

# **State of Alaska FY2003 Governor's Operating Budget**

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

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

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### **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 "grand fathered" 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 income.

### **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 FY2002 – 2003**

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 in 2001**

- Replaced lost SSI for approximately 1,250 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

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

**Component Financial Summary**

*All dollars in thousands*

<b>Formula Program:</b>	<b>FY2001 Actuals</b>	<b>FY2002 Authorized</b>	<b>FY2003 Governor</b>
<b>Component Expenditures:</b>			
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	1,962.3	1,760.0	1,527.9
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,962.3</b>	<b>1,760.0</b>	<b>1,527.9</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	1,962.3	1,760.0	1,527.9
<b>Funding Totals</b>	<b>1,962.3</b>	<b>1,760.0</b>	<b>1,527.9</b>

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

**Proposed Changes in Levels of Service for FY2003**

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 \$232.1 are transferred to the GRA component to help fund the formula caseload increase in the GRA program.

**Summary of Component Budget Changes**

**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	1,760.0	0.0	0.0	1,760.0
<b>Adjustments which will continue current level of service:</b>				
-Transfer to GRA for Formula Need	-232.1	0.0	0.0	-232.1
<b>FY2003 Governor</b>	<b>1,527.9</b>	<b>0.0</b>	<b>0.0</b>	<b>1,527.9</b>