

SB

40



Senator Bill Wielechowski Sponsor Statement

Senate Bill 40: "Longevity Bonus Reapplications"

"An Act relating to reapplications for the Alaska longevity bonus program; and providing for an effective date."

In 2003, Governor Frank Murkowski eliminated funding for the Alaska Longevity Bonus, leaving thousands of elderly Alaskans without a crucial source of income.

Senate Bill 40 would correct this injustice by allowing those Alaskans who originally qualified to reapply for the program and collect the bonus for as long as they remain alive and in the state. The program would continue to be phased out as those seniors pass away.

Upon signing the phase-out of the program into law in 1993, Governor Wally Hickel wrote in his letter of transmittal, "I am proposing this phased elimination because many Alaskans who will be reaching 65 in the next four years have counted on the bonus in planning for their retirement, and an abrupt termination of the program would not be fair to them."

Governor Hickel was mindful of the fiscal challenges facing both the State and Alaska's pioneers in 1993. He structured his reform to reduce the State's financial burden while also to uphold the policy set by his predecessors.

It has been said that promises only count when they're hard to keep, and keeping a promise is an important measure of character. We made a promise to those remaining recipients in 1993, and in 2003 we broke that promise. We lost many Alaskan seniors' faith in fair government, and we need to work to get it back.

With the monumental rise in natural gas and heating oil costs, Alaska's settlers could use the resources promised to them now more than ever. I respectfully ask for your support.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB040CS(HES)-DHSS-DPA3-04
 Bill Version: CS SB 40 (HES)
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU Alaska Longevity Bonus Programs
 Component Longevity Bonus Hold Harmless

Revision Date/Time (Note if correction): April 9, 2007
 Title LONGEVITY BONUS REAPPLICATIONS

Sponsor WIELECHOWSKI

Requester SENATE (STA)

Component No. 2858

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	1,509.6	1,639.4	1,475.4	1,320.5	1,310.2	1,153.0
Miscellaneous						
TOTAL OPERATING	1,509.6	1,639.4	1,475.4	1,320.5	1,310.2	1,153.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,509.6	1,639.4	1,475.4	1,320.5	1,310.2	1,153.0
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	1,509.6	1,639.4	1,475.4	1,320.5	1,310.2	1,153.0

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This proposed legislation reinstates the Alaska Longevity Bonus (ALB) payments for individuals who were qualified to receive them before January 1, 1997, and who received a payment in June 2003 when funding for the program ended. To qualify for the ALB, individuals must reapply for the program before January 1, 2008, and be a resident of the state under AS 01.10.055 on the day the reapplication is signed and dated.

Prepared by: Ellie Fitzjarrald, Director
 Division: Public Assistance
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5847
 Date/Time 04/09/2007
 Date 04/10/2007

**FISCAL NOTE
FN #**

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

ANALYSIS CONTINUATION

Hold Harmless

Alaska Longevity Bonus (ALB) Hold Harmless expenditures were determined by matching former ALB recipients against existing Adult Public Assistance recipients who also receive federal SSI benefits. This hold harmless amount is equal to the amount of SSI benefits that would be lost when the ALB payments are counted as income for the federal program.

Federal law governing the administration of Supplemental Security Income (SSI) program requires the Alaska Longevity Bonus be counted as income when determining federal SSI benefits. Under AS 47.45.122, the ALB Hold Harmless replaces the SSI benefits that are denied. As the number of ALB/SSI recipients decrease, the benefits paid will also decrease, as does the Hold Harmless.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB40CS(HES)-DHSS-DPA2-04-1
 Bill Version: CS SB 40 (HES)
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU Alaska Longevity Bonus Programs
 Component Alaska Longevity Programs Management

Revision Date/Time (Note if correction): April 9, 2007
 Title LONGEVITY BONUS REAPPLICATIONS

Sponsor WIELECHOWSKI
 Requester SENATE (STA) Component No. 2672

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	240.0	240.0	240.0	240.0	240.0	240.0
Travel	7.5	7.5	7.5	7.5	7.5	7.5
Contractual	66.5	66.5	66.5	66.5	66.5	66.5
Supplies	36.0	36.0	36.0	36.0	36.0	36.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	350.0	350.0	350.0	350.0	350.0	350.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	350.0	350.0	350.0	350.0	350.0	350.0
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	350.0	350.0	350.0	350.0	350.0	350.0

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	3	3	3	3	3	3
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This proposed legislation reinstates the Alaska Longevity Bonus (ALB) payments for individuals who were qualified to receive them before January 1, 1997, and who received a payment in June 2003 when funding for the program ended. To qualify for the ALB, individuals must reapply for the program before January 1, 2008, and be a resident of the state under AS 01.10.055 on the date the reapplication is signed.

Prepared by: Ellie Fitzjarrald, Director
 Division Public Assistance
 Approved by: Karleen Jackson, Commissioner
 Agency Department of Health and Social Services

Phone 465-5847
 Date/Time 04/09/2007
 Date 04/10/2007

FISCAL NOTE

FN #

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

ANALYSIS CONTINUATION

Administrative Costs for the Alaska Longevity Bonus Program

This fiscal note represents the administrative costs for the Alaska Longevity Bonus program.

Assumptions:

* In FY08, the Department estimates 12,631 former ALB recipients may be eligible to qualify for the ALB: 95% or approximately 11,999 will apply by January 1, 2008.

* We estimate three positions are needed to manage the Alaska Longevity Bonus program: One Program Coordinator (Range 20); one Project Assistant (Range 16), and one Eligibility Technician (Range 13). These positions will be responsible for the overall administration of the program, including the initial and ongoing determination of eligibility.

* In May 2007, DPA will begin notifying seniors about the new program and accepting applications. The first payments will be issued after July 2007.

Administrative Costs: \$350.0

* Personal Services (3 positions): \$240.0

* Travel (to support employee training, marketing, outreach): \$7.5

* Contractual: \$66.5

* Supplies: \$36.0

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB040CS(HES)-DHSS-DPA1-04
 Bill Version: CS SB 40 (HES)
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU Alaska Longevity Bonus Programs
 Component Longevity Bonus Grants

Revision Date/Time (Note if correction): April 9, 2007
 Title LONGEVITY BONUS REAPPLICATIONS

Sponsor WIELECHOWSKI
 Requester SENATE (STA)

Component No. 26

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	29,430.3	27,566.8	24,656.5	22,061.6	19,563.4	17,156.7
Miscellaneous						
TOTAL OPERATING	29,430.3	27,566.8	24,656.5	22,061.6	19,563.4	17,156.7

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	29,430.3	27,566.8	24,656.5	22,061.6	19,563.4	17,156.7
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	29,430.3	27,566.8	24,656.5	22,061.6	19,563.4	17,156.7

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This proposed legislation reinstates the Alaska Longevity Bonus (ALB) payments for individuals who were qualified to receive them before January 1, 1997, and who received a payment in June 2003 when funding for the program ended. To qualify for the ALB, individuals must reapply for the program before January 1, 2008, and be a resident of the state under AS 01.10.055 on the day the reapplication is signed and dated.

Prepared by: Ellie Fitzjarrald, Director
 Division Public Assistance
 Approved by: Karleen Jackson, Commissioner
 Agency Department of Health and Social Services

Phone 465-5847
 Date/Time 04/09/2007
 Date 04/10/2007

FISCAL NOTE

FN #

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

ANALYSIS CONTINUATION

Analysis Assumptions

- * This fiscal note assumes legislation will be effective and ALB payments will begin with the benefit month July 2007.
- * Reapplication for the ALB will only be accepted if received before January 1, 2008.
- * 12,631 former ALB recipients may be eligible to qualify for the ALB in FY08: 95% or approximately 11,999 seniors will be eligible and 5% or 631 potential ALB recipients will not qualify for the ALB because they do not meet the program's residency requirements or will not apply.
- * The average ALB payment is \$212/month as the amount of the benefit ranged from \$100 to \$250 depending on time of previous entry into the program.
- * An ALB recipient may not accrue an ALB payment for more than two months before the date of application in accordance with AS 47.45.080.
- * The number of months a person may receive ALB payments in FY08 will vary depending on date of application, as shown in the chart below.
- * Program expenditures for FY09 through FY13 will decline each year as eligible seniors move away, enter nursing homes, or expire.

Benefit Amount Calculations FY08:

Percent of Appli-cants	Approx Number Appli-cants	Must apply by	May be paid retro-active to	Number months benefits FY08	Average Month Benefit Amount	Total FY08 Benefit Payments	
70%	8,842	9/1/2007	7/1/2007	12	\$ 212	\$ 22,494.0	
15%	1,895	10/1/2007	8/1/2007	11	\$ 212	\$ 4,419.0	
5%	632	11/1/2007	9/1/2007	10	\$ 212	\$ 1,339.8	
4%	505	12/1/2007	10/1/2007	9	\$ 212	\$ 963.5	
1%	126	1/1/2008	11/1/2007	8	\$ 212	\$ 213.7	
5%	-631	(will not meet residency criteria or will not apply)					\$ 0.0
Total	11,999	Average Benefit Amount= \$212.44 Rounded to \$212					\$ 29,430.3

FY09 through FY13:

	Approx Number Recipients	Total Benefit Payments
FY09	10,836	\$27,566.8
FY10	9,692	\$24,656.5
FY11	8,672	\$22,061.6
FY12	7,690	\$19,563.4
FY13	6,744	\$17,156.7

FISCAL NOTE
FN #

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Note: We assume that if the Alaska Longevity Bonus and the Alaska Senior Benefits program are both funded, seniors will need to choose either the Alaska Longevity Bonus or the Alaska Senior Benefits program. Seniors who choose to receive the Alaska Longevity Bonus will not receive the Alaska Senior Benefits program. The cost for the Alaska Longevity Bonus will decrease by the number of seniors who choose to receive the Alaska Senior Benefits program.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
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Juneau, Alaska 99801-1182
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MEMORANDUM

January 29, 2007

SUBJECT: Reapplication for the Alaska longevity bonus program;
sectional summary (SB 40; Work Order No. 25-LS0354\A)

TO: Senator Bill Wielechowski
Attn: George Ascott

FROM: Tamara Brandt Cook
Director *TBC*

Sec. 1. Permits a person to reapply for longevity bonus payments if the person was qualified to receive a longevity bonus payment before January 1, 1997, and was eligible for the bonus payment for June 2003 (the end of the last fiscal year for which appropriations were made to fund the program). To qualify the person must have maintained continuous state residency between June 2003 and the date the reapplication is filed. The reapplication must be filed before January 1, 2008. The Department of Administration is directed to prepare a reapplication form and may require evidence of eligibility as part of the reapplication process. If a person is found to be eligible for the bonus, the amount the person gets each month will equal the amount the person was eligible to receive for June 2003.

Sec. 2. The bill has an immediate effective date.

TBC:med
07-048.med