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THE LEGISLATURE OF THE STATE OF ALASKA

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House CS for CS for Senate Bill No. 621 (SA)

Title "An Act providing incentives to hire Alaskans."

Requested by House State Affairs Committee

Date 6/1/82

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Public Protection

BRU, Program, or Subprogram(s) Affected Labor Standards & Safety

(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		418.9	452.4	488.6	527.7	569.9
200 TRAVEL		24.0	25.9	28.0	30.2	32.7
300 CONTRACTUAL		169.2	182.7	197.4	213.1	230.2
400 COMMODITIES		5.5	5.9	6.4	6.9	7.5
500 EQUIPMENT		13.2	-	-	-	-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	630.8	666.9	720.4	777.9	840.3

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	630.8	666.9	720.4	777.9	840.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	11.0	11.0	11.0	11.0	11.0
PART TIME						
TEMPORARY						

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

Sections 2 and 3 of this bill provide for resident tax credits and require the Department to issue residency cards. Past experience by the Department in administering AS 38.40, Local Hire Under State Leases, reflects that the issuance of residency cards is a highly intensive workload procedure. The Department estimates that as many as 50,000 residency cards may be requested.

1. Assumes an effective date of July 1, 1982.
2. Personal Services based on salary schedules effective March 16, 1982.
3. Assumes an annual inflation rate of 8 percent.
4. The Contractual Services cost includes Attorney Fees for FY '83 (\$35.0), Hearing Officers (\$11.3), Printing (\$20.5).
5. Equipment is an one-time expense to purchase desks, chairs, etc., for the 11 new positions.

IV. DATE June 1, 1982

B:12

PREPARED BY Nico Bus, Finance Officer

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

1	POSITION TITLE Wage and Hour Investigator III				RANGE/STEP 20	BARG. UNIT. Supv.	LOCATION Anchorage	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	FCN No. New	PRIORITY		FORM 12 PAGE/LINE	LEG		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY \$3309		39,708
5	BENEFITS .1592 %		6,322
6	SBS .0673		2,434
	FIXED BENEFITS		2,196
8	TOTAL PERSONAL SERVICES	01	50,660
9	TRAVEL	02	3,000
10	CONTRACTUAL	03	10,744
11	COMMODITIES	04	500
12	EQUIPMENT	05	1,200
13	OTHER		
14	TOTAL COST		66,104

JUSTIFICATION:
 This position will be the Statewide Supervisor for issuing certificate of residency. Job duties will include development of procedures, writing of regulations and conducting first level appeals from adverse decisions.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS 1002	
16		GF MATCH 1003	
17		GEN. FUND 1004	66,104
18		I-A RCPTS 1005	
19		PGM RCPTS 1028	
20		OTHER	

21	CONTINUATION		FOR B&M USE ONLY
22	ADDITION	XX	

AA KEY NUMBER _____ COLUMN NO. _____

300: Rent \$3,300
 Indirect Cost 13.71% = \$5,444
 Telephone, postage, etc, \$2,000
 \$ 10,744

AGENCY LABOR PROGRAM Public Protection
 BRU Labor Standards and Safety
 COMPONENT Wage and Hour Administration

13 REQUEST FOR NEW POSITION.

FY 83

1	POSITION TITLE Wage & Hour Investigator II			RA STEP 18/A	BARG. UNIT. GGU	LOCATION Fairbanks	GOV.	APPROV.	DIBAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. New	PRIORITY	FORM 12 PAGE/LINE	LEG.								
3	TYPE OF EXPENDITURE			JUSTIFICATION:											
	1	2	3												
4	PERSONAL SERVICES: SALARY	\$3,146/mo	\$37,752	<p>Regional Supervisor of Investigator I and Clerk Typist who process applications for residency certification. Review work product of staff.</p> <p>Hearing Officer for appeals from adverse decisions by staff.</p> <p>Contractual Services:</p> <p>Indirect Cost 13.71% @ \$37,752 = \$5,176</p> <p>Rent 3,300</p> <p>Telephone, postage, etc. 2,000</p> <p><u>\$10,476</u></p>											
5	BENEFITS	.1592 %	7,369												
6	SBS	.0613%	2,314												
7	FIXED BENEFITS	\$183/r.o	2,196												
8	TOTAL PERSONAL SERVICES	01	\$49,631												
9	TRAVEL	02	3,000												
10	CONTRACTUAL	03	10,476												
11	COMMODITIES	04	500												
12	EQUIPMENT	05	1,200												
13	OTHER														
14	TOTAL COST		\$64,807												
15	RECEIPT CODE	FUNDING SOURCE													
16		FED RCPTS. 1002													
17		GF MATCH. 1003													
18		GEN. FUND 1004		\$64,807											
19		I-A RCPTS. 1005													
20		PGM RCPTS 1028													
21	CONTINUATION	OTHER													
22	ADDITION	X	FOR B&M USE ONLY												
4A KEY NUMBER				COLUMN NO.											

AGENCY Labor PROGRAM Public Protection

BRU Labor Standards & Safety

COMPONENT Wage & Hour Admin.

13 REQUEST FOR NEW POSITION.

FY 83

1	POSITION TITLE Wage and Hour Investigator II			RANGE/STEP 18/A	BARG. UNIT. GGU	LOCATION Anchorage	GOV.	APPROV.	DIBAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. NEW	PRIORITY	FORM 12	PAGE/LINE	LEG	

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES:	
	SALARY \$2838/mo.	34,056
5	BENEFITS .1592 %	5,422
6	SBS .0613 %	2,085
7	FIXED BENEFITS \$183/mo.	2,196
8	TOTAL PERSONAL SERVICES 01	43,762
9	TRAVEL 02	3,000
10	CONTRACTUAL 03	9,969
11	COMMODITIES 04	500
12	EQUIPMENT 05	1,200
13	OTHER	
14	TOTAL COST	58,431

JUSTIFICATION:

Regional supervisor of Investigator I and Clerk Typist who process applications for residency certification. Review work product of staff.

Hearing officer for appeals from adverse decisions by staff.

Contractual Services

Indirect Cost 13.71% x \$34,056 = 4,669

Rent 3,300

Telephone, postage, etc. 2,000

\$ 9,969

	RECEIPT CODE	FUNDING SOURCE
15		FED RCPTS. 1002
16		GF MATCH. 1003
17		GEN. FUND 1004
		58,431
18		I-A RCPTS. 1005
19		PGM RCPTS 1028
20		OTHER

21	CONTINUATION	FOR B&M USE ONLY
22	ADDITION	

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor PROGRAM Public Protection

BRU Labor Standards and Safety

COMPONENT Wage and Hour Administration

13 REQUEST FOR NEW POSITION.

Page 3 of 11 REVISED DATE _____

FY 83

1	POSITION TITLE Wage and Hour Investigator II			RANGE/STEP 18/A	BARG. UNIT. GGU	LOCATION Juneau	GOV.	APPROV.	DIBAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	FCN No. NEW	PRIORITY	FORM 12	PAGE/LINE	LEG.	
3	TYPE OF EXPENDITURE			AMOUNT	JUSTIFICATION: Regional supervisor of Investigator I and Clerk Typist who process applications for residency certification. Review work product of staff. Hearing officer for appeals from adverse decisions by staff Contractual Services Indirect Cost 13.71% x \$34,056 = 4,669 Rent 3,300 Telephone, postage, etc. 2,000 \$ 9,969				
	1	2	3						
4	PERSONAL SERVICES:								
	SALARY \$2838/mo.		34,056						
5	BENEFITS .1592%		5,422						
6	SBS .0613%		2,088						
7	FIXED BENEFITS \$183/mo.		2,196						
8	TOTAL PERSONAL SERVICES 01		43,762						
9	TRAVEL 02		3,000						
10	CONTRACTUAL 03		9,969						
11	COMMODITIES 04		500						
12	EQUIPMENT 05		1,200						
13	OTHER								
14	TOTAL COST		58,431						
	RECEIPT CODE	FUNDING SOURCE							
15		FED RCPTS. 1002							
16		GF MATCH. 1003							
17		GEN. FUND 1004		58,431					
18		I-A RCPTS. 1005							
19		PGM RCPTS 1008							
20		OTHER							
21	CONTINUATION	FOR B&M USE ONLY							
22	ADDITION								
4A KEY NUMBER _____ COLUMN NO. _____									

AGENCY Labor PROGRAM Public Protection

BRU Labor Standards and Safety

COMPONENT Wage and Hour Administration

13 REQUEST FOR NEW POSITION.

Page 4 of 11 REVISED DATE _____

FY 83

1	POSITION TITLE Wage and Hour Investigator I	RANGE/STEP 16/A	BARG. UNIT. GGU	LOCATION Fairbanks	GOV.	APPROV.	DIGAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. new	PRIORITY	FORM 12	PAGE/LINE

3	TYPE OF EXPENDITURE	AMOUNT	
	1	2	3
4	PERSONAL SERVICES: SALARY \$2,739/mo	\$32,868	
5	BENEFITS .1592%	5,233	
6	SBS .0613%	2,015	
7	FIXED BENEFITS 183/mo	2,196	
8	TOTAL PERSONAL SERVICES 01	\$42,312	
9	TRAVEL 02	3,000	
10	CONTRACTUAL 03	9,806	
11	COMMODITIES 04	500	
12	EQUIPMENT 05	1,200	
13	OTHER		
14	TOTAL COST	\$56,818	

JUSTIFICATION:
 This position will be processing applications for resident certifications and provide first review of verification. Also will attend hearing of appeal by applicants to provide reports of their investigations.

Contractual Services

Indirect cost 13.71% x \$32,868 = \$4,506
 Rent 3,300
 Telephone, postage, etc 2,000
\$9,806

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	\$56,818
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21	CONTINUATION		FOR B&M USE ONLY
22	ADDITION	X	

A KEY NUMBER _____ COLUMN NO. _____

AGENCY Labor PROGRAM Public Protection

BRU Labor Standards and Safety

COMPONENT Wage and Hour Administration

13 REQUEST FOR NEW POSITION.

FY 83

1	POSITION TITLE Wage and Hour Investigator I			RANGE/STEP 16/A	BARG. UNIT. GGU	LOCATION Anchorage	GOV.	APPROV.	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. new	PRIORITY	FORM 12	PAGE/LINE	LEG.							
3	TYPE OF EXPENDITURE			JUSTIFICATION:											
	1	2	3												
4	PERSONAL SERVICES:			<p>This position will be processing applications for resident certifications and provide first review of verification. Also will attend hearing of appeal by applicants to provide reports of their investigations.</p> <p><u>Contractual Services</u></p> <p>Indirect Cost 13.72% x \$29,556 = \$4,052 Rent 3,300 Telephone, postage, etc. 2,000 <u>\$9,352</u></p>											
5	SALARY	\$2463	\$29,556												
6	BENEFITS	.1592%	4,705												
7	SBS	.0613%	1,812												
8	FIXED BENEFITS		2,196												
9	TOTAL PERSONAL SERVICES	01	\$38,269												
10	TRAVEL	02	3,000												
11	CONTRACTUAL	03	9,352												
12	COMMODITIES	04	500												
13	EQUIPMENT	05	1,200												
14	OTHER														
15	TOTAL COST		\$52,321												
15	RECEIPT CODE	FUNDING SOURCE													
16		FED RCPTS. 1002													
17		GF MATCH. 1003													
18		GEN. FUND 1004		\$52,321											
19		I-A RCPTS. 1005													
20		PGM RCPTS 1028													
21		OTHER													
21	CONTINUATION			FOR B&M USE ONLY											
22	ADDITION	X													
4A KEY NUMBER				COLUMN NO.											

AGENCY Labor PROGRAM Public Protection
BRU Labor Standards and Safety
COMPONENT Wage and Hour

13 REQUEST FOR NEW POSITION.

FY 83

Page 6 of 11 REVISED DATE _____

1	POSITION TITLE Wage and Hour Investigator I			RANGE/STEP 16/A	BARG. UNIT. GGU	LOCATION Anchorage	GOV.	APPROV.	DIBAPP.																																				
2	TYPE OF POSITION PFT	STAFF MONTHS. 12	RP No.	PCN No. new	PRIORITY	FORM 12 PAGE/LINE	LEG.																																						
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	RECEIPT CODE	FUNDING SOURCE																																											
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4A KEY NUMBER		FOR B&M USE ONLY	COLUMN NO.																																										

This position will be processing applications for resident certifications and provide first review of verification. Also will attend hearing of appeal by applicants to provide reports of their investigations.

Contractual Services

Indirect Cost 13.71% x \$29,556 =	\$4,052
Rent	3,300
Telephone, postage, etc.	2,000
	<u>\$9,352</u>

AGENCY Labor PROGRAM Public Protection

BRU Labor Standards and Safety

COMPONENT Wage and Hour

13 REQUEST FOR NEW POSITION.

Page 7 of 11 REVISED DATE _____

FY 83

1	POSITION TITLE Wage and Hour Investigator I				RANGE/STEP 16/A	BARG. UNIT. GGU	LOCATION Juneau	SOV.	APPROV.	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. new	PRIORITY		FORM 12 PAGE/LINE	LEG.								
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:										
	1	2	3													
4	PERSONAL SERVICES:				<p>This position will be processing applications for resident certifications and provide first review of verification. Also will attend hearing of appeal by applicants to provide reports of their investigations.</p> <p><u>Contractual Services</u></p> <p>Indirect Cost 13.71% x \$29,556 = \$4,052 Rent 3,300 Telephone, postage, etc. 2,000 <u>\$9,352</u></p>											
5	SALARY	2,463	\$29,556													
6	BENEFITS	1502%	4,705													
7	SBS	.0613%	1,812													
8	FIXED BENEFITS	183/mo	2,196													
9	TOTAL PERSONAL SERVICES	01	\$38,269													
10	TRAVEL	02	3,000													
11	CONTRACTUAL	03	9,352													
12	COMMODITIES	04	500													
13	EQUIPMENT	05	1,200													
14	OTHER															
15	TOTAL COST		\$52,321													
15	RECEIPT CODE	FUNDING SOURCE														
16		FED RCPTS. 1002														
17		GF MATCH. 1003														
18		GEN. FUND 1004		\$52,321												
19		I-A RCPTS 1005														
20		PGM RCPTS 1028														
21		OTHER														
21	CONTINUATION															
22	ADDITION	X			FOR B&M USE ONLY											
4A KEY NUMBER				COLUMN NO.												

AGENCY Labor PROGRAM Public Protection
BRU Labor Standards and Safety
COMPONENT Wage and Hour

13 REQUEST FOR NEW POSITION.

FY 83

1	POSITION TITLE Clerk Typist III				RANGE/STEP 8	BARG. UNIT. GGU	LOCATION Fairbanks	GOV.	APPROV.	DIBAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. New	PRIORITY		FORM 12 PAGE/LINE	LEG.		
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:				
	1	2	3							
4	PERSONAL SERVICES:									
	SALARY	\$1627/mo	\$19,524							
5	BENEFITS	.1592%	3,069							
6	SBS	.0613 %	1,197							
7	FIXED BENEFITS	\$183/mo	2,196							
8	TOTAL PERSONAL SERVICES		01	\$25,986	This Clerk Typist III will provide general clerical support to the Wage and Hour investigators in Fairbanks. General clerical duties include receptionist duties, correspondence, filing and processing of mail.					
9	TRAVEL		02	-0-						
10	CONTRACTUAL		03	7,977	Contractual Services:					
11	COMMODITIES		04	500	Indirect Cost @ 13.71 x \$19,524 = \$2,677					
12	EQUIPMENT		05	1,200	Rent 3,300					
13	OTHER				Telephone, postage, etc. 2,000					
14	TOTAL COST			\$35,663	<u>\$7,977</u>					
	RECEIPT CODE	FUNDING SOURCE								
15		FED RCPTS. 1002								
16		GF MATCH. 1003								
17		GEN. FUND 1004		\$35,663						
18		I-A RCPTS. 1005								
19		PGM RCPTS 1028								
20		OTHER								
21	CONTINUATION									
22	ADDITION		X	FOR B&M USE ONLY						
	KEY NUMBER			COLUMN NO.						

AGENCY Labor PROGRAM Public Protection

BRU Labor Standards & Safety

COMPONENT Wage & Hour Admin.

13 REQUEST FOR NEW POSITION.

Page 9 of 11 REVISED DATE _____

FY 83

1	POSITION TITLE Clerk Typist III				RANGE/STEP 8	BARG. UNIT. GGU	LOCATION Anchorage	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. New	PRIORITY	FORM 12	PAGE/LINE	LEG.		
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION: This Clerk Typist position will provide general clerical support to the Wage & Hour investigators located in Anchorage for issuing certificates of residency. General clerical duties include receptionist duties, correspondence, filing and processing of mail. Contractual Services: Ind. Cost @ 13.71 x PS = \$2,446 Rent 3,300 Telephone & postage 2,000 \$7,746				
	1	2	3							
4	PERSONAL SERVICES:									
	SALARY	\$1487	\$17,844							
5	BENEFITS	.1592%	2,841							
6	SBS	.0613%	1,094							
7	FIXED BENEFITS		2,196							
8	TOTAL PERSONAL SERVICES	01	\$23,975							
9	TRAVEL	02	-0-							
10	CONTRACTUAL	03	7,746							
11	COMMODITIES	04	500							
12	EQUIPMENT	05	1,200							
13	OTHER									
14	TOTAL COST		\$33,421							
	RECEIPT CODE	FUNDING SOURCE								
15		FED RCPTS. 1002								
16		GF MATCH. 1003								
17		GEN. FUND 1004		\$33,421						
18		I-A RCPTS. 1005								
19		PGM RCPTS 1028								
20		OTHER								
21	CONTINUATION									
22	ADDITION	X	FOR B&M USE ONLY							
4A	KEY NUMBER			COLUMN NO.						

AGENCY Labor PROGRAM Public Protection

BRU Labor Standards & Safety

COMPONENT Wage & Hour Admin.

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13 REQUEST FOR NEW POSITION.

FY 83

1	POSITION TITLE Clerk Typist III			RANGE/STEP 8	BARG. UNIT. GGU	LOCATION Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No. New	PRIORITY	FORM 12 PAGE/LINE	LEG.		
3	TYPE OF EXPENDITURE			AMOUNT	JUSTIFICATION:				
	1	2	3						
4	PERSONAL SERVICES:								
	SALARY	\$1487	\$17,844						
5	BENEFITS	.1592%	2,841						
6	SBS	.0613%	1,094						
7	FIXED BENEFITS		2,196						
8	TOTAL PERSONAL SERVICES		01	\$23,975	<p>This Clerk Typist position will provide general clerical support to the Wage & Hour investigators located in Juneau for issuing certificates of residency. General clerical duties include receptionist duties, correspondence, filing and processing of mail.</p> <p>Contractual Services:</p> <p>Ind. Cost @ 13.71 x PS = \$2,446 Rent 3,300 Telephone & postage 2,000 \$7,746</p>				
9	TRAVEL		02	-0-					
10	CONTRACTUAL		03	7,746					
11	COMMODITIES		04	500					
12	EQUIPMENT		05	1,200					
13	OTHER								
14	TOTAL COST			\$33,421					
15	RECEIPT CODE	FUNDING SOURCE							
		FED RCPTS. 1002							
16		GF MATCH. 1003							
17		GEN. FUND 1004		\$33,421					
18		J-A RCPTS. 1005							
19		PGM RCPTS 1028							
20		OTHER							
21	CONTINUATION								
22	ADDITION			X					
				FOR B&M USE ONLY					
4A KEY NUMBER				COLUMN NO.					

AGENCY Labor PROGRAM Public Protection

BRU Labor Standards & Safety

COMPONENT Wage & Hour Admin.

FY 83

13 REQUEST FOR NEW POSITION.

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THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 621
 Title An Act providing an incentive to hire older Alaskans
 Requested by Senator Bradley Date 5/18/82

II. FISCAL DETAIL

Agency Affected Depr. of Administration
 Program Category Affected Social and Economic Assistance for the Aged
 BRU, Program, Or Subprogram(s) Affected Older Alaskans Commission
 (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		24.5	25.7	27.0	28.4	30.0
200 TRAVEL		1.0	1.1	1.2	1.3	1.4
300 CONTRACTUAL		6.0	6.3	6.6	6.9	7.2
400 COMMODITIES		1.8	1.9	2.0	2.1	2.2
500 EQUIPMENT		2.0	-	-	-	-
600 LAND & STRUCTURES		-	-	-	-	-
700 GRANTS, CLAIMS, ETC.		250.0	262.5	275.6	289.7	303.9
TOTAL		285.3	297.5	312.4	328.1	344.7

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		285.3	297.5	312.4	328.1	344.7
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME						
PART TIME (30%)		2.0	2.0	2.0	2.0	2.0
TEMPORARY						

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

Included in this fiscal note are funds for two part-time positions. A Project Coordinator (R18) to administer the program (30% FTE); an Accounting Technician I (R12) to provide fiscal support (30% FTE).

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IV. DATE 5/18/82 PREPARED BY Edwin Rehwald
 AGENCY Older Alaskans Commission
 PHONE 465-3250
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

Estimates on the number of eligible reimbursements is based upon the following. The total population of Alaskans aged 65+ is 11,547. 18.5% are estimated to be in the workforce (U.S. Department of Labor statistics, January 1982). This is equivalent to 2,136 persons presently employed.

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It is estimated, therefore, that 250 older Alaskans would participate in the first year. Therefore, funding needed for grants, claims, etc. in SFY '83 is \$250,000 for persons 65 years of age and older. This assumes the limitations itemized above; that each employee would earn \$10,000 or more in a calendar year; and each employer claims \$1,000 for each employee (10% of gross salary).

Increases of 5% is estimated in the number of people who would be eligible for this reimbursement each year.

In a recent national study by National Retired Teachers Association/American Association of Retired Persons (NRTA/AARP), it was demonstrated that it cost \$3,110 in tax revenue per participant (Title V program) but upon placement into unsubsidized employment \$4,150 was paid back by each participant in tax revenues. Therefore, \$1,040 represents the amount of return to the system over the program costs. Alaska could expect to realize a net return from this program due to savings in public assistance and other public entitlement programs.

CS for SB 621 (State Affairs)

The Older Persons Action Group (OPAG), requested this bill.

There are many Alaskans 65 years of age or older who are experienced in many fields and are quite capable of working. Many of them want to work to supplement their retirement incomes or other fixed incomes, on which many of them find it difficult to live, because of increased inflation.

The purpose of this bill is to offer an incentive to private sector employers to hire older Alaskans who want to work. It also may help in overcoming "a negative stereotype of old age."

The employment of these older Alaskans can reduce unemployment payouts, food stamps, and other public assistance payouts. It also can contribute to better living conditions, and more self-respect and self-reliance for many of those older persons employed.

I believe this bill is simple enough to be self-explanatory, but I shall cover a few of the pertinent points, and then answer any questions.

On page 1, Subparagraph (b)(1) of Sec. 010 tends to prevent the termination of existing employees in order to hire older employees. The older persons hired should be as a result of business expansion -- not replacement of those already employed.

Subparagraph (b)(2) prevents the employment of close family members by an employer who might try to capitalize on the reimbursement to keep it in the family.

And Sec. 020 prevents an employer from receiving more than \$1,000 for each older person employed per year or more than \$5,000 for five or more older employees. In other words, \$5,000 is the maximum an employer can receive regardless of the number of older persons employed.

Mr. President, I don't know how many, but several states have a similar program to encourage the employment of older persons.

I consider this program to be as important to some older Alaskans who want to work as the longevity bonus is to some others. Some members of OPAG have told me so, and I am a member and attend their meetings.

I urge the passage of this bill to help our older Alaskans help themselves, and at the same time not cost the State very much if any money -- it may even save the State money.

ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

SENATE ...BILL..... NO. 621...

By BRADLEY.....

"An Act providing tax credits for employers of persons over 60 years of age; and providing for an effective date."

Introduced in the Senate ...1/11/1982

HISTORY IN THE SENATE

19 82		Read first time and referred to Committee on
1 11		State Affairs and Finance
4 8		Reported back with recommendation that <i>replace w/cs, new title, 4/60 pass to Finance</i>
5 11		<i>Sen Wainio - TO Rules</i>
5 17		<i>Rules Calendar w/cs</i>
5 17		Read second time and <i>CS (SA) asp. title change asp. etc.</i>
5 17		Read third time and <i>held</i>
5 18		PASS <i>ed</i> Effective Date
	Yeas 18	Yays <i>X</i>
	Nays 2	Nays <i>X</i>
	Absent	Absent
	Excused	Excused
	Reconsideration	
	PASS	Effective Date
	Yeas	Yays
	Nays	Nays
	Absent	Absent
	Excused	Excused
5 18		Reported correctly engrossed
18		Signed by President
18		Sent to House
		<i>Peggy Mulligan</i> SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 82		Read first time and referred to Committee on
May 19		<i>State Affairs Finance</i>
		Reported back with recommendation that
		Read second time and
		Read third time and
		PASS Effective Date
	Yeas	Yays
	Nays	Nays
	Absent	Absent
	Excused	Excused
	Reconsideration	
	PASS	Effective Date
	Yeas	Yays
	Nays	Nays
	Absent	Absent
	Excused	Excused
		Reported correctly engrossed
		Signed by Speaker
		Returned to Senate
		CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
	 by Governor
		Filed with Lt. Governor
		Chapter No.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 621
Title An Act providing an incentive to hire older Alaskans
Requested by Senator Bradley Date 5/18/82

II. FISCAL DETAIL

Agency Affected Dept. of Administration
Program Category Affected Social and Economic Assistance for the Aged
BRU, Program, Or Subprogram(s) Affected Older Alaskans Commission
(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		24.5	25.7	27.0	28.4	30.0
200 TRAVEL		1.0	1.1	1.2	1.3	1.4
300 CONTRACTUAL		6.0	6.3	6.5	6.9	7.2
400 COMMODITIES		1.8	1.9	2.0	2.1	2.2
500 EQUIPMENT		2.0	-	-	-	-
600 LAND & STRUCTURES		-	-	-	-	-
700 GRANTS, CLAIMS, ETC.		250.0	262.5	275.6	289.4	303.9
TOTAL		285.3	297.5	312.4	328.1	344.7

FUNDING (Thousands of Dollars)

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IV. DATE 5/18/82 PREPARED BY Eileen Rehwald
AGENCY Older Alaskans Commission
Original: Legislative Finance PHONE 465-3250
cc: Budget and Management
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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OLDER ALASKANS COMMISSION

POUCH C, M.S. 0209
JUNEAU, ALASKA 99811
PHONE: (907) 465-3250

POSITION PAPER ON HOUSE CS FOR CS FOR SENATE BILL NO. 621 (State Affairs)

"An Act providing incentives to hire Alaskans."

The Older Alaskans Commission (OAC) strongly supports Section 1 of this bill (which is almost identical to the prior version: CSSB 621 (SA) dated 4/8/82) but the OAC does not support Sections 2 and 3 which have been added to it.

This prior version is concise, uncomplicated, and fills an urgent need to assist elderly Alaskans who need employment and have great difficulty in obtaining it. Studies show that:

1. Many persons who retired earlier with sufficient retirement income have not been able to keep up with inflation and, many who are too proud to go on welfare, are having to make choices between eating properly, paying the rent or fuel bills.
2. Because of longer life expectancy and better health, many older persons feel the need for meaningful activity during longer periods of retirement. This activity and economic security promotes their general health and well-being.
3. Older persons are not referred to jobs as often as younger persons at the Employment Centers.
4. The actual unemployment rate for older workers tends to be much higher than records show. As people become older and face more hiring rejections, they tend to no longer contact employment offices because they think they cannot get a job. These are the "discouraged" workers. In Alaska, a recent sampling of those 60 and up found that approximately 30% are unemployed, only 30% are employed full time and 40% are employed part time or seasonally. The employment of those 65 and up drops much more than this.
5. The average duration of unemployment for older workers 65 and over is about 6 months, whereas it is less than 3-½ months for those 16 to 44.
6. Employers tend to not hire older persons due to the stereotypes and myths of aging. However, older persons when given the opportunity, dispel these myths by their dependability, stability, and disabuse of sick leave. Mature judgment and experience offset any physical slowing while mental capabilities and ability to learn new jobs or new methods tends to remain the same.

7. Hiring of older workers will remove many from welfare or Social Security programs and they will thus contribute to the tax base instead of tax monies being used to support them.
8. The non-hiring of older workers can accelerate inflation as retirement income rises without a commensurate increase in the supply of goods and services. Thus there is a tremendous loss to the economy of these goods and services that the older worker would otherwise produce.

The OAC, while supportive the theory of providing an incentive to hire Alaskans, does not support Sections 2 and 3 which have been added to this bill for the following reasons:

1. This part of the bill has no relationship to Section 1 and will only prevent the passage of Section 1.
2. The fiscal note for Section 2 and the time element involved will definitely preclude this bill from being passed.
3. It appears that this Section 2 could be discriminatory since there is no longer a personal income tax or other uniform tax that all businesses pay to the state. There are only separate taxes for various businesses such as the corporate income tax, commercial fishing licenses, liquor licenses, etc.
4. It is believed that this section will not accomplish what is intended and could easily be subjected to abuses. Since one may become an "Alaskan" with 30 days residency and a statement as to the "intent of remaining in Alaska", what would prevent an employer from hiring a non-Alaskan, then 30 days later firing and rehiring him as an "Alaskan" when the proper documentation is in place?
5. This tax credit is a further reduction to state revenues at a time when income tax revenues have been eliminated and oil revenues have been decreased.

The OAC earnestly recommends that the House State Affairs Committee retain Section 1 (the same as the prior version of this bill as in CSSB621 (SA) dated 4/8/82) and delete Sections 2 and 3.

Recommended by: Eileen Rehwald
for Jon B. Wolfe
Executive Director
Older Alaskans Commission

Date: _____

cc: Frederick Muller, Deputy Commissioner
Department of Administration

Kenneth Ryals, Director
Administrative Services

House CS for CS for SB 621 "An Act providing incentives to hire Alaskans"

Background

Section 1 of the bill provides for a new chapter to AS 47 entitled "Reimbursement for Employers of Older Alaskans. Section 2 of the bill adds a new chapter to AS 43 entitled "Resident Hire Tax Credit."

Section 1 of the bill would be administered by the Department of Administration, Older Alaskans Commission. The section provides for reimbursement an employer who employs an employee who is 65 years of age or older and who is a resident of the State. The reimbursement (10% of the gross salary paid) is limited to \$1,000 per individual employee and \$5,000 total.

Section 2 provides for a tax credit for an eligible business not to exceed 10% of the wages paid to Alaska residents. There is no limitation as to the total credit allowed the taxpayer. The tax credit may be applied to any tax due the State. It is not a refundable credit.

Objections

The Department of Revenue generally objects to the work draft in total and strongly objects to section 2 of the bill. Reasons include:

1. There is duplication of credits as older Alaskans eligible for the credit provisions under Chapter 67 would also be eligible under Chapter 27. In addition, current credits under Chapter 43.20 would, on occasion, be duplicated under Chapter 43.27. The taxpayer would not only be entitled to a direct tax credit but would also have a business deduction for the salaries paid thereby resulting in a double deduction. One or the other concept should be allowed but there should not be a dual benefit.
2. Section 2, in particular, is overly broad and should be targeted toward a specified group of employees including chronically unemployed and the disadvantaged.
3. There could be some constitutional questions because of the apparent discrimination between residents and non-residents.

4. There would be numerous administration problems including determination of eligibility. Section 2 provides a particular problem as to the determination of supervisory versus non-supervisory personnel.
5. Section 2 provides that the Commissioner of Revenue must annually determine the amount of tax credit for which a business is eligible and shall notify the eligible business. This would create a burdensome administrative function for the Department of Revenue and would mandate additional staffing.
6. The bill has a devastating fiscal impact. Section 2, in particular could very well wipe out a good part of the corporate income taxes and corporate income taxes are a main source of non-petroleum taxes for Alaska.
7. The reimbursements or credits given to employers could very well trigger an inflationary impact due to the fact that labor unions might well negotiate for higher wages for employees because of the economic benefit received by employers.

R.R. Hessel.
Director, Audit
Dept. of Revenue

Exhibit I
Fiscal Impact

CS for CS SB 621

Additional Employee Needs

Department of Revenue	5
Department of Labor	?

Loss of Revenue - General Fund¹

Section 1	\$ 1,800,000
Section 2	<u>50,000,000</u>
Total	<u>\$51,800,000</u>

¹Precise data not available to compute revenue impact. The estimations are based on best available information. There are too many intangibles in the bill which prohibit the scientific development of a fiscal impact.

Daily News Miner 3-12-82

Hammond honors older workers

Older workers in Alaska and throughout the nation are a valuable resource, Gov. Jay Hammond said in proclaiming March 14-20 as "Employ the Older Worker Week."

Hammond urges "all employers to consider for employment those qualified older men and women when they hire new workers. By utilizing the assets of older workers, our labor force and society gain as a whole," he said.

"An increasing number of older Americans are forced by changing economic conditions to seek meaningful employment," Hammond said. In pointing out the America's population is aging, making it mandatory that more employers more fully utilize older workers, the governor said, "The

majority of older Americans are capable of sustained, productive work in almost all fields of activity. Older workers regularly employed demonstrate their values as employees through a positive work attitude, employer loyalty, resourcefulness, pride in work performed, and less absenteeism."

Reprinted from

by Senator Bradley

Talents of Elderly Wasted in "A Youth-Centered Culture"



MAREN LEFFLER/USNEWS

David Van Tassel, a specialist in U.S. social history and gerontology, is Benton Professor at Case Western Reserve University in Cleveland. His most recent book is *Aging, Death and the Completion of Being*. The following is from a conversation with an editor of *U.S. News & World Report*.

Time to drop "a negative stereotype of old age"

Western culture has always had a negative stereotype of old age. Older people have been viewed as cranky, wrinkled, ugly and unable to change their ways. This stereotype has been passed from generation to generation through literature and the schools. The image dates back to the ancient Greeks, who honored youth, not age, and to the Judeo-Christian tradition. Even in the Bible, despite the commandment to "honor thy father and thy mother," age was not really revered. Colonial New England appears to be an exception to this negativism. Senior citizens held office until they died, and they were accorded the position of honor in the church.

Some historians argue that the American Revolution undercut all the hierarchical structures that supported veneration for the aged. By the 1820s and 1830s, we were becoming a youth-centered culture, with younger people assuming offices once generally held by their elders. In the 1880s and 1890s, negative images became much stronger as a result of changes in the workplace and a revolution in the medical-biological profession. New industrialists said that older workers were less efficient and must be moved out of the work force. Retirement plans began to emerge because some factory managers thought they could gain the loyalty of younger workers by moving them into positions of responsibility more rapidly.

At the same time, the medical profession, which was making breakthroughs in the discovery of microorganisms, began to regard old age as a disease or a complex of diseases. Doctors did not have much success in curing these diseases, so they pictured old age as a grouping of incurable diseases and did not look for ways to ameliorate the chronic problems of aging. Even today, despite the efforts of the National Institute on Aging, very little is being done to keep people healthy and comfortable as they age. Instead, the emphasis is on acute care, dealing with problems only when they become critical.

Our "age-segregated society"

In this century, the U.S. has become even more of a youth-centered culture. The enactment of social legislation to benefit the el-

derly does not mean that attitudes have changed. Even Social Security was passed with mixed motives: Though partially humanitarian in its thrust, it was also designed to move older people out of the work force and to give jobs to younger people.

Ever since the end of World War II, we have developed an age-segregated society as developers sold off big hunks of land in Florida, Arizona and Southern California that were turned into "leisure villages" and retirement cities. It is a tragic mistake for many older people to leave their communities for these places. They often know no one in these retirement areas and have to prove themselves all over again; their identities are gone.

Salvaging "an irreplaceable intellectual resource"

In the years ahead, older people face an even bleaker future unless there is a major change in the attitudes of the young. As the baby-boom group ages and moves into retirement, there will be a dramatically reduced work force to support a huge dependent population of older people. Moreover, the baby-boom generation will be far more educated and will demand more in the way of cultural and health advantages and economic security than the present group of older Americans. This could produce a sharper cleavage among generations unless we find ways to break up age segregation, with the old and the young being brought together.

For example, we can take advantage of the closing of so many schools to use some of the money saved to give older people classes in these buildings. Another possibility is to organize the elderly in more voluntary service and pay them a minimal honorarium.

The fact is older people remain intellectually vital. New tests developed by psychologists show that the intelligence of the elderly remains just as great; they just learn in a different way than young people. They don't memorize; they tie things to experience. They learn more slowly because they have to sort out their experiences and fit the new material into their lives.

The elderly are an irreplaceable intellectual resource—but because of the negative stereotype society holds, they are often unappreciated.

GEORGE BELLERACCHI/ACTURE GROUP



Foster Grandparent Program: A way for old and young to "be brought together."