

HB-281



Alaska State Legislature

House

JUNEAU ALASKA

HESS COMMITTEE MEETING

May 5, 1975

Members Present:

Beirne Sullivan
 Swanson
Hackney
Ostrosky
Parr

Chairman Sullivan called the meeting to order.

HB 281 & HB 393

Don Clocksin HB 281 ties the Public Assistance Grants to OEO guidelines. HB 393 as we see the bill has the problem of not enough money being provided for needy persons to live on. One purpose of these bills is to increase the funding. There is also a problem here as to the people who are on both Federal and State programs. The way it is set up a Federal increase ends in a State decrease, adding no extra increases for cost of living at all. Alternatives, cheapest first:

- 1) Provide that the State shall pass along the Federal cost of living increase.
 - a. \$140,000 top cost of this change
 - b. \$117,000 - expanded eligibility and recipients of the State share only.
- 2) Federal cost of living plus the required State grant increase by the same Federal percentage.
 - a. Effective next fiscal year \$348,000 State funds = \$250-271 increase per person.
- 3) Same as #2, making it retroactive to July 1, 1974 (changing effective date)
 - a. \$348,000 plus additional cost of \$212,000.
- 4) Fed. Cost of living plus a State supplement increase
 - a. Slightly more than #2 (uncalculated at this time)
- 5) Increases in dollar amounts that the recipient will receive.
 - a. \$250-350 - (SB 219) would affect elderly only
 - b. 4.1 million for Old Age Assistance only
- 6) Same increase as #5 for everyone. (Includes cost of #5).
 - a. 7.1 million

Would recommend the the State cost of living be increased (#4). This can be done at relatively resonable cost. #2 above is the present HB 393.

Marcia Hubbard AA to Genie Chance.

Explained intent of these bills and each alternative listed above.

Page Two
HESS Committee
May 5, 1975

Parr Any possibility of giving supplemental assistance out of Title 20?

Hubbard No, we could not use Title 20 monies to supplement a Title 19 program.

Mr. Kemp Div. of FCS

There's going to be additional costs on any of these options, the Federal regulations will be reducing their checks as of next January and the State will have to pick up the extra costs. Trying to get the Federal law changed to make the Longevity waiver permanent.

Mr. Charney Dept. of H&SS

Explained that there are funds left over from last year's grant money and the funds from this year are in the general fund that will lapse if not used. This could allow the use of alternative #3, making it retroactive without any extra funding or appropriation by using this money.

Marcia This would take a letter of intent to authorize that in the June check of this year that they (the recipients) be given the cost of living increase over the last 12 months, by changing the effective date in this bill back to 1974.

Beirne Move CS for HB 393 be passed with a 'do pass' recommendation.

Ostrosky Seconded.

Chairman Hearing no objection, so ordered.



JUNEAU ALASKA

Alaska State Legislature
House

HB 281

HESS COMMITTEE MEETING

April 17, 1975

Members Present:

Beirne	Davis
Hackney	Parr
Osterback	Sullivan
Ostrosky	Swanson

Chairman Sullivan called the meeting to order at 3:00pm.

HB 394 Rep. Gardiner gave a briefing of the bill. \$71.00 per sq. ft. to build. This is a low figure because they have done alot of the work themselves. They own the land and have done everything possible to complete as much as they could before asking for funds.

Hackney Is that an SOS School?

Gardiner Some of the areas in the State that have already gone to independent school districts, this is one of them.

Mr. Thompson 1962 the Hydaburg School was condemed. It is a first class city. The Legislature made them a loan of \$350,000 and as repayment they pay a tobacco tax and have reduced it to \$207,000. In 1972 there was a \$420,000 bond issue under the Dept. and Federal matching funds.

Parr The fiscal amount is the same of the amount specified in the bill.

Swanson What about the Galena School, could this be added to this bill?

Thompson The Galena School will go to bid next week. Galena can obtain the facility for the funds available. This is a priority in my opinion.

Ostrosky Motion and ask unanimous 'do pass'

Parr Second

Chairman Hearing no objection, so ordered.

HCR 26 by Guy - gave briefing of the bill.

There are no proper places for disposal, leads to many problems. If this Resolution should pass, I am hoping that a better means will be found. There is no fiscal note because we are uncertain as to how this will be carried out.

Swanson I have introduced a bill that will possibly be able to help with all villages and their disposal problems.

Page Two
HESS Meeting
4-17-75

Mr. Mueller Dept. Environmental Conservation

This is a real problem throughout the state. The present statutory responsibility limits itself. We do have a program which does this by water supply and sewage disposal. These could possibly be adjusted to include a wider ranged project. The Dept. is highly in favor of this project. We do have a draft solid waste management plan for Alaska, Perhaps this will help the problem. Probably uneconomical to send recycling materials to Anchorage.

Hackney Move and ask for unanimous do pass.

Swanson Second

Chairman Hearing no objection, so ordered.

HB 281, HB 393

Don Clocksin - HB 281 grants our flexibility so that they can take the cost of living allowance into account. This covers all welfare programs, all cash grant programs. HB 393 relates only to Adult programs. This would require that the State pass along the Federal cost of living increase and also requires this in the State portion of the grant. Just adult programs only.

SB 309 applies just to aid to families, children, AFDC programs, not adult programs. It eliminates distinction between young kids and old kids, fiscal note explains the cost. The two House Bills, important principals are that we must tie the grants to the cost of living allowance.

Hackney Was that included in the Governor's Budget?

Clocksin None of the three bills were included in his budget.

Don Kemp Dept. of H&SS

Stated that he could not recommend these bills. HB 281's major problem is interpreted in Sec. 8 (see attached material). For the general relief program, this would increase the Dept. expenditures considerably. At the present time, the Dept. is only able to serve 1/4 of the eligibles. (see position paper attached). OEO poverty guidelines are based on gross income. AFDC is based on Net income.

Clocksin I don't understand why the fiscal is based on \$3200, it should be based on the present case load. I don't agree with Mr. Kemp here.

Kemp As i read it, i felt that the intent of the bill was to take care of all the eligible people.

Beirne Right now we only have 800 recipients but there are 2400 that could apply and be eligible.

Kemp Our best estimates are that only 1/4 of those that apply are actually given assistance.

Parr Why is the proposed change going to raise the average amount to such a person?

Kemp There will be a minimum amount of assistance, Art. 8 of the bill - pg. 1 Lines 18-20, proposed amendment showing this.

Page Three
HESS Meeting
4-17-75

Parr Wonder if Line 18 is necessary for some kind of relief, don't no how you would define subsistence.

Sullivan I am distressed to know that we can only help 1/4 of the people that apply.

Hackney I read this bill that there should be no fiscal impact. we are saying you are going to help even fewer than the 1/4 because if they're going to be mandated to make to much money they won't be eligible.

Kemp Without an appropriation that may be true, but it depends on whether or not they are applying to the present maximum.

Beirne What's happening to that other 2400 eligible people?

Kemp Sometimes churches, salvation army etc. are able to help some of them. So what we are doing is operating purely on emergency.

Clocks Back to the position paper of 281. Para. #3 is no longer applicable because (pg 2 grants) one person would require \$250 per month, statutory amount, OEO guidelines offer \$244 per month, problem illimated by providing greater of the two. Para #4 I disagree with. OEO amounts are larger than the present grants that the State has. Suggest changes here, possible on Pg. 2 Line 26-27- to change 'general relief', no floor (minimum grant) in the present Statute.

Hackney Where does it get the money to fund them.

Beirne HB 281 would actually take the cieling off?

Kemp Yes, that is correct.

The bills were held over for vote at a later date.

Adjourned @ 5:30pm.

proposed
amendment

POSITION PAPER
ON
HOUSE BILL 281

An act qualifying maximum amount of assistance payable under Public Assistance to conform to the Office of Economic Opportunity Poverty Guidelines.

This bill is identical to HB 554 which was introduced in the last Legislative session and for which the Department prepared a position paper. The purpose of this bill is to revise the assistance standards and payment levels as defined by the Office of Economic Opportunity (OEO) in all assistance programs except Old Age Assistance.

For FY76 and beyond the Department has the following comments regarding the impact of HB 281.

- 1) The Department is concerned about the potential financial consequences of Article 8, Section 47.25.995 of the bill. The Department interpretation of this section is that a person once found eligible for assistance, would be provided with monthly assistance equal to 1/12 of the appropriate OEO poverty guide regardless of any other income available to him. If the bill were amended to read that the assistance grant would be the difference between 1/12 of the appropriate OEO poverty guideline and available income, then the potential fiscal impact becomes more reasonable but is still of considerable consequence relative to current and projected appropriations and expenditures. These consequences are discussed below by assistance category.
- 2) General Relief Assistance - in this category it is estimated that currently only 1/4 of the potential eligibles are provided assistance and if assisted only at a rate of about \$43.45 per recipient per month. Further, it is estimated that an average of 800 recipients per month are served. If, the 800 represents one fourth of the total eligible, 3200 would be the new monthly recipient count under the provisions of HB 281. Further, if we assume a family of four as the average sized family assisted by General Relief, the new average payment per recipient per month under HB 281 would be \$118.50 for an average payment increase of \$75.05 per recipient. Thus, HB 281 would increase the number of recipients served and the average amount of assistance per recipient. In all, under HB 281, General Relief costs for FY76 would increase from an expected \$401.0 to \$4,550.4 (3200 X 118.50 X 12).
- 3) In the blind and disabled categories HB 281 is not workable as written because by using the OEO poverty guidelines as a need standard from which income is subtracted to arrive at an assistance payment amount, the State would in effect be creating a \$230 need standard which is lower than the current \$250 need standard. This action would cause the State to lose Medicaid matching funds under the provisions of the

Supplemental Security Income law which requires the State to keep all those who were receiving assistance for the month of December, 1973 at the same or a greater level of assistance or the State will lose Federal matching funds for Medicaid.

- 4) Section 2, AS 47.25.320 (b) of HB 281 deals with Aid to Families with Dependent Children (AFDC). Since the legal maximum payment amounts in the AFDC program were increased effective July 1, 1974 and the current State need standard is based on net income while the OEO poverty guidelines are based on gross income, the State's current need and payment standards exceed the OEO level in Family sizes of 2 through 5, and are only marginally below the OEO level in the larger families.

Department Recommendations

The Department supports the basic concept of building cost of living increases in the assistance programs based on a nationally recognized index. The Office of Economic Opportunity (OEO) Poverty Guidelines provide such an index. However, the OEO poverty guidelines present conflicts with Alaska's current standards some of which may be unresolvable. In addition, HB 281 as presented leaves doubt as to the assistance standards and amount of payment the legislature wants to establish for the assistance programs. Finally, as written, the bill considerably increases the total amounts to be expended in the 100% State funded General Relief Program. The Department does not recommend an increase in the Governor's budget and thus does not recommend passage of HB 281 for the reasons cited.

Recommended by: Judith M. Barwick 4-17-75
(Acting Director) (Date)

Approved by: Francis S. Williamson 5/4/75
(Commissioner) (Date)

Comments by Governor's Office:

(By) _____

(Date) _____

OEO POVERTY GUIDELINES FOR ALL STATES EXCEPT ALASKA AND HAWAII

<u>Family size</u>	<u>Nonfarm family</u>	<u>Farm family</u>
1	\$2,330	\$1,980
2	3,070	2,610
3	3,810	3,240
4	4,550	3,870
5	5,290	4,500
6	6,030	5,130
7	6,770	5,750

For families with more than 7 members, add \$740 for each additional member in a nonfarm family and \$630 for each additional member in a farm family.

OEO POVERTY GUIDELINES FOR ALASKA

<u>Family size</u>	<u>Nonfarm family</u>	<u>Farm family</u>
1	\$2,910	\$2,480
2	3,840	3,260
3	4,760	4,050
4	5,690	4,830
5	6,610	5,620
6	7,540	6,410
7	8,460	7,190

For families with more than 7 members, add \$920 for each additional member in a nonfarm family and \$780 for each additional member in a farm family.

OEO POVERTY GUIDELINES FOR HAWAII

<u>Family size</u>	<u>Nonfarm family</u>	<u>Farm family</u>
1	\$2,680	\$2,280
2	3,530	3,000
3	4,380	3,720
4	5,230	4,450
5	6,080	5,170
6	6,930	5,890
7	7,790	6,620

For families with more than 7 members, add \$850 for each additional member in a non farm family and \$720 for each additional member in a farm family.

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586-XXXX 6425

file

MEMORANDUM

TO : House HESS Committee
FROM : Don Cloecksin *DC*
SUBJECT: HB 281, HB 393, SB 309 - Welfare Grants
DATE : April 17, 1975

A brief summary of these bills is made so that you can see where they overlap. All are desirable, but a combination of all three would be best.

PRESENT GRANTS

<u>AFDC:</u> Two People (1 child under 13)	=	\$250/month
Two People (1 child 13-18)	=	\$300/month
Three People	=	\$300-350/month
Four People	=	\$350-400/month
(maximum of \$520/month/household)		
<u>General Relief:</u> One Person	=	\$ 80/month
<u>Adult Public Assistance:</u> (SSI; aged, blind, and disabled)		
One Person (shelter costs under \$35/month)	=	\$185/month
One Person (shelter costs over \$35/month)	=	\$250/month
Two People (recipient and ineligible spouse)	=	\$250/month
Two People (recipient and eligible spouse)		
(shelter costs under \$35/month)	=	\$285/month
(shelter costs over \$35/month)	=	\$350/month

1. HB 281.

This bill would set the amount of welfare assistance paid at the level of OEO poverty guidelines or the present state, statutory maximums, whichever is greater. The Office of Economic Opportunity (OEO) is now technically the Community Services Administration (CSA). These guidelines are updated periodically for increases in the consumer price index and are adjusted for Alaska prices.

GRANTS UNDER HB 281.All Programs:

One Person	=	\$ 250/month
Two People	=	\$ 310/month*
Three People	=	\$ 388/month
Four People	=	\$ 474/month

*Two adults, both eligible, with shelter costs over \$35/month, would receive \$350/month.

2. HB 393.

This bill applies only to the Adult Public Assistance programs - not AFDC or General Relief. The federal government makes a basic payment for these aged, blind, and disabled poor, and the state supplements that payment up to the amounts referred to above under PRESENT GRANTS. Although the federal law requires a cost of living increase in the basic payment, it does the recipient no good, since the state supplement is reduced as the federal share increases. This bill would, 1) require the state to pass-along the federal cost-of-living increase, and 2) require the state to increase its own supplement by the same percentage.

GRANTS UNDER HB 393Adult Public Assistance:

Before Federal Cost of Living Increase:

SSI payment (federal)	=	\$ 160/month (approx.)
<u>Supplement (state)</u>	=	<u>\$ 90/month (approx.)</u>
Total Grant	=	\$ 250/month

After Federal Cost of Living Increase:

SSI payment (federal)	=	\$ 170/month (6% approx.)
<u>Supplement (state)</u>	=	<u>\$ 95/month (6% approx.)</u>
Total Grant	=	\$ 265/month

AFDC and General Relief: no change

3. SB 309.

This bill adjusts AFDC grants to comply with federal law.
See Governor's transmittal letter.

GRANTS UNDER SB 309

<u>AFDC</u> :	Two People	=	\$ 300/month
	Three People	=	\$ 350/month
	Four People	=	\$ 400/month
	(no maximum; increases at \$50/person)		

4. COMPARISON OF THE BILLSa. HB 281:

- 1) covers all programs (AFDC, GR, APA)
- 2) automatic cost of living adjustments
- 3) higher grants for most people

b. HB 393:

- 1) applies only to APA program
- 2) automatic cost of living adjustments
- 3) higher grants when cost of living increases

c. SB 309:

- 1) applies only to AFDC program
- 2) no cost-of-living adjustments
- 3) higher grants for families with at least one child under 13 years of age.
- 4) higher grants for large families (over six in family).

DEC:btg

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586-6145

MEMORANDUM

To: Sen. Hohman and Rep. Sullivan
From: Don Clocksin
Subject: Welfare grants - cost of living increases
Date: Feb. 16, 1975

As we discussed, there are several alternative ways of assuring that the poor people of Alaska are protected from large increases in the cost of living.

1. The first is to tie AFDC and Adult Public Assistance (APA, for the aged, blind and disabled) grants to an objective standard that guarantees automatic cost of living increases. House Bill 554 (Eighth Legislature) would have tied grants to OEO poverty guidelines for Alaska (copy of bill attached). These guidelines are updated periodically for increases in the consumer price index and are adjusted for Alaska. The amounts established in these guidelines are what the Dept. of Health and Social Services considers the level of need in Alaska.

If you pass a bill similar to HB 554, the grants would be adjusted as follows. The federal share of each of these totals is substantial.

AFDC- PRESENT GRANTS:

Two people (1 child under 13)	= \$250/month
(1 child 13-18)	= 300 "
Three people	= 300-350 "
Four people	= 350-400 "

ADULT PUBLIC ASSISTANCE - PRESENT GRANTS:

One person (shelter costs under \$35/m.)	= \$185/month
(shelter costs over \$35/m.)	= 250 "
Two people (recipient and ineligible spouse)	= 250 "
Two people (recipient and eligible spouse)	
(shelter costs under \$35/m.)	= 285 "
(shelter costs over \$35/m.)	= 350 "

BY THE HEALTH, EDUCATION AND SOCIAL
SERVICES COMMITTEE BY REQUEST OF THE
INTERIM COMMITTEE ON HEALTH CARE,
SOCIAL SERVICES AND MENTAL HEALTH
DELIVERY SYSTEMS

1 IN THE HOUSE

2 HOUSE BILL NO. 554

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act qualifying maximum amount of assistance payable
7 under public assistance to conform to Office of Econ-
8 omic Opportunity poverty guidelines."

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

10 * Section 1. AS 47.25.130 is amended to read:

11 Sec. 47.25.130. AMOUNT OF ASSISTANCE. The amount of assistance
12 for a needy person shall be determined by the department with regard to
13 the resources and needs of the person and the conditions existing in
14 each case. Where possible, assistance shall be sufficient to provide
15 the applicant with reasonable subsistence according to standards of
16 assistance established by the department. However, the amount of
17 assistance for subsistence needs may not exceed \$80 a person a calendar
18 month unless that amount is less than the Office of Economic Opportunity
19 poverty guidelines for the state, in which case the maximum amount pay-
20 able does not apply.

21 * Sec. 2. AS 47.25.320(b) is amended to read:

22 (b) The monetary maximums in (a) of this section do not apply
23 (1) to payments made under this program for the care of a
24 dependent child in a foster family home; [THE PAYMENT SHALL CONFORM
25 TO FOSTER CARE RATES AS PROVIDED BY THE DEPARTMENT.]
26 (2) if the amount is less than the Office of Economic Oppor-
27 tunity poverty guidelines for the state.

28 * Sec. 3. AS 47.25.640 is amended to read:

29 Sec. 47.25.640. AMOUNT OF ASSISTANCE. The department shall

Alaska's situation into account.

UNDER ALTERNATIVE # 3

Before Federal Cost of Living Increase:
SSI payment = \$150/month
Supplement = 100/month
Total Grant = \$250/month

After Federal Cost of Living Increase:
SSI payment = \$159/month (6%)
Supplement = 100/month (no change)
Total Grant = \$259/month

1 determine the amount of assistance granted for a needy blind person with
2 due regard to the resources and needs of the person and the conditions
3 existing in each case. Assistance shall be sufficient to provide the
4 applicant with reasonable subsistence compatible with decency and
5 health, and according to the standards of assistance established by the
6 department. However, assistance may not exceed \$250 a calendar month
7 unless that amount is less than the Office of Economic Opportunity
8 poverty guidelines for the state, in which case the maximum amount pay-
9 able does not apply. Direct payments for medical services and remedial
10 care may not be considered in determining the maximum amount payable.

11 * Sec. 4. AS 47.25.810 is amended to read:

12 Sec. 47.25.810. AMOUNT OF ASSISTANCE. The amount of assistance
13 for a permanently and totally disabled person shall be determined by the
14 department with regard to the resources and needs of the person and the
15 conditions existing in each case. Where possible, assistance shall be
16 sufficient to provide reasonable subsistence compatible with decency and
17 health and according to the standards of assistance established by the
18 department. However, the amount of assistance may not exceed \$250 a
19 calendar month unless that amount is less than the Office of Economic
20 Opportunity poverty guidelines for the state, in which case the maximum
21 amount payable does not apply. Direct payments for medical services and
22 remedial care may not be considered in determining the maximum amount
23 payable.

24 * Sec. 5. AS 47.25 is amended by adding a new section to read:

25 ARTICLE 8. STANDARDS FOR ASSISTANCE PAYMENTS.

26 Sec. 47.25.995. MINIMUM AMOUNT OF ASSISTANCE. (a) All public
27 assistance payments authorized under this chapter shall be no less than
28 the federally established Office of Economic Opportunity poverty guide-
29 lines for the state.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

(b) To the extent that any maximums are established by statute to limit the amount payable under a program authorized in this chapter, they do not apply so long as they are below the minimums required in (a) of this section.

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE 8
JUNEAU, ALASKA 99801
TELEPHONE 586-~~XXXX~~ 6425

MEMORANDUM

TO: Interested Legislators
FROM: Donald E. Clocksin
RE: SSI pass-along questions
DATE: February 14, 1975

There are several questions that need to be answered regarding this proposal:

1. What will the cost to the state be of increasing grants when the SSI payments increase pursuant to section 1617 of the Social Security Act (Sec. 6, P.L. 93-368, August 7, 1974). The current estimated SSI increase necessary will be 11.5% annually.
2. Will the state benefit increase be solely at state expense or will the federal "hold harmless" provision allow a federal contribution? (See Sec. 401 of P.L. 92-603 adopting the SSI program.)
3. What are the results of the study mandated by AS 47.25.320 regarding the cost of cost of living increases in the AFDC program? Should these increases be incorporated into this proposal?
4. This proposal will in effect create a flexible state payment maximum which adjusts to cost-of-living increases. The result is amendment by implication of AS 47.25.430 (Old Age), AS 47.25.640 (blind), and AS 47.25.810 which impose grant maximums of \$250 per month. Should these be amended?

5. What is cost of keeping state supplan. some
DEC:mjb when fed. share incorporated?

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
315 FIFTH STREET, SUITE B
JUNEAU, ALASKA 99801
TELEPHONE 595-5243 6425

MEMORANDUM

TO: Interested Legislators

FROM: Donald E. Clocksin

RE: Cost-of-living up-dates in grants for the aged,
blind and disabled.

DATE: February 14, 1975

Effective January 1, 1974-one year ago - the federal government took over the basic responsibility of providing welfare for the aged, blind and disabled. The federal Supplemental Security Income (SSI) program provides a basic grant to eligible persons. The State supplemented that basic federal grant to assure that no one received less money than before January 1, 1974.

The federal law provides for automatic cost-of-living increases in its Old Age, Survivors and Disability Assistance (OASDI) and SSI programs. A cost of living increase in the OASDI program is "passed-along" so that the SSI grant is also increased.

The state law has no such requirement of a pass-along. An increase in the federal SSI payment results in a corresponding decrease in the state supplement. As a result, the aged, blind, or disabled individual receives no benefit - his or her grant stays the same.

For example, under the present law:

Before Cost-of-Living Increase

SSI payment (federal)	=	\$146/month
Supplement (state)	=	\$ 60/month
Total Grant		\$206/month

After Cost-of-Living Increase

SSI payment (federal)	=	\$161/month (+\$15)
Supplement (state)	=	\$ 45/month (-\$15)
Total Grant		\$206/month

This attached amendment would "pass-along" the federal increase to the recipient.

DEC:mjb
Attachment

Section 1. Amend AS 47.25 by adding a new section as follows:

AS 47.25.005. Whenever benefit amounts under Title II or Title XVI of the Social Security Act are increased as a result of an increase in the cost of living, as determined under sections 215(i) and 1617 of that Act, the benefit amounts paid by the state as a supplement to the federal Supplemental Security Income program shall be increased by the same amount.

Sec. 2. This Act takes effect January 1, 1975.

POSITION PAPER
OF
HOUSE BILL 393

An Act relating to assistance to the aged, blind, and disabled; and providing for an effective date.

This bill would build an automatic cost of living increase into the Old Age Assistance, Aid to the Blind and Aid to the Disabled programs. Using the current legal maximum payment amount of \$250 per month as a base, this bill would "pass along" to Aged, Blind or Disabled recipients any increase in Supplemental Security Income (SSI) or Social Security (SSA) benefits and in addition increase current state payments by the same percentage as the SSI or SSA percentage increase. For example, if a current recipient receives \$250 per month in assistance (\$146 SSI & \$104 State) and SSI benefits are increased by ten percent, this recipient's total income will be increased by \$25 per month, which is distributed by source as follows:

<u>SSI</u>	<u>State</u>
\$146 Current SSI Payment	\$104 Current State Payment
<u>10% Increase</u>	<u>10% Increase</u>
14.60 Amount of Increase	10.40 Amount of Increase
\$160.60 New SSI Payment	\$114.40 New State Payment
<u>Total Assistance = \$275.00 per Month</u>	

To figure State costs under this bill will be difficult because, the state is never sure of the exact amount of expected SSI and SSA increases. However, once the SSI and SSA percentage increases are known, computing State costs will not be difficult.

The following formula may be used:

Estimated Regular Expenditures X SSI and SSA percentage increases =
Increased costs for Fiscal year.

Increased costs for FY76 for each assistance category are as follows using a range between 5 and 10%.

Expected Increased Cost of FY76
If State Payment Were Increased
By Percentages As Indicated

Program	PERCENTAGE INCREASES					
	5%	6%	7%	8%	9%	10%
Aged	\$ 59.1	70.9	82.8	94.6	106.4	118.4
Blind	3.2	3.9	4.5	5.2	5.2	6.5
Disabled	<u>60.1</u>	<u>72.1</u>	<u>84.1</u>	<u>96.1</u>	<u>108.1</u>	<u>120.1</u>
Total	122.4	146.9	171.4	195.9	202.3	245.0

Two points should be noted concerning this bill.

- 1) Few new recipients would be added to the assistance rolls as a result of this bill. Very few potentially new welfare recipients have income other than SSA. Therefore, those who are currently ineligible because of SSA income will continue to be ineligible as SSA payments increase.
- 2) The above information assumes that the Federal waiver for disregarding the Alaska Longevity Bonus as income will continue through FY76.

Department Recommendations

This Department supported Senate Bill 219 which increases the legal maximum payments in Old Age Assistance from \$250 to \$350. The Blind and Disabled recipients may be included in this bill and the costs for this group were included in the Department's position paper on Senate Bill 219.

While House Bill 393 builds an automatic cost of living increase into the Aged, Blind, and Disabled programs, this department believes that increasing the basic floor amount to \$350 (which SB 219 does) would be more appropriate at this time. Possibly, then, a cost of living increase could be built on the \$350 floor in a year or two. Therefore, the Department of Health and Social Services does not support House Bill 393 at this time.

Recommended by: *[Signature]* 4-17-75
(Acting Director) (Date)

Approved by: *Francis S. Williamson* 4-17-75
(Commissioner) (Date)

Comments by Governor's Office:

(By) (Date)

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. House Bill 393
 Title: An act relating to Assistance to the aged, blind, and disabled
 Requested by: House HCSS Date: April 17, 1975
 Return Date Requested: _____
 Agency: Health and Social Services Program: Social Services -
Assistance Payments

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		*	**	**	**	**

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- * For potential costs see attached chart
- ** Future costs estimated at 10% per year, see attached chart

All costs would be 100% SCF
 Formula for costs is: Current FY '76 Request X SSI and SSI percentages increase =
 Increased costs

IV. ATTACHMENTS

V. DATE: 4/17/75 PREPARED BY: [Signature]

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Expected Increased Cost of 1976
If State Payment Were Increased
By Percentages As Indicated

Program	PERCENTAGE INCREASE					
	5%	6%	7%	8%	9%	10%
State	\$ 50.1	70.8	92.6	115.6	141.1	169.1
Medicaid	5.2	3.9	4.5	5.1	5.7	6.3
Medicare	69.1	72.1	81.1	90.1	100.1	112.1
Total	122.4	146.9	171.4	190.9	207.3	245.0

The points should be noted concerning this bill:

- 1) The bill would not be added to the 1976 budget bill as a result of this bill. Any increase in the 1976 budget bill would be added to the 1976 budget bill. The bill would be added to the 1976 budget bill as a result of this bill. The bill would be added to the 1976 budget bill as a result of this bill.
- 2) The bill would not be added to the 1976 budget bill as a result of this bill. The bill would be added to the 1976 budget bill as a result of this bill.