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BILL SB90 DATE RECEIVED 1-31-91

TITLE ABSENCES - LONGEVITY BONUSES

CONTACT KATIE OFFICE/DEPT RODEY PHONE 3793

SPONSOR RODEY

COMMITTEE ACTION

DATE ACTION TAKEN

2-4-91 DISCUSSED, CONTINUED

2-6-91 DISCUSSED, CONTINUED (NO FN)

Patrick M. Rodey
Senator

Alaska State Legislature



Senate

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During Session:
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Juneau, Alaska 99811
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SENATE BILL 90

This bill will allow seniors who otherwise qualify for the longevity bonus to be absent from the state for a period up through 90 days (the day after departure is considered the first day of absence; the day before the day of return is considered the last day of absence) without forfeiting a longevity bonus check during the 90 day period.

Under existing law, (unless the absence is beyond a recipients control), a recipient forfeits a check if absent for more than 30 but less than 60 consecutive days. If absent more than 60 but less than 90 consecutive days, two checks are forfeited. If more than 90 consecutive days, the recipient is disqualified for a 12 month period.

Other causes for disqualification are outlined in 2AAC 40.110 (see attached regulations).

2 AAC 40.090. NOTICE AND MEASUREMENT OF ABSENCE FROM THE STATE. (a) A recipient must notify the administrator before leaving the state if an absence of more than 30 days is planned. After an absence from the state which exceeds 30 days, the recipient shall notify the administrator within 30 days after his return of the exact date of his departure and return.

(b) For the purposes of this section, the day after departure from the state is considered the first day of absence; the day before the day of return is considered the last day of absence. (Eff. 9/13/81, Register 79)

Authority: AS 47.45.030
AS 47.45.100(1)

2 AAC 40.100. INTERRUPTION OF BONUSES TO UNQUALIFIED PERSONS. (a) A bonus will not be paid for the period during which a recipient is unqualified for any of the following reasons:

- (1) absence from the state for more than 30 consecutive days;
- (2) confinement in a mental health institution as provided in AS 47.45.070, except as provided in 2 AAC 40.010(b);
- (3) confinement in a correctional institution as provided in AS 47.45.070; or
- (4) residence in a nursing home as provided in AS 47.45.070(2), except as provided in 2 AAC 40.010(b).

(b) The administrator will send written notice to the recipient within 15 days after receipt of information showing the recipient to be unqualified.

(c) Bonus payments will resume upon reapplication by the recipient showing that he meets the eligibility requirements established in this chapter. (Eff. 9/13/81, Register 79; am 6/19/85, Register 95)

Authority: AS 47.45.030
AS 47.45.070
AS 47.45.100(1)

2 AAC 40.110. CAUSES FOR DISQUALIFICATION. (a) The commissioner of administration will disqualify a recipient for a period of 12 months after the date on which the recipient would otherwise be qualified to receive bonuses if the recipient is absent from the state for one or more of the following periods, unless the commissioner of administration determines that the absence was beyond control of the recipient:

- (1) absence from the state for more than 90 consecutive days;
- (2) interrupted absences from the state over a period of more than 90 days without being present in the state for at least 30 consecutive days between the first day of the first absence and the last day

of the last absence, except that no absence of 30 days or less will be considered in calculating total absence;

(3) absence from the state for more than 90 days in a 12-month period, except that no absence of 30 days or less will be considered in calculating total absence.

(b) In computing the period of absence for possible disqualification under (a) of this section, the administrator will consider as beyond the recipient's control the days during which the recipient or his spouse or other dependent was hospitalized or, as part of a medical treatment, advised by a physician not to travel. The recipient must document the number of days to be excluded from the total period of absence by hospital bills, other hospital records or his physician's written statement.

(c) The commissioner of administration will permanently disqualify a recipient from receiving bonuses if the recipient obtains one or more bonuses to which he is not entitled by

- (1) failing to notify the administrator within 30 days after his return of his absence from the state for a period of more than 30 consecutive days;
- (2) receiving bonuses or sending reapplication stubs with the assistance of a second party during a time when the recipient is unqualified for a bonus; or
- (3) making a knowing false statement in support of an application or reapplication for a bonus.

(d) A recipient who is disqualified under (c) of this section shall make restitution to the program for bonus payments he received to which he was not entitled. (Eff. 9/13/81, Register 79; am 6/19/85, Register 95)

Authority: AS 47.45.030 AS 47.45.070(4)
AS 47.45.040 AS 47.45.100(1)

2 AAC 40.115. TRANSITION RULES REGARDING ABSENCES. (a) A recipient whose absence from the state began before June 9, 1985, will not be disqualified under 2 AAC 40.110(a)(1) or (2) unless the absence exceeds 180 days.

(b) For the purpose of calculating the 12-month period in 2 AAC 40.110(a)(3), a recipient will be disqualified for absence exceeding 180 days during a 12-month period ending before June 9, 1985, or, if the recipient was out of the state on June 8, 1985, the 12-month period ending with the recipient's return to the state. A recipient will be disqualified for absence exceeding 90 days during the 12-month period beginning on June 9, 1985, or, if the recipient was out of the state on June 8, 1985, beginning the day after the recipient's return to the state. (Eff. 6/19/85, Register 95)

Authority: AS 47.45.030
AS 47.45.070(4)
AS 47.45.100(1)

2 AAC 40.120. PROCEDURES FOR DISQUALIFICATION. If the administrator obtains information tending to show that a recipient should be disqualified, he will

(1) immediately notify the recipient by certified mail, return receipt requested

(A) of the reason for the proposed disqualification;

(B) of the duration and effective date of the proposed disqualification, which will be no sooner than 30 days after the mailing of the notice; and

(C) that within 30 days after the date of mailing of the notice the recipient

(i) may submit evidence in writing to show that an absence from the state was beyond his control or that for any other reason, he should not be disqualified; and

(ii) if evidence is submitted under (i) of this subparagraph, may request a hearing on the question of the proposed disqualification;

(2) grant a hearing in accordance with 2 AAC 40.070 to a recipient who requests a hearing and offers evidence to show that he should not be disqualified; and

(3) notify the recipient in writing within 30 days after the hearing or after the receipt of the recipient's evidence if there is no hearing

(A) if the recipient is disqualified, of the reasons for and the effective date and duration of the disqualification, of the steps necessary for qualification, and of his right to appeal the decision under AS 47.45.060 within 30 days after the mailing of the notice; or

(B) if the recipient is not disqualified, of the reasons for the decision and of his right to receive bonuses withheld as a result of the proposed disqualification. (Eff. 9/13/81, Register 79)

Authority: AS 47.45.040
AS 47.45.050
AS 47.45.100(1)

2 AAC 40.130. REAPPLICATION FOLLOWING DISQUALIFICATION OR INTERRUPTION OF BENEFITS. (a) A recipient whose benefits are interrupted because of an absence from the state of more than 30 days must reapply to the administrator within 30 days after his return to the state.

(b) A recipient whose benefits are interrupted because of confinement in a mental institution must reapply to the administrator within 30 days after his release from confinement.

(c) A recipient whose benefits were interrupted because of confinement in a correctional institution must reapply for benefits by providing the administrator with a copy of his release from confinement within 30 days after his release from confinement.

(d) If a recipient remains in the state less than 30 days after receipt of his first bonus following an absence of more than 30 days, he forfeits the bonus received. The recipient must return the bonus to the administrator, or the administrator will withhold the next bonus for which the recipient becomes eligible.

(e) A recipient who is disqualified because of an absence described in 2 AAC 40.110(a) may qualify for reinstatement by remaining in the state continuously for a period of 12 months. The recipient must apply in writing for reinstatement of monthly payments upon completion of the 12-month period.

(f) A recipient whose benefits were interrupted because of residence in a nursing home must reapply to the administrator within 30 days after leaving the nursing home in order to be eligible for a bonus during the first month after that change of residence. (Eff. 9/13/81, Register 79; am 6/19/85, Register 95)

Authority: AS 47.45.070(2)
AS 47.45.100(1)

2 AAC 40.140. FINAL TERMINATION. (a) The administrator will discontinue sending bonus payments to a recipient if the administrator receives notice that the recipient is deceased or has discontinued residency in the state.

(b) A bonus payment issued for a month after the month of the recipient's death must be returned to the administrator.

(c) A bonus payment issued for a month after the month during which the recipient last resided in the state must be returned to the administrator. (Eff. 9/13/81, Register 79)

Authority: AS 47.45.100(1)
AS 47.45.130

2 AAC 40.150. ACCESS TO FILES. (a) The administrator shall, upon the request of an applicant or recipient or his legal representative, and within the time limits prescribed in 6 AAC 95.070, send the applicant, recipient, or legal representative a copy of the information contained in the applicant's or recipient's file without charge for the cost of the copy or postage.

(b) Personal information contained in an applicant's or recipient's file held by the administrator will not be made available to the public without written authorization by the applicant or recipient. (Eff. 9/13/81, Register 79; am 10/8/82, Register 84)

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB90

Revision Date: _____ Department Affected: Administration
 Title: "An act relating to qualifications for a Longevity Bonus
for a Longevity Bonus BRU: Longevity Bonus
 Component: Grants
 Sponsor: Senator Rodey
 Requestor: Senator Rodey COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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	539.5	961.1	1,008.2	1,054.6	1,097.9	1,137.4
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	539.5	961.1	1,008.2	1,054.6	1,097.9	1,137.4
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	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

Estimate of current year impact: \$0.0

ANALYSIS: (Attach a separate page if necessary.)

(SEE ATTACHED)

Prepared By: Bruce Aronson Phone: 465-4400
 Division: Pioneers' Benefits Date: 2/4/91

Approved by Commissioner: Millett Keller
 Agency: Administration Date: 2/4/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB90

Revision Date: _____ Department Affected: Administration
 Title: "An act relating to qualifications BRU: Longevity Bonus
for a Longevity Bonus Component: Grants
 Sponsor: Senator Rodey
 Requestor: Senator Rodey COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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	539.5	961.1	1,008.2	1,054.6	1,097.9	1,137.4
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	539.5	961.1	1,008.2	1,054.6	1,097.9	1,137.4
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	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

Estimate of current year impact: \$0.0

ANALYSIS: (Attach a separate page if necessary.)

(SEE ATTACHED)

Prepared By: Bruce Aronson Phone: 465-4400
 Division: Pioneers' Benefits Date: 2/4/91
 Approved by Commissioner: Millett Keller
 Agency: Administration Date: 2/4/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Fiscal Note - Senate Bill 90

The bill expands the length of time for allowable absences from Alaska and unlike the status quo, continues payments for up to 90 days when recipients are absent from Alaska. This will increase the Longevity Bonus Program's expenses.

Assumptions:

1. Based on a review of the past eight months of bonus payments, 1.67% of recipients missed only one warrant, .63% missed two warrants, and .12% missed three warrants. Applying these percentages to the approximately 20,000 recipients yields the following:

# Recipients	Warrants Missed	Cost
334	1	\$83,500
126	2	\$63,000
24	3	\$18,000
	Total	\$164,500

2. There are perhaps 250 potential recipients eligible for the program under the proposed legislation, and they may change their absences behavior to conform to the new rules. About one-half of these potential recipients may be eligible for 12 payments the first year. If so, the program would be expanded by the following amount the first year:

# Recipients	Warrants Missed	Cost
124	12	\$375,000
	Total	\$375,000

3. The total cost for FY '92 is estimated to be the sum of totals for one and two above, \$539,500, and the number of recipients would be inflated over time by about 5.1% the first year, 4.9% the second year, 4.6% the third year, 4.1% the fourth year, and 3.6% the fifth year (per Department of Labor estimates for the senior population).

bb1/0204.b

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB90

Revision Date: _____ Department Affected: Health & Social Services
 Title: "An Act relating to qualification for BRU: Assistance Payments
a longevity bonus." Component: Old Age Assistance - Alaska Longevity
 Sponsor: Rodey Bonus Hold Harmless
 Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

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

Estimate of current year impact: No fiscal impact

ANALYSIS: (Attach a separate page if necessary.)

If there is any fiscal impact on the OAA-ALB Hold Harmless program, it will be too small to measure.

Prepared By: Jan J. Hansen, Director Phone: 465-3347
 Division: Division of Public Assistance Date: 2/4/91

Approved by Commissioner: [Signature]
 Agency: Department of Health & Social Services Date: 2/4/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).