

REVISED MARCH 12, 1976

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
 Second Session - Ninth Legislature

I. REQUEST

Bill No. SB 533  
 Title: An Act relating to the Alaska Longevity Bonus Program  
 Requested by: HESS/Dani Bowman Date: 1/20/76  
 Return Date Requested: 1/22/76  
 Agency: Administration Program: Pioneers' Benefits

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Longevity Bonus

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1
TOTAL		\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND		\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

SEE ATTACHMENT ONE

IV. ATTACHMENTS

SEE ATTACHMENT ONE

V. DATE: 1/22/76 PREPARED BY: Vernon L. Perry

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

## ATTACHMENT ONE

### III. ANALYSIS

Section 1. The proposed bill would expand eligibility for the longevity bonus to include pioneers in Alaska who have maintained a domicile in the territory or State a total of 30 years in addition to the currently required 25 continuous years.

The amount of annual expenditures can only be approximated as no records are available that indicate length of residence in Alaska of persons 65 years of age or older. However, in the past fiscal year approximately 150 persons who have applied for the longevity bonus program have been refused. Reasons for ineligibility are not recorded. It is estimated 50% (75) were due to lack of 25 years continuous residence in the State. It is also estimated approximately another 75 have not applied to the program knowing they do not meet present residency requirements.

Thus:  $75 + 75 = 150 \times \$111 = \$16,650 \times 12 = \underline{\$199,800}$

Section 2. The Consumer Price Index (C.P.I.) for Anchorage Alaska in 1973 was 5.9% above the previous year. In 1974 the increase was 13.1% over 1973 and 12.4% in 1975. This one year trend would indicate the cost-of-living may be leveling off. Therefore, an increase of 11% is used for each year following FY 77. Should the C.P.I. escalate again as dramatically as the period between 1973 and 1974 the cost would correspondingly increase. Should a decline in the rate of increase be experienced the increase in costs would be less.

$\$6,603,100$  (Est. FY 78 cost)  $\times 11\% = \$726,341$

Sec. 3 & 4. No expected cost.

Total added cost FY 78 =  $\$926,141$

Assume 5% increase for FY 79 - 81.

The Legislature of the State of Alaska  
 FISCAL NOTE  
 Second Session - Eighth Legislature

I. REQUEST

Bill Identification: SB 533  
 Title: An act relating to the Alaska Longevity Bonus Program  
 Requested by: HESS/Dani Bowman Date: 1/20/76  
 Return Date Requested: 1/22/76  
 Agency: Administration Program: Pioneers' Benefits

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Longevity Bonus

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 74	FY 75	FY 76	FY 77	FY 78	FY 79
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1
TOTAL	0	\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	\$199.8	\$926.1	\$972.4	\$1,021.0	\$1,072.1
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

SEE ATTACHMENT ONE

IV. ATTACHMENTS

SEE ATTACHMENT ONE

V. DATE: 1/22/76 PREPARED BY: Vernon L. Perry

Original: Legislative Finance 1  
 Budget and Management 2  
 cc: Prime Sponsor (First Legislator Named) 7 *now Ulmer*  
*Senator HESS (Dani Bowman)*  
*Leg Affairs (Debbie Storb)*

## ATTACHMENT ONE

### III. ANALYSIS

Section 1. The proposed bill would expand eligibility for the longevity bonus to include pioneers in Alaska who have maintained a domicile in the territory or State a total of 30 years in addition to the currently required 25 continuous years.

The amount of annual expenditures can only be approximated as no records are available that indicate length of residence in Alaska of persons 65 years of age or older. However, in the past fiscal year approximately 150 persons who have applied for the longevity bonus program have been refused. Reasons for ineligibility are not recorded. It is estimated 50% (75) were due to lack of 25 years continuous residence in the State. It is also estimated approximately another 75 have not applied to the program knowing they do not meet present residency requirements.

Thus:  $75 + 75 = 150 \times \$111 = \$16,650 \times 12 = \underline{\$199,800}$

Section 2. The Consumer Price Index (C.P.I.) for Anchorage Alaska in 1973 was 5.9% above the previous year. In 1974 the increase was 13.1% over 1973 and 12.4% in 1975. This one year trend would indicate the cost-of-living may be leveling off. Therefore, an increase of 11% is used for each year following FY 77. Should the C.P.I. escalate again as dramatically as the period between 1973 and 1974 the cost would correspondingly increase. Should a decline in the rate of increase be experienced the increase in costs would be less.

$\$6,603,100$  (Est. FY 78 cost)  $\times 11\% = \$726,341$   
Sec. 3 & 4. No expected cost.

Total added cost FY 78 =  $\$926,141$

Assume 5% increase for FY 79 - 81.