

Introduced: 2/11/81
Referred: Finance

BY DUNCAN, ADAMS, BUCHHOLDT, CHUCKWUK,
CLOCKSIN, COTTEN, FULLER, GARDINER,
GRUSSENDORF, HALFORD, HAYES, MALONE,
MEEKINS, MILLER, MONTGOMERY, MOSS,
PHILLIPS AND ZHAROFF

1 IN THE HOUSE

2 HOUSE BILL NO. 140

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act increasing the longevity bonus."

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

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

9 (a) A person who is 65 years of age or over, who was domiciled in
10 the territory on or before January 3, 1959 and who has maintained a
11 continuous domicile in the territory or state for 25 years may apply to
12 the commissioner of administration for qualification to receive a
13 monthly bonus of \$250 [\$200].
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STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

April 28, 1981

Honorable Bill Ray
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: HB 140, increasing the
longevity bonus
Our file: J-77-169-81

Dear Senator Ray:

This responds to your request that we review this bill for possible adverse impacts.

The increase in the bonus will affect some persons on food stamps, grandparents who receive aid for dependent children, and recipients of other federal aid. However, none will suffer a net loss.

The most serious potential problem involves persons receiving medicaid for nursing home care. Until now, the longevity bonus has not been counted in determining their income for eligibility purposes. However, the federal statutory exception for the bonus apparently does not include medicaid nursing home care, and beginning May 1, the bonus will be counted.

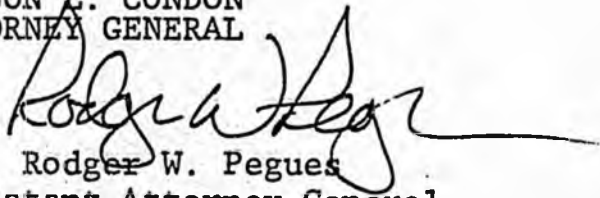
There are 435 persons in Alaska in nursing homes who receive medicaid. About one-third of them receive the longevity bonus. To the extent that the bonus pushes them over the income limit, they must pay it over to the nursing home. They will not, as first feared, lose their eligibility. Accordingly, the increase will not harm them.

In sum, increasing the bonus should not result in a loss or any harm to anyone.

Sincerely yours,

WILSON L. CONDON
ATTORNEY GENERAL

By:


Roger W. Pegues

Assistant Attorney General

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811

465-2200

April 28, 1981

Honorable Bill Ray
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Ray:

This is in response to your request of Deputy Commissioner Fred Muller for the impact of a Longevity Bonus increase, from \$200 to \$250 per month, on those residents of nursing homes receiving the bonus. Approximately 135 to 150 people in nursing homes or one out of every three are receiving the Longevity Bonus.

In discussions with Rod Betit, Director of the Division of Public Assistance, we learned that prior to May 1, 1981, the State allowed nursing home residents receiving the bonus to retain the entire amount. In addition, a portion of other income received used for maintaining a home outside of the nursing facility could be excluded from total income for program eligibility purposes.

The Health Care Financing Administration of Region X recently found that the State was out of compliance with federal regulations by not reducing a recipient's nursing home charges by the amount of the Longevity Bonus. Since the federal government matches the cost of providing nursing home care with the State on a dollar for dollar basis, the inclusion of the Longevity Bonus will result in a monthly reduction of \$100 to \$125 per month per eligible recipient in federal outlays.

In summary, for nursing home residents, it doesn't make any difference if the Longevity Bonus is \$200 or \$250 per month. If the resident is receiving State and federal assistance, then the entire amount of the bonus (less \$35 per month for personal needs) will be used to defray the costs.

Honorable Bill Ray
Page 2

April 28, 1981

Please let me know if there is any additional information we can obtain for you.

Respectfully,


W. R. Hudson
Commissioner

WRH/mjc

cc: Keith Specking
Frederick B. Muller
Rod Betit, Director
Public Assistance

POSITION PAPER
ON
HOUSE BILL No. 140

"An Act increasing the Longevity Bonus".

The Department of Health and Social Services recognizes that the weight of inflation causes economic harm to those persons living on fixed retirement incomes. This is especially true in Alaska where cost of living increases, if any, do not keep up with the annual rate of inflation.

The Department of Health and Social Services supports the concept of attempting to keep up with the increases caused by inflation, particularly for those persons living on fixed reduced incomes.

Recommended by:

Elizabeth Muktarian
Elizabeth Muktarian
Director
Div. of Adult & Aging
Services

Date:

2/18/81

Approved by:

W. D. Beirne
W. D. Beirne
Commissioner
Dept. of Health and
Social Services

CATEGORY:

SOCIAL SERVICES

AGENCY:

DEPARTMENT OF ADMINISTRATION

PROGRAM:

SOCIAL AND ECONOMIC ASSISTANCE FOR THE AGED

BRU (s):

ALASKA LONGEVITY BONUS

The Alaska Longevity Bonus Program gives qualified applicants - those Alaskans 65 years of age or over who were domiciled in the territory on or before January 3, 1959 and who maintained a continuous domicile in the state or territory for 25 more years - a cash bonus of \$200 per month as long as they continue to reside in the State.

The principal objective of the program is to provide an incentive to qualified applicants (as described above) to return to Alaska (if now outside) or remain in Alaska after reaching age 65. Bonus payments made under this program are not predicated on need.

STATE OF ALASKA -- BUDGET UNIT SUMMARY

CATEGORY: SOCIAL SERVICES
AGENCY: DEPARTMENT OF ADMINISTRATION

BRU(S): LONGEVITY BONUS

COMPONENT DESCRIPTION	80 AUTH	80 FINAL	80 ACT	81 AUTH	81 SUPL	81 RP	GOVERNOR
	13607.6	13616.5	13409.5	19947.3			21445.6
** TOTAL	13607.6	13616.5	13409.5	19947.3			21445.6
** CHANGE VERSUS 81 AUTH							7.5%
OBJECT DESCRIPTION							
PERS. SERV.	113.9	105.3	105.2	138.3			144.9
TRAVEL	3.9	3.1	1.8	3.3			4.0
CONTRACTUAL	41.1	73.7	73.3	72.7			94.7
COMMODITIES	.4	2.5	2.2	2.0			2.8
EQUIPMENT	.5	.5	.5	.6			
GRANTS, CLMS	13447.8	13431.4	13226.5	19730.4			21199.2
FUNDING SOURCE							
GENERAL FUND	13607.6	13616.5	13409.5	19947.3			21445.6
** GENERAL FUND CHANGE VS. 81 AUTH							7.5%
POSITIONS							
FULL-TIME	5.0	5.0	5.0	6.0			5.0
STAFF MONTHS	60.0	60.0	60.0	72.0			60.0

HB 140

*Not to be put in supplement.
For committee use only.*

From Finance Committee

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 140 (Page 1 of 3)
 Title An act increasing the Longevity Bonus
 Requested by Jerry Shilz 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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	-0-	5,356.8	5,724.0	6,091.2	6,458.4	6,825.6
TOTAL	-0-	5,356.8	5,724.0	6,091.2	6,458.4	6,825.6

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	5,356.8	5,724.0	6,091.2	6,458.4	6,825.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Over the past five year period, the Longevity Bonus Program has shown an almost uniform rate of increase in persons eligible for the bonus, averaging 51 persons per month.

During the month of January, 1981, there were 8,316 persons eligible for the bonus. Projecting an average increase of 51 per month, this would bring the January, 1982, number of eligible persons to 8,928.

Since January is midway in our fiscal year, the January number can be used for the fiscal year average in this constantly increasing program.

H.B. 140 would increase the Longevity Bonus from \$200 per month to \$250 per month. Assuming that the rate of increase will remain constant, as it has for the past 5 years, and assuming an effective date of July 1, 1981, for

IV. DATE 2/20/81 PREPARED BY S. George, Jr. Michael Michael JC
 AGENCY Administration
 PHONE 465-4401

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

H.B. 140, the increase would affect needed funding as follows:

<u>FY</u>	<u>No. Eligible</u>		<u>Amount of Increase</u>		<u>Months</u>		<u>Total Increase</u>
1982	8,928	X	\$50	X	12	=	\$5,356,800
1983	9,540	X	50	X	12	=	5,724,000
1984	10,152	X	50	X	12	=	6,091,200
1985	10,764	X	50	X	12	=	6,458,400
1986	11,376	X	50	X	12	=	6,825,600

AP

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1985	10,764	X	50	X	12	=	6,458,400
1986	11,376	X	50	X	12	=	6,825,600

4/6/81

HOUSE BILL 140 (Increase Longevity Bonus)

- 2-11-81 Introduced by Duncan, et al
Ref: House Finance
- 3-5-81 H. Finance reported bill out with 9 'do pass' recommendations
and attached fiscal notes
- 3-9-81 Passed House 35-3 (Cuddy, Fanning, Martin)
- 3-10-81 Referred to Senate State Affairs, Finance
- 3-18-81 S. State Affairs reported bill out of committee with 4 'do pass'
recommendations

Summary:

This legislation amends present statutes to increase monthly longevity bonus from \$200 to \$250.

During January 1981 - 8,316 persons were eligible to receive the bonus. The current rate of increase of persons eligible has been consistently averaging 51 persons per month. If this average increase remains constant, by January of 1982 - 8,928 persons will be eligible.

Note: In 1976, the legislature increased the monthly bonus from \$100 to \$125
In 1978 - \$125 to \$150
In 1980 - \$150 to \$200