department of Human Services to identify critical reforms to the Work First New Jersey program that will provide significant relief to those in need, while having a minimal impact on the State's budget. My recommended revisions retain the bill's reduction in work requirements from 40 hours per week to 30 hours per week, and to 20 hours per work for families with young children, and expand to six months the period of time in which children and adults who follow program rules can continue to receive benefits while a member of their assistance unit is out of compliance with Work First New Jersey program rules. These changes will work together to help more families maintain eligibility for Work First New Jersey while striving to meet the program's work requirements.

I also have revised language in the bill increasing the child support pass through for TANF families in receipt of child support based on the number of children in the assistance unit, ensuring that the pass-through amount is greater for families with two or

more children. I commend the bill's sponsors for their efforts to help families on TANF access more child support resources.

Finally, my recommendations maintain the bill's revisions to the general purposes and goals of the Work First New Jersey program. Although these changes are largely symbolic, they contain important and long overdue revisions to outdated and offensive language concerning safety net programs and the individuals and families who utilize them.

I look forward to working closely with my partners in the Legislature in the days and weeks ahead to address the unprecedented budget challenges our State faces. Once we have taken the necessary steps to improve our fiscal position, I invite the Legislature to work with me to revisit this and similar issues to aid in the State's recovery from the COVID-19 pandemic.

Therefore, I herewith return Senate Bill No. 2329 (First Reprint) and recommend that it be amended as follows:

<u>Page 2, Title, Line 1:</u>	After "program," insert "and"
<u>Page 2, Title, Line 2:</u>	After "law" insert "."
<u>Page 2, Title, Line 2:</u>	Delete ", supplementing Title 44 of the"
<u>Page 2, Title, Line 3:</u>	Delete in its entirety
<u>Page 2, Section 1, Lines 8-35:</u>	Delete in their entirety
<u>Page 2, Section 2, Line 37:</u>	Delete "2." and insert "1."
<u>Page 2, Section 2, Line 40:</u>	After "training" insert "only"
<u>Page 2, Section 2, Line 41:</u>	After "public" insert ", private nonprofit"
<u>Page 2, Section 2, Line 41:</u>	After "private" insert "charitable"
<u>Page 3, Section 2, Line 1:</u>	Delete "unless the"
<u>Page 3, Section 2, Lines 2-4:</u>	Delete in their entirety
<u>Page 3, Section 2, Line 25:</u>	After "training" insert ", if, before the student attains age 19, the student may reasonably be expected to complete the student's program of secondary school or training"
<u>Page 3, Section 2, Line 36:</u>	after "payments" insert ", "

- Page 3, Section 2, Line 36: Delete "other"
- Page 3, Section 2, Lines 37-38: Delete in their entirety
- Page 5, Section 3, Lines 9-46: Delete in their entirety
- Page 6, Section 4, Lines 1-47: Delete in their entirety
- Page 7, Section 4, Lines 1-10: Delete in their entirety
- Page 7, Section 5, Lines 12-48: Delete in their entirety
- Page 8, Section 5, Lines 1-39: Delete in their entirety
- Page 8, Section 6, Line 41: Delete "6." and insert "2."
- Page 9, Section 6, Line 18: After "training" insert ", if, before the student attains age 19, the student may reasonably be expected to complete the student's program of secondary school or training"
- Page 9, Section 6, Line 28: After "means" insert "one of the following:
- a. a qualified immigrant admitted to the United States prior to August 22, 1996, who is eligible for means-tested, federally funded public benefits pursuant to federal law;
 - b. a refugee, asylee, victim of human trafficking, or person granted withholding of deportation under federal law for the person's first five years after receiving that classification in the United States pursuant to federal law;
 - c. a qualified immigrant who is a veteran of, or on active duty in, the armed forces of the United States, or the spouse or dependent child of that person pursuant to federal law;
 - d. a recipient of refugee and entrant assistance activities or a Cuban or Haitian entrant pursuant to federal law;
 - e. a legal permanent resident immigrant who has worked 40 qualifying quarters of coverage as defined under Title II of the federal Social Security Act; except that, for any period after December 31, 1996, a quarter during which an individual received means-tested, federally funded public benefits shall not

count toward the total number of quarters;

f. a qualified immigrant admitted to the United States on or after August 22, 1996, who has lived in the United States for at least five years and is eligible for means-tested, federally funded public benefits pursuant to federal law; or

g. a qualified immigrant who has been battered or subjected to extreme cruelty in the United States by a spouse, parent or a member of the spouse or parent's family residing in the same household as the immigrant, or a qualified immigrant whose child has been battered or subjected to extreme cruelty in the United States by a spouse or parent of the immigrant, without the active participation of the immigrant, or by a member of the spouse or parent's family residing in the same household as the immigrant. In either case, the spouse or parent shall have consented or acquiesced to the battery or cruelty and there shall be a substantial connection between the battery or cruelty and the need for benefits to be provided. The provisions of this subsection shall not apply to an immigrant during any period in which the individual responsible for the battery or cruelty resides in the same household or assistance unit as the individual subjected to the battery or cruelty. Benefits shall be provided to the extent and for the period of time that the immigrant or immigrant's child is eligible for the program.

For the purposes of this section, "qualified immigrant" is defined pursuant to the provisions of section 431 of Title IV of Pub.L.104-193."

Page 10, Section 6, Lines 22-31: Delete in their entirety

Page 10, Section 6, Lines 33-35: Delete "other than child support payments provided to an assistance unit pursuant to subsection c. of section 6 of P.L.1997, c.14 (C.44:10-49)"

Page 11, Section 7, Line 33: Delete "7." and insert "3."

- Page 11, Section 7, Lines 37-38: Delete ", except that in no case may the commissioner reduce benefits levels"
- Page 13, Section 8, Line 24: Delete "8." and insert "4."
- Page 13, Section 8, Lines 42-44: Delete "that is equal to the maximum benefit amount for which the federal reimbursement share is waived,"
- Page 13, Section 8, Line 45: After "month" insert "and the number of children in accordance with federal law"
- Page 14, Section 9, Line 1: Delete "9." and insert "5."
- Page 15, Section 9, Line 7: After "effectively" insert "."
- Page 15, Section 9, Lines 8-9: Delete in their entirety
- Page 15, Section 10, Line 12: Delete "10." and insert "6."
- Page 15, Section 10, Line 15: After "training" insert "only"
- Page 15, Section 10, Line 16: After "public" insert ", private nonprofit"
- Page 15, Section 10, Line 16: After "private" insert "charitable"
- Page 15, Section 10, Line 21: Delete "unless the" and insert "."
- Page 15, Section 10, Lines 22-24: Delete in their entirety
- Page 16, Section 10, Line 9: After training insert ", if, before the student attains age 19, the student may reasonably be expected to complete the student's program of secondary school or training"
- Page 16, Section 10, Line 19: After "means" insert "one of the following:
- a. a qualified immigrant admitted to the United States prior to August 22, 1996, who is eligible for means-tested, federally funded public benefits pursuant to federal law;
 - b. a refugee, asylee, victim of human trafficking, or person granted withholding of deportation under federal law for the person's first five years after receiving that classification in the United States pursuant to federal law;
 - c. a qualified immigrant who is a veteran of, or on active duty in, the armed forces of the United States, or the spouse or dependent child of

that person pursuant to federal law;

d. a recipient of refugee and entrant assistance activities or a Cuban or Haitian entrant pursuant to federal law;

e. a legal permanent resident immigrant who has worked 40 qualifying quarters of coverage as defined under Title II of the federal Social Security Act; except that, for any period after December 31, 1996, a quarter during which an individual received means-tested, federally funded public benefits shall not count toward the total number of quarters;

f. a qualified immigrant admitted to the United States on or after August 22, 1996, who has lived in the United States for at least five years and is eligible for means-tested, federally funded public benefits pursuant to federal law; or

g. a qualified immigrant who has been battered or subjected to extreme cruelty in the United States by a spouse, parent or a member of the spouse or parent's family residing in the same household as the immigrant, or a qualified immigrant whose child has been battered or subjected to extreme cruelty in the United States by a spouse or parent of the immigrant, without the active participation of the immigrant, or by a member of the spouse or parent's family residing in the same household as the immigrant. In either case, the spouse or parent shall have consented or acquiesced to the battery or cruelty and there shall be a substantial connection between the battery or cruelty and the need for benefits to be provided. The provisions of this subsection shall not apply to an immigrant during any period in which the individual responsible for the battery or cruelty resides in the same household or assistance unit as the individual subjected to the battery or cruelty. Benefits shall be provided to the extent

and for the period of time that the immigrant or immigrant's child is eligible for the program.

For the purposes of this section, "qualified immigrant" is defined pursuant to the provisions of section 431 of Title IV of Pub.L.104-193"

- Page 17, Section 10, Lines 13-22: Delete in their entirety
- Page 17, Section 10, Lines 26-28: Delete "other than child support payments provided to an assistance unit pursuant to subsection c. of section 6 of P.L.1997, c.14 (C.44:10-49)"
- Page 18, Section 11, Line 31: Delete "11." and insert "7."
- Page 18, Section 11, Line 38: After "children" insert "; and benefits shall be provided only when other means of support and maintenance are not present to support the assistance unit"
- Page 19, Section 12, Line 36: Delete "12." and insert "8."
- Page 19, Section 12, Line 39: After "shall" insert "continuously and actively seek employment in an effort to remove the assistance unit of which the recipient is a member from the program"
- Page 19, Section 12, Lines 41-48: Delete in their entirety
- Page 20, Section 12, Lines 1-7: Delete in their entirety
- Page 20, Section 12, Line 8: Delete "or to an"
- Page 20, Section 12, Line 9: Delete in its entirety
- Page 20, Section 12, Line 10: Delete ", that will enhance the"
- Page 20, Section 12, Lines 11-12: Delete in their entirety
- Page 20, Section 12, Line 13: Delete "poverty"
- Page 20, Section 12, Line 15: After "of the" insert "work activity"
- Page 20, Section 12, Lines 16-17: Delete "for the work activity or other opportunity"
- Page 20, Section 12, Line 18: Delete "In no case shall a recipient's work activity"
- Page 20, Section 12, Lines 19-20: Delete in their entirety
- Page 23, Section 13, Line 10: Delete "13." and insert "9."
- Page 23, Section 13, Lines 28-37: Delete in their entirety
- Page 24, Section 13, Line 19: After "month" insert "or until such time as the adult actively cooperates or participates, or

- demonstrates good cause, whichever is greater"
- Page 24, Section 13, Line 21: Delete "first-month" and insert "sixth month of the"
- Page 24, Section 13, Line 41: After "month" insert "or until such time as the noncompliant adult actively cooperates or participates, or demonstrates good cause, whichever is greater"
- Page 24, Section 13, Line 43: After "of the" insert "sixth month of the pro-rata"
- Page 24, Section 13, Line 43: Delete "month"
- Page 25, Section 14, Lines 26-47: Delete in their entirety
- Page 26, Section 14, Lines 1-47: Delete in their entirety
- Page 27, Section 15, Lines 1-34: Delete in their entirety
- Page 27, Section 16, Lines 36-47: Delete in their entirety
- Page 28, Section 16, Lines 1-13: Delete in their entirety
- Page 28, Section 17, Lines 15-29: Delete in their entirety
- Page 28, Section 18, Lines 31-34: Delete in their entirety
- Page 28, Section 19, Lines 36-37: Delete in their entirety
- Page 28, Line 38: Insert new sections:
- "10. Commencing July 1, 2023, and annually thereafter, the commissioner shall assess the real cost of living and actual deprivation as reflected in the current standard of need established pursuant to section 9 of P.L.1997, c.13 (C.44:10-42), which assessment shall be transmitted to the Legislature by the commissioner for consideration when deciding on appropriations to fund cash assistance benefits to recipients.
11. Notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to the contrary, the Commissioner of Human Services may adopt, immediately upon filing with the Office of Administrative Law, regulations that the commissioner deems necessary to implement the provisions of P.L. , c. (C.) (pending before the Legislature as this bill), which regulations shall be effective for a period not to

exceed 365 days from the date of the filing. The commissioner shall thereafter amend, adopt, or readopt the regulations in accordance with the requirements of P.L.1968, c.410 (C.52:14B-1 et seq.).

Page 28, Section 20, Line 39:

Delete "20." and insert "12."

Page 28, Section 20, Line 39:

Delete "July 1," and insert "April 1, 2020, except that section 4 shall take effect on July 1, 2021."

Page 28, Section 20, Lines 40-42:

Delete in their entirety

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor