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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: March 6, 1984

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REQUEST

Bill/Resolution No.: CSHB 655 (Finance)

Title: Longevity Bonus Program

FISCAL DETAIL

Agency Affected: Administration

Program Category Affected: Social Services

Sponsor: Hayes

Requestor: _____

Date of Request: _____

BRU, Program or Subprogram(s) Affected:

Longevity Bonus Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		85.2	28.7	28.7	28.7	28.7
200 TRAVEL						
300 CONTRACTUAL		85.0	85.5	86.0	86.5	87.0
400 SUPPLIES		1.5	1.0	1.0	1.0	1.0
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		18,456.0	18,456.0	18,456.0	18,456.0	18,456.0
800 MISCELLANEOUS						
TOTAL OPERATING	0	18,627.7	18,571.2	18,571.7	18,572.2	18,572.7
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND		18,627.7	18,571.2	18,571.7	18,572.2	18,572.7
FEDERAL FUNDS						
OTHER						
TOTAL	0	18,627.7	18,571.2	18,571.7	18,572.2	18,572.7

POSITIONS:

FULL-TIME	0	1.0	1.0	1.0	1.0	1.0
PART-TIME	0	2.7	0	0	0	0
TEMPORARY	0	0	0	0	0	0

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Funds

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: E. Louis Keller, Director

Division: Pioneers' Benefits

Phone: 465-4400

Date: March 6, 1984

Approved by Commissioner: Lisa Rudd

Agency: DEPARTMENT OF ADMINISTRATION

Date: 3/13/84

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

CSHB 655 (Finance)
Fiscal Note Analysis
Prepared by Division of Pioneers' Benefits
Department of Administration
March 6, 1984

This bill would change eligibility requirements for the Longevity Bonus Program to allow all one-year residents of Alaska who are age 65 or older to participate, and would restrict growth of the program by escalating the age of eligibility.

ASSUMPTIONS

- a. All persons who are age 65 and older who have been residents of Alaska for at least one year would be eligible for payments in FY 85-90. On July 1, 1990, the age for eligibility would be increased to 66 years, and each year thereafter on July 1, it would be increased one year.
- b. It is believed that there are approximately 16,500 persons now living in Alaska who would qualify under new eligibility requirements, and that there will be approximately 10,348 persons on the program by July 1, 1984. Therefore, it is assumed that an additional 6,152 persons would be enrolled on the program in FY 85 under the bill.
- c. The amount of the bonus would be \$250 per month.
- d. The program would continue to grow at the rate of approximately 60 per month, after the initial group of persons are enrolled who would be made eligible by the one-year residency requirement.
- e. All costs would be paid from the State General Fund.
- f. An increase in the Longevity Bonus staff would be needed to process the flood of new applications.
- g. The Act would take effect on the date of a final decision by the Alaska Supreme Court if that decision affirms the findings of the Superior Court in the existing law suit by Rodney Vest. For lack of a definite date, it is assumed for the purposes of computing this fiscal note, that the effective date would be July 1, 1984.

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Additional funds needed for FY 85 are computed as follows:

	<u>Annual Cost</u>
Personal Services	
Clerk V, PFT	\$ 85,196
Clerk II, PPT (4 positions, 8 months)	56,486
Contractual Services	
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls	85,000
Commodities	
Office supplies and file cabinets for application and recipient files	1,500
Grants	
Additional funds needed for Bonus payments to additional persons who will be eligible (6,152 x 12 x \$250)	18,456,000

Total additional funds required for FY 85	\$18,627,696