

Leg. Finance - House & Senate Finance Comte Files (1973-74)

HB 66am cont., 67, 71am, 71, 72, 209

# STATE OF ALASKA

DEPARTMENT OF MILITARY AFFAIRS  
OFFICE OF THE ADJUTANT GENERAL

*File* *H 9 66*  
WILLIAM A. EGAN, Governor

PHONE 277-7661  
AUTOVON 862-7210  
ROOM 610 MACKAY BUILDING  
338 DEHALI STREET - ANCHORAGE 99501

ARFF

30 January 1973

Mr. Glen K. Vernon  
House Fiscal Analyst  
Pouch WF-State Capitol  
Juneau, Alaska 99801

Dear Mr. Vernon:

Re: Letter of 25 January 1973, requesting additional information supporting HB 66, (Supplemental Appropriation Request), the following is submitted.

(1) A log of the two aircraft requiring maintenance as a result of the recent air search.

Logs are not available at this time, however a summary of hours flown follows:

Aircraft 1972 #N2236T; 1st quarter, 52.90, 2nd quarter, 141.3, 3rd quarter, 97.1, 4th quarter, 86.4. The total hours 377.7, engine replaced December 15, 1972. Tachometer time 614.5.

Aircraft 1972 #N 4796 C; 1st quarter, 55.05, 2nd quarter, 120.7, 3rd quarter 46.6, 4th quarter, 159.2. Total hours 381.55, engine replaced September 7, 1972. Tachometer time is not available.

(2) An indication of what percentage of expected re-enlistment bonus payments result from the 6.9% federal pay increase for guardsmen.

20 percent.

(3) An indication by area, as to where re-enlistments are occurring.

North 92 out of 127, 74%; Southwest 57 out of 99, 57%; South-Central 49 out of 121, 40%; South 5 out of 14, 36%.

*copy furnished speaking*

Mr. Glen K. Vernon

30 January 1973

(4) An estimate of the normal time period in which a claim would be filed for workmen's compensation insurance claims. What is the potential number of claims that might be filed from the 1971-1972 period?

The normal time period in which a claim would be filed for workmen's compensation insurance claims is thirty days if injury or accident is reported by claimant. Two claims have been filed by Alaska Air Guardsmen (Spradlin and Gilley). For Fiscal Year 1971-72, there are no additional claims expected.

Additional facts are provided for your information:

The present strength and Authorized Strength of the Army National Guard, Air National Guard and Naval Militia is:

	Present	Authorized
Army National Guard	1907	2351
Air National Guard	586	746
Naval Militia	74	188 plus (unlimited)

The number of men recruited and re-enlisted last year and this year to present are:

For FY 1972 there were 433 men recruited which was an increase of 40% over FY 1971. For FY 1972 there was 278 men re-enlisted which was a 39% increase over FY 1971. For FY 1973 for the first half, there are 278 men recruited which is a 28% increase over first half of FY 1972. For FY 1973 for the first half, there are 228 men re-enlisted which is a 164% increase over the first half of FY 1972.

No changes are anticipated in our authorized strength, however, the strength levels are dictated by Federal Directive.

Nationwide in our Recruiting and Retention program, based on percent of increase in strength, we are in the top ten States Nationwide. We are consistently the highest, second highest or third highest State in Re-enlistments, month after month for the past year or more. The Reenlistment Bonus, the Job Information Service and Retirement program greatly assist our maintaining this posture.

Recruitment and Retention activities found an estimated fifty Guardsmen jobs directly through OTAG, R & R Job Counseling Service. The Operation Hitch-Hike program established in thirteen Villages in Scout Battalion areas, placed 32 people in jobs in the first three months of operation. A job information service bulletin board has been established in all units which has indicated that enlistments and re-enlistments are greater when we help the men find jobs.

(3)

Mr. Glen K. Vernon

30 January 1973

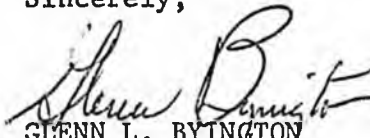
The percentage of increase in strength for FY 1972 was two percent. The percentage of increase in strength for FY 1973 for the first half is five percent.

Data for Reenlistment Bonus projections were taken from Computerized print-outs of the Alaska ARNG ADP Personnel Reporting program, plus a personnel file screening. Initial data was forwarded to Facilities and Fiscal in September 1972, subsequent to that time the following facts came to light.

- A. A Federal pay increase of 6.9 percent was authorized.
- B. Units reported that some personnel were not paid the Reenlistment Bonus from the previous fiscal year, resulting in the requirement to pay the bonuses.
- C. Data used to prepare the September input data was in error because of computer print-out error.

The above necessitated a complete re-evaluation which was completed and furnished Facilities and Fiscal Division in January 1973.

Sincerely,

  
GLENN L. BYINGTON  
Col, GS-Alas (ARNG)  
Dir, Fac & Fis Div.

STATE  
of ALASKA

## MEMORANDUM

TO: Lt. Col. Byington  
Department of Military Affairs

DATE : December 11, 1972

FROM: Dorothy Evans  
Purchasing Agent  
Division of Supply  
Department of AdministrationSUBJECT: Invoices, Workmen's Compensation  
and Comprehensive Liability

Attached for your appropriate action are two invoices covering Alaska National Guard payroll audit for the periods 7/1/70-7/1/71 and 7/1/71 - 7/1/72. Also attached is a copy of a determination from the Office of the Attorney General that Alaska Workmen's Compensation law covers guardsmen, and the State is liable for the activities of guardsmen.

Payment of the back premiums would serve to protect the State in case of claims filed for accidents which may have occurred during the period 7/1/70-72.

The premium for 7/1/72-7/1/73 will be a composit rate of 1.0735855 per \$100 of payroll. You should anticipate a 15% increase over this for FY 1974, due to an increase in benefits under the Workmen's Compensation law.

DE/mi  
enclosures

5221

Copies of cases

case you intended

6-5391

# shattuck & grummett, inc.

insurance - bonds

301 Seward Phone 586-2414  
Juneau, Alaska 99801

- State of Alaska
- c/o Division of Supply
- Juneau, Alaska
- 

Date	Premiums	Balance
7-1-71	Additional audit premium, National Guard	
to		
7-1-72	Workmen's Compensation policy #0771-31808-113	\$ 10,860.00
	Compr. Genl. & Auto Lia. " #0771-31808-213	<u>10,037.00</u>
		\$ 20,897.00

## STATEMENT

M. P.



# Alaska Pacific Assurance Company

---

218 FRONT STREET  
JUNEAU, ALASKA 99801

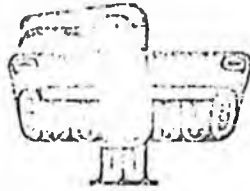
State of Alaska  
Workmen's Compensation - Alaska National Guard  
0771-31808-113  
7/1/71 - 7/1/72

## PREMIUM ADJUSTMENT

Alaska National Guard Payroll      \$1,946,515.      0.5579065 = \$10,860.

TOTAL EARNED PREMIUM: \$10,860.  
TOTAL WRITTEN PREMIUM:      -0-  
ADDITIONAL PREMIUM:      10,860.

10/19/72



# Alaska Pacific Assurance Company

218 FRONT STREET  
JUNEAU, ALASKA 99801

State of Alaska  
Comprehensive General Liability - Alaska National Guard  
0771-31808-213  
7/1/71 - 7/1/72

## PREMIUM ADJUSTMENT

Alaska National	\$1,946,515.	x	.4561015	Comp Gen & Auto Liab	=	\$8,878.
Guard Payroll	1,946,515.	x	.0348935	Malpractice	=	679.
	1,946,515.	x	.0002280	Personal Injury	=	160.
	1,946,515.	x	.0082280	Personal Injury	=	160.
	1,946,515.	x	.0082280	Personal Injury	=	160.
						<u>10,037.</u>

TOTAL EARNED PREMIUM:	\$10,037.
TOTAL WRITTEN PREMIUM:	-0-
ADDITIONAL PREMIUM:	<u>10,037.</u>

11/1/72

# shattuck & grummett, inc.

insurance - bonds

301 Seward Phone 586-2414  
Juneau, Alaska 99901

- State of Alaska
- c/o Division of Supply
- Juneau, Alaska
- 

11-8-72

Date	Premiums	Balance
7-1-70	Additional audit premium, National Guard	
to		
7-1-71	Workmen's Compensation policy Compr. Genl. & Auto Lia. "	#0770-31808-113 \$ 10,078.00 #0770-31808-213 <u>9,946.00</u>
		\$ 20,024.00

## STATEMENT

M. P.



# Alaska Pacific Assurance Company

---

218 FRONT STREET  
JUNEAU, ALASKA 99801

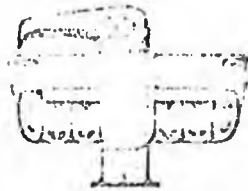
State of Alaska  
Workmen's Compensation - Alaska National Guard  
0770-31808-113  
7/1/70 - 7/1/71

## PREMIUM ADJUSTMENT

Alaska National Guard Payroll	\$1,888,787.	@.508 =	\$9,595.
		Rate Increase 5.03% =	483.
			<u>10,078.</u>

TOTAL EARNED PREMIUM:	\$10,078.
TOTAL WRITTEN PREMIUM:	-0-
ADDITIONAL PREMIUM:	<u>10,078.</u>

10/19/72



# Alaska Pacific Assurance Company

218 FRONT STREET  
JUNEAU, ALASKA 99801

State of Alaska  
Comprehensive General Liability - Alaska National Guard  
0770-31808-213  
7/1/70 - 7/1/71

## PREMIUM ADJUSTMENT

Alaska National Guard	\$1,888,787.	x .471	=	\$8,896.
Payroll	1,888,787.	x .030	=	567.
	1,888,787.	x .0085	=	161.
	1,888,787.	x .0085	=	161.
	1,888,787.	x .0085	=	161.
				<u>9,946.</u>

TOTAL EARNED PREMIUM: \$9,946.  
TOTAL WRITTEN PREMIUM: -0-  
ADDITIONAL PREMIUM: 9,946.

11/1/72

STATE  
of ALASKA

## MEMORANDUM

TO:  Commissioner Joseph R. Henri  
Department of Administration

DATE

November

FROM: Norman C. Gorsuch  
Deputy Attorney General

SUBJECT

Insurance - Alaska  
National Guard

In response to your memorandum of November 14 concerning insurance coverage for the Alaska National Guard and with regard to an earlier memorandum of October 3 from Richard Freer, Deputy Commissioner of Administration, to this department on the same subject, we have determined that both our present comprehensive general liability and workmen's compensation insurance do not cover the Alaska National Guardsmen.

The present insurance carrier for the State - Alaska Pacific Assurance Company - has had its counsel determine issues of (1) coverage under the Alaska Workmen's Compensation Act of members and employees of the National Guard and (2) liability of the State for acts and omissions of members and employees of the National Guard. Generally, we concur with the determinations made (see memorandum of August 10, 1971, from F.M. Doogan to Alaska Pacific Assurance Company), that Alaska Workmen's Compensation law covers guardsmen and the State is liable for the activities of guardsmen. Moreover, our own research and analysis (see Department of Law intra-office memorandum of November 5, 1971, on insurance coverage for National Guardsmen) independently reached similar conclusions.

We believe it is germane to note that this year alone the State settled out of court two civil suits dealing with general liability for National Guardsmen's acts or omissions. The settlements were for \$1,250.00 (Creswell v. Smith and State) and \$15,000.00 (Curkendall v. Smith and State). This compares to approximately \$10,000 in premiums for additional comprehensive general and automobile liability insurance quoted by the State's carrier for National Guard coverage for one year.

The decision to purchase additional insurance coverage such as that outlined in the November 9 letter to the

Commissioner Joseph R. Henri

November 27, 1972

- 2 -

Division of Supply from Shattuck and Grummett, Inc., is appropriately a Department of Administration one. It is our present view that the State is liable for workmen's compensation for Alaska National Guardsmen and that the State is also liable for the activities of the Alaska National Guardsmen. Risk analysis for on-going exposure to liability, which we believe is an administrative matter, can best be done by your department.

NCG/md

# STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF SUPPLY

POUCH C - JUNEAU 99801

January 24, 1973

WILLIAM A. EGAN, GOVERNOR

HB 66

The Honorable Earl D. Hillstrand  
Chairman  
Chairman-. House Finance Committee  
House of Representatives  
State Capitol  
Juneau, Alaska 99801

Dear Mr. Hillstrand:

This letter will hopefully answer the questions raised in this morning's (1/24/73) Committee hearing relative to supplemental appropriations for the Alaska National Guard.

My testimony dealt only with the Workmen's Compensation and Auto-General Liability premiums for F.Y. 71 thru 73. The following will respond to the pertinent questions:

Question: How far back can a liability claim be made?

Answer: Bodily Injury - 2 yrs.  
Property - 6 yrs.  
Workmen's Compensation - 2 yrs (from date of injury is known)

\* Claims (7/1/70 to present)

Liability

open - 2 each  
Reserves - \$22,750  
Closed - none  
Paid - none  
Workmen's Compensation

Open - none  
Reserves - none  
Closed - 12 each  
Paid - \$1,084,42

\* Claims were difficult to ascertain because Guard and other employees are "lumped" together. Figures are as accurate as possible, pending a detailed audit. Such an audit could be performed, if you so wish.

Question: "Should we go back past present ALPAC policy to cover possible unknown claims which may still be viable?"

Answer: It is not legal to "back date" insurance policies. In the case of ALPAC's request, they are only asking for premiums for coverage they have provided during policy period. Past policies specifically excluded N.G. employees.

January 24, 1973

It might be interesting to note that the Workmen's Compensation Board has been extremely liberal in their awards for claims, i.e. in almost all claims they lean in favor toward the claimant.

It is also important to note that a very fine line exists, in some cases, between Federal-State responsibility. This tends to further confuse an already confusing problem. Another problem is that the Federal Government has set certain limits as to their responsibility while the State has not. The claimant, should he prevail, may have more to gain by filing against the State than the Federal Government.

As mentioned in the hearing, the Administration would like to set up a special fund to cover higher deductibles. We have found first dollar insurance costly. Self-assumption of portions of risk (funded) plus catastrophic coverage would be more economical . . . a practice now very popular with certain other States and many private organizations.

The Administration, is presently in the process of establishing an Office of Risk Management. The office will be responsible for identifying, assuming and transfer of risk as well as purchasing insurance; included in the program will be safety coordination and loss control. As you pointed out Mr. Hillstrand, the State should identify risk, self-assume whatever they can, then pass the rest on to commercial carriers. We have attempted to do this with some risks, but hesitate "stepping out" too far without a revolving fund to drop back on, should non-covered losses occur.

I hope the above has been helpful and adequately answers your questions.

If we can be of further assistance please let us know.

Sincerely,



Richard C. Bradley  
Director

RCB/mi

CC: Myrt Charney  
Joseph R. Henry

The Legislature of the State of Alaska  
FISCAL NOTE  
First Session - Eighth Legislature

I. REQUEST

Bill Identification: House Bill 66  
 Title: An act making supplemental appropriations to the Dept. of Military Affairs.  
 Requested by: Legislative Finance Date: 1/12/73  
 Return Date Requested: ASAP  
 Agency: Budget and Management Program: Search and Rescue  
Military Preparedness

II. FISCAL DETAIL

Budget Request Unit(s) Affected: V, D, a, and V, F, 1

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES	60.0	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	12.0	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	62.0	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>134.0</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

B. FUNDING: (Thousands of dollars)

GENERAL FUND	134.0	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	0/0	0/0	0/0	0/0	0/0	0/0
MAN MONTHS (P./T.)	0/0	0/0	0/0	0/0	0/0	0/0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

100 Personal Services	\$ 60.0
(Workmen's Compensation and Comprehensive Liability for Alaska National Guardsmen)	
300 Contractual	
(Overhaul of 2 CAP Aircraft Engines)	
	12.0
700 Re-enlistment bonuses	62.0
	<u>\$134.0</u>

Based on more current information, the re-enlistment bonus supplemental should be increased to \$62,000 to cover an estimated 730 eligible guardsmen at a total cost of \$122,000.

IV. ATTACHMENTS

V. DATE: 1/17/73

PREPARED BY: M. R. Charney, Director

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

CAP

TO: Major General William S. Elmore  
The Adjutant General  
Department of Military Affairs

DATE : January 12, 1973

FROM: James Carter, Director  
Civil Air Patrol

SUBJECT: Request for Supplemental  
Appropriation - \$12,000

HB 66  
Civil Air Patrol

During the extended Begich search our organization suffered two major aircraft maintenance incidents, i.e., engine failure N2236T, a Cessna 185; and engine failure N4796C, a DHC-2. These incidents occurred in-flight and both aircraft were nursed back to the airport without further loss of property.

It is our normal practice to forecast and budget for all aircraft maintenance as applied to each budget FY. This practice has worked out most satisfactorily in the past. However, in these two incidents neither aircraft was scheduled for engine overhaul during this FY. The extra financial burden it has caused will not permit the accomplishment of all other essential and normal aircraft maintenance for the remainder of FY 73.

We request favorable consideration for an appropriation of \$12,000 to compensate for this additional financial expenditure. One engine has been overhauled and the billing processed through normal channels. The other engine will be completed and ready for pickup and installation the end of January.

In your analysis of this situation please consider that this is the first such request from Civil Air Patrol since receiving our fleet of aircraft in 1960--including the earthquake and Fairbanks flood flying activities.

Time is of the essence and we request all possible assistance in resolving this emergency situation.



# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

4/26/89  
Date

An Act making a supplemental appropriation to the Department of Administration, Alaska longevity bonus program; and providing for an effective date."

# COMMITTEE REPORT

1-12-73

HOUSE

Mr. Speaker:

Date 11 28 1973

The Committee on FINANCE has had HR 67

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

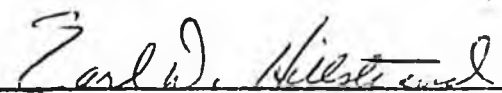
[Signature] Chairman

HOUSE JOURNAL  
Finance Committee Report  
on  
House Bill No. 67

The House Finance Committee has reported out this bill with a Do Pass recommendation.

The committee is concerned by the projected overall cost of the Longevity Bonus Program. A portion of this concern stems from the fact that the date by which the prospective claimant must be domiciled within the State of Alaska was changed from 1942 to 1959 by the Free Conference Committee, thus more than doubling the projected cost of the program. Concern has also been expressed toward the federal government's treatment of the bonus payments as income. The committee seeks assurance that the Longevity Bonus Program will in no manner jeopardize a claimant's other benefits.

The House Finance Committee wishes to provide funding for the state's present commitments, while considering corrective modifications to the program. A supplemental report shall issue from this committee shortly covering the alternatives in depth and possibly recommending legislative correction or enactment.

  
\_\_\_\_\_  
Earl Hillstrand, Chairman  
House Finance Committee

BILL ASSIGNMENT

TO: Rep. Haugen

FROM: E. D. Hillstrand  
Chairman  
House Finance Committee

BILL NO.: HOUSE BILL NO. 67

TITLE: Supplementai to Admin., Alaska Longevity Bonus Program

DATE OF ASSIGNMENT: January 15, 1973

COMMENTS

This bill has been referred to you for your review and research and eventual presentation to the committee for their consideration.

HB 67 Mr. Haugen said he had scheduled subcommittee work on HOUSE BILL 67 (Supplemental to Administration, Alaska Longevity Bonus Program) for tomorrow and should have his presentation for the committee by Monday (January 22).

1/18/73

Introduced: 1/12/73.  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 67

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Administration, Alaska longevity bonus  
8 program; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$1,500,000 is appropriated from the general fund  
11 to the Department of Administration to carry out the Alaska longevity bonus  
12 program for the fiscal year ending June 30, 1973.

13 \* Sec. 2. This Act takes effect on the day after its passage and approval  
14 or on the day it becomes law without approval.

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

ALASKA LONGEVITY BONUS PROGRAM

\$1,500,000 Supplemental Appropriation Request

Number of recipients for January, 1973	3,700
Number of recipients for February, 1973	3,900
Number of recipients expected for March, 1973	4,000
Number of recipients expected for April, 1973	4,100
Number of recipients expected for May, 1973	4,200
Number of recipients expected for June, 1973	<u>4,300</u>
TOTAL NUMBER OF BONUS CHECKS F. Y. '73	24,200
	<u>0\$100</u>
BUDGET REQUIREMENT FOR BONUSES	\$2,420,000
BUDGET REQUIREMENT FOR ADMINISTRATION	<u>\$ 80,000</u>
TOTAL APPROPRIATION REQUIRED	\$2,500,000
LESS. ORIGINAL APPROPRIATION	<u>\$1,000,000</u>
SUPPLEMENTAL REQUIRED	<u><u>\$1,500,000</u></u>

LONGEVITY BONDS PROGRAM

CASE COUNT AS OF 1/18/73

Checks in January	3,641
Out of state	27
Declinations	2
Deaths	9
Balance	<u>3,603</u>

January checks issued in February	<u>35</u>
	3,638

February approvals to date (1-18-73)	<u>231</u>
--------------------------------------	------------

Total estimate eligible for February as of 1/18/73	3,834
--	-------

---

Disapproved	21
Pending further information	57

13. During the period of 25 or more consecutive years of residency, did you ever live outside of Alaska for more than six (6) months? YES  NO

If yes, please list below:

PLACE OF OUTSIDE RESIDENCE	DATE OF RESIDENCE				VALID REASON FOR ABSENCE FROM STATE (SEE PAGE 1)	WHERE VOTED DURING PERIOD
	FROM MONTH	YEAR	TO MONTH	YEAR		
					D1 <input type="checkbox"/> D2 <input type="checkbox"/> D3 <input type="checkbox"/> D4 <input type="checkbox"/> D5 <input type="checkbox"/>	ALASKA <input type="checkbox"/> OTHER STATE <input type="checkbox"/> DID NOT VOTE <input type="checkbox"/>
					D1 <input type="checkbox"/> D2 <input type="checkbox"/> D3 <input type="checkbox"/> D4 <input type="checkbox"/> D5 <input type="checkbox"/>	ALASKA <input type="checkbox"/> OTHER STATE <input type="checkbox"/> DID NOT VOTE <input type="checkbox"/>
					D1 <input type="checkbox"/> D2 <input type="checkbox"/> D3 <input type="checkbox"/> D4 <input type="checkbox"/> D5 <input type="checkbox"/>	ALASKA <input type="checkbox"/> OTHER STATE <input type="checkbox"/> DID NOT VOTE <input type="checkbox"/>

14. Are you a registered voter in the State of Alaska? YES  NO  Voter Registration Number \_\_\_\_\_

15. Do you receive Old-Age Assistance from the State of Alaska? YES  NO

16. Do you have an Alaska Driver's License? YES  NO  License Number \_\_\_\_\_

17. Are you now residing in a Pioneer Home? YES  NO  Location \_\_\_\_\_

18. Are you now receiving Social Security Benefits? YES  NO

19. Have you applied for enrollment in an Alaska Native Corporation? YES  NO  Corp. Name \_\_\_\_\_

20. Please list names of three (3) persons (not relatives) who can substantiate the information in this application:

NAME OF PERSON	ADDRESS			
	STREET	CITY	STATE	ZIP CODE

21. Please sign under oath in the presence of a notary public or other official authorized to take oaths.

I swear (or affirm) that the information in this application and any sheets attached, is true to the best of my knowledge and belief.

SIGNATURE OF APPLICANT

DATE

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

NOTARY PUBLIC FOR THE STATE OF ALASKA

OR WITNESS

My commission expires \_\_\_\_\_ Title \_\_\_\_\_

SEAL

Please detach and return this page and any additional sheets to Alaska Longevity Bonus Program, Department of Administration, Pouch C, Juneau, Alaska 99801.

NOTE: AS 47.45.140. PENALTY FOR FALSE STATEMENTS. A person who wilfully or knowingly makes a false statement, or falsifies or permits to be falsified any record required by this chapter, is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not more than \$500, or by imprisonment for not more than six months, or by both, forfeits all rights under this chapter, and shall make adequate restitution for any bonuses illegally received.

STATE OF ALASKA APPLICATION FOR ELIGIBILITY IN THE ALASKA LONGEVITY BONUS PROGRAM

The sole purpose of the Alaska Longevity Bonus Program is to offer and provide all law-abiding Alaskans capable of managing their own affairs who have maintained a domicile in the State for at least 25 years and have reached a retirement age of 65, an incentive to continue uninterrupted residency in the State.

To be eligible for the \$100 per month Alaska Longevity Bonus, you must meet the following qualifications:

- A. Be 65 years of age or older
- B. Be living in the State of Alaska or intending to return to live in the State prior to receipt of any bonus
- C. Have lived in the State of Alaska for some period of 25 consecutive years, part of which was on or before January 3, 1959 without any period of absence from the State for 6 or more consecutive months.
- D. VALID REASONS FOR ABSENCE FROM THE STATE FOR 6 OR MORE CONSECUTIVE MONTHS
  - D1. In school or fulfilling the requirements of a school program on a full-time basis
  - D2. In a hospital or nursing home
  - D3. In military service or an alternate to military service
  - D4. Confined in a penal or correctional institution if sentenced from a court in Alaska
  - D5. Showed evidence at all times during your period of absence full intent to return to the State of Alaska as your permanent place of residence

You are not required to submit supporting documents such as birth certificates with this application, although such documents may be required later if questions arise regarding your application.

We do request that you submit backup explanation in a letter attached to your application for each period of 6 or more consecutive months outside of the State of Alaska during your 25 or more years of consecutive residence. Please sign and date each attached sheet of your explanatory letter.

- The backup explanation in your letter for each period of six months or more absence from the State should include the following:
  - Place of Outside Residence - (same as question 13 in application)
  - Date of Outside Residence - (same as question 13 in application)
  - Reason for Outside Residence - give as full an explanation as possible of the purpose of your outside residence
  - Voter Registration - indicate where were you registered to vote during the period of outside residence
  - Sources of Income - approximately what percent of your income was derived from sources in Alaska during your period of absence? Indicate if you had a job outside of Alaska during the period and approximately what percent of your income was derived from that outside job?
  - Payment of Taxes - indicate whether you paid State of Alaska income taxes during each year of the period of outside residence
  - Other Relationship to the State - indicate any other formal or legal way in which you maintained contact with the State of Alaska during the period of outside residence

INSTRUCTIONS FOR COMPLETING APPLICATION

The application form is pages 3 and 4 of this brochure. Please complete, detach and return the form to Alaska Longevity Bonus Program, Department of Administration, Pouch C, Juneau, Alaska 99801.

1. **Name** - Fill in full name as indicated. If you have only one name, fill in as last name and leave remainder blank. If you have no middle initial, leave blank.
2. **Social Security Number** - If you have no Social Security number, enter your Federal income tax identification number or leave blank.
3. **Date of Application** - Month, day and year in which you are completing the application (example - Nov. 10, 1972).
4. **Present Mailing Address** - The full address to which your notice of acceptance or rejection in this program should be sent.
5. **Permanent Alaska Address** - The Alaska address at which you will reside if accepted in this program to which your monthly bonus should be sent. Specify city or region only if you do not have a permanent Alaska address now.
6. **Date of Birth** - Exact date if you know it. Otherwise, approximate month and year or date of baptism.
7. **Place of Birth** - City (example - Anchorage) or general region (example - Kuskokwim Valley) and State or country (outside U.S.)
8. **Name of Father** - Optional. Leave blank if not known.
9. **Name of Mother** - Optional. Leave blank if not known.
10. **Name and address of Children** - Optional. Indicate only those children whose address or city of residence you know.
11. **25-Year Residence** - Put "X" in one of the two boxes. Indicate the approximate month and year the period of 25 or more years began and the approximate month and year the period of 25 or more years ended.
12. **Places of Alaska Residence** - For the period specified in question 11, indicate in order all places of Alaska residence by street address, city, state (Alaska only) and zip code. Indicate general region of residence if no street address and city existed. For each place, indicate dates of residence (approximate month and year which you began and ended residence in each place.)
13. **Absences for More than Six months** - Check the box for either "Yes" or "No." Indicate the city and state (U.S.) or country (outside of U.S.). Then give the approximate month and year you began outside residence and the approximate month and year you ended outside residence.  
If you were traveling or had several places of outside residence, none of which you lived in for more than six months, indicate "Traveling," the general area in which you traveled, and the approximate beginning and ending travel dates.  
**VALID REASON FOR ABSENCE FROM STATE** - See page one for the list of valid reasons for absence D1 through D5 and put an "X" in the appropriate box on page 4. It is essential that one of the boxes be checked for each place of outside residence for six months or more.  
**WHERE VOTED DURING PERIOD** - Check the appropriate box.  
**FOR EACH PERIOD OF ABSENCE FROM THE STATE OF SIX MONTHS OR MORE, EXPLAIN THE ABSENCE IN DETAIL ON A SEPARATE SHEET USING THE GUIDELINES INDICATED ON PAGE 1. SIGN AND DATE EACH ATTACHED SHEET.**
- 14-19. Please answer each of these questions by putting an "X" in the box next to the "Yes" or "No." If you put an "X" in the "Yes" box, please provide the additional information requested for questions 14, 16, 17, 19. If you do not have the additional information, leave blank.
20. Indicate the name and full address of any three persons who know you well and can substantiate the information in this application. If possible, list at least one person who is an employee of the State of Alaska, the United States Federal Government, an Alaska Native Corporation or an Alaska Native Village Council.
21. Sign the application in the presence of a notary public if one is available in your area. Only if no notary is available in your area you should have an official of your community or of the State or of the Federal government who is authorized to take oaths act as witness. If no such official exists you should have any person who is not related to you act as witness. If a witness signs your application, please have him indicate his title, for example: "Social Worker-State of Alaska," Postmaster, City of Kodiak," etc. Your witness may be one of the persons listed as references in question 20.

DETACH THE APPLICATION FORM AND SEND THE FORM WITH ANY ADDITIONAL SHEETS EXPLAINING PERIODS OF ABSENCE FROM THE STATE TO THE ALASKA LONGEVITY BONUS PROGRAM, DEPARTMENT OF ADMINISTRATION, POUCH C, JUNEAU, ALASKA 99801.

STATE OF ALASKA  
APPLICATION FOR ELIGIBILITY IN  
THE ALASKA LONGEVITY BONUS PROGRAM

(AS 47.45.010-.070.)

1. LAST NAME	FIRST NAME	INITIAL	2. SOCIAL SECURITY NO.	3. DATE OF APPLICATION	
PRESENT MAILING ADDRESS		CITY	STATE	ZIP CODE	
4. PERMANENT ALASKA ADDRESS		CITY	STATE	ZIP CODE	
5. DATE OF BIRTH	6. PLACE OF BIRTH				
8. NAME OF FATHER	7. NAME OF MOTHER			9.	
10. NAMES OF CHILDREN		ADDRESS			
11. Did you reside in Alaska for 25 or more consecutive years? YES <input type="checkbox"/> NO <input type="checkbox"/>				PERIOD BEGAN	
				PERIOD ENDED	
12. PLEASE LIST YOUR PLACES OF RESIDENCE DURING THAT PERIOD OF 25 OR MORE CONSECUTIVE YEARS					
PLACE OF ALASKA RESIDENCE				DATE OF RESIDENCE	
				FROM	TO
STREET	CITY	STATE	ZIP CODE	MONTH	YEAR

Please complete Page 4

FOR OFFICE USE ONLY					
NEW CHANGE	<input type="checkbox"/>	DATE RECEIVED	DATE REVIEWED	DATE FINAL DISPOSITION	
02R		FINAL DISPOSITION	APPROVED <input type="checkbox"/>	EFFECTIVE DATE	ELECTION DISTRICT
BATCH		TERMINATION DATE	DISAPPROVED <input type="checkbox"/>	TERMINATION CODE	REMOTE PAYMENT? YES <input type="checkbox"/> NO <input type="checkbox"/>
				D <input type="checkbox"/> S <input type="checkbox"/> O <input type="checkbox"/>	

The Legislature of the State of Alaska  
 FISCAL NOTE  
 First Session - Eighth Legislature

I. REQUEST

Bill Identification: House Bill 67  
 Title: An act making a supplemental appropriation to the AK Longevity Bonus Program...  
 Requested by: Legislative Finance Date: 1/12/73  
 Return Date Requested: ASAP  
 Agency: Budget and Management Program: Longevity Bonus

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	1,500.0	-0-	-0-	-0-	-0-	-0-
TOTAL	1,500.0	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND	1,500.0	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	0/0	0/0	0/0	0/0	0/0	0/0
MAN MONTHS (P./T.)	0/0	0/0	0/0	0/0	0/0	0/0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Actual experience over the past several months shows approximately 4,200 recipients will qualify during FY '73. Funding was originally based on 1,600 recipients @ \$100 per month, leaving an anticipated deficit of approximately \$1,500,000 in payments.

IV. ATTACHMENTS

V. DATE: 1/16/73

PREPARED BY: M. R. Charney, Director

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Estimated Impact of Alaska Longevity Bonus on Other State Programs During the Period January 1, 1973 to July 1, 1973

I. Old Age Assistance Impact:

- A. Assume average count of 3600 eligibles for longevity bonus during period. Assume 20% of eligibles receive OAA. Assume OAA payments average \$120.00/month. Assume no Federal disallowance as income.\*  
Then:

3600 eligibles X 20% X \$50.00 X 6 mo. =

Federal fund forfeit: \$216,000

- B. Assume average count of 4500 eligibles for longevity bonus during period. Assume 20% of eligibles receive OAA. Assume OAA payments average \$120.00/mo.

Then:

4500 eligibles X 20% X \$50.00 X 6 mo. =

Federal fund forfeit: \$270,000

II. Pioneers' Home Impact:

Assume 60 guests qualify for longevity bonus. Assume the full \$100.00 bonus is collected by the home in each case.

Then:

60 guests X \$100.00 X 6 mo. = \$36,000

(amount by which receipts to Home would be increased)

\*Apparently the federal government will not count the longevity as income at least through March, 1973.

xxx  
STATE OF ALASKA

THOMAS R. BUCHHEIT, CHAIRMAN

BUDGET AND AUDIT COMMITTEE      BUREAU 99801

AUDIT DIVISION  
POUCH W - ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH W - STATE CAPITOL

TO: Earl D. Hillstrand, Chairman  
House Finance Committee

DATE: January 15, 1973

FROM: Robert L. Grogan  
Fiscal Analyst

SUBJ: Longevity Bonus  
Program

This analysis attempts to indicate the approximate cost of the Longevity Bonus Program.

Examining the 1960 census figures provides the number of persons potentially eligible for benefits. Two requirements of the potential claimant are that the: (1) lives to age 65, and (2) remains in the State of Alaska for 25 consecutive years.

The present number of enrolled claimants indicates that approximately 25% (4,187) of the potential 16,638 have qualified. This does not consider the fact that applications presently continue to come in (as many as 20 to 30 a day) from individuals who have been eligible for years, thus indicating that we do not have all the eligible persons in the 4,187 total, i.e., the 25% factor is low.

Applying the 25% eligibility factor against the remaining number of potentially eligible persons from the 1960 census data gives a total of 52,383 more claimants to qualify in the remaining years of the program (see fig. 1). This estimate is obviously low due to increases in life expectancy and decreasing population migration (see fig. 2).

Mortality tables indicate one may expect to live 15 years at age 65 (see fig. 3). Thus, the average claimant will receive \$18,000 under the program. According to this average data and discounting the present claimants, it is apparent that the program can expect to pay \$942,876,000 in additional benefits. The administrative cost factor of 4% reflects an additional \$37,715,040 to be added to the total cost. The program could become more expensive to administer due to increasing file size and inflationary costs.

When the 1 million dollars previously funded plus the proposed 1.5 million dollar supplemental request are added to the total, it brings the estimate to \$983,091,040.

The last individual will become eligible in the year 2024. The program, based on mortality table data, can be expected to phase out by the year 2039. The program is presently liable for \$5,024,400 annually.

RG/ds

Age	Alaska Total		
	Total	Male	Female
All Ages	226,167	128,811	97,356
Under 5 years	31,193	17,197	13,996
5 years	6,010	3,371	2,639
6 years	5,783	2,912	2,871
7 to 9 years	11,766	7,301	4,465
10 to 13 years	16,627	8,575	8,052
14 years	2,891	1,437	1,454
15 years	2,927	1,470	1,457
16 years	2,920	1,529	1,391
17 years	2,715	1,511	1,204
18 years	3,596	2,150	1,446
19 years	5,910	3,813	2,097
20 to 24 years	23,523	13,997	9,526
25 to 34 years	39,672	22,741	16,931
35 to 44 years	31,981	18,019	13,962
45 to 54 years	18,957	11,089	7,868
55 to 64 years	5,721	3,511	2,210
65 to 74 years	3,125	2,175	1,250
75 and over	1,611	1,027	584

FIG. 1  
Source: U.S. Bureau of the Census  
U.S. Census of Population:  
1960. Final Report  
PC(1)-3B

1. NET MIGRATION RATE, 1960 TO 1970

1. Nevada	20.1
2. Florida	9.8
3. Arizona	17.5
4. California	13.1
5. Maryland	12.1
6. Colorado	12.3
7. New Hampshire	11.3
8. Oregon	9.0
9. Washington	8.7
10. Connecticut	8.5
11. Idaho	8.5
12. New Jersey	8.0
13. Utah	7.1
14. Vermont	3.3
15. Virginia	3.6
16. Hawaii	1.7
UNITED STATES	1.7

FIG. 2  
Source: National Education  
Association, 1972

Faint, illegible text, likely a mortality table or statistical data.

FIG. 3 MORTALITY TABLE  
Source: Life Insurance  
Fact Book 1972

HB 67

ALASKA LONGEVITY BONUS PROGRAM

\$1,500,000 Supplemental Appropriation Request

Number of recipients for January, 1973	3,700
Number of recipients for February, 1973	3,900
Number of recipients expected for March, 1973	4,000
Number of recipients expected for April, 1973	4,100
Number of recipients expected for May, 1973	4,200
Number of recipients expected for June, 1973	<u>4,300</u>
TOTAL NUMBER OF BONUS CHECKS F. Y. '73	24,200
	<u> @\$100</u>
BUDGET REQUIREMENT FOR BONUSES	\$2,420,000
BUDGET REQUIREMENT FOR ADMINISTRATION	<u>\$ 80,000</u>
TOTAL APPROPRIATION REQUIRED	\$2,500,000
LESS. ORIGINAL APPROPRIATION	<u>\$1,000,000</u>
SUPPLEMENTAL REQUIRED	<u><u>\$1,500,000</u></u>

LONGEVITY BONUS PROGRAM

CASE COUNT AS OF 1/18/73

Checks in January	3,641
Out of state	27
Declinations	2
Deaths	9
Balance	<u>3,603</u>

January checks issued in February	35
	<u>3,638</u>

February approvals to date (1-18-73)	<u>231</u>
--------------------------------------	------------

Total estimate eligible for February as of 1/18/73	3,834
--	-------

---

Disapproved	21
Requiring further information	57

M E M O R A N D U M

January 24, 1973

TO: The Honorable E. J. Haugen  
House Finance Committee

FROM: Glen K. Vernon  
House Fiscal Analyst

SUBJECT: Final House vote on SB 211 during 1972  
Legislative session

Attached are copies of the 1972 House Journal  
showing final votes on:

- (1) SB 211 as passed by the House  
before going to free conference;
- (2) SB 211 as passed by the House  
with changes incorporated by  
free conference

Att.



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

4/26/89  
Date

# Committee Report

S E N A T E

1/29/73

2/27/73

Date

Mr. President:

The Committee on Finance has had HB 67  
(Dept. Administration - supplemental approp. longevity bonus)  
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with <sup>Senate</sup> CS for HR 67 and that  
<sup>Senate</sup> CS for HR 67 do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- (other) \_\_\_\_\_

## MEMBERS SIGNING THE MAJORITY REPORT:

[Signature] \_\_\_\_\_

[Signature] \_\_\_\_\_

[Signature] \_\_\_\_\_

## MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature]  
CHAIRMAN

Original sponsor: Rules Committee  
by Request of the Governor

Offered: 2/27/73  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

SENATE CS FOR HOUSE BILL NO. 67

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

EIGHTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the

7

Department of Administration, Alaska longevity bonus

8

program; and providing for an effective date."

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10

\* Section 1. The sum of \$1,500,000 is appropriated from the general fund

11

to the Department of Administration to carry out the Alaska longevity bonus

12

program for the fiscal year ending June 30, 1973.

13

\* Sec. 2. This Act takes effect on the effective date of "An Act relating

14

to the Alaska Longevity Bonus program; and providing for an effective date."

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

Introduced: 1/12/73.  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 67

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

EIGHTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Administration, Alaska longevity bonus  
8 program; and providing for an effective date."

9

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10

\* Section 1. The sum of \$1,500,000 is appropriated from the general fund  
11 to the Department of Administration to carry out the Alaska longevity bonus  
12 program for the fiscal year ending June 30, 1973.

13

\* Sec. 2. This Act takes effect on the day after its passage and approval  
14 or on the day it becomes law without approval.

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

The Legislature of the State of Alaska  
FISCAL NOTE  
First Session - Eighth Legislature

I. REQUEST

Bill Identification: House Bill 67  
 Title: An act making a supplemental appropriation to the AK Longevity Bonus Program...  
 Requested by: Legislative Finance Date: 1/12/73  
 Return Date Requested: ASAP  
 Agency: Budget and Management Program: Longevity Bonus

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_  
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	1,500.0	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>1,500.0</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

B. FUNDING: (Thousands of dollars)

GENERAL FUND	1,500.0	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-

C. POSITIONS:

PERMANENT/TEMPORARY	0/0	0/0	0/0	0/0	0/0	0/0
MAN MONTHS (P./T.)	0/0	0/0	0/0	0/0	0/0	0/0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Actual experience over the past several months shows approximately 4,200 recipients will qualify during FY '73. Funding was originally based on 1,600 recipients @ \$100 per month, leaving an anticipated deficit of approximately \$1,500,000 in payments.

IV. ATTACHMENTS

V. DATE: 1/16/73

PREPARED BY: M. R. Charney, Director

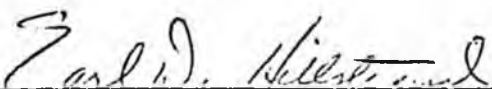
Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

HOUSE JOURNAL  
Finance Committee Report  
on  
House Bill No. 67

The House Finance Committee has reported out this bill with a Do Pass recommendation.

The committee is concerned by the projected overall cost of the Longevity Bonus Program. A portion of this concern stems from the fact that the date by which the prospective claimant must be domiciled within the State of Alaska was changed from 1942 to 1959 by the Free Conference Committee, thus more than doubling the projected cost of the program. Concern has also been expressed toward the federal government's treatment of the bonus payments as income. The committee seeks assurance that the Longevity Bonus Program will in no manner jeopardize a claimant's other benefits.

The House Finance Committee wishes to provide funding for the state's present commitments, while considering corrective modifications to the program. A supplemental report shall issue from this committee shortly covering the alternatives in depth and possibly recommending legislative correction or enactment.

  
Earl Hillstrand, Chairman  
House Finance Committee

Estimated Impact of Alaska Longevity Bonus on Other State Programs During the Period January 1, 1973 to July 1, 1973

I. Old Age Assistance Impact:

- A. Assume average count of 3600 eligibles for longevity bonus during period. Assume 20% of eligibles receive OAA. Assume OAA payments average \$120.00/month. Assume no Federal disallowance as income.\*  
Then:

3600 eligibles X 20% X \$50.00 X 6 mo. =

Federal fund forfeit: \$216,000

- B. Assume average count of 4500 eligibles for longevity bonus during period. Assume 20% of eligibles receive OAA. Assume OAA payments average \$120.00/mo.

Then:

4500 eligibles X 20% X \$50.00 X 6 mo. =

Federal fund forfeit: \$270,000

II. Pioneers' Home Impact:

Assume 60 guests qualify for longevity bonus. Assume the full \$100.00 bonus is collected by the home in each case.

Then:

60 guests X \$100.00 X 6 mo. = \$36,000

(amount by which receipts to Home would be increased)

\*Apparently the federal government will not count the longevity as income at least through March, 1973.

STATE OF ALASKA

HOUSE LEGISLATION DIVISION

BUDGET AND AUDIT COMMITTEE

JUNEAU 99301

AUDIT DIVISION  
POUCH W - ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF - STATE CAPITOL

TO: Earl D. Hillstrand, Chairman  
House Finance Committee

DATE: January 15, 1973

FROM: Robert L. Grogan  
Fiscal Analyst

SUBJ: Longevity Bonus  
Program

This analysis attempts to indicate the approximate cost of the Longevity Bonus Program.

Examining the 1960 census figures provides the number of persons potentially eligible for benefits. Two requirements of the potential claimant are that the: (1) lives to age 65, and (2) remains in the State of Alaska for 25 consecutive years.

The present number of enrolled claimants indicates that approximately 25% (4,187) of the potential 16,638 have qualified. This does not consider the fact that applications presently continue to come in (as many as 20 to 30 a day) from individuals who have been eligible for years, thus indicating that we do not have all the eligible persons in the 4,187 total, i.e., the 25% factor is low.

Applying the 25% eligibility factor against the remaining number of potentially eligible persons from the 1960 census data gives a total of 52,383 more claimants to qualify in the remaining years of the program (see fig. 1). This estimate is obviously low due to increases in life expectancy and decreasing population migration (see fig. 2).

Mortality tables indicate one may expect to live 15 years at age 65 (see fig. 3). Thus, the average claimant will receive \$18,000 under the program. According to this average data and discounting the present claimants, it is apparent that the program can expect to pay \$942,876,000 in additional benefits. The administrative cost factor of 4% reflects an additional \$37,715,040 to be added to the total cost. The program could become more expensive to administer due to increasing file size and inflationary costs.

When the 1 million dollars previously funded plus the proposed 1.5 million dollar supplemental request are added to the total, it brings the estimate to \$983,091,040.

The last individual will become eligible in the year 2024. The program, based on mortality table data, can be expected to phase out by the year 2039. The program is presently liable for \$5,024,400 annually.

RG/ds

Age	Alaska Total		
	Total	Male	Female
All Ages	226,167	128,811	97,356
Under 5 years	31,193	17,197	13,996
5 years	6,040	3,071	2,969
6 years	5,783	2,912	2,871
7 to 9 years	11,766	7,591	7,175
10 to 13 years	16,627	8,575	8,052
14 years	2,891	1,437	1,454
15 years	2,927	1,470	1,457
16 years	2,920	1,529	1,391
17 years	2,715	1,511	1,204
18 years	3,596	2,150	1,446
19 years	5,010	3,313	1,697
20 to 24 years	23,523	15,997	7,526
25 to 34 years	39,672	22,711	16,961
35 to 44 years	31,981	18,019	13,962
45 to 54 years	18,957	11,080	7,877
55 to 59 years	5,721	3,514	2,207
60 to 64 years	3,125	2,175	1,250
65 to 74 years	3,715	2,318	1,397
75 and over	1,611	1,027	614

FIG. 1  
Source: U.S. Bureau of the Census,  
U.S. Census of Population:  
1960. Final Report  
PC(1)-3B

NET MIGRATION IN, 1960-69  
1970

1. Nevada	70.1
2. Florida	26.3
3. Arizona	17.7
4. Colorado	13.1
5. Maryland	12.1
6. Colorado	12.3
7. New Hampshire	11.3
8. Oregon	9.0
9. Washington	8.7
10. [ Connecticut	4.5
[ Delaware	3.5
12. New Jersey	3.0
13. Utah	2.1
14. Vermont	2.3
15. Virginia	3.0
16. Hawaii	1.7
UNITED STATES	1.7

FIG. 2  
Source: National Education  
Association. 1972

Age	Annuity Table for 1960-1970		Mortality Table for 1960-1970	
	Rate	Rate	Rate	Rate
15	10.00	10.00	10.00	10.00
20	10.00	10.00	10.00	10.00
25	10.00	10.00	10.00	10.00
30	10.00	10.00	10.00	10.00
35	10.00	10.00	10.00	10.00
40	10.00	10.00	10.00	10.00
45	10.00	10.00	10.00	10.00
50	10.00	10.00	10.00	10.00
55	10.00	10.00	10.00	10.00
60	10.00	10.00	10.00	10.00
65	10.00	10.00	10.00	10.00
70	10.00	10.00	10.00	10.00

FIG. 3 MORTALITY TABLE  
Source: Life Insurance  
Fact Book 1972



# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

4/26/89  
Date

A M E N D M E N T

Offered in the SENATE

By FINANCE

To: \_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

\_\_\_\_\_ HOUSE BILL NO. 71(a)

AMENDMENT: Page 7 Line 10

Delete "2740,000" and insert "2850,000".

COMMITTEE REPORT

3/29/73

SENATE

Mr. President:

Date 4/5/73

The Committee on FINANCE has had HR 71 amended special approp. for limited entry program for commercial fisheries under consideration. A Majority of the members of the Committee

- ( ) recommends it DO PASS
- ( ) recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- ( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT CS FOR \_\_\_\_\_ DO PASS
- ( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_ COMMITTEE
- ( ) reports it back WITHOUT RECOMMENDATION
- "other" reports it to

Members signing the Majority report:

[Signature] \_\_\_\_\_

[Signature] \_\_\_\_\_

[Signature] \_\_\_\_\_

[Signature] \_\_\_\_\_

Members NOT concurring in the Majority report:

[Signature] recommends: Do not pass

[Signature] recommends: Withdraw

[Signature] recommends: Do not pass

[Signature] recommends: Do PASS

[Signature] recommends: \_\_\_\_\_

[Signature] Chairman

Introduced: 1/15/73  
Referred: Resources, Judiciary  
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 71

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for the limited  
7 entry program for commercial fisheries; and providing  
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$740,000 is appropriated from the general fund  
11 to the Alaska Commercial Fisheries Entry Commission for the fiscal year  
12 beginning July 1, 1973.

13 \* Sec. 2. The sum of \$50,000 is appropriated from the general fund to  
14 the Department of Law for the fiscal year beginning July 1, 1973 for the  
15 purpose of continuing the study of the limited entry program for commercial  
16 fisheries originally authorized by ch. 186, SLA 1972.

17 \* Sec. 3. This Act takes effect on July 1, 1973.

Introduced: 1/15/73  
Referred: Resources, Judiciary  
and Finance

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 71

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for the limited  
7 entry program for commercial fisheries; and providing  
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$350,000 is appropriated from the general fund  
11 to the Alaska Commercial Fisheries Entry Commission for the fiscal year  
12 beginning July 1, 1973.

13 \* Sec. 2. The sum of \$50,000 is appropriated from the general fund to  
14 the Department of Law for the fiscal year beginning July 1, 1973 for the  
15 purpose of continuing the study of the limited entry program for commercial  
16 fisheries originally authorized by ch. 186, SLA 1972.

17 \* Sec. 3. This Act takes effect on July 1, 1973.  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

The Legislature of the State of Alaska

FISCAL NOTE

~~FIFTEENTH~~ ~~LEGISLATURE~~ ~~EIGHTH~~ ~~LEGISLATURE~~

GOVERNOR'S

I. REQUEST

Bill Identification: HB 71  
 Title: Limited Entry  
 Requested by: Legislative Finance Date: 3/8/73  
 Return Date Requested: 3/15/73  
 Agency: Department of Law Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \$400,000

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES	-0-	206.3				
200 TRAVEL	-0-	40.0				
300 CONTRACTUAL	-0-	88.7				
400 COMMODITIES	-0-	5.0				
500 EQUIPMENT	-0-	10.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
300 Cont. Services Dept of Law		50.0				
TOTAL		400.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	400.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	81/2	/	/	/	/
MAN MONTHS (P./T.)	/	96/2	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Please see attached sheet.

IV. ATTACHMENTS

Attachment A: Organization and Staffing Chart

V. DATE: March 12, 1973 PREPARED BY: Allan B. Adasiak

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

III. ANALYSIS HB 71

A. Assumptions:

The cost of the limited entry program will be paid for from entry permit revenues, which will go into the general fund. Interim entry permits must be issued by January 1, 1974. The appropriation for the commission will be an advance against anticipated revenues to the general fund.

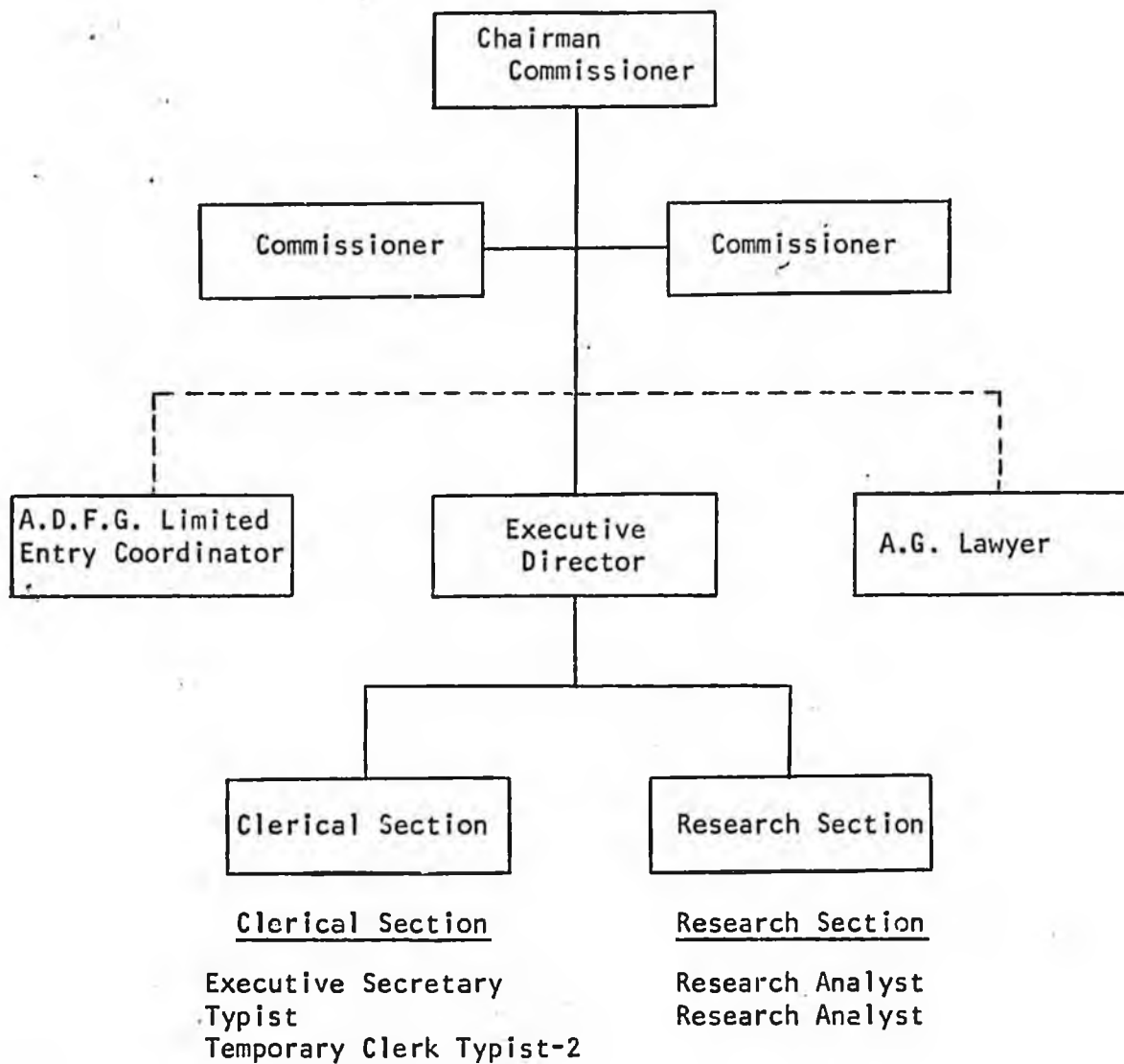
B. Program Summary:

The Alaska Commercial Fisheries Entry Commission is a new body that will implement a new and complex program limiting and stabilizing the amount of gear in the State's commercial fisheries. This program, accomplished through the issuance of entry permits, will benefit Alaska's fisheries resources and alleviate the economic distress of her fishermen.

PERSONNEL SERVICES

<u>Permanent Employees</u>	Range	Salary
3 Commissioners	28-B (29,460)	88,380
1 Executive Director	24-A	23,628
1 Executive Secretary	14-A	11,316
1 Clerk Typist III	9-A	7,824
1 Research Analyst IV	21	21,150
1 Research Analyst II	16	13,104
	Sub-total	<u>165,402</u>
	Benefits - 20%	<u>33,080</u>
	Personnel Svc.	
	Sub-total	198,482
 <u>Temporary Employees</u>		
2 Temporary for 6 months		7,272
	Benefits - 7%	509
	Sub-total Temporary	<u>7,781</u>
<b>TOTAL PERSONNEL SERVICES</b>		<u>206,263</u>
<u>TRAVEL</u>		<u>40,000</u>
<u>CONTRACTUAL SERVICES</u>		
Phone		8,000
Postage		11,250
Printing		6,000
Moving Expenses		4,500
Rent		12,000
Rental Equipment		27,000
Professional Services		20,000
	Sub-total	<u>88,750</u>
Professional Services - Department of Law		<u>50,000</u>
<b>TOTAL CONTRACTUAL SERVICES</b>		138,750
Commodities		5,000
Equipment		10,000
	<b>TOTAL</b>	<b>400,013</b>

ATTACHMENT A: ORGANIZATION AND STAFFING CHART  
HB 71





JUNEAU ALASKA

Alaska State Legislature  
House

HOUSE RESOURCES.

Joe McGill, Chairman

Hartig, Vice-Chairman

Wilson

Laktonen

J. Miller

Eliason

Randolph

Huber

Naughton

Gardiner

Parker

Guy

Degnan

Bob Christensen  
Administrative Ass't.

Diann L. Nelson  
Staff Assistant

RESOURCES COMMITTEE REPORT

on

House Bill #71

The Resources Committee intent in passing out House Bill 71 was that of funding the Entry Commission for the fiscal year 1973, and not necessarily the endorsement of Senate Bill 39, but the endorsement of a much needed limited entry program.

Joe McGill, Chairman  
House Resources Committee

110 51  
January 15, 1973

The Honorable Tom Fink  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99801

Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a bill making special appropriations for the limited entry program for the fiscal year beginning July 1, 1973.

This bill appropriates \$350,000 from the general fund to cover the first year's operating expenses of the Alaska Commercial Fisheries Entry Commission.

Additionally, the bill appropriates \$50,000 to the Department of Law that will allow the study of a limited entry fishery program, authorized by Ch. 186, SLA 1972, to continue for another year.

Such significant progress has been made since this study program was authorized last year, and an initial report to the members of the Eighth Legislature should be published and ready for distribution within three weeks. There is a need to continue this study in order to complete the collection and organization of information essential for the implementation of a limited entry program for Alaska's salmon fisheries and to assess the need for limited entry in other Alaska fisheries.

This portion of the appropriation will permit the limited entry study group to continue the important work begun last year.

Sincerely,

William A. Egan  
Governor



JUNEAU ALASKA

Alaska State Legislature  
House

HOUSE RESOURCES.

Joe McGill, Chairman

Hartig, Vice-Chairman

Wilson

Laktonen

J. Miller

Eliason

Randolph

Huber

Naughton

Gardiner

Parker

Guy

Degnan

Bob Christensen  
Administrative Ass't.

Diann L. Nelson  
Staff Assistant

RESOURCES COMMITTEE REPORT

on

House Bill #71

The Resources Committee intent in passing out House Bill 71 was that of funding the Entry Commission for the fiscal year 1973, and not necessarily the endorsement of Senate Bill 39, but the endorsement of a much needed limited entry program.

Joe McGill, Chairman  
House Resources Committee

146 90  
January 15, 1973

The Honorable Tom Fink  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99801

Dear Mr. Speaker:

Pursuant to the Uniform Rules of the Legislature, I am transmitting a bill making special appropriations for the limited entry program for the fiscal year beginning July 1, 1973.

This bill appropriates \$350,000 from the general fund to cover the first year's operating expenses of the Alaska Commercial Fisheries Entry Commission.

Additionally, the bill appropriates \$50,000 to the Department of Law that will allow the study of a limited entry fishery program, authorized by Ch. 186, SLA 1972, to continue for another year.

Such significant progress has been made since this study program was authorized last year, and an initial report to the members of the Eighth Legislature should be published and ready for distribution within three weeks. There is a need to continue this study in order to complete the collection and organization of information essential for the implementation of a limited entry program for Alaska's salmon fisheries and to assess the need for limited entry in other Alaska fisheries.

This portion of the appropriation will permit the limited entry study group to continue the important work begun last year.

Sincerely,

William A. Egan  
Governor



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

4/26/89  
Date



A M E N D M E N T

Offered in the HOUSE

By Finance Committee

To: \_\_\_\_\_ HOUSE BILL NO. 71

\_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

AMENDMENT: Page 1 Line 10

Change "\$550,000" to "\$740,000"

Introduced: 1/15/73  
Referred: Resources, Judiciary  
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 71

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for the limited  
7 entry program for commercial fisheries; and providing  
8 for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$350,000 is appropriated from the general fund  
11 to the Alaska Commercial Fisheries Entry Commission for the fiscal year  
12 beginning July 1, 1973.

13 \* Sec. 2. The sum of \$50,000 is appropriated from the general fund to  
14 the Department of Law for the fiscal year beginning July 1, 1973 for the  
15 purpose of continuing the study of the limited entry program for commercial  
16 fisheries originally authorized by ch. 186, SLA 1972.

17 \* Sec. 3. This Act takes effect on July 1, 1973.  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29



JUNEAU ALASKA

# Alaska State Legislature

## House

### FINANCE COMMITTEE BILL ASSIGNMENT

**TO:** Representative Haugen  
House Finance Committee

**DATE:** February 25, 1973

**FROM:** Earl D. Hillstrand  
Chairman  
House Finance Committee

**BILL NO.:** HB 71

**TITLE:** "An Act making special appropriations for the limited entry program for commercial fisheries; and providing for an effective date."

**COMMENTS:** This bill has been referred to you for your review, and research and eventual presentation to the committee for their consideration.

This was originally referred to Representative Barber; however, because of the special assignment relating to resources, we will expect you to incorporate this with the other material you are considering and report on it at your earliest convenience.



The Legislature of the State of Alaska

FISCAL NOTE

~~FIFTEENTH LEGISLATURE~~ LEGISLATURE

GOVERNOR'S

I. REQUEST

Bill Identification: HB 71  
 Title: Limited Entry  
 Requested by: Legislative Finance Date: 3/8/73  
 Return Date Requested: 3/15/73  
 Agency: Department of Law Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \$400,000

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 73	FY 74	FY 75	FY 76	FY 77	FY 78
100 PERSONAL SERVICES	-0-	206.3				
200 TRAVEL	-0-	40.0				
300 CONTRACTUAL	-0-	88.7				
400 COMMODITIES	-0-	5.0				
500 EQUIPMENT	-0-	10.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
300 Cont. Services Dept of Law		50.0				
TOTAL		400.0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	400.0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	81/2	/	/	/	/
MAN MONTHS (P./T.)	/	96/2	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Please see attached sheet.

IV. ATTACHMENTS

Attachment A: Organization and Staffing Chart

V. DATE: March 12, 1973 PREPARED BY: Allan B. Adasiak

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

III. ANALYSIS HB 71

A. Assumptions:

The cost of the limited entry program will be paid for from entry permit revenues, which will go into the general fund. Interim entry permits must be issued by January 1, 1974. The appropriation for the commission will be an advance against anticipated revenues to the general fund.

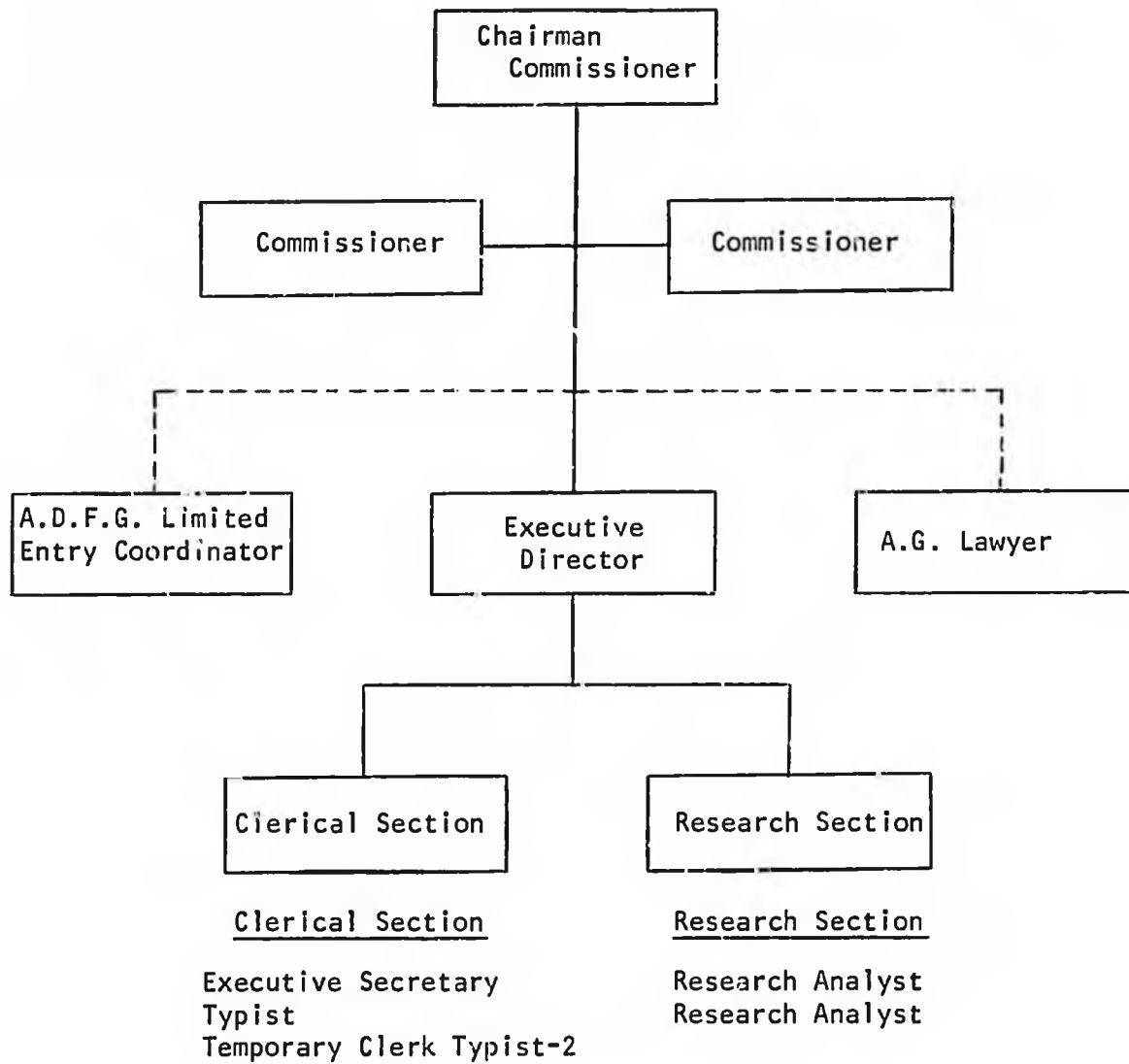
B. Program Summary:

The Alaska Commercial Fisheries Entry Commission is a new body that will implement a new and complex program limiting and stabilizing the amount of gear in the State's commercial fisheries. This program, accomplished through the issuance of entry permits, will benefit Alaska's fisheries resources and alleviate the economic distress of her fishermen.

PERSONNEL SERVICES

<u>Permanent Employees</u>	Range	Salary
3 Commissioners	28-B (29,460)	88,380
1 Executive Director	24-A	23,628
1 Executive Secretary	14-A	11,316
1 Clerk Typist III	9-A	7,824
1 Research Analyst IV	21	21,150
1 Research Analyst II	16	13,104
	Sub-total	<u>165,402</u>
	Benefits - 20%	<u>33,080</u>
	Personnel Svc.	
	Sub-total	198,482
<u>Temporary Employees</u>		
2 Temporary for 6 months		7,272
	Benefits - 7%	<u>509</u>
	Sub-total Temporary	<u>7,781</u>
TOTAL PERSONNEL SERVICES		<u>206,263</u>
TRAVEL		<u>40,000</u>
<u>CONTRACTUAL SERVICES</u>		
Phone		8,000
Postage		11,250
Printing		6,000
Moving Expenses		4,500
Rent		12,000
Rental Equipment		27,000
Professional Services		20,000
	Sub-total	<u>88,750</u>
Professional Services - Department of Law		<u>50,000</u>
TOTAL CONTRACTUAL SERVICES		138,750
Commodities		5,000
Equipment		10,000
	TOTAL	400,013

ATTACHMENT A: ORGANIZATION AND STAFFING CHART  
HB 71





# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

4/26/89  
Date

Introduced: 1/16/73  
Referred: State Affairs  
and Finance

1 IN THE HOUSE

BY DEGNAN AND MALONE

2 HOUSE BILL NO. 72

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing incentive payments for air service  
7 to small isolated communities."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. LEGISLATIVE FINDINGS. The legislature finds that

10 (1) there are throughout the state small communities which are  
11 totally dependent on air service for transportation of persons and goods into  
12 and out of the community for all or a substantial part of each year;

13 (2) the present frequency of scheduled service by air carriers to  
14 many of these communities is not adequate to meet the reasonable needs of the  
15 communities;

16 (3) the present level of rates for air transportation of passengers  
17 and goods into and out of these isolated communities severely limits the  
18 ability of the residents of these communities to acquire vital transportation  
19 services and restricts the economic growth and development of these communi-  
20 ties to the detriment of the state;

21 (4) the air carriers now serving these communities are either  
22 unable or unwilling to increase frequency of scheduled service or to lower  
23 the rates charged for air transportation to small communities in the state;  
24 and

25 (5) it is in the interest of the state to stimulate improved air  
26 service for small communities in the state by providing incentives to the  
27 air carriers serving these communities to increase service and reduce rates.

28 \* Sec. 2. AS 02 is amended by adding a new chapter to read:

29 CHAPTER 40. AIR SERVICE CONTRACTS.

1           Sec. 02.40.010. AIR SERVICE CONTRACTS. The department may enter  
2 into contracts with air carriers by which the carriers undertake to  
3 provide air service to and from small communities selected by the  
4 department in accordance with sec. 20 of this chapter.

5           Sec. 02.40.020. SELECTION OF COMMUNITIES SERVED. In selecting  
6 small communities eligible for contract air service under sec. 10 of  
7 this chapter, the department shall consider, among other things, the  
8 following factors:

9                   (1) the need for air transportation services to and from the  
10 various small communities of the state;

11                   (2) the availability and practicability of alternate means  
12 of transportation to and from the various small communities;

13                   (3) the views of the small communities;

14                   (4) the views of the air carriers, if any, currently providing  
15 air service to, from, or between the communities selected; and

16                   (5) the effect of selection on the development of the state's  
17 air transportation system.

18           Sec. 02.40.030. CONTENT OF CONTRACT. A contract between the  
19 department and an air carrier for the provision of air service to a  
20 small community or communities shall include:

21                   (1) the minimum frequency of scheduled service the air  
22 carrier shall be required to operate to and from the small community  
23 or communities;

24                   (2) the maximum rates and fares the air carrier may charge,  
25 subject to revision for those reasons and by those provisions that the  
26 department may provide;

27                   (3) minimum passenger and cargo capacity requirements in  
28 respect to the aircraft operated by the air carrier; and

29                   (4) those arrangements that the department may require by

1 which the state may be reasonably assured of reimbursement in the event  
2 of default by the air carrier, including reimbursement for the cost of  
3 obtaining another air carrier to provide the air service which the  
4 defaulting carrier undertook to provide.

5 Sec. 02.40.040. COMPETITIVE BIDDING. (a) Air service contracts  
6 under this chapter shall be granted only on the basis of competitive  
7 bidding under procedures established by the department. The award of  
8 the contract shall be to the lowest responsible bidder after advertising  
9 for bids.

10 (b) Before the award of a contract under this chapter, the  
11 department shall ascertain that the proposed contractor is capable of  
12 meeting, during the contract period, all requirements of the department  
13 and of the Federal Aviation Administration for safety and reliability  
14 of operation.

15 (c) No contract under this chapter may exceed three years in  
16 duration or be renewed. No increase in contract price may be made for  
17 the benefit of an air carrier after the contract has been entered into,  
18 except for increases in costs attributable to governmental actions.

19 Sec. 02.40.050. CONTRACT PAYMENTS. Contract payments by the  
20 department under air service contracts are incentive or subsidy payments  
21 to achieve assurance of adequate service to the communities included in  
22 the contract. The successful bidder retains all passenger, cargo and  
23 mail revenues, as well as the contract payment, and shall bear all  
24 costs for performing the services called for.

25 Sec. 02.40.060. REGULATIONS. The department may promulgate  
26 regulations necessary to carry out the provisions of this chapter.

27 Sec. 02.40.070. ANNUAL REPORTS. The department shall annually  
28 report to the legislature on the progress of the program established  
29 by this chapter. The department's report shall include the quality

1 and extent of air service provided to small communities in the state  
2 under this chapter, the cost to the state of this service, and the  
3 department's evaluation of the relative advantages and disadvantages  
4 of the contract method of providing air service to small communities  
5 compared to alternative methods of achieving the same level of service.

6 Sec. 02.40.080. DEFINITIONS. In this chapter, unless the context  
7 otherwise requires,

8 (1) "air carrier" means any person who engages directly in,  
9 or proposes to engage directly in, air service;

10 (2) "air service" means the carriage by aircraft, on a  
11 regularly scheduled basis, of persons or property as a common carrier  
12 for compensation;

13 (3) "department" means the Department of Public Works;

14 (4) "person" means any individual, firm, copartnership,  
15 corporation, company, association, joint stock association or body  
16 politic, and includes any trustee, receiver, assignee, or similar  
17 representative.



JUNEAU ALASKA

Alaska State Legislature  
House

FINANCE COMMITTEE BILL ASSIGNMENT

TO:

DATE:

FROM: Earl D. Hillstrand  
Chairman  
House Finance Committee

BILL NO.: HOUSE BILL 72

TITLE: "An Act providing incentive payments for air service to small isolated communities."

COMMENTS: This bill has been referred to you for your review and research and eventual presentation to the committee for their consideration.



JUNEAU ALASKA

Alaska State Legislature  
House

FINANCE COMMITTEE BILL ASSIGNMENT

TO:

DATE:

FROM: Earl D. Hillstrand  
Chairman  
House Finance Committee

BILL NO.: HOUSE BILL 72

TITLE: "An Act providing incentive payments for air service to small  
isolated communities."

COMMENTS: This bill has been referred to you for your review  
and research and eventual presentation to the  
committee for their consideration.

# STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

## DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE COMMISSIONER

POUCH Z --- JUNEAU 99801

March 27, 1973

Mr. J. H. Hogan  
Director  
Legislative Finance  
Room 407  
Capitol Building

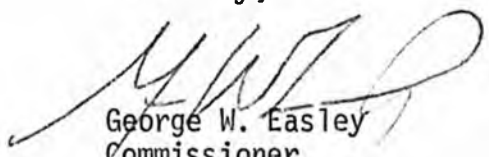
Dear Mr. Hogan:

Your request of March 23, 1973, for a Fiscal Note on House Bill 72 is a task that cannot be accomplished with any accuracy, whatsoever, without a study that would take at least a year.

The research necessary to determine the eligible communities, air carrier routes, passenger service needs, frequency of service, types and tonnage of cargo, and the tariff rates is monumental in itself before competitive bidding could take place. The bill does not indicate what would be "adequate service" upon which payments are to be based. Is adequate service to be daily, semi-weekly, bi-weekly, tri-weekly or weekly.

We believe the proposed air carrier service must have a complete study to determine the amount of subsidy that would be required and the additional cost to monitor the program.

Sincerely,



George W. Easley  
Commissioner