
News from STATE SENATOR
Liz Krueger



**COMMUNITY
BULLETIN**

January 2010

Message from Liz . . .

The legislature reconvenes this month and there is no question we face an extremely challenging year. We face a deficit in the neighborhood of \$6-9 billion for the next fiscal year, and a divided Senate in which putting together the required 32 votes for anything proves extremely difficult. But I relish a challenge and I am ready to get to work and think creatively about how we meet this fiscal crisis and deal with the many other issues which we must face this year.

One reason for cautious optimism is that last July the Senate adopted a bipartisan rules reform package which goes into effect this month. I am intent on using the various tools in that package to encourage debate on issues such as environmental protections, ethics and election reform, and preservation of affordable housing. I am hopeful that the more open rules we have adopted will create new opportunities for building coalitions – even coalitions which cross party lines – to accomplish shared goals.

It is clear that for this session to be successful, Democrats and Republicans are simply going to have to find ways to work together. Based on the experience of 2009, it is clear that holding our 32 Democrats together for difficult votes is not a strategy which can succeed on a regular basis. I have seen strong evidence from our leadership that they understand this reality, and the final difficult agreement which was reached on the Deficit Reduction Plan proved it is possible to work across the aisle and take good ideas from all parties. The real question is whether, under the higher pressure of an election year, anyone will be prepared to work across party lines to pass a responsible budget and address the other difficult issues we face. I like to think that we will all recognize that the stakes are too high to not work together.

The budget will be our first and most serious challenge. No one likes to cut funding for critical programs, but there is no question that the Legislature will be faced with exactly that reality, as there is simply not enough money to continue existing spending levels. Until the economy recovers, and tax revenues increase as a result, we will have to find ways to reduce spending, and there is no doubt that this cannot be done without inflicting significant pain. Our responsibility is to try to figure out how to minimize that pain and to better focus resources on successful programs and policies.

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Last month I held a hearing on improving the State budget process which highlighted both the dismal fiscal situation we find ourselves in as well as the structural limitations we face in making the kinds of informed decisions about how to allocate resources most effectively. As we deal with the immediate crisis, it is critical that we also look at the long-term changes we need to make to put the State on more sound financial footing and to ensure that State resources are devoted to programs which meet their stated goals. I am currently working on a package of existing and new bills to improve State accounting practices and encourage more systematic evaluations of the effectiveness and efficiency of existing programs.

These will be very difficult times for New York State as we deal with the devastating impacts of the continuing recession on both State finances and the lives of individual New Yorkers. Given the past performance of the legislature, New Yorkers are justifiably suspicious about our ability to rise to the challenge. But this is why I came to Albany in the first place – to have the opportunity to change the way we do business and to make us a more responsive and responsible legislative body.

COMMUNITY SPOTLIGHT

State Senator Liz Krueger's Senior Roundtable A New Program for Boomers and Seniors

“You and Your Money: Financial Issues for Older Adults”

**Join us for the first of this three-part series,
when we will discuss:**

Managing Consumer Debt:

Prevention, Consolidation & Scams

**With Fred Riley, External Affairs-Community Coordinator
NYC Department of Consumer Affairs**

Thursday, January 28th, 2009

8:00 AM – 10:00 AM*

**Lenox Hill Neighborhood House
331 East 70th Street**

***Continental Breakfast will be served, space is limited, please RSVP**

**To RSVP or to get further information, please contact Melanie Dulfo, at
melanie_dulfo@yahoo.com or phone (212) 490-9535.**

Mammogram Van Coming to East Midtown:

On Monday, January 11th the Scan Van Mobile Mammogram Program will have a van at New Providence (225 East 45th Street), beginning at 1 PM. This program provides mammograms for women 40 and older who have not had a mammogram in the past year. Medicaid, Medicare and

other insurance plans accepted, and the service is free for uninsured women 50 and older. An appointment is necessary. Please call (800) 564-6868 to make an appointment.

Free CPR Training for Community Organizations:

The New York City Fire Department is offering free bystander CPR training for community organizations and other groups. The CPR Anytime program offers half hour courses, and each participant receives a kit containing a training DVD and self-training supplies. Training is conducted by uniformed EMS professionals. For more information or to arrange a training, contact Vicki Dunham at dunhamv@fdny.nyc.org or (718) 999-0743.

Get A Rebate for Trading In Your Old Inefficient Appliances:

Beginning in February 2010, New York State residents can participate in the Great Appliance Swap-Out, a program designed to provide a boost to New York's economy while providing an incentive for consumers to reduce their energy consumption. Under the program, residents will be able to receive a cash rebate for replacing older appliance(s) with a new ENERGY STAR-qualified appliance. This program, funded through the American Recovery and Reinvestment Act (ARRA), will also provide added incentives for consumers to recycle their old appliances to help reduce the impact on landfills.

Under New York State's proposed plan, consumers can receive rebates for purchasing eligible appliances individually or in a bundle of three specific appliances. Only appliances with an ENERGY STAR label denoting higher efficiency are eligible for a rebate. Consumers may receive a larger rebate by purchasing three eligible appliances which meet standards issued by the Consortium of Energy Efficiency (CEE) which are higher than ENERGY STAR standards.

As proposed, customers purchasing appliances would qualify for a rebate of \$75 (\$105 with documented recycling) for ENERGY STAR qualified refrigerators, \$75 (\$100 with documented recycling) for clothes washers and \$50 (\$75 with documented recycling) for freezers. Rebates are available for dishwashers when they are purchased as part of a three-appliance package (refrigerator, dishwasher, clothes washer), which may qualify for a \$500 rebate (\$555 with documented recycling). For more information, visit www.NYApplianceSwapOut.com.

Heat Season Rules:

The City Housing Maintenance Code and Multiple Dwelling Law requires building owners to provide heat and hot water to all tenants. Building owners are required to provide hot water 365 days per year at a constant minimum temperature of 120 degrees Fahrenheit. Between October 1st and May 31st, a period designated as "Heat Season," building owners are also required to provide tenants with heat under the following conditions:

- Between the hours of 6AM and 10PM, if the outside temperature falls below 55 degrees, the inside temperature is required to be at least 68 degrees Fahrenheit.
- Between the hours of 10PM and 6AM, if the temperature outside falls below 40 degrees, the inside temperature is required to be at least 55 degrees Fahrenheit.

Tenants who are cold in their apartments should first attempt to notify the building owner, managing agent or superintendent. If heat is not restored, the tenant should call the City's Citizen Service Center at 311. For the hearing impaired, the TTY number is (212) 504-4115. The Center is open 24-hours a day, seven-days a week.

SPOTLIGHT ON POLICY

Oversight of Health Insurance Rate Increases

I am a cosponsor of S.5470, which would restore the requirement that health insurance rate increases be preapproved by the State Superintendent of Insurance. This was standard practice until the mid-1990s, when a series of policy changes by the Pataki administration effectively deregulated insurance rate increases. Since deregulation, health plans have routinely implemented double-digit rate increases, with dramatic negative impacts on policy-holders and small businesses.

As insurance rates have skyrocketed, so have insurance company profits. In December, major New York State insurance companies filed huge requests to issue dividends to out-of-State, corporate parents, including an \$800 million request from Oxford Health Insurance, \$200 million from Empire HealthChoice HMO, \$134 million from Aetna Health, Inc., and \$75 million from United Healthcare of New York, Inc. In the case of Oxford this dividend request totaled 18.7% of premiums.

This high profitability rate demonstrates the need for oversight. While for-profit insurance companies are entitled to make a reasonable profit, the current regulatory structure offers no meaningful opportunity for determining whether rate increases are, in fact, justified. Under current law, the Superintendent of Insurance is only allowed to review rate increases after they have gone into effect. In practice, rolling back rate increases is extremely difficult, and even when that is possible, many consumers and small businesses may already have been priced out of the market by the time the State takes action.

S.5470, introduced by the Senate Insurance Chair Neil Breslin, would provide that the Superintendent may modify or disapprove a rate filing for a premium rate adjustment if the Superintendent finds that the premiums are unreasonable, excessive, inadequate or unfairly discriminatory. The bill would also permit the Superintendent to consider the financial condition of the insurer before approving, modifying or disapproving any premium rate adjustment. An insurer could not impose a rate increase unless the insurer provides at least 30 days advance written notice to each policyholder and certificate holder.

The legislation would also increase the minimum medical-loss ratio from 75 to 85 percent. This ratio reflects the percent of premiums dedicated to medical care as opposed to profits and other administrative expenses. This increase in the ratio would ensure that a greater percentage of premiums are returned to consumers in the form of benefits.

I will be working with Senator Breslin and the other co-sponsors of this legislation to bring this bill to the floor for a vote this year. As we look forward to more comprehensive healthcare reform, New York State needs to do what it can to rein in runaway healthcare costs, and S.5470 is an important tool in that effort.

Foreclosure Prevention

In December, landmark Senate legislation, which protects homeowners from the ongoing foreclosure crisis, was signed into law by Governor Paterson. Expanding upon foreclosure prevention legislation passed by the legislature in 2008, this new law places New York at the national forefront in addressing the effects of the foreclosure crisis.

New York's housing market has suffered a particularly severe fallout in the wake of the housing crisis in the U.S., with over 50,000 new foreclosure filings in 2008 alone, a 30 percent increase over the preceding year. According to second quarter 2009 data, more than 239,000 New Yorkers were past due on their mortgages. Over the next four years, over 230,000 additional homes are expected to be lost to foreclosures, costing the State's economy over \$4 billion.

The Joint Center for Housing Studies at Harvard University has found that in 2007, 20% of all foreclosure filings across the country were in non-owner occupied properties. Often, renters have been unaware that their landlords are in default until utilities are turned off or an eviction notice appears on their doors. For too long, tenants have been the unseen victims of the foreclosure crisis. The new law provides vital new protections for tenants by clarifying that they have the right to remain in their homes after a foreclosure.

Thus, the Senate has enacted significant provisions to safeguard homeowners and ease the foreclosure crisis going forward:

- **Safeguarding Distressed Homeowners:** Requires that lenders and mortgage servicers provide a foreclosure notice to all distressed borrowers at least 90 days before any legal action is taken
- **Expansion of Mandatory Settlement Conference:** Expands the right to participate in court-supervised pre-foreclosure settlement conferences to all homeowners (including condominium owners) in default; also requires litigants to negotiate in good faith to try to reach a mutually agreeable resolution
- **Protecting Neighborhoods and Tenants:** Requires a plaintiff in a mortgage foreclosure action to maintain the property in compliance with certain sections of the New York State Building code or other local housing code; if property is occupied by a tenant, it must remain in safe and habitable condition; additionally, all tenants of a foreclosed property must be notified of the change in ownership, and permitted to remain in their home for the remainder of their lease term or 90 days, whichever is longer; the rights of rent regulated tenants are not altered
- **Protecting Distressed Homeowners from Rescue Scams:** Precludes distressed property consultants from accepting up-front fees from homeowners

This legislation takes several critical steps in protecting homeowners, tenants, and communities from becoming victims of the mortgage foreclosure crisis. By ensuring that all homeowners have the opportunity to participate in court-supervised settlement conferences with their lenders, and directing all homeowners at risk of defaulting on their mortgages to non-profit assistance early in the process, this new law will go a long way toward reducing foreclosures in New York State.

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