

FISCAL NOTE TO
ASSEMBLY, No. 945
STATE OF NEW JERSEY

DATED: OCTOBER 2, 1996

Assembly Bill No. 945 of 1996 requires the Commissioner of Human Services to annually increase the amount of State supplementary payments to individuals residing in residential health care facilities (RHCFs) by the same percentage as any increase in the federal government's supplemental security income (SSI) payments to those individuals. Currently, the basic State supplementary payment to individuals residing in RHCFs is \$131.30 a month. With the inclusion of the Lifeline utility supplement received by SSI recipients residing in RHCFs, the amount of the State supplementary payment increases to \$150.65 a month.

Department Comments:

The Department of Human Services (DHS) has estimated the cost of the legislation at approximately \$165,400 (half year), \$349,800 and \$389,300, respectively, in each of the next three fiscal years. The Office of Management and Budget (OMB) has estimated the cost of the legislation at approximately \$189,100 (half year), \$399,800 and \$444,900, respectively, in each of the next three fiscal years. The difference between the two estimates is the inclusion of Lifeline benefits in the OMB estimates. The estimates assume between 7,000 and 7,200 SSI recipients in RHCFs and that the annual percentage increase will be between 3.0% and 3.4%.

Office of Legislative Services Comments:

The DHS and OMB estimates are reasonable given the following uncertainties:

- C The number of SSI recipients that reside in an RHCF will vary from month to month and may exceed or be less than the number estimated by DHS and OMB.
- C The annual percentage increase in SSI benefits may exceed or be less than the percentage increase estimated by DHS and OMB.
- C Recently enacted federal welfare reform legislation, "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996," will terminate SSI benefits to certain SSI recipients who are legal aliens. While this could reduce the cost of this legislation, any legal aliens that are terminated from SSI might be qualify for assistance under the General Assistance program which would increase total costs as the State would have to pay the entire cost of assistance in a RHCF without any federal SSI benefits. The number of legal aliens who reside in a RHCF and who receive SSI is not known. Similarly, how many might apply for General

Assistance is not known.

Finally, it is noted that the State is the legal guardian for certain SSI recipients who are developmentally disabled and receive residential services from DHS. In such situations, the State is the representative payee for any SSI benefits received by such developmentally disabled clients and the State will recover any SSI benefits in excess of the cost of residential services and the amount of funds the client receives or is allowed to retain. Based on information provided by the DHS and OMB with respect to Senate, No. 613, the State may recover about one-third of its expenditures. This would reduce the total cost of the legislation as estimated by DHS and OMB.

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