

**SB**

**170**

<TARGET><BILL>SB 170</BILL><SUBJECT>SB  
170</SUBJECT><COMM>SHSS30</COMM></TARGET>

# Alaska State Legislature

SENATOR PETE KELLY

SESSION:  
Alaska State Capitol  
Juneau, AK 99801  
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## Sponsor Statement – SB 170

*“An Act extending the Alaska senior benefits payment program.”*

SB 170 would extend the Alaska Senior Benefits Program to June 20, 2023. If the program is not extended, it will sunset on June 30, 2018.

The current Senior Benefits Program was established in August 2007 and provides three-tiered payment levels based on the senior’s gross annual income. Income limits are tied to the Federal Poverty Guidelines for Alaska and change as the federal government adjusts the poverty level. There is no asset test for this program.

The Senior Benefits Program is an important safety net for honoring our Alaska pioneers. For many, it is the difference between choosing to pay for medications or filling a heating fuel tank in the cold winter months. This modest cash benefits allows many of our seniors to retain their independence and live at home longer.

SB 170 extends the current program, but still leaves it up to yearly appropriation by the Legislature. The monthly payment for the highest income level was reduced due to the state’s budget situation. The tiers are paid at \$76, \$175 and \$250 per month. By leaving the program intact in statute, the state can return to paying a full senior benefit at all three program levels when our fiscal situation stabilizes.

Please join me in supporting our 11,400 valued senior citizens who rely on this program by supporting SB 170.

## SENATE COMMITTEE REPORT First Committee of Referral

DATE: 1/31/18

FURTHER: Finance

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

**Health and Social Services Committee** considered SENATE BILL NO. 170

SB 170 EXTEND: SENIOR BENEFITS PAYMENT PROGRAM

"An Act extending the Alaska senior benefits payment program."

and recommends:

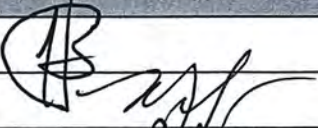
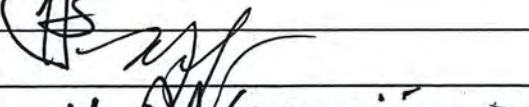
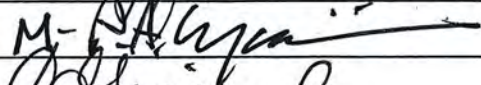
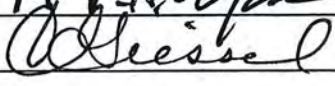
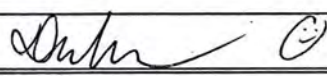
- be replaced with CS \_\_\_\_\_ (\_\_\_\_\_)  Same Title  New Title
- adopt previous CS \_\_\_\_\_ (\_\_\_\_\_)  Same Title  New Title
- attached amendment(s)
- adopt \_\_\_\_\_ Letter of Intent
- further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
EED	MVA
DEC	DNR
DFG	DPS
GOV	REV
DHS	DOT
AJS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
DHS	✓			

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Begich	✓			
	VonImhof	✓			
	MICCICHE	✓			
	Giessel	✓			
CHAIR: 	Wilson	✓			

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: SB 170  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB170-DHSS-SBPP-2-2-2018  
Title: EXTEND: SENIOR BENEFITS PAYMENT PROGRAM  
Sponsor: KELLY  
Requester: Senate HSS

Department: Department of Health and Social Services  
Appropriation: Public Assistance  
Allocation: Senior Benefits Payment Program  
OMB Component Number: 2897

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>							
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	19,986.1		19,986.1	19,986.1	19,986.1	19,986.1	
Miscellaneous							
<b>Total Operating</b>	<b>19,986.1</b>	<b>0.0</b>	<b>19,986.1</b>	<b>19,986.1</b>	<b>19,986.1</b>	<b>19,986.1</b>	<b>0.0</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	19,986.1		19,986.1	19,986.1	19,986.1	19,986.1	
<b>Total</b>	<b>19,986.1</b>	<b>0.0</b>	<b>19,986.1</b>	<b>19,986.1</b>	<b>19,986.1</b>	<b>19,986.1</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

**Why this fiscal note differs from previous version/comments:**

Not applicable; initial version.

Prepared By:	Monica Windom, Director	Phone:	(907)465-5835
Division:	Public Assistance	Date:	02/02/2018 03:42 PM
Approved By:	Shawnda O'Brien, Assistant Commissioner	Date:	02/02/18
Agency:	Health & Social Services		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. SB170

**Analysis**

SB 170 extends the Alaska Senior Benefits Payment Program from its current June 30, 2018 (FY2018) sunset through the end of FY2023. Therefore, the costs for this proposed legislation are for FY2019 through FY2023.

The regulations for the Senior Benefits Payment Program include language which instructs the division to reduce benefit payments for the highest income/lowest benefit tier to remain within the appropriated budget, when resources are short. Presently in SFY2018, the lowest benefit tier payment has therefore been reduced from \$125/month to \$76/month. For purposes of these projections, the department is continuing funding at its current level and determining the benefit amount of the highest income/lowest tier using projected growth.

Over the last five years, the division has experienced an annual average caseload growth rate of two percent. With the extension of the Senior Benefits Payment Program through FY2023, the division has projected benefit level using this two percent caseload growth per fiscal year.

Projection for adjusted top tier income benefit group utilizing a flat funding level at the current appropriation of \$19,986.1, and thus adjusting the monthly benefit amount as needed for a projected 2% increase in caseload.:

New Payment Level for Top Income Tier	FY 2019	FY 2020	FY2021	FY2022	FY2023
	\$69/mo	\$62/mo	\$55/mo	\$49/mo	\$42/mo
Current Benefit Amount Per Income Level					
\$76/month	\$3,828.4	\$3,508.8	\$3,174.9	\$2,885.1	\$2,522.4
\$175/month	\$10,881.5	\$11,099.2	\$11,321.2	\$11,547.6	\$11,788.5
\$250/month	\$5,217.8	\$5,322.2	\$5,428.6	\$5,537.2	\$5,647.9
<b>Total</b>	<b>\$19,927.7</b>	<b>\$19,930.1</b>	<b>\$19,924.7</b>	<b>\$19,969.9</b>	<b>\$19,958.9</b>



# Senior BENEFITS PROGRAM

Information & Fact Sheet  
Updated August 25, 2017

## Overview

The Alaska Senior Benefits Payment Program pays monthly cash benefits to Alaskans who are age 65 or older and have low to moderate income. Payment levels depend on available state funding and how many people apply and qualify for the program. If the state budget cannot support the original amounts of \$125, \$175 and \$250, regulations allow for changes to be made for all eligible program participants. Cuts come from the highest income tier first, then the second, then the third.

The monthly payment for the highest income level was reduced to \$47 from \$125 on March 1, 2016 due to the state's limited budget for state fiscal year 2016.\* The budget for state fiscal year 2017 (July 1, 2016 through June 30, 2017) allowed full monthly payments of \$175 and \$250 to recipients with the lowest income. Those income payment levels continued through the end of that fiscal year. Funding reductions in this program must be applied to individuals in the highest income bracket. They received \$47 for July because the budget was not finalized in time to make changes for July benefits. Beginning August 1, 2016, individuals in that highest income bracket received \$76 per month based on available funding at that income bracket. These income payment levels continued for state fiscal year 2018 (July 1, 2017 through June 30, 2018).

*\* Due to a technical difficulty changing the benefit amount for the highest income tier, some seniors who were due to receive \$47 per month in April received \$125. To compensate, those that received the incorrect amount received \$8 per month in May and June.*

## Eligibility and Payment

- Eligibility and payment amount is based on gross annual income (before any deductions are taken for taxes, Medicare premiums, etc.).
- Assets, such as savings, are not counted.
- Income limits may change yearly along with Alaska's federal poverty level. The \$250, \$175, and \$76 monthly payments correspond to 75 percent, 100 percent, and 175 percent of the federal poverty level for Alaska, respectively.
- Payments are not available to seniors living in the following institutions:
  - ✓ Prison or jail
  - ✓ Alaska Pioneers' Home or Alaska Veterans' Home
  - ✓ A nursing home
  - ✓ Public or private institution for mental disease

Senior Household Size	Senior Benefits Program Gross Annual Income Limit Effective 4/1/2017		
	The income limit changed April 1, 2017 due to a change in the Federal Poverty Limit		
	\$250 monthly payment	\$175 monthly payment	\$76 monthly payment
Individual	\$11,295 (\$942 per month)	\$15,060 (\$1,255 per month)	\$26,355 (\$2,197 per month)
Married Couple	\$15,218 (\$1,269 per month)	\$20,290 (\$1,691 per month)	\$35,508 (\$2,959 per month)

Senior Household Size	Senior Benefits Program Gross Annual Income Limit Effective 8/1/2016 *Benefit change effective August 1, 2016 due to final state budget		
	\$250 monthly payment	\$175 monthly payment	*\$76 monthly payment
Individual	\$11,130 (\$928 per month)	\$14,840 (\$1,237 per month)	\$25,970 (\$2,165 per month)
Married Couple	\$15,015 (\$1,252 per month)	\$20,020 (\$1,669 per month)	\$35,035 (\$2,920 per month)

Senior Household Size	Senior Benefits Program Gross Annual Income Limit Effective 4/1/2016 The income limit changed April 1, 2016 due to a change in the Federal Poverty Limit		
	\$250 monthly payment	\$175 monthly payment	\$47 monthly payment
Individual	\$11,130 (\$928 per month)	\$14,840 (\$1,237 per month)	\$25,970 (\$2,165 per month)
Married Couple	\$15,015 (\$1,252 per month)	\$20,020 (\$1,669 per month)	\$35,035 (\$2,920 per month)

Senior Household Size	Senior Benefits Program Gross Annual Income Limit Effective 3/1/2016 *Benefit change effective March 1, 2016 due to budget shortfall, caseload increase		
	\$250 monthly payment	\$175 monthly payment	*\$47 monthly payment
Individual	\$11,040 (\$920 per month)	\$14,720 (\$1,227 per month)	\$25,760 (\$2,146 per month)
Married Couple	\$14,940 (\$1,245 per month)	\$19,920 (\$1,660 per month)	\$34,860 (\$2,905 per month)

**Senior Benefits recipients as of April 2017**

- 11,412 recipients. Number and percent of seniors at each payment level:
  - ✓ \$250 – 1,655 (14.5%)
  - ✓ \$175 – 4,935 (43.2%)
  - ✓ \$76 – 4,822 (42.3%)
- As of April 2017, the average age of recipients is 75 and the maximum age is 103.
- The number of Senior Benefits cases have been increasing each year until 2017. All figures are for April:
 

✓ 2017 – 11,412	✓ 2014 – 11,119
✓ 2016 – 11,855	✓ 2013 – 10,896
✓ 2015 – 11,366	✓ 2012 – 10,651

Recipients statewide as of April 2017:

Census Area	Number of Recipients	Census Area	Number of Recipients
Aleutians East	24	Lake and Peninsula	36
Aleutians West	30	Mat-Su	1,583
Anchorage	4,231	Nome	237
Bethel	526	North Slope	33
Bristol Bay	10	NW Arctic	158
Denali	16	Petersburg	89
Dillingham	116	Prince of Wales	206
Fairbanks N Star	872	SE Fairbanks	206
Haines	84	Sitka	98
Hoonah-Angoon	76	Skagway	8
Juneau	349	Valez / Cordova	156
Kenai	1,177	Wrangell	87
Ketchikan Gateway	269	Yakutat	16
Kodiak	236	Yukon / Koyukuk	252
Kusilvak	231	GRAND TOTAL	11,412

History of the Senior Benefits Program	
1972 - 2003	<b>Alaska Longevity Bonus Program.</b> Established in 1972. Alaska residents became eligible at age 65. \$250/month was issued to seniors who applied before 1994, \$200 to those applying in 1994, \$150 to those applying in 1995, and \$100 to those applying in 1996. Payments were not available to seniors who applied after 1996. The program was subsequently defunded in 2003, and final benefits were issued for the month of August 2003.
2003 - 2004	<b>Senior Assistance Program.</b> Beginning September 2003, the Governor's office used its executive authority to establish the needs-based Senior Assistance program in response to the needs of low-income Alaskans aged 65 and older who were financially impacted by the elimination of the Alaska Longevity Bonus. Payments were limited to \$120/month. The program ended March 2004.
2004 - 2007	<b>SeniorCare Program.</b> Beginning April 2004, the SeniorCare Program was established to replace the former Senior Assistance Program. The new program was expanded to include a prescription drug benefit. Low-income seniors that passed the program's income and resource limits could choose to receive either a \$120/month payment or a prescription drug benefit. The program ended July 2007.
2007 - Present	<b>Senior Benefits Program.</b> Established to replace the SeniorCare Program. Began August 2007; up for reauthorization in June 2018. Provides three payment levels based on the senior's gross annual income. Income limits are tied to the Federal Poverty Guidelines for Alaska and change each year as the poverty level changes. There is no asset test. Regulation change finalized January 2016 described how benefits would be reduced by appropriation shortfall. Due to caseload increase, the highest income level that normally receives a \$125 benefit had the benefit reduced to \$47 effective March 1, 2016. The budgets for state fiscal years 2017 and 2018 allowed for a monthly payment of \$76 to recipients in the highest income level.



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of  
Health and Social Services

ALASKA COMMISSION ON AGING

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February 2, 2018

Senator Pete Kelly  
Alaska State Capitol, Room 111  
Juneau, Alaska 99801

**Regarding: Support for SB 170, Extending the Alaska Senior Benefits Program**

Dear Senator Kelly:

The Alaska Commission on Aging (ACoA) is pleased to offer its support for SB 170 authored by you and co-sponsored by Senators Wilson and Hughes. Since 2007, the Alaska Senior Benefits Program has provided an invaluable resource for modest-income older Alaskans who live on small fixed incomes to afford basic life necessities. In the last statewide senior survey conducted by ACoA in 2015, senior participants identified financial security as the #2 most pressing issue confronting seniors behind access to health care services.

The risk of living in poverty increases in later life and varies by race, gender, marital status, and age. The risk of poverty is far greater for seniors who are 75 years and older, as well as for persons living alone, widowed women, and those of minority status. According to the Division of Public Assistance (2017), the average age of recipients is 75 and the maximum age is 103. Typically, seniors who receive Senior Benefits are older and often have little or no cushion to meet emergency needs, let alone to afford basic life necessities.

The Senior Benefits Program provides tiered monthly payments to older Alaskans, up to 175% of the federal poverty level for Alaska. While the monthly payments are not large amounts, they make a difference in whether or not an older person is able to live comfortably and afford food, rent, heating fuel, medication, and other necessities. This cash benefit helps low-income seniors to live with dignity and independence in their home communities which has a positive impact on senior health and well-being.

Without legislative action this session, the Senior Benefits Program will end on June 30, 2018. The Commission on Aging strongly recommends passage of legislation to extend the sunset date for the Senior Benefits Program. We thank you for your leadership, Senator Kelly, of SB 170 that will allow the program to continue and protect seniors most vulnerable to economic stresses. Please feel free to contact Denise Daniello, ACoA's executive director (465-4879 or [denise.daniello@alaska.gov](mailto:denise.daniello@alaska.gov)) should you require additional information.

Sincerely,

Handwritten signature of David A. Blacketer in blue ink.

David A. Blacketer  
Chair, Alaska Commission on Aging

Sincerely,

Handwritten signature of Denise Daniello in blue ink.

Denise Daniello  
ACoA Executive Director

Cc: Senator David Wilson  
Senator Shelley Hughes



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February 6, 2018

Sen. Pete Kelly  
State Capitol, Room 111  
Juneau, Alaska 99801-1182

RE: SB 170 - Extend Senior Benefits Payment Program

Dear Sen. Kelly,

On behalf of the over 85,000 members of AARP Alaska, we offer support without reservation for SB 170, which extends the very important Senior Benefits Program until 2023. Without passage of SB 170, the Senior Benefits Program will end in June, 2018.

We know the Governor and the Legislature will never have enough money to do all that they would like to do to help older Alaskans remain here after retirement. Recognizing that public monies will always be limited, AARP's public policy position is that state funds should always go to those most in need, whether financial need or health needs. The Senior Benefits Program now has a proven track record of providing support for older people whose income (defined by the eligibility criteria) is simply not adequate to pay for their total housing, food, heat, and health care costs. In fact, the older people most likely to benefit from an extension include:

- **Older women:** Many of the people who are supported with Senior Benefits payments are women who were lower income at 64 and, finally at 65, they are eligible for some assistance from the state. Often these women did have assets and savings but used them to pay for the health care and caregiving costs of a now deceased spouse.
- **Alaskans who simply were not paid much when they were working.** Many lower paid workers had more than one job, but with Alaska's higher cost of living, simply were not able to accumulate much and are more likely to be receiving minimal Social Security benefits and have no private pension coverage.
- **Rural Alaskans, especially those who live subsistence lifestyles.** These individuals are least likely to have cash income. If they receive Social Security, their benefits are often very low. The loss of the Senior Benefits Program would hurt many older Alaskans living in our remote villages.
- **The oldest of our citizens.** Many more people are now living into their 80's and 90's, and as they age they are more likely to find themselves on tighter budgets. No pension or retirement system adequately compensates for inflation, particularly in health care costs. Our oldest citizens are the ones most likely to spend increasing amounts of their retirement budgets on health and other bare necessities.

We are grateful to you, Sen. Kelly, for your sponsorship of SB 170, and the respect for Alaska's seniors that you demonstrate. We offer our best wishes for extension of this important program. Please contact me if you have any questions about AARP's support.

Respectfully,

Ken Helander  
Advocacy Director  
762-3314  
[khelander@aarp.org](mailto:khelander@aarp.org)