

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHB 79(STA)
 (H) Publish Date: 2/12/07
 Dept. Affected: Health & Social Services
 RDU Alaska Longevity Bonus Programs
 Component Longevity Bonus Grants

Revision Date/Time (Note if correction):
 Title LONGEVITY BONUS REAPPLICATIONS

Sponsor LYNN
 Requester HOUSE (STA)

Component No. 26

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(2,769.7)	(4,633.2)	(7,543.6)	(10,138.4)	(12,636.6)	(15,043.3)
Miscellaneous						
TOTAL OPERATING	(2,769.7)	(4,633.2)	(7,543.6)	(10,138.4)	(12,636.6)	(15,043.3)

CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(2,769.7)	(4,633.2)	(7,543.6)	(10,138.4)	(12,636.6)	(15,043.3)
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	(2,769.7)	(4,633.2)	(7,543.6)	(10,138.4)	(12,636.6)	(15,043.3)

Estimate of any current year (FY2007) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This proposed legislation reinstates Alaska Longevity Bonus (ALB) payments for individuals who were qualified to receive them before January 1, 1997, and who received a payment in June 2003 when funding for the program ended. This legislation also provides for reapplication to be filed before January 1, 2008. Calculated savings on this fiscal note is because the comparison is to the FY08 Governors budget where ALB payments are fully funded for all recipients 12 full months.

 Analysis continued on Page 2.

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 Division Public Assistance Date/Time 02/07/2007
 Approved by: Karleen Jackson, Commissioner Date 02/08/2007
 Agency Department of Health and Social Services

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ANALYSIS CONTINUATION

Analysis Continued:

Analysis Assumptions

- Legislation will be effective and ALB payments will begin with the benefit month July 2007.
- ALB applications will only be accepted if received before January 1, 2008.
- 12,631 former ALB recipients may be eligible to qualify for the ALB in FY08.
- 95% or approximately 11,999 will be eligible and 5% or 632 potential ALB recipients will not qualify for the ALB because they do not meet the program's residency requirements or will not apply.
- Average ALB payment is \$212/month.
- The amount of the benefit ranged from \$100 to \$250 depending on time of entry in to the program.
- An ALB recipient may not accrue an ALB payment for more than two months before the date of application in accordance with AS47.45.080.
- The number of months a person may receive ALB payments in FY08 will vary depending on date of application, as shown in the chart below.
- Program expenditures for FY09 through FY13 will decline each year as eligible seniors move away, enter nursing homes, or expire.

Benefit Amount Calculations:

FY08

Percent of Applicants	Approx # of Applicants	Must apply by	May be paid retro-active to	Number months benefits FY08	Average Monthly Benefit Amount	Total FY08 Benefit Payments	
70%	8,842	9/1/2007	7/1/2007	12	\$ 212	\$ 22,494.0	
15%	1,895	10/1/2007	8/1/2007	11	\$ 212	\$ 4,419.0	
5%	632	11/1/2007	9/1/2007	10	\$ 212	\$ 1,339.8	
4%	505	12/1/2007	10/1/2007	9	\$ 212	\$ 963.5	
1%	126	1/1/2008	11/1/2007	8	\$ 212	\$ 213.7	
5%	-632	(will not meet residency criteria or will not apply)					\$ 0
		Average Benefit Amount= \$212.44					
Total		Rounded to \$212					\$ 29,430.3

FY09 through FY13

	Approx Number of Recipients	Total Benefit Payments
FY09	10,836	\$27,566.8
FY10	9,692	\$24,656.5
FY11	8,672	\$22,061.6
FY12	7,690	\$19,563.4
FY13	6,744	\$17,156.7