

State of Alaska FY2002 Governor's Operating Budget

Department of Health and Social Services
Old Age Assistance-Alaska Longevity Bonus (ALB) Hold
Harmless
Component

Component: Old Age Assistance-Alaska Longevity Bonus (ALB) Hold Harmless

Contact: Janet Clarke, Director, Administrative Services
Tel: (907) 465-1630 **Fax:** (907) 465-2499 **E-mail:** janet_clarke@health.state.ak.us

Component Mission

The mission of the Division of Public Assistance is to provide basic living expenses and self-sufficiency services to Alaskans in need.

Component Services Provided

The OAA-ALB Hold Harmless program replaces federal SSI benefits that are lost because of the receipt of Alaska Longevity Bonus payments.

Several years after the Alaska Longevity Bonus (ALB) program was first created, Congress agreed to exempt the bonus payments from countable income for federal Supplementary Security Income (SSI) purposes. When Alaska changed the Bonus program residency requirement from 25 years to one year, Congress refused to extend the same protection to the newer recipients, allowing the exemption only for the pre-1985 "grandfathered" participants. The Legislature decided that older Alaskans who reached eligibility after October 1, 1985 should receive public assistance benefits equal to those who qualified for the Longevity Bonus prior to that date. This resulted in the OAA-ALB Hold Harmless program. The OAA-ALB Hold Harmless component funding replaces the amount of SSI lost to an aged recipient when the ALB is counted as available.

Component Goals and Strategies

ALLOW PUBLIC ASSISTANCE RECIPIENTS TO RECEIVE LONGEVITY BONUS BENEFITS WITHOUT LOSING FEDERAL SSI BENEFITS.

- Replace the amount of cash lost to countable ALB recipients when their federal SSI payments are decreased or ended.

Key Component Issues for FY2001 – 2002

The ALB program is closed to new applicants and we are now seeing OAA-ALB Hold Harmless expenditures begin a sustained decrease as the number of APA and SSI recipients - who also receive the ALB - drops off.

Major Component Accomplishments for FY2000

- Replaced lost SSI for approximately 1,400 public assistance recipients each month, helping financially needy aged Alaskans with basic living expenses.

Statutory and Regulatory Authority

AS 47.45.122 Eligibility for Public Assistance

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Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	0.0	0.0	0.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	2,198.2	2,100.3	1,860.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,198.2	2,100.3	1,860.0
Funding Sources:			
1004 General Fund Receipts	2,198.2	2,100.3	1,860.0
Funding Totals	2,198.2	2,100.3	1,860.0

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Proposed Changes in Levels of Service for FY2002

The ALB program is closed to new applicants and we are now seeing OAA-ALB Hold Harmless expenditures begin a sustained decrease as the number of APA and SSI recipients, who also receive the ALB, drops off.

The OAA-ALB HH program caseload decline savings of \$240.3 are transferred to the APA component to help fund the formula caseload increase in the APA program.

Summary of Component Budget Changes

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	2,100.3	0.0	0.0	2,100.3
Adjustments which will continue current level of service:				
-Transfer GF for APA Caseload Growth	-240.3	0.0	0.0	-240.3
FY2002 Governor	1,860.0	0.0	0.0	1,860.0