

HOUSE BILL NO. 573

IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 4/1/92
Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act making changes in state benefit programs; and providing for an effective date."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 * Section 1. AS 47.25.320(d) is amended to read:

4 (d) If benefits under 42 U.S.C. 1381 - 1385 (Social Security Act Supplemental Security
5 Income Program) are increased because of an increase in the cost of living, the department may
6 [SHALL] increase the monetary maximums in (a) of this section on the same day the increase
7 under 42 U.S.C. 1381 - 1385 takes effect by a percentage that does not exceed [EQUAL TO]
8 the percentage increase in benefits under 42 U.S.C. 1381 - 1385 if the department determines
9 by the preceding November 15 that sufficient money has been appropriated to fund the
10 increase for the portion of the fiscal year that occurs after the increase takes effect.

11 * Sec. 2. AS 47.25.320(f) is amended to read:

12 (f) In compliance with federal requirements, the department shall periodically study the
13 standards it uses for determining the amounts of assistance that will be granted under this section.
14 Based on the studies, the department shall adjust the standards and amounts within the maximums

1 established by law. Notwithstanding (a) of this section, if the department estimates at the
2 beginning of a fiscal year that insufficient money has been appropriated to fund assistance
3 at the full amounts otherwise payable under the department's regulations for the fiscal year,
4 the department shall, in a manner that complies with federal requirements, reduce each
5 assistance grant otherwise payable by the lowest of the following percentages, effective
6 July 1, for the fiscal year: (1) a percentage that will bring total anticipated assistance
7 payments within the amount available to fund them for the fiscal year, or (2) a percentage
8 that will reduce payment rates for the fiscal year to the rates payable on January 1, 1991.
9 In addition to applying this ratable reduction on July 1, the department shall review its case
10 load and payment levels on September 30 and December 30 to determine whether sufficient
11 money has been appropriated to fund the reduced level of payments for the remainder of
12 the fiscal year. If insufficient money is available, the department shall notify the governor
13 and the legislature by January 15 as to the amount of additional money necessary to fund
14 the reduced level of payments for the fiscal year. If statutory changes are needed to make the
15 adjustments otherwise required under this section, the department shall report to the legislature
16 its recommendations for changes in law necessary to authorize the adjustments.

17 * Sec. 3. AS 47.25.430(b) is amended to read:

18 (b) The department shall determine the amount of assistance with regard to the resources
19 and needs of the person and the conditions existing in each case. Within the limits of available
20 funding, assistance [ASSISTANCE] shall be in an amount that will provide the applicant with
21 reasonable subsistence compatible with decency and health in accordance with standards
22 established by the department and with the standards established under 42 U.S.C. 1381 - 1385
23 (Title XVI, Social Security Act Supplemental Security Income Program). If the department
24 estimates at the beginning of a fiscal year that insufficient money has been appropriated to
25 fund assistance at the full benefit amounts otherwise payable under the department's
26 regulations for the fiscal year, the department shall, in a manner that complies with federal
27 requirements, reduce each benefit otherwise payable by the lowest of the following
28 percentages, effective July 1, for the fiscal year: (1) a percentage that will bring total
29 anticipated benefit payments within the amount available to fund them for the fiscal year,
30 or (2) a percentage that will reduce benefit payment rates for the fiscal year to the rates
31 payable on January 1, 1990. In addition to applying this ratable reduction on July 1, the

1 department shall review its case load and payment levels on September 30 and December 30
2 to determine whether sufficient money has been appropriated to fund the reduced level of
3 payments for the remainder of the fiscal year. If insufficient money is available, the
4 department shall notify the governor and the legislature by January 15 as to the amount
5 of additional money necessary to fund the reduced level of payments for the fiscal year.

6 When benefit amounts under 42 U.S.C. 1381 - 1385 are increased as a result of an increase in
7 the cost of living, the state shall pass along the increase to recipients and may [SHALL] increase
8 the amount of the state contribution to recipients on the same day that the increase under 42
9 U.S.C. 1381 - 1385 takes effect by a percentage of the state contribution that does not exceed
10 [EQUAL TO] the percentage increase in the benefit amounts under 42 U.S.C. 1381 - 1385 if the
11 department determines by the preceding November 15 that sufficient money has been
12 appropriated to fund the increase for the portion of the fiscal year that occurs after the
13 increase takes effect. Direct payments for medical services and remedial care may not be
14 considered in determining the maximum amount payable.

15 * Sec. 4. AS 47.45 is amended by adding a new section to read:

16 Sec. 47.45.017. CHANGES IN BONUS AMOUNT. (a) If the commissioner of
17 administration determines on July 1 that amounts appropriated for the fiscal year are insufficient
18 to fully fund bonus payments otherwise authorized under this chapter for that fiscal year, the
19 department shall, effective July 1, distribute the available amount on a pro rata basis among
20 eligible individuals on a monthly basis.

21 (b) The commissioner of administration shall determine on September 30 and
22 December 30 whether money available is sufficient to fund the payment level established under
23 (a) of this section for the remainder of the fiscal year. If the commissioner determines that there
24 is insufficient money to fully fund the reduced benefit, the commissioner shall notify the
25 governor and the legislature by January 15 as to the amount of additional money needed to fund
26 benefits under this chapter.

27 * Sec. 5. This Act takes effect July 1, 1992.