

HB

15

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 15

Title An Act relating to the Alaska longevity bonus

Requested by Representative Phillips

Date February 9, 1979

II. FISCAL DETAIL

Agency Affected Department of Administration

Program Category Affected Division of Pioneers' Benefits

BRU, Program, or Subprogram(s) Affected Alaska Longevity Bonus

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	2,016.0	2,131.2	2,260.8	2,359.8	2,473.2
<b>TOTAL</b>	0	2,016.0	2,131.2	2,260.8	2,359.8	2,473.2

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND	0	2,016.0	2,131.2	2,260.8	2,359.8	2,473.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would change the residency requirement to any person who is 65 years of age and has lived in Alaska 25 years or who has intermittently maintained a domicile in the territory or state for a cumulative total of 30 years and has been physically in the state for five years immediately preceding his application and if periods cumulating 30 years are 12 months or more in length. There is no way of knowing how many recipients would be added to the program. The following figures are based upon an assumption of an immediate increase of 15% in the number of eligible recipients.

YEAR	RECIPIENTS		\$	MG.		SUB-TOTAL
FY 1980	1120	x	150	x	12	2,016.0
FY 1981	1184	x	150	x	12	2,131.2
FY 1982	1256	x	150	x	12	2,260.8
FY 1983	1311	x	150	x	12	2,359.8
FY 1984	1374	x	150	x	12	2,473.2

IV. DATE February 9, 1979

PREPARED BY Vernon L. Perry

AGENCY Division of Pioneers' Benefits

PHONE 465-4400

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

STATE OF ALASKA  
Inter-Department Route Slip

TO:  
MAIL STATION NUMBER 3100

DEPARTMENT Alaska State Legislature  
House HESS

ATTENTION \_\_\_\_\_

- |  |  |
|--|--|
| <input type="checkbox"/> Approval      | <input type="checkbox"/> Note & Return       |
| <input type="checkbox"/> Signature     | <input type="checkbox"/> Initial & Return    |
| <input type="checkbox"/> Comment       | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me    | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action    |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information    |

Remarks:

FROM:  
MAIL STATION NUMBER 0208

DEPARTMENT Admin/Admin. Services

BY Kellus Sewell DATE 2/26

02-002 (REV.10/73)

*1st Floor  
122  
COP.*

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C—JUNEAU 99811

465-2200

March 17, 1980

Honorable Thelma Buchholdt  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Buchholdt:

Re: House Bill 15 to Amend the Longevity  
Bonus Program

House Bill 15 would amend the eligibility requirements for the Longevity Bonus to include persons who, in addition to meeting the necessary minimum age of 65 and domicile in Alaska on or before January 3, 1959, have been domiciled in Alaska intermittently for a cumulative total of thirty years. The bill would also require that persons who qualify for the Bonus with intermittent domicile must be physically present in the state for five years immediately preceding application and that the periods of residency comprising the cumulative total of thirty years be for twelve months or more in duration.

There is no accurate data base on which to estimate the number of persons who would be affected by this bill. It is assumed, however, that appropriately 200 recipients would be added to the Program within a short period of time after the effective date and twenty-five persons added the second year. The fiscal note which applies to this bill assumes the present benefit payment of \$150.00 per month and an effective date of July 1, 1980. Based upon these assumptions, the note provides for a total increase in benefits of \$360,000 the first year and \$405,000 thereafter. It also provides for an increase in personal services to accommodate the added workload in the Longevity Bonus office.

Although this legislation will enable a greater number of persons to receive the Bonus, the burden of verifying segments of domicile for twelve months or more in duration could be difficult for the applicants. Throughout the years, men and women have been drawn to Alaska for periods of short duration to avail themselves of employment or were assigned to tours of duty for military or government service. They rarely established permanent domicile or considered Alaska to be their home, but moved in and out of Alaska during the course of employment or the assigned period. Seldom did those people involve themselves in the development of Alaska, but remained here to satisfy their monetary goals and then left to continue domicile elsewhere, many of them intending to never return.

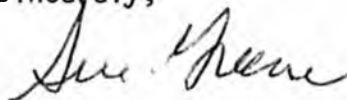
Honorable Thelma Buchholdt  
Page 2

March 17, 1980

Is it the intention of the State to reward those people who periodically domiciled in Alaska in the same way it rewards those who had the tenacity and perseverance to remain and maintain continuous domicile in Alaska for at least twenty-five years? If so, the Department of Administration has no particular objection to the bill, except that it will be difficult and costly in man-hours to administer.

If this bill is passed, we recommend amending line 18, page 1, to read "...in the state continuously for five years..." This would clarify intent in the event of doubt.

Sincerely,



Sue S. Greene  
Deputy Commissioner  
Personnel Management

SSG/mjc  
cc: Keith Specking

**BILL ANALYSIS**

ASSIGNMENT DATE \_\_\_\_\_

UNASSIGNED \_\_\_\_\_

<b>DEPARTMENT</b> Administration	<b>SPONSOR (PRINCIPAL)</b> Representative Randy Phillips	<b>BILL NO.</b> House Bill 15
<b>DEPARTMENT POSITION</b>		
<b>DIVISION DIRECTOR</b> Vernon L. Perry	<b>DATE</b> 2-22-80	<b>COMMISSIONER</b> W. R. Hudson
<b>GOVERNOR'S OFFICE USE</b>		
<input type="checkbox"/> POSITION NOTED <input type="checkbox"/> POSITION APPROVED <input type="checkbox"/> POSITION DISAPPROVED		
BY: _____ DATE: _____		
<b>SUMMARY</b>		
(1) RELATED BILLS (SIMILAR OR CONFLICTING)		
(2) a. ORGANIZATIONAL SUPPORT FOR BILL		(2) b. ORGANIZATIONAL OPPOSITION TO BILL Increased administrative functions generated by applicants' need to verify intermittent segments of domicile in Alaska
(3) PROGRAM EFFECTS OF BILL Increase the number of Longevity Bonus recipients by including persons who have intermittently maintained a domicile in the territory or state for a cumulative total of 30 years, provided he has been physically present in the state for 5 years immediately preceding application and periods of cumulative 30 years are for 12 months or more in length.		
(4) FISCAL IMPACT: <input type="checkbox"/> NONE <input checked="" type="checkbox"/> FISCAL ANALYSIS ATTACHED		
(5) AMENDMENTS PROPOSED: "An Act relating to the Alaska Longevity Bonus": Secs. AS 47.45.010(a); new section AS 47.45.010; and AS 47.45.170.		

(6) COMMENTS:

The applicant's burden of verifying domicile segments for 12 months or more may be extremely difficult. Men and women have long been drawn to Alaska for periods of short duration because of employment opportunities in the fishing, mining, lumber and construction industries, for example; or were assigned to tours of duty in Alaska for military or government service. Rarely did they establish permanent domicile or consider Alaska their home, but regarded it as a temporary residence to be occupied during the course of employment or assignment. Seldom were they involved in the development of Alaska, but were more interested in the profits to be gained and soon left to continue domicile elsewhere, many of them intending never to return.

Is it the intention of the State to reward those who periodically domiciled outside of Alaska in the same way it rewards those who had the tenacity and perserverance to remain continuously for at least 25 years?

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H.B.15  
 Title An Act Relating to the Alaska Longevity Bonus.  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration  
 Program Category Affected Social Services  
 BRU, Program, or Subprogram(s) Affected Longevity Bonus

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		23.1	25.4	28.0	30.8	33.8
200 TRAVEL						
300 CONTRACTUAL		5.3	5.8	6.4	7.1	7.8
400 COMMODITIES		.5	.5	.6	.6	.6
500 EQUIPMENT		1.3	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	360.0	405.0	405.0	405.0	405.0
TOTAL	0	390.2	436.7	440.0	443.5	447.2

FUNDING (Thousands of Dollars)

GENERAL FUND	0	390.2	436.7	440.0	443.5	447.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

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

This bill would allow an unknown number of additional recipients to become eligible for the Alaska Longevity Bonus by including those *who* have a cumulative total of residency in Alaska of 30 years.

These persons must meet the following residency minimums to be eligible:

1. Intermittently maintained a domicile in the Territory or State of Alaska for a cumulative total of 30 years.
2. Must have been physically present in the State for 5 years immediately preceding date of application.
3. Periods of residency, for the cumulative total of 30 years, must have been for 12 months or more in length.

IV. DATE 02/26/80 PREPARED BY George F. Michael  
 AGENCY Administration  
 PHONE 465-4401  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Although the number of additional recipients under this bill is not known, a consensus of those connected with the program is that probably 200 would be added within a short period after the effective date, and that perhaps 25 would be added the second year as others who are eligible find out about the revised residency requirements.

This fiscal note assumes an effective date of July 1, 1980, and that the bonus payments would remain at the present rate of \$150 per month.

Due to the complexities of verifying intermittent segments of domicile in Alaska, an additional Benefits Assistant (Range 9) will be needed on the Lonevity Bonus staff. Inflation is computed at 10% per year on all costs for this position beyond FY81.

Additional Bonus Payments

<u>Year</u>	<u>Additional Recipients</u>		<u>Bonus Payments</u>		<u>Months</u>		<u>Total Increase</u>
FY 1981	200	x	\$ 150	x	12	=	\$360,000
FY 1982	225	x	150	x	12	=	405,000
FY 1983	225	x	150	x	12	=	405,000
FY 1984	225	x	150	x	12	=	405,000
FY 1985	225	x	150	x	12	=	405,000

1	POSITION TITLE <b>Benefits Assistant</b>			RANGE/STEP 9A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV.	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY 1	FORM 12 PAGE/LINE	LEG.								
3	TYPE OF EXPENDITURE			JUSTIFICATION:											
	1	2	3												
4	PERSONAL SERVICES:			<p>This position will be needed to process applications from persons seeking to qualify under revised provisions of H.B.15. Due to the complexity of verifying intermittent periods of residency, approximately 37½ man-hours per week will be required. This extra work load cannot be absorbed by the existing staff.</p>											
	SALARY		17,700												
5	BENEFITS		2,682												
6	FICA		1,177												
7	HEALTH INS.		1,524												
8	TOTAL PERSONAL SERVICES		23,083												
9	TRAVEL		-0-												
10	CONTRACTUAL		5,300												
11	COMMODITIES		500												
12	EQUIPMENT		1,300												
13	OTHER														
14	TOTAL COST		30,183												
	CODE	FUNDING SOURCE													
15		FED RCPTS.													
16		GF MATCH.													
17		GEN. FUND		30,183											
18		I-A RCPTS.													
19		PGM RCPTS													
20		OTHER													
21	CONTINUATION			FOR B&M USE ONLY											
22	ADDITION		X												
AA KEY NUMBER _____				COLUMN NO. _____											

AGENCY Administration PROGRAM AREA Social & Economic Asst. for the Aged

BRU Longevity Bonus

FY 81

**13** REQUEST FOR NEW  
POSITION

COMPONENT \_\_\_\_\_

Page 1 of 1

REVISED  
DATE \_\_\_\_\_

THE FOLLOWING DOCUMENT(S) MAY NOT FILM  
LEGIBLY BECAUSE OF POOR QUALITY OF THE  
ORIGINAL.

**BILL ANALYSIS**

ASSIGNMENT DATE \_\_\_\_\_

UNASSIGNED \_\_\_\_\_

<b>DEPARTMENT</b> Administration	<b>SPONSOR (PRINCIPAL)</b> Representative Randy Phillips	<b>BILL NO</b> House Bill 15
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**DEPARTMENT POSITION**

<b>DIVISION DIRECTOR</b> Vernon L. Perry	<b>DATE</b> 2-22-80	<b>COMMISSIONER</b> W. R. Hudson	<b>DATE</b>
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**GOVERNOR'S OFFICE USE**

POSITION NOTED     
  POSITION APPROVED     
  POSITION DISAPPROVED

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

**SUMMARY**

(1) RELATED BILLS (SIMILAR OR CONFLICTING)

(2) a. ORGANIZATIONAL SUPPORT FOR BILL		(2) b. ORGANIZATIONAL OPPOSITION TO BILL Increased administrative functions generated by applicants' need to verify intermittent segments of domicile in Alaska
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(3) PROGRAM EFFECTS OF BILL

Increase the number of Longevity Bonus recipients by including persons who have intermittently maintained a domicile in the territory or state for a cumulative total of 30 years, provided he has been physically present in the state for 5 years immediately preceding application and periods of cumulative 30 years are for 12 months or more in length.

(4) FISCAL IMPACT:       NONE       FISCAL ANALYSIS ATTACHE

(5) AMENDMENTS PROPOSED:

"An Act relating to the Alaska Longevity Bonus" Secs. AS 47.45.010(a); new section AS 47.45.010; and AS 47.45.170

(6) COMMENTS:

The applicant's burden of verifying domicile segments for 12 months or more may be extremely difficult. Men and women have long been drawn to Alaska for periods of short duration because of employment opportunities in the fishing, mining, lumber and construction industries, for example; or were assigned to tours of duty in Alaska for military or government service. Rarely did they establish permanent domicile or consider Alaska their home, but regarded it as a temporary residence to be occupied during the course of employment or assignment. Seldom were they involved in the development of Alaska, but were more interested in the profits to be gained and soon left to continue domicile elsewhere, many of them intending never to return.

Is it the intention of the State to reward those who periodically domiciled outside of Alaska in the same way it rewards those who had the tenacity and perserverance to remain continuously for at least 25 years?

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ORIGINAL.