

HB

55



Alaska State Legislature

House State of Affairs

Please enter into the record my testimony to the Subcommittee on Aging committee name
committee on HB 55 - ^{Reducing Longevity Bonus} Benefits, dated 4/21/99
bill/subject

and ① HB 161/5B126. Reduction of benefits.

This could ^{BILL} impact me & most other elderly in quality/survival of my (our) remaining years. ^{Subject} to House Finance subcommittee budget

② HB 55 is a disaster in the making.

Citizens who have worked hard and helped society could be penalized, where as "free loaders" could benefit. Invasion of privacy is not what should be the norm!

I agree with Halford - stop the 600 proposed State Gov positions before cutting HB 55

Signed:

Eileen O. Johnson
Testifier

Representing (Optional)

Address

501 KNIK GOOSE BAY Rd. WASILLA AK
99654

Phone No.

907-373-1139



Alaska State Legislature

House State of Affairs

Please enter into the record my testimony to the

Alaska Commission on Aging
committee name

committee on

HB 55

Reducing Longevity
bill/subject

dated

4/21/99

bill/subject

I oppose this bill

Signed:

Erin M Selby
Testifier

Erin M Selby
Representing (Optional)

P.O. BOX 878392
Address

Address

907-373-~~1155~~ 1155

Phone No.

Comments made at Legislative Information Office (LIO), Fairbanks, during teleconference of Thursday, March 25, 1999, convening at 8:00 a.m. State Representative Jeannette James and her committee heard citizens' remarks on HB 55, "An Act relating to eligibility for the longevity bonus...".

My name is Ruth Bohms. I reside at 535 Halvorson Road, Fairbanks, Alaska. I arrived in Alaska in 1951 and I have lived in Alaska for 48 years.

I am here today to speak against HB 55 which proposes to "means test" the Longevity Bonus program by requiring maximum gross income for an unmarried person to be less than \$60,000 and for a married couple to be less than \$80,000 for eligibility to receive a Longevity Bonus check. The Longevity Bonus program began in 1973 with \$100 payments to persons 65 years of age and older, and the monthly amount increased to \$250 over the next eight (8) years.

For example:

From 1973 to 1976, Longevity Bonus payment was \$100.00.

In 1977, it went up to \$125.00.

In 1978, it increased to \$150.00.

In 1980, it increased to \$200.00.

In 1981, it reached \$250.00, the present monthly amount.

In 1994, with HB 81, the Longevity Bonus Program began to be phased out.

During 1994, persons turning 65 years of age during that year could apply for \$200.00.

During 1995, persons turning 65 years of age during that year could apply for \$150.00.

During 1996, persons turning 65 years of age during that year could apply for \$100.00.

The program closed out and the last day to apply was December 31, 1996.

Now, going back twenty-six (26) years to 1973 when the Longevity Bonus Program began, Alaskans 65 years of age received a \$100 payment.

Theoretically, some of those early recipients are alive today at approximately ninety one (91) years of age.

Some of the first recipients were upper income individuals and others were in lower income brackets.

But after 26 years of being in the program, one would have to say that those initial recipients, some rich and some poor, (even today), are grandfathered in the program.

Likewise, even the last of the recipients who applied just before the program closed in 1996 and who have been receiving benefits for the past 2½ years, can be considered grandfathered into the current, closed program.

After all these years, to remove participants from the program based on their income could be inviting a lawsuit.

At the present time, State funding for Longevity payments decreases each month as recipients pass away.

Participants grow fewer in number and the cost to the State goes down each each and every month and will continue to do so.

Means testing would not increase State revenues significantly and means testing as a principle is not acceptable to seniors who have helped to build this great State of Alaska.

If HB 55 becomes law, then next year, a new bill with lower maximum income levels could remove another group of seniors by means testing.

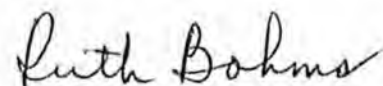
For example, next year a bill might be introduced requiring that maximum gross income for single persons must be less than \$50,000.00 and for married couples gross income must be less than \$70,000.00.

So, in increments in the next few years, anyone above the poverty level may well be removed from the Longevity Bonus program.

The many seniors I have talked to stand firmly behind the present Longevity Bonus Program without any changes or modifications.

I urge you to vote against HB 55.

Thank you!



Ruth Bohms
P.O. Box 80155
Fairbanks, Alaska 99708-0155



TELECOPY COVER SHEET

Fairbanks Legislative Information Office

Office - (907) 432-4448

Fax - (907) 456-3346

TO: House SIA/Rep. James FAX: _____ PHONE: _____

FROM: Fairbanks LIO PHONE: _____

INSTRUCTIONS: Written testimony for HB 55 teleconferenced
3/25/99

RECEIVED: Date _____ Time _____

SENT: Date _____ Time _____

DISPOSAL OF ORIGINAL: Discard _____ Hold for Pickup _____

NUMBER OF PAGES: 2 (Not counting cover sheet)

SENT BY: Frax

Comments made at Legislative Information Office (LIO), Fairbanks, during teleconference of Thursday, March 25, 1999, convening at 8:00 a.m. State Representative Jeannette James and her committee heard citizens' remarks on HB 55, "An Act relating to eligibility for the longevity bonus...".

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Page 2, Teleconference on Longevity Bonus eligibility March 25, 1999
Comments of Ruth Bohms, Fairbanks

Theoretically, some of those early recipients are alive today at approximately ninety one (91) years of age.

Some of the first recipients were upper income individuals and others were in lower income brackets.

But after 26 years of being in the program, one would have to say that those initial recipients, some rich and some poor, (even today), are grandfathered in the program.

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Means testing would not increase State revenues significantly and means testing as a principle is not acceptable to seniors who have helped to build this great State of Alaska.

If HB 55 becomes law, then next year, a new bill with lower maximum income levels could remove another group of seniors by means testing.

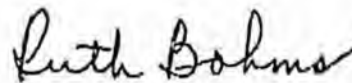
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The many seniors I have talked to stand firmly behind the present Longevity Bonus Program without any changes or modifications.

I urge you to vote against HB 55.

Thank you!



Ruth Bohms
P.O. Box 80155
Fairbanks, Alaska 99708-0155



COMMITTEE:
STATE AFFAIRS

DATE: March 25, 1999

Subject of meeting:

HB 55-LONGEVITY BONUS ELIGIBILITY

SIGN-IN

PLEASE PRINT!

NAME

ADDRESS (MAILING / ZIP)

PHONE

REPRESENTING

DO YOU
WANT TO
TESTIFY?

NAME	ADDRESS (MAILING / ZIP)	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
Donald Bushnell	Box 210189 17th - B - AK 99821	907 - 760 - 4651	Me Concern	
RALPH C. HUNT	2616 DOUGLAS HWY # 205	907-364-2701	SELF-PIONEER	
Mary Lou Menden	Box 20412, Juneau 99802	586-2568	Self Pioneer	
Ralph M. Hunt	2616 Douglas Hwy # 205	907 364-2701	Self - Pioneer	
Gene Hau	Box 20995 Juneau 99802	586-3812	ADRP	X

03/25/99 LEGISLATIVE TELECONFERENCE NETWORK LTN1205
 08:07:50 CONFERENCE UPDATE PAGE 05 - PARTICIPANTS BY SITE L906
 TCN 90452 (S) T/C DATE: 03/25/99 TIME: 08:00 to 10:00 STATUS: 3 ANNOUNCED
 SITE - LIO KOD VTS NO 1 GENERATE OBSERVERS 00 GENERATE TESTIFIERS 00

?	NO	TITLE	FIRST MI	LAST NAME	AFFILIATION	TYPE	AGENDA	REF
?	1	MR	DEWITT	FIELDS	AK	SENIOR CITIZEN	T 1 HB	55
?	2				AK			
?	3				AK			
?	4				AK			
?	5				AK			
?	6				AK			
?	7				AK			

? (A=Add D>Delete U=Update Participant)
 MSG: PARTICIPANTS FOR 90452 SUCCESSFULLY UPDATED



Testimony
Allowed - 3 min.
time limit

Anch

LEGISLATIVE TELECONFERENCE NETWORK

SIGN-IN SHEET

90452

SPONSOR: House State Affairs
SUBJECT: HA 55 - Bills Previously Heard
START/END TIME: 8:00 DATE: 3-25

PLEASE PRINT

	Name/Representing	Address	Zip	Phone No.	Testify	Observe	Bill No.
1.	MARGUERITE STETSON AARP STATE PRES	3009 NORTHWOOD ST	99517	245-5259	Yes		53
2.	Carolyn Ludwig AARP State Coord. Econ. Sec.	5240 Jordan Circle	99504	3377658	Yes		55
3.							
4.							
5.							
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11.							
12.							
13.							
14.							
15.							



LEGISLATIVE TELECONFERENCE NETWORK

TCN: 90452
 TC Line: 456-5758
 Time Dialed In: _____
 Time Dropped Off: _____
 Meeting ID: _____

SIGN-IN SHEET

Please Print!!

SPONSOR: HSTA
 SUBJECT: HR53

Name - Organization You Are Representing	Address	Zip	Phone #	Testify	Observe	Bill #
Ruth Bohms	535 Halvorsen Rd. FBKS	99708	479-6970	✓		
Jerry Bohms				✓		
HARRY JENKINS	210-10TH AVE FBKS AK.	99701	456-4905	✓		
Luby Fiddle	166 - 8th Ave. FBKS AK.	99701	456-5516		✓	
Beth Hubner	1018 Malena St FBKS	99709	474-0549	✓		
Alan Frenshlin	1213 Coppert St	99709	474-9475	✓		
Arthur Brewwell	102 Maple Dr, FBKS AK	99709	478-0651	✓		
Joseph M. Strunk	PO Box 70550 / 10085 MYTHE ST. ^{FBK AK}	99707	479-3347	✓		
Don Hoover	1029 Kodiak 76th	99709	474-0576		✓	

TONY KNOWLES
GOVERNOR

HB 55
P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 20, 1999

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker *Brian* Porter:

As part of my Administration's effort to reduce state spending and address our budget gap, I am reintroducing a bill that would set income limits on eligibility for the longevity bonus. These limits would be set so that only those senior citizens in upper income brackets who least rely on the bonus would no longer be eligible for the program. I asked the Twentieth Alaska Legislature to consider this proposal, and still believe it is a responsible approach to our need to cut state spending.

This bill would limit the longevity bonus to those senior citizens with gross incomes of less than \$60,000 a year or, for married seniors, a combined annual gross income of \$80,000.

Although the 1993 amendments to the bonus statutes closed the program to any new applicants as of January 1, 1997, the savings over the next few years produced by this change are relatively small. By contrast, the plan presented in this bill would reduce program costs by about eight percent annually, equating to some \$4.6 million in FY00. Another \$1.6 million would be saved annually in accompanying "hold harmless" provisions of the Adult Public Assistance budget because the federal government will not count the longevity bonus against public assistance payments if the bonus carries an income restriction -- such as that contained in this bill.

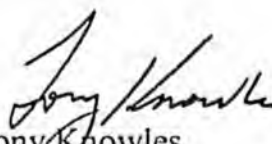
This proposal does not "needs base" the bonus program, which some seniors oppose believing that equates to welfare. Approximately ninety-two percent of seniors currently on the program, or more than 20,000 people, would see no change in their bonuses. The relatively high income level of \$60,000 means the bonus would not be limited to just those seniors with lower incomes, but would continue to recognize the contributions of our Alaska seniors.

The Honorable Brian Porter
January 20, 1999
Page 2

This bill considers only income, not assets, so recipients with moderate incomes would continue to receive the bonus even if they own valuable but non-liquid assets, such as homestead property or a residence that has greatly increased in value over the years. Also, a senior made ineligible for the bonus by this law would be reinstated to the program if his or her income later dropped below the cutoff levels.

This proposal is a logical approach to trimming our budget gap without terminating essential programs and services to our residents. I urge your consideration of this measure.

Sincerely,



Tony Knowles
Governor

STATE OF ALASKA
1999' LEGISLATIVE SESSION

13000101

No: 3

Bill Version: HB 55

(H) Publish Date: 1/22/99

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
 Title: Eligibility for Longevity Bonus BRU: Public Assistance
 Component: OAA-ALB Hold Harmless
 Sponsor: Rules COMPONENT SERIAL NO. 223
 Requestor: Governor See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(1,589.3)	(1,850.0)	(1,794.5)	(1,740.7)	(1,688.5)	(1,637.8)
MISCELLANEOUS						
TOTAL OPERATING	(1,589.3)	(1,850.0)	(1,794.5)	(1,740.7)	(1,688.5)	(1,637.8)

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGES IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(1,589.3)	(1,850.0)	(1,794.5)	(1,740.7)	(1,688.5)	(1,637.8)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	(1,589.3)	(1,850.0)	(1,794.5)	(1,740.7)	(1,688.5)	(1,637.8)

Estimate of any current year (FY1999) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Federal law governing the administration of the Supplemental Security Income (SSI) program allows SSI to exclude state-funded, need-based payments from consideration when determining eligibility for federal SSI benefits. This legislation changes the treatment of Longevity Bonus payments by SSI. Currently, ALB payments made to an individual who first qualified for the bonus after September, 1985 are treated as countable income in SSI eligibility calculations. Under AS 47.45.122, the ALB hold harmless program replaces public assistance, SSI, and Medicaid benefits that are denied because federal law requires that bonus payments be counted as income.

This legislation will establish the Alaska Longevity Bonus (ALB) as a need-based program. SSI will be allowed to disregard ALB payments from income when determining eligibility and benefits and eliminates the need for Alaska Longevity Bonus Hold Harmless (ALB/HH) funds to replace lost SSI benefits.

Prepared by: Jim Nordlund Phone: 465-2680
 Division: [Signature] Date/Time: 1/6/99 11:05 AM
 Approved by Commissioner: Karen Perdue, Commissioner Date: 1/8/99
 Agency: Department of Health & Social Services

ANALYSIS (cont.):

Because of the SSI program's retrospective budgeting process, this legislation will not affect ongoing SSI recipients until the benefit month of September 1999. Therefore the decrease in ALB/HH expenditures for FY98 only reflects 10 months for FY00.

Under existing state law, no new individuals will be eligible for ALB payments after December 31, 1996. Accordingly, the need for ALB/HH funds will decrease each year while Old Age expenditures would increase by the same amount. ALB/HH expenditures are anticipated to decrease each year after FY00 by about 3 percent a year.

The need for Medicaid ALB hold harmless payments remains, because the federal Medicaid program rules continue to require that the bonus payments be treated as income for some individuals.

FISCAL NOTE

No: _____

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Bill Version: HB 55
(H) Publish Date: 1/22/99

Revision Date: _____
Title: "An Act relating to the eligibility for longevity bonus..."

Department Affected: Administration
BRU: Longevity Bonus
Component: Longevity Bonus Grants

Sponsor: Rules
Requestor: Governor

COMPONENT SERIAL NO. 26

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES	150.0	150.0	150.0	150.0	150.0	150.0
TRAVEL						
CONTRACTUAL	350.0	100.0	100.0	100.0	100.0	100.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(4,600.0)	(4,338.0)	(4,059.4)	(3,782.9)	(3,503.2)	(3,224.1)
MISCELLANEOUS						
TOTAL OPERATING	(4,100.0)	(4,088.0)	(3,809.4)	(3,532.9)	(3,253.2)	(2,974.1)
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(4,100.0)	(4,088.0)	(3,809.4)	(3,532.9)	(3,253.2)	(2,974.1)
1037 GF/Mental Health						
OTHER						
TOTAL	(4,100.0)	(4,088.0)	(3,809.4)	(3,532.9)	(3,253.2)	(2,974.1)

Estimate of any current year (FY 98) cost: \$ 0.0

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

This bill would limit eligibility for the Longevity Bonus Program to those seniors whose income does not exceed \$60.0 for a single person or \$80.0 for a couple. Anyone with income exceeding those amounts would be suspended from the program, but could requalify if their income status changed. Although the amount of savings anticipated from this bill is an estimate, because income data is not collected on bonus recipients at this time, it is expected that the income maximum will reduce program grant costs by approximately 8% each year. However, if this estimate is too high, the program would then need a supplemental appropriation to cover the difference.

The impact of administering the program with these changes would depend on the details worked out regarding the verification of income. The program would probably need additional staff or contract resources to process income verifications, resolve disputes, process appeals, investigate suspected fraud, write detailed regulations and modify the Longevity Bonus computer program.

Prepared by: James L. Kohn, Director
Division: Alaska Longevity Programs

Phone: (907) 465-2159
Date: 1/4/99

Approved by Commissioner: Mark Bove
Agency: Department of Administration

Date: 1/5/99

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Rev 10/98

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STATE OF ALASKA
1999 LEGISLATIVE SESSION

Bill Ver. n: HB 55
(H) Publish Date: 1/22/99

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
 Title: Eligibility for Longevity Bonus BRU: Medical Assistance
 Sponsor: Rules Component: Medicaid ALB Hold Harmless
 Requestor: Governor COMPONENT SERIAL NO. 231
 See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY1999) cost: \$0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Federal law currently permits the Alaska Medicaid program to disregard the Alaska Longevity Bonus, under most circumstances, when determining client income. Under federal law, Medicaid cannot disregard the Bonus when determining eligibility for Medicaid categories that use the income standard for residents of institutions. This legislation will not change the requirement that the Alaska Medicaid program count this income when determining eligibility for these Medicaid categories. Therefore, Medical Assistance will continue to spend small amounts of funds on the ALB Hold Harmless program.

Prepared by: Jon Sherwood Phone: 465-3355
 Division: Medical Assistance Date/Time: 1/7/99 11:05 AM
 Approved by Commissioner: Karen Perdue, Commissioner Date: 1/8/99
 Agency: Department of Health & Social Services

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