§ 35. Legal representation of individuals whose federal disability benefits have been denied or may be discontinued. 1. The commissioner shall establish criteria for selection of grant applications, review applications awarded pursuant to the provisions of this section, and exercise and perform such other functions as are related to the purposes of this section.

2. The commissioner shall make grants, within the amounts appropriated for that purpose, to not-for-profit legal services corporations and not-for-profit agencies serving the disabled and local social services districts, to provide for representation of persons whose federal disability benefits including supplemental security income and social security disability insurance have been denied or may be discontinued for the purpose of representing these persons in appropriate proceedings. When the commissioner has contracted with a local social services district to provide such representation, the legislative body of such district may authorize and make provision for the commissioner of social services of the district to obtain necessary legal services on a fee for services basis or other appropriate basis which the department may approve. Such legal services may be provided by not-for-profit legal services corporations, not-for-profit agencies serving the disabled or private attorneys.

3. The commissioner shall submit a report to the chairman of the senate finance committee and the chairman of the assembly ways and means committee on or before the first day of October, nineteen hundred ninety-eight and biannually thereafter. Such a report shall include but not be limited to a review of the basis for selection of participating entities; the administrative method used to carry out the program; the number of cases appealed by district; the disposition of such appeals; an identification of the savings and costs of the program to the state and localities by district; an evaluation of the continuing need for legal representation provided by the program and recommendations for possible federal and state legislative and regulatory actions relating thereto.

4. Responsibility for local financial participation shall be

determined by the commissioner based on either costs of and the number of district residents served by each local entity or the alternative cost allocation procedure deemed appropriate by the commissioner.