

ASSEMBLY HUMAN SERVICES COMMITTEE
Testimony by Jennifer Velez
Commissioner
New Jersey Department of Human Services
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Good afternoon Chairwoman Oliver, Vice Chairwoman Rodriguez, and distinguished members of the Assembly Human Services Committee. Thank you for inviting me to speak with you on the impact of the federal stimulus money on the Department of Human Services and the people we serve.

The American Recovery and Reinvestment Act (ARRA) offers states needed funding to support infrastructure, technology, and services to the growing number of people who seek government assistance during these fierce economic times. We have been working closely with Governor Corzine and other departments, such as Health and Senior Services, in order to ensure the maximization of funding opportunities and efficient service delivery.

Like human services departments across the country, we are fortunate enough to receive funding to provide services to the rapidly growing number of New Jerseyans who need our help. We have had to make some very difficult choices this budget year and without the stimulus money, especially in the area of Medicaid, it's hard to imagine the even graver choices we would have had to make. While Medicaid funding represents a substantial portion of the stimulus money for Human Services, there are other areas where we are receiving funding that I will also be discussing this afternoon.

In most cases, the federal government has been very prescriptive in how we are to utilize the money. In some instances, neither cost savings nor increased resources will be realized directly by the state: families and individuals will reap the benefits. A primary example is the increase in food stamp benefits effective April 1st. The maximum food stamp benefit for a family of three currently stands at \$463 a month. As of April 1st, that maximum benefit will increase \$63 to \$526 a month. This increase will allow our 232,414 food stamp households--which, I might add, has increased by 13% from January 2008 to January 2009 --to direct their personal income to other necessities.

Another example is the provision that continues the 24 month Medicaid extension for families who left Temporary Assistance to Needy Families (TANF) for employment. Set to expire in June 2009, and revert to a 12 month only extension, former TANF families will continue to receive the 24 months of extended Medicaid coverage through December 2010.

Other provisions of the stimulus plan target program administration, meant to help lessen the cost to states in administering programs that are growing at record rates. Provisions under the Medicaid program offer greater federal match for the dollars New Jersey spends in program administration. Likewise, in the food stamp program, money

has been allocated for those who actually administer the program, our county welfare agencies and boards of social services. I am sure you've all seen the recent news stories where lines extend out the doors of these agencies with people in need of services. The \$4.4 million that New Jersey will receive over two years will help these county agencies deal with the huge increase in people seeking food stamp assistance.

In some cases, states are awaiting federal guidance on how funds may be used. While funds target particular programs, strict guidelines will direct their use. For example, child care funds require set asides for ensuring quality and for infant/toddler care. The US Department of Health and Human Services will provide states with additional criteria on spending the remainder of the child care funding. Child support is another area where we are awaiting federal guidance. In both these cases, it has been made clear to us that these new funds cannot supplant existing spending.

The Department of Human Services is acutely aware of the need for oversight in the distribution and use of these funds. We will be working closely with the New Jersey Recovery Accountability Task Force and our federal partners in establishing tracking and reporting mechanisms to ensure transparency and accountability. Information is available to the public through Governor Corzine's recently established recovery web site at www.recovery.nj.gov.

I have provided for the Committee's review a summary of the funds awarded the Department of Human Services under the stimulus package. I am happy to walk through this document with you and answer any questions you might have.