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537

SB 537, Longevity Bonus

TELECONFERENCE; Anch, Mat-SU, Fairbanks, Delta Jnc., Petersburg

INFORMATION SENT TO; * indicates will testify

OMB; MARY HALLORAN. Needs to testify first.

Senator Kerttula

AARP: Bob Pavitt

Joe Henri: Commonwealth

Julie Petro: Ak. Fed of Natives

Rose Palmquist: OPAG

Sylvia Short

Leo Kaye

Gazaways

OAC: Fran Toland

Connie Sipe: OAC

Liz Lawson: Senior Voice

Florence ORR

Peggy Burgin

Anchorage Pioneer Home

Pioneers of Alaska: Maurice Ingrahm

Dept. of Admin: Jim Fox

Revenue: Irvin Jones, Cliff Groh

Public Asst: John Tabor

HESS: Jay Livey,

NOTES;

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling



P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members
FROM: Senator Pat Pourchot
RE: Wednesday, April 4 Committee Hearing
DATE: April 3, 1990

On Wednesday, April 4 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:
TELECONFERENCE; Anchorage, Mat-Su, Petersburg, Fairbanks, Delta Junction

SB 537. Longevity Bonus Program, efd. SB 537 would phase out the Longevity Bonus Program over a 10-year period. Contrary to previous "stair-stepping" proposals, this bill would "grandfather" a recipient into the program at the amount of the bonus payment for the year in which he/she qualifies. Persons currently receiving \$250 per month would continue to do so for as long as they remain in Alaska.

SCR 52. relating to the leasing of space by the state. Sponsored by Senator Rodey, the resolution encourages state agencies to avoid leasing practices that would cause the construction of substandard commercial structures, practices that are referred to as the "capital lease process" and/or the "design, build, lease back process". In the capital lease process, leases are awarded to the lowest bidder, with no mechanism in place to ensure that facilities are economical to operate and maintain or are responsive to the needs of the agency or the communities. The Committee Substitute passed by House Finance is included in your packet. Senator Rodey requests that the committee consider revising SCR 52 to be identical to CS HCR 52. The CS would establish a State Lease Task Force to study the problems with the Capital Lease process and to submit its findings and recommendations to the governor and legislature by 1/21/91.

SB 399. An Act approving leases of office space by the Department of Administration; and providing for an effective date. This bill would approve the leases of office space, each of which may exceed \$1 million in rent, for the following buildings: Juneau: Goldbelt Building, Anchorage: Labor Offices at 33rd Street/Eagle Street and the Law Offices in the Peterson Towers (near the Court Building.)

SB 346. An Act relating to public notice regarding the value of permanent fund dividends; and providing for an effective date. In your packet is the proposed CS, which contains the original language of SB 346, requiring the

Commissioner of Revenue to disclose on Permanent Fund Dividend check stubs the amount of dividends as the result of constitutionally mandated deposits and the amount attributable to legislative appropriations and additional language that requires all deductions from the Dividend Fund be listed on the check stub. A letter of intent would accompany this bill clarifying that all deductions from earnings, i.e. administration costs, oil litigation fees and inflation-proofing amounts be included in the Permanent Fund brochure that is mailed with the PFD checks.

SB 537 - BONUS LADDER

Contrary to previous "stair-stepping" proposals, which cut off new recipients, this proposal would "grandfather" a recipient into the program at the amount of the bonus payment for the year in which he/she qualifies. Persons currently receiving \$250 per month would continue to do so for as long as they remain in Alaska. Persons qualifying during the second year of the program would be "grandfathered" in at a lesser amount but would remain at that level for the rest of their lives in Alaska.

The advantages of this approach include:

- 1) A senior's bonus payment would not decline over time.
- 2) There is no impact on Permanent Fund Dividends. Seniors would still receive their dividends regardless of when they turned 65.
- 3) The concept is simple to understand and administer.
- 4) The cost of the Longevity Bonus Program would gradually decline until phased out in 10 years (except for surviving recipients).
- 5) Eliminates uncertainty of fiscal impact for both the state and the recipients.
- 6) There is a gradual reduction in benefits with no arbitrary cutoff date separating "haves" from "have-nots".

Amount at Which a Person is Grandfathered
Into Program

<u>Year Person Reaches Age 65</u>	<u>10-Year Phase-Out</u>
1990	\$250
1991	225
1992	200
1993	175
1994	150
1995	125
1996	100
1997	75
1998	50
1999	25
2000	0

LONGEVITY BONUS PROGRAM--COMPARISON OF ANNUAL COSTS
 Various Options

In Millions of Dollars

Fiscal Year	Number of Recipients	Current Program	SB 5	Bonus Ladder		
				5-Year	10-Year	15-Year
1991	20,075	60.2	60.2	60.2	60.2	60.2
1992	21,153	63.5	63.2	62.1	62.8	63.0
1993	22,232	66.7	65.7	62.6	64.6	65.3
1994	23,310	69.9	67.6	61.7	65.8	67.2
1995	24,389	73.2	68.9	59.4	66.3	68.6
1996	25,384	76.2	69.2	55.8	66.0	69.4
1997	26,295	78.9	68.6	52.4	64.9	69.6
1998	27,208	81.6	67.0	49.2	63.2	69.3
1999	28,120	84.4	64.4	46.2	60.9	68.7
2000	28,949	86.8	60.5	43.3	57.9	67.6
2001	29,817	89.5	55.3	40.7	54.4	66.1
2002	30,712	92.1	48.7	38.2	51.1	64.2
2003	31,634	94.9	40.4	35.9	48.0	62.0
2004	32,582	97.7	30.3	33.7	45.0	59.3
2005	33,560	100.7	24.9	31.6	42.3	56.3
2006	34,567	103.7	23.4	29.7	39.7	52.9
2007	35,604	106.8	22.0	27.9	37.3	49.6
2008	36,672	110.0	20.6	26.2	35.0	46.6
2009	37,772	113.3	19.4	24.6	32.9	43.8
2010	38,905	116.7	18.2	23.1	30.9	41.1

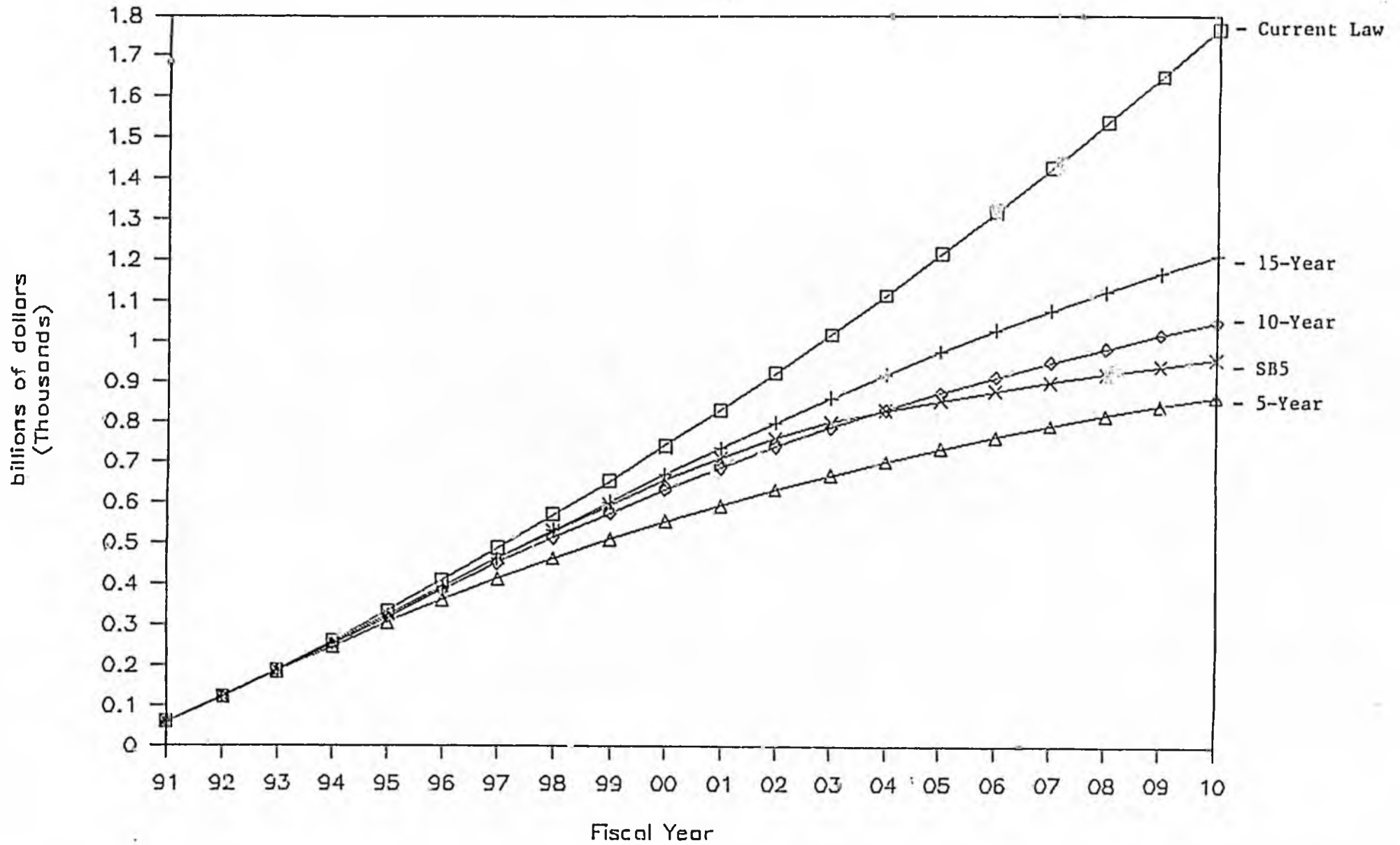
Prepared by the Division of Pioneers' Benefits 3/3/90
 File ALB.sb5

TABLE 2
 LONGEVITY BONUS PROGRAM COST ANALYSIS
 TEN-YEAR PHASE-OUT

Current Program					TOTAL PROGRAM COST (millions)				Age 65 by Jan. 1, 1991			Age 65 after Jan. 1, 1991			
Year	Number of Recipients	Annual	Cumulative	Fiscal Note	Year	Number of Recipients	Annual	Cumulative	Number of Recipients	Monthly Bonus	Cost (millions)	Number of Recipients	Monthly Bonus	Cost (million)	
	17,835				89										
	18,914				90										
1991	20,075	60.2	60.2	0.0	91	1991	20,075	60.2	60.2	20,075	250	60.2	0	250	0.0
1992	21,153	63.5	123.7	(692.3)	92	1992	21,153	62.8	123.0	18,850	250	56.5	2,303	225	6.2
1993	22,232	66.7	190.4	(2,072.9)	93	1993	22,231	64.6	187.6	17,699	250	53.1	4,532	200	11.5
1994	23,310	69.9	260.3	(4,138.3)	94	1994	23,309	65.8	253.4	16,618	250	49.9	6,691	175	15.9
1995	24,389	73.2	333.5	(6,888.0)	95	1995	24,388	66.3	319.7	15,604	250	46.8	8,784	150	19.5
1996	25,384	76.2	409.6	(10,193.0)	96	1996	25,383	66.0	385.6	14,651	250	44.0	10,732	125	22.0
1997	26,295	78.9	488.5		97	1997	26,295	64.9	450.5	13,757	250	41.3	12,538	100	23.6
1998	27,208	81.6	570.1		98	1998	27,208	63.2	513.7	12,917	250	38.8	14,291	75	24.4
1999	28,120	84.4	654.5		99	1999	28,120	60.9	574.6	12,129	250	36.4	15,991	50	24.5
2000	28,949	86.8	741.3		00	2000	28,949	57.9	632.5	11,388	250	34.2	17,561	25	23.8
2001	29,817	89.5	830.8		01	2001	29,817	54.4	686.9	10,693	250	32.1	19,124	0	22.3
2002	30,712	92.1	922.9		02	2002	30,712	51.1	738.0	10,040	250	30.1	20,672	0	20.9
2003	31,634	94.9	1,017.8		03	2003	31,634	48.0	785.9	9,427	250	28.3	22,207	0	19.7
2004	32,582	97.7	1,115.6		04	2004	32,582	45.0	831.0	8,852	250	26.6	23,730	0	18.5
2005	33,560	100.7	1,216.3		05	2005	33,560	42.3	873.2	8,312	250	24.9	25,248	0	17.3
2006	34,567	103.7	1,320.0		06	2006	34,567	39.7	912.9	7,804	250	23.4	26,763	0	16.3
2007	35,604	106.8	1,426.8		07	2007	35,604	37.3	950.2	7,328	250	22.0	28,276	0	15.3
2008	36,672	110.0	1,536.8		08	2008	36,672	35.0	985.2	6,880	250	20.6	29,791	0	14.4
2009	37,772	113.3	1,650.1		09	2009	37,772	32.9	1018.1	6,460	250	19.4	31,312	0	13.5
2010	38,905	116.7	1,766.8		10	2010	38,905	30.9	1048.9	6,066	250	18.2	32,839	0	12.7

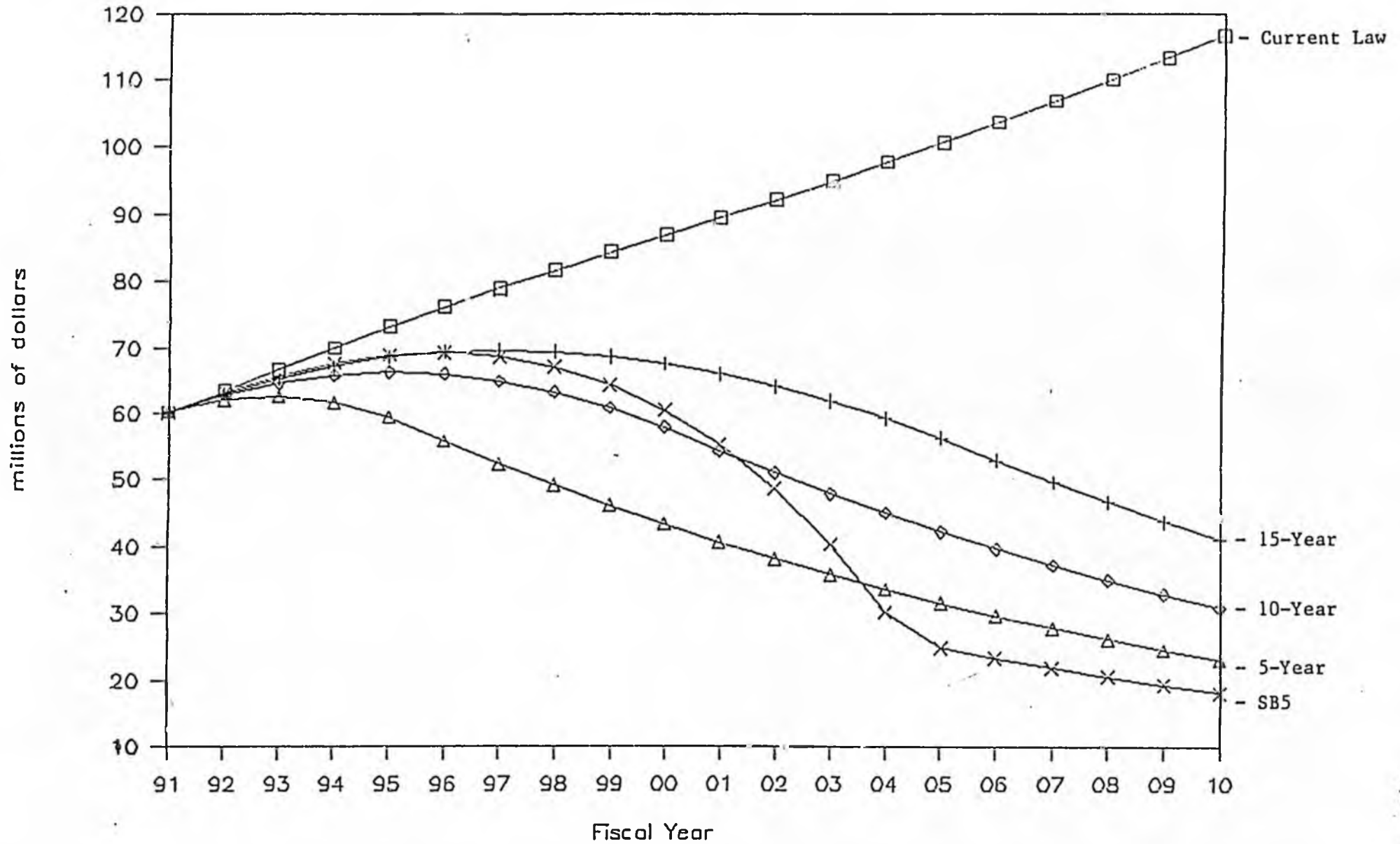
LONGEVITY BONUS COST ANALYSIS

Cumulative Costs



LONGEVITY BONUS COST ANALYSIS

Annual Costs



MEMORANDUM

State of Alaska
Office of the Governor
Division of Policy

TO: Pat Pourchot
Senator

DATE: April 2, 1990

FROM: *M. Mary* Mary Halloran
Director, Policy

PHONE: 465-3568

SUBJECT: SB 537: LONGEVITY BONUS

FILE NO:

In the prior hearing on the proposed committee substitute for SB 5, now introduced as a separate bill (SB537), the question was asked whether the approach poses any legal or constitutional problems. The Department of Law reviewed the proposal to gradually eliminate the longevity bonus program by reducing the amount paid to new recipients of the bonus in each of the 10 years following enactment of the legislation. Their conclusion (attached) is that the proposal poses no legal problems.

If we may provide any further assistance, please give me a call.

MEMORANDUM

State of Alaska
Department of Law

TO: Mary Halloran, Director
Division of Policy
Office of the Governor

**OFFICE OF
MANAGEMENT & BUDGET**

MAR 30 1990

DATE: March 28, 1990

FILE NO: File # 663-90-0362

TEL. NO: 465-3600

SUBJECT: Review of committee
substitute for SB 5 -
Longevity bonus
amendments

FROM: Kathleen Strasbaugh
Assistant Attorney General
Governmental Affairs - Juneau

STRATEGIC PLANNING

I. Question presented

You have asked whether Senator Pourchot's committee substitute for SB 5, which would replace a proposed annuity program with a gradual phase-out of longevity bonus payments, poses any legal problems.

The short answer is that except for the durational residency requirement, which we do not address here, it should not. 1/

II. Analysis

Both SB 5 and Senator Pourchot's proposal represent efforts to reduce the cost of the longevity bonus program, AS 47.45, which was significantly increased when the 25-year residency requirement was eliminated by the Alaska Supreme Court's holding in Schafer v. Vest, 680 P.2d 1169 (Alaska 1984). See also State Special Committee on Alaska Longevity Bonus Program, Report to the 14th Legislature - First Session and to Governor Bill Sheffield (February 1, 1985) ("Rept.") at 10, 29, and 35); sec. 7, ch. 38, SLA 1984 (creating the special committee).

The proposal you have asked us to review would gradually eliminate the longevity bonus program by reducing the amount paid to new recipients of the bonus in each of the 10 or 15 years following the enactment of the legislation. People currently receiving longevity bonus payments would continue at their present benefit level. People becoming eligible in each successive year would receive a lower benefit. Each "class" of recipients would receive successively lower monthly payments, but maintain the same monthly benefit throughout their eligibility.

1/ See letter from Attorney General Baily to Governor Cowper (June 2, 1989; file No. 883-89-0114) (reviewing CSHB 34(Fin), lengthening durational residency requirement to two years.)

Some members of the state special committee noted that such a proposal might be attacked on the grounds that treating discrete groups of recipients differently on the basis of the date they became eligible, that is, on the basis of their age, is a violation of the constitutional guarantee of equal protection. Minority Members of the Governor's Longevity Bonus Task Force, Report to the Fourteenth Alaska State Legislature and Governor Bill Sheffield (February 1, 1985) at 7 ("Minority Rept."). This would appear to be the legal issue raised by the proposal.

The minority committee members concluded that legislation which grandfathered current recipients into the program, while reducing benefits to new recipients would survive an equal protection challenge, citing Kalmakoff v. State, 693 P.2d 844 (Alaska 1985). In Kalmakoff, the Alaska Supreme Court, having previously concluded that entry into a commercial fishery was an important, but not fundamental, right, 2/ upheld Commercial Fisheries Entry Commission regulations granting a preference for permit applicants who held gear licenses in particular years. The minority committee members' theory was that current longevity bonus recipients, like the longer term gear license holders in Kalmakoff, would suffer hardship if the program were altered or reduced, while those who were not yet receiving benefits, like more recent entrants to fisheries, would suffer less. Such persons would have some wage-earning years to adjust their expectations. Minority Rept. at 7. 3/

The proposed committee substitute would be upheld under federal equal protection standards, as a number of cases addressing changes in the federal social security program demonstrate. There are similarities between social security old-age benefits and longevity benefits which make a review of such cases instructive. Social security old-age benefits payments are not designed primarily for those who are neediest but to provide "basic protection against hardships created by the loss of earnings due to . . . old age." Mathews v. DeCastro, 429 U.S. 181, 187-88 (1976). The longevity bonus program is designed not as a substitute for programs for the needy, but to permit and encourage Alaska's elderly to spend their retirement years in Alaska by making it possible to meet Alaska's high cost of living and harsh

2/ See Commercial Fisheries Entry Comm. v. Apokedak, 606 P.2d 1255, 1265 (Alaska 1980).

3/ It must be observed that the Kalmakoff court based its decision to uphold a potentially arbitrary permit cutoff date in part on an exception in the regulations for special circumstances. 693 P.2d at 854.

environment. Sec. 1, ch. 38, SLA 1984. Both programs provide income support to the elderly, but are not public assistance programs designed to meet life's necessities by providing benefits based on need.

In DeCastro, the Supreme Court upheld the distinction drawn by Congress between divorced and married women under 62 as to the payment of benefits when their husbands were disabled. Its holding was based upon the principle that "[g]overnmental decisions to spend money to improve the general public welfare in one way and not another are 'not confided to the courts.'" DeCastro, 429 U.S. at 185, (quoting Helvering v. Davis, 301 U.S. 619, 640 (1937)). In the area of social welfare, if a classification has some reasonable basis, it will be upheld even if it results in some inequity in practice. See Schweiker v. Wilson, 450 U.S. 221, 234-35 (1981) (upholding differential treatment of institutionalized persons as to eligibility for certain SSI benefits depending on the nature of the institution).

In cases concerning changes in benefits, the federal courts have given short shrift to arguments that a change in eligibility criteria for benefits constitutes unlawful discrimination. Califano v. Webster, 430 U.S. 313, 320-21 (1977); Dillinger v. Schweiker, 762 F.2d 506, 508 (6th Cir. 1985). Dillinger addressed 1977 amendments to the Social Security Act that changed the formula for calculating benefits prospectively only, thus creating two classes of recipients: those who reached age 62 before January 1, 1979, and those who reached age 62 after that date. The latter group received lower benefits. Reasoning that social security benefits are not a fundamental right and that the classification was not based on a suspect criterion, the Sixth Circuit concluded that the prospective-only reduction of benefits, resulting from an amendment to a benefit calculation formula which had placed a financial strain on the program, was reasonable given the reliance upon existing benefit levels by current retirees as against the lesser expectations of those who have not yet retired. 4/

In Alaska, legislative classifications are weighed on a sliding scale, rather than subjected to the two-step process followed by the federal courts. Thus, "[t]he applicable standard of review for a given case is to be determined by the importance of

4/ It is important to note that social security is not an accrued benefit like a pension. Thus the program could be altered for current recipients, if need be. See Flemming v. Nestor, 363 U.S. 603, 609 (1960). The longevity bonus likewise is not an accrued benefit.

the individual rights asserted, and by the degree of suspicion with which . . . [the court] view[s] the resulting classification scheme." Alaska Pacific Assurance Co. v. Brown, 687 P.2d 264, 269-70 (Alaska 1984); Harrison v. State, 687 P.2d 332, 339-40 (Alaska App. 1984). The more important the right affected, the more closely the classification chosen must fit the purpose of the statute. Brown, 687 P.2d at 269-70. See also State v. Enserch, ___ P.2d ___, Op. No. 3539 (Alaska Dec. 18, 1989), noting that in addition, the classification must, as a matter of due process, be reasonable and not arbitrary. Id. at 23-24 and 23 n.12.

Here, no fundamental or important right is affected; longevity bonus recipients have no constitutionally protected interest in any particular benefit amount. Cf. Brown, 687 P.2d at 270 (plaintiff not entitled to have particular level of workers' compensation benefits as a matter of constitutional law). The program is not designed to provide the minimum necessities of life. Sec. 1(b), ch. 38, SLA 1984. Thus, if the proposed legislation were challenged, it is likely that the reviewing court would subject it to less than searching scrutiny. However, the state equal protection standard is higher than the rational basis test employed in many of the above cited federal cases, and the legislative classification must bear a substantial relationship to the purpose of the legislation. Barber v. Municipality of Anchorage, 776 P.2d 1035, 1039 (Alaska 1989).

The proposed substitute for SB 5 is designed to meet the expectations of current recipients created by the original legislation, while gradually reducing the expectations of persons who are not yet recipients, with the ultimate goal of eliminating the program because of its cost. These goals appear to be legitimate. See Enserch, slip op. at 24. Nonetheless, it may be argued that conserving resources is not alone an adequate justification for drawing distinctions among different classes of citizens. But the authority for this argument is found in cases where the classifications in question arguably deprived some persons of important rights. Brown, 687 P.2d at 272 (reduction of insurance premiums not by itself adequate basis for providing lower workers' compensation benefits to workers who move out of state where right to travel burdened); Wilson v. Mun. of Anchorage, 669 P.2d 569, 572-73 (Alaska 1983) (need to conserve resources would not alone have justified barring tort claims against cities while allowing suits against other tortfeasors given importance of right of access to courts; statute upheld on grounds that its other objectives justified distinction); Plyler v. Doe, 457 P.2d 202, 227 (1982) (a state's denial of education to undocumented immigrant children a violation of equal protection under federal medium scrutiny/substantial-relationship test; one of grounds, conservation of scarce resources, held not adequate alone to

justify a classification; decision as to how to allocate scarce resources itself subject to scrutiny). 5/

Here the legislative task is to reconcile the interests of those who currently receive benefits under the program, or who are close enough to the age of eligibility to have included the longevity bonus in their retirement planning, with the need to end the program's drain on the general fund. The proposed committee substitute does just that. When viewed in this light, it cannot be said that the classification on the basis of date of birth is arbitrary. Cf. Dillinger, 762 F.2d at 508. It is clear from Enserch that the Alaska courts will be significantly less deferential to the Alaska legislature's choice of means when reviewing challenged legislation than the federal courts are to Congress. Cf. Enserch with DeCastro. However, since all of the alternatives considered involve some prospective change in the program for future recipients (see Rept.), and since the program could be terminated outright without offending the constitution, it is hard to imagine the Alaska Supreme Court striking down the Alaska legislature's choice here, even if it preferred another alternative.

III. Conclusion

The Alaska Supreme Court's recent decisions suggest that it will closely evaluate any scheme of legislation which treats similarly situated people differently, even where the rights at issue are of limited importance. Nonetheless, we believe that the proposed amendments ought to survive federal or state equal protection challenges.

As Justice Holmes observed: " [T]he 14th Amendment does not forbid statutes and statutory changes to have a beginning, and thus to discriminate between the rights of an earlier and later time." Sperry & Hutcheson Co. v. Rhodes, 220 U.S. 505 (1911).

KS:me

5/ Given that the legislation is designed to end the program in a way which does the least harm to the expectations of current recipients and those about to retire, the holding of Sonneman v. Knight, ___ P.2d ___, Op. No. 3565 (Alaska, March 2, 1990) on this issue does not alter our conclusion. Id., Slip Op. at 10-11.

POSITION PAPER

Senate Bill No. 537

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

BACKGROUND

Senate Bill No. 537 would modify the existing Longevity Bonus program by providing for a phase-out of Bonus payments. Current Bonus recipients and new Bonus recipients who reach age 65 before January 1991 would receive Bonus payments at the current \$250 per month level for the duration of their participation in the program. Longevity Bonus payments to recipients who reach age 65 in 1991 would be paid at \$225 per month, and the benefit to recipients who turn 65 in subsequent years would be \$25 less each year. Alaskans who reach age 65 after 1999 would not be entitled to Longevity Bonus payments.

We anticipate that the proposed change in the Longevity Bonus program would affect the approximately 3,200 needy older Alaskans who receive benefits under the Old Age Assistance and Longevity Bonus Hold Harmless components of the Adult Public Assistance program in much the same way it would affect the elderly Alaska population as a whole: individuals who will reach 65 in the coming years would need to plan on a smaller, but stable and predictable, amount of public support being available to them in their old age.

Federal Medicaid regulations require that Alaska's OAA program follow the eligibility rules of the federal Supplemental Security Income (SSI) program, a monthly cash assistance program administered by the Social Security Administration. The OAA program is essentially supplemental to the SSI program. SSI and OAA recipients are entitled to Medicaid benefits.

SSI regulations require that applicants and recipients apply for any other program benefits for which they may be eligible, including Longevity Bonus payments, or lose all eligibility for SSI payments (certain recipients who qualified for the Bonus under the old 25-year residency requirement are not required to apply for the Bonus program). SSI rules also require that Longevity Bonus payments be counted dollar-for-dollar against SSI eligibility qualifying standards, thus reducing SSI payments by the amount of Bonus payment and rendering some individuals ineligible for SSI. The OAA and Medicaid programs must treat the Bonus payments the same way as SSI. Currently, about 1,600 of our 3,200 aged clients receive Longevity Bonus payments which are countable under SSI rules (about 1,400 OAA recipients receive the "25-year" Bonus, which does not count as income).

Position Paper
Senate Bill No. 537
Page 2

The Legislature enacted the Longevity Bonus "Hold Harmless" program (AS 47.45.422) in order to assure that needy elderly Alaskans who receive a federally countable Bonus do not end up with \$250 less in monthly income than those who receive the federally exempt Bonus, and to make sure that necessary medical coverage (through the Medicaid program) was not lost by those whose total retirement income placed them so close to federal and state eligibility limits that receipt of the countable Bonus cost them eligibility for Medicaid. This program replaces the amount of cash lost to countable Bonus recipients when their federal SSI payments are decreased or ended, and it provides state funding in lieu of federal matching Medicaid funds to continue Medicaid coverage to those who lose regular Medicaid eligibility because of their Bonus income.

The change in the Longevity Bonus program proposed in Senate Bill No. 537 would reduce the cost of the Longevity Bonus Hold Harmless program by gradually reducing the amount of Bonus income to the OAA caseload, thus reducing the amount of federal SSI and Medicaid funding which is currently replaced with state monies. Under current law, the Longevity Bonus Hold Harmless program is growing as the OAA caseload increases and "grandfathered" Bonus recipients diminish in their proportional representation in the caseload; under Senate Bill No. 537, Longevity Bonus Hold Harmless costs would gradually decrease as the Bonus program was phased out.


DISCUSSION

The phased reduction in the Longevity Bonus program proposed in Senate Bill No. 537 would, in coming years, affect needy older Alaskans in much the same way as their more financially secure counterparts: individuals who join the ranks of the aged in the future would be able to count on less public money for their support. The phase-out of the Longevity Bonus program would eventually result in a parallel reduction in the need for Longevity Bonus Hold Harmless payments; the level of needs-based support available to needy older Alaskans under the SSI, OAA, and Medicaid programs would be maintained at the levels already provided for in law. Unlike what might occur with other possible changes in the Longevity Bonus program, no needy elderly person would lose medical coverage under this legislation. Rather, increasing numbers of them would become eligible for federally-matched Medicaid assistance instead of the totally state-funded Hold Harmless medical coverage.

RECOMMENDATION:

The Department neither supports nor opposes Senate Bill No 537. This legislation would provide the intended reduction in the cost of the Longevity Bonus program, along with a concomitant savings in Longevity Bonus Hold Harmless costs, without putting the elderly poor at risk of losing critical Medicaid coverage. The bill's gradual phase-out strategy provides younger people a reasonable period of time to plan for their retirement needs and, thus, does not unduly increase their risk of falling into poverty at retirement age.

Recommended by:


John R. Taber, Director
Division of Public Assistance

Date:

4/3/90

Approved by:

Myra M. Munson, Commissioner
Department of Health &
Social Services

Date:

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to the Longevity Bonus
Sponsor: _____
Requestor: _____

Agency Affected: Health & Social Services
BRU: Assistance Payments BRU
Medical Assistance
Components: OAA-ALB Hold Harmless
ALB Hold Harmless

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	(18.2)	(44.8)	(141.7)	(291.3)	(511.1)	(807.0)
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(18.2)	(44.8)	(141.7)	(291.3)	(511.1)	(807.0)
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	(18.2)	(44.8)	(141.7)	(291.3)	(511.1)	(807.0)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER 1034	0	0	0	0	0	0
TOTAL	(18.2)	(44.8)	(141.7)	(291.3)	(511.1)	(807.0)

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No Fiscal Impact in FY90

See Attached

Prepared by: John R. Taber, Director
Division: Public Assistance

Phone: 463-3347
Date: 7/3/90

Approved by Commissioner: _____
Agency: Department of Health and Social Services

Date: _____

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Division of Public Assistance
 Assistance Payments BRU

Old Age Assistance - Alaska Longevity Bonus Hold Harmless (OAA-ALBHH)

1. SB No. 537 continues the Hold Harmless program, but the amount of the monthly Bonus is based upon the age of the applicant.
2. This fiscal analysis begins in FY92 and applies a single Bonus amount throughout each fiscal year, while Bonus amounts actually change at calendar year intervals. Bonus costs in FY91 are assumed to be half of the amount projected for FY92. The error caused by blending time periods is within the margin of error of the projections.
3. We assume that the Bonus payments will impact clients beginning January 1, 1991, and that OAA clients whose Bonus payments will be impacted will be as follows:

	<u>Bonus</u>	<u>OAA Clients Impacted</u>
FY91	\$225	194
FY92	\$200	388
FY93	\$175	764
FY94	\$150	1122
FY95	\$125	1484
FY96	\$100	1812

5. Costs assume average age of new applicants for Old Age Assistance will be 65.
6. Approximately 40 percent of all OAA recipients also receive SSI.

SB No. 537 provides for a redesign of the ALB by providing for a "stair-stepped" phase-out of Bonus payments. The impact of this proposed change is two-fold:

1. As the ALB payments decrease then the amount of ALB Hold Harmless for SSI replacement also decreases. The drop in ALBHH for federal Social Security Income (SSI) replacement is a net savings to the State.
2. As the Bonus payment decreases the amount of ALB Hold Harmless for OAA replacement decreases, and shifts back to Old Age Assistance. The amount of this decrease is a dollar for dollar shift back to Old Age Assistance in the Adult Public Assistance (APA) component.

	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>
TOTAL OAA-ALBHH Component Reduction	(35.0)	(70.7)	(233.3)	(466.3)	(782.9)	(1177.2)
TOTAL OAA-APA Component Increase	21.0	42.4	140.0	279.7	469.7	706.3
TOTAL State Savings Federal SSI Replacement	(14.0)	(28.3)	(93.3)	(186.6)	(313.2)	(470.9)

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Admin./Pioneers' Benefits
 Title: An Act relating to the longevity BRU: Longevity Bonus
bonus program.
 Sponsor: Senate State Affairs Committee Components: Grants and Administration
 Requestor: Senate State Affairs Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(348.4)	(696.8)	(2,090.8)	(4,175.9)	(6,953.6)	(10,291.4)
MISCELLANEOUS						
TOTAL OPERATING	(348.4)	(696.8)	(2,090.8)	(4,175.9)	(6,953.6)	(10,291.4)
CAPITAL	400.0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	51.6	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	51.6	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Fiscal Year 1990 fiscal impact is zero, See attached pages for development of projections for subsequent years.

Prepared by: David Teal Phone: 465-4400
 Division: Pioneers' Benefits Date: 4/2/90
 Approved by Commissioner: Frank S. Baxter Date: 4/3/90
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Fiscal Note for SB 537

The fiscal impact of any modification to the Longevity Bonus program is tenuous because cost projections depend upon a number of variables that cannot be predicted accurately. A model to project program costs under various modifications was prepared as a joint project of the Legislative Research Agency and the ALB program. Development of estimates of the fiscal impact of SB 537 is described below.

The number of recipients who will continue to receive \$250 per month was determined by applying mortality and migration figures--supplied by the Alaska Department of Labor--to the projected number of recipients who will be on the program prior to 1991. See Table 1 for details.

The annual number of applicants who will receive reduced bonuses is the sum of the annual net increase in warrants and (replacements for) recipients terminated during each year. Projected costs for the two groups of recipients are shown in Table 2. Table 3 shows detailed development of costs for new applicants. The columns show migration and mortality figures applied to new applicants in each year, with associated costs shown in part b. The sum of each row of part b is the annual cost for all recipients receiving bonuses less than \$250.

Table 4 shows the projected cost of the current program and the costs of the modifications proposed by SB 537. These costs are compared to produce the figures on page one of this fiscal note.

Capital costs of \$400,000 in FY 91 are to cover the cost of designing and implementing a new payment system. The derivation of this figure is discussed in the Price Waterhouse estimate and a March 19 letter to Representative Fran Ulmer, both of which are attached to this analysis. As explained in the attached letter, the payment system needs major revision regardless of the final status of this bill. However, the estimated cost of a new system is included in this fiscal note because (1) funding for a new system is excluded from the House version of the operating budget, (2) we have no assurance that funding will be available through the capital budget and (3) the current system cannot pay multiple bonus amounts. Capital costs and operating savings are summed to produce the net figure shown on page one of this fiscal note.

Caveats

The fiscal analysis begins in FY 92 and applies a single bonus amount throughout each fiscal year, while bonus amounts actually change at calendar year intervals. Bonus costs in FY 91 are assumed to be half of the amount projected for FY 92. The error caused by blending time periods is within the margin of error of the projections.

Although the bill has an immediate effective date, recipients would feel no impact until January 1, 1991. This gives the program about

six months to design and implement a new payment system. According to preliminary estimates, a new system may not be operational within the allowed time frame.

Projections exclude the savings that would occur under the "hold harmless" provisions of AS 47.45.122. Those costs would be reflected in this fiscal note only if the legislature appropriates hold harmless funds to this agency for subsequent transfer to the Department of Health and Social Services.

Projections exclude savings that might occur if the number of recipients declines as the program becomes less financially attractive to participants and potential participants.

TABLE 1

SB 537--FISCAL NOTE

Growth in the Alaska Longevity Bonus Program

PROJECTIONS: Warrants determined by AKDOL population forecasts for 65+
 Migration is AKDOL net outmigration for 65+
 Mortality is from AK unisex life tables for average age (74/75) of 65+
 New Applicants is net increase plus replacements for terminated recipients

Fiscal Year	AKDOL 89 Pop Growth Rate	ALB Warrants	Net Increase during Year	Out Migration 0.0160	Mortality Rate 0.0450	Next Years Warrants	New Recipients	Continuing Recipients
1989		17,835	1,265	285	803	19,100	2,354	
1990	6.05%	19,100	1,173	306	860	20,273	2,339	16,761
1991	6.14%	20,273	1,089	324	913	21,362	2,327	17,946
1992	5.37%	21,362	1,090	342	962	22,452	2,394	18,968
1993	5.10%	22,452	1,089	359	1,011	23,541	2,460	19,992
1994	4.85%	23,541	1,090	377	1,060	24,631	2,527	21,014
1995	4.63%	24,631	1,005	394	1,110	25,636	2,509	22,122
1996	4.08%	25,636	920	410	1,155	26,556	2,485	23,151

Joint Legislative Research/ALB project to get consistent figures for cost analysis
 Teal/Snow 1/18/90

Prepared by the Division of Pioneers' Benefits 4/2/90

FILE: SB537-1

TABLE 2

SB 537--FISCAL NOTE

Longevity Bonus Program Cost Analysis

Fiscal Year	TOTAL PROGRAM COST (millions)		
	Number of Recipients	Annual	Cumulative
1991	20,273	60.8	60.8
1992	21,362	63.4	124.2
1993	22,452	65.3	189.5
1994	23,541	66.4	255.9
1995	24,632	66.9	322.9
1996	25,637	66.6	389.5

Age 65 by Jan. 1, 1991		
Number of Recipients	Monthly Bonus	Cost (millions)
20,273	250	60.8
19,035	250	57.1
17,873	250	53.6
16,782	250	50.3
15,758	250	47.3
14,796	250	44.4

Age 65 after Jan. 1, 1991		
Number of Recipients	Monthly Bonus	Cost (millions)
0	0	0.0
2,327	225	6.3
4,579	200	11.6
6,759	175	16.1
8,874	150	19.7
10,841	125	22.2

Prepared by the Division of Pioneers' Benefits 4/2/90

FILE: SB537-2

TABLE 3
SB 537--FISCAL NOTE
Cost for New Applicants Only

Part a

sum warrants	age 65 prior to 91	new apps for cost after 91	Bonus: new applicants in FY:							
			225	200	175	150	125	100		
20,273	20,273	0								
21,362	19,035	2,327	2,327							
22,452	17,873	4,579	2,185	2,394						
23,542	16,782	6,759	2,052	2,248	2,460					
24,632	15,758	8,874	1,926	2,111	2,310	2,527				
25,637	14,796	10,841	1,809	1,982	2,169	2,373	2,509			
26,557	13,893	12,664	1,698	1,861	2,036	2,228	2,356	2,485		
27,479	13,045	14,434	1,595	1,747	1,912	2,092	2,212	2,333		
28,399	12,248	16,151	1,497	1,641	1,795	1,964	2,077	2,191		
29,237	11,501	17,736	1,406	1,540	1,686	1,844	1,950	2,057		
30,114	10,799	19,315	1,320	1,446	1,583	1,732	1,831	1,932		
31,018	10,139	20,878	1,239	1,358	1,486	1,626	1,719	1,814		
31,948	9,520	22,428	1,164	1,275	1,396	1,527	1,614	1,703		
32,906	8,939	23,967	1,093	1,197	1,310	1,434	1,516	1,599		
33,893	8,394	25,500	1,026	1,124	1,230	1,346	1,423	1,501		
34,910	7,881	27,029	963	1,056	1,155	1,264	1,336	1,410		
35,957	7,400	28,557	905	991	1,085	1,187	1,255	1,324		
37,036	6,948	30,088	849	931	1,019	1,114	1,178	1,243		
38,147	6,524	31,623	798	874	956	1,046	1,106	1,167		
39,292	6,126	33,166	749	821	898	982	1,039	1,096		

Part b

annual cost when recipients are grandfathered at entry level

92	6.3	6.3	0.0	0.0	0.0	0.0	0.0
93	11.6	5.9	5.7	0.0	0.0	0.0	0.0
94	16.1	5.5	5.4	5.2	0.0	0.0	0.0
95	19.7	5.2	5.1	4.9	4.5	0.0	0.0
96	22.2	4.9	4.8	4.6	4.3	3.8	0.0

Prepared by the Division of Pioneers' Benefits 4/2/90
 FILE: sb537-3

TABLE 4

SB 537--FISCAL NOTE

Comparison of Current and Proposed Costs

Fiscal Year	Current Program			SB 537		Fiscal Note
	Number of Recipients	Annual Cost	Cumulative Cost	Annual Cost	Cumulative Cost	
1991	20,273	60.8	60.8	60.5	60.5	(348.4)
1992	21,362	64.1	124.9	63.4	123.8	(696.8)
1993	22,452	67.4	192.3	65.3	189.1	(2,090.8)
1994	23,541	70.6	262.9	66.4	255.5	(4,175.9)
1995	24,631	73.9	336.8	66.9	322.5	(6,953.6)
1996	25,636	76.9	413.7	66.6	389.1	(10,291.4)

Prepared by the Division of Pioneers' Benefits 4/2/90

FILE: SB537--4

Price Waterhouse



February 14, 1990

Keith Busch
Director of Finance
Department of Administration
State of Alaska
Juneau, Alaska 99811

Dear Keith:

As you have requested, we have developed gross costs estimates to implement the Alaska Longevity Bonus System as an additional application on the new (Tesseract) Automated Payroll System.

On February 12, we meet with David Teal from the Division of Pioneer Benefits to discuss the functionality of this application. Our estimates are based on the understanding we developed during that meeting and are not based on a detailed review of the system requirements.

We estimate the project could be completed in 5 months with a total of 17 staff/months of effort. See Attachment for Project Schedule. This equates to 2,805 hours. Assuming approximately the same mix of staff currently implementing the Statewide Payroll System the average rate would be around \$100. This brings consulting fees for the project to \$280,000. See Attachment 2 for the details of this cost buildup.

There, of course, are a number of assumptions that went into the development of these estimates. Some of the more important of those are enumerated in Attachment 3. If any of our assumption are incorrect it would have an effect on our level of effort estimates.

You must recognize that these are very "rough" estimates based on our limited understanding of the required functions. We can tell you with greater confidence that the costs would be in the range from \$250,000 to \$320,000.

If you have any questions regarding these estimates, please feel free to contact Rip Sanders or me at any time.

Yours very truly,

Wayne A. Viirre

Wayne A. Viirre
Project Manager

STATE OF ALASKA
 Longevity Bonus Tesseract Implementation

Attachment 1

Project Schedule (2/14/90)

TASK	Month				
	1	2	3	4	5
Analysis	2 PW Staff				
Tesseract Customization		2 PW Staff			
Programming and Unit Testing		2 PW Staff			
System Testing				2 PW Staff	
Imagine Report Development				1 PW Staff	
User Documentation				1 PW Staff	
Training					1 PW Staff
Implementation					1 PW Staff

STATE OF ALASKA
Longevity Bonus Tesseract Implementation

Cost Details

<u>Task</u>	<u>Staff Required</u>	<u>Duration (months)</u>	<u>Man Months</u>
• Analysis	2	2	4
• Tesseract Customization	2	2	4
• Programming/Unit Test	2	2	4
• System Testing	2	1	2
• Imagine Report Develop.	1	1	1
• User Documentation	1	1	1
• Training	1	0.5	0.5
• Implementation	1	0.5	0.5
 Total Effort in Man Months			17
Hours per month			<u>x 165</u>
Total Hours			2805
Hourly rate for appropriate staff mix			<u>x \$100.00</u>
Total Cost			\$280,500.00

STATE OF ALASKA
Longevity Bonus Tesseract Implementation

Assumptions

- Longevity Bonus implementation will not adversely impact the payroll system functionality as implemented.
- Two functional experts from the Division of Pioneer Benefits will be dedicated to the project to assist in the analysis through implementation phases.
- No technical support will be provided by the Division of Pioneer Benefits.
- Data Conversion will be a straightforward process and involves only converting data from a single source.
- No time has been allotted to perform data clean-up.
- All reporting requirements can be produced by one person in one month and the number of reports to be developed are 10.
- The existing warrant and 1099 print programs can be utilized.
- Current key-to-disk data collection process remains intact.
- The custom COBOL code included in the scope of this estimate is as follows (these functions cannot be accommodated in the standard Tesseract customization facilities):
 - o Interface from the key-to-disk data collection process to the Tesseract cycle file.
 - o Warrant print interface
 - o 1099 print interface

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS

P.O. BOX CL
JUNEAU, ALASKA 99811-0211
PHONE: (907) 465-4400

March 19, 1990

The Honorable Fran Ulmer
Alaska State Representative
P.O. Box V
Juneau, AK 99811

ATTN: Kate Tesar

Dear Representative Ulmer:

The Division of Pioneers' Benefits recently amended its FY 91 budget request to include a \$400,000 increment to fund the design and implementation of a data processing system for the Longevity Bonus program. This was not approved for inclusion in the operating budget. You asked what would happen if the increment were not approved. In responding, I avoid technical detail; if you want a technical explanation of the situation, I will be happy to provide it.

As you know, the mainframes operated by the Department of Administration and the Legislative Affairs Agency are being consolidated in an attempt to expand the State's data processing capacity. The vendor is phasing out support for operating systems which support the Longevity Bonus application. When this occurs, the Longevity Bonus can no longer be run.

In a worst case scenario, lack of hardware/software support would prevent the division from issuing monthly checks to 20,000 Longevity Bonus recipients. In January, the Division of Information Services (DIS) informed me that support would cease in September 1990 and that converting our program to coding compatible with the new operating system would take about six months and cost nearly \$100,000.

The current program code is nearly twenty years old, largely undocumented and subject to frequent breakdown. The Director of DIS compared the Longevity Bonus system to an old car, with the September deadline analogous to an auto manufacturer's decision to halt production of parts; one can continue to drive the car, but only until a critical part fails. Given that check production has been on an emergency basis in two of the last four months, it should be obvious that a critical breakdown can occur at any time.

This situation demands immediate action, hence you may question the Department's decision to submit an FY 91 budget amendment

rather than an FY 90 supplemental request. You should be aware that documentation of the system is underway and that we are exploring options involving the payroll, Permanent Fund dividend and unemployment insurance programs as well as a mini or micro computer-based system. Given the programming requirements and the possibility of major legislative changes to the Longevity Bonus program, we determined that we would not be ready to formally begin the RFP process until FY 91.

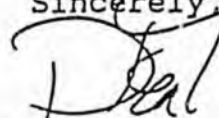
The more likely "no funding" scenario is that the current system will continue to operate on a "band-aid" basis. However, the cost of maintaining the system, both in dollars and in resources diverted from other applications, would be high. In addition, a critical breakdown can occur at any time and delay payments for an indefinite period. Without additional funding, the DIS simply does not have the staff or the budget to convert or reliably maintain the current system.

You may wish to know why the estimate for conversion has grown from \$100,000 to \$400,000. The original estimate was a "quick and dirty" figure reflecting the anticipated cost of recoding the existing system to do no more than it now does. The existing system simply writes checks; it provides virtually no management information, security, financial audit capability or ability to analyze the potential impact of program revisions. Data scrolls off the screen after six months and is lost forever.

Given this lack of scrutiny and control over a program which distributes nearly \$60 million annually, our decision was to replace the existing system with a "solution package" rather than to simply keep the checks rolling. One such solution is to take advantage of the capabilities of the new payroll system. Price Waterhouse estimated that incorporating the Longevity Bonus system into the payroll system would cost from \$250,000 to \$320,000. This estimate was based on continued use of the existing IRS reporting system and the reapplication tracking system. These programs are primary components of the existing system and need conversion/revision, at substantial additional cost.

We continue to explore options and are not yet in a position to explain exactly what solution will be achieved at exactly what cost. In size and level of complexity, the Longevity Bonus system is bracketed by two programs which were recently upgraded at a cost of \$250,000 and \$660,000. I hope that \$400,000 is sufficient to allow the design and implementation of a system worthy of a \$60 million program.

Sincerely,



David Teal
Administrator
Longevity Bonus Program

cc: Commissioner Frank Baxter
Department of Administration

Jim Fox, Deputy Commissioner
Department of Administration

Barbara Bathony, Director
Division of Pioneers' Benefits

Mike Maher, Director
Division of Administrative Services

Paul Monette, Director
Division of Information Services

ALASKA LONGEVITY BONUS

FY 89 Actual 53,348.6

FY 90 Authorized 50,000.0

Supplemental (Ch 17, SLA 90) 6,758.0

Additional Request 4/3/90 642.0

57,400.0

FY 91 Agency/Governor Request 59,439.0

Budget Amendment 1,419.0

60,858.0

Pat-

I made copies
to hand out at
today's State
Affairs hearing on
SB 537 - Bonus Ladder.

Jenne



501 East Dimond Blvd.
Anchorage, Alaska 99515
(907)349-1572

Nerland's Home Furnishings FAX MESSAGE

Date: 4-4-90

To: Senate State Affairs Committee Sen PAT Pourchot
Re: Senate Bill 537
C/O Information Office
Juneau
FAX 463-5661

From: S.G. Jerry Nerland
1725 Laurence Ct
Anchorage, AK 99501

Pages to follow: 1

Message: I did not find out about the teleconference regarding
Senate Bill 537 until 2PM today. I called the office here and found out
the hearing was in progress. As I did not then have time to get to
the office and thereby could not attend I attach a statement that I would
like entered in testimony.

*If transmission is interrupted, incomplete or not clear, contact the sender
by phone at (907)349-1572 or by FAX at (907)349-8031.*

S.G. JERRY NERLAND 1725 LAURENCE COURT ANCHORAGE, AK 99501
Phone Home 276-3883 Office 349-1572

April 4, 1990

Senator Pat Pourchot
Chairman
Senate State Affairs Committee
P.O. Box V
Juneau, AK 99811

FAX TO: 463-5661

I was made aware a few minutes ago of the teleconference today on Senate Bill 537 regarding the phase out of the Longevity Bonus. TO PHASE OUT THE BONUS IS A BAD IDEA!

Understanding that under the current laws a person can apply after two years of residence and age 65, the legislature seems to think this will be too expensive over time. WHAT BETTER WAY TO SPEND THIS MONEY THAN TO HELP SENIOR CITIZENS? It seems difficult to keep our seniors in state when they reach retirement. If they are willing to stay here, they deserve this monetary recognition to help them continue residence here and contribute to the state through volunteer or other activities that benefit many.

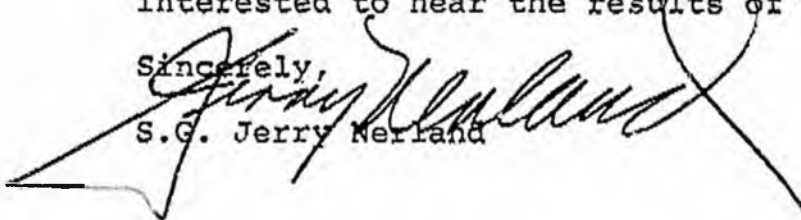
I am sure that the Longevity Bonus and Permanent Fund payment alone do not cause Seniors to move to Alaska from other areas. On the other hand, if someone does move here and has to wait the two years, by that time they are usually a part of the community in which they reside and are making a contribution through their experience and knowledge.

There are a number of places in the state budget that can be addressed for reductions before you move to eliminate the Longevity Bonus to those that have reached Senior Status.

I happen to be within a year of applying for this, but my concern is not for myself, as I intend to be active and employed for a good while, but rather for those Seniors that really count on this recognition for their continued comfort and peace of mind.

Please consider this matter very seriously before any changes are made in the present program. I will be interested to hear the results of the hearing.

Sincerely,


S.G. Jerry Nerland

SB 537 - Longevity Bonus

4.4.90

Bob Pavitt = AARP
opposed ==

Bill Ray = Pioneers of AK:
opposed to any changes

Robert Thibadeau =
opposed - more study needed.

Rose Palmquist =
Sr. population / contributions \$

Kelly: Should we send this issue to the voters?
"Pat - bill will stay w committee"

4Xn
AA