

SENATE BILL NO. 1965

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Senate Bill No. 1965 without my approval.

This bill would expand eligibility for New Jersey's Emergency Assistance Program, administered by the Department of Human Services ("DHS"). Emergency Assistance ("EA") supports critical temporary housing services to vulnerable populations in the State as part of the Work First New Jersey Program. Currently, EA benefits are subject to a cumulative 12-month statutory cap, which may be extended under limited circumstances. This bill would modify that cap by prohibiting the Commissioner of Human Services, when determining whether an individual has reached the maximum amount of assistance permitted by law, from counting any months of EA that were received by an individual more than 84 months prior to the date on which the individual submits an application for emergency benefits.

I commend the bill's sponsors for their efforts in advocating for benefits for individuals in crisis who require housing assistance. As I noted last summer when recommending changes to another bill, now law, to expand and extend EA eligibility, however, the EA program is not designed and was not intended to provide lifetime housing for individuals in need. Accordingly, it serves as a poor substitute for more stable and reliable housing support.

I recognize, however, that past and current conditions in the housing market in the State may prevent some individuals from finding more permanent solutions. To address the continuing needs of these individuals, while also maintaining the inherently temporary nature of the program, I recommended inclusion in that bill of a sunset provision, among other changes, and directed DHS, the Department of Community Affairs, which oversees the State's

affordable housing programs and tracks housing needs, and the Office of Management and Budget to work to create new opportunities for collaboration and develop enhanced strategies in an effort to address the specific permanent housing needs of this subset of individuals. It is my hope that greater involvement at the initiation of temporary assistance benefits will forge a pathway to more stable housing solutions.

Additionally, as I noted last summer when signing the annual State budget law and supporting revenue bills, and on numerous other occasions thereafter, I was, and continue to be, very pleased to have reached a comprehensive deal with my partners in the Legislature concerning the State's spending plan for Fiscal Year 2019. Our agreed-upon budget for the year ending at midnight on June 30, 2019, satisfies our shared constitutional obligations to enact a single appropriations law governing overall State spending needs for the year, as determined through the legislative process. See Article VIII, Section 2, Paragraph 2 of the New Jersey Constitution.

While I certainly support the provision and expansion of affordable housing opportunities, I also believe that the long term fiscal implications of the bill, and other bills that directly affect the State's finances, must be carefully considered. At this point in time, midway through the Fiscal Year, the State of New Jersey confronts uncertain tax collections. According to the Legislative Fiscal Estimate accompanying this bill, its fiscal impact would be "indeterminate." In this regard, the Office of Legislative Services ("OLS") observes that it "has insufficient information on the number of households that may be affected by the bill" to opine on its likely costs, and notes that there "are possibly tens of thousands of households" that may qualify for benefits under the bill. The OLS further indicates that the bill "may raise the costs of county welfare agencies" by an "indeterminate" amount and may cause DHS to "incur some cost to make changes to the computer system used by the county

welfare agencies, in order to provide information on whether an applicant's past receipt of emergency assistance occurred past the 84 month look-back period."

I campaigned in support of, and remain committed to, building a stronger and fairer New Jersey. Providing access to safe, affordable housing is certainly part of that commitment. However, I believe that matters of tax policy and State expenditures should be considered as part of the overall annual budget negotiation process. An "indeterminate" cost that eludes precise quantification remains an unbudgeted cost. In this regard, I am advised that EA enrollment during Fiscal Year 2012 was exceptionally high, nearly four times the present enrollment. Nullifying EA benefits received more than seven years ago in the manner proposed by this bill would clearly trigger an "indeterminate" unbudgeted cost potentially amounting to many millions of dollars. I look forward to working collaboratively with legislative leadership on the budget for the upcoming State Fiscal Year to ensure that the State's overall tax and expenditure policy is established and maintained in a coordinated manner so that we can continue to meet our obligations to the State of New Jersey and its residents now and in the future.

Accordingly, I herewith return Senate Bill No. 1965 without my approval.

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor