

FISCAL NOTE TO
ASSEMBLY, No. 883

STATE OF NEW JERSEY

DATED: FEBRUARY 28, 1997

Bill Summary:

Assembly Bill No. 883 of 1996 requires recipients of federal Supplemental Security Income (SSI) benefits who apply for emergency assistance (EA) benefits for shelter only or for food and shelter to contribute 30% or 80%, respectively, of their SSI benefit toward any debt relating to housing expenses, including but not limited to, debt incurred from utility bills and unpaid rent, and to make necessary payments to establish a permanent living arrangement including but not limited to, expenses for a security deposit, advance rent, moving, and furniture. Also, the bill provides that if a permanent living arrangement for a SSI recipient who receives EA benefits requires a security deposit, the deposit will be held in an escrow account by the county welfare agency (CWA). Upon termination of that living arrangement, the money in the escrow account is to be returned to the CWA and will not be used to pay the final month of rent. Any claim against a security deposit will be limited to the funds in the escrow account and will be verified by the CWA. A finding by the CWA that the claim is valid will be considered good cause to render the SSI recipient ineligible for future emergency assistance benefits, unless full reimbursement of the claim is made.

Department Comments:

The Department of Human Services (DHS) has estimated that the State would save approximately \$10,500, \$10,800 and \$11,200, respectively, in each of the next three fiscal years. The Office of Management and Budget (OMB) has estimated savings of approximately \$282,600, \$291,100 and \$299,800, respectively, in each of the next three fiscal years. The difference between the two estimates is that OMB has included emergency assistance payments related to security deposits whereas DHS estimates did not include security deposits. Such emergency assistance cases are expected to increase savings by an estimated \$272,100, \$280,300 and \$289,900, respectively, in each of the next three fiscal years. Administrative costs the CWAs will incur to collect the required contribution are not estimated.

Office of Legislative Services Comments:

OMB's estimates as to the amount the State may save as a result of this legislation are reasonable in light of the numerous uncertainties such as:

- C the number of SSI cases receiving emergency assistance in any

- given month will vary;
- C the type of emergency assistance and its related cost in any given month will vary; and
 - C the amount that will actually be collected from SSI recipients is not known.

However, while the State may realize some savings, counties, through the CWAs, will incur additional administrative costs associated with collecting the required contribution from SSI recipients. Such administrative costs cannot be determined until the legislation is implemented.

This fiscal note has been prepared pursuant to P.L.1980, c.67.