

# NEW JERSEY POLICY PERSPECTIVE

## TESTIMONY OF SHEILA REYNERTSON, SENIOR POLICY ANALYST, NEW JERSEY POLICY PERSPECTIVE (NJPP), BEFORE GOVERNOR MURPHY'S AMERICAN RESCUE PLAN VIRTUAL HEARING, JULY 28, 2021

Good morning. I'm Sheila Reynertson and am a Senior Policy Analyst at New Jersey Policy Perspective (NJPP), a member of the For the Many NJ coalition. Thank you for the opportunity to testify on how best to administer the remaining \$4 billion in Fiscal Recovery Funds (FRF) made available through the federal American Rescue Plan.

NJPP is fully aligned with the U.S. Treasury's recommendation to use these flexible funds to "foster a strong, inclusive, and equitable recovery, especially with long-term benefits for health and economic outcomes." The most effective way to achieve such a goal is to target aid to those most in need and begin dismantling racial, gender, and economic inequities exacerbated by the pandemic.

Here are a few essential ways to make the most of this opportunity. For more recommendations, please refer to the letter signed by organizations of the For the Many coalition.

### **Strengthen the Social Safety Net**

New Jersey must be aggressive in reversing the pervasive barriers that keep the safety net out of reach for some families and allow poverty to remain widespread. Benefit programs are difficult, and sometimes impossible, to navigate for residents already under extreme stress. Unnecessary red tape for those struggling to find a job, feed their kids, or manage a health crisis is both punitive and regressive.

NJPP recommends using FRF dollars to spearhead a robust outreach campaign and application assistance for all social safety net and support services, targeting communities that face systemic barriers to learning about and accessing support programs, including immigrants and people of color with low-incomes as well as families in deep poverty who are less likely to owe and file taxes and, as result, may miss out on tax credits for low-paid workers and their families.

### **Provide Direct Cash Assistance to Residents Who Need It Most**

Second, NJPP recommends using relief funds to stabilize residents facing hardship and keep their children safe from the long-term effects of deep poverty. The most straightforward way to boost household income of families who are living paycheck to paycheck is to provide direct cash payments with no strings attached — and regardless of immigration status. In fact, one targeted population that must be included is the nearly a half million undocumented immigrants who have been excluded from almost every form of state and federal relief for the past seventeen months. New Jersey can provide relief to these residents by fully funding the Excluded New Jerseyans Fund.

## **Support Low-Paid Essential Workers with Bonus Pay**

It can't be said enough: Those who worked outside of their home during the pandemic providing critical services like health care and food production were overwhelmingly women and people of color — and they often went without basic health and safety protections, paid leave, or hazard pay. These workers deserve recognition through fair compensation, yet they have been repeatedly overlooked in federal relief and recovery legislation. New Jersey can rectify this using FRF dollars to provide bonus pay to those with limited income and those who worked in difficult and often dangerous conditions so the rest of us could quarantine safely at home.

## **Advance Health Equity**

Past policies and continuing racism in health care — the effects of which were on full display during the COVID-19 pandemic — have disproportionately burdened Black, Hispanic/Latinx, and indigenous populations. The physical and emotional toll of such disparity will be felt for years to come. NJPP recommends using FRF dollars to break down barriers and expand access to high-quality and affordable mental health care services for adults and children through provider recruitment efforts, insurance expansion, and improved Medicaid reimbursement. To reach chronically underserved low-income areas and Black and Hispanic/Latinx communities, fund mental health outreach efforts through community-based organizations. To reach pandemic-stressed students in high-poverty schools, provide enhanced payments for behavioral screenings and school counselors and mental health professionals.

## **Incorporate Racial Impact Analysis into Selection Process and Data Collection**

Finally, even with the best of intentions, New Jersey's distribution of these recovery funds is likely to exacerbate racial injustice without intentional strategies to do otherwise. To demonstrate a commitment to an equitable recovery, NJPP recommends that racial equity impact assessments be produced for FRF grants that have a potential racial impact. New Jersey can also foster a culture of advancing racial and gender equity by improving its data collection with data on gender, race and ethnicity. By modernizing the IT infrastructure across departments, New Jersey can enhance the quality of administrative data to better evaluate existing programs and demonstrate transparency.

These recommendations would make the biggest difference in providing long-term benefits for communities most at risk of being left behind and laying the groundwork for a more prosperous future for all New Jersey families.

Thank you for this opportunity to testify today.