

LEG. FINANCE - BILLS 1983 - 1984 1987

HB 717 am - HCR 2 1987

COMMITTEE REPORT
SENATE

FURTHER:

4/24/84

Date 4/25/84

Mr. President

The Committee on FINANCE considered HR 717 am

longevity bonus program, requiring the payment of longevity bonuses from appropriations from the general fund; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Joe Josephson

Bob Marple

H. Fischer

H. Attala *do pass*

Jim [unclear]

[Signature]
Chairman

Chairman recommendation

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HR717am
Title: Longevity Bonus Program

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: Social Services

Sponsor: _____
Requestor: _____
Date of Request: _____

BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	11.8	120.0				
200 TRAVEL		113.9				
300 CONTRACTUAL	10.2	110.9				
400 SUPPLIES	1.0	3.0				
500 EQUIPMENT	3.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	2750.5	15,350.0				
800 MISCELLANEOUS						
TOTAL OPERATING	2,776.5	15,697.8				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	2,776.5	15,697.8				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3.0				
PART-TIME	3	1.0				
TEMPORARY		0				

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Senator Sackett, CoChairman
Division: Senate Finance Committee

Phone: _____
Date: April 25, 1984

Approved by Commissioner: _____
Agency: _____

Date: _____

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83



Official Business

Alaska State Legislature

Senate

FINANCE COMMITTEE

Letter of Intent

for

HB717 am

Pouch V
State Capitol
Juneau, Alaska 99811

In the event that funding for the Longevity Bonus Program proves to be insufficient for FY85, it is the intent of the Legislature that the department shall request supplemental funding.

Introduced: 4/17/84
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 717 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the longevity bonus program,
7 requiring the payment of longevity bonuses from
8 appropriations from the general fund; and providing
9 for an effective date."

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

11 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds and
12 declares that

13 (1) the high cost of goods and services in Alaska and the
14 state's remoteness and harsh environment, make it difficult for many elder-
15 ly Alaskans to remain in the state after retirement;

16 (2) when a person is forced to live out retirement years away
17 from home, family, and friends, that person suffers an irreparable loss;

18 (3) Alaska's elderly are a precious human resource, and it is in
19 the public interest to provide a financial incentive for them to remain in
20 the state after retirement; and

21 (4) it is in the public interest to continue the longevity bonus
22 program for elderly Alaskans irrespective of need.

23 (b) The longevity bonus program is not a form of welfare and is not a
24 substitute for or supplement to public assistance. Other programs are
25 available to provide the basic necessities of life. The longevity bonus
26 program is intended to encourage elderly Alaskans to spend their retirement
27 years in the comfort of their homes.

28 * Sec. 2. AS 47.45.010 is amended to read:

29 Sec. 47.45.010. PERSONS WHO MAY QUALIFY FOR LONGEVITY BONUS.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB717am
Title: Longevity Bonus Program

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Requestor: _____
Date of Request: _____

BRU, Program or Subprogram(s) Affected: _____

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ANALYSIS: Attach a separate page for analysis

Prepared By: Senator Sackett, CoChairman
Division: Senate Finance Committee

Phone: _____
Date: April 25, 1984

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Agency: _____

Date: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
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- Impacted Agency(ies)

12/1/83



Official Business

Alaska State Legislature

Senate

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for

HB717 am

Pouch V
State Capitol
Juneau, Alaska 99611

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Introduced: 4/17/84
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 717 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the longevity bonus program,
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14 state's remoteness and harsh environment, make it difficult for many elder-
15 ly Alaskans to remain in the state after retirement;

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17 from home, family, and friends, that person suffers an irreparable loss;

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19 the public interest to provide a financial incentive for them to remain in
20 the state after retirement; and

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22 program for elderly Alaskans irrespective of need.

23 (b) The longevity bonus program is not a form of welfare and is not a
24 substitute for or supplement to public assistance. Other programs are
25 available to provide the basic necessities of life. The longevity bonus
26 program is intended to encourage elderly Alaskans to spend their retirement
27 years in the comfort of their homes.

28 * Sec. 2. AS 47.45.010 is amended to read:

29 Sec. 47.45.010. PERSONS WHO MAY QUALIFY FOR LONGEVITY BONUS.

1 (a) A person who is 65 years of age or over, who resides in the state
2 for at least one year immediately preceding application for a longevi-
3 ty bonus under this chapter [WAS DOMICILED IN THE TERRITORY ON OR
4 BEFORE JANUARY 3, 1959 AND WHO HAS MAINTAINED A CONTINUOUS DOMICILE IN
5 THE TERRITORY OR STATE FOR 25 YEARS] may apply to the commissioner of
6 administration for qualification to receive a monthly bonus of \$250.

7 (b) When the commissioner of administration determines that an
8 applicant qualifies under AS 47.45.010 -- 47.45.170 the commissioner
9 [HE] shall immediately begin payment of the bonus.

10 (c) A person who otherwise qualifies to receive a bonus provided
11 for in AS 47.45.010 -- 47.45.170 may continue to do so only as long as
12 that person continues to be a resident of [HE CONTINUOUSLY RETAINS A
13 DOMICILE IN] the state.

14 * Sec. 3. AS 47.45.030 is amended to read:

15 Sec. 47.45.030. ABSENCE FROM THE STATE. After qualification, a
16 [A] recipient shall notify the commissioner of administration when the
17 recipient [HE] expects to be absent from the state if the absence is
18 for a continuous period that exceeds 30 days. After that notifica-
19 tion, the recipient may [SHALL] no longer receive bonuses from the
20 Department of Administration after the [HIS] last regularly approved
21 monthly application. Upon returning [HIS RETURN] to the state, the
22 recipient [HE] may again make application for a bonus. Whenever the
23 absence is for a continuous period that exceeds 180 days the recipient
24 shall be disqualified from receiving bonuses for the next 12 calendar
25 months after returning [HIS RETURN] to the state. However, when the
26 commissioner of administration determines a period of absence is
27 beyond the control of the recipient, the recipient [HE] may not be
28 disqualified [,] if the recipient [HE] still otherwise qualifies upon
29 returning [HIS RETURN] to the state. Continual absences from the

1 state, even though reported, and failure to notify the commissioner of
2 an expected absence may be grounds for disqualification.

3 * Sec. 4. AS 47.45.090(a) is amended to read:

4 (a) The [THERE IS THE] Alaska longevity bonus fund is created
5 for the purpose of paying the monthly bonuses provided for in this
6 chapter. The fund consists only of [ALL] money made available by
7 appropriations of the [STATE] legislature from the general fund [.],
8 and [FROM OTHER APPROPRIATED FUNDS, ALL CONTRIBUTIONS FROM WHATEVER
9 SOURCE, AND] income and interest derived from the investment of money
10 of the longevity bonus fund.

11 * Sec. 5. AS 47.45.150 is amended to read:

12 Sec. 47.45.150. DEFINITIONS. In this chapter

13 (1) "bonus" means a monthly Alaska longevity bonus payment
14 made to a person or the person's [HIS] beneficiary who qualifies under
15 this chapter;

16 (2) "resident" or "resident of the state" means an indi-
17 vidual who is physically present in the state with the intent to
18 remain in the state indefinitely and to make a home in the state; a
19 person demonstrates the requisite intent by maintaining a principal
20 place of abode in the state for one year and by providing other proof
21 of intent the commissioner may require by regulation, including proof
22 that the person is not claiming residency outside the state or obtain-
23 ing benefits under a claim of residency outside the state ["DOMICILE"
24 MEANS THE PLACE WITH WHICH A PERSON HAS A SETTLED CONNECTION FOR
25 DETERMINATION OF HIS CIVIL STATUS OR OTHER LEGAL PURPOSES BECAUSE IT
26 IS ACTUALLY OR LEGALLY HIS PERMANENT AND PRINCIPAL HOME].

27 * Sec. 6. Section 2, ch. 205, SLA 1972, and AS 47.45.170 are repealed.

28 * Sec. 7. SPECIAL COMMITTEE. The State Special Committee on the Alaska
29 Longevity Bonus Program is created, consisting of two members of the Alaska

1 Senate appointed by the president of the senate, two members of the Alaska
2 House of Representatives appointed by the speaker of the house, two members
3 of the executive branch selected by the governor, and three public members
4 appointed by the governor. The committee shall determine the feasibility
5 of replacing the longevity bonus program, as amended by this Act, with an
6 annuity program, a needs-based program, or other longevity program. In
7 making the determination of feasibility required by this section, the
8 committee shall consider (1) the format and structure of alternative pro-
9 grams; (2) the cost of alternative programs as compared to the cost of the
10 longevity bonus program, as amended by this Act; (3) opinions of recipients
11 of longevity bonus payments on the question of replacing the longevity
12 bonus program with an alternative program; and (4) sources of funding for
13 the alternative programs. The committee shall report its findings on the
14 feasibility of alternative programs, together with draft legislation to
15 implement the alternative programs if the committee finds that one or more
16 programs are feasible, to the legislature and the governor by February 1,
17 1985.

18 * Sec. 8. If any provision of this Act, or the application of this Act
19 to any person or circumstance is held invalid, the remainder of this Act
20 and the application of this Act to other persons or circumstances is not
21 affected by that holding.

22 * Sec. 9. (a) A person who was qualified to receive a monthly longevi-
23 ty bonus under AS 47.45 on March 30, 1984 is presumed to be qualified to
24 receive a monthly bonus under AS 47.45 as amended by this Act. Payments
25 under AS 47.45, as amended by this Act, may be made to that person as long
26 as the person continues to qualify for payments under those provisions.

27 (b) A person (1) who is eligible to receive a monthly longevity bonus
28 under AS 47.45, as amended by this Act, for which that person was not
29 eligible under AS 47.45 on March 30, 1984, and (2) whose application for a

1 longevity bonus for May, June, July, or August, 1984 is received by Sep-
2 tember 1, 1984, may be paid for each month for which that person is qual-
3 ified and for which such an application was filed, notwithstanding any
4 other provision of law to the contrary.

5 * Sec. 10. Sections 1 -- 8 of this Act are retroactive to May 1, 1984.

6 * Sec. 11. This Act and AS 47.45 are repealed June 30, 1985.

7 * Sec. 12. This Act takes effect immediately in accordance with AS 01.-
8 10.070(c).

SECTIONAL ANALYSIS
HOUSE BILL 717am

SECTION 1

Findings and purpose

SECTION 2

Establishes a 1 year residency and 65 years of age as the qualifications for the Longevity Bonus and and that the bonus will be \$250 per month.

SECTION 3

Deletes the words "He" and "His", and adds the words "the recipient".

SECTION 4

Longevity bonuses shall only be paid from appropriations of general fund monies.

SECTION 5

Definition of "resident" and "resident of the state".

SECTION 6

Repeals existing non-severability clause and also repeals existing "purpose section" of the Longevity Bonus Program.

SECTION 7

Sets up a State Special Committee on the Alaska Longevity Bonus Program consisting of 9 members(2 Senators, 2 Representatives, 2 members of the Executive Branch, and 3 public members) to look at alternative methods of continuing the program.

SECTION 8

Adds a new non-severability clause to this Act.

SECTIONAL ANALYSIS

SECTION 9

Adds language so that the existing recipients of the Longevity Bonus Program continue to receive Longevity Bonus checks without interruption and provides a period of time for new applicants to apply retroactively to receive benefits entitled May 1 1984 so long as their application is received by September 1, 1984.

SECTION 10

Sections 1-8 are retroactive to May 1, 1984

SECTION 11

The entire Longevity Bonus Program is repealed June 30, 1985.

SECTION 12

Immediate effective date clause

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HOUSE BILL, 717am

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STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 3

REQUEST

Bill/Resolution No.: HB 717
Title: Longevity Bonus Program

FISCAL DETAIL

Agency Affected: Dept. of Administration
Program Category Affected: Social Services

Sponsor: Rules by request of Gov.
Requestor: House Finance
Date of Request: 4/17/84

BRU, Program or Subprogram(s) Affected:
Longevity Bonus Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	11.8	49.9	---	---	---	---
200 TRAVEL						
300 CONTRACTUAL	10.2	60.9	---	---	---	---
400 SUPPLIES	1.0	3.0	---	---	---	---
500 EQUIPMENT	3.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	2750.5	15350.0	---	---	---	---
800 MISCELLANEOUS						
TOTAL OPERATING	2776.5	15463.8	---	---	---	---
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	2776.5	15463.8	---	---	---	---
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		1	---	---	---	---
PART-TIME	3	2	---	---	---	---
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Rep. Al Adams, Chair ^{APA} Phone: 465-3706
Division: House Finance Committee Date: 4/17/84

Approved by Commissioner: _____ Date: _____
Agency: _____

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

12/1/83

The amount provided for administration of the Alaska Longevity Bonus program is the same as that requested by the Department without providing funds for the study. It is the intent of the committee that the study be paid for within the Department's existing budget.

The breakdown of funds is as follows:

Personal Services		\$11,836
Clerk V, PFT (2 months)	\$4,785	
Clerk II, PPT (2 pos, 2 mos)	7,051	
Contractual Services		10,156
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls		
Commodities		1,000
Office Supplies		
Equipment		3,000
Office furniture		

The amount provided for bonus clerks is based on House Research Agency projections. The population count for FY 84 is based on data provided in the 2/24/84 memorandum from House Research to Representative Al Adams.

2. FY 85 Costs

The amount provided for administration of the Alaska Longevity Bonus program is the same as that requested by the Department without providing funds for the study.

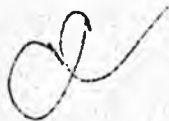
The breakdown of funds is as follows:

Personal Services		\$49,862
Clerk V, PFT	\$28,710	
Clerk II, PPT (2 pos., 6 mos)	21,152	
Contractual Services		60,937
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls		
Commodities		3,000
Office Supplies		

The amount provided for payment of bonuses (shown in the grants line item) is based on House Research Agency calculations of the number of ALB recipients in the first year after establishing a program that pays bonuses of \$250/month to each person 65 and older who has lived in the state for a year. The figure shown under the grants column in the fiscal note is only for those costs above the \$32.5 million in the House budget for longevity bonuses. Please refer to the House Research memorandum to Representative Adams (dated 2/24/84) for further details on the amount in the grants line item. The total program costs in FY 85 are approximately \$47-48 million.

The bill has fiscal impact in years beyond FY 85. However, the fiscal impact is entirely dependent on the work of the special committee and legislative action in the 1985 session. Hence, the hatch marks shown on the fiscal note for years beyond FY 85 indicate that the fiscal impact is indeterminate at this time.

BILL SHEFFIELD
GOVERNOR



14B 717

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 17, 1984

The Honorable Joe Hayes
Speaker of the House
Pouch V
Juneau, AK 99811

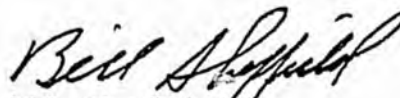
Dear Representative Hayes:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the longevity bonus program. This bill will open up the program to all one-year residents who are 65 years of age or older, beginning May 1, 1984.

This bill also creates a special committee to study various alternative programs. The committee is to report on its findings by February 1, 1985.

Under this bill, the longevity bonus program (AS 47.45) and the provisions in the bill terminate June 30, 1985, allowing time in the 1985 session for action to either extend the bonus program or enact an alternative program.

Sincerely,



Bill Sheffield
Governor

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

cc-supply

Revision Date: _____

REQUEST Page 1 of 10
Bill/Resolution No.: HB 717
Title: _____
Sponsor: _____
Requestor: _____
Date of Request: _____

FISCAL DETAIL
Agency Affected: Administration
Program Category Affected: Social Services
Longevity Bonus Program
BRU, Program or Subprogram(s) Affected: _____

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400 COMMODITIES	1.0	3.0				
500 EQUIPMENT	3.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	3,225.0	19,350.0				
800 MISCELLANEOUS						
TOTAL OPERATING	3,262.7	19,697.8				
CAPITAL	0	0				
REVENUE	0	0				

FUNDING: (Thousands of Dollars)

GENERAL FUND	3,262.7	19,697.8				
FEDERAL FUNDS						
OTHER						
TOTAL	3,262.7	19,697.8				

POSITIONS:

FULL-TIME (FTE)	.5	3.0				
PART-TIME (FTE)	.3	1.0				
TEMPORARY	0	0				

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not indicated by sponsor.

ANALYSIS: Attach a separate page for analysis

Prepared By: E. Louis Keller, Director *EJK* Phone: 465-4400
Division: Pioneers' Benefits Date: April 17, 1984

Approved by Commissioner: Lisa Rudd *LJR* Date: 4/17/84
Agency: DEPARTMENT OF ADMINISTRATION

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

This bill would increase the number of persons eligible for the Longevity Bonus Program.

ASSUMPTIONS

- a. All persons who are age 65 and older who have been residents of Alaska for at least one year would be eligible.
- b. It is believed that there are approximately 16,500 persons now living in Alaska who will qualify under new eligibility requirements, and that there will be approximately 10,050 persons on the program by July 1, 1984. Therefore, it is assumed that an additional 6,450 persons will be enrolled on the program under the bill.
- c. The amount of the bonus would be \$250 per month.
- d. No retroactive payments would be paid.
- e. It is assumed that this program will end on June 30, 1985.
- f. A nine-member committee would be appointed to determine the feasibility of replacing the longevity bonus program with another type of program. It is assumed that in order to solicit citizens' input, travel to various cities in Alaska will be required.
- g. An increase in the Longevity Bonus staff would be needed to process the flood of new applications, and support staff will be required for the nine-member commission.
- h. All expenses would be paid from the State General Fund.
- i. The Act would become effective on May 1, 1984.

Fiscal Note Analysis
 Prepared By Division of Pioneers' Benefits
 Department of Administration
 April 17, 1984

Additional funds needed for FY 84 are computed as follows:

	<u>Annual Cost</u>
Personal Services	\$ 23,532
Clerk V, PFT (2 months)	\$4,785
Clerk II, PPT (2 positions, 2 months)	7,051
Administrative Asst. III PFT (2 months)	6,797
Secretary I, PFT (2 months)	4,899
 Contractual Services	 10,156
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls	
 Commodities	 1,000
Office supplies	
 Equipment	 3,000
Office furniture	
 Grants	
Additional funds needed for Bonus payments to additional persons who will be eligible (6,450 x 2 x \$250)	 3,225,000

 Total additional funds required for FY 84	 \$ 3,262,688

Fiscal Note Analysis
Prepared By Division of Pioneers' Benefits
Department of Administration
April 17, 1984

Page 4 of 10

Additional funds needed for FY 85 are computed as follows:

		<u>Annual Cost</u>
Personal Services		\$ 120,036
Clerk V, PFT	\$28,710	
Clerk II, PPT (2 positions, 6 months)	21,152	
Administrative Asst. III, PFT (12 mos.)	40,781	
Secretary I, PFT (12 months)	29,393	
Travel for Commission and staff		113,850
Transportation	77,000	
Per Diem	36,850	
Contractual Services		110,937
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls	60,937	
Actuarial consultant	50,000	
Commodities		3,000
Office supplies		
Grants		19,350,000
Additional funds needed for Bonus payments to additional persons who will be eligible (6,450 x 12 x \$250)		<hr/>
Total additional funds required for FY 85		\$ 19,697,823

A BILL - Y

Travel

Travel for nine committee members and two-member staff from Juneau round-trip coach class to the following cities:

Cost For Each Person

Anchorage	\$ 352.00
Barrow	876.00
Bethel	592.00
Cordova	258.00
Dillingham	490.24
Fairbanks	422.00
Haines	114.00
Ketchikan	180.00
Kodiak	536.00
Kotzebue	664.00
Nome	664.00
Palmer	352.00
Petersburg	146.00
Seward	448.00
Sitka	120.00
Valdez	460.00
Wrangell	166.00
Yakutat	<u>158.00</u>
Total	<u>\$6,998.24</u> each

\$7,000 x 11 persons = \$77,000

Per Diem

(Based on three days each to far northern areas, and two days to all others)

Barrow, Fairbanks, Kotzebue, and Nome @ \$90/day x 3 days x 11 persons	\$ 11,880
Bethel, Dillingham and Kodiak @ \$85/day x 2 days x 11 persons	5,610
Anchorage, Cordova, Haines, Ketchikan, Palmer, Petersburg, Seward, Sitka, Valdez, Wrangell and Yakutat @ \$80/day x 2 days x 11 persons	<u>19,360</u>
Total per diem	<u>\$ 36,850</u>

1.	POSITION TITLE <u>Administrative Assistant III</u>				RANGE/STEP <u>16A</u>	BARC. UNIT <u>C</u>	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION <u>PFT</u>	STAFF MONTHS <u>12</u>	RP NUMBER	PCN NUMBER	BRU PRIORITY <u>4</u>	LOCATION <u>Juneau</u>	ELECTION DISTRICT <u>4</u>	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary	<u>2,573/mo.</u>	<u>30,876</u>							
6.	Benefits		<u>5,132</u>							
7.	Supplemental Benefits		<u>1,893</u>							
8.	Fixed Benefits		<u>2,880</u>							
9.	TOTAL PERSONAL SERVICES		<u>01</u>		<u>40,781</u>					
10.	Travel		<u>02</u>							
11.	Contractual		<u>03</u>							
12.	Commodities		<u>04</u>							
13.	Equipment		<u>05</u>							
14.	Other									
15.	TOTAL COST				<u>40,781</u>					
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.	<u>100</u>	General Funds 1004		<u>40,781.</u>						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER _____										

The State Special Committee on the Longevity Bonus Program will need support staff to assist in conducting public hearings and special studies to determine the feasibility of replacing the Longevity Bonus Program with another type of program.

The Administrative Assistant III will provide organizational and fiscal support for the Committee and act as coordinator for the efforts of the group.

13 REQUEST FOR
NEW POSITION

AGENCY Administration
Social and Economic
PROGRAM Assistant for the Aged
BRU Longevity Bonus Program
COMPONENT _____

HB 717
Page 6 of 10
Revised Date _____

FY 85

1.	POSITION TITLE Secretary I				RANGE/STEP 10B	BARG. UNIT G	FORM 12	PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY 5	LOCATION Juneau	ELECTION DISTRICT 4		LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION						
4.	TYPE OF EXPENDITURE										
	1		2		3						
	PERSONAL SERVICES										
5.	Salary	1,803/mo.	21,636								
6.	Benefits		3,551								
7.	Supplemental Benefits		1,326								
8.	Fixed Benefits		2,880								
9.	TOTAL PERSONAL SERVICES		01		29,393						
10.	Travel		02								
11.	Contractual		03								
12.	Commodities		04								
13.	Equipment		05								
14.	Other										
15.	TOTAL COST				29,393						
	RECEIPT CODE	FUNDING SOURCE									
16.		Federal Receipts 1002									
17.		G.F. Match 1003									
18.	100	General Funds 1004		29,393							
19.		I-A Receipts 1005									
20.		Program Receipts 1028									
21.		Other									
FOR B&M USE ONLY											
4A KEY NUMBER _____											

The State Special Committee on the Longevity Bonus Program will need support staff to assist in conducting public hearings and special studies to determine the feasibility of replacing the Longevity Bonus Program with another type of program.

The Secretary I position will provide office management and clerical support for the group, reporting to and providing personal support to the chairman of the committee.

13 REQUEST FOR
NEW POSITION

AGENCY Administration
 PROGRAM Social and Economic Assistance for the Aged
 BRU Longevity Bonus Program
 COMPONENT _____

HB 717

Page 7 of 10

Revised Date _____

FY 85

1.	POSITION TITLE Clerk V				RANGE/STEP 11B	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN. NUMBER	BRU PRIORITY 1	LOCATION Juneau	ELECTION DISTRICT 4	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	1,914/mo.	22,968							
6.	Benefits		1,454							
7.	Supplemental Benefits		1,408							
8.	Fixed Benefits		2,880							
9.	TOTAL PERSONAL SERVICES		01	28,710						
10.	Travel		02							
11.	Contractual		03							
12.	Commodities		04							
13.	Equipment		05							
14.	Other									
15.	TOTAL COST			28,710						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.	100	General Funds 1004		28,710						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY 4A KEY NUMBER _____										

The program expects to receive applications from 4,450 persons who will meet the new eligibility requirements when the bill is effective. A Clerk V position is required to supervise two PPT Clerk II positions, who will be required to process the volume of applications. In addition, the Clerk V will be responsible for calculation of any retroactive benefits which may be due.

At the end of eight months, it is expected that the receipt of applications will level off and the Clerk V position will then be required to assist with actions necessary for continuing eligibility of increased number of recipients, and added volume of data input.

13 REQUEST FOR
NEW POSITION

AGENCY Administration
Social and Economic Assistance
PROGRAM for the Aged
BRU Longevity Bonus Program
COMPONENT _____

HB 717
Page 8 of 10
Revised Date _____

FY 85

1.	POSITION TITLE Clerk II				RANGE/STEP 7B	BARG. UNIT G	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PPT	STAFF MONTHS 8	RP NUMBER	PCN-NUMBER	BRU PRIORITY 2	LOCATION Juneau	ELECTION DISTRICT 4	LEG.		
3.	CONTINUATION LEVEL				ADDITION		JUSTIFICATION			
4.	TYPE OF EXPENDITURE			AMOUNT		<p>The program expects to receive applications from 4,450 persons who will meet the new eligibility requirements when the bill is effective. Prior to approval, each application received must be date-stamped, registered, scrutinized for completeness, acknowledged and filed. In addition, documentation verifying applicant's completion of the requirements will be requested if not received with the application.</p> <p>Two permanent part time Clerk II positions will be required to process the volume of applications in a timely manner. It is expected that the large volume of applications will level off at the end of eight months and the additional positions will no longer be required.</p>				
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	1,510/mo.	12,080							
6.	Benefits		2,022							
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES	01	14,102							
10.	Travel	02								
11.	Contractual	03								
12.	Commodities	04								
13.	Equipment	05								
14.	Other									
15.	TOTAL COST		14,102							
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Hatch 1003								
18.	100	General Funds 1004		14,102						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER _____										

13 REQUEST FOR
NEW POSITION

AGENCY Administration
Social and Economic Assistance
PROGRAM for the Aged
BRU Longevity Bonus Program
COMPONENT _____

HB 717
Page 9 of 10
Revised Date _____

FY 85

1.	POSITION TITLE Clerk II				RAIICE/STEP 7B	BARG. UNIT G	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PPT	STAFF MONTHS 8	RP NUMBER	PCN NUMBER	BRU PRIORITY 3	LOCATION Juneau	ELECTION DISTRICT 4	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				<p>The program expects to receive applications from 4,450 persons who will meet the new eligibility requirements when the bill is effective. Prior to approval, each application received must be date-stamped, registered, scrutinized for completeness, acknowledged and filed. In addition, documentation verifying applicant's completion of the requirements will be requested if not received with the application.</p> <p>Two permanent part time Clerk II positions will be required to process the volume of applications in a timely manner. It is expected that the large volume of applications will level off at the end of eight months and the additional positions will no longer be required.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	1,510/mo.	12,080							
6.	Benefits		2,022							
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES	01	14,102							
10.	Travel	02								
11.	Contractual	03								
12.	Commodities	04								
13.	Equipment	05								
14.	Other									
15.	TOTAL COST		14,102							
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.	100	General Funds 1004		14,102						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER										

13 REQUEST FOR
NEW POSITION

AGENCY Administration
 PROGRAM Social and Economic Assistance
for the Aged
 BRU Longevity Bonus Program
 COMPONENT _____

HB 717

Page 10 of 10

Revised Date _____

FY 85

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

4/23/84

Date

April 23, 1984

Mr. President

The Committee on JUDICIARY considered HB 717 am

longevity bonus program, requiring the payment of longevity bonuses from appropriations from the general fund; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

1 Zeigler

1 Joe Joe

1 Robinson

MEMBERS HAVING
OTHER RECOMMENDATIONS

2 [Signature] no rec

1 Bill Ray
Chairman
Do Pass
Chairman recommendation

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 16, 1984

SUBJECT: Hearing on Longevity Bonus Bill

TO: Representative Al Adams
Chairman
House Finance Committee

FROM: Billy G. Berrier *BGB*
Director
Division of Legal Services

The House Finance Committee has given notice in the committee meeting schedule of the House for the week of April 16 - 22, 1984 that it will consider CSSB 347(Fin) relating to the Alaska Longevity Bonus. You have indicated there is a possibility that the Governor may introduce a new bill on the subject. You have asked what is necessary for immediate consideration of the new bill.

Rule 23(a) of the Uniform Rules of the Alaska State Legislature provides:

RULE 23. COMMITTEE MEETINGS. (a) Written notice of the time, place and subject matter of all meetings of standing, special, and joint committees during a week shall be provided by the person who chairs the committee to the chief clerk or secretary by 4:00 p.m. on the preceding Thursday. The person who chairs the committee to which a bill or resolution is first referred shall provide to the chief clerk or secretary written notice of the time and place of the first public hearing on the bill or resolution at least five days before the hearing. However, this requirement may be waived by motion of the person who chairs the committee to which a bill or resolution is first referred if concurred in by majority vote of the full membership of the house. The chief clerk or secretary shall publish and distribute copies of the weekly schedule of committee meetings and of the five-day notice of hearing.

Representative Al Adams
Page 2
April 16, 1984

No provision for waiver of the requirement of written notice to the clerk by the Thursday preceding the meeting is contained in the Rule. The five day notice requirement may be waived by the body.

Rule 54 of the Uniform Rules provides:

RULE 54. SUSPENSION OF RULES. Unless otherwise provided for in the case of a particular rule, the Uniform Rules may be suspended by a concurrent resolution approved by a two-thirds vote of the full membership of each house. If either house violates a uniform rule a question of order may be raised in the other house. If it is decided by the other house that the Uniform Rules have been violated, the bill involved in that violation shall be returned to its house of origin without further action.

Under this Rule the notice requirement of Rule 23 of the Uniform Rules may be suspended by concurrent resolution adopted by a two-thirds vote of the full membership of each house. This is the only procedure in my opinion whereby the previous Thursday requirement may be waived.

A draft of the necessary resolution is enclosed. It is necessarily blank as to the bill number.

If you desire to follow this procedure please notify us and we will prepare the resolution when the bill number becomes available.

BGB:ojb
J6/049
Enclosure

Sample
Berrier
4/16/84 ✓

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IN THE HOUSE

BY THE FINANCE COMMITTEE

HOUSE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

Suspending Uniform Rule 23, of the
Alaska State Legislature concerning
House Bill No.

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

That under Rule 54 of the Uniform Rules of the Alaska State Legisla-
ture the provisions of Rule 23 of the Uniform Rules relating to notice of
meetings are suspended in the consideration of House Bill No.

Introduced: 4/17/84
Referred: Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2

HOUSE BILL NO. 717

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the longevity bonus program; and
7 providing for an effective date."

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

9 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds and
10 declares that

11 (1) the high cost of goods and services in Alaska and the
12 state's remoteness and harsh environment, make it difficult for many elder-
13 ly Alaskans to remain in the state after retirement;

14 (2) when a person is forced to live out retirement years away
15 from home, family, and friends, that person suffers an irreparable loss;

16 (3) Alaska's elderly are a precious human resource, and it is in
17 the public interest to provide a financial incentive for them to remain in
18 the state after retirement; and

19 (4) it is in the public interest to continue the longevity bonus
20 program for elderly Alaskans irrespective of need.

21 (b) The longevity bonus program is not a form of welfare and is not a
22 substitute for or supplement to public assistance. Other programs are
23 available to provide the basic necessities of life. The longevity bonus
24 program is intended to encourage elderly Alaskans to spend their retirement
25 years in the comfort of their homes.

26 * Sec. 2. AS 47.45.010 is amended to read:

27 Sec. 47.45.010. PERSONS WHO MAY QUALIFY FOR LONGEVITY BONUS.

28 (a) A person who is 65 years of age or over, who resides in the state
29 for at least one year immediately preceding application for a

1 longevity bonus under this chapter [WAS DOMICILED IN THE TERRITORY ON
2 OR BEFORE JANUARY 3, 1959 AND WHO HAS MAINTAINED A CONTINUOUS DOMICILE
3 IN THE TERRITORY OR STATE FOR 25 YEARS] may apply to the commissioner
4 of administration for qualification to receive a monthly bonus of
5 \$250.

6 (b) When the commissioner of administration determines that an
7 applicant qualifies under AS 47.45.010 -- 47.45.170 the commissioner
8 [HE] shall immediately begin payment of the bonus.

9 (c) A person who otherwise qualifies to receive a bonus provided
10 for in AS 47.45.010 -- 47.45.170 may continue to do so only as long as
11 that person continues to be a resident of [HE CONTINUOUSLY RETAINS A
12 DOMICILE IN] the state.

13 * Sec. 3. AS 47.45.030 is amended to read:

14 Sec. 47.45.030. ABSENCE FROM THE STATE. After qualification, a
15 [A] recipient shall notify the commissioner of administration when the
16 recipient [HE] expects to be absent from the state if the absence is
17 for a continuous period that exceeds 30 days. After that notifica-
18 tion, the recipient may [SHALL] no longer receive bonuses from the
19 Department of Administration after the [HIS] last regularly approved
20 monthly application. Upon returning [HIS RETURN] to the state, the
21 recipient [HE] may again make application for a bonus. Whenever the
22 absence is for a continuous period that exceeds 180 days the recipient
23 shall be disqualified from receiving bonuses for the next 12 calendar
24 months after returning [HIS RETURN] to the state. However, when the
25 commissioner of administration determines a period of absence is
26 beyond the control of the recipient, the recipient [HE] may not be
27 disqualified [,] if the recipient [HE] still otherwise qualifies upon
28 returning [HIS RETURN] to the state. Continual absences from the
29 state, even though reported, and failure to notify the commissioner of

1 an expected absence may be grounds for disqualification.

2 * Sec. 4. AS 47.45.150 is amended to read:

3 Sec. 47.45.150. DEFINITIONS. In this chapter

4 (1) "bonus" means a monthly Alaska longevity bonus payment
5 made to a person or the person's [HIS] beneficiary who qualifies under
6 this chapter;

7 (2) "resident" or "resident of the state" means an indi-
8 vidual who is physically present in the state with the intent to
9 remain in the state indefinitely and to make a home in the state; a
10 person demonstrates the requisite intent by maintaining a principal
11 place of abode in the state for one year and by providing other proof
12 of intent the commissioner may require by regulation, including proof
13 that the person is not claiming residency outside the state or obtain-
14 ing benefits under a claim of residency outside the state ["DOMICILE"
15 MEANS THE PLACE WITH WHICH A PERSON HAS A SETTLED CONNECTION FOR
16 DETERMINATION OF HIS CIVIL STATUS OR OTHER LEGAL PURPOSES BECAUSE IT
17 IS ACTUALLY OR LEGALLY HIS PERMANENT AND PRINCIPAL HOME].

18 * Sec. 5. Section 2, ch. 205, SLA 1972, and AS 47.45.170 are repealed.

19 * Sec. 6. SPECIAL COMMITTEE. The State Special Committee on the Alaska
20 Longevity Bonus Program is created, consisting of two members of the Alaska
21 Senate appointed by the president of the senate, two members of the Alaska
22 House of Representatives appointed by the speaker of the house, two members
23 of the executive branch selected by the governor, and three public members
24 appointed by the governor. The committee shall determine the feasibility
25 of replacing the longevity bonus program, as amended by this Act, with an
26 annuity program, a needs-based program, or other longevity program. In
27 making the determination of feasibility required by this section, the
28 committee shall consider (1) the format and structure of alternative pro-
29 grams; (2) the cost of alternative programs as compared to the cost of the

1 longevity bonus program, as amended by this Act; (3) opinions of recipients
2 of longevity bonus payments on the question of replacing the longevity
3 bonus program with an alternative program; and (4) sources of funding for
4 the alternative programs. The committee shall report its findings on the
5 feasibility of alternative programs, together with draft legislation to
6 implement the alternative programs if the committee finds that one or more
7 programs are feasible, to the legislature and the governor by February 1,
8 1985.

9 * Sec. 7. If any provision of this Act, or the application of this Act
10 to any person or circumstance is held invalid, the remainder of this Act
11 and the application of this Act to other persons or circumstances is not
12 affected by that holding.

13 * Sec. 8. (a) A person who was qualified to receive a monthly longevi-
14 ty bonus under AS 47.45 on March 30, 1984 is presumed to be qualified to
15 receive a monthly bonus under AS 47.45 as amended by this Act. Payments
16 under AS 47.45, as amended by this Act, may be made to that person as long
17 as the person continues to qualify for payments under those provisions.

18 (b) A person (1) who is eligible to receive a monthly longevity bonus
19 under AS 47.45, as amended by this Act, for which that person was not
20 eligible under AS 47.45 on March 30, 1984, and (2) whose application for a
21 longevity bonus for a month beginning on or after May 1, 1984 is received
22 by July 1, 1984, may be paid for each month for which that person is qual-
23 ified and for which such an application was filed, notwithstanding any
24 other provision of law to the contrary.

25 * Sec. 9. Sections 1 -- 8 of this Act are retroactive to May 1, 1984.

26 * Sec. 10. This Act and AS 47.45 are repealed June 30, 1985.

27 * Sec. 11. This Act takes effect immediately in accordance with AS 01.-
28 10.070(c).

COMMITTEE REPORT HOUSE

FURTHER:

2/28/83

Date: 3/14/83

Mr. Speaker:

The Committee on FINANCE has had HSCR 1

Disapproving Executive Order No. 54.

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without ^{individual} recommendations Zero Fiscal Note Attached
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

[Signature]

[Signature]

[Signature]

[Signature]

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[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]
CHAIRMAN

Introduced: 1/31/83
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE
2 HOUSE SPECIAL CONCURRENT RESOLUTION NO. 1
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

5 Disapproving Executive Order No. 54.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 WHEREAS the governor, under authority of art. III, sec. 23 of the
8 Constitution of the State of Alaska, has proposed the establishment of a
9 Department of Corrections as a principal department of the state by Execu-
10 tive Order No. 54; and

11 WHEREAS the governor has submitted Executive Order No. 54 to the
12 presiding officer of each house of the legislature as required by AS 24.-
13 30.130(b); and

14 WHEREAS art. III, sec. 23 of the Constitution of the State of Alaska
15 provides that unless disapproved within 60 days of a regular session by
16 resolution concurred in by a majority of the members of the legislature in
17 joint session, an executive order becomes effective at a date thereafter
18 designated by the governor; and

19 WHEREAS it is not in the best interests of the state to establish a
20 Department of Corrections as proposed in Executive Order No. 54;

21 BE IT RESOLVED by the Alaska State Legislature that Executive Order
22 No. 54 is disapproved.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HSCR 1
Title Disapproving E.O. 54
Requested by House Finance Committee Date 3/12/83

II. FISCAL DETAIL

Agency Affected DHSS
Program Category Affected Division of Corrections
BRU, Program, Or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
POSITIONS	0	0	0	0	0	0

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 3/12/83 PREPARED BY Al Adams, Chair *APA*
AGENCY House Finance Committee
PHONE 465-3706

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



EQ 54

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 17, 1983

The Honorable Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.30.130(b), I am transmitting an executive order which creates a Department of Corrections. The new department is being created from the division of corrections which is currently located in the Department of Health and Social Services. This is similar to Executive Order No. 39's 1977 creation of the Department of Transportation and Public Facilities out of the former Department of Highways and Department of Public Works.

This Order's sec. 28 creates the new department. Section 29 then states that the commissioner is the principal executive officer and sets out some basic duties and powers. Section 29's AS 44.28.020 is based on AS 44.29.020(9) (amended in sec. 30 of the Order) and AS 44.29.020(17) (repealed in sec. 31), pertaining to the Department of Health and Social Services. Similarly, the new AS 44.28.030 is based on AS 18.-05.040(15).

Art. I, sec. 12, of the Alaska Constitution mandates that penal administration be based on protection of the public and reformation of the offender. Given the unprecedented increases in the prison population in the state, I believe that elevating the division of corrections to departmental status is necessary to achieve these twin goals and is in the best interests of efficient administration.

The problem of increasing crime in Alaska and how best to deal with those who are convicted of violations of the criminal law was the focus of a recent inquiry by a corrections task force that I created. In its January 3, 1983 report, the task force recommended the immediate elevation of the division of corrections to departmental status. According to members of the task force, this recommendation is strongly supported by all segments of the criminal justice system.

EO 54

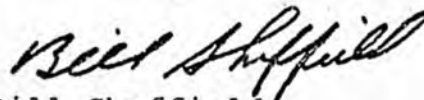
-2-

The Order does not transfer the responsibility for juvenile corrections matters and for offenders who are found guilty but mentally ill or not guilty by reason of insanity under AS 12.47.

Also, some responsibilities of the commissioner of public safety, principally the transportation of prisoners, have not been addressed in this Order. The decision on whether or when to transfer these responsibilities to the new commissioner of corrections will depend on such factors as the level of increased training that must occur before the new department can effectively and safely assume these responsibilities.

The phrase "Repealed effective July 1, 1987," which appears in brackets and capital letters in the AS 33.32 (correctional industries) headings for the sections being amended in secs. 15, 17, 19, 20, and 24 of this Order, appears in this Order because it appears in those headings in The Michie Company's publication of the statutes. That language is not being deleted, and the amendments made by this Order do not affect that statutory termination date of the correctional industries program. See sec. 7, ch. 53, SLA 1982.

Sincerely,



Bill Sheffield
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

I. REQUEST

Bill/Resolution No. EO 54
Title Executive Order Creating Department of Corrections
Requested by Governor

II. FISCAL DETAIL

Agency Affected Department of Corrections
Program Category Affected Administration of Justice
BRU, Program, Or Subprogram(s) Affected Director's Office
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES	132.5	530.1	561.9	595.6	631.4	669.2
200 TRAVEL	45.0	48.0	50.9	54.0	57.2	60.6
300 CONTRACTUAL	60.5	356.5	377.9	400.6	424.6	450.1
400 COMMODITIES	4.0	17.0	18.0	19.7	20.2	21.4
500 EQUIPMENT	8.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	250.0	951.6	1008.7	1069.3	1133.4	1201.3

FUNDING (Thousands of Dollars)

	250.0	951.6	1008.7	1069.3	1133.4	1201.3
GENERAL FUND	250.0	951.6	1008.7	1069.3	1133.4	1201.3
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

	10.0	10.0	10.0	10.0	10.0	10.0
FULL TIME	10.0	10.0	10.0	10.0	10.0	10.0
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

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

The Executive Order will create the Department of Corrections necessitating the transfer of the Division of Corrections and Parole Board from the Department of Health & Social Services to the new department, creation of ten new positions, the reclassification of nine Division of Corrections positions and the transfer of 13 positions from the Department of Health & Social Services Divisions of Management and Budget and Administrative Services to the new Department.

	FY.83	PFT	PPT
Adult Confinement	33402.1	498.0	4.0
Probation & Parole	4928.1	72.0	-0-
Admin. & Support	1645.1	30.0	-0-
Parole Board	258.3	4.0	-0-
	<u>40233.6</u>	<u>604.0</u>	<u>4.0</u>

IV. DATE 1/13/83

PREPARED BY Marsha Hubbard *M. Hubbard 1/14/83*
AGENCY Dept. of Health & Social Services

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/81)

PHONE 465-3331

IN SENATE - Offered: 1/18/83
Referred: Health, Education
& Social Services, Judiciary
and Finance

IN HOUSE -- Offered: 1/17/83
Referred: Health, Education
& Social Services,
Judiciary and Finance

EXECUTIVE ORDER NO. 54

1
2 Under the authority of art. III, sec. 23, of the Alaska Constitution,
3 and in accordance with AS 24.30.130(b), I order the following:

4 * Section 1. FINDINGS. As governor, I find that it would be in the
5 best interests of efficient administration, protection of the public, and
6 reformation of persons convicted of violations of the criminal laws of the
7 state to reorganize penal corrections functions by creating a Department of
8 Corrections as a principal department of the state. The new department is
9 being created from the current division of corrections which is located in
10 the Department of Health and Social Services.

11 * Sec. 2. AS 12.55.025(b) is amended to read:

12 (b) The sentencing report required under (a) of this section
13 shall be furnished within 30 days after imposition of sentence to the
14 Department of Law, the defendant, the Department of Corrections [DIVI-
15 SION OF CORRECTIONS], the state Board of Parole if the defendant will
16 be eligible for parole, and to the Alcoholic Beverage Control Board if
17 the defendant is to be sentenced for a conviction of a violation of
18 AS 04, a regulation adopted under AS 04, or an ordinance adopted under
19 AS 04.21.010.

20 * Sec. 3. AS 12.55.025(d) is amended to read:

21 (d) A sentence of imprisonment shall be stayed if an appeal is
22 taken and the defendant is admitted to bail. If an appeal is taken
23 and the defendant is not admitted to bail, the Department of Correc-
24 tions [HEALTH AND SOCIAL SERVICES] shall designate the facility in
25 which the defendant shall be detained pending appeal or admission to
26 bail.

27 * Sec. 4. AS 12.55.055(a) is amended to read:

28 (a) The court may order a defendant convicted of an offense to
29 perform community work as a condition of a suspended sentence or

1 suspended imposition of sentence, or in addition to any fine or resti-
2 tution ordered. If the defendant is also sentenced to imprisonment,
3 the court may recommend to the Department of Corrections [HEALTH AND
4 SOCIAL SERVICES] that the defendant perform community work.

5 * Sec. 5. AS 12.55.185(2) is repealed.

6 * Sec. 6. AS 12.70.220(b) is amended to read:

7 (b) When the return to this state is required of a person who
8 has been convicted of a crime in this state and has escaped from con-
9 finement or broken the terms of his bail, probation, or parole, the
10 prosecuting attorney of the judicial district in which the offense was
11 committed, or the attorney general, the parole or probation authority
12 having jurisdiction over him, or the commissioner of the Department of
13 Corrections [HEALTH AND SOCIAL SERVICES] shall present to the governor
14 a written application for a requisition for the return of that person.
15 In the application there shall be stated the name of the person, the
16 crime for which he was convicted, the circumstances of his escape from
17 confinement or of the breach of the terms of his bail, probation, or
18 parole, and the state in which he is believed to be, including the lo-
19 cation of the person therein at the time the application is made.

20 * Sec. 7. AS 12.70.220(c) is amended to read:

21 (c) The application shall be verified by affidavit, shall be ex-
22 ecuted in duplicate and shall be accompanied by two certified copies
23 of the indictment returned, or information and affidavit filed, or the
24 complaint made to the superior court judge or district judge, stating
25 the offense with which the accused is charged, or of the judgment of
26 conviction or of the sentence. The attorney general or the prosecut-
27 ing attorney, the parole or probation authority, or the commissioner
28 of the Department of Corrections [HEALTH AND SOCIAL SERVICES] may also
29 attach further affidavits and other documents in duplicate he deems

1 proper to be submitted with the application. One copy of the applica-
2 tion, with the action of the governor indicated by endorsement on the
3 application, and one of the certified copies of the indictment, com-
4 plaint, information and affidavits, or judgment of conviction or sen-
5 tence shall be filed in the office of the governor to remain of record
6 in that office. The other copies of all papers shall be forwarded
7 with the governor's requisition.

8 * Sec. 8. AS 33.05.080(2) is amended to read:

9 (2) "commissioner" means the commissioner of the Department
10 of Corrections [HEALTH AND SOCIAL SERVICES] or the designee of the
11 commissioner.

12 * Sec. 9. AS 33.15.260(2) is amended to read:

13 (2) "commissioner" means the commissioner of the Department
14 of Corrections [HEALTH AND SOCIAL SERVICES] or the designee of the
15 commissioner;

16 * Sec. 10. AS 33.15.260(4) is amended to read:

17 (4) "department" means the Department of Corrections
18 [HEALTH AND SOCIAL SERVICES].

19 * Sec. 11. AS 33.30.130(a) is amended to read:

20 (a) The commissioner of public safety shall provide for the sub-
21 sistence, care and safekeeping in suitable quarters of a person ar-
22 rested or held under the authority of state law pending arraignment or
23 commitment by a court to the custody of the commissioner of correc-
24 tions [HEALTH AND SOCIAL SERVICES] or to the custody of the keeper or
25 person in charge of a prison facility designated in advance by the
26 commissioner of corrections [HEALTH AND SOCIAL SERVICES].

27 * Sec. 12. AS 33.30.900(1) is amended to read:

28 (1) "commissioner" means the commissioner of the Department
29 of Corrections [HEALTH AND SOCIAL SERVICES] or the commissioner's

1 designee;

2 * Sec. 13. AS 33.30.900(3) is amended to read:

3 (3) "department" means the Department of Corrections
4 [HEALTH AND SOCIAL SERVICES];

5 * Sec. 14. AS 33.32.010(1) is amended to read:

6 (1) develop and operate agricultural, industrial, and ser-
7 vice enterprises employing prisoners under the jurisdiction of the
8 commissioner of corrections [HEALTH AND SOCIAL SERVICES];

9 * Sec. 15. AS 33.32.015 is amended to read:

10 Sec. 33.32.015. POWERS AND DUTIES OF THE COMMISSIONER OF CORREC-
11 TIONS [HEALTH AND SOCIAL SERVICES] [REPEALED EFFECTIVE JULY 1, 1987].

12 (a) The commissioner of corrections [HEALTH AND SOCIAL SERVICES] may
13 establish and administer a correctional industries program that is
14 based on voluntary prisoner participation.

15 (b) The commissioner of corrections [HEALTH AND SOCIAL SERVICES]
16 may

17 (1) subject to the Fiscal Procedures Act (AS 37.05), use,
18 purchase, lease, equip, and maintain buildings, machinery, and other
19 equipment, and may purchase materials and enter into contracts, which
20 may be necessary for the correctional industries program;

21 (2) provide for prisoners to be employed in rendering ser-
22 vices and producing articles, materials, and supplies needed by a
23 state agency, a political subdivision of the state, an agency of the
24 federal government, other states or their political subdivisions, or
25 for use by nonprofit organizations;

26 (3) if the Correctional Industries Commission established
27 in AS 33.32.070 approves, employ prisoners to provide services or
28 products as needed by private industry if the services or products
29 have potential for contributing to the economy of the state and will

1 have minimal negative impact on an existing private industry or labor
2 force in the state.

3 * Sec. 16. AS 33.32.020(a) is amended to read:

4 (a) There is established in the Department of Corrections
5 [HEALTH AND SOCIAL SERVICES] a fund to be known as the correctional
6 industries fund. All expenses of the correctional industries program,
7 except salaries and benefits of state employees, are to be financed
8 from the correctional industries fund and budgeted in accordance with
9 the Executive Budget Act (AS 37.07). The commissioner of corrections
10 [HEALTH AND SOCIAL SERVICES TO] shall report annually to the legisla-
11 ture all activities and balances of the fund.

12 * Sec. 17. AS 33.32.030 is amended to read:

13 Sec. 33.32.030. MARKETING OF CORRECTIONAL INDUSTRIES PRODUCTS
14 [REPEALED EFFECTIVE JULY 1, 1987]. (a) The commissioner of correc-
15 tions [HEALTH AND SOCIAL SERVICES] shall market correctional indus-
16 tries products to appropriate entities as provided for in AS 33.32.-
17 015(b)(2). Because of the potential for contributing to the economy
18 of the state, agricultural produce may be sold to commercial proces-
19 sors, wholesalers, or distributors, in addition to the entities pro-
20 vided for in AS 33.32.015(b)(2).

21 (b) The commissioner of corrections [HEALTH AND SOCIAL SERVICES]
22 may sell a product or service of a correctional industries program to
23 a private industry, subject to the approval of the Correctional Indus-
24 tries Commission established in AS 33.32.070. Before giving its ap-
25 proval, the Correctional Industries Commission must determine that the
26 product or service has potential for contributing to the economy of
27 the state and will have minimal negative impact on an existing private
28 industry or labor force in the state.

29 (c) A product or service provided by correctional industries

1 that meets marketable standards of quality and that meets the needs of
2 state agencies at reasonable cost, as determined by the commissioner
3 of administration, shall be purchased by state agencies through proce-
4 dures established by the Department of Administration in such a manner
5 as to facilitate the purchase. A product or service of the type and
6 quality of that supplied by the correctional industries may not be ob-
7 tained from a source outside correctional industries unless the com-
8 missioner of corrections [HEALTH AND SOCIAL SERVICES] certifies to the
9 Department of Administration that correctional industries is not able
10 to provide the product or service on a basis that is competitive with
11 other sources. State agencies shall make maximum use of the resources
12 of the correctional industries program both in the purchase of exist-
13 ing products and by assisting in the development of new products or
14 adaptation of existing products to meet future needs.

15 (d) The commissioner of corrections [HEALTH AND SOCIAL SERVICES]
16 shall periodically determine the prices at which products and services
17 will be sold. Prices must approximate the fair market value of prod-
18 ucts and services of comparable quality offered by commercial sources.

19 (e) The commissioner of administration shall establish suitable
20 methods of accounting and purchasing to facilitate the production and
21 marketing of correctional industries products and to assure accurate
22 cost data.

23 * Sec. 18. AS 33.32.040(a) is amended to read:

24 (a) In administering the correctional industries program, the
25 Department of Corrections [HEALTH AND SOCIAL SERVICES] shall comply
26 with federal and state health and safety regulations, except for the
27 provision of workers' compensation under AS 23.30.

28 * Sec. 19. AS 33.32.050 is amended to read:

29 Sec. 33.32.050. WAGES OF CORRECTIONAL INDUSTRIES WORKERS;

1 FORFEITURE [REPEALED EFFECTIVE JULY 1, 1987]. (a) The commissioner
2 of corrections [HEALTH AND SOCIAL SERVICES] shall establish a pay plan
3 for prisoners working in correctional industries based on the quantity
4 and quality of work performed and the skill required. A wage estab-
5 lished under the pay plan may not exceed 50 percent of the minimum
6 wage established under AS 23.10.065. Wage incentive plans to increase
7 productivity may be included in the pay plan. The commissioner of
8 corrections [HEALTH AND SOCIAL SERVICES] shall determine the amount to
9 be credited to the prisoner after disbursements made under (c) of this
10 section.

11 (b) The commissioner of corrections [HEALTH AND SOCIAL SERVICES]
12 may establish a wage for work performed in the production of a product
13 that is higher than the maximum wage authorized under (a) of this sec-
14 tion to comply with federal law or regulation if that compliance is
15 required before the product may be sold to the federal government.

16 (c) The commissioner of corrections [HEALTH AND SOCIAL SERVICES]
17 shall disburse prisoners' payments in amounts determined to be appro-
18 priate under procedures adopted by the commissioner based on the fol-
19 lowing order of priority:

- 20 (1) for support of the prisoner's dependents, if any;
- 21 (2) to reimburse the state for compensation awarded under
22 AS 18.67 resulting from the prisoner's criminal conduct;
- 23 (3) to pay a civil judgment resulting from the prisoner's
24 criminal conduct;
- 25 (4) for the purchase of clothing and commissary items for
26 the prisoner's personal use;
- 27 (5) to pay a restitution or fine of the prisoner ordered by
28 a sentencing court.

29 (d) Money credited to a prisoner must be retained by the

1 commissioner of corrections [HEALTH AND SOCIAL SERVICES] for the pri-
2 mary purpose of being available to the prisoner at the time of re-
3 lease. The commissioner of corrections [HEALTH AND SOCIAL SERVICES]
4 may, however, permit the prisoner to draw upon a portion of the money
5 for other purposes that the commissioner of corrections [HEALTH AND
6 SOCIAL SERVICES] considers appropriate.

7 (e) If a prisoner escapes, a portion of the earnings of the pri-
8 soner, as determined by the commissioner of corrections [HEALTH AND
9 SOCIAL SERVICES], is to be forfeited. The commissioner of corrections
10 [HEALTH AND SOCIAL SERVICES] shall deposit forfeited earnings in the
11 general fund.

12 * Sec. 20. AS 33.32.060 is amended to read:

13 Sec. 33.32.060. LIMITATION ON ATTACHMENT, ETC., OF WAGES [RE-
14 PEALD EFFECTIVE JULY 1, 1987]. Only the prisoner payments retained
15 by the commissioner of corrections [HEALTH AND SOCIAL SERVICES] under
16 AS 33.32.050(d) are subject to lien, attachment, garnishment, execu-
17 tion, or similar procedures to encumber funds or property.

18 * Sec. 21. AS 33.32.070(a) is amended to read:

19 (a) The Correctional Industries Commission is established to
20 provide general policy direction to the correctional industries pro-
21 gram through the commissioner of corrections [HEALTH AND SOCIAL SER-
22 VICES]. The commission consists of seven members, five of whom are to
23 be appointed by the governor to serve staggered terms of four years.
24 The appointed members must include a representative of private indus-
25 try, organized labor, agriculture, and the general public, and one
26 ex-offender. The commissioner of administration is also a member, as
27 is the commissioner of corrections [HEALTH AND SOCIAL SERVICES] who is
28 to serve as chairperson.

29 * Sec. 22. AS 33.32.080(a) is amended to read:

1 (a) The Correctional Industries Commission shall monitor the
2 correctional industries program, annually review the proposed budget
3 of the program, and make appropriate recommendations to the commis-
4 sioner of corrections [HEALTH AND SOCIAL SERVICES]. This budget must
5 be transmitted in the normal budgetary process to the legislature as
6 part of the governor's budget.

7 * Sec. 23. AS 33.32.080(c) is amended to read:

8 (c) The Correctional Industries Commission shall recommend to
9 the commissioner of corrections [HEALTH AND SOCIAL SERVICES] the ad-
10 visability of establishing, expanding, diminishing, or discontinuing
11 industrial, agricultural, or service activities to enable the program
12 to operate as nearly as possible in a self-supporting manner, to pro-
13 vide as much employment for prisoners as is feasible, to provide di-
14 versified work activities with minimal negative impact on an existing
15 private industry or labor force in the state, and contribute to the
16 economy of the state. In making recommendations, the Correctional In-
17 dustries Commission shall consider testimony received at public hear-
18 ings.

19 * Sec. 24. AS 33.32.090 is amended to read:

20 Sec. 33.32.090. COOPERATION WITH STATE AGENCIES [REPEALED EFFEC-
21 TIVE JULY 1, 1987]. With the approval of the commissioner of correc-
22 tions [HEALTH AND SOCIAL SERVICES], a state agency may, without
23 charge, transfer to the Department of Corrections [HEALTH AND SOCIAL
24 SERVICES] for the correctional industries program any property or
25 equipment suitable for the purposes of that program.

26 * Sec. 25. AS 33.35.040 is amended to read:

27 Sec. 33.35.040. CENTRAL ADMINISTRATOR AND INFORMATION AGENT.
28 The commissioner of corrections [HEALTH AND SOCIAL SERVICES] or the
29 designee of the commissioner of corrections [HEALTH AND SOCIAL

1 SERVICES] is the central administrator of and information agent for
2 the Agreement on Detainers under AS 33.35.010.

3 * Sec. 26. AS 33.36.040 is amended to read:

4 Sec. 33.36.040. IMPLEMENTATION. The commissioner of corrections
5 [HEALTH AND SOCIAL SERVICES] or the commissioner's designee shall do
6 all things necessary or incidental to the carrying out of the Inter-
7 state Corrections Compact. However, no contract is of any force or
8 effect until approved by the commissioner of administration.

9 * Sec. 27. AS 33.36.100 is amended to read:

10 Sec. 33.36.100. IMPLEMENTATION OF COMPACT. The commissioner of
11 corrections [HEALTH AND SOCIAL SERVICES] may enter into such contracts
12 on behalf of the State of Alaska as may be appropriate to implement
13 the participation of this state in the Western Interstate Corrections
14 Compact under art. III of the compact. No contract is of any force or
15 effect until approved by the commissioner of administration.

16 * Sec. 28. AS 44.17.005 is amended by adding a new paragraph to read:

17 (18) Department of Corrections.

18 * Sec. 29. AS 44 is amended by adding a new chapter to read:

19 CHAPTER 28. DEPARTMENT OF CORRECTIONS.

20 Sec. 44.28.010. COMMISSIONER OF CORRECTIONS. The principal exe-
21 cutive officer of the Department of Corrections is the commissioner of
22 corrections.

23 Sec. 44.28.020. DUTIES OF DEPARTMENT. The Department of Correc-
24 tions shall (1) manage state adult penal institutions, and (2) provide
25 probation and parole supervision.

26 Sec. 44.28.030. REGULATIONS. The commissioner may adopt regula-
27 tions to carry out or assist in carrying out the powers and duties of
28 the department.

29 * Sec. 30. AS 44.29.020(9) is amended to read:

1 (9) management of state institutions, except for adult
2 penal institutions;

3 * Sec. 31. AS 44.29.020(17) is repealed.

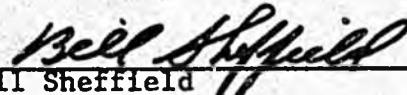
4 * Sec. 32. TRANSITION. All litigation, hearings, investigations and
5 other proceedings pending under a law amended or repealed by this Order, or
6 in connection with functions transferred by this Order, continue in effect
7 and may be continued and completed notwithstanding a transfer or amendment
8 or repeal provided for in this Order. Certificates, orders, and regula-
9 tions issued or adopted under authority of a law amended or repealed by
10 this Order remain in effect for the term issued, or until revoked, vacated,
11 or otherwise modified under the provisions of this Order. All contracts,
12 rights, liabilities, and obligations created by or under a law amended or
13 repealed by this Order, and in effect on the effective date of this Order,
14 remain in effect notwithstanding this Order's taking effect. Records,
15 equipment, and other property of agencies of the state whose functions are
16 transferred under this Order shall be transferred commensurate with the
17 provisions of this Order.

18 * Sec. 33. NAME CHANGE. To be consistent with the changes made by this
19 Order, wherever in the Alaska Statutes and in regulations adopted under
20 those statutes "division of corrections" appears, and "division," "depart-
21 ment," and "Department of Health and Social Services" appear in connection
22 with administering the correctional institutions of the state (except those
23 for juvenile offenders), they must be read as referring to the Department
24 of Corrections. Similarly, wherever "director of corrections" appears, and
25 "director," "commissioner," and "commissioner of health and social ser-
26 vices" appear in connection with administering the correctional institu-
27 tions of the state (except those for juvenile offenders), they must be read
28 as referring to the commissioner of corrections. Under AS 01.05.031, the
29 revisor of statutes shall implement this section in the statutes, and,

1 under AS 44.62.125(b)(6), the regulations attorney shall implement this
2 section in the administrative regulations.

3 * Sec. 34. This Order takes effect April 1, 1983.

4
5 DATED: 1/17/83

6
7 
8 Bill Sheffield
9 Governor

Introduced: 1/31/83
Referred: Health, Education &
Social Services and Finance

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 HOUSE SPECIAL CONCURRENT RESOLUTION NO. 1

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 Disapproving Executive Order No. 54.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 WHEREAS the governor, under authority of art. III, sec. 23 of the
8 Constitution of the State of Alaska, has proposed the establishment of a
9 Department of Corrections as a principal department of the state by Execu-
10 tive Order No. 54; and

11 WHEREAS the governor has submitted Executive Order No. 54 to the
12 presiding officer of each house of the legislature as required by AS 24.-
13 30.130(b); and

14 WHEREAS art. III, sec. 23 of the Constitution of the State of Alaska
15 provides that unless disapproved within 60 days of a regular session by
16 resolution concurred in by a majority of the members of the legislature in
17 joint session, an executive order becomes effective at a date thereafter
18 designated by the governor; and

19 WHEREAS it is not in the best interests of the state to establish a
20 Department of Corrections as proposed in Executive Order No. 54;

21 BE IT RESOLVED by the Alaska State Legislature that Executive Order
22 No. 54 is disapproved.

COMMITTEE REPORT
SENATE

FURTHER:

3/25/83

Date: 5/19/83

Mr. President:

The Committee on FINANCE has had HCR 2

Travel by senior citizens aboard vessels of the state marine highway system

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HCR 2 (SA) same title
 new title
- and recommends _____
- AND attaches ^{*the Transportation Committee*} A "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Joe B...

V...

Bob Mulcahy No Rec

Joe ... No Rec

Joe ... No Rec

Joe ...

[Signature]

CHAIRMAN

60

LETTER OF INTENT TO ACCOMPANY
HCR 2
HOUSE TRANSPORTATION COMMITTEE

It is the intent of the House Transportation Committee that the Department of Transportation and Public Facilities establish a procedure to define "space available basis".

The Committee intends the definition of "space available basis" in the context of this resolution to require passengers so traveling, be on stand-by until all paying passengers have been accommodated. Passengers would not be allowed to receive confirmed reservations unless they are paying passengers and would not be allowed reimbursement in the event that they purchased tickets and were later able to travel "space available".

Offered: 3/25/83
Referred: Finance

Original sponsors: Grussendorf and Fritz

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 SENATE CS FOR HOUSE CONCURRENT RESOLUTION NO. 2 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION
5 Relating to travel by senior citizens
6 and handicapped persons aboard vessels
7 of the state marine highway system.
8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 WHEREAS, since 1974, in response to House Concurrent Resolution
10 No. 52, the state marine highway system has provided for travel on ferries
11 by persons 65 years of age and older on a space-available basis within
12 Alaska without charge during the months of November to April, inclusive;
13 and
14 WHEREAS, during 1980, in response to Legislative Resolve No. 2, 1980,
15 the period of free passage for senior citizens aboard state marine highway
16 vessels was extended to October 1 to May 15 inclusive; and
17 WHEREAS, since 1981, in response to Legislative Resolve No. 39, 1981,
18 the state marine highway system has provided for travel of handicapped
19 persons on ferries on a space-available basis within Alaska without charge
20 from October 1 to May 15 inclusive; and
21 WHEREAS this service has been used by increasing numbers of handicap-
22 ped persons and senior citizens permitting travel on the marine highway
23 system at no cost while increasing the number of foot passengers on vessels
24 of the system; and
25 WHEREAS the policy of free passage for handicapped persons and senior
26 citizens allows only passage without cost during the "off-season", is not
27 extended to other services for handicapped persons and senior citizens
28 traveling aboard vessels, and in fact requires handicapped persons and
29 senior citizens to pay full costs of lodging; and

1 WHEREAS many handicapped persons and senior citizens find it difficult
2 to use vessels of the marine highway system because of the unavailability
3 and high cost of lodging;

4 BE IT RESOLVED that the Alaska State Legislature respectfully requests
5 the Governor to direct the commissioner of transportation and public facil-
6 ities to direct the division of marine highways to extend free passage on
7 the Aurora, Le Conte, Chilkat, Tustumena, and Bartlett, to handicapped
8 persons and senior citizens during every month of the year to permit them
9 to travel between Alaska ports on a space-available basis; and be it

10 FURTHER RESOLVED that the Governor direct the division of marine high-
11 ways to investigate the possibility of making staterooms aboard state
12 ferries available at a reduced rate to handicapped persons and senior
13 citizens when traveling between Alaska ports.

REPRESENTATIVE
BEN GRUSSENDORF
P.O. Box 928
SITKA, ALASKA 99835
(907) 747-8458

CHAIRMAN
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
MEMBER RESOURCES COMMITTEE

DISTRICT 3
ELFIN COVE
PELICAN
PORT ALEXANDER
SITKA
YAKUTAT

Alaska State Legislature



House of Representatives

February 24, 1983

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 465-3824
(907) 465-3870

MEMORANDUM

TO: Rep. Albert Adams
FROM: Rep. Ben Grussendorf
RE: HCR 2

The effect of this resolution would be to extend the time period that senior citizens could travel free on the Alaska Marine Highway system. Senior citizens are already allowed free travel in Alaska on the ferry system from October 1 through May 14. This resolution would extend free travel to seniors from May 15 to September 30, thus providing free travel to senior citizens for the entire year. Only the smaller "feeder class" ferries, not the mainline ferries, would be included in the time period from May 15 to September 30 (except for the M/V Tustumena, a somewhat larger vessel). This was done to eliminate the majority of the out of state seniors who travel extensively on the mainline ferries in the summer months. This resolution only applies to seniors who are walk on (foot) passengers, and they would be allowed free passage only if there were room for them after all paying passengers were on board and the capacity of the vessel had not been reached.

This presents little or no problem with the ferries that service Southeast communities (the M/V Aurora, Le Conte and the Chilcat). These ferries are seldom full and do not even accept reservations for walk on passengers except during the state fair in Haines and in the event of a special land sale or basketball tournament is going on in one of the communities.

The situation is a little different on the Southwestern Alaska ferries. The M/V Bartlett, servicing Valdez, Cordova and Whittier, does accept reservations for walk on passengers in the summer. This is to accommodate the heavy tourist travel in the summer months to the Columbia Glacier. The Div. of Marine Highways said that this ferry is booked solid for

Page two
Rep. Adams
February 24, 1983

the summer walk on traffic months in advance. This would leave little chance for free passage for any senior citizen.

There is a question as to how many seniors from outside of Alaska would be taking advantage of the reduced fare. Most seniors who travel to Southeast Alaska in the summer are with tour groups. They travel on the mainline ferries because they can be booked by travel agents for staterooms. Most of these groups are on a very tight schedule and would probably not have the time to stray far from their planned itinerary to try and get on a different ferry where they could ride free of charge.

The communities frequented by senior citizen tour groups in Southeast in the summer are Ketchikan, Sitka, Juneau, Haines and Skagway. These ports are all serviced by mainline ferries in addition to the smaller ferries included in the resolution.

The Department of Transportation and Public Facilities has claimed there will be a loss of revenue because of less ticket sales to senior citizens, but the Commissioner has submitted a zero fiscal note because an accurate amount could not be decided on.

Introduced: 1/17/83
Referred: Transportation and Finance

1 IN THE HOUSE BY GRUSSENDORF AND FRITZ
2 HOUSE CONCURRENT RESOLUTION NO. 2
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION
5 Relating to travel by senior citizens
6 aboard vessels of the state marine
7 highway system.
8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 WHEREAS, since 1974, in response to House Concurrent Resolution
10 No. 52, the state marine highway system has provided for travel on ferries
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17 WHEREAS this service has been used by increasing numbers of older
18 Alaskans, permitting travel on the marine highway system at no cost while
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21 passage without cost during the "off-season", is not extended to other
22 services for senior citizens traveling aboard vessels, and in fact requires
23 older persons to pay full costs of lodging; and
24 WHEREAS many senior citizens find it difficult to use vessels of the
25 marine highway system because of the unavailability and high cost of lodg-
26 ing;
27 BE IT RESOLVED that the Alaska State Legislature respectfully requests
28 the Governor to direct the commissioner of transportation and public facil-
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1 the Aurora, Le Conte, Chilkat, Tustumena, and Bartlett, to senior citizens
2 during every month of the year to permit them to travel between Alaskan
3 ports on a space-available basis; and be it

4 FURTHER RESOLVED that the Governor direct the division of marine high-
5 ways to investigate the possibility of making staterooms aboard state
6 ferries available at a reduced rate to senior citizens when traveling
7 between Alaskan ports.

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SCSHCR 2
 Title: Relating to travel by senior citizens..
 Sponsor: State Affairs (Grussendorf, Fritz)
 Requestor: State Affairs

II. FISCAL DETAIL

Agency Affected: Dprt. of Administration
 Program Category Affected: Social/Econ Assi
 BRU, Program of Subprogram(s) Affected: Older Alaskans Commission
 tance

EXPENDITURES/REVENUES: (Thousands of Dollars)

for the
Aged

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Jon B. Wolfe *Jon B. Wolfe* Phone: 465-3250
 Division: Older Alaskans Commission () () Date: April 6, 1983
 Approved by Commissioner: *Kia Fludd* Date: 4/7/83
 Department: Admin.

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor

POSITION PAPER

OLDER ALASKANS COMMISSION

Bill Number: SB 204

Date: April 5, 1983

Title: "An Act limiting the exemption from taxation for an abode of a resident 65 years of age or older to \$150,000 of the assessed value; and providing for an effective date."

The Older Alaskans Commission has a statutory mandate to make recommendations directly to the Governor and Legislature with respect to legislation. While the proposed act would pose no direct impact upon Commission programs, it would directly impact older Alaskans. According to information provided to the legislature by the Department of Community and Regional Affairs, 197 older Alaskans would have been affected in 1982 and the state would have gained \$99,236 in additional tax revenue.

Property assessment is not a valid method of determining need or one's ability to pay taxes. Few could argue against basing state programs upon need. To do so, one's ability to pay taxes should be based upon income not assets or property assessment.

The State of Alaska places a high value on maintaining the independence of older Alaskans. In addition, the state can realize an economic benefit from programs which contribute to independence including those like property tax exemption which enable older persons to remain in their own homes. Housing is one of the state's major problems. Older Alaskans have noted this in hearings conducted by the Commission throughout the state. Nearly 65 percent of elderly Alaskans own their own homes. The Older Alaskans Commission Comprehensive Statewide Plan Segment One report states,

"For many elders, the cost requirements associated with housing are causing them to make trade-offs between housing and such other basic needs as food and clothing. Nationally, over one-third of the average elder's income goes toward housing costs (rent/mortgage, maintenance and operation, and utilities). At the same time, the buying power of the relatively fixed income elders continues to shrink as rents, maintenance, fuel and other housing costs rise. Since 60 percent of the nation's elders reside in dwellings built prior to 1950 (U.S. Senate, 1980), many elders reside in structures which are more in need of maintenance and are less energy efficient than those of other age groups. For rural Alaskans, the cost of housing has an even more severe impact on income. The long months of cold weather coupled with extraordinarily high energy costs mean that for many 60 percent or more of income from October through April is devoted to meeting housing costs.

"It is not surprising then that housing issues ranked high among the priorities of each of the regional forums and community meetings."

The Older Alaskans Commission is opposed to the changes proposed for the current tax exemption program.

Jon B. Wolfe *4/5/83*
Jon B. Wolfe Date
Executive Director
Older Alaskans Commission

Lisa Rudd *4/7/83*
Lisa Rudd Date
Commissioner
Department of Administration

CP

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HCR 2 - Re travel by senior citizens aboard vessels
Title of the state marine highway system.
Requested by Grussendorf & Fritz Date 1/17/83

II. FISCAL DETAIL
Agency Affected DOT/PF
Program Category Affected Transportation
BRU, Program, Or Subprogram(s) Affected Marine Highway Svstems
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0			

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND		0	0			
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 1/26/83 PREPARED BY Marty Nusbaum, Acting Director
AGENCY Marine Highway Svstems
Original: Legislative Finance PHONE 465-3950
cc: Budget and Management
Prime Sponsor (First Legislator Named)
33-001 (Rev. 12/82)

jm

III. ANALYSIS

House Concurrent Resolution No. 2, references space available free passage for all senior citizens on an annual basis. It further specifies only the smaller "feeder class" vessels of the system. The exception would be the M/V TUSTUMENA but still one of the smaller vessels.

The Department of Transportation and Public Facilities is in the process of completing a "User Survey" of travelers on vessels of the system. The survey reveals that during the winter, (Sept. 15 through May 14) the majority (about 70%) of the passengers on the Marine Highway are Alaskans, of this group approximately 10% are traveling under the Senior Citizen Free Passage program. Therefore, the majority of beneficiaries of Senior Citizen Free Passage are Alaskans.

In the summer (May 16 through Sept. 30) the majority of the systems users (approximately 80%) as reflected in the survey, are from out of state. It would appear then that the beneficiaries of Senior Citizens Free Passage during this time would be from out of state and the state would be subsidizing this travel. Senior Citizens' groups are well organized on both local levels and nationally. We believe these groups would tend to fill the system vessels to the detriment of full fare paying passengers and would require an expansion of service to meet the needs of the older passengers.

Capacity loads are already experienced on the M/V BARTLETT during the summer on her Valdez to Whittier route. Increasing the number of travelers competing for this space, through free passage incentives, might well be counter productive. This also applies to the M/V CHILKAT and M/V TUSTUMENA on certain portions of their routes.

The "User Survey" information reflects that approximately 10% of the passengers on the Marine Highway would be eligible for Senior Citizen routes. Reducing passenger revenue by 10% for the summer months on the specified vessels would approximate the following estimates of reduced revenue.

Vessel	1982 Passenger Revenue 15 May - Oct. 1	10% of 1982 Passenger Revenue for Period
M/V AURORA	275,000	27,500
M/V LeCONTE	271,000	27,100
M/V CHILKAT	42,000	4,200
M/V BARTLETT	710,000	71,000
M/V TUSTUMENA	468,000	46,800

Free Senior Citizen passage for a full twelve months could approximate a loss of revenue of \$175,000 each year.

Assuming a 50% discount was passed on the Senior Citizens for staterooms, for a full twelve months per year, the loss of additional revenue would approximate an additional \$100,000.00. This estimate is founded using the same approach as the estimate on revenue loss on passage.

We believe there would be insurmountable administrative problems by the establishment of discounted stateroom tariffs for senior citizens. The main problem would be the establishment of priorities. Would these reduced fare senior citizens be allowed to make reservations for staterooms or would the staterooms be on a "space available basis?

We believe that senior citizens from out of state would again be the beneficiaries of such a program.

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: SCSHCR 2
 Title: Relating to travel by senior citizens.
 Sponsor: State Affairs (Grussendorf, Fritz)
 Requestor: State Affairs

II. FISCAL DETAIL

Agency Affected: Dprt. of Administration
 Program Category Affected: Social/Econ Assis
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 tance

EXPENDITURES/REVENUES: (Thousands of Dollars) for the Aged

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
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500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Jon B. Wolfe *Jon B. Wolfe* Phone: 465-3250
 Division: Older Alaskans Commission *(1)* Date: April 6, 1983
 Approved by Commissioner: *Via Fludd* Date: 4/7/83
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Jon B. Wolfe 4/5/83
Date
Jon B. Wolfe
Executive Director
Older Alaskans Commission

Lisa Rudd 4/7/83
Date
Lisa Rudd
Commissioner
Department of Administration

POSITION PAPER

OLDER ALASKANS COMMISSION

Bill Number: HCR 2

Date: February 24, 1983

Title: Relating to travel by senior citizens aboard vessels of the state marine highway system

This resolution, if implemented, would request the Administration to extend free space-available in-state travel on the State's smaller ferries to senior citizens on a year-round basis and also request the administration to investigate the possibility of reduced rates on staterooms for senior citizens for in-state-travel.

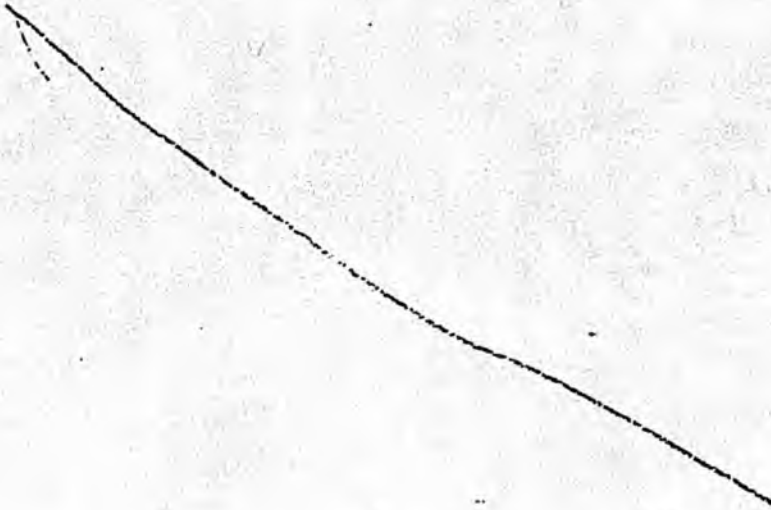
In its analysis of this proposed resolution, the Older Alaskans Commission has also reviewed the House Transportation Committee's letter of intent and the Department of Transportation and Public Facilities' zero fiscal note with analysis which appears in House Journal Supplement No. 6.

Concerning the proposed extended travel season on the smaller ferries, the Older Alaskans Commission is cognizant that the Department of Transportation and Public Facilities' view is that the State would lose too much revenue and does not support the resolution. The Commission, however, believes that with the House Transportation Committee's proposed definition of "space available" there would be little loss of revenue as all paying passengers (presumably this includes paying stand-by passengers as well) would be accommodated first. Also the Commission believes that many of the senior citizens who now travel free are people who would not otherwise make such trips, so revenue loss is probably less than that noted by the Department of Transportation and Public Facilities because the only true revenue loss is from those who would be travelling regardless of whether the fare is free.

Concerning investigation of the possibility of reducing stateroom rates for senior citizens, the Commission believes that reduced stateroom rates, too, can be accomplished on a space-available basis, whereby all paying passengers would be accommodated first so there would be little loss of revenue (on the same basis as stated above).

The Older Alaskans Commission fully supports this resolution with the definition of "space-available basis" recommended by the House Transportation Committee. Reducing ferry system travel costs is something the State can do at no significant cost to the taxpayer which will help some of the State's older citizens immensely. Many older Alaskans use the ferry system when travel is required to obtain health care and other services. Therefore, incentives to their use of the system frequently has a direct and positive health benefit.

HCR2



Lisa Rudd

Lisa Rudd
Commissioner of Administration