

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSHB 236(FIN)
Fiscal Note Number:	3
(S) Publish Date:	4/13/2018

Identifier: HB236-DHSS-SBPP-4-9-18
 Title: EXTEND: SENIOR BENEFITS PAYMENT PROGRAM
 Sponsor: KAWASAKI
 Requester: Senate Finance

Department: Department of Health and Social Services
 Appropriation: Senior Benefits Payment Program
 Allocation: Senior Benefits Payment Program
 OMB Component Number: 2897

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	19,986.1		24,044.0	24,524.9	25,015.4	25,515.7	26,026.0
Miscellaneous							
Total Operating	19,986.1	0.0	24,044.0	24,524.9	25,015.4	25,515.7	26,026.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	19,986.1		24,044.0	24,524.9	25,015.4	25,515.7	26,026.0
Total	19,986.1	0.0	24,044.0	24,524.9	25,015.4	25,515.7	26,026.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed? n/a

Why this fiscal note differs from previous version/comments:

This revised fiscal note assumes continuation of the reduced benefit payment for the highest income category for FY2019, to remain within the current FY2018 appropriation, and then fully funded at the \$125.00 monthly payment beginning FY20.

Additionally, the Senior Benefits Payment Program is established in a separate appropriation with the following language:
 "If benefits to seniors are prorated, the amount appropriated may not be used for any purpose other than payment of benefits for the Senior Benefits Payment Program."

Prepared By: Senator MacKinnon
 Senate Finance Committee
 Senator Hoffman
 Senate Finance Committee

Phone: (907)465-3777
 Date: 04/09/2018

**REPORTED OUT OF
SFC 04/13/2018**

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

HB 236 extends the Alaska Senior Benefits Payment Program from its current June 30, 2018 (FY2018) sunset through the end of FY2024. The costs for this proposed legislation are for FY2019 through FY2024.

The current regulations for the Senior Benefits Payment Program include language which instructs the division to reduce benefit payments for the highest income/lowest benefit tier to remain within the appropriated budget. In FY2018, the lowest benefit tier payment has therefore been reduced from \$125.00/month to \$76.00/month.

Assumptions:

For purposes of these projections, the department is assuming the highest income/lowest benefit tier remains funded at a reduced level in FY2019 to keep program costs within the current appropriation, and then beginning in FY2020, is fully funded to allow a monthly benefit payment of \$125.00.

Calculations use the last full fiscal year's (FY2017) average monthly caseload as a baseline:

- * \$250.00/month payment level - **1,646 beneficiaries**
 - * Income up to 75 percent of Alaska Federal Poverty Level (\$11,295.00/year for individuals, \$15,218.00/year for couples)
- * \$175.00/month payment level - **4,957 beneficiaries**
 - * Income between 75 and 100 percent Alaska Federal Poverty Level (\$15,060.00/year for individuals, \$20,290.00/year for couples)
- * \$125.00/month payment level (currently \$76.00/month) - **4,873 beneficiaries**
 - * Income between 100 and 175 percent Alaska Federal Poverty Level (\$26,355.00/year for individuals, \$35,508.00/year for couples)

Over the last five years, the program has experienced an annual average caseload growth rate of two percent. With the extension of the Senior Benefits Payment Program through FY2024, the projected benefit costs are as follows using this two percent caseload growth per fiscal year.

benefit level/month (whole dollars)	FY2019			FY2020		FY2021		FY2022		FY2023		FY2024	
	estimated caseload	appropriated - upper tier at \$66/mo	fully funded - upper tier at \$125/mo	estimated caseload	cost	estimated caseload	cost	estimated caseload	cost	estimated caseload	cost	estimated caseload	cost
\$ 125.00	5,070	\$ 4,018.4	\$ 7,604.8	5,171	\$ 7,756.9	5,275	\$ 7,912.0	5,380	\$ 8,070.3	5,488	\$ 8,231.7	5,598	\$ 8,396.3
\$ 175.00	5,157	\$ 10,830.3	\$ 10,830.3	5,260	\$11,046.9	5,366	\$11,267.8	5,473	\$11,493.1	5,582	\$11,723.0	5,694	\$11,957.5
\$ 250.00	1,712	\$ 5,137.5	\$ 5,137.5	1,747	\$ 5,240.2	1,782	\$ 5,345.1	1,817	\$ 5,452.0	1,854	\$ 5,561.0	1,891	\$ 5,672.2
	11,940	\$ 19,986.1	\$ 23,572.6	12,178	\$24,044.0	12,422	\$24,524.9	12,670	\$25,015.4	12,924	\$25,515.7	13,182	\$26,026.0