

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1786

STATE OF NEW JERSEY

DATED: JANUARY 14, 1997

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1786 of 1996.

Senate Bill No. 1786 amends budget language in the FY 1997 appropriations act to require that the \$225 Lifeline Credit benefit and the Tenants' Lifeline Assistance benefit be distributed during the October - March heating season, instead of being distributed throughout the year.

The bill also clarifies the intent that applications for the "Pharmaceutical Assistance to the Aged and Disabled" program and the two Lifeline programs may continue to be combined.

Finally, the bill deletes budget language concerning the two Lifeline programs from the Grants-In-Aid section of General Fund appropriations in the FY 1997 appropriations act since no General Fund moneys were appropriated for grants in the two Lifeline programs.

The Lifeline Credit Program provides combined gas and electric utility credits of up to \$225 a year to State residents who are eligible for pharmaceutical assistance to the aged and disabled, supplemental security income, Medicaid only, or Lifeline only. The Tenants' Lifeline Assistance Program provides a cash payment of up to \$225 a year to tenants who would be eligible for the Lifeline Credit Program except for the fact that they do not pay their own utility bills. Persons receiving supplemental security income (SSI) who are eligible for these programs receive monthly utility supplements totaling \$225 a year included in their SSI checks.

FISCAL IMPACT

The FY 1997 appropriations act appropriated \$35,322,000 for the Lifeline Credit Program and \$40,938,000 for the Tenants' Lifeline Assistance Program, for a total Lifeline appropriation of \$76,260,000. For FY 1997, approximately 179,440 Lifeline recipients are affected by this bill; as of the date of this statement, 115,440 recipients have already received their payments, 64,000 will receive their payments between now and June 30, 1997. According to the Department of Health, a savings to the State of \$200,000 annually was anticipated from the combination of PAAD and Lifeline applications and distribution of payments throughout the year; benefit requirements and amount were not changed.