

H B

101

COMMITTEE REPORT

HOUSE

2/19/81

FURTHER: JUDICIARY

(5)

Date: 2/19/81

Mr. Speaker:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had HB 191

"An Act relating to the Alaska longevity bonus; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" ~~New~~ Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Terry Masten

John S. ...

MEMBERS HAVING
OTHER RECOMMENDATIONS:

J. M. ... - Do Pass IF Approved

John S. ...
CHAIRMAN

Introduced: 2/19/81
Referred: Health, Education &
Social Services and Judiciary

1 IN THE HOUSE

BY PHILLIPS, BARNES AND MOSS

2 HOUSE BILL NO. 191

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska longevity bonus; and
7 providing for an effective date."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 47.45.010(a) is amended to read:

10 (a) A person who is 65 years of age or over, who was domiciled in
11 the territory on or before January 3, 1959 and who has maintained a
12 continuous domicile in the territory or state for 25 years or has inter-
13 mittently maintained a domicile in the territory or state for a cumula-
14 tive total of 30 years, may apply to the commissioner of administration
15 for qualification to receive a monthly bonus of \$200.

16 * Sec. 2. AS 47.45.010 is amended by adding a (new) subsection to read:

17 (d) For the purposes of (a) of this section, a person has inter-
18 mittently maintained a domicile in the territory or state only if he
19 has been physically present in the state for five years immediately
20 preceding his application and if the periods cumulating 30 years are 12
21 months or more in length.

22 * Sec. 3. AS 47.45.170 is amended to read:

23 Sec. 47.45.170. PURPOSE. The sole purpose of this chapter is to
24 offer and provide all law-abiding Alaskans capable of managing their
25 own affairs who have maintained a domicile in the state for at least 25
26 years continuously or 30 years intermittently and have reached a retire-
27 ment age of 65, an incentive to continue uninterrupted residency in the
28 state. Under no circumstances shall this chapter be considered a form,
29 type, or manner, of public relief. Bonuses made under this chapter are

1 not predicated on need even though they may appear to provide supple-
2 mental income to some qualified persons who would otherwise be forced to
3 become responsibilities of the state. The legislature further finds and
4 states that this legislation recognizes the economic hardships suffered
5 by many elderly Alaskans, Alaskans who through their tenacity and per-
6 severance molded Alaska as we know it through skillful application of
7 their talents. These pioneers are the same Alaskans, who in the prime
8 of their life were in effect treated as second-class citizens by the
9 federal government and who paid much of their hard-earned income to a
10 government in which they did not have the right to participate through
11 the power of the ballot. The legislature also is aware of the fact that
12 many of these pioneers have been forced to live out their retirement
13 years in areas far away from the land they loved and nurtured and there-
14 by also suffering, in many cases, the loss of familial relationship with
15 their own kin, an experience that is sad and frustrating to them as well
16 as depriving new generations of Alaskans of the benefits of their wisdom
17 and experience. This legislation hopefully will provide our pioneers
18 with the economic means to remain in and continue to serve their state
19 and to enjoy the opportunity of aiding the new Alaskan in making this
20 state truly "The Great Land."

21 * Sec. 4. This Act takes effect July 1, 1981.

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. H.B. 191
 Title An Act relating to the Alaska Longevity Bonus
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration
 Program Category Affected Social and Economic Assistance for the Aged
 BRU, Program, or Subprogram(s) Affected Longevity Bonus Program
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		25.2	27.7	30.5	33.5	36.9
200 TRAVEL						
300 CONTRACTUAL		5.5	6.1	6.7	7.3	8.1
400 COMMODITIES		.5	.6	.6	.7	.7
500 EQUIPMENT		1.3				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		480.0	540.0	600.0	660.0	720.0
TOTAL		512.5	574.4	637.8	701.5	765.7

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		512.5	574.4	637.8	701.5	765.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
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.

In addition to the normal requirements for age, these persons must meet the following residency minimums to be eligible under the bill:

1. Intermittently maintained a domicile in the Territory or State of Alaska for a cumulative total of 30 years.

IV. DATE 2/23/81 PREPARED BY George V. Michael
 AGENCY Administration
 PHONE 465-4401

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 Representative Phillips
 Keith Specking

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.

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 each succeeding year as others who are eligible find out about the revised residency requirements.

This fiscal note assumes an effective date of July 1, 1981, and that the bonus payments would remain at the present rate of \$200 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 Longevity Bonus staff. Inflation is computed at 10% per year on all costs for this position beyond FY 82, except equipment which is a one-time cost.

Additional Bonus Payments

<u>Year</u>	<u>Additional Recipients</u>		<u>Bonus Payments</u>		<u>Months</u>		<u>Total Increase</u>
FY 81	200	x	\$200	x	12	=	\$480,000
FY 82	225	x	200	x	12	=	540,000
FY 84	250	x	200	x	12	=	600,000
FY 85	275	x	200	x	12	=	660,000
FY 86	300	x	200	x	12	=	720,000

8/C4/F

1	POSITION TITLE Benefits Assistant			RANGE/STEP 9A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV	DIRAPP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG		
3	TYPE OF EXPENDITURE			JUSTIFICATION:					
	1	2	3						
4	PERSONAL SERVICES SALARY	19,205							
5	BENEFITS	3,032							
6	FICA	1,177							
7	HEALTH INS.	1,800							
8	TOTAL PERSONAL SERVICES	21	25,214						
9	TRAVEL	00	-0-						
10	CONTRACTUAL	00	5,500						
11	COMMODITIES	00	500						
12	EQUIPMENT	05	1,300						
13	OTHER								
14	TOTAL COST		32,514						
15	CODE	FUNDING SOURCE							
16		FED RCPTS. 1912							
17		GF MATCH. 1000							
18		GEN. FUND 1001	32,514						
19		I-A RCPTS. 1004							
20		PGM RCPTS 1008							
21		OTHER							
22	CONTINUATION ADDITION	X	FOR B&M USE ONLY						
	AA KEY NUMBER		COLUMN NO.						

AGENCY Administration PROGRAM Social & Economic Asst. for the Aged

BRU Longevity Bonus

COMPONENT _____

13 REQUEST FOR NEW
POSITION.

Page 1 of 1

REVISED
DATE _____

FY 82

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS
LONGEVITY BONUS

POUCH CL
JUNEAU, ALASKA 99811

Ph: 465-4416

May 28, 1980

The Honorable Thelma Buchholdt
House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Buchholdt:

Re: Senate Bill 15 As Amended By The House

No statistical data has ever been gathered on the number of Longevity Bonus recipients who have been disqualified from receiving the Bonus for a year after return to Alaska following an absence of more than 180 days.

During the tenure of the present administrator, which commenced on July 1979, less than 12 persons who had previously been disqualified following such absence, reapplied for the Bonus after remaining in the State for the required 12 months after return. In that period, approximately 15 persons have been disqualified for absences beyond 180 days, and of that number approximately eight persons were determined to have been absent for reasons beyond their control and were reinstated to the Program following their return to Alaska. It is estimated that the State saved less than \$19,000 by withholding payment to approximately seven persons who were disqualified since July 1979.

It is known that a majority of the Longevity Bonus recipients never leave Alaska, or leave for a short period of less than 30 days, and receive Bonus payments regularly each month. It is also known that a small number of recipients actually maintain homes outside of Alaska where they reside for six months of the year, and faithfully return to Alaska immediately preceding the end of the 180 day period to insure receipt of the Bonus the remainder of the year. There is no statistical data which shows the average number of months spent outside Alaska by those who are absent for more than 30 days and less than 180 days.

Longevity Bonus recipients receive regular monthly payments except during the months they are outside of Alaska for more than 30 days. The system statistics indicate the number of persons who are qualified to receive the Bonus and the number of qualified persons who received payment. Following is a list of qualified recipients and the number of payments made since July 1978. It shows the number of recipients who are absent each month and a trend of the time of year the recipients travel away from Alaska for more than 30 days.

<u>1978/79</u>	<u># Qualified Recipients</u>	<u># Bonus Payments</u>	<u># Recipients Absent</u>
July	6756	6390	366
August	6793	6570	223
September	6838	6606	232
October	6862	6661	201
November	6935	6684	251
December	6983	6642	341
January	7008	6598	410
February	7038	6459	579
March	7045	6537	508
April	7119	6615	504
May	7190	6747	443
June	7207	6857	350
 <u>1979/80</u>			
July	7333	6984	349
August	7395	7014	381
September	7470	7097	373
October	7516	7105	411
November	7575	7177	398
December	7669	7101	508
January	7649	7012	637
February	7686	6879	807
March	7742	7001	741
April	7750	7105	645
May	7811	7355	456

A Bonus recipient is required to notify the Commissioner of Administration when he expects to be out of the State for more than 30 days. Upon such notification, his Bonus payments are discontinued until notification is received that he has returned to Alaska and desires to resume Bonus payments. A recipient may be reinstated to the Program, even after an absence of years, if the reinstatement requirement of remaining in Alaska for twelve

The Honorable Thelma Buchholdt

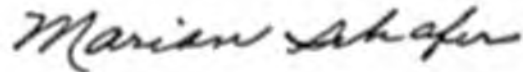
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May 28, 1980

calendar months is met. It is known that a few persons who have been disqualified from the Program in years past have never reapplied for the reason that they have not been able to remain in Alaska for the required twelve calendar months before reinstatement; and some recipients leave Alaska and do not return for the reason that they have either taken up residence outside of Alaska or are deceased.

We regret that we are unable to respond with the statistical data you requested regarding persons who have been disqualified from the Program, but we will be glad to personally answer any further questions you may have.

Sincerely,



Marian Schafer
Administrator
Alaska Longevity Bonus Program

MS/a/w
LBI/B29

cc: Sue S. Greene
Deputy Commissioner for Personnel
Management

George Michael
Administrative Officer
Division of Longevity Bonus

Representative Randy Phillips
House of Representatives
Pouch C, Juneau, Alaska 99811
Dear Rep. Randy Phillips:

Alaskans Who Need Help Now--those 65 years and older on a fixed moderate income. Many of these Seniors have lost their earning power. Due to inflation some are already spending their resources and more will be doing the same in the near future. These are the proud Alaskans who do not want welfare--just want to be able to care for themselves. They do not come under many programs that are provided for the low income, but are paying taxes to support programs for the low incomes. Their taxes support anyone elected to Federal or State offices.

The ones on a moderate fixed income are not admitted to low income housing unless they pay the full rent. Here in Fairbanks in the Golden Towers it is \$556 per month if you are not classed as low income. I understand there are different rates throughout the State of Alaska. This rent is far above what our plush apartments rent for here in Fairbanks. We also bring people in from the "Lower 48" when we have Alaskans on the waiting list. The Golden Towers was to have been for Senior Citizens--instead they have younger people and mentally depressed. Some of these have been problems. This is due to HUD regulations. Why cannot Alaska Housing get out from under HUD? Give Alaska Senior Citizens a place of their own.

Longevity should have been increased at least a year ago to provide help to meet some of their needs. Consideration should also be given to those who are capable of additional earnings but due to Social Security regulations they are limited and are forced to return Social Security. Their cost of transportation and deductions from income results in the fact they are working for nothing.

In 1971 I was a delegate to the White House Conference on Aging. I wish you could have heard the very sad reports on how the elderly were being cared for in private nursing homes, and yet the owners bragged on how much money they made off their inmates. I have stood helplessly by and heard men and women scream and cry when taken from the hospital to the Poor House (County Home). Thank God, Alaska has Pioneer Homes where our Alaskans can live in dignity. Let's keep our Pioneer Homes as they are.

A great deal of credit goes to our Office on Aging, under Danny Plotnick for the outstanding services our Senior Citizens are receiving throughout the State. Thousands of Seniors are receiving many benefits. Each year this office offers more programs and reaches out farther to many outlying areas. I do not want to see a change at this time. I have worked with this staff since 1971, seen many changes, all for the better. Let's not make a change now. Do you want to see these Alaskans (1) leave Alaska; (2) suffer malnutrition; (3) unable to cope with the high cost of medical and hospital expenses; (4) cutting down on heat and light due to increase in utilities; (5) mentally depressed; and (6) last but not least, suicide.

During this session of legislation please consider the needs of the people on a Fixed Moderate Income.

Sincerely,

Doris Southall

Doris Southall

DS/na

cc: Governor Jay Hammond

Dr. Helen Helms, Commissioner, Dept. of Health & Social Services, State of Alaska
M. D. Plotnick, Coordinator, State Office on Aging

March 23, 1979

Representative Randy Phillips
Alaska State Legislature
Mail Station 3100. Pouch V
Juneau, Alaska 99801

Dear Representative Phillips:

It is my understanding that you introduced a bill in the house to correct the inequity of a number of Alaskans not receiving longevity bonuses due to having lived outside at sometime.

Those of us affected, will surely appreciate a bill being passed to enable us to participate in this program. Inflation really hits the retired individual who lives in Alaska.

To speak of my own case, I came to Anchorage in the summer of 1944; part of the time I worked for the Federal Government, the rest, owned and operated my own business. In 1955, due to illness and business problems of my family in California, I had to leave Alaska to assist my family. It was not my choice to be out of Alaska and I owned property here during all of the time I was outside. It was the summer of 1963 before I could again return home to Anchorage and I have lived here continuously since that time.

It seems to me that when you were here in early days and have spent most of your adult life here, that you should not be penalized for circumstances that really were not under your control. Meeting the original date of residency and having the proper number of years of residency should be the requirements.

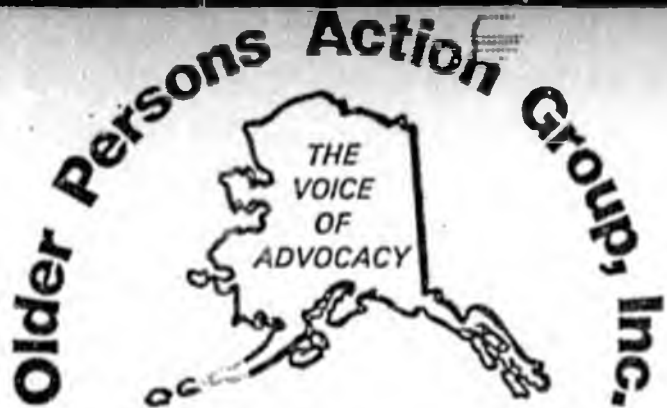
It was mentioned that the bill under consideration would require us to spend more years to qualify than is required for those now receiving bonuses. It does not seem that such a penalty is really justifiable.

My thanks to you for introducing the bill and to it's supporters in the legislature.

Sincerely,

Margery M. McCormick
Margery McCormick

P. O. Box 1038
Anchorage, Alaska 99510



325 E. 3rd Avenue • Anchorage, AK99501

272-2772 • 272-9317

February 15, 1979

Randy Phillips
State Representative
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Randy:

Thank you for providing a copy of H. B. 15 and your letter of February 9th.

I was sorry to see your H. B. 13 of the 10th Legislative Session go by the board. The concept was one of two recommendations that I made in 1974, when I administered the Longevity Bonus Program.

The figures used in the last session to estimate the cost of the change, created considerable doubt in my mind as to their accuracy and if used again this session should be scrutinized sharply.

Our first priority at this time is for the legislature to provide the avenues for a more realistic and efficient "in home care", also called Home Health-Home Support Program. Our suggestion is for the bill to provide for a budget transfer from the Health and Social Services 1980 Budget of \$5,000,000.00 from Medicaid-General Relief Medical to Home Health-Home Support. We recommend that the bill provide for local administration with state supervision or monitoring and that payments to relatives be included which would tend to hold families together. It is hoped that a savings in taxpayer funds can be realized by expansion of in home care.

Regarding H. B. 15, I have provided OPAG and the Anchorage Municipal Commission for Senior Citizens with copies of your letter and bill. I expect that both organizations will help to distribute the message.

Thank you again for your interest and concern.

Sincerely,

Rose Palmquist
President, Board of Directors

Mr. Randy Phillips
House of Rep's.
Juneau, AK.

Anchorage, AK. 99501
March 25, 1978

Dear Sir: I was in Juneau last spring with a group of seniors from the Anchorage area.

Regretted having to leave without a chance to talk to you. I have your letter of May 9th, '77 and am pleased to know that you will continue to work for the enactment of HB #13. (Hope 13 isn't unlucky this yr)

Thank you again for sponsoring HB #13 amendment. It is just the ticket for me & numerous other Alaskans. Giving you a re-hash: I was born in Valdez in 1906 residing in Alaska (the possession, Territory & State) about 40 yrs.; but am unable to find a string of 25 consecutive yrs. in my record of residence. Under the existing law I must wait, at least, until 1983 to be eligible to qualify for the Longevity Bonus (if I'm still around then).

I have never been on relief and never wanted any charity but would gladly accept the AK. Longevity Bonus, as in my view it is not de-meaning charity, simply a High Cost of Living Bonus.

As you know the built in inflation in our economy has been depressing the standard of living for those of us on fixed incomes. We seem to be getting a double dose here in the 49th state: Current Bureau of Labor figures put our cost of living 64% higher than the National Average.

Myself and several other seniors, who I know, could survive a cost of living bonus. Without the Longevity Bonus if present trends continue, we may be forced to look for lower cost living elsewhere; although we would rather remain in Alaska our Home State.

The State Treasury coffers should fill with oil Royalty money as N. Slope production reaches its peak.

I hope all deserving Alaskans will share in this wealth as a bonus for developing this frontier into a state. These pioneers endured the disadvantages of frontier life including high cost of living and should be rewarded in full or at least be partially reimbursed.

... - So far the Oil bonanza has hurt many
bene fitted in many cases. For example: I did
not get in on the lucrative payroll of pipeline
construction; but was hit by the extra inflation
caused by the boom.

What can I do to help get HB#13
through House Finance and on it's way to becoming
a law? Would writing letters to the Rep's, who
voted against #13, asking them to support it, do a
good do you think?

I'm green as grass on legislative
procedure but will do what I can as I'm quite
vitaly concerned. will talk it up with other Senior.
It is a fair bill & shouldn't be opposed too strongly

Much obliged for your work in my beha.

yours sincerely

Tripp Gavigan
Tripp Gavigan

Note:

Rep's = Representatives for those who voted "yea" on #

" = Reprobates " " " " " "Nay" "

T.G.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM

January 18, 1977

SUBJECT: Alaska Longevity Bonus Impact Survey

TO : The Honorable Randy Phillips
Alaska State Representative

FROM : Gregg K. Erickson
Director
Research Division

The Department of Health and Social Services recently released the results of an indepth study of the effects of the Alaska Longevity Bonus on the elderly in the state, with special consideration of those persons on public assistance. Since the study was funded with 100% state monies and was the result of three years' effort, the Division of Research summarized the 102 page report for legislator use. Since you sponsored HB 13 dealing with the Longevity Bonus, this report may be of some interest to you. The report contains details concerning the type of person served and the benefits derived from the Longevity Bonus Program.

Copies of the complete report can be obtained from:

Lawrence J. Sullivan, Director
Division of Public Assistance
Pouch H-07
Juneau, Alaska 99811
Phone: 465-3355

If you have comments or questions, please do not hesitate to contact me.

GKE:cm

Attachment

Brief Summary of Alaska Longevity
Bonus Impact Survey: 1975

General Overview

During 1973, the Alaska Longevity Bonus Program was instituted in the state. The bonus was authorized by the State legislature to reward elderly Alaskans for having settled the state. This reward is in the form of a monthly payment of \$100 to Alaskan citizens who meet certain criteria listed in AS 47.45.010-.170. (The award was raised to \$125 monthly effective July 1, 1976.) That statute requires, in order to be eligible, that the individual must:

- 1) 65 years of age or older
- 2) Have lived in Alaska for twenty-five years
- 3) Have resided in the state on or before January 3, 1959.

The monthly check was given as an incentive to these pioneer Alaskans to continue uninterrupted residency in the state, so that they would not be forced to leave Alaska upon or prior to retirement due to insufficient funds, as often happened in the past. The payment level is uniform statewide and does not vary according to client's needs or resources.

Many persons receiving this special \$100 bonus for their service to Alaska still have insufficient resources to meet their daily needs. Certain of these persons are also eligible for public assistance through the Department of Health and Social Services. If these needy persons apply and are determined to qualify they can receive a monthly check to meet their daily living needs. The maximum for that check is set in state law. Eligibility for those categorical assistance programs is based on the client's earned (less allowable deductions) and unearned funds and resources. Federal law and regulation set requirements as to what income is counted and what deductions are allowed.

In order that Alaska Longevity Bonus checks not be counted as income for purposes of determining public assistance payments, a waiver had to be granted from the federal government. As a condition of that waiver, the Department of Health and Social Services had to conduct a research project to determine the effect of Longevity Bonus on Alaska's elderly, with special emphasis on those persons who receive monthly public assistance checks as well. The survey was initiated in 1973 and was continued in 1975. The 1975 results were released in the fall of 1976. A permanent exemption excluding the bonus payments from being counted as income for determinations for public assistance was passed by Congress and became law in January, 1976.

Research Plan

The bonus study does represent a significant piece of research. Through it, characteristics of bonus recipients can be discerned. During 1975, the Department of Health and Social Services and various senior citizen groups interviewed 472 elderly persons. The sample was randomly chosen from across the state to represent three major groups of people:

- 1) People who received Longevity Bonus Payments Only
- 2) People who received Longevity Bonus Payments and received Public Assistance (Old Age Assistance)
- 3) People who received Public Assistance (Old Age Assistance only)

At the time the interviews were made 3,814 people were receiving Longevity Bonus payments, 435 people were receiving only Old Age Assistance; and 1,450 people participated in both programs. The study estimates that there were over 8,000 persons in the state that were over 65 years of age. Therefore, over 70% of the elderly population was reflected in this study.

The persons selected were asked questions on three main topic areas:

- (1) Does the Longevity Bonus reduce outmigration of elderly Alaskans?
- (2) Does the Longevity Bonus increase the independence of those who receive it, especially low income recipients?
- (3) Does the Longevity Bonus increase the life satisfaction of those who receive it, with special emphasis placed upon an evaluation of the effect of the Bonus on the lives and on the general life satisfaction of the low-income elderly?

Study Findings

The study reached the following conclusions:

- (1) The Bonus has a significant positive impact upon the elderly Alaskans receiving it.

92.2% of all Bonus recipients interviewed said they are experiencing improvements in their well-being. Most persons used the Bonus to pay for food and clothing, followed by fuel and home maintenance. The study concludes that Bonus is being used for essentials.

- (2) Bonus-only recipients exhibit a greater degree of independence than do elderly person on public assistance only.

The survey found that recipients of only the Longevity Bonus generally need less assistance in obtaining essentials of normal life such as transportation, food, and clothing, than do elderly only on public assistance. Also, Bonus only recipients tend to own their own home, while elderly receiving only public assistance generally rent.

- (3) Most elderly Alaskans do not intend to leave the state; however, the Bonus is enabling those who want to stay, to remain.

Nearly one-third of all Bonus only recipients stated that the Bonus positively affected their plans to stay in Alaska. Also, an additional

5.2% of persons on both Bonus and Old Age Assistance programs said the Bonus had an effect on their plans to stay in the State. The study concludes the Bonus seems to have the greatest effect upon those persons with higher income with regards to emigration decisions.

- (4) Bonus recipients have a lower rate of social service use than do non-recipients.

The study found that twice as many elderly on public assistance in the sample used Food Stamps than do persons receiving both the Bonus and Old Age Assistance. It also discovered that hardly any Bonus-only recipients use food stamps. The study also found that nearly 1/3 of all Bonus recipients reported that the Bonus allowed them to delay or prevent entry to, or to leave an institution. Finally, the study revealed that 30% of recipients of Bonus-only appear to be eligible for public assistance, but do not receive it. The researchers concluded that these people prefer to remain off welfare.

- (5) The Bonus is contributing significantly to the life-satisfaction of the elderly.

The study found that of the 5,264 persons receiving the Bonus, 4,859 persons' situations improved because of it. Only 258 persons (5%) did not view the Bonus as significantly improving their living situations. Also, they did not see that their living situations would decline without the Bonus. The study concluded that Bonus recipients are better able to pay for medical expenses and to obtain food and that Bonus recipients are more active, physically and socially, than elderly only on public assistance.

Prepared by:

Deborah Behr
Division of Research Services

January 24, 1977

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

PODCH 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.

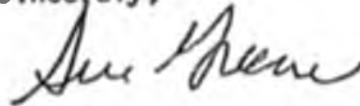
Honorable Thelma Buchholdt
Page 2

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 _____

DEPARTMENT Administration	SPONSOR (PRINCIPAL) Representative Randy Phillips	BILL NO. House Bill 15
------------------------------	--	---------------------------

DEPARTMENT POSITION	
---------------------	--

DIVISION DIRECTOR Vernon L. Perry	DATE 2-22-80	COMMISSIONER W. R. Hudson	DATE
--------------------------------------	-----------------	------------------------------	------

GOVERNOR'S OFFICE USE			
<input type="checkbox"/> POSITION NOTED	<input type="checkbox"/> POSITION APPROVED	<input type="checkbox"/> POSITION DISAPPROVED	
BY:	DATE:		

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)

<p>(2) a. ORGANIZATIONAL SUPPORT FOR BILL</p>	<p>(2) b. ORGANIZATIONAL OPPOSITION TO BILL</p> <p>Increased administrative functions generated by applicants' need to verify intermittent segments of domicile in Alaska</p>
---	---

(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 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 47.45.010

(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 perseverance to remain continuously for at least 25 years?

STATE OF ALASKA THE LEGISLATURE

POUCH V - STATE CAPITOL
JUNEAU, ALASKA 99811
907 463-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 21, 1980

SUBJECT: Constitutionality of CSHB 15
 Longevity Bonus (Work Order No. 8497)

TO: Representative Randy Phillips

FROM: Billy G. Berrier *BGB*
 Director
 Division of Legal Services

You have asked whether in our opinion CSHB 15 which adds persons who have intermittently maintained a domicile in Alaska for a cumulative total of 30 years is constitutional.

You have requested a summary opinion, so I will not discuss the cases which form the basis for my opinion. In conclusionary form, it is my opinion that classifications of state residents by length of residency are of questionable constitutional validity and that the Alaska Supreme Court will uphold a durational residency classification which discriminates against nonresidents if

- (1) there is a compelling state interest which justifies the discrimination;
- (2) the length of residency is reasonable; and
- (3) the personal right of nonresidents which is impaired by the residency requirement is not a privilege of national citizenship under the U.S. Constitution.

A determination of these questions is a fact determination. The purposes stated in AS 47.45.170 appear to be factually supported by the findings of that section.

While a court determination would be necessary to determine whether the interest involved is a compelling state interest and whether the interest could be accomplished by less constitutionally intrusive means, in my opinion the addition of

Representative Randy Phillips
Page 2
April 21, 1980

persons with 30 years total residency in Alaska which has been interrupted would not create additional constitutional problems.

BGB:jdn

**FISCAL NOTE
REVISED**

I. REQUEST
 Bill/Resolution No. H. B. 191
 Title An Act relating to the Alaska Longevity Bonus
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration
 Program Category Affected Social and Economic Assistance for the Aged
 BRU, Program, Or Subprogram(s) Affected Longevity Bonus Program
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		25.4	27.9	30.7	33.8	37.2
200 TRAVEL						
300 CONTRACTUAL		5.7	6.3	6.9	7.6	8.4
400 COMMODITIES		6	7	7	8	9
500 EQUIPMENT		1.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		600.0	675.0	750.0	825.0	900.0
TOTAL		633.1	709.9	788.3	867.2	946.5

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		633.1	709.9	788.3	867.2	946.5
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME						
TEMPORARY						

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

This bill would allow a 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.

In addition to the normal requirements for age, these persons must meet the following residency minimums to be eligible under the bill:

1. Intermittently maintained a domicile in the Territory or State of Alaska for a cumulative total of 30 years.

IV. DATE March 3, 1982 PREPARED BY George T. Michael
 AGENCY Administration
 Original: Legislative Finance PHCNE 465-4401
 cci: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Representative Phillips
 Keith Specking

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.

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 each succeeding year as others who are eligible find out about the revised residency requirements.

The fiscal note assumes an effective date of July 1, 1982, and that the bonus payments would remain at the present rate of \$250 per month.

Due to the complexities of verifying intermittent segments of domicile in Alaska, an additional Benefits Assistant (Range 9) will be needed to the Longevity Bonus staff. Inflation is computed at 10% per year on all costs for this position beyond FY'82, except equipment which is a one-time cost.

Additional Bonus Payments

FY 83	200	x	\$250	x	12	•	\$600,000
FY 84	225	x	\$250	x	12	•	\$675,000
FY 85	250	>	\$250	x	12	•	\$750,000
FY 86	275	x	\$250	x	12	•	\$825,000
FY 87	300	x	\$250	x	12	•	\$900,000

(SA)

1	POSITION TITLE Benefits Assistant			RANGE/STEP 9A	BAIG. UNIT. G	LOCATION Juneau	APPROV.	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	REQ.							
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. 191. Due to the complexity of verifying intermittent periods of residency, approximately 37-1/2 man-hours per week will be required. This extra work load cannot be absorbed by the existing staff.</p>											
	SALARY	\$1,578/mo.							18,936					
5	BENEFITS								3,073					
6	SDS								1,161					
7	FIXED BENEFITS								2,196					
8	TOTAL PERSONAL SERVICES								25,366					
9	TRAVEL								-0-					
10	CONTRACTUAL								5,700					
11	COMMODITIES								600					
12	EQUIPMENT								1,430					
13	OTHER													
14	TOTAL COST								33,096					
	RECEIPT CODE	FUNDING SOURCE												
15		FEL RCPTS 1007												
16		GR MATCH 1001												
17		GEN FUND 1001		33,096										
18		I-A RCPTS 1007												
19		FGM RCPTS 1021												
20		OTHER												
21	CONTINUATION		FOR B&M USE ONLY											
22	ADDITION								X					
4A	KEY NUMBER		COLUMN NO.											

AGENCY Administration PROGRAM Social and Economic Asst. for the Aged

Longevity Bonus

BRU _____

COMPONENT _____

PAGE 1 of 1 REVISED DATE _____

FY 83

13 REQUEST FOR NEW POSITION

II. FISCAL DETAIL

Agency Affected Administration
 Program Category Affected Social and Economic Assistance for the Aged
 BRU, Program, or Subprogram(s) Affected Longevity Bonus Program
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		25.2	27.7	30.5	33.5	36.9
200 TRAVEL						
300 CONTRACTUAL		5.5	6.1	6.7	7.3	8.1
400 COMMODITIES		.5	.6	.6	.7	.7
500 EQUIPMENT		1.3				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		480.0	540.0	600.0	660.0	720.0
TOTAL		512.5	574.4	637.8	701.5	765.7

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		512.5	574.4	637.8	701.5	765.7
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		/	/	/	/	/
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.

In addition to the normal requirements for age, these persons must meet the following residency minimums to be eligible under the bill:

1. Intermittently maintained a domicile in the Territory or State of Alaska for a cumulative total of 30 years.

IV. DATE 2/23/81 PREPARED BY George D. Michael
 AGENCY Administration

Original: Legislative Finance PHONE 465-4401
 cc: Budget and Management

Prime Sponsor (First Legislator Named)
 Representative Phillips
 Keith Spackling

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.

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 each succeeding year as others who are eligible find out about the revised residency requirements.

This fiscal note assumes an effective date of July 1, 1981, and that the bonus payments would remain at the present rate of \$200 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 Longevity Bonus staff. Inflation is computed at 10% per year on all costs for this position beyond FY 82, except equipment which is a one-time cost.

Additional Bonus Payments

<u>Year</u>	<u>Additional Recipients</u>		<u>Bonus Payments</u>		<u>Months</u>		<u>Total Increase</u>
FY 82	200	x	\$200	x	12	=	\$480,000
FY 83	225	x	200	x	12	=	540,000
FY 84	250	x	200	x	12	=	600,000
FY 85	275	x	200	x	12	=	660,000
FY 86	300	x	200	x	12	=	720,000

8/C4/F

1	POSITION TITLE Benefits Assistant			RANGE/STEP 9A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV.	DISAP					
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG							
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:								
	1	2	3		<p>This position will be needed to process applications from persons seeking to qualify under revised provisions of H.B. 191. Due to the complexity of verifying intermittent periods of residency, approximately 37-1/2 man-hours per week will be required. This extra work load cannot be absorbed by the existing staff.</p>									
4	PERSONAL SERVICES: SALARY	19,205												
5	BENEFITS	3,032												
6	FICA	1,177												
7	HEALTH INS.	1,800												
8	TOTAL PERSONAL SERVICES	01	25,214											
9	TRAVEL	02	-0-											
10	CONTRACTUAL	03	5,500											
11	COMMODITIES	04	500											
12	EQUIPMENT	05	1,300											
13	OTHER													
14	TOTAL COST		32,514											
	CODE	FUNDING SOURCE												
15		FED RCPTS 1002												
16		GF MATCH 1003												
17		GEN. FUND 1004		32,514										
18		I-ABCPTS 1005												
19		PGM RCPTS 1028												
20		OTHER												
21	CONTINUATION													
22	ADDITION	X		FOR B&M USE ONLY										
4A KEY NUMBER				COLUMN NO.										

AGENCY Administration PROGRAM Social & Economic Asst. for the Aged

BRU Longevity Bonus

13 REQUEST FOR NEW POSITION.

COMPONENT _____

Page 1 of 1

REVISED DATE _____

FY 82

STATE OF ALASKA

W. S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS
LONGEVITY BONUS

POUCH CL
JUNEAU, ALASKA 99811

Ph: 465-4416

May 28, 1980

The Honorable Thelma Buchholdt
House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Buchholdt:

Re: Senate Bill 15 As Amended By The House

No statistical data has ever been gathered on the number of Longevity Bonus recipients who have been disqualified from receiving the Bonus for a year after return to Alaska following an absence of more than 180 days.

During the tenure of the present administrator, which commenced on July 1979, less than 12 persons who had previously been disqualified following such absence, reapplied for the Bonus after remaining in the State for the required 12 months after return. In that period, approximately 15 persons have been disqualified for absences beyond 180 days, and of that number approximately eight persons were determined to have been absent for reasons beyond their control and were reinstated to the Program following their return to Alaska. It is estimated that the State saved less than \$19,000 by withholding payment to approximately seven persons who were disqualified since July 1979.

It is known that a majority of the Longevity Bonus recipients never leave Alaska, or leave for a short period of less than 30 days, and receive Bonus payments regularly each month. It is also known that a small number of recipients actually maintain homes outside of Alaska where they reside for six months of the year, and faithfully return to Alaska immediately preceding the end of the 180 day period to insure receipt of the Bonus the remainder of the year. There is no statistical data which shows the average number of months spent outside Alaska by those who are absent for more than 30 days and less than 180 days.

Longevity Bonus recipients receive regular monthly payments except during the months they are outside of Alaska for more than 30 days. The system statistics indicate the number of persons who are qualified to receive the Bonus and the number of qualified persons who received payment. Following is a list of qualified recipients and the number of payments made since July 1978. It shows the number of recipients who are absent each month and a trend of the time of year the recipients travel away from Alaska for more than 30 days.

<u>1978/79</u>	<u># Qualified Recipients</u>	<u># Bonus Payments</u>	<u># Recipients Absent</u>
July	6756	6390	366
August	6793	6570	223
September	6838	6606	232
October	6862	6661	201
November	6935	6684	251
December	6983	6642	341
January	7008	6598	410
February	7038	6459	579
March	7045	6537	508
April	7119	6615	504
May	7190	6747	443
June	7207	6857	350
 <u>1979/80</u>			
July	7333	6984	349
August	7395	7014	381
September	7470	7097	373
October	7516	7105	411
November	7575	7177	398
December	7609	7101	500
January	7649	7012	637
February	7686	6879	807
March	7742	7001	741
April	7750	7105	645
May	7811	7355	456

A Bonus recipient is required to notify the Commissioner of Administration when he expects to be out of the State for more than 30 days. Upon such notification, his Bonus payments are discontinued until notification is received that he has returned to Alaska and desires to resume Bonus payments. A recipient may be reinstated to the Program, even after an absence of years, if the reinstatement requirement of remaining in Alaska for twelve

The Honorable Thelma Buchholdt

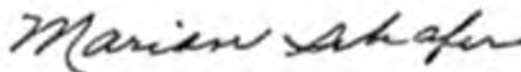
-3-

May 28, 1980

calendar months is met. It is known that a few persons who have been disqualified from the Program in years past have never reapplied for the reason that they have not been able to remain in Alaska for the required twelve calendar months before reinstatement; and some recipients leave Alaska and do not return for the reason that they have either taken up residence outside of Alaska or are deceased.

We regret that we are unable to respond with the statistical data you requested regarding persons who have been disqualified from the Program, but we will be glad to personally answer any further questions you may have.

Sincerely,



Marian Schafer
Administrator
Alaska Longevity Bonus Program

MS/a1w

LBI/B29

cc: Sue S. Greene
Deputy Commissioner for Personnel
Management

George Michael
Administrative Officer
Division of Longevity Bonus

Representative Randy Phillips
House of Representatives
Pouch C Juneau, Alaska 99811

Dear Rep. Randy Phillips:

Alaskans Who Need Help Now--those 65 years and older on a fixed moderate income. Many of these Seniors have lost their earning power. Due to inflation some are already spending their resources and more will be doing the same in the near future. These are the proud Alaskans who do not want welfare--just want to be able to care for themselves. They do not come under many programs that are provided for the low income, but are paying taxes to support programs for the low incomes. Their taxes support anyone elected to Federal or State offices.

The ones on a moderate fixed income are not admitted to low income housing unless they pay the full rent. Here in Fairbanks in the Golden Towers it is \$556 per month if you are not classed as low income. I understand there are different rates throughout the State of Alaska. This rent is far above what our plush apartments rent for here in Fairbanks. We also bring people in from the "Lower 48" when we have Alaskans on the waiting list. The Golden Towers was to have been for Senior Citizens--instead they have younger people and mentally depressed. Some of these have been problems. This is due to HUD regulations. Why cannot Alaska Housing get out from under HUD? Give Alaska Senior Citizens a place of their own.

Longevity should have been increased at least a year ago to provide help to meet some of their needs. Consideration should also be given to those who are capable of additional earnings but due to Social Security regulations they are limited and are forced to return Social Security. Their cost of transportation and deductions from income results in the fact they are working for nothing.

In 1971 I was a delegate to the White House Conference on Aging. I wish you could have heard the very sad reports on how the elderly were being cared for in private nursing homes, and yet the owners bragged on how much money they made off their inmates. I have stood helplessly by and heard men and women scream and cry when taken from the hospital to the Poor House (County Home). Thank God, Alaska has Pioneer Homes where our Alaskans can live in dignity. Let's keep our Pioneer Homes as they are.

A great deal of credit goes to our Office on Aging under Danny Plotnick for the outstanding services our Senior Citizens are receiving throughout the State. Thousands of Seniors are receiving many benefits. Each year this office offers more programs and reaches out farther to many outlying areas. I do not want to see a change at this time. I have worked with this staff since 1971, seen many changes, all for the better. Let's not make a change now. Do you want to see these Alaskans (1) leave Alaska; (2) suffer malnutrition; (3) unable to cope with the high cost of medical and hospital expenses; (4) cutting down on heat and light due to increase in utilities; (5) mentally depressed; and (6) last but not least, suicide.

During this session of legislation please consider the needs of the people on a Fixed Moderate Income.

Sincerely,
Doris Southall

Doris Southall
DS/ss

cc: Governor Jay Hammond
Dr. Helen Belme, Commissioner, Dept. of Health & Social Services, State of Alaska
H. D. Plotnick, Coordinator, State Office on Aging

March 23, 1979

Representative Randy Phillips
Alaska State Legislature
Mail Station 3100, Pouch V
Juneau, Alaska 99801

Dear Representative Phillips:

It is my understanding that you introduced a bill in the house to correct the inequity of a number of Alaskans not receiving longevity bonuses due to having lived outside at sometime.

Those of us affected, will surely appreciate a bill being passed to enable us to participate in this program. Inflation really hits the retired individual who lives in Alaska.

To speak of my own case, I came to Anchorage in the summer of 1944; part of the time I worked for the Federal Government, the rest, owned and operated my own business. In 1955, due to illness and business problems of my family in California, I had to leave Alaska to assist my family. It was not my choice to be out of Alaska and I owned property here during all of the time I was outside. It was the summer of 1963 before I could again return home to Anchorage and I have lived here continuously since that time.

It seems to me that when you were here in early days and have spent most of your adult life here, that you should not be penalized for circumstances that really were not under your control. Meeting the original date of residency and having the proper number of years of residency should be the requirements.

It was mentioned that the bill under consideration would require us to spend more years to qualify than is required for those now receiving bonuses. It does not seem that such a penalty is really justifiable.

My thanks to you for introducing the bill and to its supporters in the legislature.

Sincerely,

Margery McCormick
Margery McCormick

P. O. Box 1038
Anchorage, Alaska 99510



325 E. 3rd Avenue • Anchorage, AK99501

272-2772 • 272-9317

February 15, 1979

Randy Phillips
State Representative
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Randy:

Thank you for providing a copy of H. B. 15 and your letter of February 9th.

I was sorry to see your H. B. 13 of the 10th Legislative Session go by the board. The concept was one of two recommendations that I made in 1974, when I administered the Longevity Bonus Program.

The figures used in the last session to estimate the cost of the change, created considerable doubt in my mind as to their accuracy and if used again this session should be scrutinized sharply.

Our first priority at this time is for the legislature to provide the avenues for a more realistic and efficient "in home care", also called Home Health-Home Support Program. Our suggestion is for the bill to provide for a budget transfer from the Health and Social Services 1980 Budget of \$5,000,000.00 from Medicaid-General Relief Medical to Home Health-Home Support. We recommend that the bill provide for local administration with state supervision or monitoring and that payments to relatives be included which would tend to hold families together. It is hoped that a savings in taxpayer funds can be realized by expansion of in home care.

Regarding H. B. 15, I have provided OPAG and the Anchorage Municipal Commission for Senior Citizens with copies of your letter and bill. I expect that both organizations will help to distribute the message.

Thank you again for your interest and concern.

Sincerely,

Rose Palmquist
President, Board of Directors

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 18, 1977

SUBJECT: Alaska Longevity Bonus Impact Survey

TO : The Honorable Randy Phillips
Alaska State Representative

FROM : Gregg K. Erickson
Director
Research Division

The Department of Health and Social Services recently released the results of an indepth study of the effects of the Alaska Longevity Bonus on the elderly in the state, with special consideration of those persons on public assistance. Since the study was funded with 100% state monies and was the result of three years' effort, the Division of Research summarized the 102 page report for legislator use. Since you sponsored HB 13 dealing with the Longevity Bonus, this report may be of some interest to you. The report contains details concerning the type of person served and the benefits derived from the Longevity Bonus Program.

Copies of the complete report can be obtained from:

Lawrence J. Sullivan, Director
Division of Public Assistance
Pouch H-07
Juneau, Alaska 99811
Phone: 465-3355

If you have comments or questions, please do not hesitate to contact me.

GKE:cm

Attachment

Brief Summary of Alaska Longevity Bonus Impact Survey: 1975

General Overview

During 1973, the Alaska Longevity Bonus Program was instituted in the state. The bonus was authorized by the State legislature to reward elderly Alaskans for having settled the state. This reward is in the form of a monthly payment of \$100 to Alaskan citizens who meet certain criteria listed in AS 47.45.010-.170. (The award was raised to \$125 monthly effective July 1, 1976.) That statute requires, in order to be eligible, that the individual must:

- 1) 65 years of age or older
- 2) Have lived in Alaska for twenty-five years
- 3) Have resided in the state on or before January 3, 1959.

The monthly check was given as an incentive to these pioneer Alaskans to continue uninterrupted residency in the state, so that they would not be forced to leave Alaska upon or prior to retirement due to insufficient funds, as often happened in the past. The payment level is uniform statewide and does not vary according to client's needs or resources.

Many persons receiving this special \$100 bonus for their service to Alaska still have insufficient resources to meet their daily needs. Certain of these persons are also eligible for public assistance through the Department of Health and Social Services. If these needy persons apply and are determined to qualify they can receive a monthly check to meet their daily living needs. The maximum for that check is set in state law. Eligibility for those categorical assistance programs is based on the client's earned (less allowable deductions) and unearned funds and resources. Federal law and regulation set requirements as to what income is counted and what deductions are allowed.

In order that Alaska Longevity Bonus checks not be counted as income for purposes of determining public assistance payments, a waiver had to be granted from the federal government. As a condition of that waiver, the Department of Health and Social Services had to conduct a research project to determine the effect of Longevity Bonus on Alaska's elderly, with special emphasis on those persons who receive monthly public assistance checks as well. The survey was initiated in 1973 and was continued in 1975. The 1975 results were released in the fall of 1976. A permanent exemption excluding the bonus payments from being counted as income for determinations for public assistance was passed by Congress and became law in January, 1976.

Research Plan

The bonus study does represent a significant piece of research. Through it, characteristics of bonus recipients can be discerned. During 1975, the Department of Health and Social Services and various senior citizen groups interviewed 472 elderly persons. The sample was randomly chosen from across the state to represent three major groups of people:

- 1) People who received Longevity Bonus Payments Only
- 2) People who received Longevity Bonus Payments and received Public Assistance (Old Age Assistance)
- 3) People who received Public Assistance (Old Age Assistance only)

At the time the interviews were made 3,814 people were receiving Longevity Bonus payments, 435 people were receiving only Old Age Assistance; and 1,450 people participated in both programs. The study estimates that there were over 8,000 persons in the state that were over 65 years of age. Therefore, over 70% of the elderly population was reflected in this study.

The persons selected were asked questions on three main topic areas:

- (1) Does the Longevity Bonus reduce outmigration of elderly Alaskans?
- (2) Does the Longevity Bonus increase the independence of those who receive it, especially low income recipients?
- (3) Does the Longevity Bonus increase the life satisfaction of those who receive it, with special emphasis placed upon an evaluation of the effect of the Bonus on the lives and on the general life satisfaction of the low-income elderly?

Study Findings

The study reached the following conclusions:

- (1) The Bonus has a significant positive impact upon the elderly Alaskans receiving it.

92.2% of all Bonus recipients interviewed said they are experiencing improvements in their well-being. Most persons used the Bonus to pay for food and clothing, followed by fuel and home maintenance. The study concludes that Bonus is being used for essentials.

- (2) Bonus-only recipients exhibit a greater degree of independence than do elderly person on public assistance only.

The survey found that recipients of only the Longevity Bonus generally need less assistance in obtaining essentials of normal life such as transportation, food, and clothing, than do elderly only on public assistance. Also, Bonus only recipients tend to own their own home, while elderly receiving only public assistance generally rent.

- (3) Most elderly Alaskans do not intend to leave the state; however, the Bonus is enabling those who want to stay, to remain.

Nearly one-third of all Bonus only recipients stated that the Bonus positively affected their plans to stay in Alaska. Also, an additional

5.2% of persons on both Bonus and Old Age Assistance programs said the Bonus had an effect on their plans to stay in the State. The study concludes the Bonus seems to have the greatest effect upon those persons with higher income with regards to emigration decisions.

(4) Bonus recipients have a lower rate of social service use than do non-recipients.

The study found that twice as many elderly on public assistance in the sample used Food Stamps than do persons receiving both the Bonus and Old Age Assistance. It also discovered that hardly any Bonus-only recipients use food stamps. The study also found that nearly 1/3 of all Bonus recipients reported that the Bonus allowed them to delay or prevent entry to, or to leave an institution. Finally, the study revealed that 30% of recipients of Bonus-only appear to be eligible for public assistance, but do not receive it. The researchers concluded that these people prefer to remain off welfare.

(5) The Bonus is contributing significantly to the life-satisfaction of the elderly.

The study found that of the 5,268 persons receiving the Bonus, 4,859 persons' situations improved because of it. Only 258 persons (5%) did not view the Bonus as significantly improving their living situations. Also, they did not see that their living situations would decline without the Bonus. The study concluded that Bonus recipients are better able to pay for medical expenses and to obtain food and that Bonus recipients are more active, physically and socially, than elderly only on public assistance.

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WB 191

Rep. Phillips

Fred Muller - dept. of adm.

"Pioneer Home adv. Bd." opposer

Are Reps ready yet?

Will send me draft