

44.8-110.1

LEGISLATIVE HISTORY CHECKLIST
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(Attorneys fees-SSI)

NJSA: 44:8-110.1

LAWS OF: 1996 CHAPTER: 65

BILL NO: S1010

SPONSOR(S): Martin

DATE INTRODUCED: March 21, 1996

COMMITTEE: ASSEMBLY: ---

SENATE: Judiciary

AMENDED DURING PASSAGE: No

DATE OF PASSAGE: ASSEMBLY: May 30, 1996

SENATE: May 16, 1996

DATE OF APPROVAL: July 12, 1996

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: No

SENATE: Yes

FISCAL NOTE: Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:
REPORTS: No

HEARINGS: No

KBP:pp

P.L. 1996, CHAPTER 65, *approved July 12, 1996*
Senate No. 1010

1 AN ACT concerning attorney fees and supplementing Title 44 of the
2 Revised Statutes.

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. The Division of Family Development in the Department of
8 Human Services shall disburse funds from the Payments to
9 Municipalities for Cost of General Assistance fund for fees to an
10 attorney or a legal entity providing legal services who represents a
11 recipient of public assistance pursuant to P.L.1947, c.156 (C.44:8-107
12 et seq.) in an appeal of a claim for federal Supplemental Security
13 Income benefits pursuant to the federal Social Security Act, Publ.92-
14 603 (42 U.S.C.§1381 et seq.), if the appeal is decided in favor of the
15 recipient. The fees to the attorney or legal entity providing legal
16 services shall be a fixed amount set by the rules and regulations
17 promulgated by the Commissioner of Human Services.

18 The disbursement shall not be made unless a petition and a copy of
19 the favorable decision is submitted by the attorney or by the legal
20 entity providing legal services to the Division of Family Development
21 within 60 days of the date of receipt of the favorable appeal
22 decision. The disbursement of the fees to the attorney or to the
23 legal entity providing legal services shall be made within 30 days of
24 the date of the submission by the attorney of the required information.

25
26 2. The Division of Family Development shall reduce the amount of
27 Payments to Municipalities for Cost of General Assistance funds
28 otherwise obliged to be paid to the municipal welfare department as
29 reimbursement for the public assistance provided while the
30 Supplemental Security Income claim was appealed by the fixed fee
31 amount disbursed to the attorney or to the legal entity representing
32 the recipient of public assistance from that municipal welfare
33 department.

34
35 3. The Commissioner of the Department of Human Services shall
36 promulgate rules and regulations pursuant to the "Administrative
37 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate

1 the purposes of this act.

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3 4. This act shall take effect on the 60th day following enactment.

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STATEMENT

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8 The bill would require that the Division of Family Development in
9 the Department of Human Services pay the fees of attorneys or any
10 legal entity, such as Community Health Law Project, which represent
11 recipients of public assistance in successful appeals of claims for
12 federal Supplemental Security Income (SSI) benefits. The bill
13 provides that the fee paid would be an amount fixed by rules and
14 regulations promulgated by the Commissioner of Human Services.

15 Funding for the payment of these fees would be disbursed from the
16 Payments to Municipalities for Cost of General Assistance fund. This
17 SSI payment is made to the municipal welfare department pursuant to
18 a contract between the federal Department of Health and Human
19 Services and the State and is reimbursed to the municipal welfare
20 department for the public assistance provided while the SSI claim was
21 being appealed.

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26 Provides for attorneys' fees in SSI claim appeals.

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SENATE JUDICIARY COMMITTEE

STATEMENT TO

SENATE, No. 1010

STATE OF NEW JERSEY

DATED: MAY 2, 1996

The Senate Judiciary Committee reports favorably Senate Bill No. 1010.

This bill would require that the Division of Family Development in the Department of Human Services pay the fees of attorneys or any legal entity, such as the Community Health Law Project, which represents recipients of public assistance in successful appeals of claims for federal Supplemental Security Income (SSI) benefits. The bills provide that the fee paid would be an amount fixed by rules and regulations promulgated by the Commissioner of Human Services.

Funding for the payment of these fees would be disbursed from the Payments to Municipalities for Cost of General Assistance fund. This SSI payment is made to the municipal welfare department pursuant to a contract between the federal Department of Health and Human Services and the State and is reimbursed to the municipal welfare department for the public assistance provided while the SSI claim was being appealed.

LEGISLATIVE FISCAL ESTIMATE TO

SENATE, No. 1010

STATE OF NEW JERSEY

DATED: June 7, 1996

Senate Bill No. 1010 of 1996 would require that the Division of Family Development (DFD) in the Department of Human Services pay the fees of attorneys or any legal entity, such as the Community Health Law Project, who represent recipients of public assistance in successful appeals of claims for federal Supplemental Security Income (SSI) benefits. The bill provides that the fee paid would be an amount fixed by rules and regulations promulgated by the Commissioner of Human Services.

Funding for the payment of these fees would be disbursed from funds in the State Aid account titled "Payments to Municipalities for Cost of General Assistance," that are otherwise obligated to be paid to municipal welfare departments as reimbursement for public assistance provided to individuals awaiting SSI claim appeals. This funding is provided through a contractual agreement between the federal Social Security Administration and the State.

The Office of Legislative Services cannot estimate the bill's fiscal impact because an estimate of the increase in the number of public assistance recipients who would seek legal services in SSI appeals due to this bill is not readily available and the amount of the fee that would be paid to attorneys for successful appeals is unknown. However, some observations can be noted. For several fiscal years, the State budget has appropriated funds to the DFD to contract with the Community Health Law Project to provide legal representation to General Assistance recipients who are appealing a denial of SSI benefits. These funds are as follows: FY 1995 - \$101,000, FY 1996 - \$116,000, and FY 1997 - \$116,000 (recommended). The average cost is approximately \$1,100 per case, regardless of the outcome of the appeal.

As to the fiscal impact of the bill, the municipal welfare departments would face a reduction in reimbursement funds received from the DFD for assistance granted to individuals while awaiting the appeal of a claim for SSI benefits. This reduction would be a per case amount equal to the fee paid to the attorney or legal entity providing legal services, as set by the Commissioner of Human Services. However, this bill could provide an incentive for increased attorney representation of public assistance recipients and thus possibly enable a larger number of public assistance recipients to receive SSI benefits and leave the municipal welfare rolls. Nonetheless, while State costs for GA benefits may be reduced, the State's share of Medicaid costs

incurred by persons who become eligible for SSI benefits, and thus Medicaid, may exceed any GA savings the State may realize.

The legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

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