

**HB**

**162**

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB162  
 (H) Publish Date: 3/22/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title: "An act relating to absences under the  
longevity bonus program." BRU: Longevity Bonus  
 Component: Longevity Bonus Grants  
 Sponsor: (H)HESS  
 Requester: (H)STA Component Number: 26

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(146.7)	(136.8)	(127.5)	(118.9)	(110.8)	(103.3)
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>(146.7)</b>	<b>(136.8)</b>	<b>(127.5)</b>	<b>(118.9)</b>	<b>(110.8)</b>	<b>(103.3)</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(146.7)	(136.8)	(127.5)	(118.9)	(110.8)	(103.3)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>(146.7)</b>	<b>(136.8)</b>	<b>(127.5)</b>	<b>(118.9)</b>	<b>(110.8)</b>	<b>(103.3)</b>

Estimate of any current year (FY2001) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal: \_\_\_\_\_

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
  
 See Page 2 for Bill Analysis.

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 Division: Division of Alaska Longevity Programs Date/Time 03/21/01  
 Approved by: Jim Duncan, Commissioner Date 3/21/01  
 Agency: Department of Administration

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## Bill Analysis HB 162

### Section 1:

The average longevity bonus (ALB) check is \$221. There were 1,305 ALB recipient absences between 31 and 60 days in CY 2000. If the program issued a check for each of those absences the additional cost would be \$288.4. This is the cost associated with Section 1 of the bill.

### Section 2:

If 10% of ALB recipients were absent for 30 days more than the current allowable absence they would forego one additional check and the program would save an estimated \$435.1.

The cost of ALB payments between calendar years 1997 - 2000 decreased an average of 6.767%. This percentage decrease has been applied to the FY 2002 estimated increment for each of the out years.

Section 1 cost =	\$288,405	(1,305 X 221).
Section 2 savings =	(\$435,149)	(19,690 X .10 X 221).
Net Year 2002	(S146,744)	

# ALASKA STATE LEGISLATURE



REPRESENTATIVE GRETCHEN GUESS

## SECTIONAL ANALYSIS HB 162

"An Act relating to absences from the state under the longevity bonus program."

### Section 1:

Amends AS 47.45.030(a) by increasing the allowable paid absence from 30 to 60 consecutive days. Longevity bonus recipients would be required to report absences exceeding 60 days.

### Section 2:

Amends AS 47.45.030 by adding a new subsection (c) which would permanently disqualify a recipient who remains absent from the state for a continuous period exceeding five years.

### Section 3:

Amends AS 47.45.070(a)(4) by eliminating the 90 day consecutive rule and altering requirements to five years, which would qualify or permanently disqualify a recipient under AS 47.45.030(c).

(a)(6) is altered to read an unqualified person is one who was found qualified to receive a longevity bonus and was subsequently permanently disqualified under former AS 47.45.030(b) or former AS 47.45.045 (these sections are repealed).

(a)(6) eliminates the disqualification of a recipient who left the state for 12 consecutive months or more, and who did not reapply before January 01, 1997.

### Section 4:

Repeals sections AS 47.45.030(b), 47.45.035, and 47.45.045.

## Sponsor Statement HB 162

"An Act relating to absences from the state under the longevity bonus program"

### **Purpose**

This bill changes two longevity bonus date clauses. First, it increases the allowable paid absence from 30 to 60 consecutive days. Second, it extends the unpaid sabbatical from 90 consecutive days to five years.

### **Background**

Recipients of the longevity bonus are people who were at least 65 years of age who resided in the state for at least one year immediately preceding application for a longevity bonus no later than December 31, 1996.

By increasing the allowable paid absence from 30 to 60 days seniors would be able to leave the state for up to 60 days while continuing to receive their longevity bonus. We have heard from many seniors who want to drive out of state to visit their family or need to leave and take care of a family and cannot because of the current 30-day restriction.

Extending the unpaid sabbatical from 90 days to five years would respond to another senior concern. Often either because of the winters, medical treatment, or extended trips to take care of family, longevity bonus recipients leave the state for extended periods of time. Currently, they lose their eligibility for the program if they leave for more than a total of 180 days out of the year or 90 days at one time. Due to this restriction many seniors fly back every 90 days to keep their eligibility. Extending the unpaid leave to five years would allow seniors to leave the state for up to five years without being dropped from the program.

### **Summary**

The longevity bonus is extremely important to many of its recipients, especially those who are low income. By extending the allowable paid absence to 60 days and by extending the unpaid sabbatical to five years, seniors would be able to leave the state without a penalty.