

H B

140

Mariann Shafer
Longevity Bonus Program

December 4, 1979

RB
Rod Betit, Director
Division of Public Assistance

This is to confirm the information give you this date concerning those public assistance programs which count the Alaska Longevity Bonus as available income, and those which do not. By program, the situation is as follows:

<u>Program</u>	<u>ALB Counted</u>	<u>ALB Not Counted</u>	<u>Legal Basis If ALB Not Counted</u>
(1) Old Age Assistance (OAA)		X	Public Law 94-202
(2) Aid to the Blind (ABL)		X	Public Law 94-202
(3) Aid to the Disabled (APD)		X	Public Law 94-202
(4) Energy Assistance		(undetermined)	at this time)
(5) Food Stamp Program	X		N/A
(6) Aid to Families with Dependent Children (AFDC)	X		N/A
(7) General Relief	X		N/A
(8) General Relief Medical	X		N/A
(9) Medicaid for OAA, APD and and ABL clients		x(a)	Public Law 94-202
(10) Medicaid for AFDC clients	X		N/A

(a) Note: The ABL is counted in determining the amount a person must contribute towards their monthly nursing home costs, but the ALB does not affect the person's eligibility for nursing home coverage.

A copy of Public Law 94-202 is attached for your information.

RB:as
Attachment
cc: Helen D. Beirne
Cathy Lloyd
Judie Walker
Gordon Landes

FISCAL NOTE

H.B. 140

I. REQUEST
 Bill/Resolution No. H.B. 140
 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 George J. Michael
 AGENCY Administration
 PHONE 465-4401

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 Representative Duncan Keith Specking
 33-001 (Rev. 12/80)

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

Introduced: 2/11/81
Referred: Finance

SSA

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

1 IN THE HOUSE

HOUSE BILL NO. 140

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IN THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE - FIRST SESSION

A BILL

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

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

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

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

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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.

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

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.

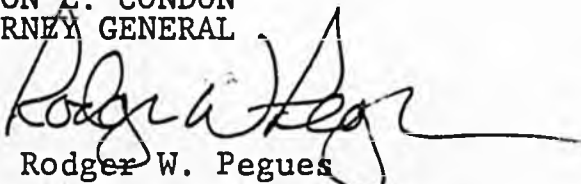
The most serious potential problem involves persons receiving medicaid for nursing home care. Until now, the longevity bonus has not been counted in determining their income for eligibility purposes. However, the federal statutory exception for the bonus apparently does not include medicaid nursing home 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: 
Rodger W. Pegues
Assistant Attorney General

(3) "department" means the Department of Health and Social Services. (§ 1 ch 136 SLA 1970; am § 2 ch 210 SLA 1970; am § 55 ch 71 SLA 1972)

Legislative history report. — For report on ch. 71, SLA 1972 (HCSSB 383 am H), see 1972 House Journal. p. 898.

Chapter 45. Alaska Longevity Bonus.

Section	Section
10. Persons who may qualify for longevity bonus	110. Custody of funds
20. Continuous eligibility procedures	120. Exemption from taxation and process
30. Absence from the state	130. Death or cessation of residency
40. Disqualification	140. Penalty for false statements
50. Department hearing	150. Definitions
60. Legal remedy	160. Applicability of Administrative Procedure Act
70. Unqualified persons	170. Purpose
80. Accrual of bonuses	
90. Alaska longevity bonus fund	
100. Powers and duties of the administrator	

Editor's note. — Section 2, ch. 205, SLA 1972, provides: "AS 01.10.030 does not apply to this Act. If any provision of this Act, or the application of a provision of this Act to any person or circumstance is held invalid,

this entire Act shall be considered invalid." Legislative history report. — For report on ch. 205, SLA 1972 (FCCS HCS CSSB 211), see 1972 House Journal, p. 751.

Sec. 47.45.010. Persons who may qualify for longevity bonus. (a) A person who is 65 years of age or over, who was domiciled in the territory on or before January 3, 1959 and who has maintained a continuous domicile in the territory or state for 25 years may apply to the commissioner of administration for qualification to receive a monthly bonus of \$150.

(b) When the commissioner of administration determines that an applicant qualifies under this chapter he shall immediately begin payment of the bonus.

(c) A person who otherwise qualifies to receive a bonus provided for in this chapter may continue to do so only as long as he continuously retains a domicile in the state. (§ 1 ch 205 SLA 1972; am § 1 ch 33 SLA 1976; am § 1 ch 89 SLA 1978)

Effect of amendments. — The 1976 amendment increased the monthly bonus in subsection (a) from \$100.00 to \$125.00.

The 1978 amendment increased the monthly bonus in subsection (a) from \$125.00 to \$150.00.

Legislative history report. — For report on ch. 33, SLA 1976 (SB 476 am), see 1976 Senate Journal, p. 160.

§ 47.45.010

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§ 47.45.020 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.45.060

Sec. 47.45.020. Continuous eligibility procedures. After qualification, monthly applications for bonuses may be made in person to any office of the Department of Administration. Mailed monthly applications shall also be considered by the Department of Administration. In-person or mailed applications shall be made on forms provided by the Department of Administration and shall conform to the conditions as provided by regulation. The commissioner may make exceptions for those residents who are isolated in rural areas and cannot mail a monthly application; however, they shall mail an application at least once every six months. (§ 1 ch 205 SLA 1972)

Sec. 47.45.030. Absence from the state. A recipient shall notify the commissioner of administration when he expects to be absent from the state if the absence is for a continuous period that exceeds 30 days. After that notification, the recipient shall no longer receive bonuses from the Department of Administration after his last regularly approved monthly application. Upon his return to the state he may again make application for a bonus. Whenever the absence is for a continuous period that exceeds 180 days the recipient shall be disqualified from receiving bonuses for the next 12 calendar months after his return to the state. However, when the commissioner of administration determines a period of absence is beyond the control of the recipient, he may not be disqualified, if he still otherwise qualifies upon his return to the state. Continual absences from the state, even though reported, and failure to notify the commissioner of an expected absence may be grounds for disqualification. (§ 1 ch 205 SLA 1972)

Sec. 47.45.040. Disqualification. Disqualification under this chapter shall rest solely with the commissioner of administration and shall be outlined in the regulations promulgated under AS 47.45.100(1). (§ 1 ch 205 SLA 1972)

Sec. 47.45.050. Department hearing. The Department of Administration may hold a departmental hearing upon the request of an applicant or recipient who has been disqualified. Previous to this hearing the department shall by certified mail notify an applicant or recipient in plain and comprehensive language the exact reason for his disqualification. Form letters using only referral to state statutes or department regulations, or otherwise vague in detail, shall not be considered compliance by the department with this section. (§ 1 ch 205 SLA 1972)

Sec. 47.45.060. Legal remedy. Legal remedy from disqualification may be sought by an applicant or recipient in any court of competent jurisdiction in the state. The burden of proof shall rest solely upon the applicant or recipient and any costs related to a disqualification verdict determined against the applicant or recipient may be recoverable by the attorney general from that person, or from any agency representing that person supported in whole, or in part, with state appropriations. (§ 1 ch 205 SLA 1972)

Sec. 47.45.070. Unqualified persons. An unqualified person is one who

(1) does not meet the age or residence requirements as provided for under this chapter;

(2) meets the age and residence requirements of this chapter but is confined in a state or federal mental health institution or facility and is certified by the state as unable to manage his own affairs; however, if that person, at the time of his commitment, provided the principal support of a spouse, the commissioner of administration may determine to pay the confined person's bonus to his spouse until the spouse is qualified for a bonus;

(3) is otherwise qualified but confined in a penal or correctional institution or facility; upon completion of sentence or upon the conferral of a pardon, parole or probation, the person may make application; confinement outside the state shall be considered as residence in the state if a person was convicted and sentenced from a court in Alaska; revocation of parole or probation shall be cause for immediate disqualification until release from confinement is again effected;

(4) leaves the state of his own volition and remains absent from the state for a continuous period of more than 180 days. (§ 1 ch 205 SLA 1972)

VS.
150(2)

Sec. 47.45.080. Accrual of bonuses. No recipient may, for any reason, receive an accrual of bonuses in excess of two monthly payments. No interest may be paid on accrued bonuses. Upon the death of a recipient the commissioner of administration shall pay to the beneficiary of the recipient any accrued bonuses not to exceed two monthly payments. (§ 1 ch 205 SLA 1972)

Sec. 47.45.090. Alaska longevity bonus fund. (a) There is the Alaska longevity bonus fund created for the purpose of paying the monthly bonuses provided for in this chapter. The fund consists of all money made available by appropriations of the state legislature, and from other appropriated funds, all contributions from whatever source, and income and interest derived from the investment of money.

(b) The commissioner of administration is the administrator of the fund. (§ 1 ch 205 SLA 1972)

Sec. 47.45.100. Powers and duties of the administrator. The commissioner of administration shall

(1) promulgate regulations necessary to carry out the provisions of this chapter;

(2) make expenditures from the fund necessary to administer this chapter;

(3) establish and maintain an adequate system of accounts for the fund;

(4) publish annually a report showing the financial condition of the fund. (§ 1 ch 205 SLA 1972)

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Sec. 47.45.110. Custody of funds. The commissioner of revenue is the treasurer of the system and has powers and duties for this purpose including but not limited to the following:

(1) to act as official custodian of the cash and securities belonging to the fund;

(2) to receive all items of cash belonging to the fund. (§ 1 ch 205 SLA 1972)

Sec. 47.45.120. Exemption from taxation and process. Bonuses received under this chapter are exempt from all state and political subdivision taxes except sales and use taxes and are not subject to execution, attachment, garnishment or other process. No bonus received under this chapter may be exempt from a federal tax requirement. (§ 1 ch 205 SLA 1972)

Sec. 47.45.130. Death or cessation of residency. The commissioner of administration shall establish procedures to stop a bonus when a recipient under this chapter no longer qualifies. When a recipient dies or discontinues his residency in the state his qualification for a bonus shall stop at the time of his last approved monthly application. (§ 1 ch 205 SLA 1972)

Sec. 47.45.140. Penalty for false statements. A person who wilfully or knowingly makes a false statement, or falsifies or permits to be falsified any record required by this chapter, is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not more than \$500, or by imprisonment for not more than six months, or by both, forfeits all rights under this chapter, and shall make adequate restitution for any bonuses illegally received. (§ 1 ch 205 SLA 1972)

Sec. 47.45.150. Definitions. In this chapter

(1) "bonus" means a monthly Alaska longevity bonus payment made to a person or his beneficiary who qualifies under this chapter;

(2) "domicile" means the place with which a person has a settled connection for determination of his civil status or other legal purposes because it is actually or legally his permanent and principal home. (§ 1 ch 205 SLA 1972)

Sec. 47.45.160. Applicability of Administrative Procedure Act. The Administrative Procedure Act (AS 44.62) does not apply to this chapter. (§ 1 ch 205 SLA 1972)

Sec. 47.45.170. Purpose. The sole purpose of this chapter is to offer and provide all law-abiding Alaskans capable of managing their own affairs who have maintained a domicile in the state for at least 25 years and have reached a retirement age of 65, an incentive to continue uninterrupted residency in the state. Under no circumstances shall this chapter be considered a form, type, or manner, of public relief. Bonuses made under this chapter are not predicated on need even though they

may appear to provide supplemental income to some qualified persons who would otherwise be forced to become responsibilities of the state. The legislature further finds and states that this legislation recognizes the economic hardships suffered by many elderly Alaskans, Alaskans who through their tenacity and perseverance molded Alaska as we know it through skillful application of their talents. These pioneers are the same Alaskans, who in the prime of their life were in effect treated as second-class citizens by the federal government and who paid much of their hard-earned income to a government in which they did not have the right to participate through the power of the ballot. The legislature also is aware of the fact that many of these pioneers have been forced to live out their retirement years in areas far away from the land they loved and nurtured and thereby also suffering, in many cases, the loss of familial relationship with their own kin, an experience that is sad and frustrating to them as well as depriving new generations of Alaskans of the benefits of their wisdom and experience. This legislation hopefully will provide our pioneers with the economic means to remain in and continue to serve their state and to enjoy the opportunity of aiding the new Alaskan in making this state truly "The Great Land." (§ 1 ch 205 SLA 1972)

Chapter 50. Office of Child Advocacy.

Section

- 10. Office of Child Advocacy
- 20. Board of directors for the Office of Child Advocacy
- 30. Compensation and expenses

Section

- 40. Powers and duties of board and director
- 50. Departments to assist Office of Child Advocacy

Editor's note. — For legislative findings, see § 1, ch. 189, SLA 1972, in the 1972 Temporary and Special Acts.

Sec. 47.50.010. Office of Child Advocacy. There is created in the Office of the Governor the Office of Child Advocacy to act as a coordinating body for services for children from prenatal to age 18. The Office of Child Advocacy is administered by a director appointed by the board of directors with the approval of the governor. Staff may be employed in accordance with appropriate budgets. (§ 2 ch 189 SLA 1972)

Sec. 47.50.020. Board of directors for the Office of Child Advocacy. There is created a board of directors for the Office of Child Advocacy. The board consists of the Alaska State Council on the Coordination of Community Child Care plus four members not more than 18 years of age appointed by the governor for a term of two years each, or until the youthful member attains the age of 19 years. (§ 2 ch 139 SLA 1972)

§ 47.40.040

§ 47.45.010 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.65.030

Sec. 47.45.010. Persons who may qualify for longevity bonus.
(a) A person who is 65 years of age or over, who was domiciled in the territory on or before January 3, 1959 and who has maintained a continuous domicile in the territory or state for 25 years may apply to the commissioner of administration for qualification to receive a monthly bonus of \$200.
(am § 1 ch 147 SLA 1980)

Effect of amendments.
The 1980 amendment, effective July 1, 1980, substituted "\$200" for "\$150" at the end of subsection (a).
As the rest of the section was not affected by the amendment, it is not set out.

Chapter 65. Service Programs for Older Alaskans.

Section	Section
10. Older Alaskans service programs account	30. Pilot project grants
20. Grants for community service programs	40. Required contribution by sponsor
	50. Administrative requirements
	60. Definitions

Effective date of chapter. — Section 2, am S see memorandum of legislative ch. 152, SLA 1980, makes this chapter counsel at page 1723, 1980 Senate Journal effective July 2, 1980. and the opinion of the Attorney General at 1980 Senate Journal page 1764 and 1980
Legislative history report. For conflicting views on the status of HB 611 House Journal page 2221.

Sec. 47.65.010. Older Alaskans service programs account. The older Alaskans service programs account is established in the Department of Administration. An amount to carry out the provisions of this chapter may be appropriated annually by the legislature to the account. The amount appropriated to the account shall be fully distributed by the office on aging to sponsors of older Alaskans service programs in accordance with the provisions of this chapter. (§ 1 ch 152 SLA 1980)

Sec. 47.65.020. Grants for community service programs. Not less than 60 percent of the amount appropriated by the legislature to the account established in AS 47.65.010 shall be allocated annually by the office on aging as community program grants to sponsors of older Alaskans service programs. Payments shall be made on the basis of applications submitted to the office on aging by sponsors of community programs. (§ 1 ch 152 SLA 1980)

Sec. 47.65.030. Pilot project grants. (a) The balance of the amount appropriated to the account established in AS 47.65.010 not allocated under AS 47.65.020 shall be allocated annually by the office