



# **Independent Democratic Conference**

**Affordable NY:  
Making New York More Affordable for Our Seniors**

**March 2014**

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## **1. Executive Summary**

In December 2013, Senator Jeffrey D. Klein and the Independent Democratic Conference (IDC) introduced its 2014 budget and legislative agenda: Affordable NY. This agenda demonstrates the IDC's commitment to working families. The Affordable NY 2014 proposals include: guaranteeing working parents six weeks of family leave insurance; launching Mitchell Lama 2020; fully funding critical day care subsidies; encouraging college graduates to "study and stay;" making college more affordable for students and parents; and providing financial relief for seniors. On March 14<sup>th</sup>, the Senate passed its one-house budget resolution adopting all of these proposals.

This report focuses on the much needed financial relief specifically related to seniors. The current population of New Yorkers over the age of 65 stands at approximately 2.6 million, and is expected to rise to 4.6 million by the year 2040.<sup>1</sup> Unfortunately, our seniors have been forced to rethink their future retirement, as have New Yorkers who are on the cusp of their golden years. Many seniors rely on fixed incomes, receiving on average \$1,228.25 in monthly Social Security benefits.<sup>2</sup> Economic events of recent years have left millions of seniors with higher expenses, lower incomes and depleted savings. The inherent challenges of living on a fixed income are compounded by New York's high cost of living, forcing seniors to make painful decisions about where their money would be best spent.

No one should have to choose between their quality of life and health. That is why during this year's budget and legislative session, the IDC will fight to enact Affordable NY proposals intended to provide struggling seniors with short-term and long-term relief. When enacted, these proposals will provide deserving aid to thousands of seniors across the state, including: (i) assistance with rising prescription medication costs for more seniors through an expansion of the Elderly Pharmaceutical Insurance Coverage (EPIC) Program; (ii) a paid family leave benefit, which will provide new parents and individuals caring for a seriously ill relative, with a weekly benefit while on a work leave so they can afford care for their family; (iii) effective advocacy through the creation of an Independent Consumer Advocate to prevent unscrupulous overcharging by utility providers; (iv) additional investment in community services for seniors and their caregivers; (v) assistance with rising rents through an expansion of the Senior Citizen Rent Increase Exemption (SCRIE) program; and (vi) discounts on driver's licenses for seniors.

These proposals grew out of an anonymous on-line survey conducted by the IDC in early January 2014. Our office worked with seniors ages 50 and above to administer the survey throughout the state, which allowed New York's seniors to tell us what their issues and concerns are. By obtaining a deeper understanding of the worries of our senior population, we can more effectively and efficiently distribute resources and implement policies to help them.

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<sup>1</sup> See New York State Office of the Aging data, available at <http://www.aging.ny.gov/ReportsAndData/CountyDataBooks/01NYS.pdf>.

<sup>2</sup> See, Social Security Administration, Monthly Statistical Snapshot, December 2013, available at: [http://www.ssa.gov/policy/docs/quickfacts/stat\\_snapshot/](http://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/)

### **Key Facts and Findings**<sup>3</sup>

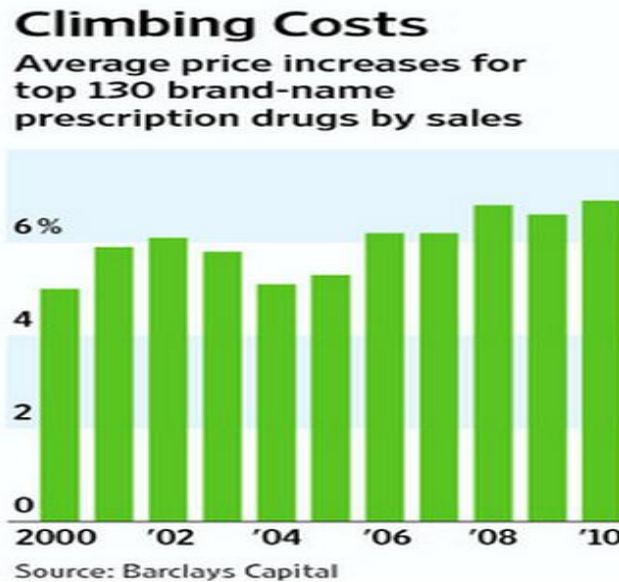
- **70% of seniors live on a fixed income**
- **Of those seniors living on fixed incomes, 16% live on a fixed income of \$0-\$20,000, 40% live on \$20,001-\$50,000, 19% live on \$50,001-\$75,000, and 11% live on \$75,001-\$100,000**
- **29% of seniors spend \$50-\$100 per month on prescription drugs and 16.5% spend \$101-\$200 per month**
- **67% of seniors spend more than \$200 per month of utilities (e.g., water, cable, gas, electric)**
- **37% of seniors describe the cost of their utilities as Very Expensive and 40% as Expensive**
- **68% of seniors are NOT familiar with how utility rates are set**
- **88% of seniors think they should receive more financial assistance from New York State in order to pay their utility bills**
- **96% of seniors DO NOT think their voice is being heard when it comes to setting utility rates in New York**
- **93% of seniors support the creation of a Statewide Consumer Advocate Office to help protect them in rate proceedings**

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<sup>3</sup> The “Are Prescription Drug and Utility Costs Rising Out of Control For You?” survey is an 11-question survey for seniors aged 50 and above throughout the State. The survey was designed to assess just how much the cost of prescription drugs and utility bills impact New York seniors. The survey is anonymous, allowing seniors to answer questions candidly. As of January 9, 2014, 1,812 seniors from across New York State responded to the survey.

## 2. The Rising Costs of Prescription Drugs and New York's EPIC Program

In 2012, prescription medication prices rose 3.6%, twice the 1.7% inflation rate.<sup>4</sup> The chart below demonstrates the steady increase in costs of brand name prescription drugs from 2000-2010:



These increases are extremely problematic considering the vast majority of seniors in New York are living on fixed incomes. In the recently-conducted IDC survey, we discovered that 70% of respondents are currently living on a fixed income. Of those living on fixed incomes, 16% lived on \$0-\$20,000, 40% lived on \$20,001-\$50,000, 19% lived on \$50,001-\$75,000, and 11% lived on \$75,001-\$100,000.

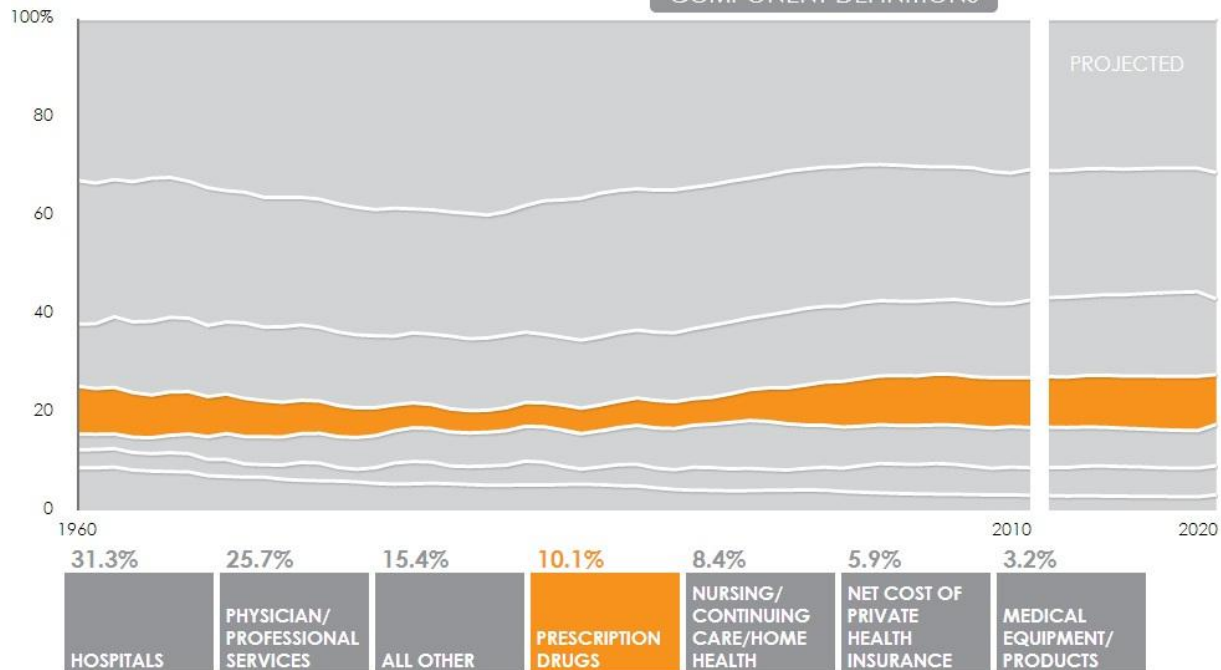
It is difficult to combat the extremely profitable prescription drug business, which has been expanding significantly in recent years. In fact, prescription drugs are expected to account for 10.1% of national health expenditures by 2021. The following charts depicts the rise of the prescription drug business as compared to other components of healthcare:

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<sup>4</sup> Dennis Cauchon, "Drug prices jump again while other health costs decline: The upward trend in the price of prescription drugs is in sharp contrast to other health costs," USA Today, February 2013, available at <http://www.usatoday.com/story/news/nation/2013/02/13/price-of-a-prescription-rising-again/1918099/> (citing the Bureau of Economic Analysis).

## THE COMPONENTS OF NATIONAL HEALTH EXPENDITURES

Slide chart to see



Source: AHIP Coverage, available at <http://www.ahipcoverage.com/2013/02/14/usa-today-prescription-drug-costs-rising-at-twice-the-rate-of-inflation/>.

New York seniors deserve relief from these rising prescription medication costs. Roughly 562,000 of New York's seniors live under 150% of the federal poverty line (\$17,235/one person) and more than 814,000 under 200% (\$22,980/ one person).<sup>5</sup> Sadly, even these numbers do not tell the whole story; in the absence of federal social security benefits, over 42% of New York States' seniors would live below the poverty line (\$11,490/one person). In New York City the numbers are worse, with 22% of seniors living at or below the federal poverty line, even with social security. Such circumstances make it extremely difficult for seniors, and many find themselves picking and choosing between many of life's necessities.

In fact, many seniors choose not to fill or renew prescriptions because they simply cannot afford to. The IDC is more than aware of these challenges facing our New York seniors, and is addressing them in its Affordable New York agenda. As detailed below, to make New York more affordable for seniors to live out their retirement years, Senator Jeffrey D. Klein and the IDC are advancing in this year's budget a proposal to expand the EPIC program, which currently assists more than 270,000 income-eligible seniors age 65 and older to supplement their out of pocket Medicare Part D drug plan costs.<sup>6</sup> This legislation will lessen the harsh economic impact that prescription drug prices have on seniors.

<sup>5</sup> See New York State Office of the Aging, available at <http://www.aging.ny.gov/ReportsAndData/CountyDataBooks/01NYS.pdf>.

<sup>6</sup> See New York State Department of Health, available at [http://www.health.ny.gov/health\\_care/epic/](http://www.health.ny.gov/health_care/epic/).

### *The EPIC Program*

Qualification for the EPIC Program is based on income, most enrollees are middle class, middle income residents, however, in some cases enrollees do tend to be lower class. Eligible seniors may apply for EPIC at any time during the year; however, they must be enrolled, or eligible to be enrolled in a Medicare Part D drug plan in order to receive and maintain EPIC benefits.

Medicare Part D is a federal program to subsidize the costs of prescription drugs for Medicare beneficiaries in the United States. It is the primary drug coverage for EPIC members, while EPIC provides secondary coverage.

EPIC is available to New York State residents age 65 or older who meet the income requirements: up to \$35,000 for single seniors, and \$50,000 in joint income for married individuals. Seniors who receive full Medicaid benefits are not eligible for the program. EPIC offers two plans based on a sliding scale of income and marital status — the Fee Plan and the Deductible Plan. The Fee Plan is available to seniors with lower incomes, charging an annual fee (from \$8 to \$300 per member) and then requiring only a co-payment that ranges from \$3 to \$20 for prescription drugs. The Deductible Plan is available to seniors with higher incomes than those in the Fee Plan. Instead of paying an annual fee, seniors have to meet an annual deductible based on their income (from \$530 to \$1,715 per person). Once the deductible is satisfied, seniors are charged only co-payments for their drugs.

Based on the New York State Department of Health's latest Annual Report to the Governor and Legislature (October 2009 to September 2010), EPIC has provided prescription drug support to more than 911,000 low and moderate income seniors since its inception in 1987, with EPIC pharmacy payments totaling over \$7.0 billion. The report noted that EPIC participants purchased prescriptions at an average annual cost of \$3,050 per year and saved \$2,721 (89 percent) after paying EPIC co-payments and deductibles.

Although these figures represent the effectiveness of the EPIC program, they also show that only about 35% of seniors in New York have received assistance. The IDC is advancing in this year's budget a proposals to expand the EPIC program to ensure that thousands of more seniors who are living on fixed incomes can afford to obtain their necessary prescription drugs, all at a minimal cost to the state.

### **3. The IDC's Plan to Expand EPIC and Include Middle Income Seniors**

Currently, the eligibility requirements for EPIC are capped at \$35,000 for an individual and \$50,000 for a married couple. While a 65-70% increase in income eligibility requirements would only cost the state \$1.84 million more than it did last year, coverage can easily be further expanded to assist a greater percentage of New York seniors.

That is why the IDC is advancing in this year's budget to expand the income threshold to \$75,000 for an individual enrollee and \$100,000 for married enrollees and exclude social security income from the income calculations. Based on a recent fiscal analysis prepared by the New York State Department of Health for the IDC, this expansion will help thousands of individuals at an added cost of only \$2.06 million in 2014-2015 and \$4.12 million for 2015-

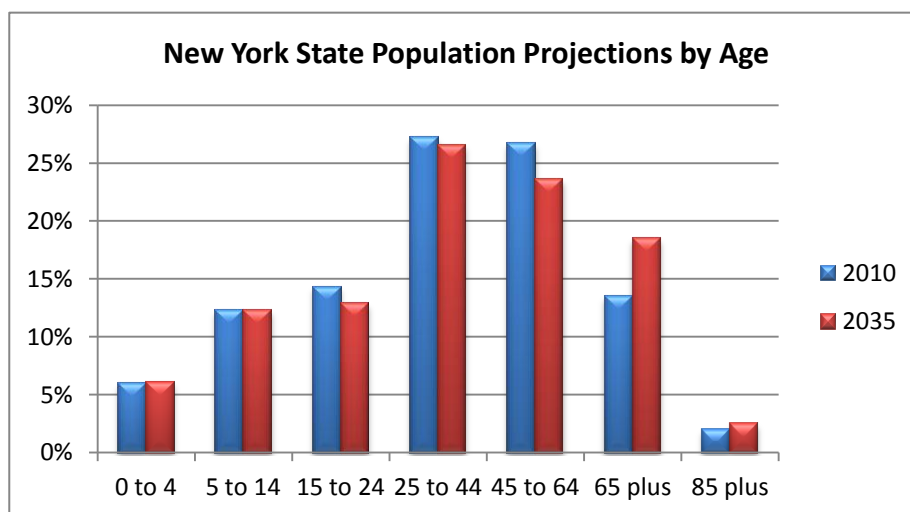
2016. Additionally, the IDC is advancing in this year's budget a proposal to exclude social security payments from determining income thresholds under EPIC.

This expansion is absolutely necessary to help senior citizens in New York afford their prescription medication during a time where the prices are double the inflation rate. The cost is widely regarded as the most expensive component in the provision of health care services for seniors; it is therefore incumbent upon the Legislature to assist the state's elderly citizens in purchasing prescription drugs. It's time for New York's seniors to focus on what matters most; their quality of life, their family, and making the most of their retirement.

#### **4. Caring for New York's Elderly—How the IDC's Paid Family Leave Plan and Medical Leave System Can Make Senior Care More Affordable for Middle Class Families**

The economic situation of New York's families is strained when one considers the cost of caring for older family members. The State's elderly population is rapidly increasing for two reasons. First, Americans' life expectancy dramatically increased in recent years. Individuals at 65 can now expect to live 19 more years, an increase of 5 years from 1960.<sup>7</sup> Second, due to the mid-20<sup>th</sup> century Baby Boom there are more older adults than ever before. By 2030 one in five Americans will be an older adult (65 and older).<sup>8</sup>

New York State will not escape this rising demographic tide. In 2010, individuals 65 and older made up 14% of the State's population. However, by 2035, Cornell University projects this percentage will balloon to 19%.<sup>9</sup> This increase will result in an exponentially larger number of senior health issues confronting our families.



Source: Cornell Program on Applied Demographics

<sup>7</sup> Federal Interagency Forum on Aging-Related Statistics, *Older Americans 2012: Key Indicators of Well-Being*, June 2012, 24, [http://agingstats.gov/agingstatsdotnet/Main\\_Site/Data/2012\\_Documents/Docs/EntireChartbook.pdf](http://agingstats.gov/agingstatsdotnet/Main_Site/Data/2012_Documents/Docs/EntireChartbook.pdf).

<sup>8</sup> CDC, *The State of Aging and Health in America 2013*, 1.

<sup>9</sup> Cornell Program on Applied Demographics, *New York State and County Population Projections by Age and Sex*, Cornell University, <http://pad.human.cornell.edu/counties/projections.cfm>.



As is the case currently, much of this care will be provided by family members themselves. Progressively more seniors choose to live in their familiar communities instead of healthcare institutions. **Only 11% of elderly receiving care live in nursing homes or assisted living facilities.**<sup>10</sup> **This is compared to the 58% who live in their own homes, and 20% living with a caregiver.** These numbers indicate that family caregivers are at the forefront in providing elderly care.

Such caregiving is increasingly crucial because the reliance on formal care support is in decline. According to AARP, the number of seniors receiving formal care decreased sharply between 1994 and 2004 with average weekly care duration falling from 10 to 4.9 hours.<sup>11</sup> This decrease is primarily attributed to Medicare payment alterations, which raised formal care costs. AARP notes that “reliance on informal family caregivers is likely to increase even further as future changes take effect”.<sup>12</sup>

New York’s 4.1 million caregivers make up a sizeable contingent of the nation’s caregivers. In fact, one in five New Yorkers (21%) assume this role at some point in their lives. These people diligently support their elderly family members, providing care that is both critical and time-consuming. Annually, these caregivers engage in 2.68 million hours of care, resulting in a total economic value of \$32 million.<sup>13</sup>

According to a recent survey of New Yorkers over 50, over a third of individuals are providing or previously provided care to a senior.<sup>14</sup> This was particularly time intensive with 25% of individuals saying they provided 40 or more hours of care each week. The large majority of individuals (59%) engaged in such care outside of their job.

Caring for the elderly does not only cost families time. The monetary expenses associated with caregiving are extremely high. A study of family caregivers nationwide discovered it costs individuals \$5,531 annually.<sup>15</sup> The figure below breaks this cost down into specific categories. “Medical expenses” along with “food, meals, and household goods” are the biggest cost drivers.

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<sup>10</sup> Emblem Health and the National Alliance for Caregiving, “Care for the Family Caregiver: A Place to Start,” March 2010, 14, [http://www.caregiving.org/data/Emblem\\_CfC10\\_Final2.pdf](http://www.caregiving.org/data/Emblem_CfC10_Final2.pdf).

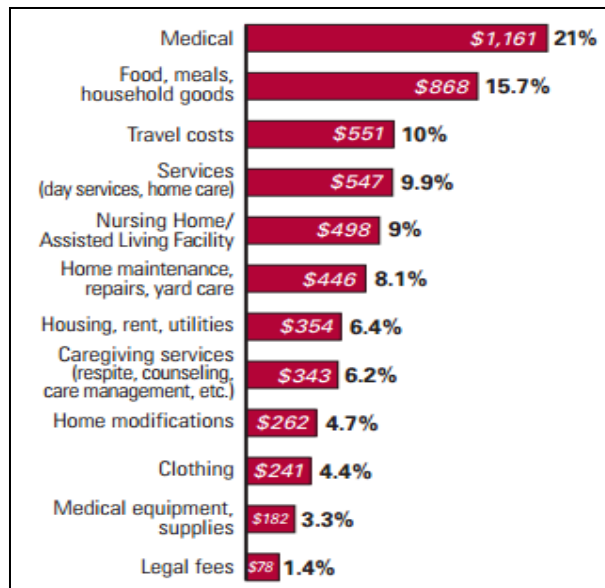
<sup>11</sup> Ari Houser, Mary Jo Gibson, and Donald L. Redfoot, “Trends in Family Caregiving and Paid Home Care for Older People with Disabilities in the Community,” *AARP Public Policy Institute*, September 2010, 36, <http://assets.aarp.org/rgcenter/ppi/lrc/2010-09-caregiving.pdf>.

<sup>12</sup> *Id.*, 37.

<sup>13</sup> *Id.*, 27.

<sup>14</sup> Cassandra Burton, “2013 AARP Survey of Registered Voters Age 50+ in New York on Caregiving and Home and Community-Based Services,” *AARP*, August 2013, [http://www.aarp.org/content/dam/aarp/research/surveys\\_statistics/general/2013/2012-ny-caregiving-and-hcbs-aarp-pol.pdf](http://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2013/2012-ny-caregiving-and-hcbs-aarp-pol.pdf)

<sup>15</sup> Evercare and the National Alliance for Caregiving, *Family Caregivers – What They Spend, What They Sacrifice: Findings from a National Survey*, November 2007, 16, [http://www.caregiving.org/data/Evercare\\_NAC\\_CaregiverCostStudyFINAL20111907.pdf](http://www.caregiving.org/data/Evercare_NAC_CaregiverCostStudyFINAL20111907.pdf).



Source: Evercare and NAC, *Study of Family Caregivers*, 2007.

As with child care, these expenses act as a drain on household income. Many must cut back on goods or activities they would otherwise purchase. For others, this cost means forgoing the payment of certain bills, and badly damaging their credit in the process. This underscores the fact that caregivers are often placed in a no win situation; lacking the formal support necessary to fully meet their needs. **Currently in New York there is no mechanism to provide economic relief to workers who need to provide care for their parents, grandparents or in-laws. That is why the IDC is fighting for Family Leave Insurance.**

The IDC proposal would extend 6 weeks of Family Leave benefits to New Yorkers. Individuals would qualify for such benefits to care for a family member suffering from a serious illness or disability. This includes a child, spouse, domestic partner, parent, grandchild, grandparent, or one's in-laws.

Additionally, this weekly Family Leave benefit will increase each year ensuring that the program will not weaken in relation to the economy at large. Eligible employers may capture 50% of their weekly wages, up to a maximum associated with the State Average Weekly Wage (AWW).<sup>16</sup> This figure is calculated by the State Department of Labor. As it is an average of all employees in New York, the AWW will rise as general wages do.

In 2015, the first year of the program, the maximum family leave benefit will be 35% of AWW. The next year this will rise five percent to 40% of AWW. The final step up in 2017 will be 50% of AWW. Following this year, the maximum weekly benefit will remain at this percentage of AWW. Currently this figure stands at \$1,204.81. Assuming an average inflation rate of 3.2%, this will amount to maximum weekly benefits of the following amount:

<sup>16</sup> New York State Department of Labor, *New York State Average Weekly Wage*, [http://labor.ny.gov/stats/avg\\_wkly\\_wage.shtm](http://labor.ny.gov/stats/avg_wkly_wage.shtm).

**2015: \$449.10**  
**2016: \$529.68**  
**2017: \$683.29**  
**2018: \$705.16**

This replacement wage will make it possible for New York families to care for their families. Individuals will not only be able to afford their regular bills, but those costs associated with a new child or ill relative. Enacting this benefit means it will not be necessary for New Yorkers to make the painful choice between caring for their family and working.

## **5. Providing Private Caregivers with Fair and Adequate Resources**<sup>17</sup>

Just recently, AARP New York, the New York State Caregiving & Respite Coalition and the Council of Senior Centers and Services of New York City, Inc. released a report emphasizing the need for additional help for family caregivers in New York.<sup>18</sup> According to the report, New York ranks 48<sup>th</sup> in providing support to the over 4 million unpaid caregivers who deliver an estimated \$32 billion per year in care to loved ones, oftentimes older relatives.<sup>19</sup> According to the New York State Office for the Aging (SOFA), unpaid caregivers provide the majority of all long-term care services to older adults and individuals with disabilities.<sup>20</sup> SOFA estimated that without support of these unpaid caregivers, over 50% of older residents would likely be placed in institutional settings, like nursing homes, that are funded largely by taxpayers through the Medicaid programs.<sup>21</sup>

The IDC is well aware of the issues facing family caregivers and is committed in fighting for additional funding to be provided to SOFA for cost-effective non-Medicaid-funded caregiving assistance services. These individuals assistance services fall under SOFA's Community Services for the Elderly (CSE) program. The CSE program was designed to improve cooperation and coordination among providers of community services to assist frail people who need help in order to remain in their homes and participate in family and community life. The CSE program is a flexible program offering services to meet the unique needs of senior citizens throughout the state. Some of these services include: case management, personal care, home delivered meals, nutrition education and counseling, information and assistance, social adult day care, transportation, telephone reassurance, friendly visiting, health promotion and wellness activities, senior center programs, personal emergency response systems, and minor residential repairs.

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<sup>17</sup> For purposes of the report, a caregiver refers to any unpaid relative, partner, friend, or neighbor who has a significant relationship with and who provides a range of assistance for an older adult or an adult with a chronic or disabling condition(s).

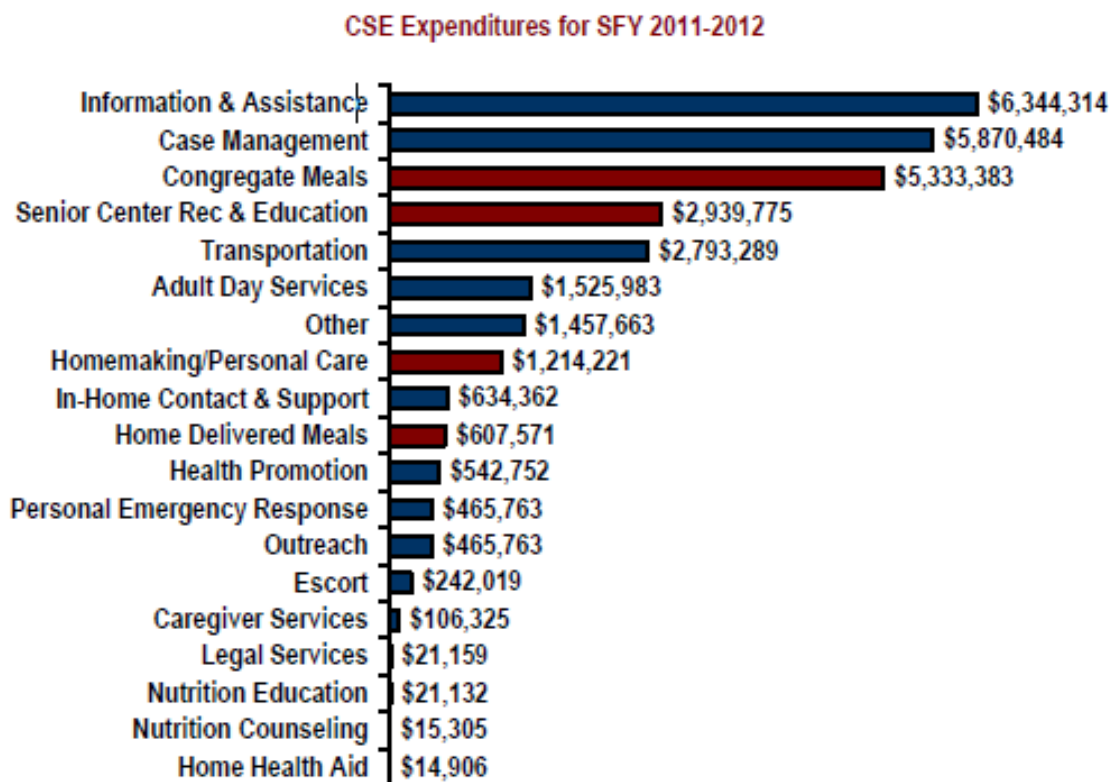
<sup>18</sup> See Report: Caregivers In Crisis, available at <http://states.aarp.org/wp-content/uploads/2013/11/Caregivers-in-Crisis-FINAL.pdf>.

<sup>19</sup> See *id.*

<sup>20</sup> See *id.* (citing to SOFA data).

<sup>21</sup> See *id.*

The following chart provided by the Association on Aging in New York, Council of Senior Centers and Services of New York City, Inc., Lifespan and the New York Coalition for the Aging depicts a breakdown of how state funding was spent on the various services offered through the CSE program for fiscal year 2012-2013:



These services provided through the CSE program shows that their costs vary based on the needs of the individual and the geographic areas of the state, but is far less than other forms of care. The IDC believes that additional investment in these services is critical to helping older New Yorkers and their caregivers.

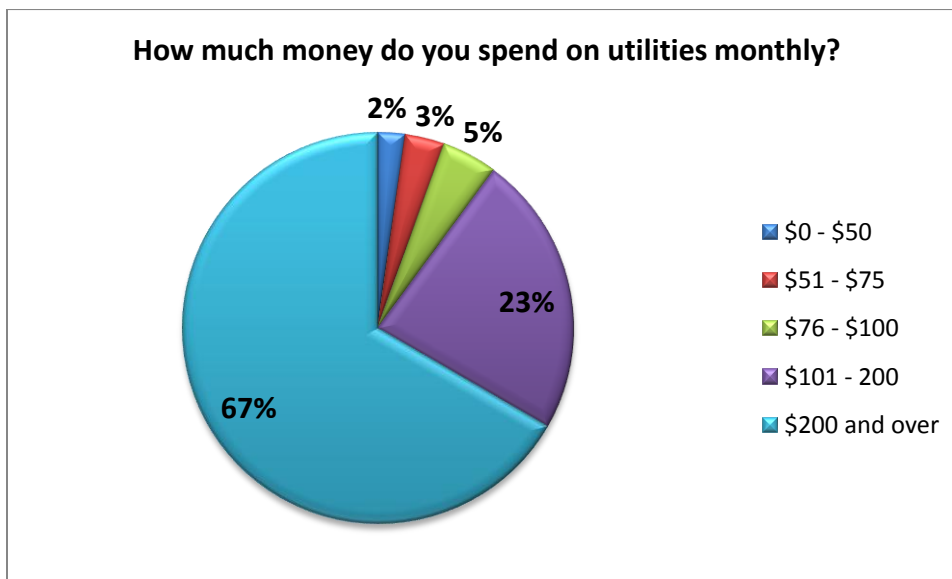
Currently, there are approximately 7,000 older New Yorkers on waiting lists for these services. Based on an analysis provided to the IDC by the New York State Coalition for the Aging, Inc., the Council of Senior Centers & Services of New York City, Inc. and the Association on Aging in New York, the waiting list numbers consist of the following: (i) expanded in-home services for the elderly program (EISEP) – 3,317 elders; (ii) home-delivered meals – 900 elders; (iii) social adult day services – 243 elders; and (iv) transportation – 2,500 elders. Additional state funding is needed to address the current waiting lists.

Therefore, the IDC is committed to fight for additional funding in this year's state budget because without providing this support, older New Yorkers are likely to be placed in more costly institutional settings, like nursing homes, that are funded largely by taxpayers through the Medicaid program. In the last week's budget resolution passed by the Senate, \$5 million in additional funds are set aside in fiscal year 2014-15 for CSE funding.

Providing these additional funds in community services for older adults is not only beneficial to caregivers, but it also beneficial to employers. A 2006 MetLife study found businesses lose as much as \$33.6 billion annually in worker productivity because of employees' caregiving obligations.

**6. Preventing Unnecessary Utility Rate Hikes by Creating an Independent Consumer Advocate**

Based on a recent analysis by the United States Energy Information Administration, New Yorkers currently pay the highest for their electric bills in the continental United States and the second highest in the nation, paying an astonishing 60% above the national average. In the recently-conducted IDC survey of seniors in New York, we discovered that the overwhelming majority of seniors describe the cost of their monthly utilities as very expensive (37%) and expensive (39%). We also discovered that 67% of respondents spend \$200 and over on their monthly utilities (e.g., water, cable, gas, electric).



To compound this issue, it was recently reported by AARP's Public Policy Institute that higher heating bills are probable in the coming winters. More than 90% of the 116 million homes in the United States are expected to have higher heating expenditures between October 1, 2013 and March 31, 2014 in comparison with last winter, due to higher projected prices for residential natural gas, propane, and electricity; the New York region could see heating bills spike upwards of 13%.<sup>22</sup>

These circumstances are problematic for all New Yorkers, but especially problematic for senior New Yorkers. Most seniors in New York rely on fixed incomes, receiving on average \$1,228.25

<sup>22</sup> See United States Energy Information Administration's Short-Term Energy and Winter Fuels Outlook, available at <http://www.eia.gov/forecasts/steo/>.

in monthly Social Security benefits.<sup>23</sup> Thirty percent of households comprised of people age 65 and older have total family incomes of less than \$20,000, and they typically experience the greatest energy burden. Just recently, it was reported that electric bills for seniors residing in the Consolidated Edison service territory of New York City have increased by 20% or more over the past two years. Seniors who are customers of Consolidated Edison are paying 102% more for their average electric bill than the average customer across the nation. Such circumstances make it extremely difficult for seniors; once again they are left with making financial decisions that no one should ever have to make. The IDC finds it unacceptable that our seniors might have to choose between heating their home, and buying groceries, or even filling their prescription medication.

The IDC, therefore, is advancing in this year's budget the creation of an Independent Consumer Advocate to help deliver much needed relief to seniors struggling, so that the affordability needs of the public receive the consideration they deserve by New York regulatory bodies.

New York's support of advocacy for utility customers has radically dwindled so that New York consumers, who pay some of the highest utility rates in the nation, lack full and independent representation in major matters affecting the reliability and affordability of essential utility services. In the IDC survey, we found that 68% of respondents answered in the negative when asked if they are familiar with how and why utility rates are set and 96% of respondents answered in the negative when asked if they felt their voice was being heard when it comes to setting utility rates in New York. These are alarming statistics and must be addressed in this legislative session.

New York once had stronger consumer advocates who participated in the rate-setting process, but the office was abolished in the mid-90's, and the replacement agency is currently understaffed and lacking the independence and legal recourses to make an impacting difference. It is also significant to note that the Governor's Moreland Commission on Utility Storm Preparation and Response reported in June, 2013 that ratepayers are not fairly represented before the Public Service Commission (PSC) and, therefore, the State should create a Citizens Utility Board that is independent, controlled by ratepayers, adequately funded and not subject to political interference.<sup>24</sup>

The IDC strongly believes that New York's utility rate-payers deserve the same level of independent advocacy at the table that rate-payers enjoy in 40 other states across the country. The Independent Consumer Advocate will help combat excessive and unaffordable rate increases permitted by the PSC. This proposal, embodied in Senator Diane Savino's Senate bill 4550 of 2014-15, is meant to give New York an independent advocate for consumers who would have a seat at the table when regulated utilities ask to raise rates. This position would have political independence, the ability to negotiate deals on behalf of consumers, and the power to sue over unfair rate hikes.

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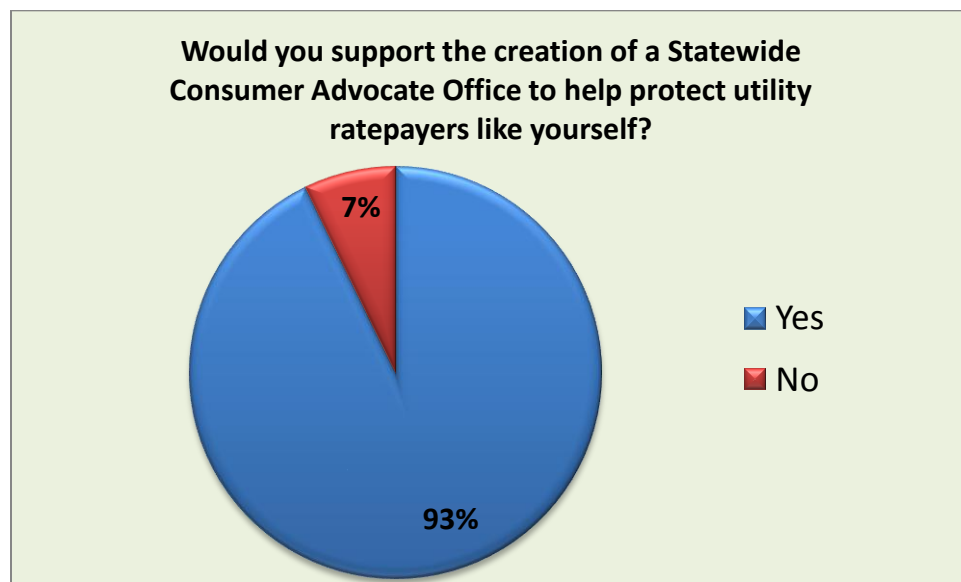
<sup>23</sup> See, Social Security Administration, Monthly Statistical Snapshot, December 2013, available at: [http://www.ssa.gov/policy/docs/quickfacts/stat\\_snapshot/](http://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/)

<sup>24</sup> See Moreland Commission On Utility Storm Preparation and Response, Final Report, June 22, 2013, available at <http://www.governor.ny.gov/assets/documents/MACfinalreportjune22.pdf>.

Based on evidence from other states, such an office will, in fact, save ratepayers with regard to their utility bills. Neighboring Connecticut's utility consumer advocate saved ratepayers \$730 million in the 2012 fiscal year. At a cost of \$3 million, that's more than \$243 in benefits for every dollar spent. California's advocate delivered a 153-1 return on investment on behalf of residential consumers.<sup>25</sup>

This type of position will be especially beneficial for seniors. Based on reports provided by AARP, older New Yorkers, particularly retirees and seniors on fixed incomes, tend to be more vulnerable to increases in utility costs because they must devote a higher portion of their income to energy bills.

The time has come for New Yorkers to have more robust consumer protections in the utility marketplace. The enactment of a new Independent Consumer Advocate position will lead to lower rate increases in the future for all of New York's residents. Our IDC survey also found that such an office is an overwhelmingly popular concept with 93% of respondents answering in the affirmative when asked if they support the creation of a Statewide Independent Consumer Advocate Office to help protect them.



Additionally, as the state continues to grapple with the aftermath of Superstorm Sandy and other storms that have hit upstate New York, the need for residential rate-payers to have effective representation is critical, as potentially hundreds of millions of dollars in rate hikes are considered.

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<sup>25</sup> See Stacey Kratz, "Con Ed Electric Customers Get Rate Shock – Pay More Than Double U.S. City Average," AARP New York, May 21, 2013, available at <http://states.aarp.org/coned-electric-customers-get-rate-shock-pay-more-than-double-u-s-city-average/>

## **7. Reducing Costs by Freezing Rents for Middle Income Seniors ( SCRIE)**

According to NYC's Housing Vacancy data, there are 90,000 older New Yorkers paying 40-50% or more of their income in rent. This level of rent burden is unsustainable, especially for individuals with fixed incomes. The unaffordable housing crisis in NYC makes older adults susceptible to homelessness.

The SCRIE program was originally created to ameliorate the effects of ever-increasing rents and thereby to prevent the eviction of elderly tenants from their homes in our communities. For eligible tenants living in rent controlled, rent stabilized, Mitchell-Lama and certain other rent-regulated apartments, the SCRIE program freezes the tenants' rent payments and provide landlords with a dollar-for-dollar tax abatement to cover specified legal rent increases. Eligibility requirements consist of: (1) a head of household age 62 or over; (2) a total household income of no more than \$29,000 per year; and (3) a rent payment which is more than one-third of household income. For many tenants in this program, the SCRIE program is a critical factor that allows them to maintain their long-term, affordable apartments and preserve their independent and autonomy.

Too many older New Yorkers are ineligible for SCRIE under the current rules. The maximum income level has remained stagnant since 2009. From 2008-2009, SCRIE was increased by only \$1,000. During this time, rents have significantly increased. As a result, the IDC is advancing in this year's budget a proposal to increase to the income threshold to qualify for SCRIE to \$50,000. Such an expansion will help thousands of seniors at a cost of \$5 million in additional funding to the municipalities administering SCRIE programs, including the City of New York, Westchester County and Nassau County.

## **8. Being Fair to Our Seniors: Discounting Unavoidable Costs at the DMV**

As detailed above, over the last decade and especially since the financial collapse in late 2008, the large majority of senior citizens in the state have incurred an ever-increasing financial burden as a result of increased property taxes, overwhelming healthcare and medication costs, in addition to escalating costs for heating and transportation. Yet most of these senior citizens are on extremely limited fixed-incomes and are in no position to absorb these increases. Furthermore, given the state of the economy and performance of the stock market since 2008, many of these same senior citizens have lost hundreds of thousands of dollars they had saved for their retirement and are forced with the prospect of losing their homes in order to survive.

Given these rising costs, it would be a welcome benefit for senior citizens to be provided with a discount on these renewal costs. Therefore, the IDC is advancing a proposal in this year's budget to provide a 10% discount to seniors citizens at least 65 years of age for driver's license renewal fees. An IDC fiscal analysis determined that this broad-based benefit relief would only cost \$1,721,250 in Fiscal Year 2014-15

While this may not save each individual senior citizen large sums of money, it will be a gesture of support and respect to provide this discount and thereby lessen the financial burden - if only a little.



## **THE TIME IS NOW!!**

The time is now to help New York's struggling seniors, who spent years helping make New York the Empire State. Our moms, dads, aunts, uncles, and friends patrolled our streets, paved our roads and educated our children. No senior should have to put off filling a prescription for medication that will keep them healthy. Deciding between staying warm and having enough food for the week is a decision no one should ever have to make, especially our seniors. It is time for New York to take steps to help them enjoy the fruits of their labor by making it affordable for them to live out their retirement years.