

1 House BILL NO. 825
2 INTRODUCED BY Richard Pistoria

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT SUBROGATING THE RIGHT
5 OF THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO
6 REPAYMENT OF INTERIM GENERAL RELIEF ASSISTANCE PROVIDED TO
7 PERSONS WHO BECOME ELIGIBLE FOR SUPPLEMENTAL SECURITY INCOME
8 BENEFITS; PROHIBITING THE DEPARTMENT FROM CONTRACTING FOR
9 CERTAIN LEGAL SERVICES TO GENERAL RELIEF RECIPIENTS;
10 AMENDING SECTION 53-3-207, MCA; AND PROVIDING AN EFFECTIVE
11 DATE."

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13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 Section 1. Section 53-3-207, MCA, is amended to read:
15 "53-3-207. Application for other state and federal
16 programs -- interim relief -- subrogation of department to
17 receipt of federal payments. (1) General relief is available
18 to a recipient to the extent such relief is not duplicative
19 of resources or benefits reasonably available to the
20 recipient.

21 (2) If other federal or state programs of assistance
22 are reasonably available to meet the needs of a household,
23 an applicant must apply for those programs before general
24 relief may be provided. A household may be provided general
25 relief after initial application for other programs of

1 assistance. If denied such other assistance, the applicant
2 must pursue available administrative appeals for those
3 programs to the final administrative appeal level. If the
4 applicant becomes eligible for other assistance covering the
5 same period of time that interim general relief is provided,
6 such interim relief must be repaid to the department or
7 offset from lump sums or retroactive payments from other
8 programs of assistance.

9 (3) To the extent necessary for repayment of interim
10 general relief provided to an applicant, the department is
11 subrogated to the right of an attorney to recover from the
12 federal government the costs of providing the applicant
13 legal assistance in obtaining eligibility for supplemental
14 security income under Title XVI of the Social Security Act.

15 NEW SECTION. Section 2. Prohibited contracts. The
16 department of social and rehabilitation services may not
17 contract with any agency, organization, or person to provide
18 general relief recipients legal assistance in obtaining
19 supplemental security income benefits from the federal
20 government.

21 NEW SECTION. Section 3. Extension of authority. Any
22 existing authority of the department of social and
23 rehabilitation services to make rules on the subject of the
24 provisions of this act is extended to the provisions of this
25 act.



-2- INTRODUCED BILL
HB 825

LC 0507/01

1 Section 4. Codification instruction. Section 2 is
2 intended to be codified as an integral part of Title 53,
3 chapter 3, part 2, and the provisions of Title 53, chapter
4 3, part 2, apply to section 2.

5 NEW SECTION. Section 5. Effective date. This act is
6 effective July 1, 1987.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB825, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act subrogating the right of the Department of Social and Rehabilitation Services to repayment of interim general relief assistance provided to persons who become eligible for Supplemental Security Income (SSI) benefits; prohibiting the Department from contracting for certain legal services to general relief recipients; amending section 53-3-207, MCA; and providing an effective date.

ASSUMPTIONS:

1. The proposed legislation will have the immediate fiscal impact of reducing operating expenses in the budget of the Department of Social and Rehabilitation Services by \$50,000 each year.
2. The expenditure level is drawn from the executive budget request.
3. Long-term general assistance and state medical costs could outstrip initial expenditure reductions (see long-term effects).

FISCAL IMPACT:Expenditures:

FY88/89

	<u>Current Law</u>	<u>Proposed Law</u>
Contracted Services	\$50,000	\$ 0

Funding:

General Fund	\$50,000	\$ 0
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<u>Net impact to general fund:</u>		\$ 50,000
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LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

If general assistance clients who are currently served under the existing SRS contract to aid them in obtaining federal disability income and medical benefits were to retain private legal counsel for the same services, this bill would produce a net general fund savings of \$50,000 each year of the biennium. However, if such GA clients were unaware of, or unable to obtain private legal counsel to aid them in obtaining such benefits, costs to the general fund could increase by \$262,500 in general assistance benefits over the biennium. This estimate does not include the cost of state medical benefits that SSI-related GA recipients could incur also. The estimated savings of \$262,500 is carried forward from projected savings of the existing contract activities from the beginning of FY86 to February 10, 1987.

David L. Hunter DATE 2/24/87
DAVID L. HUNTER, BUDGET DIRECTOR

Office of Budget and Program Planning

Mac McCormick DATE _____
MAC MCCORMICK, PRIMARY SPONSOR

Fiscal Note for HB825, as introduced.HB 825

APPROVED BY COMM. ON
HUMAN SERVICES AND AGING

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2 INTRODUCED BY MCCORMICK, PISTORIA

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