

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

FISCAL NOTE

No. 2  
Bill Version: SB 40  
(S) Publish Date: 1/21/99

Revision Date/Time (Note if correction): \_\_\_\_\_  
Title: Eligibility for Longevity Bonus  
Sponsor: Rules  
Requestor: Governor

Dept. Affected: Health and Social Services  
BRU: Public Assistance  
Component: OAA-ALB Hold Harmless  
COMPONENT SERIAL NO. 223  
See also (SN#): \_\_\_\_\_

Expenditures/Revenues:

OPERATING	(Thousands of Dollars)					
	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(1,589.3)	(1,850.0)	(1,794.5)	(1,740.7)	(1,688.5)	(1,637.8)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(1,589.3)</b>	<b>(1,850.0)</b>	<b>(1,794.5)</b>	<b>(1,740.7)</b>	<b>(1,688.5)</b>	<b>(1,637.8)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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FUND SOURCE

	(Thousands of Dollars)					
	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
1002 Federal Receipts						
1003 GF Match						
1004 GF	(1,589.3)	(1,850.0)	(1,794.5)	(1,740.7)	(1,688.5)	(1,637.8)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>(1,589.3)</b>	<b>(1,850.0)</b>	<b>(1,794.5)</b>	<b>(1,740.7)</b>	<b>(1,688.5)</b>	<b>(1,637.8)</b>

Estimate of any current year (FY1999) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

(Attach a separate page if necessary)

Federal law governing the administration of the Supplemental Security Income (SSI) program allows SSI to exclude state-funded, need-based payments from consideration when determining eligibility for federal SSI benefits. This legislation changes the treatment of Longevity Bonus payments by SSI. Currently, ALB payments made to an individual who first qualified for the bonus after September, 1985 are treated as countable income in SSI eligibility calculations. Under AS 47.45.122, the ALB hold harmless program replaces public assistance, SSI, and Medicaid benefits that are denied because federal law requires that bonus payments be counted as income.

This legislation will establish the Alaska Longevity Bonus (ALB) as a need-based program. SSI will be allowed to disregard ALB payments from income when determining eligibility and benefits and eliminates the need for Alaska Longevity Bonus Hold Harmless (ALB/HH) funds to replace lost SSI benefits.

*SJ/1/19/99*

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Approved by Commissioner: Karen Ferrel, Commissioner  
Agency: Department of Health & Social Services

Phone: 465-2680  
Date/Time: 1/6/99 11:05 AM

Date: 1/8/99

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**ANALYSIS (cont.):**

Because of the SSI program's retrospective budgeting process, this legislation will not affect ongoing SSI recipients until the benefit month of September 1999. Therefore the decrease in ALB/HH expenditures for FY98 only reflects 10 months for FY00.

Under existing state law, no new individuals will be eligible for ALB payments after December 31, 1996. Accordingly, the need for ALB/HH funds will decrease each year while Old Age expenditures would increase by the same amount. ALB/HH expenditures are anticipated to decrease each year after FY00 by about 3 percent a year.

The need for Medicaid ALB hold harmless payments remains, because the federal Medicaid program rules continue to require that the bonus payments be treated as income for some individuals.