

HB

79



HOUSE JUDICIARY COMMITTEE

STATE CAPITOL, ROOM 120
(907) 465-4990

COMMITTEE MEMBERS

Rep. Jay Ramras
Chairman
Room, 118
(907) 465-3004

Rep. Nancy Dahlstrom
Vice-Chairman
Room 409
(907) 465-3783

Rep. John Coghill
Room 214
(907) 465-3719

Rep. Bob Lynn
Room 104
(907) 465-4931

Rep. Ralph Samuels
Room 204
(907) 465-2095

Rep. Max Gruenberg
Room 110
(907) 465-4940

Rep. Lindsey Holmes
Room 405
(907) 465-4919

MEMORANDUM

Date: April 17, 2007

To: Representative Kevin Meyer
Co-Chairman House Finance Committee

From: Representative Jay Ramras
Chairman House Judiciary Committee

Re: Referral File HB79

Please accept this memo as the referral file for HB79. Attached are the following documents:

- CSHB79(JUD) 25-LS0359\L
- Amendment #1 offered in HJUD
- Fiscal Notes
 - HSS – Longevity Bonus Grants
 - HSS – Management
 - HSS – Hold Harmless
- CSHB79(STA) 25-LS0359\K
- Sponsor Statement
- House Judiciary Committee Report
- Sectional Analysis
- HB79 (25-LS0359\A
- Legal opinions
- Background
- Support
- Applicable Statutes

ADOPTED

25-LS0359\K.1
Cook
4/16/07

AMENDMENT #1

OFFERED IN THE HOUSE
TO: CSHB 79(STA)

BY REPRESENTATIVE LYNN

- 1 Page 1, line 14, through page 2, line 1:
- 2 Delete all material and insert:
- 3 "(3) is a resident under AS 01.10.055 on the day the reapplication form is
- 4 signed and dated by the applicant."

**Fiscal Notes
For House Bill 79**

Longevity Bonus Reapplications

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: HB079CS(STA)-DHSS-DPA1-04-
 Bill Version: CS HB 79 (STA)
 () Publish Date: _____

Revision Date/Time (Note if correction): April 13, 2007
 Title LONGEVITY BONUS REAPPLICATIONS

Dept. Affected: Health & Social Services
 RDU Alaska Longevity Bonus Programs
 Component Longevity Bonus Grants

Sponsor LYNN
 Requester HOUSE (JUD)

Component No. 26

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	29,430.3	27,566.8	24,656.5	22,061.6	19,563.4	17,156.7
Miscellaneous						
TOTAL OPERATING	29,430.3	27,566.8	24,656.5	22,061.6	19,563.4	17,156.7

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	29,430.3	27,566.8	24,656.5	22,061.6	19,563.4	17,156.7
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	29,430.3	27,566.8	24,656.5	22,061.6	19,563.4	17,156.7

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This proposed legislation reinstates the Alaska Longevity Bonus (ALB) payments for individuals who were qualified to receive them before January 1, 1997, and who received a payment in June 2003 when funding for the program ended. To qualify for the ALB, individuals must reapply for the program before January 1, 2008, and be a resident of the state under AS 01.10.055 on the day the reapplication is signed and dated.

Prepared by: Ellie Fitzjarrald, Director
 Division: Public Assistance
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5847
 Date/Time 04/13/2007
 Date 04/13/2007

**FISCAL NOTE
FN #**

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

ANALYSIS CONTINUATION

Analysis Assumptions

- * This fiscal note assumes legislation will be effective and ALB payments will begin with the benefit month July 2007.
- * Reapplication for the ALB will only be accepted if received before January 1, 2008.
- * 12,631 former ALB recipients may be eligible to qualify for the ALB in FY08: 95% or approximately 11,999 seniors will be eligible and 5% or 631 potential ALB recipients will not qualify for the ALB because they do not meet the program's residency requirements or will not apply.
- * The average ALB payment is \$212/month as the amount of the benefit ranged from \$100 to \$250 depending on time of previous entry into the program.
- * An ALB recipient may not accrue an ALB payment for more than two months before the date of application in accordance with AS 47.45.080.
- * The number of months a person may receive ALB payments in FY08 will vary depending on date of application, as shown in the chart below.
- * Program expenditures for FY09 through FY13 will decline each year as eligible seniors move away, enter nursing homes, or expire.

Benefit Amount Calculations FY08:

Percent of Appli-cants	Approx Number Appli-cants	Must apply by	May be paid retro-active to	Number months benefits FY08	Average Month Benefit Amount	Total FY08 Benefit Payments
70%	8,842	9/1/2007	7/1/2007	12	\$ 212	\$ 22,494.0
15%	1,895	10/1/2007	8/1/2007	11	\$ 212	\$ 4,419.0
5%	632	11/1/2007	9/1/2007	10	\$ 212	\$ 1,339.8
4%	505	12/1/2007	10/1/2007	9	\$ 212	\$ 963.5
1%	126	1/1/2008	11/1/2007	8	\$ 212	\$ 213.7
5%	-631	(will not meet residency criteria or will not apply)				\$ 0.0
Total	11,999	Average Benefit Amount= \$212.44 Rounded to \$212				\$ 29,430.3

FY09 through FY13:

	Approx Number Recipients	Total Benefit Payments
FY09	10,836	\$27,566.8
FY10	9,692	\$24,656.5
FY11	8,672	\$22,061.6
FY12	7,690	\$19,563.4
FY13	6,744	\$17,156.7

FISCAL NOTE
FN #

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Note: We assume that if the SeniorCare program is reauthorized (or replaced), seniors will need to choose to receive payments from the Alaska Longevity Bonus or from the SeniorCare program. Seniors who choose to receive the Alaska Longevity Bonus will not qualify for SeniorCare or its replacement program. The cost for the Alaska Longevity Bonus will decrease by the number of seniors who choose to receive benefits from SeniorCare or its replacement program.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: HB079CS(STA)-DHSS-DPA2-04-
 Bill Version: CS HB 79 (STA)
 () Publish Date: _____

Revision Date/Time (Note if correction): April 13, 2007
 Title: LONGEVITY BONUS REAPPLICATIONS

Dept. Affected: Health & Social Services
 RDU: Alaska Longevity Bonus Programs
 Component: Alaska Longevity Programs Management

Sponsor: LYNN
 Requester: HOUSE (JUD)

Component No. 2672

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	240.0	240.0	240.0	240.0	240.0	240.0
Travel	7.5	7.5	7.5	7.5	7.5	7.5
Contractual	66.5	66.5	66.5	66.5	66.5	66.5
Supplies	36.0	36.0	36.0	36.0	36.0	36.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	350.0	350.0	350.0	350.0	350.0	350.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	350.0	350.0	350.0	350.0	350.0	350.0
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	350.0	350.0	350.0	350.0	350.0	350.0

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	3	3	3	3	3	3
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This proposed legislation reinstates the Alaska Longevity Bonus (ALB) payments for individuals who were qualified to receive them before January 1, 1997, and who received a payment in June 2003 when funding for the program ended. To qualify for the ALB, individuals must reapply for the program before January 1, 2008, and be a resident of the state under AS 01.10.055 on the date the reapplication is signed.

Prepared by: Ellie Fitzjarrald, Director
 Division: Public Assistance
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5847
 Date/Time 04/13/2007
 Date 04/13/2007

**FISCAL NOTE
FN #**

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

**ANALYSIS CONTINUATION
Administrative Costs for the Alaska Longevity Bonus Program**

This fiscal note represents the administrative costs for the Alaska Longevity Bonus program.

Assumptions:

- * In FY08, the Department estimates 12,631 former ALB recipients may be eligible to qualify for the ALB: 95% or approximately 11,999 will apply by January 1, 2008.
- * We estimate three positions are needed to manage the Alaska Longevity Bonus program: One Program Coordinator (Range 20); one Project Assistant (Range 16), and one Eligibility Technician (Range 13). These positions will be responsible for the overall administration of the program, including the initial and ongoing determination of eligibility.
- * In May 2007, DPA will begin notifying seniors about the new program and accepting applications. The first payments will be issued after July 2007.

Administrative Costs: \$350.0

- * Personal Services (3 positions): \$240.0
- * Travel (to support employee training, marketing, outreach): \$7.5
- * Contractual: \$66.5
- * Supplies: \$36.0

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: HB079CS(STA)-DHSS-DPA3-04-
 Bill Version: CS HB 79 (STA)
 () Publish Date: _____

Revision Date/Time (Note if correction): April 13, 2007
 Title: LONGEVITY BONUS REAPPLICATIONS

Dept. Affected: Health & Social Services
 RDU: Alaska Longevity Bonus Programs
 Component: Longevity Bonus Hold Harmless

Sponsor: LYNN
 Requester: HOUSE (JUD)

Component No. 2858

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	1,509.6	1,639.4	1,475.4	1,320.5	1,310.2	1,153.0
Miscellaneous						
TOTAL OPERATING	1,509.6	1,639.4	1,475.4	1,320.5	1,310.2	1,153.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,509.3	1,639.4	1,475.4	1,320.5	1,310.2	1,153.0
1037 GF/Mental Health						
Other(Specify Type do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOT/L	1,509.6	1,639.4	1,475.4	1,320.5	1,310.2	1,153.0

Estimate of any current year (FY2007) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This proposed legislation reinstates the Alaska Longevity Bonus (ALB) payments for individuals who were qualified to receive them before January 1, 1997, and who received a payment in June 2003 when funding for the program ended. To qualify for the ALB, individuals must reapply for the program before January 1, 2008, and be a resident of the state under AS 01.10.055 on the day the reapplication is signed and dated.

Prepared by: Ellie Fitzjarrald, Director
 Division: Public Assistance
 Approved by: Karleen Jackson, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5847
 Date/Time 04/13/2007
 Date 04/13/2007

FISCAL NOTE
FN #

STATE OF ALASKA
2007 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Hold Harmless

Alaska Longevity Bonus (ALB) Hold Harmless expenditures were determined by matching former ALB recipients against existing Adult Public Assistance recipients who also receive federal SSI benefits. This hold harmless amount is equal to the amount of SSI benefits that would be lost when the ALB payments are counted as income for the federal program.

Federal law governing the administration of Supplemental Security Income (SSI) program requires the Alaska Longevity Bonus be counted as income when determining federal SSI benefits. Under AS 47.45.122, the ALB Hold Harmless replaces the SSI benefits that are denied. As the number of ALB/SSI recipients decrease, the benefits paid will also decrease, as does the Hold Harmless.

Alaska State Legislature

Chairman
State Affairs Committee

Vice-Chairman
Economic Development, Trade & Tourism
Committee

Member
Judiciary Committee
Joint Armed Services Committee

Finance Subcommittees



A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

E-Mail: Representative_Bob_Lynn@legis.state.ak.us
"Bob Lynn's Alaska Blog" RepBobLynnBlog.com

Session:
Alaska State Capitol
Juneau, AK 99801-1182

Phone: (907) 465-4931
Fax: (907) 465-4316
Toll Free: (800) 870-4391

Interim:
716 W. 4th Ave., #650
Anchorage, AK 99501-2133

Phone: (907) 269-0205
Fax: (907) 269-0207

Sponsor Statement for HB 79

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

Governor Sarah Palin has included funding for the Longevity bonus program in her FY 2008 budget request. Alaska senior citizens who qualified for the program before funding was eliminated four years ago could be receiving their monthly bonus payments again.

However, without passage of House Bill 79, there will be a problem for them under the current law. When the checks stopped arriving after June of 2003, recipients stopped filing the required monthly applications for payments, thereby unintentionally violating the "continuous eligibility procedures" of the program.

HB 79 changes the statute to create a new application to allow formerly eligible recipients to reapply for their monthly bonus payments if the program is funded again.

This bill also requires qualified applicants to reapply before Jan. 1, 2008. And it directs the Department of Health and Social Services to prepare reapplication forms and to check for evidence of eligibility for a longevity bonus.

Under HB 79, those who qualify will be able to reapply for the same monthly bonus payments that they were getting before the program stopped being funded four years ago.

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 12, 2007

FURTHER REFERRALS: Finance

Date of Committee Action: _____

The JUDICIARY Committee considered:

HB 79

HOUSE BILL NO. 79

LONGEVITY BONUS REAPPLICATIONS

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

Recommends it be replaced with HCS or CS for _____ (_____)

For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HSS
 LEG
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW</u> FISCAL NOTES				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

<u>PREVIOUS</u> FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Brewster	-			
	LYNN	X			
	Coakitt				
	Williamson			X	
	Holmes	X			
Chair:	KAMPAS			X	
Chair:					

Alaska State Legislature

Chairman
State Affairs Committee

Vice-Chairman
Economic Development, Trade & Tourism
Committee

Member
Judiciary Committee
Joint Armed Services Committee

Finance Subcommittees



A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

E-Mail: Representative_Bob_Lynn@legis.state.ak.us
"Bob Lynn's Alaska Blog" RepBobLynnBlog.com

Session:
Alaska State Capitol
Juneau, AK 99801-1182

Phone: (907) 465-4931
Fax: (907) 465-4316
Toll Free: (800) 870-4391

Interim:
716 W. 4th Ave., #650
Anchorage, AK 99501-2133

Phone: (907) 269-0205
Fax: (907) 269-0207

Sectional Analysis for CSHB 79(STA): Longevity Bonus Reapplications

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

- Section 1(a)** Allows qualified applicants who received a monthly longevity bonus payment in June of 2003 to reapply to the state for monthly payments, and not be disqualified for failing to follow the requirements of the "continuous eligibility procedures" under AS 47.45.020 and AS 47.45.010(a).
- Section 1(b)** Requires a qualified applicant to file a reapplication before January 1, 2008. Directs the Department of Health and Social Services to prepare a reapplication form and to check for evidence of eligibility for a longevity bonus.
- Section 1(c)** Allows the person who reapplies and meets the requirements of (a) of this section to reapply for monthly bonus payments that were for the same amount they were getting under the program before the payments were stopped after June of 2003.
- Section 2** Sets an effective date of July 1, 2007.

**Legal Opinions
For House Bill 79**

Longevity Bonus Reapplications

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 8, 2007

SUBJECT: Re. statement of the longevity bonus program (HB 79)

TO: All members of the House State Affairs Committee, and
All members of the House Judiciary Committee

FROM: Tamara Brandt Cook
Director *TBC*

Enclosed is a copy of the Orders in the case Maggard v. Sipe, Superior Court, Third Judicial District, Case No. 3AN-94-03935 CI, June 6, 1996, and July 9, 1996, upholding the statute that established the "stair step" phase out of the longevity bonus program. This is being sent to you at the request of Representative Max Gruenberg.

TBC:ljw
07-063.ljw

Enclosure

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT

RECEIVED

JUN 10 1996

Attorney General's Office
Juneau

MURREL MAGGARD, an individual
on his own behalf; and
MURREL MAGGARD, for and on behalf
of all others similarly situated,

Plaintiffs,

vs.

CONNIE SIPE, Director, Division
of Senior Services, Alaska
Department of Administration,
State of Alaska; and Does 1
through 25,

Defendants.

FILED IN THE TRIAL COURTS
State of Alaska, Third District

JUN 06 1996

Clerk of the Trial Courts

By [Signature] Deputy

Case No. 3AN-94-03935 CI

ORDER

Murrel Maggard, for himself and as named plaintiff of the plaintiff class, challenges the constitutionality of the 1993 Amendment to the statutes governing Alaska's Longevity Bonus Program, A.S. 47.45, on the grounds that the amendment violates the Equal Protection clause of the Fourteenth Amendment to the U.S. Constitution and the Equal Rights clause of the Alaska Constitution, Art. I, Sec. 1.

The parties have filed cross motions for summary judgment. Having reviewed all of the motions, corresponding oppositions and replies, and supporting evidence, IT IS HEREBY ORDERED that Defendants' Motion for Summary Judgment is GRANTED, and Plaintiffs' Motion for Summary Judgment is DENIED.

A memorandum supporting this order will be issued at a later time.

Done at Anchorage, this 6th day of June, 1996.

I certify that on 6/6/96
a copy of the above was mailed to each
of the following at their addresses of
record:

[Signature]
[Signature]

Secretary/Deputy Clerk

[Signature]
Brian Shortell
Superior Court Judge

RECEIVED

JUL 15 1996

Attorney General's Office
Juneau

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT

FILED IN THE TRIAL COURTS
State of Alaska, Third District

JUL 09 1996

Clerk of the Trial Courts

By *[Signature]* Deputy

MURREL MAGGARD, an individual
on his own behalf; and
MURREL MAGGARD, for and on behalf
of all others similarly situated,

Plaintiffs,

vs.

CONNIE SIPE, Director, Division
of Senior Services, Alaska
Department of Administration,
State of Alaska; and Does 1
through 25,

Defendants.

Case No. 3AN-94-03935 CI

ORDER

Murrel Maggard ["Maggard"], for himself and as named plaintiff of the plaintiff class, has challenged the constitutionality of the 1993 Amendment to the statutes governing Alaska's Longevity Bonus Program, A.S. 47.45, on the grounds the amendment violates the Equal Protection clause of the Fourteenth Amendment to the U.S. Constitution and the Equal Rights clause of the Alaska Constitution, Art. I, Sec. 1. The parties filed cross motions for summary judgment, and in a previous order dated June 6, 1996, I granted Defendants' Motion for Summary Judgment. This opinion accompanies my order of June 6, 1996.

BACKGROUND INFORMATION

The Longevity Bonus Program ["LBP"] was established in 1972; it provides a monthly stipend to eligible senior citizens residing in Alaska. Initially, participation in the LBP was limited to those persons with 25 consecutive years of residency in Alaska. This limitation was held unconstitutional by the Alaska Supreme Court in Schafer v. Vest, 680 P.2d 1169 (Alaska 1984). As a result of the Court's decision in Vest, the Alaska State Legislature amended the statutes governing the LBP so that any person who was age 65 or older and an Alaskan resident

for at least one year could receive a monthly bonus from the state.

In 1993 the legislature decided to terminate the LBP. Rather than terminate the entire program immediately, however, the legislature chose to phase it out gradually, and "grandfathered in" current bonus recipients, and, at a reduced level, those future bonus recipients who would first become eligible and apply for the bonus by the end of 1996.

The 1993 Amendment completely grandfathered in anyone receiving a bonus at the end of 1993. This group of people would continue to receive \$250 every month for life (assuming eligibility). Persons first becoming eligible and applying for the bonus in 1994 would receive \$200 per month for life, instead of \$250. Those first eligible and applying in 1995 would receive \$150 per month for life, and those first eligible and applying in 1996 would receive \$100 per month for life. Those persons not eligible by the end of 1996, or those who may be eligible but who fail to apply by the end of 1996, are not eligible to receive benefits under the program. Thus, as of January 1, 1997, the LBP will continue to pay bonuses to those already in the program, but will not be open to any new participants.

The challenged amendment creates the following five classes of persons:

- (1) persons who receive \$250 per month;
- (2) persons who receive \$200 per month;
- (3) persons who receive \$150 per month;
- (4) persons who receive \$100 per month; and
- (5) persons who receive nothing.

DISCUSSION

A. Alaska Equal Protection Analysis.

Alaska has developed a "sliding scale" approach to equal protection questions. Alaska Pacific Assurance Co. v. Brown, 687 P.2d 264, 269 (Alaska 1984). As a preliminary determination, if federal constitutional questions are involved, such as fundamental rights or suspect categories, the federal "strict scrutiny" test is applied. State v. Erickson, 574 P.2d 1, 11 (Alaska 1978). This test requires a compelling state interest. Id. If no fundamental rights or suspect classes are at issue, a flexible, sliding-scale analysis is used. Alaska Pacific

Insurance Co., 687 P.2d at 269. This approach places "a greater or lesser burden on the state to justify a classification depending on the importance of the individual right involved." Id.

A three-step analysis is employed:

First, it must be determined . . . what weight should be afforded the constitutional interest impaired by the challenged enactment. The nature of this interest is the most important variable in fixing the appropriate level of review.

Second, an examination must be undertaken of the purposes served by a challenged statute. Depending on the level of review determined, the state may be required to show only that its objectives were legitimate, at the low end of the continuum, or at the high end of the scale, that the legislation was motivated by a compelling state interest.

Third, an evaluation of the state's interest in the particular means employed to further its goals must be undertaken. . . . At the low end of the sliding scale, we have held that a substantial relationship between means and ends is constitutionally adequate. At the higher end of the scale, the fit between the means and ends must be much closer. If the purposes can be accomplished by a less restrictive alternative, the classification will be invalidated.

Alaska Pacific Assurance Co., 687 P.2d at 269-70.

L. Nature of the Interest.

The first and most important step in the equal protection analysis is to determine the nature of the interest impaired by the challenged enactment. In the instant case, the interest at issue is the right to receive a longevity bonus of \$250. It would be difficult to say that the bonus is anything more than a government monetary benefit. The right to receive a bonus from the state is not an entitlement, it is not based on need and therefore could not be considered a basic necessity, and the right to receive it is not a fundamental right. It is best categorized as merely an economic interest. As such, it is entitled only to minimum protection under Alaska's equal protection analysis. State v. Anthony, 810 P.2d 155, 158 (Alaska 1991).

Maggard concedes that relatively little weight is afforded mere economic interests. He argues, however, that the amendment impacts a much greater interest, the constitutional right to travel, or migrate, and that the "impact of the statute on such a weighty interest should cause the court to insist that the fit between the classifications and the hardship suffered by the elderly be close." (Maggard's Memorandum of Points and Authorities in Support of Plaintiff's Motion

for Summary Judgment ["Maggard's Memo"] at 9-10.) Maggard suggests that the LBP amendment imposes durational residency requirements, which often trigger a higher level of scrutiny and, as a result, have often been found to be unconstitutional.

I find Maggard's argument unpersuasive for several reasons. First, the LBP amendment does not impose true durational residency requirements. A true durational residency requirement requires a person to be a resident for a specified number of years before he or she is eligible for whatever benefit or obligation is considered by the statute.

A good example of a true durational residency requirement is found in Williams v. Zobel, 619 P.2d 422 (Alaska 1980) ["Zobel I"], upon which Maggard heavily relies. In its simplest form, the challenged statute in Zobel I exempted from paying income tax anyone who had been an Alaskan resident for more than three years, while requiring newcomers to the state to pay income taxes for their first three years of residency. In Zobel I, the discrimination between taxpayers was based solely on years of residency; the statute had a true durational residency requirement.

In the instant case, the LBP amendment does not classify persons according to years of residency. Instead, it classifies them according to the year in which they (1) met all of the eligibility requirements (which includes both age and residency), and (2) applied for the bonus. This is not a durational residency requirement, and the effect is quite different. The distinction is illustrated by the state's following hypothetical: the LBP amendment will permanently disqualify from receiving the bonus a life-long Alaskan who is not 65 by the end of 1996 but will grant the bonus to someone who turned 65 and moved to the state in 1992.

Even focusing on just the residency factor, the LBP amendment still does not have a "durational" residency requirement, just a residency requirement. As the Court stated in Williams v. Zobel, 619 P.2d 448, 451 (Alaska 1980), *rev'd on other grounds*, 457 U.S. 55 (1982) ["Zobel II"],

A durational residency requirement, which draws a distinction between new and old residents based on the length of their residency, must be distinguished from

a residence requirement, which draws a distinction between residents and nonresidents.

The distinction is important because "a state has much more authority to draw distinctions between residents and nonresidents than between long- and short-term residents." Zobel II, 619 P.2d at 451 (citing Vlandis v. Kline, 412 U.S. 441, 452-53 (1973)).

Second, assuming arguendo that the challenged amendment imposes durational residency requirements, such requirements no longer automatically trigger "strict scrutiny" in Alaska, although they did at one time. In Zobel I, the Alaska Supreme Court expressly rejected a prior line of Alaska cases holding that durational residency provisions always trigger strict scrutiny, and instead utilized standard Alaska equal protection analysis. Zobel I, 619 P.2d at 426-27 ("We conclude now that durational residency requirements should be measured against the test discussed in Erickson.").

Within the framework of the equal protection analysis, the focus for analyzing durational residency requirements is clearly on whether, and to what extent, the operation of the requirement will have the effect of penalizing United States citizens for exercising their right to interstate migration. Zobel I, 619 P.2d at 431-32, and Zobel II, 619 P.2d at 457-58.

Using Zobel I and Zobel II as guides, it is clear that the amendment at issue does not penalize citizens for exercising their right to migrate. In Zobel I, the Court found that the tax statutes, which required new residents to pay income taxes for their first three years, penalized interstate migration. The Zobel II Court found that the PFD statutes did not penalize interstate migration. The Zobel II Court explained the different holdings as follows:

[The PFD statutes] cannot be said to "penalize" the right of interstate migration. In common sense terms, it is easy to see that the imposition of a tax primarily of new residents [referring to Zobel II], with older residents exempt, can be perceived as a penalty imposed on a person who chooses to exercise his or her right to move into Alaska. It is much more difficult to receive such a "penalty" here. The new resident does, in fact, receive financial gain for exercising his or her right to move into Alaska; and whatever "penalty" may accrue from the fact that this gain is not as large as that realized by a long-term resident we regard as de minimis.

Zobel II, 619 P.2d at 458.

The longevity bonus at issue in this case is more analogous to the PFD than to the tax statutes; the bonus is a grant of a benefit, such as the PFD, and not an imposition of tax. Accordingly, I find that the amendment does not impose a penalty on U.S. citizens for exercising their right to migrate. Because a penalty is not imposed, the amendment does not impinge on the right to travel.

In summary, therefore, I find that no federal constitutional issues are implicated by the amendment, that the amendment does not impinge on the right to travel, and that the nature of the right to receive a longevity bonus is merely an economic interest. As such, it is entitled only to minimum protection. Anthony, 810 P.2d at 158.

2. The State's Purpose.

Based on my finding that a person's interest in receiving a longevity bonus is reviewed at the low end of the scale, the state is required to show only that its objectives in enacting the LBP amendment were legitimate. Anthony, 810 P.2d at 158-59. It is not required to show that the purposes for which the amendment was enacted were carried out or effectively accomplished. Katmailand, Inc. v. Lake and Peninsula Borough, 904 P.2d 397, 401 (Alaska 1995).

Both parties agree that the state's overall purpose in changing the LBP program in 1993 was to save money; this is a legitimate state purpose. The parties offer different reasons, however, for the amendment's graduated grandfather provisions.

The state claims that its purpose in gradually phasing out the program while grandfathering in certain groups was to protect the interests of those who might have reasonably relied on receiving the bonus.

The purpose behind the grandfather provisions . . . is shown by Governor Hickel's letter to the legislature . . . [in which] [t]he governor explained that he was proposing a "phased elimination" of the LBP "because many Alaskans who will be reaching 65 in the next four years have counted on the bonus in planning for their retirement, and an abrupt termination of the program would not be fair."

State's Memorandum in Support of Defendant's Motion for Partial Summary Judgment and in Opposition to Plaintiff's Motion for Summary Judgment ["State's Memo"] at 9-10.

This is also a legitimate state purpose. "The protection of reasonable reliance interests is not only a legitimate governmental objective: it provides an exceedingly persuasive justification. . . ." Nordlinger v. Hahn, 505 U.S. 1, 13 (1992) (internal quotations omitted).

In order to effectively challenge the state's stated purpose, Maggard must present sufficient credible evidence disproving the factual basis for the state's justification. Katmailand, Inc., 904 P.2d at 401-02. This Maggard has failed to do. Maggard argues that the state's real purpose behind the grandfather provisions was simply to curry political favor in order to ensure successful passage of the amendment, but he presents no credible evidence supporting his position or contradicting the state's justification.

Therefore, I find legitimate the state's purpose of protecting the reliance interests of those receiving and expecting to receive longevity bonus payments.

3. Fair and Substantial Relationship.

The third and final step in Alaska's equal protection analysis is an evaluation of the state's interest in the particular means employed to further its goals. At the low end of the sliding scale, a fair and substantial relationship between means and ends is constitutionally adequate. Alaska Pacific Assurance Co., 687 P.2d at 269-70 (Alaska 1984). The fair and substantial standard is not a rigorous one. "Despite the language in Isakson v. Rickey, 550 P.2d 359, 362 (Alaska 1976), indicating that this court's lower level of scrutiny will be more rigorous and less deferential than the federal rational basis test, we have invalidated only two legislative enactments under the fair and substantial relationship test since Isakson." Anthony, 810 P.2d at 159.

The issue is whether a fair and substantial relationship exists between the state's goals (protecting the reasonable reliance interests of present and future recipients) and its chosen means (the grandfather clause). I conclude that the state's means bear a fair and substantial relationship to its goal. The state's goal in enacting the grandfather clause was to protect reliance interests. Naturally, the people with the greatest reliance interests were those receiving

the bonus at the time the amendment was enacted. They were appropriately grandfathered in completely, and will receive the same amount, \$250, for life. The people with the next greatest reliance interest were those expecting to receive the bonus beginning the next year, in 1994. Because these people had less of a reliance interest than those already receiving the bonus, they were grandfathered in at a lesser amount, \$200. This pattern continues consistently for those expecting to receive the bonus in 1995 and 1996. People who in 1993 were expecting to receive the bonus in 1997, four years into the future, had even less of a reliance interest than the other groups already mentioned, and it is reasonable to conclude that their reliance interests were insufficient to warrant protection.

By grandfathering in the full \$250 bonus for those already receiving it, the legislature fully protected the interests of those person who it could reasonably conclude most relied on it. . . . By grandfathering in a lesser bonus for those who would first become eligible and apply in 1994, 1995, and 1996, the legislature partially protected the interests of those persons who, it again could reasonably conclude, had a substantial but lesser reliance on the LBP. . . . Again, the key difference is the amount of time available to make the necessary adjustments.

State's Memo at 16-17.

I recognize that the fit between protecting reliance interests and the actual phases created by the state is not perfect. Maggard correctly points out that the amendment is both over- and under-inclusive and that the bonus goes to persons who have varying incomes, assets, and family ties. However, "[t]he fair and substantial relationship test does not require a perfect fit between a legislative classification and the government objective it is intended to further," Anthony, 810 P.2d at 159, it only requires that the fit be reasonable and not arbitrary. Keves v. Humana Hosp. Alaska, Inc., 750 P.2d 343, 357 (Alaska 1988). Such is the case here. As shown above, the classifications bear a reasonable and substantial relationship with the reliance interests the state sought to protect. The state adequately tailored the classifications to accomplish its purpose.

Therefore, I conclude that slowly phasing out the longevity bonus program by grandfathering in certain present and future recipients bears a fair and substantial relationship

to the goal of protecting the reliance interests of those who reasonably relied on receiving the bonus.

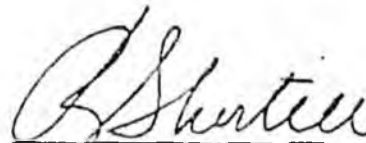
B. Federal Equal Protection Analysis.

I have already found that the amendment does not impinge on the right to travel, that no other fundamental rights are involved, and that no suspect classes are at issue. Furthermore, I have already found that an individual's interest in receiving a longevity bonus is entitled only to minimum protection. Therefore, given the fact that the federal equal protection clause is less protective of individual rights than Alaska's equal protection clause, and the federal equal protection analysis is less stringent, if the state's purpose and the relationship between means and ends satisfy the stricter Alaska standard, then they a fortiori meet the requirements of the less strict rational basis test. See Anthony, 810 P.2d at 162. Accordingly, the 1993 LBP amendment does not violate the equal protection clause of the United States Constitution.

CONCLUSION

In conclusion, I find that an individual's interest in a longevity bonus is entitled to minimum scrutiny, that the state's purpose in enacting the 1993 LBP Amendment, which was to protect the recipients' reasonable reliance interests, is legitimate, and that the amendment bears a fair and substantial relationship to this purpose. This memorandum accompanies my previous order of June 6, 1996, granting the state's motion for summary judgment.

Done at Anchorage, this 9 day of July, 1996.



Brian Shortell
Superior Court Judge

I certify that on 7/10/96
a copy of the above was mailed to each
of the following at their addresses of
record: Buchholdt / Gagnier

V. Herdman
Secretary/Deputy Clerk

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

September 22, 2006

SUBJECT: Longevity Bonus Program (Work Order 25-LS0071\A)

TO: Representative Bob Lynn
Attn: Nancy Manly

FROM: Tamara Brandt Cook
Director

Earlier this month I sent you a draft appropriation to fund the Longevity Bonus Program. Although the program has never been repealed, on reflection I expect that simply appropriating money to fund the program will not be sufficient.

The Longevity Bonus Program was not funded during fiscal year 2004, fiscal year 2005, fiscal year 2006, nor was it included in the budget for fiscal year 2007. Under AS 47.45.010(a) no person qualifies for a bonus unless the person applied before January 1, 1997. AS 47.45.020 sets up a system for continuous eligibility once the person applies and becomes eligible for the program. Continuous eligibility is based on monthly applications, or, in certain isolated rural areas, applications mailed every six months. Obviously, it is unlikely that eligible recipients have continued to mail the applications during the period that the Longevity Bonus Program was not funded for purposes of ensuring continuous eligibility or that those applications have been consistently processed. Consequently, it appears that it will be necessary to require a new application in order to insure that formerly eligible recipients have maintained residency status and continue to be eligible for the program. (AS 47.45.010(c); AS 47.45.070) This will require a statute change.

Also, be aware that reinstatement of the Longevity Bonus Program in a way that includes only the original recipients potentially muddies the legal status of the program. In 1993, the legislature decided to terminate the program by gradually phasing it out and "grandfathering in" current recipients, and, at a reduced level, future recipients who would first become eligible and apply for the bonus by the end of 1996. This legislation was challenged, but upheld by the Superior Court. (Maggard v. Sipe, Superior Court, Third Judicial District, Case No. 3AN-94-08935 CI, order dated June 6, 1996) Basically, the Superior Court held that because the Longevity Bonus Program provides merely an economic interest, it is entitled only to minimum scrutiny under an equal protection challenge, so that all the state needed to show was that its objectives in enacting the 1993 legislation were legitimate. The court found that the main objective was to terminate the program and save money, a legitimate state purpose. The court further found that the

Representative Bob Lynn
September 22, 2006
Page 2

purpose of gradually phasing out the program while grandfathering in recipients and those who soon would be recipients was to protect the interests of people who might have reasonably been relying on receiving the bonus. This also, the court found to be a legitimate state purpose. What saved the "grandfather" provision in the 1993 legislation from being held to unconstitutionally discriminate between newcomer seniors to the state and long time resident seniors was the fact that the state was protecting the reliance interest of people who, to some degree, were depending upon the bonus. The case was never appealed to the Supreme Court. Obviously, if the reinstated Longevity Bonus Program is challenged again on equal protection grounds, it will be harder to successfully argue that the state is validly protecting a reliance interest when the people who are eligible for the payments have, in fact, not received them for more than three years and, arguably, can no longer be reasonably relying on future receipt of those payments. This potential constitutional issue can be avoided if the Longevity Bonus Program is reopened for all seniors, but this would make the program much more expensive.

Please let me know if you would like a bill draft addressing any of these or other issues involved in reconstituting the Longevity Bonus Program.

TBC:med
06-482.med

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 5, 2007

SUBJECT: Senior Care Program (HB 79, Work Order No. 25-LS0359\A)

TO: Representative Bob Lynn
Chair of the House State Affairs Committee
Attn: Mike Sica

FROM: Tamara Brandt Cook
Director

How does receipt of longevity bonus payments affect eligibility for benefits under the senior care program?

The senior care program provides cash assistance benefits under AS 47.46.310 and prescription drug benefits under AS 47.46.320. Eligibility for these benefits depends upon household income. No statutory exemption is provided under the program that would remove income from certain sources from consideration for purposes of determining eligibility. The statutes that deal with the longevity bonus program do contain a "hold harmless" provision exempting bonus payments from income calculations for purposes of determining eligibility for some other benefit programs, but that statute does not apply to the senior care program. AS 47.45.122 provides:

Sec. 47.45.122. Eligibility for public assistance.

(a) An individual whose public assistance is denied or reduced solely because of the receipt of a bonus under AS 47.45.010 - 47.45.160 by the individual or by a member of the individual's household is eligible for assistance under the general relief assistance program in AS 47.25.120 - 47.25.300. Notwithstanding the limit in AS 47.25.130, the individual is entitled to receive the same amount as the individual would have received under other public assistance programs had the individual not received a longevity bonus.

(b) In this section "other public assistance" means

- (1) Supplemental Security Income under 42 U.S.C. 1381 - 1385;
- (2) Medicaid under 42 U.S.C. 1396 - 1396p; and
- (3) Adult Public Assistance under AS 47.25.430 - 47.25.615.

Consequently, longevity bonus payments will be included in the calculation of household income for purposes of determining eligibility for benefits under the senior care program. The household incomes of some people could be increased as a result of receiving

Representative Bob Lynn
February 5, 2007
Page 2

longevity bonus payments beyond the maximums permitted for benefits under the senior care program. Those people will have to choose which program to apply for. On the other hand, permanent fund dividends are not counted for purposes of determining eligibility for the senior care program. (AS 43.23.075(a))

TBC:lmb
07-008.lmb

**Research, Background
For House Bill 79**

Longevity Bonus Reapplications

Longevity bonus history at a glance

- **1972:** Legislature passes original bonus plan to benefit Alaskans 65 and over, and who were in Alaska before statehood in 1959. Cost: \$2.5 million per year. Participants: 4,300.
- **1982:** U.S. Supreme Court rules in *Zobel V. Williams* that a state can't distribute benefits based on the length of each citizen's residency.
- **1984:** Program changes to benefit all seniors age 65 and older who had been in the state for a year. Cost jumps from \$24 million to \$49 million.
- **1993:** Program cost peaks at \$67 million. Legislature sunsets program.
- **1997:** Last seniors to participate in program become eligible by turning 65.
- **2002:** Program costs \$47.5 million, with about 18,000 beneficiaries.

Who gets it, and how much?

- About 12,000 seniors who were already on the program in 1994 receive \$250 per month.
- About 1,700 seniors who joined the program in 1995 receive \$200 per month.
- About 1,900 seniors who joined the program in 1996 receive \$150 per month.
- About 2,200 seniors who joined the program in 1997 receive \$100 per month.

Web posted Sunday, March 16, 2003

By MASHA HERBST
JUNEAU EMPIRE © 2003

Alaska Longevity Bonus Statistical Summary

Final Payment Issued August 2003

Active Participants Receiving Warrant:	17,412
Total Warrants Issued:	17,560
Total Cost of Warrants Issued:	\$3,843,651

Includes past warrants due to some participants.

Budget

	FY 2002	14 Pmts FY 2003
Authorized	\$51,158,600	\$55,852,800
Cost	50,958,000	55,275,500
Difference	\$200,600	\$577,300

History

Fiscal Year	Total Cost	Bonus Amount	# Recipients (FY end)
1973	\$2,532,300	\$100	4,753
1974	6,009,700	100	5,250
1975	6,265,300	100	5,463
1976	6,533,400	100	5,553
1977	8,666,900	125	6,228
1978	9,444,200	125	6,671
1979	12,195,500	150	7,207
1980	13,226,500	150	7,897
1981	19,420,600	200	8,527
1982	26,198,750	250	9,101
1983	27,504,500	250	9,731
1984	29,155,750	250	10,769
1985	43,096,750	250	15,135
1986	44,024,250	250	15,763
1987	46,943,250	250	16,834
1988	49,994,000	250	17,675
1989	53,348,500	250	18,439
1990	57,172,700	250	19,490
1991	60,069,500	250	20,298
1992	63,073,750	250	21,645
1993	66,607,500	250	22,741
1994	70,414,100	See (5)	23,850
1995	72,709,500	See (5)	24,959
1996	73,270,100	See (5)	26,083
1997	71,950,800	See (5)	26,427
1998	68,031,900	See (5)	24,610
1999	63,528,600	See (5)	23,039
2000	59,125,450	See (5)	21,467
2001	54,829,900	See (5)	20,238
2002	50,957,990	See (5)	18,741
2003	55,275,500	See (6)	18,741

See (1)

See (2)

See (3)

See (4)

Projected Cost if Program Continued

Fiscal Year	Total Cost	Average # Monthly Recipients
2004	44,777,917	17,252
2005	41,543,333	16,081
2006	38,344,167	14,917
2007	35,203,333	13,766
2008	32,130,417	12,631
2009	29,080,833	11,468
2010	26,115,000	10,324
2011	23,361,667	9,304
2012	20,743,333	8,322
2013	18,250,000	7,376
2014	15,914,583	6,484
2015	13,740,417	5,654
2016	11,734,167	4,883
2017	9,901,250	4,165
2018	8,251,250	3,510
2019	6,768,750	2,917
2020	5,457,083	2,390
2021	4,326,667	1,931
2022	3,342,917	1,524
2023	2,510,833	1,168
2024	1,832,917	876
2025	1,282,083	638
2026	848,750	447
2027	525,833	298
2028	288,333	176
2029	116,250	81
2030	36,250	28
2031	5,833	5

Note (1) 25 year residency requirement

Note (2) 1 year residency requirement, 5/1

Note (3) 2 year residency requirement, 1/1

Note (4) 1 year residency requirement, 6/11

Note (5) The Longevity Bonus Program is being phased out. New applicants in: 1994 received \$200 per month; 1995 received \$150 per month and 1996 received \$100 per month. No recipients were added to the program after December 31, 1996. All people on the program prior to 1997 continue to receive their monthly bonus as long as they maintain their eligibility.

Note (6) 14 Payments were issued in FY 2003. The May and June 2003 payments, issued in July and August 2003, were paid from an FY 2003 supplemental appropriation rather than an FY 2004 appropriation.

The Longevity Bonus Program was terminated and the final payment was issued August 1, 2003.

Note (7) Based on average the low payment estimate per the October 2002 forecast run of the McDowell Group model.

born and is thus influenced only by assumptions of migration or death.

Population Projections by Age

Middle series, 2005-2029



School age populations

Four age groups approximate the school age population. Ages 5-11 kindergarten and elementary school, ages 12-13 junior high, ages 14-17 high school, and ages 18-22 college and post-secondary education.

The historical uncertainty of fertility trends, compounded by migration, makes the future number of school-age children the most uncertain to project. (See Exhibit 14.) In 2000, there were about 76,000 children ages 5-11. Since 2000, this number has declined and in the mid level projection should bottom out in 2004 at 72,500. This age group should rise to 2000 levels again by 2009. The number should stabilize at 86,000 for the following decade.

Children ages 12-13 numbered about 22,100 in 2000 and peaked at 23,600 in 2003. (See Exhibit 15.) This age group is expected to decline until 2009 when it should bottom out at about 21,000, according to the mid level projection. It should return to 2003 levels by about 2019.

(continued on page 13)

Age	2005	2009	2014	2019	2024	2029
0-4	53,101	54,661	57,660	59,296	59,597	59,343
5-9	51,456	55,642	57,583	60,335	61,700	61,720
10	10,394	10,663	11,700	11,957	12,418	12,508
11	10,794	10,592	11,540	11,904	12,408	12,552
12	11,076	10,328	11,513	11,888	12,412	12,630
13	11,426	10,748	11,601	11,826	12,339	12,617
14	11,760	10,659	11,228	11,722	12,214	12,590
15	11,940	10,968	10,877	11,873	12,081	12,490
16	11,320	11,119	10,719	11,626	11,941	12,393
17	11,036	11,231	10,183	11,324	11,649	12,121
18	10,461	11,170	10,152	10,958	11,133	11,588
19	10,041	10,849	9,530	10,046	10,482	10,910
20-24	43,685	47,463	48,559	44,362	48,321	49,366
25-29	42,478	45,375	50,325	51,103	46,569	50,154
30-34	45,610	46,715	49,579	54,248	54,728	49,919
35-39	47,846	47,398	47,959	50,576	54,950	55,144
40-44	54,712	47,386	46,433	46,782	49,132	53,216
45-49	55,913	54,209	45,414	44,320	44,482	46,609
50-54	50,799	53,529	51,712	42,954	41,760	41,805
55-59	38,865	46,056	50,104	48,289	39,675	38,453
60-64	24,680	32,893	42,219	46,023	44,309	36,005
65-69	15,379	20,586	29,458	38,104	41,621	40,107
70-74	10,814	12,489	17,917	26,032	33,815	36,998
75-79	8,026	8,472	10,123	14,918	22,077	28,753
80-84	5,105	5,747	6,322	7,762	11,749	17,750
85-89	2,519	3,286	3,936	4,366	5,525	8,544
90-94	1,016	1,253	1,933	2,333	2,597	3,449
95+	352	514	724	1,243	1,768	2,170
16+	490,657	517,740	543,301	567,369	588,283	605,454
18+	468,301	495,390	522,399	544,419	564,693	580,940
65+	43,211	52,347	70,413	94,758	119,152	137,771
Total	662,604	692,001	727,003	758,170	783,452	801,904
Median Age	33.4	33.7	34.0	34.5	35.2	35.8
Males per 100 Females	105.5	104.5	103.3	102.0	100.8	99.5
Youth Dependency (<18/18-64)	45.7	44.4	45.3	47.5	49.1	49.9
Aged Dependency (65+/18-64)	10.2	11.8	15.6	21.1	26.7	31.1

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

**News Articles
For House Bill 79**

Longevity Bonus Reapplications

Gov. Palin puts longevity bonus back in budget

by Natasha Rasheed
Saturday, Jan. 27, 2007

Anchorage, Alaska - Gov. Sarah Palin says money for the longevity bonus is back in the budget. The governor says she put \$33 million in the budget to reinstate the program. Palin says she will work with lawmakers to make sure the funding stays.

The program provided some senior citizens up to \$250 a month until it was vetoed by Gov. Frank Murkowski in 2003.

Approximately 13,000 Alaskans qualify for longevity bonus.



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).

Longevity Bonus becoming election focal point

By Stefan Milkowski

Staff Writer

Published August 17, 2006

A controversial veto made by Gov. Frank Murkowski three years ago is coming back as a hot-button campaign issue.

Four of the five leading candidates for governor—Republicans Sarah Palin and John Binkley and Democrats Tony Knowles and Eric Croft—have said they would reinstate the state's Longevity Bonus Program, which gave financial assistance to certain Alaskan seniors.

Only Murkowski is standing behind his decision to cut the program's funding.

According to the departments of Law and Health and Social Services, bringing the program back would be fairly straightforward.

The program, which offered seniors monthly payments of up to \$250, ended when Murkowski chose not to fund it, but the law behind it still exists. According to Mark Morones, spokesman for the Department of Law, the bonus could probably be reinstated without a hitch if the governor and Legislature made an appropriation for it.

Janet Clarke of the Department of Health and Social Services, which administered the program, said the same.

Because the program was already being phased out, it would cost significantly less than it did when Murkowski vetoed funding for it in 2003.

The program offered monthly payments of \$250 to residents who had lived in Alaska at least a year, were at least 65 years old, and applied before 1994. Lesser payments were available to those who turned 65 in 1994, 1995, and 1996. No one was allowed to enter the program after 1996.

According to estimates from the Department of Health, the bonus would cost the state a little more than \$35 million in fiscal year 2007 and less each year until there were no more recipients. The program would have cost roughly \$45 million in fiscal year 2004.

The biggest challenge for a new governor could be convincing a Republican-controlled Legislature to reinstate the program.

House Majority Leader John Coghill, R-North Pole, who is backing Binkley, criticized Murkowski for dropping the program all at once but said he would not support an effort to reinstate it.

"It was the right thing to do," he said of Murkowski's ending the program, "He just did it the wrong way."

The hurdle of an unwilling Legislature hasn't stopped both Republican and Democratic candidates from criticizing the governor for his veto and vowing to bring the program back.

"It was a poor, misguided decision to lop our seniors off a program that was scheduled to phase out," Palin told the News-Miner last month, "I think it was a huge mistake."

Palin said she would reinstate the program and that the state could afford it.

According to the Department of Health, about 13,800 seniors would qualify for the bonus in 2007. Murkowski vetoed the funding when more than 17,000 qualified.

Knowles said he would reinstate the program as it was when he left the office of governor in 2002. He said the "vast majority" of the bonus funds went to people who are now over 75 and have no other way of supplementing an often "very meager" cash supply.

Croft and Binkley also said they would bring back the Longevity Bonus.

"It was a promise," said Croft.

Murkowski defended his veto in a July interview with the News-Miner. He said the program was unfair because it was not based on financial need and that a budget deficit forced him to cut state spending.

"I'm willing to take the heat," he said, "I can justify my actions because we had to make some cuts."

Ultimately, bringing back the Longevity Bonus could take more than a new governor.

Democratic lawmakers tried in 2004 and again in 2005 to restore funding to the program, but none of their proposals made it out of committee.

Rep. Les Gara of Anchorage, who led a push for funding in 2005, said the issue had become political, with Republican lawmakers backing the Republican governor.

Coghill mentioned a desire by lawmakers to cut the program over five years but acknowledged that lawmakers turned down multiple chances to reinstate it.

"The Legislature is probably culpable in some degree," he said.

Whether a new governor could bring lawmakers around is another question.

Coghill claimed the political will to bring the program back does not exist.

Binkley disputed the claim.

"I believe with the governor leading the way that it will happen," he said.

Staff writer Stefan Milkowski can be reached at smilkowski@newsminer.com or 459-7577.

<< Back



Apprehension, excitement and relief about longevity bonus



Anchorage senior citizens discuss the newly-reinstated longevity bonus. (Kris Riley/KTUU-TV)

by Natasha Rasheed
Friday, Dec. 15, 2006

Anchorage, Alaska - This morning, Gov. Sarah Palin announced that she plans to reinstate the longevity bonus for seniors. But with that announcement comes some apprehension and many seniors hope it isn't an empty promise.

Norma Erickson, who is 76 years old, knows a thing or two about the value of a dollar. For Erickson, \$150 is enough to pay for utilities, as well as a chance to buy presents for her grandchildren.



Norma Erickson (above) said the bonus would help her and others living on a fixed income make ends meet. (Kris Riley/KTUU-TV)

"It really helped me a lot and it took a long time before I got used to cutting here and cutting there and, you know, getting used to it," Erickson said.

In 2003, then-Gov. Frank Murkowski decided to end the longevity bonus program, which paid eligible seniors as much as \$250 a month.

"I just thought the suddenness of it -- I figured they could have done it by a year, kind of phased it out, so people could get used to it and plan otherwise," said Erickson.



Gov. Palin announced Friday that she intends to reinstate the longevity bonus for Alaska seniors. (Kris Riley/KTUU-TV)

But with a new administration comes a new plan. Palin says she plans to reinstate the longevity bonus, and at the Anchorage Senior Center, the news produced excitement for some.

"Wonderful! I was getting it for about five years and when it stopped it really hurt my budget," said Phillip McGuire, a senior citizen in Anchorage.

Others were apprehensive of Palin's offer.



Former Gov. Frank Murkowski (above) vetoed the seniors program in 2003. His popularity never recovered. (Kris Riley/KTUU-TV)

"I'm concerned about how the state is going to operate financially. I am not sure if she has taken that all into consideration or not. I'm sure it's popular with us senior citizens, but we have to think about how the state's going to make it down the road and our children," said Vincent Casey a senior citizen in Anchorage.

While some think it's a refreshing change for Alaska, officials estimate it would cost the state \$33.7 million to start making the payments again to the seniors who received it before. Finding the money will be up to the Legislature.

For Erickson, it would be a better quality of life and a change she hopes to see happen with the new administration. It is important to note that this is not yet a done deal.



Vincent Casey (above) was apprehensive about the program's reinstatement and worried about state's fiscal solvency. (Kris Riley/KTUU-TV)

The money must still be appropriated by the Legislature in order for seniors to get the checks.

At the time of the veto by Murkowski, the program was already being phased out with no new recipients and a bitter joke among seniors was that they were not dying fast enough.

In 2003, approximately 18,000 senior Alaskans got the monthly longevity bonus checks, or roughly half the senior population.

Today, Palin said that roughly 13,000 seniors would be eligible for the reinstated program, indicating that about 5,000 of the former recipients either moved or passed away.



All content © Copyright 2000 - 2007 WorldNow and KTUU. All Rights Reserved.
For more information on this site, please read our [Privacy Policy](#) and [Terms of Service](#).



April 16, 2007

The Honorable Jay Ramras, Chair
House Judiciary Committee
Alaska State Capitol, Room 118
Juneau, Alaska 99801-1182

RE: HB 79 (Lynn, Thomas, Guttenberg, Kerttula)--Support

Dear Chair Ramras:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Judiciary Committee to support HB 79 co-authored by bipartisan sponsors led by your Committee colleague Representative Bob Lynn and Representatives Thomas, Guttenberg and Kerttula. Representatives Nelson and Kawasaki have also signed on as co-sponsors.

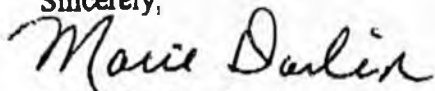
HB 79 will be the first step in setting application deadlines and continuous residency requirements for older Alaskans who wish to reapply for the Longevity Bonus.

AARP recommends an "AYE" vote on HB 79.

Should you have any questions about our position, please feel free to contact me (586-3637) or Patrick Luby, AARP Advocacy Director (907-762-3314).

Thank you for your consideration.

Sincerely,



Marie Darlin, Coordinator
AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Vice-Chair Nancy Dahlstrom
Representative John Coghill
Representative Ralph Samuels
Representative Max Gruenberg
Representative Lindsey Holmes
Representative Bob Lynn
Representative Bill Thomas
Representative David Guttenberg
Representative Beth Kerttula

Emily Stancliff

From: dtinjun1@att.net
Sent: Saturday, April 14, 2007 1:31 PM
To: Rep. Jay Ramras
Subject: *****SPAM***** Hello

Hello, Jay: You don't know me, but I am aware of you. I like your attitude on things in Juneau, and hope you will continue to fight for us older Alaskans.

I would like to see the Longevity Bonus re-instated, as it was originally put in to keep older Alaskans in Alaska, and to sort of thank us for our contributions to the state. I am adamantly against the Senior Care bill getting alot of attention....What, really, have those with lower incomes contributed to the state?

Also, thanks for your efforts in getting the 90-day limit in....Now if we could only get it down to about 60 days, every other year... That would make me happy.... Too many days lead to too much delay in doing the state's business. Right? Good Luck the rest of the way... and have a great finish to this session....Regards, Ray Tinjum