

HB

393

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

COMMITTEE REPORT

4/8/75

HOUSE

FINANCE

Mr. Speaker:

Date

5/5/75

The Committee on HESS has had HB 393

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR HB 393 AND THAT
CS FOR HB 393 DO PASS

"and" recommends it BE REFERRED TO THE _____
COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>Susan Sullivan</u>	_____	_____
<u>John Sackney</u>	<u>H. B. ...</u>	_____
<u>Ruthven Gotsky</u>	_____	_____
<u>Charles ...</u>	_____	_____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

Susan Sullivan Chairman

POSITION PAPER
ON
HOUSE BILL 393

file

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: *Harold M. Berube* *4-17-75*
(Acting Director) (Date)

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

Comments by Governor's Office:

(By) (Date)

Expected Increased Cost of FY76
If State Payment Were Increased
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PERCENTAGE INCREASES						
Program	5%	6%	7%	8%	9%	10%
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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 HESS

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% SGF

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: Don Keys

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

HOUSE JOURNAL

TO: Mike Bradner, Speaker
House of Representatives

DATE: May 6, 1975

FROM: House HESS Committee

It is the intent of the Committee, after careful consideration of HB
HB 393, that the Committee Substitute be offered in place of the original
bill, and that the intent of this legislation authorize that in the
June 1975 recipient checks they be given the cost of living increase
over the last 12 months.

M E M O R A N D U M

TO: MEMBERS OF HOUSE HESS COMMITTEE

FROM: MARSHA HUBBARD, ADMINISTRATIVE ASSISTANT
SENATOR GENIE CHANCE

SUBJECT: CSHB 393, Assistance to the blind, aged, and disabled

The Committee Substitute for House Bill No. 393 provides for a pass-through of federal cost-of-living increases in the Supplemental Security Income Program (SSI) to Alaskan SSI recipients.

Title XVI of the Social Security Laws provides for a cost-of-living increase in the SSI Program. This increase, however, has not been passed along to Alaskan SSI recipients because the present statutes provide for a maximum benefit level of \$250.00 per month.

Because our statutes presently prohibit the pass-through of this cost-of-living increases, our elderly, blind, and disabled SSI recipients have had \$6.00 missing from their monthly checks that was rightfully theirs since July 1, 1974. This Committee Substitute will not reimburse this amount, but does provide for the pass-through of any new cost-of-living increases in the SSI Program. The feds have announced that there will be a cost-of-living increase on July 1, 1975. This increase will be approximately 8.5% of the federal SSI Payment, approximately \$12.00.

Passage of this Committee Substitute will have a minimal cost. There will be no additional cost for the pass-through of this cost-of-living increase to those Alaskan recipients who are on the Federal SSI Program. There are 945 Alaskan recipients who are on the State SSI Program. These people are deserving of a cost-of-living increase which is the same as the federal government. The cost of this increase will be \$140,729.40.

In addition to passing along the federal cost-of-living increase, Committee Substitute to House Bill No. 393 provides for a similar cost-of-living increase in the state contribution. Presently the breakdown of costs in our adult programs is as follows: For a single individual living alone with no outside sources of income, the federal government provides \$146 and the state provides \$104 bringing the total payment of \$250. When the cost-of-living increase of 8.5% increase takes effect in July, the federal payment will increase by \$12.41, this bill would require that the state also increase their payment by 8.5% or approximately \$8.50. The approximate cost of providing this state cost-of-living increase is \$198,000.

The total effect of these provisions would be to increase the payment to recipients from \$250 to \$271.50 per month. The total cost of the bill would be approximately \$354,366.

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPT. OF HEALTH AND SOCIAL SERVICES

Division of Administrative Services
Financial Management Office

Pouch H-02E

ok [signature]

Document# H HESS9

May 7, 1975

Representative Susan Sullivan
Pouch V
State Capitol Building
Juneau, Alaska 99811

Dear Ms. Sullivan:

The Department's testimony concerning retroactive benefits to Adult Public Assistance recipients at the recent HESS Committee meeting on CSHB 393 indicated that it would cost roughly \$500.0 to continue FY 75 retroactive benefit increases into FY 76. The Department's statement was based on the assumption that the Committee and Department's intent was to pass on \$6.00 per month per eligible recipient for all of FY 75. The \$6.00 represents the July 1975 Title XVI benefit increase that was not passed along to recipients. However, in changing the effective date of the bill to July 1, 1974, the nature of the assumed intent changed considerably. With the earlier effective date, the Department must now add on 4.3% of FY 75 state payments to meet the state percentage increase provision of this bill. A 4.3% increase equals about \$3.00 per recipient per month. This will add about \$113.4 to the FY 76 continuation costs.

The Department now estimates that it will cost about \$718.4 in FY 76 to continue the FY 75 increases and meet the expected Title XVI increases for FY 76 if both the \$6.00 and \$3.00 amounts are passed along to recipients.

If the \$718.4 figure is deemed too costly, the Department makes the following recommendation to the committee: recorrect the technical flaw in CSHB 393 and make the new effective date July 1, 1975. Then with a Concurrent Resolution instruct the Department of Health and Social Services to make a retroactive payment of \$ 6.00 per month per eligible recipient back to July 1, 1974 that is not based on any stated formula. This would cost about \$ 226.8 in State General Funds for FY 75. The cost of living increase formula in CSHB 393 would then be implemented on July 1, 1975 on the basis of 8.5% of FY 75 state expenditures including the retroactive payment amount. In this way the funds for the additional \$3.00 per month per recipient for FY 75 are not spent nor are such costs carried over to FY 76.

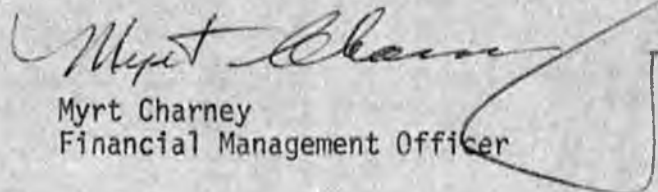
Using the new formula, total costs for FY 76 related to CSHB 393 would be \$594.9 which is broken down as follows: \$226.8 to continue \$6 per

month per recipient FY 75 increase; \$227.4 to fund states cost of living increase based on 8.5% Title XVI increase; and \$140.7 to increase benefits for state recipients not eligible for SSI. (\$226.8 + \$227.4 + \$140.7 = \$594.9).

Under this formula new maximum need standard and maximum monthly recipient income effective July 1, 1975 would be \$274 or \$275 as opposed to \$ 278 in proposed letter to Speaker Bradner or \$250 under current program operations.

I should inform the Committee that the above figures are based on the assumption that the Alaska Longevity Bonus will continue to be disregarded by the Supplemental Security Income Program after December 31, 1975. If this assumption proves incorrect, additional costs for Old Age Assistance grants for the last one half of FY 76 will be \$454.3.

Sincerely yours,


Myrt Charney
Financial Management Officer

MC/DK/v1h

May 6, 1975

HB 393
CS

TO: Honorable Mike Bradner
Speaker of the House of Representatives

FROM: Susan Sullivan, Chairwoman
House HESG Com

~~Juneau, Alaska 99801~~

SUBJECT: CS HB 393

~~Dear Mr. Speaker:~~

The House Committee on Health, Education, and Social Services has passed out with a unanimous do pass recommendation, Committee Substitute for House Bill 393 which will increase monthly benefits for recipients of Adult Public Assistance.

Committee Substitute for HB 393 provides for a retroactive benefit increase back to July 1, 1974 based on the same formula as is specified in the original and substitute bills for future benefit increases.

Yesterday the Committee was informed by representatives from the Depart-

ment of Health and Social Services that the Department would be lapsing an unspecified amount of money in the grants component for Adult Public Assistance recipients. The major reason the funds will be lapsed is the past policy of the State to reduce welfare payments when other benefits, such as Social Security, were increased. The committee was further informed that there would be enough funds in the FY 75 appropriation to cover a \$9.00 per month per recipient retroactive benefit increase back to July 1, 1974. Six dollars per month of the retroactive increase would make up for the July 1, 1974 \$ 6.00 Supplemental Security Income (SSI) increase which was not passed along to recipients. The remaining \$ 3.00 of the increase represents 4.3% of average monthly state payments to recipients for FY 75. 4.3% is the percentage amount of the Title XVI July 1974 increase. Committee Substitute for House Bill 393 calls for the state percentage increase to be equivalent to the Title XVI increase.

The total cost to the state to make retroactive payments of \$9.00 per recipient per month will be \$ 340.2, or $3150 \text{ recipients} \times \$ 9.00 \times 12 = \$ 340.2$. This amount is available in the current FY 75 appropriation for the Adult Public Assistance Programs. The maximum total retroactive payment per recipient will be \$ 108.

For FY 76 maximum total additional expenditures under CS for HB 393 will be \$ 718.4 over the current Governor's budget: or \$ 340.2 to carry over into FY 76 the retroactive FY 75 benefit increases; plus \$ 237.5 the

amount needed to pass along the expected 3.5% July 1, 1975 Title XVI increase; plus \$ 140.7 to increase benefits to non-eligible Title XVI recipients who are eligible for state only payments. ($\$340.2 + \$237.5 + \$140.7 = \718.4)

By the beginning of FY 76, the maximum total income available to an Adult Assistance recipient will be \$ 278 per month as opposed to \$ 250 per month under the current system.

It is the judgement of this committee that a maximum of \$ 28 additional per month is a way this legislature can demonstrate to Alaska's needy Aged, Blind, and Disabled population that it recognizes higher living costs while at the same time facing the realities of current state finances.

It is the request of the House Health, Education and Social Services Committee to seek your concurrence in establishing this letter as a statement of legislative intent to instruct the Department of Health and Social Services to make retroactive payments in accordance with the provisions of CS for HB 393 back to July 1, 1974.

Sincerely yours,

Susan Sullivan
Chairperson



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 393

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 briefi ; 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 thatwill possibly be able to help with all villages and their disposal problems.

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 illiminated 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.

proposed
amendment

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.

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

File
HB 393

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 "

UNDER OEO GUIDELINES (eff. June 21, 1974):

One person	= \$242.25/month ***
Two people	= 310 " ***
Three people	= 388.33 "
Four people	= 474.15 "

*** Since amount for one person is less than some current grants, we should be sure that the greater amount is paid. See HB 554

2. The second alternative is to require cost-of-living increases in state payments whenever the federal payments go up. This would exclude AFDC because there are no mandatory federal cost-of-living increases in the AFDC program. The language attached to my Feb. 14 memo would accomplish this. While federal cost-of-living increases would apply only to the federal share of the payment, adopting this language would also guarantee increases in the state supplement as well.

For example:

UNDER PRESENT SITUATION

Before Federal Cost of Living Increase:

SSI payment (federal)	= \$150/month
<u>Supplement (state)</u>	= 100/month
<u>Total Grant</u>	= \$250/month

After Federal Cost of Living Increase:

SSI payment	= \$159/month (6%)
<u>Supplement</u>	= 94/month
<u>Total Grant</u>	= \$250/month (no change)

IF ALTERNATIVE # 2 IS ADOPTED

Before Federal Cost of Living Increase:

SSI payment	= \$150/month
<u>Supplement</u>	= 100/month
<u>Total Grant</u>	= \$250/month

After Federal Cost of Living Increase:

SSI payment	= \$159/month (6%)
<u>Supplement</u>	= 106/month (6%)
<u>Total Grant</u>	= \$265/month

3. The third, and cheapest, alternative is to simply require that the state "pass-along" the federal cost-of-living increase. The state would not add one of its own, but would keep its grants the same, even though the federal grant increased. It should be noted that under this alternative there is no cost-of-living factor built into the state's share of the grant; that is, the total grants won't reflect the increase in the cost of living. The federal increase does not take

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 impcse grant maximums of \$250 per month. Should these be amended?

5. What is cost of keeping state supplm. same when Fed. share increases?

DEC:mjb

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.

POSITION PAPER

SENATE BILL #137

Making a special appropriation to the Department of Education to provide additional funding for the Hydaburg School Addition.

BACKGROUND

In 1974, the Second Session of the 8th Legislature appropriated \$40,000 as a supplemental appropriation to the General Appropriation Act, to be used for site and design development for the Hydaburg School Addition. Furthermore, the Legislature earmarked \$420,000, Chapter 142 SLA 1974, for the Hydaburg School which was recently approved by the voters, making a total of \$460,000 available for the Hydaburg School Addition. The intent of those funds was to provide a high school addition consisting of an instructional media center and shower rooms, storage, and related mechanical to the existing multi-purpose room, enabling Hydaburg to have a facility for their high school program. Architectural estimates, of February 10, 1975, indicate the basic bid for lockers, showers, storage, independent study, and learning resource area of 4787 sq. feet will cost \$71.00 per sq. ft., for a total of \$339,877. Included is a proposed Alternate #1, expansion of that area to include art-science, toilet rooms, audio-visual storage, group study of 1512 sq. ft., at a cost of \$88,629. Total estimated cost of construction is \$428,506. The proposed legislation, SB #137, will provide an appropriation of \$150,000, and would insure that (1) Alternate #1 would be included, and (2) a kitchen, originally included as Alternate #2, could also be included in the invitation to bid.

PROBLEMS

The Department of Public Works, Division of Buildings, will be inviting bids on the basic bid for the Hydaburg project in March 1975. SB #137 takes effect July 1, 1975, which would mean, if such funds became available, that Alternate #1 or #2 would have to be included in a separate contract, or as a Change Order to the anticipated contract, which would bring the cost higher than if the funds became available at the time the bid is awarded in April. Groups that may have an interest in the legislation would include the Hydaburg City Council, the school administration, and the school board -- all of whom are vitally interested in the additional funds.

DEPARTMENT RECOMMENDATIONS

The school population of Hydaburg, originally estimated in the summer of 1973, has grown faster than was anticipated. An update was done by the

City of Hydaburg -- an overall community economic study -- in April, 1974. Since that time, the population has increased more than that April 1974 study indicated, therefore, the City of Hydaburg is updating their comprehensive economic survey at the current time. In light of these developments, the Department of Education does support S. B. #137.

William A. Howard
Name

Director Management and Finance
Title

Feb 24, 1975
Date

POSITION PAPER
ON
CSHB 393

An act relating to assistance to the Aged, Blind, and Disabled; and providing for an effective date.

This bill will build an automatic cost of living increase into the Old Age, Blind, and Disabled assistance payments. Using the current legal maximum payment amount as a base, this bill would "pass along" to recipients any increase in Federal Supplemental Security Income (SSI) benefits and in addition increase current state payments by the same percentage as the SSI percentage increase. For example, if a current recipient receives \$250 per month in assistance (\$146 SSI and \$104 State) and SSI benefits are increased by eight and one half percent (8.5%), this recipients total monthly income will be increased by \$21.00 (rounded) per month, which is distributed by a source as follows:

SSI	STATE
\$146.00 current payment	\$104.00 current payment
8.5% increase	8.5% increase
<u>\$ 12.41</u> amount of increase	<u>\$ 8.84</u> amount of increase
\$158.00 New SSI Payment	\$113.00 New State Payment

Total Assistance = \$271 per month

This bill has an effective date of July 1, 1974 which means that current recipients will be eligible for both Federal and State retroactive cost of living benefits back to July 1, 1974. The Department estimates that the cost of the retroactive increase will be \$9 per month per eligible recipient - \$6 to "pass along" the July 1974 SSI increase and a \$3 State increase which represents an equivalent percentage increase in State payments as that allowed under the SSI Program. The maximum retroactive increase would be \$108 or \$9 per month x 12 months = \$108. Funds are available in the current year appropriation in the Adult Public Assistance component for the retroactive increase.

With both retroactive increases and the expected July 1, 1975 increases the new maximum assistance standard effective July 1, 1975 would be \$278 as opposed to the current maximum of \$250.

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 Social Security. Therefore, those who are currently ineligible will continue to be ineligible as Social Security payments increase.

Department's 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 Senate Bill 219 and the costs for this group were included in the Department's position paper on the bill.

While CSHB 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 primarily supports the concept of SB 219 and then the cost of living increase concept of CSHB 393. However, the Department is not in a position to recommend increasing the Governor's budget to fund the costs of either SB 219 or CSHB 393.

Recommended by: William Borucki 5/14/75
(Acting Director) (Date)

Approved by: Francis J. Williamson 5/23/75
(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. CSHB 393

Title: An Act relating to assistance to the Aged, Blind, and Disabled

Requested by: House HESS

Date: _____

Return Date Requested: 5/14/75

Agency: Health & Social Services

Program: Social Services/Assist. Payments

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Assistance Payments

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.		718.4	790.2	869.2	956.1	1,051.7
TOTAL	- - -	718.4	790.2	869.2	956.1	1,051.7

B. FUNDING: (Thousands of dollars)

GENERAL FUND		718.4	790.2	869.2	956.1	1,051.7
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	/	/	/	/	/	/

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

See Attachment #1

IV. ATTACHMENTS

CSHB 393 Cost Areas - Attachment #1

V. DATE: 5/15/75

PREPARED BY: Durkin

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

FISCAL NOTE
CSHB 393
Attachment #1

Three Major Cost Areas:

\$340.2

To continue into FY76 the retroactive adjustments in payment and need levels that were established in FY75. The adjustment would be a \$9 per month per recipient benefit increase retroactive for all non nursing home recipients back to July 1, 1974. The formula for calculating these continuation costs in FY76 is as follows:

3150 recipient. X \$9 per month X 12 months = \$340.2

\$237.5

To increase FY76 state payment by the same percentage as the July 1, 1975, SSI increase which is expected to be 8.5%. Formula:

\$2,448.3 FY76 Governors Budget Request + 340.2 Continuation of increased FY75 costs = \$2788.5 X 8.5% SSI percentage increase = \$237.5.

\$140.7

An estimated 945 of current recipients do not receive SSI benefits and will not benefit from the SSI increase. To provide the same increase to non-SSI (state only) recipients will cost:

945 X \$12.41 X 12 = \$140.7.

The \$12.41 represents the expected monthly increase for SSI recipients effective July 1, 1975.

Cost Summary

\$340.2	FY75 Continuation Costs
\$237.5	8.5% State Percentage Increase 7/1/75
\$140.7	8.5% Percentage Increase for State Only Recipients
<u>\$718.4</u>	Total

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. SS HB 431
Title: An Act Making (Etc.)
Requested by: HESS Date: 5-21-75
Return Date Requested: 5-21-75
Agency: Health & Social Services Program: Program Service BRU.

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Program Service BRU.

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		100.0	110.0	121.0	133.1	146.4
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		100.0	110.0	121.0	133.1	146.4

B. FUNDING: (Thousands of dollars)

GENERAL FUND		100.0	110.0	121.0	133.1	146.4
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

SS HB 431 would appropriate a blank amount of 100.0 to the Department of Health and Social Services to provide grants to eligible agencies for child abuse counselling.

IV. ATTACHMENTS

CS: SS 432

V. DATE: May 21, 1975

PREPARED BY: William J. Miller