



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

**Department of
Health and Social Services**

ALASKA COMMISSION ON AGING

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April 5, 2019

Senator David Wilson, Chair
Senate Health & Social Services Committee
Alaska State Capitol, Room 115
Juneau, Alaska 99811-0001

Subject: SB 58, Letter of Concern

Dear Chair Wilson and Senate Health and Social Services Committee Members:

The Alaska Commission on Aging (ACoA and "the Commission") is concerned about the proposed elimination of the Senior Benefits Payment as requested by SB 58. Since 2007, the *needs-based* Senior Benefits program has provided an invaluable resource for older Alaskans, age 65+, who live on limited fixed incomes to afford basic life necessities – food, housing, heating fuel, prescription medications, and transportation – to maintain good health, safety, and independence. Reauthorized overwhelmingly by the Legislature last year, Senior Benefits provides cash assistance to approximately 11,600 older Alaskans ranging from \$76 to \$250 a month based on three levels of income eligibility with their assigned cash benefits (Division of Public Assistance, December 2018 counts).

The Alaska Commission on Aging, a Governor-appointed board within the Department of Health and Social Services, exists specifically to ensure the dignity and independence of all older Alaskans. The Commission is responsible for planning services for seniors, educating Alaskans about senior issues, and making recommendations directly to elected officials regarding policy and budget items that affect Alaska's seniors.

We believe that Senior Benefits, a critical component of the Senior Safety Net, supports older Alaskans who are the most financially fragile by providing direct cash assistance to eligible seniors who cannot afford to pay for basic necessities, let alone cover emergency needs like a boiler repair during the dead of winter.

Over the years, growth in the number of seniors participating in the Senior Benefits program has been modest. Since 2007 when the program was established, the annual enrollment figures have increased about an average of 2.3% statewide even though the population of people age 65 and older has increased approximately 8.4% annually during the same time period.

The risk of living in poverty increases with age, along with worry about financial security, as older people spend down their assets on health care and living expenses. The Commission fully supports retaining the Senior Benefits Program in statute and does not support passage of SB 58. We believe that the Senior Benefits program is important for low-income elders because not having enough food to eat, a warm place to live, or losing one's home due to economic hardship means losing independence, self-determination,

and inevitably translates into a higher cost to the family and to the state in the need for expensive medical care and long-term care.

Thank you for your consideration of these comments. Please contact Denise Daniello, ACoA's Executive Director, at 465-4879 or denise.daniello@alaska.gov for further information about our position.

Sincerely,



Gordon Glaser
Chair, Alaska Commission on Aging

Sincerely,



Mary Shields
Vice Chair, Alaska Commission on Aging

Cc: Senator John Coghill, Vice Chair
Senator Gary Stevens, Member
Senator Cathy Giessel, Member
Senator Tom Begich, Member

From: Robert Woodling <robertwoodling77@gmail.com>
Sent: Friday, April 05, 2019 1:19 PM
To: Senate Health and Social Services
Subject: Senior Assistance

My name is Lee Woodling and I have lived in Sitka since 1991. Without adult public assistance and senior assistance I don't think I can make it here. I love Alaska and I would hate to leave please do not repeal senior assistance! I would gladly sacrifice some of permanent fund to stay here! Take care Lee

Jody Simpson

S/B 58 Ato

From: Emily Kane <dremilykane@gmail.com>
Sent: Friday, April 05, 2019 1:19 PM
To: Senate Health and Social Services
Subject: Senior benefits

The mark of a functional society is the care and respect we afford our elders and the more vulnerable members of our society. I believe you want to represent the kind and loving state of being that is prevalent in Alaska communities despite the wretched hard-nosed stance of some of our leaders.

Please allow lower income seniors to remain safe in Alaska by protecting their stipend. They contribute so much to our communities!

Sincerely

Dr Emily Kane

Juneau AK

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Jody Simpson

From: Mike Coons <mcoons@mtaonline.net>
Sent: Saturday, April 06, 2019 8:27 AM
To: Senate Health and Social Services
Cc: Sen. David Wilson; Sen. Mike Shower; Sen. Shelley Hughes
Subject: Support SB58 and AMAC Member response to SB 58 Senior Benefits

I wear multiple hats as President of the Greater Alaska Chapter of AMAC, as a public member of the Commission on Aging and as a conservative Alaskan. I am speaking in all those capacities.

The ACoA has voted to oppose SB58, my initial vote was abstain, but changed to yes on the motion to oppose. As a strong supporter of the Governor, I did so very reluctantly. I support SB58 because since that time I got new information that I did not have at that time.

This weekend I asked my AMAC membership to give me their thoughts. By a wide margin, they supported SB58/HB60 and the Governor (see their comments after my written support).

Here are our main concerns on this issue as well as the total budget fight now going on. The House Majority, made up predominately by Democrats and RINO's, are for big government. Democrats, held the CBR vote over the then, Republican Majorities head, even when they were trying hard to responsibly reduce the budget and needed a smaller amount from the CBR to balance. What they did time and again was to add back spending to leverage that vote. Thus the CBR is at 1.7 Billion and the legislature threw away 14 Billion so we are now almost bankrupt! Then the legislature, along with ex-Governor Walker stole the PFD, thus harming all Alaskans, but the most harm was to Seniors and low income Alaskans, not to mention adding to the harm of the recession!

I attended the Governors meeting in Wasilla and talked to the OMB Director. One aspect is clear. Going after the PFD will be more harmful than SB58 ever could be. The Governor's plan to make the Home Harmless aspect for PFD payments into monthly vs once a year, with full PFD and payment of the PFD stolen by ex-Governor Walker would equal approximately \$3,100 or \$258 a month for the next three years at least. Presently, those getting Senior Benefits get either \$76, \$175 or \$250. Thus those very same seniors that the Democrats supposedly are so concerned about actually would get more a month with a full PFD than now getting with Senior Benefits! Not balancing the budget and stealing the PFD to pay for overspending is more harmful to Seniors than anything the repeal of Senior Benefits could do!

This opposition to SB58 is a full on political assault, using all tactics, fear and lies! I have listened to testimony last week. Those that opposed were doing so based on fear mongering from the opposition and no consideration of the PFD and it's impact. The Governor has stated he is willing to talk and to come to reasonable compromise. Sadly, the House majority has not reached out in any meaningful way, much less a compromise to maintain even a portion of the Senior Benefits. The truth is, with the Governor's budget, our financial house is in order, the PFD is intact! Passing SB58, the Governor's budget and full PFD will float all boats and give each Alaskan financial stability and a State that can come out of a 4 plus year recession created by the legislature and ex-Governor Walker.

Sadly, the co-chairs of House Community and Regional Affairs is holding HB60, never to be seen by the other three committees. Their actions are part of that political assault, however, HHS committee must hear and pass to the next committee. The Senate must bring to the floor for an up or down vote.

Mike Coons
President, Greater Alaska Chapter AMAC

The following are comments from the Greater Alaska Chapter of AMAC to me.
I asked for their input as to support or opposition of SB58/HB60.

Mike,

I have also seen many people leave the state with Walker in office and after taking the permanent fund. If he had not done that the seniors that count on it would be more apt to be able to give up the Senior Benefits Program. So, I say give back the permanent fund in full and take this program away. It is more money in their pockets that way.

Most of the housing, medical and personal needs that the seniors are faced with come from other programs as well. I believe they count more on those other programs for services than spending their own "extra" money. They are not asked how much money they have in the bank when they pick up their medications, go to the grocery or pay the rent. Some of those other benefits come from the Federal government too and are not strictly a burden on just one state. That is not meant to be harsh but pointing out the true facts. Many of them have full coverage for medical from state and federal retirements, too.

When they changed the Longevity Bonus and took it away from all seniors one of the comments I heard was that the seniors could not contribute to non-profits as much. That was not meant to give to seniors because they needed to give it away to someone else. That is partially what our financial crisis in this state and the country is stemmed from.

I stand with Governor Dunleavy's budget too and all my clients have the same stance. My conversations go with people that he needs to stand his ground and reduce spending. After raising budgets he is not really cutting anything. He is just scraping off some of the gravy. The people that only want more and more have to learn to live on what is available.

Thanks for your time, Carrol Palmer

Though we are only 65 and 60 years old, and realizing that this issue doesn't affect us as it would those on a severely limited budget, if the PFDs WERE to remain \$2500 and above then the cuts to the Senior program would be offset some. True, overall, this stipend is a drop on the bucket compared to overall spending, cuts MUST be made and need to be spread to ALL areas in the budget! When everyone cries out for cuts but says not to MY programs then NOTHING will be accomplished.

George and Pamela Lorenz

I stand with Governor Dunleavy..
Valerie Tan

Mike-

As I indicated to you at the end of the last meeting, I don't see this program as currently constructed as being logical.

I personally never knew this program existed. As it stands, I appear to make about \$150 more per month than would qualify me for the \$76 benefit.

Assuming my income were to dip so that I qualified, however, I would be insulted to accept this benefit from the state. I regularly meet all my expenses and have plenty left over to donate somewhere or go into savings. The first thing that comes to mind is that the program has too liberal a definition of need. Eliminating that top tier would seem to be a reasonable idea, if nothing else.

But it's more complicated than that. I can easily see that some unfortunate individuals could have my income and not be able to make ends meet. Need is not just a function of income, but also of outgo. Someone in Nunapitchuk necessarily spends more on necessities than someone in Anchorage. Someone on assisted living likewise has more need. As far as I know, this Senior Benefits Program takes none of this into account, but is determined solely by income. For that matter, someone with considerably less income might, under very favorable circumstances, require a lot less assistance. For example, my mother in her last years had income only from a \$1300 social security check. She lived well, gave liberally to others, spent her last five months in assisted living, and had more in the bank when she died than was there when my father died eight years previously. It would have been silly to give her assistance, and she probably would have refused it, though that is merely inference on my part. Of course, she lived in another state, and the example does not apply directly. The point is that each case is individual, not collective, and this program seeks to impose a collective solution.

In the larger sense, the problem is with the state budget in general. For every item in the budget, there will be a group of people who will loudly claim "but we need this." If this program or a part of it is to remain, those voting to keep it should be required to specify where an equivalent amount of savings is going to come from. Having been, in my life, on the verge of personal bankruptcy, I know exactly well the necessity to make deep cuts where I didn't want to. It's very much like offering an eight-year old two alternatives and having them say "No," to both of them, digging in their heels all the way. For this reason, if asked, I state that I specifically support Gov. Dunleavy's budget in toto, even though I might personally make the cuts in different places. Once the heel-digging starts, it will not end, and then nothing will be done.

The permanent fund is bound to come up. Let me state, for the record, that I am not wedded to my permanent fund dividend. However, to make another analogy to family matters, I have had the experience of having a daughter who could not handle money. She asked me for help paying off her credit cards. (Actually, she wanted me to pay them off.) I told her I could do that, and would, provided she cut them all up and didn't apply for any more. She didn't, and I didn't. I am proud to say she eventually worked her own way out of debt. The point is, I will not ask more of my daughter than I will of the state government. I am not inclined to give them any of my money until they get out of drunken sailor mode. The same goes with taxes. I am not unequivocally opposed to taxes - that's how government gets money and government (with a small g) is necessary. As a matter of fact, I am strongly in favor of a broad based tax (such as income or sales tax) that everyone pays without exception, deduction or exclusion, and knows they pay it. Perhaps that way, folks will start to realize that the government gets its money from us and is not an unlimited piggy bank. I don't love the oil companies, but when they are basically the only taxpayers in the state it inclines a lot of people to believe the government gives out free stuff. All of that said, the same thing applies. Before I would agree to taxes, I would have to see the state prove it could handle money. Until I see that, no.

Bottom line, if the money for the Senior Benefits Program is matched by an equal reduction elsewhere in the state budget fine, keep it. If not, oh well. Hold the line on the total amount of the Governor's budget, period.

Mike Siegfried

Mike,

I agree with your standing on SB and your explanation of it at our last AMAC meeting. This number of seniors in this program will diminish and probably disappear over the next few years due to passing on and few new ones, if any, will be added due to lack of qualification. Therefore the money needed to support this program will lessen each year and the program will eventually go away.

Until then, I strongly support keeping the SB program. To say the dividend would replace SB is foolhardy. First, the seniors involved can surely use both. Also the dividend amount cannot be counted on from year to year and low income seniors need reliable financial support as they receive from SB.

Hope this helps.

Carol Halsey

Dear Mike,

I'd like to see the Senior Benefit continue. As a board member at the Anchorage Senior Activity Center, I see several seniors who are virtually destitute and will be more so without their monthly benefit check. Again the benefit is only for very low income seniors.

Regardless of the Governor's desire to pay a huge PFD that's not going to be supported by the legislature who will likely add back this and many other proposed cuts and reduce the size of the dividend. The Governor can red-line out any of those additions but cannot spend more on the dividend than the legislature establishes.

Thank you for your leadership.

Kris Warren

Mr. Coons:

Stick with Governor Dunleavy's budget. A yearly PFD is fine, the full PFD would be a welcome gift.

I am not sure what "Hold Harmless" is, a monthly version of the PFD? Stop paying democrats, end the stipend for politicians.

Sincerely:

Steven Swedenburg

I voted for him to cut spending and restore the PFD , I'd rather see a sales tax rather than a income tax, I'm tired of democrats picking winners and losers, everybody needs to help pay for a limited government, the essentials only, Anchorage is becoming like Seattle and that place is a shit hole Thank you Jason Morris

I, too, support the governor's budget and all 3 Constitutional amendments he has proposed to help keep the legislature in line with the effort to reduce out of control spending.

I don't know exactly what the governor's budget does to the Senior Benefits program, but assume he has reduced it. IF the full PFD can make up the difference between the governor's reduction and the current reduced PFD, I would support the full PFD over continuing the full Senior Benefits program. (The PFD comes from the Permanent Fund, not from the legislature's budget. I think the legislature needs to stay within their portion of the Permanent Fund earnings and not access our portion to pay for their out of control spending!)

Does that make sense to you? If questions, let me know.

Debbie Sherfick

Willow, AK

Mike, I too support the Governor's budget plan and urge you support it in full. We have to stop this spending now as well as this nonsense about taxes and robbing the pfd. Keep up the good work.

Lee Underwood

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