

DEPARTMENT OF ADMINISTRATION
Total ARRA Funds Available \$1,638.4
Total ARRA Budget Request \$ 0

PROGRAM NAME: PREMIUM ASSISTANCE FOR COBRA BENEFITS

Total ARRA Funds Available: \$1,489.0

Budget Request: \$0 Operating

Purpose: Provide federally funded subsidy for COBRA health insurance coverage to assistance eligible individuals (AEIs). AEI is defined as an individual who is involuntarily terminated from employment between September 1, 2008 and December 31, 2009, who elects to receive COBRA coverage and pays 35% of the premium due as of March 1, 2009. The employer pays the remaining 65% of the premium and is reimbursed by the federal government by withholding premiums paid from payroll taxes reported on the quarterly 941 employer tax form. This funding is a new program.

Requirements: Division of Personnel will determine the universe of potential AEIs by extracting all terminated individuals from AKPAY, the statewide payroll system. This list will be reviewed to eliminate all who voluntarily terminated, and those who were dismissed for gross misconduct, as neither of these qualify for the subsidy.

Timing: All AEIs terminated between September 1, 2008 and February 16, 2009 must be notified of their option to enroll in COBRA coverage, and their eligibility (effective March 1, 2009) for the 65% COBRA premium subsidy, by April 18, 2009. AEIs terminating on or after February 17, 2009 must be notified within 14 days of notice to the health plan of their loss of coverage through involuntary termination. AEIs have 60 days to elect coverage and must pay 35% of the premium within 45 days to activate coverage. Insurance plans, including Select Benefits and the health trusts, bill the State the remaining 65% of the premium, and provide the health coverage. Subsidized COBRA coverage is available for nine months to AEIs.

Sub-Recipients: As described under "Purpose" above, AEIs or assistance eligible individuals include all former State employees who were involuntarily terminated (except for gross misconduct) between September 1, 2008 and December 31, 2009, who elect to receive COBRA coverage and pay 35% of the premium.

Estimate of COBRA Subsidy	
Terminated employees since September 1, 2008 - February 16, 2009	850
Estimate of terminated employees February 17 - December 31, 2009	<u>1,000</u>
Estimate of terminated employees for eligibility period	1,850
Assume 25% involuntary terminations	<u>X .25</u>
Estimated universe of former employees with COBRA subsidy option	463
Assume 50% opt for COBRA and pay 35% of premium	<u>X .50</u>
Estimated number of assistance eligible individuals (AEIs)	231
Maximum number of months subsidy is available	<u>X 9</u>

March 19, 2009

Estimated number COBRA subsidy months	2,081
COBRA premium (between high and low)	<u>X 1,100</u>
Total maximum COBRA subsidy	2,289,375
65% billed to employer, reimbursed by federal government on 941	<u>X .65</u>
Estimate of federal receipts for COBRA subsidy (half FY 09/half FY 10)	1,488,094

Estimate does NOT include dependents, who also qualify individually for coverage if the employee was involuntarily terminated.

VICTIMS OF CRIME ACT (VOCA) CRIME VICTIM COMPENSATION GRANT

Total ARRA Funds Available: \$149.4

Budget Request: \$0 Operating

Purpose: Provide additional grant funding for eligible state VOCA crime victim compensation programs, offering compensation to innocent victims and survivors of criminal violence. This funding represents an expansion of an existing program.

Requirements:

- Registration with the Central Contractor Registration registrant database;
- Up to 5% may be used for administrative purposes;
- Grant award funds to be administered and tracked independently from annual VOCA formula grant award. Separate financial and programmatic reporting data will be required, probably on quarterly basis.

Timing:

- Applications open March 9, 2009 (to be confirmed by Office for Victims of Crime);
- Deadline for applications: March 19, 2009 (to be confirmed by Office for Victims of Crime)

Sub-Recipients:

- Funding will be distributed to existing VOCA grantees by application through the office of Justice Programs, Grants Management System. Allocation of funds is based on certification of state payments for Federal fiscal year 2007.