

Amendment # 5

Amendment to CS HB95 (FIN)

Offered by: Reps. Salmon & Kerttula

Pg. 17

After Line 17: insert the following

Alaska Longevity Bonus Grants

Appropriation Items	General Funds	Other Funds
29,430,000	29,430,000	

Purpose:

This adds \$29,430,000 general funds to the Department of Health and Social Services to reinstate grant funding for the Alaska Longevity Bonus program. It is estimated that approximately 13,000 seniors who were once eligible for Longevity Bonus payments will reapply when the program is reactivated.

The Alaska Longevity Bonus program was created in 1972 to recognize Alaska's elders who lived in Alaska prior to statehood in 1959 for their contribution to the State, and to help these seniors stay in Alaska during their retirement years. The program was expanded due to a court decision in the 1980's for all Alaskans over the age of 65 who had resided in the state for one year. The program began phasing out in 1994 and was closed to new enrollment in December, 1996. These grant funds would go to only those seniors who were receiving payments when the program was unfunded in 2003 and who have continued to reside in the state.

The SeniorCare program, which was reauthorized by the Alaska Legislature in May 2005, has a sunset date of June 2007. It must be reauthorized to continue. If the maximum income level remains fixed as provided in current law, the program will see a decline in the number of seniors served as other income sources, such as Social Security income, increase due to yearly cost of living adjustments.

Alaska Longevity Bonus Program

The Alaska Longevity Bonus program was created in 1972 to recognize Alaska's elders who lived in Alaska prior to statehood in 1959 for their contribution to the State, and to help these seniors stay in Alaska during their retirement years. To qualify, individuals must have been over age 65 and lived in Alaska for 25 consecutive years.

The bonus amount was initially \$100 per month, and was later increased by legislative action to \$125 in 1977, \$150 in 1979, \$200 in 1981 and \$250 in 1982.

The residency requirements were challenged in court during the 1980's, and as a result the program became available to all Alaskans over age 65. In addition to the bonus payment, the program funds the loss of needs based Supplemental Security Income (SSI) and Adult Public Assistance benefits which, under federal law, requires the division to count longevity bonus payments as income. The replacement of the SSI and APA payments are known as Alaska Longevity Bonus Hold Harmless payments.

The annual cost of the program reached \$67 million by 1993 and prompted the Legislature to enact legislation to begin phasing it out by reducing the bonus payment to seniors applying after January 1, 1994 and closing enrollment to seniors turning age 65 by December 31, 1996. The decline in the amount of bonus payments during the phase-out was as follows:

- \$250, for applications submitted before January 1, 1994;
- \$200, for applications submitted during 1994;
- \$150, for applications submitted during 1995; and
- \$100, for applications submitted during 1996.

The Palin Administration is restoring funds for the Longevity Bonus program beginning July 1, 2007. An increment of \$33,709,200 in general funds is requested. The budget request is based on estimates that the program will serve approximately 13,000 seniors in FY2008.