

NEW YORK STATE

DEPARTMENT OF SOCIAL SERVICES

40 NORTH PEARL STREET, ALBANY, NEW YORK 12243

BARBARA B. BLUM  
Commissioner



July 24, 1981

Re: Senate 4659-C  
Ten Day Bill

Dear Mr. McGoldrick:

Your office has requested this Department's comments on the above-referenced bill, which is before the Governor for signature.

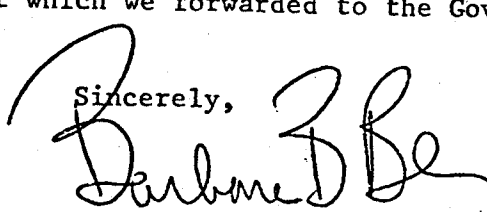
Senate 4659-C, which was this Department's 1981 Legislative Proposal #5RRR, would clarify provisions of law which relate to the supply and termination of gas and electricity to recipients of public assistance, supplemental security income benefits and additional State payments.

The Department's proposal was modified in this bill to require that in the case of payments subject to recoupment, that the social services official determine before making payment whether the recipient is entitled to a grant which could be utilized to cover all or a portion of the amount to be advanced. Additionally, in the case of recipients whose benefits have ceased and for whom a guarantee of payment has been provided, the social services official is required to notify the gas corporation, electric corporation or municipality of the cessation within a specified time period. The original terms and conditions of such guarantee would then remain in effect only to the end of the month in which notice is given.

Enclosed is the memorandum in support which we forwarded to the Governor's Counsel's Office with Proposal #5RRR.

Enclosure

Sincerely,

  
Barbara B. Blum  
Commissioner

Honorable John G. McGoldrick  
Counsel to the Governor  
Executive Chamber  
The Capitol  
Albany, New York 12224

REFER: David P. Glasel  
Deputy Commissioner and General Counsel  
New York State Department of Social Services  
40 N. Pearl Street, Albany, New York 12243

2/26/81

Senate No. \_\_\_\_\_

Assembly No. \_\_\_\_\_

M E M O R A N D U M

AN ACT to amend the social services law, the public service law and the transportation corporations law, in relation to the supply of gas and electricity to recipients of public assistance benefits, supplemental security income benefits or additional state payments and to repeal section thirteen of the transportation corporations law relating thereto

1. Purpose: Would clarify provisions of law which relate to the supply and termination of utility service to applicants for or recipients of public assistance, supplemental security income benefits and additional state payments.
2. Summary of provisions: In order to accomplish the above-stated purpose, a new Section 131-p would be added to the Social Services Law, Sections 65-a and 65-b would be added to the Public Service Law, Sections 12 and 15 of the Transportation Corporations Law would be amended and Section 13 of such Law would be repealed.
3. Existing law: Sections 12, 13 and 15 of the Transportation Corporations Law relate to supplying gas and electric service to recipients of public assistance and SSI benefits and additional state payments and to discontinuance of such service for non-payment of bills.
4. Statement in support: Department of Social Services policy as set out in Part 352.7 of its regulations has been to guarantee future utility payments by recipients of public assistance and/or to provide a payment for services already furnished, for a period not in excess of the four month period immediately preceding the date of application for such a payment. Recent court decisions have interpreted the provisions of the Transportation Corporations Law in such a manner that the State Department of Social Services could be required to pay all arrearages incurred by a public assistance recipient regardless of when such arrearages were incurred. See particularly Rivera v. Berger, 89 Misc. 2d 586, 390 N.Y.S. 2d 537 (S. Ct., Westchester County, 1976), affirmed, 50 A.D. 2d 605 (2d Dept., 1977), appeal dismissed, 44 N.Y. 2d 731 (1978) and leave to appeal denied, 44 N.Y. 2d 642 (1978). This proposal would make clear that the social services district would only be responsible for a payment for utility arrearages incurred for the most recent four month period of service provided within the most recent ten months prior to an application for such a payment by a recipient of public assistance, supplemental security income benefits or additional state payments, plus the month for which timely payment may still be made. The prohibition against any payments made by the social services official for services rendered more than ten months prior to the application for payment would encourage utility corporations to monitor more closely its accounts.

5. Budget implications: If enacted, the proposed legislation would add a new section, to be designated Section 131-p, to the Social Services Law. This new section would provide that a local social services district may make payment on behalf of an applicant/recipient for public assistance who has utility payment arrears and is threatened with service termination due to those arrears. The bill provides the following distinction: for a recipient of public assistance, the payment may be made for any four months of arrears amassed during the ten (10) month period immediately preceding the application for such a payment; but, for an applicant the payment may be made only for the four (4) month period immediately preceding application for assistance.

The fiscal impact of enactment of the proposal is estimated as follows:

	<u>Thousands \$</u>			
	<u>Gross</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>
Annual Basis	-\$350	-\$140	-\$105	-\$105

Since utility corporations deal primarily in electricity and natural gas — the price of which has remained stable compared to fuel oil — it is not anticipated that there will be an increased incidence of utility arrears resulting from the provisions of the proposal.