

LEG. FINANCE - BILLS 1983 - 1984 2094
SB 334 cont. - SB 347 2094

Page two

February 16, 1983

Amount	Federal	State	Total
FY 1983	150,977	50,000	200,977
FY 1982	298,377	100,000	398,377
FY 1981	353,310	100,000	453,310
FY 1980	234,902	125,000	359,902
FY 1979	175,000	125,000	300,000
FY 1978	175,000	125,000	300,000

We urge you to rectify the error made by the Department in excluding funding for the three organizations that provide a forum for public involvement in health care decisions. (See attached page for brief summary of our responsibilities.)

If you have any questions about our organization do not hesitate to call me or the President of the Board, Lillie McGarvey.

Sincerely,

Margaret M. Wilson
Executive Director

MMW/ab

Enclosure

What is South Central Health Planning and Development, Inc. (SCHPD)? South Central Health Planning and Development, Inc., like the other two Health Systems Agencies in Alaska, is a non-profit corporation run by a volunteer board of directors established for the purpose of improving the health of residents, increasing the accessibility, acceptability, continuity and quality of health services provided to the population, restraining increases in the cost of providing health services, and preventing unnecessary duplication of health services.

SCHPD serves the 270,000 residents of south central and western Alaska. The service area encompasses eight of the twelve Native regional corporation areas: Norton Sound, Yukon-Kuskokwim, Kodiak, Bristol Bay, Copper River, Cook Inlet, North Pacific Rim, Aleutian/Pribilof Islands. The Municipality of Anchorage is designated as a ninth subarea in the total service area.

While all the residents of the area are affected by the decisions of the agency, SCHPD works most closely with: 1) health care providers, including physicians, nurses, representatives from the 16 hospitals in our area, staff from the 8 non-profit health corporations in the area, directors of mental health and alcohol/drug abuse programs, Indian Health Service representatives (on health care cost and health promotion at the workplace issues), community residents who desire technical assistance for the development of proposals for new health services, Boards of health programs who desire training on effective functioning, and others.

The volunteer Board members of SCHPD with help from the staff they hire, provide a process for public involvement in the decisions as to how public money is to be spent in health care. With an ever increasing portion of public (State and Federal) dollars being spent on health services through Medicare, Medicaid, revenue-sharing, mental health and alcoholism programs, risk reduction grants, direct appropriations for capital expenditures (to name a few) public input into the form and organization of those services becomes even more critical.

The public involvement process as implemented by SCHPD has meant:

- continual coordination with providers and consumers on health care delivery issues in the development of planning documents, on committees and task forces, public meetings;
- publication, at least annually, of short-range plans listing high priority areas of concern in south central and western Alaska;
- publication and distribution of periodically updated long-range plan that analyzes health problems and establishes a framework for development of health services by size of community;
- public review of any Certificate of Need proposals (the only opportunity for the public to review and comment on any analysis of proposals submitted);
- provision of data to communities, elected officials, health care providers to justify and/or evaluate health care expenditures;
- public meetings in communities, technical assistance to communities;
- other involvement in health issues, such as sponsorship and organization of a Health Promotion at the Worksite conference attended by over 200 participants.



**South Central
Health Planning and Development, Inc.**

1135 West Eighth Avenue • Suite 1 • Anchorage, Alaska 99501
(907) 278-3631

BOARD OF DIRECTORS

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Work: 224-5205 (ext. 207)

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Work: 262-4344 M,W,F

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P.O. Box 1187
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Work: 486-3281

IHS Representational Liaison

Diane Muri
AK Area Native Health Service
P.O. Box 7-741
Anchorage, AK 99510
Work: 265-3312

Military Representational Liaison

Colonel Lester Parker
Hospital Administrator
Elmendorf AFB Hospital
Elmendorf, AK 99506
Work: 205-9312

**Fairbanks
North
Star
Borough**

Mayor B.B. Allen

INDIVIDUAL LETTERS SENT TO INTERIOR DELEGATION
AS WELL AS SENATORS FERGUSON, VIC FISCHER,
JOSEPHSON & SACKETT, REPS. ADAMS & DUNCAN

April 25, 1984

Dear

I would like to express my strong and continuing support for the Northern Alaska Health Resources Association (NAHRA) and urge your support for funding for this agency.

NAHRA is our only resource in the northern region for locally-based planning and health service development. As you know, the Fairbanks North Star Borough is a second-class borough and, as such, does not have health and social service powers. It is unlikely that we will assume these powers in the foreseeable future. Therefore, NAHRA provides the only forum for public participation in the decision-making process about human service delivery for this community. NAHRA coordinates planning and community organization activities on a wide range of issues -- responsibilities which the Borough would have to assume, at increased cost, were NAHRA to cease operations.

Over the past two years, NAHRA provided support and leadership in the formation and operation of the Arctic Alliance for People. At my suggestion, the Arctic Alliance prepared a plan for human services for the Fairbanks North Star Borough. This plan would never have been possible were it not for NAHRA's technical assistance. I consider this plan and surrounding activities as major accomplishments in the Borough and in the best interests of all the people. There are many other examples of their contribution to the community as well. Continuation of this kind of effort is essential, especially as revenues decline.

As Mayor of the Fairbanks North Star Borough, I am responsible for appointing fifteen of NAHRA's thirty board members. This linkage provides a significant avenue for the Borough government and NAHRA to interface, for the general good of the citizens. This interface also ensures accountability of both parties in the area of human services. I have read and concur totally with a letter dated April 25, 1984, from J.B. Carnahan, President of NAHRA. NAHRA is a strong, accountable and effective agency serving all the people of northern Alaska.

Once again, I would reiterate the crucial nature of state funding

OFFICE OF THE MAYOR



The Golden Heart City

April 25, 1984

Senator Vic Fischer
Alaska State Legislature
POUCH V
Juneau, AK 99811

Dear Senator Fischer:

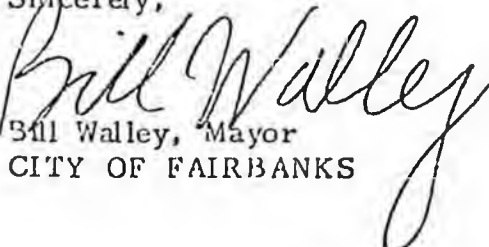
The Northern Alaska Health Resources Association (NAHRA) is one of the most important agencies in the interior. Continuation funding for their activities is crucial, if there is to be a rational planning process in the northern region.

I am most concerned about recent accusations that the NAHRA Board of Directors is not representative because I do not make appointments. We in the City have always felt that the Fairbanks North Star Borough, which encompasses all the people of the urbanized area of which Fairbanks is the center, is the appropriate appointing body. NAHRA staff and volunteers have talked with us about this issue in the past, and we have assured them that we find the appointment process to be an acceptable one. We do not wish to change that system in any way. I want to be on record that the City of Fairbanks has no quarrel with NAHRA in any way, nor do we have a quarrel with the Borough on this matter.

NAHRA, as a non-aligned entity, is in a unique position to provide technical assistance and planning support to all the agencies and local governments in the northern region. They have assisted both the City Commission on Health and Social Services and the Arctic Alliance for People, upon whose plan the City Council set its priorities for human services funding. I can assure you that their role is a vital one, which must not be jeopardized.

Thank you.

Sincerely,


Bill Walley, Mayor
CITY OF FAIRBANKS



TANANA VALLEY MEDICAL-SURGICAL GROUP, INC.

(A PROFESSIONAL CORPORATION)

1001 NOBLE STREET • FAIRBANKS, ALASKA 99701 • PHONE 452-1611

STAFF MEMBERS

January 16, 1984

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COMPTROLLER

ADMINISTRATOR
G. L. SEELIGER

Senator Don Bennett
Pouch V
Juneau, Alaska 99811

Dear Senator Bennett:

I am writing to bring your attention to an important health consideration for the Northern Region of Alaska. The issue is the importance of state funding for the Northern Alaska Health Resources Association, Incorporated, known as NAHRA.

Since its inception, this organization has been a helpful adjunct in the delivery of health care to the people in the northern portion of Alaska in many respects and through many different projects.

As an independent agency, it serves a useful function as a liaison between the private delivery of health care and state or federally funded systems. Among their more important current projects are the Health Education/Risk Reduction Project focused on health awareness for secondary students in the North Star Borough, and the recent sponsorship and prime mover in Alcohol Awareness Week. In addition, they have always worked closely with the Boards of Fairbanks Memorial Hospital in reviewing certificates of need, and my opinion as a private practitioner is that they have done a fair and thorough job. There are many other projects that are ongoing and are too numerous to mention.

In view of the fact that many of their current functions would need to be taken over by organizations which are currently state funded, it seems to make fiscal sense to reinstate funds for NAHRA in the next budget session so that their work can continue.

Sincerely,

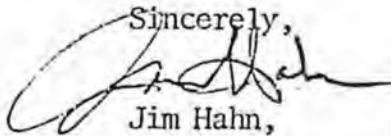
Ralph A. Wells, M.D.

04-28-84

Representative Ai Adams,

I strongly support the efforts NAHRA has made in heading up comprehensive health planning for the Northwest portion of the State. This organization now faces fiscal uncertainty, and I am asking for your full support and any service you may render on behalf of NARHA is securing funding to insure the institution's viability over the coming year.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim Hahn".

Jim Hahn,
Service Unit Director,
Barrow Hospital
Barrow Ak 99723

RECEIVED MAR 2 1984

February 28, 1984

Senator Don Bennett
Pouch V
Juneau, Alaska 99811

Dear Don:

Sherry McWhorter, the Executive Director of the Northern Alaska Health Resources Association, Inc. has informed me of their impending financial crisis and the existence of SB 334. She has asked me to write you in support of SB 334 which apparently will help them to some degree with their shortfall since federal funding has been cut off. I have had the opportunity to work with Sherry in the past on mutual health-related matters and I am impressed with the care and understanding N.A.H.R.A. has handled the matters before them. I request that you give them every consideration in SB 334 in order that they may continue to provide their much-needed services.

I would also like to thank you for checking into the site for the Steese Area Volunteer Fire Department's second station. We are working hard to provide services to area residents and a second station is most urgently needed if we are to continue to provide the quality of service necessary to protect the lives and possessions of the residents in our service area.

Thanks again for your consideration of N.A.H.R.A. in SB 334.

Sincerely,



Arthur S. Hansen, D.D.S.

CC: Sherry McWhorter, Executive Director, N.A.H.R.A.
Board of Directors, Steese Area Volunteer Fire Department

RECEIVED FEB 10 1984

4178 Birch Lane
Fairbanks, Ak 99701

February 8, 1984

Senator Bettye Fahrenkamp
State Capitol Building
Pouch V
Juneau, Ak 99811

Dear Senator Fahrenkamp:

I would like to express my strong support for SB 334, which will provide necessary support for the Northern Alaska Health and Resources Association, Inc. (NAHRA). As a teacher of social work at the university, I can attest to importance of NAHRA in planning, coordinating, and offering technical assistance to health agencies and communities in Northern Alaska. If NAHRA were to be discontinued, these services in these areas I am sure would be adversely affected.

Sincerely,

Gerald S. Berman, Ph.D., ACSW

CC: Ms. Sherry McWhorter
NAHRA

Copy - also sent one to Sen Bennett -

RECEIVED Apr 25 1984

Governor's Council for the Handicapped and Gifted
600 University Ave., Suite C
Fairbanks, AK 99701

Message send to:

Senator John Sackett
Senator Don Bennett
Senator Joe Josephson
Rep. Al Adams
Rep. Bob Bettisworth
Rep. Jim Duncan

Please support the inclusion of the Northern Alaska Health Resource Association in this year's budget. They provide a wealth of information and expertise to health and social service agencies in this region. Without NAHRA, our ability to collect information for service planning will be seriously impaired. Please do what you can. Thank you.

April 25, 1984 9:00 a.m.

Public Opinion Message
Legislative Information Office

Nathan Rowntree
Nov. 1. Pole, Alaska

Please resist the lures of the
the Northern West which induces
Association. In your work, I urge all
Legislature: to cherish the people as the
greatest resource in the present and
the future.

Joyce Outten
2476 Sunflower Loop
SR Box 60727-F
North Pole, AK 99701
April 27, 1984

To the Alaskan Legislators:

I recently discovered that funding for two of the three Health System Agencies has been deleted from next year's budget. I strongly urge you to reinstate this funding.

As a mother and a wife, I feel that the Northern Alaska Health Resources Agency in Fairbanks has always done an outstanding job in educating the Northern community about various potential and present health problems--alcoholism, drugs, birth defects, etc. Also in compiling annual research statistics, articles and reports, the HSA's have taken the burden from local hospitals and related health, prevention and handicapped organizations agencies so that these people can spend more of their time planning and working directly with Alaskans.

I realize that budget cuts will always have to be made, but in this instance I believe this to be more of a "people's cut."

In closing, I would like to remind you that HEALTHY ALASKANS ARE VOTERS.

Sincerely,


Joyce Outten

RECEIVED APR 25 1984

4-23-84

Rep. Duncan;

Please do not delete NABA (the
northern ASL) from the operating budget.

\$125,000 is a small price to pay for
~~innovative planning, impartial review and credible~~
resources for health and human services.

NABA is unique and indispensable.
Providing services without community input
and cost-all planning would be just plain
stupid. The northern region needs NABA!

Sincerely,

Anna Hanson

Farrison
SR 10348A Fairbanks, Alaska 99701

Similar
letters
to other 5
conferences or
summits

December 22, 1983

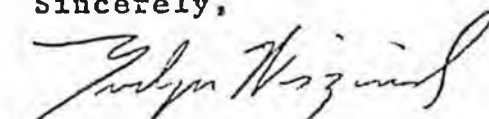
Sen. John C. Sackett
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett,

I am writing in support of the Northern Alaska Health Resources Association. I feel NAHRA provides an invaluable service in the Northern Region primarily through impartial program evaluation, provision of resource materials and technical assistance.

I urge you to support the reenstatement of NAHRA in the FY '85 State budget for the amount needed to insure the continuation of their services.

Sincerely,



Evelyn Wiszinckas, PhD
Upper Yukon Behavioral Health
Director

EW/BH.B. Carnahan, President NAHRA

EW/bh

February 1, 1984

The Honorable Al Adams
House of Representatives
Pouch V
Juneau, Alaska 99752

Dear Al:

I was really disappointed to read your January 17 response to my letter about funding for the Northern Alaska Health Resources Association (NAHRA).

I am very much aware that NAHRA has no State funding this year. In FY 1983, NAHRA and the other two HSAs each received \$50,000 from the State. Before that, since 1976, each HSA had gotten \$100,000 annually. Two years ago, federal funding for HSAs was cut by 67%. Now, Congress has voted to continue funding through August, 1985, and there is every indication that they will re-enact legislation that will continue national health planning activities through 1989. However, NAHRA cannot survive on their \$100,000 federal allotment. It is absolutely essential that the State of Alaska support health planning and resource development activities.

Dr. Smith, Commissioner of the Department of Health and Social Services, has expressed very strong support for health and social services planning statewide, and he sees HSAs as the mechanism for that planning. He says that he has a firm commitment to having planning done on a regional as opposed to a statewide level. I suggest that you call the Commissioner to find out what his position and that of DHSS is on this matter. He can tell you that the State alone is not able to fill the gaps caused by elimination of HSA funding. It is the HSAs who have always done the planning for the State. Now, there is almost nothing being done at the State level. After September 1, there will be no planning done regionally either unless the State funds HSAs.

I have told you before that NAHRA provides a very useful service for the Maniilaq Association and the people of the NANA region. You know me well enough to know that I say what I believe. Through NAHRA's help, we are able to direct our funds and personnel most effectively for helping our people. The planning assistance that NAHRA has given us allows us to actually save program dollars and stretch them to serve more people. The Maniilaq Association bought NAHRA's services out of our own program monies this past year because they are so important to our operations. If NAHRA were funded by the State directly, we would not have had to do that ourselves. We need them; the other regions of the State need them too. They are especially helpful to our Native people who often do not have other means of addressing local concerns and presenting them to State funding sources effectively.

RECEIVED FEB - 1 1984

P. O. Box 8
Sitka, AK 99774-0008
January 24, 1984

Dear Alaskan Leader:

I am writing to encourage your support of the Northern Alaska Health Resources Association. I would like to see \$225,000 be reinstated in the state budget for FY 1985 in order that this organization may continue it's important work in the areas of health education, home health care, youth psychiatric services and rural health.

In addition to state funds NAHRA utilizes several private contracts for the implementation of health services. Without a guaranteed economic support base by the state, these contracts will not sustain NAHRA.

I believe NAHRA's new executive director, Sherry McWhorter, is an extremely dedicated and capable administrator. I know she will maximize the benefit of state money. Won't you please give NAHRA the necessary allocation for FY 1985?

Sincerely,

Patty Merrill
Patty Merrill

kag

cc: Sherry McWhorter

RECEIVED JAN 4 1984



MC GRATH HEALTH CENTER

P.O. BOX 86 MC GRATH, ALASKA 99627
(907) 524-3299

December 29, 1983

The Honorable John C. Sackett
The Senate of Alaska
13th Legislature, Second Session 1984
Pouch V
Juneau, AK. 99811

Dear Sir:

I am writing in support of Northern Alaska Health Resources Association, Inc.'s request for funding from the state budget through FY 85, from the perspectives of a health care provider and a health services consumer.

I believe NAHRA provides a valuable service to the Northern Region as the only body that reviews health care issues and as a health care planning instrument on a region wide basis. With the rapid changes and growth that are affecting all communities in Alaska, which in turn impact health services needs and implementation, it seems responsible and beneficial to support an agency that sees the "big picture" in terms of immediate needs of individual communities and the future needs of the region as a whole. This forward looking reduces duplication of services within the region and addresses health services development in a priority - determined, logical, fashion.

That there is such effective interfacing between local, sub-regional, and regional health services agencies in an area as large and diverse as Northern Region, is largely due to the efforts and contributions of NAHRA.

I hope you will support NAHRA's request for funding through FY 85 in the state budget, in order that NAHRA may continue to provide its valuable services to our region.

Sincerely,

Mary Medora S. Durbrow, PA-C
Clinic Director

cc: Northern Alaska Health Resources Association, Inc.

From: Allen Ootten
2476 Sunflower Loop
North Pole, AK 99705

To: Sherry McWhorter
Northern Alaska Health Resources Assoc.

This letter is in reference to the lack of funding the Legislature has refused to appropriate to NAHRA. If there is anything I can do, let me know. I still remember how you helped my son and I last summer.

Give me a call at home,

AL

April 27, 1984

Joyce Bunch

SR Box 60727-F

North Pole AK

99705

To Whom it May Concern -

Please reinstate funding for
both Northern Alaska Health Resources
Association and Southeast Health
System Agency. Southeast and Northern
Alaska are not in Anchorage, so
why should SE and N people's health
and the care of it be any less
than South Central?

Sincerely,

Joyce Bunch
474-6940

January 5, 1983

Honorable William Sheffield, Governor
Third Floor, State Capitol
Pouch A
Juneau, Alaska 99811

Dear Honorable Sheffield,

As a provider of Health Care, I am urging your support in funding the Northern Alaska Health Resources Association (NAHRA).

NAHRA plays a big part to us who live in the bush. We look to them for statistical data and Alaska based information that concerns our region.

This body helps us when help is needed in regards to health related concerns. They provide us with technical assistance in Community Organization, Management, Evaluation, Program Planning, Needs Assessments and Implementation.

Without NAHRA, every agency would have to expend more of its own program resources in these subjects. This is why it is important for us to have NAHRA around - we in the bush can go ahead and do the work we're hired to do, while NAHRA stays at home to do the paperwork for us.

Since they've been in existence I feel they have done a superb job and should be commended. They take the time to assist those who need help even if they are busy themselves.

If you have any questions, feel free to call me at (907) 442-3590.

Sincerely,

Nina K. Dahl

Nina K. Dahl, Director
Kotzebue Senior Citizens Cultural Center

NKD/lj

cc: NAHRA

Sherry
I wrote this & sent to all
the people on the following
page
Nina

RECEIVED MAR 21 1984

March 14, 1984

Representative Mae Tischer
Pouch V - Rm. 110-C
Juneau, AK 99811

Dear Representative Tischer:

I would like to voice *my* support of HB 355, recognizing the continuing need for regional health planning.

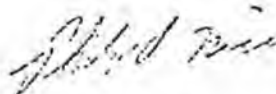
I have worked with the Northern Alaska Health Resources Association and have been favorably impressed with their accomplishments.

Their most impressive accomplishments are:

1. Health services planning with input from both citizens and provider groups.
2. Collection and analysis of data in an objective manner in order to assist in the decision-making process concerning health care needs in the region.
3. Organization of a system that can assist rural communities in needs assessment, keeping in mind regional needs and capabilities.
4. By feeding information from the Northern region to the State, it has been possible to develop health plans for the State with effective regional input.

Anything you can do to move the bill along will be greatly appreciated.

Sincerely yours,



Philip O. Nice, M.D.
Professor of Medical Science
UAF Medical Education Program

northern alaska health resources association, inc.

April 25, 1984

The Honorable Don Bennett
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Bennett:

After hearing your comments on the Interior Delegation teleconference last night, I felt that I must respond to your mistaken impressions about the composition and appointment of the Board of Directors of the Northern Alaska Health Resources Association. Your information is clearly coming from Frank Gold, so my responses will be directed to his memo to the Public Health Service dated March 26, 1984. I have also enclosed for your information a copy of the federal government's response to Frank Gold.

1. Each year, Mr. Gold expresses dismay over the City of Fairbanks' lack of appointment power to the NAHRA Board. At the time the HSAs were established in Alaska, great care was taken to have appointments made by representatives of our four subareas -- the North Slope, the Fairbanks North Star Borough, the rural Interior, and the Northwest region. The City of Fairbanks was not "excluded" from appointment power but rather deferred to the Borough as the governmental entity covering the larger number of residents. No cities have appointing power. Appointing power is not related to whether or not an entity has health powers but rather whether or not it can generally be considered to be representative of the residents of the area. In the case of the North Slope and the urbanized part of the Interior, the appointing entities are the two Boroughs. In the rural areas where there is no organized Borough, the only two comprehensive entities (Maniilaq Association and Tanana Chiefs Conference) were given appointing power. The City of Fairbanks was consulted in this formation process and has been consulted subsequently. The City has always expressed support for the Borough's retention of appointing power. This arrangement was concurred with by the Governor of Alaska, the Department of Health and Social Services in Juneau, the federal Department of Health and Human Services at Region X in Seattle, and the Secretary of the Department of Health and Human Services.
2. There are mechanisms for removing unsatisfactory Board members. One method concerns attendance; any Board member can be removed for non-attendance in accordance with the by-laws. Members can also be removed for "cause." To date, no Board members have been removed for any reason other than non-attendance; in fact, when the individuals agree, they have always been reappointed when their terms have expired. No appointing body has ever expressed dissatisfaction with the actions of their appointees, but the bylaws do contain provisions for addressing such problems should they arise.

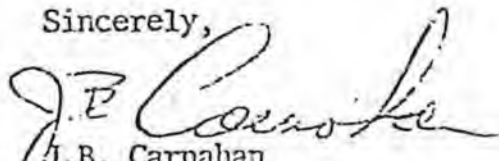
membership appointing power to include the City of Fairbanks. NAHRA staff and Board members have talked with City on several occasions and, as mentioned above, the City has favored leaving appointing power with the Borough.

2. There was never a NAHRA committee recommendation "to correct the lack of accountability." Accountability is built into the system. If Mr. Gold is seeking "legislative confirmation" for our Board members, he is mistaken in his understanding of P.L. 96-79. Legislative confirmation is not only inappropriate for regional bodies; it is also not provided for under the law.
3. NAHRA does remain committed to our present representational structure which has been determined by the legal authorities to be fair and equitable for northern Alaska. Again, the law does not address over-representation and in fact specifies equitable representation.
4. Again, conflicts of interest, when they occur, are handled at the Board level. Review of our minutes for the past nine years will clearly show that conflicts of interest are disallowed in decision-making actions.
5. Again, there was no committee recommendation to investigate the subregional advisory council concept. The bylaws would allow such a structure, and the representational arrangements were an attempt to ensure subregional representation. We cannot support such a council structure with current funds.
6. It is unclear why Mr. Gold would refer to a "forced recognition of non-medical/non-dental/non-hospital health professionals." By law, representation must exist from non-medical providers, and the NAHRA Board has always incorporated those people. A copy of our current Board list is attached.
7. Alaska has no statewide HSA. In fact, the law does not allow for the existence of a statewide HSA. There is a Statewide Health Coordinating Council, which is an all-volunteer body appointed by the Governor, and a state office for health planning in the Division of Planning, Policy, and Program Evaluation. The State-level entities are responsible for creating a State Health Plan from the Health Systems Plans of the three HSAs, for providing statistical information to the HSAs, and for making determinations for recommendation to the Commissioner of DHSS concerning approval or disapproval of Certificate of Need applications. We rarely overlap in any way and, in fact, make concerted efforts to share information and to coordinate activities so that we can all make maximum use of our scarce resources.

Senator Don Bennett
April 25, 1984
Page 5

Education, in which we are assisting teachers at Ryan, North Pole, and Eielson Junior and Senior High Schools with projects in the areas of nutrition, fitness, and stress reduction. None of these activities involve drug abuse and are not counseling-related.

Sincerely,


J.B. Carnahan
President

enclosures

cc: Governor Bill Sheffield
Statewide Health Coordinating Council
Division of Planning, Policy, and Program Evaluation
Alaska State Legislature
Senator Ted Stevens
Senator Frank Murkowski
Representative Don Young
Secretary, Department of Health and Human Services
Commissioner, Department of Health and Social Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

J. D. F. W. W. W.
Public Health Service

Region X
M/S 403
2901 Third Avenue
Seattle, WA 98121

April 4, 1984

Frank J. Gold, EdD
Executive Director & Staff Psychologist
KILA, Inc.
3098 Airport Way
Fairbanks, Alaska 99701-5599

Dear Dr. Gold:

Your memo of March 26, 1984, reviewing the Northern Alaska Health Resources Association, Inc. (NAHRA) draft Application, has been referred to me for response. Your review raises two types of issues. First are issues that bear on the legality of the organization. These relate to Board representation and conflict-of-interest requirements. Second are three issues over which we have no jurisdiction. These are the State's grant review procedure, the designation of a single Statewide HSA and the State's funding, of this Agency.

We have taken a close look at each of the legal issues. Our review has found the following:

1. Board Representation. Reference Sec. 1512(b)(2), Public Law 93-641, as amended by Public Law 96-79 and Public Law 95-538.

The NAHRA procedure for appointing Board members covers all the geographic area served by the Agency, including the City of Fairbanks. The Mayor of the Fairbanks Borough, in which the Agency is located, appoints 15 of 30 members of the NAHRA Board. Ten Board members are from the City of Fairbanks. The Agency is required to document in writing the socio economic and demographic characteristics of the Area. This documentation was submitted with their 1980 Grant Application. Based on our review the Board does comply with the legal requirements. We will again review the Board membership when the NAHRA 1984 Application is received.

2. Conflict-of-Interest among Board members and, especially, the Native Corporation representatives.

It is not unusual for a Board to have members which represent grantees or health facilities that are regulated by the HSA. Therefore under the Law, the Agency is required to have a conflict-of-interest policy which requires a Board member whose application is being reviewed by the Agency to be excluded from voting on that particular action. The Agency does have an operating conflict-of-interest policy; therefore, it is in compliance with the Law.

NAHRA BOARD OF DIRECTORS

Fairbanks North Star Borough

Keryl Lee Bauer	Health Educator	Fairbanks
Grant Carlin	Teacher	Fairbanks
J.B. Carnahan	Policeman	Fairbanks
Lennell Cleaver	Clergyman/Carpenter	Fairbanks
Jan Emmert	Nursing Supervisor, Fairbanks Memorial	Fairbanks
Dorothy Englund	North Star Council on Aging Director	Fairbanks
Robert Estrella	Petroleum Worker	Fairbanks
Anne Harrison	Public Health Nurse	Fairbanks
Richard Reem	Physician	Fairbanks
Norman MacPhee	Accountant	Fairbanks
Phillip Nice	University Professor	Fairbanks
Lorraine Phillips	Homemaker	Fairbanks
Michael Robertson	Mental Health Provider	Eielson A.F.B.
Marguerite Stetson	Cooperative Extension Service Nutritionist	Fairbanks
Ken Torgerson	Self-employed	Fairbanks

Maniilaq Association

Elmer Armstrong	Clergyman	Buckland
John Blower	Mayor	Ambler
Nina Dahl	Senior Center Director	Kotzebue
Dood Lincoln	IRA Council Staff	Kotzebue
Wally Paisano	Service Unit Director	Kotzebue

North Slope Borough

Jim Hahn	Service Unit Director	Barrow
Marie Neakok	Secretary	Barrow
Ida Olemaun	Deputy Health Director	Barrow
Rebecca Reynolds	Mayor's Assistant	Barrow
Dora Wolgemuth	Homemaker	Barrow

Tanana Chiefs Conference

Theresa Coffin	Petroleum Worker	Central
Marie Hailey	Teacher	Holy Cross
Cathie Ipaalook	Human Services Adminis- trator	Tok
Gary Ricketts	City Manager	Nikolai
Paul Sherry	TCC Director of Region- al Services	Fairbanks

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 334
Title: Regional Health Resource
Organizations
Sponsor: Moss
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Health & Social Services
Program Category Affected: Health
Planning, Policy and Program Evaluation
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						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES	450.0	450.0	450.0	450.0	450.0	450.0
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL	-0-					
REVENUE	-0-					

FUNDING: (Thousands of Dollars)

GENERAL FUND	450.0	450.0	450.0	450.0	450.0	450.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Daniel M. McArthur Phone: 465-3037
Division: Planning, Policy & Program Evaluation Date: 2-13-84

Approved by Commissioner: Robert Gordon Smith Date: 2/13/84
Agency: Dept of Health & Social Services

Distribution (by Agency preparing fiscal note):

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

12/1/83

POSITION PAPER

on

Senate Bill No. 334

For an Act entitled: "An Act relating to health resources development; and providing for an effective date."

This bill recognizes an existing and continuing need for regional planning for health and provides a means for state financial support of regional health planning. The Department of Health and Social Services supports this bill as consistent with its goal to maximize public input into state-wide planning for health and social services. There currently exists a great legacy of regional health planning in Alaska. Much of the existing planning has been accomplished by the three Alaska health systems agencies (HSAs) working in conjunction with the State Health Planning and Development Agency. (SHPDA-The federally designated title for the Division of Planning, Policy and Program Evaluation, DHSS.)

A mechanism for assisting communities in identifying and developing plans for dealing with health problems of residents, to provide technical assistance to communities, to assist in the development and maintenance of programs for the promotion of health and the prevention of disease and illness and to assemble and analyze health related data is important in ensuring quality health care. The review and special study capability afforded to the Department by the establishment of regional health resource organizations would facilitate the department's activities in carrying out its responsibilities, in the physical and behavioral health and social service components.

As a result of the past assistance which the three health systems agencies have offered to the department and because these agencies are established, on-going regional planning agencies, the department believes the health systems agencies should be considered as the appropriate planning agencies to meet the duties outlined in section 18.07.120 of the bill. The three HSAs are responsible under Public Law 93-641 for most of the duties listed for the proposed Regional Health Resources Organizations (RHRUs). The benefits to Alaskans and to departmental planning efforts from the federally supported HSAs have been significant.

Unfortunately, federal funding support for HSAs has been reduced to approximately one-third of the original amount. The reduction in funding has seriously limited the capabilities of the HSAs and the department to accomplish regional and statewide health planning. With increased funding supplied under section 18.07.122 of the bill, the three HSAs will be adequately staffed to provide the needed level of regional health planning.

Specific comments on SB 334 pertain to the following sections:

Section 18.07.112 HEALTH SERVICE AREAS:

Senate Bill 334 provides for the establishment of three or more regional health resource organizations, whose boundaries would be consistent with one or more adjacent organized boroughs or regional educational attendance areas. These regional health resource organizations would be responsible for assisting communities in a variety of health planning, development, technical assistance and implementation activities. The regional health resource organizations would also provide assistance to the Department in reviewing various health plans and applications and would perform other duties as specified in the contractual relationship between the Commissioner of Health and Social Services and the regional health resource organizations.

A continued capability for health planning, development and technical assistance at a regional level is a positive approach to improving health status and the health care delivery system in Alaska. Providing a contractual relationship between the Department and the regional health resource organizations permits the front-line development of predetermined products.

The Regional Corporation boundaries were previously used as the Health Service Area boundaries. The use of the boundaries of both the organized boroughs and the regional education attendance areas could allow for a multiplicity and overlap of planning organizations and increase the financing of the program to the state.

Section 18.07.114 REGIONAL HEALTH RESOURCES ORGANIZATIONS:

This section provides for a contract which has a duration of four years and is renewable to designate the regional health resources organization for each of the health service areas. Funding, however, occurs by grants awarded each fiscal year, according to Section 18.07.122. The department would need to establish specific procedures to ensure that the designation and funding processes were coordinated.

Section 18.07.120 DUTIES:

The review responsibilities under Section 18.07.120(b)(1)(A) and (B) would be more clearly specified if the words "grants of" were deleted under (A) and "grants" deleted under (B).

Recommended by: Daniel J. Meddleton
Daniel J. Meddleton, Director
Division of Planning, Policy
& Program Evaluation

Date: 2-8-84

Approved by: Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health and
Social Services

Date: 2/13/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST
 Bill/Resolution No.: SB 334
 Title: Regional Health Resource
Organizations
 Sponsor: Moss
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Health & Social Services
 Program Category Affected: Health
Planning, Policy and Program Evaluation
 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						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
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700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL	-0-					
REVENUE	-0-					

FUNDING: (Thousands of Dollars)

GENERAL FUND	450.0	450.0	450.0	450.0	450.0	450.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Daniel M. McWhorter Phone: 465-3037
 Division: Planning, Policy & Program Evaluation Date: 2-13-84

Approved by Commissioner: Robert Gordon Smith Date: 2/13/84
 Agency: Dept of Health & Social Services

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

12/1/83

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The Regional Corporation boundaries were previously used as the Health Service Area boundaries. The use of the boundaries of both the organized boroughs and the regional education attendance areas could allow for a multiplicity and overlap of planning organizations and increase the financing of the program to the state.

Section 18.07.114 REGIONAL HEALTH RESOURCES ORGANIZATIONS:

This section provides for a contract which has a duration of four years and is renewable to designate the regional health resources organization for each of the health service areas. Funding, however, occurs by grants awarded each fiscal year, according to Section 18.07.122. The department would need to establish specific procedures to ensure that the designation and funding processes were coordinated.

Section 18.07.120 DUTIES:

The review responsibilities under Section 18.07.120(b)(1)(A) and (B) would be more clearly specified if the words "grants of" were deleted under (A) and "grants" deleted under (B).

Recommended by: Daniel J. Meddleton
Daniel J. Meddleton, Director
Division of Planning, Policy
& Program Evaluation

Date: 2-8-84

Approved by: Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health and
Social Services

Date: 2/13/84

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Recommended by: Daniel J. Meddleton
Daniel J. Meddleton, Director
Division of Planning, Policy
& Program Evaluation

Date: 2-8-84

Approved by: Robert London Smith
Robert London Smith, Ph.D.
Commissioner
Department of Health and
Social Services

Date: 2/13/84

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/9/84

Date: 2/22/84

Mr. President:

The Committee on HESS has had SB 334

Health resources development; efd.

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 _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]
Peggy Mason
Paul Griffee

[Signature]
 CHAIRMAN

Introduced: 1/9/84
Referred: Health, Education and
Social Services and
Finance

1 IN THE SENATE

BY MOSS

2

SENATE BILL NO. 334

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 health resources development; and
7 providing for an effective date."

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

9 * Section 1. AS 18.07 is amended by adding new sections to read:

10 ARTICLE 3. REGIONAL HEALTH RESOURCES ORGANIZATIONS.

11 Sec. 18.07.112. HEALTH SERVICE AREAS. The commissioner shall
12 designate three or more health service areas in the state. The bound-
13 aries of each health service area shall be coextensive with the bound-
14 aries of one or more adjacent organized boroughs or regional educa-
15 tional attendance areas. In designating health service areas, the
16 commissioner shall assure that each area forms a contiguous and com-
17 pact territory containing as nearly as practicable a relatively inte-
18 grated socio-economic area.

19 Sec. 18.07.114. REGIONAL HEALTH RESOURCES ORGANIZATIONS. (a)
20 The commissioner shall designate by contract a regional health re-
21 sources organization for each health service area.

22 (b) An applicant for designation as a regional health resources
23 organization shall apply on a form prescribed by the commissioner. An
24 application shall include

25 (1) a plan for the orderly assumption and implementation of
26 the duties of a regional health resources organization;

27 (2) assurances satisfactory to the commissioner that the
28 applicant meets the eligibility requirements of AS 18.07.116 and is
29 qualified to perform or is performing the duties prescribed in

1 AS 18.07.120; and

2 (3) a plan specifying how the applicant will select board
3 members.

4 (c) A contract under this section shall be for a period of four
5 years and is renewable. A contract may be terminated before its
6 expiration date

7 (1) by the regional health resources organization at a time
8 and with notice to the commissioner as the commissioner may by regula-
9 tion prescribe; or

10 (2) by the commissioner at a time and with notice to the
11 regional health resources organization as the commissioner may by
12 regulation prescribe, if the commissioner determines that the entity
13 is not complying with or effectively carrying out the provisions of
14 the contract.

15 Sec. 18.07.116. ELIGIBILITY FOR DESIGNATION. The commissioner
16 may designate as a regional health resources organization

17 (1) a nonprofit corporation incorporated under AS 10.20 for
18 the purpose of engaging in health planning and development functions;
19 or

20 (2) a unified borough government with the capacity to
21 perform health planning functions and whose planning area is identical
22 to a health service area.

23 Sec. 18.07.118. BOARD OF DIRECTORS. (a) Each regional health
24 resources organization shall be governed by a board of directors.

25 (b) A board shall include

26 (1) a representative from each regional nonprofit Native
27 corporation established under 43 U.S.C. 1601 - 1628 (Alaska Native
28 Claims Settlement Act) and located in the health service area; and

29 (2) members broadly and equitably representative of health

1 care consumers and providers in the organization's health service
2 area.

3 Sec. 18.07.120. DUTIES. (a) A regional health resources orga-
4 nization shall, within the boundaries of its health service area,

5 (1) assist communities in identifying and developing plans
6 for dealing with health problems of residents;

7 (2) provide direct technical assistance to communities for
8 implementing those plans;

9 (3) assist in the development and maintenance of public
10 information and advocacy programs for the promotion of health and the
11 prevention of disease and illness;

12 (4) assemble and analyze data relating to health matters
13 and coordinate data collection activities with state and local agen-
14 cies, regional Alaska Native corporations, and health organizations.

15 (b) A regional health resources organization shall

16 (1) in cooperation with the commissioner, review and pro-
17 vide comments and recommendations on applications and proposals made
18 to the department for

19 (A) grants of health service funds that could have a
20 significant effect on a health service area; and

21 (B) grants for construction and expansion of health
22 care facilities and nursing homes in the organization's health
23 service area;

24 (2) submit an annual report on its activities to the legis-
25 lature, the commissioner, and the residents of its health service
26 area;

27 (3) perform other duties the commissioner may by contract
28 require.

29 Sec. 18.07.122. GRANTS. (a) The commissioner shall make a

1 grant in each fiscal year to each regional health resources organiza-
2 tion. A grant under this subsection shall

3 (1) be made on the conditions the commissioner determines
4 are appropriate; and

5 (2) be available for obligation for a period not to exceed
6 the period for which the grantee is designated as a regional health
7 resources organization.

8 (b) A grant under this section may be used by a regional health
9 resources organization only

10 (1) for compensation of its personnel and the performance
11 of its duties;

12 (2) to make payments under contracts with other persons to
13 assist the regional health resources organization in the performance
14 of its functions; and

15 (3) to make grants to public and nonprofit private entities
16 and enter into contracts with individuals and public and nonprofit
17 private entities to assist them in planning and developing public
18 information and advocacy projects and programs that the regional
19 health resources organization determines are necessary for the pro-
20 motion of health and prevention of disease and illness in its health
21 service area.

22 * Sec. 2. This Act takes effect July 1, 1984.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POLICY STATEMENTS
JUNE 20, 1984
10/10/84

MEMORANDUM

February 20, 1984

SUBJECT: Funding for retroactive provisions
of CSSB 347 (Judiciary)

TO: Senator Bill Ray *JAA*

FROM: Linn H. Asper *LB*
Legislative Counsel

You have asked if CSS. 347 (Judiciary), as currently drafted, requires that the money needed to make payment of retroactive longevity bonuses under the proposed residency requirements must come from the 12.5 percent of permanent fund income that is to be credited to the longevity bonus account.

The starting point for this inquiry is that there is nothing in the current version of SB 347 that indicates where the retroactive money is to come from. This means that a general fund appropriation could be made to finance the retroactive payments. Looking at the provisions of the bill that deal with the longevity bonus account and the longevity bonus fund, it becomes apparent that money in those funds is not intended to be used for retroactive payments. AS 37.13.147(c), proposed in section 1 of the bill, states that "The legislature may annually appropriate an amount sufficient to pay monthly longevity bonuses for the subsequent fiscal year" (Emphasis added) This language indicates that the new source for financing longevity bonus payments is to be used for future payments rather than retroactive payments. Of course, the language of the proposed subsection does not prevent the legislature from making an appropriation from the longevity bonus account for retroactive payments if it wishes to do so, but such an appropriation is not mandated by the language of the bill. As I understand the proposed mechanism for paying longevity bonuses, the size of a monthly bonus would be decreased if the retroactive appropriation were to be made from the longevity bonus account. This is clearly not the intent of the bill.

LHA:ojb
J3/114

Row 4
7.00 4.75

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: April 12, 1984

Page 1 of 3

REQUEST

Bill/Resolution No.: HCS CSSB 347 (SA)
Title: Permanent fund/Longevity Bonus

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: Social Services

Sponsor: Ray
Requestor: _____
Date of Request: _____

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	28.7	28.7	28.7	28.7
200 TRAVEL						
300 CONTRACTUAL	10.2	60.9	60.9	60.9	60.9	60.9
400 SUPPLIES	.5	1.5	1.0	1.0	1.0	1.0
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	2,225.0	13,350.0	13,350.0	13,350.0	13,350.0	13,350.0
800 MISCELLANEOUS						
TOTAL OPERATING	2,247.5	13,462.3	13,440.6	13,440.6	13,440.6	13,440.6
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	2,247.5	13,462.3	13,440.6	13,440.6	13,440.6	13,440.6
FEDERAL FUNDS						
OTHER						
TOTAL	2,247.5	13,462.3	13,440.6	13,440.6	13,440.6	13,440.6

POSITIONS:

FULL-TIME (FTE)	.2	1.0	1.0	1.0	1.0	1.0
PART-TIME (FTE)	.3	1.0	0	0	0	0
TEMPORARY	0	0	0	0	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 Ketter, Director
Division: Pioneers' Benefits

Phone: (907) 465-4400

Date: April 12, 1984

Approved by Commissioner: Lisa Rudd
Agency: DEPARTMENT OF ADMINISTRATION

Date: 4/12/84

Distribution (by Agency preparing fiscal note):

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

Rev. 3-20-84
19/FORMS/FN

HCS CSSB 347 (SA)
Fiscal Note Analysis
Prepared By Division of Pioneers' Benefits
Department of Administration
April 12, 1984

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. On February 22, 1984, the Senate Finance Committee received information from the Department of Revenue that there are 14,500 Alaskans over age 65, based on verified 1983 Permanent Fund applications. This number is only an estimate, however, and the actual number could vary.

There will be approximately 10,050 persons on the Longevity Bonus program by May 1, 1984. Therefore, it is assumed that an additional 4,450 persons may 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. There may be a much larger rate of growth in this program with new legislation. We do not know what the rate of growth will be, but we assume that there will be an increased cost for grants over the next six years. The FY 87 budget preparation will reflect the first full year of experience on which to base more specific figures.
- f. All expenses would be paid from the State General Fund.
- g. An increase in the Longevity Bonus staff would be needed to process the flood of new applications.
- h. The Act would become effective on May 1, 1984.

HCS CSSB 347 (SA)
 Fiscal Note Analysis
 Prepared By Division of Pioneers' Benefits
 Department of Administration
 April 12, 1984

Additional funds needed for FY 84 are computed as follows:

	<u>Annual Cost</u>
Personal Services	\$ 11,836
Clerk V, PFT (2 months) \$4,785	
Clerk II, PPT (2 positions, 2 months) 7,051	
Contractual Services	
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls	10,156
Commodities	500
Office supplies	
Grants	
Additional funds needed for Bonus payments to additional persons who will be eligible (4,450 x 2 x \$250)	2,225,000
	\$ 2,247,492

Additional funds needed for FY 85 are computed as follows:

Personal Services	\$ 49,862
Clerk V, PFT \$28,710	
Clerk II, PPT (2 positions, 6 months) 21,152	
Contractual Services	
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls	60,937
Commodities	1,500
Office supplies and file cabinets for application and recipient files	
Grants	
Additional funds needed for Bonus payments to additional persons who will be eligible (4,450 x 12 x \$250)	13,350,000
	\$13,462,299

1.	POSITION TITLE Clerk II			RANGE/STEP 7B	BARC. UNIT G	FORM 12 PAGE/LINE	GOV.	APPRDV.	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. Match	1003						
18.	100	General Funds	1004	14,102					
19.		I-A Receipts	1005						
20.		Program Receipts	102B						
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 _____

Page _____ of _____
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				<p>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.</p> <p>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.</p>							
	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 _____												

13 REQUEST FOR
NEW POSITION

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

Page _____ of _____
Revised Date _____

FY 85

1.	POSITION TITLE Clerk II				RANGE/STEP 7B	BARG. UNIT 3	FORM 12 PAGE/LINE	GOV.	APPRDV.	DISAPP.
2.	TYPE OF POSITION PPT	STAFF MONTHS 8	RP NUMBER	PCN. NUMBER	BRU PRIORITY 3	LOCATION Bureau	ELECTION DISTRICT 4	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE									
	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 _____										

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.

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.

13 REQUEST FOR
NEW POSITION

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

Page _____ of _____
Revised Date _____

FY 85

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: April 4, 1984

REQUEST

Bill/Resolution No.: CSSB 347 (Fin)

Title: Permanent Fund/Longevity Bonus

Sponsor: Ray

Requestor: Mulcahy

Date of Request: _____

FISCAL DETAIL

Agency Affected: Administration

Program Category Affected: Social Services

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

TABLE OF CONTENTS

Fiscal Note	Page 1 of 6
Fiscal Note Analysis	Page 2 of 6
Analysis of Additional Costs	Page 3 of 6
Permanent Funds Available	Page 4 of 6
Costs of Program (By Year)	Page 5 of 6
Grants (Bonus) Budget Projections	Page 6 of 6

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: April 4, 1984

Page 1 of 6

REQUEST

Bill/Resolution No.: CSSB 347(Fin)
Title: Permanent Fund/Longevity Bonus

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: Social Services

Sponsor: Ray
Requestor: Mulcahy
Date of Request: February 24, 1984

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	28.7	28.7	28.7	28.7
200 TRAVEL						
300 CONTRACTUAL	9.5	56.9	57.9	58.9	59.9	60.9
400 SUPPLIES	.5	1.5	1.0	1.0	1.0	1.0
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	2,076.0	12,456.0	12,096.0	11,736.0	11,376.0	11,016.0
800 MISCELLANEOUS						
TOTAL OPERATING	2,097.8	12,564.3	12,183.6	11,824.6	11,465.6	11,106.6
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	2,097.8	(26,335.7)	(33,116.4)	(35,275.4)	(37,434.4)	(39,593.4)
FEDERAL FUNDS						
OTHER		38,900.0	45,300.0	47,100.0	48,900.0	50,700.0
TOTAL	2,097.8	12,564.3	12,183.6	11,824.6	11,465.6	11,106.6

POSITIONS:

FULL-TIME (FTE)	.2	1.0	1.0	1.0	1.0	1.0
PART-TIME (FTE)	.3	1.0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: In FY 85 there would be an expenditure of \$38,900.0 in Permanent Fund Distributable Income and a reduction in the Longevity Bonus General Funds Budget of \$26,335.7. In succeeding years Permanent Funds would increase and General Funds would decrease.

ANALYSIS: Attach a separate page for analysis

Prepared By: E. Louis Keller, Director
Division: Pioneers' Benefits

Phone: (907) 465-4400
Date: April 4, 1984

Approved by Commissioner: Lisa Rudd
Agency: DEPARTMENT OF ADMINISTRATION

Date: 4/5/84

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

Rev. 3-20-84
19/FORMS/FN

CSSB 347 (Fin)
Fiscal Note Analysis
Prepared By Division of Pioneers' Benefits
Department of Administration
April 4, 1984

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

This fiscal note was requested to be prepared using the following 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. On February 22, 1984, the Senate Finance Committee received information from the Department of Revenue that there are 14,500 Alaskans over age 65, based on verified 1983 Permanent Fund applications.

There will be approximately 10,348 persons on the Longevity Bonus program by July 1, 1984. Therefore, it is assumed, as requested using the February 22 information, that an additional 4,152 persons will be enrolled on the program in FY 85 under the bill.

- c. The amount of the bonus would be \$250 per month. According to calculations of Permanent Fund Distributable Income issued by the Department of Revenue in January of 1984, only \$38.9 million would be available for credit to the Longevity Bonus account in FY 85. This amount would fund only 12,967 persons, rather than 14,500. Therefore, the additional \$4.6 million needed to fund 14,500 persons would have to be obtained from another source.
- d. No retroactive payments would be paid.
- e. There may be a much larger rate of growth in this program with new legislation. We do not know what the rate of growth will be, but we assume that there will be an increased cost for grants over the next six years. The FY 87 budget preparation will reflect the first full year of experience on which to base more specific figures.
- f. All administrative expenses (program management and operating costs, exclusive of bonus payments) would be paid from the General Fund. Bonus payments would be paid from the Longevity Bonus Account established from earnings of the Permanent Fund, except for all expenses in FY 84 and the additional \$4.6 million in grants needed in FY 85, which would be paid from the General Fund.
- g. An increase in the Longevity Bonus staff would be needed to process the flood of new applications.
- h. The Act would become effective on May 1, 1984.

CSSB 347 (Fin)
 Fiscal Note Analysis
 Prepared By Division of Pioneers' Benefits
 Department of Administration
 April 4, 1984

Additional funds needed for FY 84 are computed as follows:

	<u>Annual Cost</u>
Personal Services	\$ 11,836
Clerk V, PFT (2 months)	\$4,785
Clerk II, PPT (2 positions, 2 months)	7,051
Contractual Services	
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls	9,492
Commodities	500
Office supplies	
Grants	
Additional funds needed for Bonus payments to additional persons who will be eligible (4,152 x 2 x \$250)	2,076,000
Total additional funds required for FY 84	\$ 2,097,828

Additional funds needed for FY 85 are computed as follows:

Personal Services	\$ 49,862
Clerk V, PFT	\$28,710
Clerk II, PPT (2 positions, 6 months)	21,152
Contractual Services	
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls	56,950
Commodities	1,500
Office supplies and file cabinets for application and recipient files	
Grants	
Additional funds needed for Bonus payments to additional persons who will be eligible (4,152 x 12 x \$250)	12,456,000
Total additional funds required for FY 85	\$12,564,312

November 9, 1983

Permanent Funds Available for
Longevity Bonus Grants
CSSB 347 (Fin)

FY 85	-	\$37,400,000	+	\$1,500,000 (interest)	=	\$38,900,000
FY 86	-	\$48,900,000	+	\$1,960,000 (interest)	=	\$50,860,000
FY 87	-	\$60,500,000	+	\$2,420,000	=	\$62,920,000
FY 88	-	\$68,400,000	+	\$2,740,000	=	\$71,140,000
FY 89	-	\$75,900,000	+	\$3,040,000	=	\$78,940,000
FY 90	-	\$85,600,000	+	\$3,420,000	=	\$89,020,000
FY 91	-	\$97,200,000	+	\$3,888,000	=	\$101,088,000
FY 92	-	\$108,435,000	+	\$4,337,400	=	\$112,772,400
FY 93	-	\$120,481,000	+	\$4,819,250	=	\$125,300,250
FY 94	-	\$133,280,000	+	\$5,331,200	=	\$138,611,200

March 29, 1984

Total Longevity Bonus Program Costs

CSSB 347 (Fin)

FY 84	Administration	\$ 248,000	GF
	Additional Administration	21,828	GF
	Grants (10,000 x 10 x \$250)	25,000,000	GF
	(14,500 x 2 x \$250)	7,250,000	GF
	Total	<u>\$32,519,828</u>	
FY 85	Administration	\$ 269,400	GF
	Additional Administration	108,312	GF
	Grants (14,500 x 12 x \$250)	38,900,000	PF
		4,600,000	GF
	Total	<u>\$43,877,712</u>	
FY 86	Administration	\$ 269,400	GF
	Additional Administration	87,600	GF
	Grants (15,100 x 12 x \$250)	45,300,000	PF
	Total	<u>\$45,657,000</u>	
FY 87	Administration	\$ 269,400	GF
	Additional Administration	88,600	GF
	Grants (15,700 x 12 x \$250)	47,100,000	PF
	Total	<u>\$47,458,000</u>	
FY 88	Administration	\$ 269,400	GF
	Additional Administration	89,600	GF
	Grants (16,300 x 12 x \$250)	48,900,000	PF
	Total	<u>\$49,259,000</u>	
FY 89	Administration	\$ 269,400	GF
	Additional Administration	90,600	GF
	Grants (16,900 x 12 x \$250)	50,700,000	PF
	Total	<u>\$51,060,000</u>	

Grants Budget
If Longevity Bonus Program Is Unchanged
(based on growth of 60 per month
over present enrollment)

FY 85	10,348 persons @ \$250/mo.	=	\$31,044.0
FY 86	11,068 persons @ \$250/mo.	=	33,204.0
FY 87	11,788 persons @ \$250/mo.	=	35,364.0
FY 88	12,508 persons @ \$250/mo.	=	37,524.0
FY 89	13,228 persons @ \$250/mo.	=	39,684.0
FY 90	13,948 persons @ \$250/mo.	=	41,844.0
FY 91	14,668 persons @ \$250/mo.	=	44,004.0
FY 92	15,388 persons @ \$250/mo.	=	46,164.0
FY 93	16,108 persons @ \$250/mo.	=	48,324.0
FY 94	16,828 persons @ \$250/mo.	=	50,484.0

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				<p>The program expects to receive applications from 4,152 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.</p> <p>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.</p>							
	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 _____												

13 REQUEST FOR
NEW POSITION

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

Page _____ of _____
Revised Date _____

FY 85

1.	POSITION TITLE Clerk II				RANGE/STEP 7B	BAG. UNIT G	FORM 12	PAGE/LINE	GOV.	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				JUSTIFICATION						
4.	TYPE OF EXPENDITURE				<p>The program expects to receive applications from 4,152 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
Social and Economic Assistance
PROGRAM for the Aged
BRU Longevity Bonus Program
COMPONENT _____

FY 85

Page _____ of _____
Revised Date _____

1.	POSITION TITLE Clerk II				RANGE/STEP 7B	BARG. UNIT G	FORM 12	PAGE/LINE	GOV.	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				ADDITION							
4.	TYPE OF EXPENDITURE				AMOUNT							
	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								
JUSTIFICATION												
<p>The program expects to receive applications from 4,152 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>												
	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												
4 A KEY NUMBER _____												

13 REQUEST FOR
NEW POSITION

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

Page _____ of _____
Revised Date _____

FY 85



From The
**SENATE
FINANCE COMMITTEE**

MEMO

TO: File - SB 347 (Longevity Bonus)

DATE: March 22, 1984

Prior to receipt of attached correspondence, received a phone call from Rebecca Burch, Dept. of Admin., explaining that the fiscal note reported out of committee was submitted without approving signature by the Commissioner. I told her that for committee purposes signature by Mr. Keller of Pioneer Benefits was sufficient. Double checked this with Becky and Michael in Sen. Mulcahy's office since Sen. Mulcahy carried the bill in committee. All agreed that resubmission of basically the same note reported out of committee but bearing two signatures was not necessary.

Max agreed that no fiscal notes should be pulled from the bill since they provide a historical record. No action was taken as a result of correspondence nor was it responded to.

kathy

STATE OF ALASKA

Bill Sheffield, Governor

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C
JUNEAU, ALASKA 99811
PHONE:

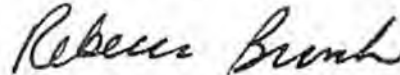
March 16, 1984

House & Senate Finance Committees
Alaska State Legislature
Pouch V MS#3100
Juneau, AK 99811

This is to request that all fiscal notes for CSSB 347 Longevity Bonus prior to the revised version under date of February 27, 1984 as signed by Acting Commissioner Anselm Staack be withdrawn.

Thank you very much.

Sincerely,



Rebecca Burch
Special Assistant
to Commissioner Rudd

RB/tc

attachment

cc: The Honorable Bill Ray
Alaska State Legislature

Senate State Affairs

House State Affairs

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: February 27, 1984

REQUEST

Bill/Resolution No.: CSSB 347

Title: Permanent Fund/Longevity

Bonus

Sponsor: Ray

Requestor: Mulcahy

Date of Request: February 24, 1984

FISCAL DETAIL

Agency Affected: Administration

Program Category Affected: Social Services

BRU, Program or Subprogram(s) Affected:

Longevity Bonus Program

TABLE OF CONTENTS

Fiscal Note	Page 1 of 12
Fiscal Note Explanation Sheet	Page 2 of 12
Fiscal Note Analysis	Page 3 of 12
Analysis of Additional Costs	Page 4 of 12
Permanent Funds Available	Page 5 of 12
Costs of Program (By Year)	Page 6 of 12
Grants (Bonus) Budget Projections	Page 7 of 12
Existing Proposed FY 85 Budget	Page 8 of 12

Additional Information

Explanation Sheet Based on \$200 Bonus Payments	Page 9 of 12
Fiscal Note Analysis Based on \$200 Bonus Payments	Page 10 of 12
Analysis of Additional Costs Based on \$200 Bonus Payments	Page 11 of 12
Total Costs Based on \$200 Bonus Payments	Page 12 of 12

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: February 27, 1984
Page 1 of 12

REQUEST

Bill/Resolution No.: CSSB 347
Title: Permanent Fund/Longevity Bonus

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: Social Services

Sponsor: Ray
Requestor: Mulcahy
Date of Request: February 24, 1984

BRU, Program of 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		49.9	28.7	28.7	28.7	28.7
200 TRAVEL						
300 CONTRACTUAL		56.9	57.9	58.9	59.9	60.9
400 SUPPLIES		1.5	1.0	1.0	1.0	1.0
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		12,456.0	12,096.0	11,736.0	11,376.0	11,016.0
800 MISCELLANEOUS						
TOTAL OPERATING	0	12,564.3	12,183.6	11,824.6	11,465.6	11,106.6
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND		(26,335.7)	(33,116.4)	(35,275.4)	(37,434.4)	(39,593.4)
FEDERAL FUNDS						
OTHER (Permanent Fund)		38,900.0	45,300.0	47,100.0	48,900.0	50,700.0
TOTAL	0	12,564.3	12,183.6	11,824.6	11,465.6	11,106.6

POSITIONS:

FULL-TIME	0	1.0	1.0	1.0	1.0	1.0
PART-TIME	0	1.0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: In FY 85 there would be an expenditure of \$38,900.0 in Permanent Fund Distributable Income and a reduction in the Longevity Bonus General Funds Budget of \$26,335.7. In succeeding years Permanent Funds would increase and General Funds would decrease.

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: E. Louis Keller, Director
Division: Pioneers' Benefits

Phone: (907) 465-4400
Date: February 27, 1984

Approved by Commissioner: Lisa Rudd
Agency: DEPARTMENT OF ADMINISTRATION

Date: 2-28-84

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

CSSB 347 .

Fiscal Note Explanation Sheet (FY 85 only)
 Prepared by Division of Pioneers' Benefits

Department of Administration .

February 27, 1984

Budget Categories: (Longevity Bonus Program)	Existing proposed budget (Governor) as follows: Column 1) FY 85 as proposed based on August 1983 projections of 11,208 recipients. Column 2) Adjustment based on February 1984 projections of 10,348 recipients. Column 3) Revised FY 85 proposed budget.			Additional cost of Longevity Bonus Program under CSSB 347 and by funding source (as shown on the fiscal note, page 1):			Reconciliation:		
	1) Totals (all G.F.*)	2) Adjust-ment**	3) Revised Totals	G.F.	P.F.°	Total	G.F.	P.F.	Total
100 Personal Services	175.6		175.6	49.9		49.9	225.5		225.5
200 Travel	4.0		4.0				4.0		4.0
300 Contractual	85.6		85.6	56.9		56.9	142.5		142.5
400 Supplies	3.5		3.5	1.5		1.5	5.0		5.0
500 Equipment	.7		.7				.7		.7
700 Grants	32,551.5	(1,507.5)	31,044.0	(26,335.7)°	12,456.0	12,456.0	4,600.0	38,900.0	43,500.0
Totals	32,820.9	(1,507.5)	31,313.4	108.3	12,456.0	12,564.3	4,977.7	38,900.0	43,877.7+

* G.F. = General Fund.

**Based on revised estimate of 10,348 recipients in FY 85.

° P.F. = Permanent Fund.

+ \$26,335.7 is a reduction in expenditures from the General Fund and is not carried into the totals of this column (for information only).

Total cost of Longevity Bonus Program should CSSB 347 become law (FY 85 only).

CSSB 347
Fiscal Note Analysis
Prepared By Division of Pioneers' Benefits
Department of Administration
February 27, 1984

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

This fiscal note was requested to be prepared using the following 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. On February 22, 1984, the Senate Finance Committee received information from the Department of Revenue that there are 14,500 Alaskans over age 65, based on verified 1983 Permanent Fund applications.

There will be approximately 10,348 persons on the Longevity Bonus program by July 1, 1984. Therefore, it is assumed, as requested using the February 22 information, that an additional 4,152 persons will be enrolled on the program in FY 85 under the bill.

- c. The amount of the bonus would be \$250 per month. According to calculations of Permanent Fund Distributable Income issued by the Department of Revenue in January of 1984, only \$38.9 million would be available for credit to the Longevity Bonus account in FY 85. This amount would fund only 12,967 persons, rather than 14,500. Therefore, the additional \$4.6 million needed to fund 14,500 persons would have to be obtained from another source.
- d. No retroactive payments would be paid.
- e. The program would continue to grow at the rate of approximately 50 per month, after the initial group of persons are enrolled who would be made eligible by the one-year residency requirement.
- f. All administrative expenses (program management and operating costs, exclusive of bonus payments) would be paid from the General Fund. Bonus payments would be paid from the Longevity Bonus Account established from earnings of the Permanent Fund, except for the additional \$4.6 million needed, which would be paid from the General Fund.
- g. An increase in the Longevity Bonus staff would be needed to process the flood of new applications.
- h. The Act would become effective on July 1, 1984.

CSSE 347
 Fiscal Note Analysis
 Prepared By Division of Pioneers' Benefits
 Department of Administration
 February 27, 1984

Additional funds needed for FY 85 are computed as follows:

		<u>Annual Cost</u>
Personal Services		\$ 49,862
Clerk V, PFT	\$28,710	
Clerk II, PPT (2 positions, 6 months)	21,152	
Contractual Services		
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls		56,950
Commodities		1,500
Office supplies and file cabinets for application and recipient files		
Grants		
Additional funds needed for Bonus payments to additional persons who will be eligible (4,152 x 12 x 5250)		12,456,000
Total additional funds required for FY 85		<hr/> \$12,564,312

November 9, 1984

Permanent Funds Available for
Longevity Bonus Grants
(CSSB 347)

		<u>Earnings</u>		<u>Interest</u>		
FY 85	-	\$37,400,000	+	\$1,500,000	=	\$38,900,000
FY 86	-	\$48,900,000	+	\$1,960,000	=	\$50,860,000
FY 87	-	\$60,500,000	+	\$2,420,000	=	\$62,920,000
FY 88	-	\$68,400,000	+	\$2,740,000	=	\$71,140,000
FY 89	-	\$75,900,000	+	\$3,040,000	=	\$78,940,000
FY 90	-	\$85,600,000	+	\$3,420,000	=	\$89,020,000
FY 91	-	\$97,200,000	+	\$3,888,000	=	\$101,088,000
FY 92	-	\$108,435,000	+	\$4,337,400	=	\$112,772,400
FY 93	-	\$120,481,000	+	\$4,819,250	=	\$125,300,250
FY 94	-	\$133,280,000	+	\$5,331,200	=	\$138,611,200

February 24, 1984

Total Longevity Bonus Program Costs (Actual)

(CSSB 347)

FY 85	Administration (reg.)	\$ 269,400	GF
	Additional Administration	108,312	GF
	Grants (14,500 x 12 x \$250)	38,900,000	PF
		4,600,000	GF
	Total	<u>\$43,877,712</u>	
FY 86	Administration	\$ 269,400	GF
	Additional Administration	87,600	GF
	Grants (15,100 x 12 x \$250)	45,300,000	PF
	Total	<u>\$45,657,000</u>	
FY 87	Administration	\$ 269,400	GF
	Additional Administration	88,600	GF
	Grants (15,700 x 12 x \$250)	47,100,000	PF
	Total	<u>\$47,458,000</u>	
FY 88	Administration	\$ 269,400	GF
	Additional Administration	89,600	GF
	Grants (16,300 x 12 x \$250)	48,900,000	PF
	Total	<u>\$49,259,000</u>	
FY 89	Administration	\$ 269,400	GF
	Additional Administration	90,600	GF
	Grants (16,900 x 12 x \$250)	50,700,000	PF
	Total	<u>\$51,060,000</u>	

Grants Budget
If Longevity Bonus Program Is Unchanged
(based on growth of 60 per month
over present enrollment)

FY 85	10,348 persons @ \$250/mo.	=	\$31,044.0
FY 86	11,068 persons @ \$250/mo.	=	33,204.0
FY 87	11,788 persons @ \$250/mo.	=	35,364.0
FY 88	12,508 persons @ \$250/mo.	=	37,524.0
FY 89	13,228 persons @ \$250/mo.	=	39,684.0
FY 90	13,948 persons @ \$250/mo.	=	41,844.0
FY 91	14,668 persons @ \$250/mo.	=	44,004.0
FY 92	15,388 persons @ \$250/mo.	=	46,164.0
FY 93	16,108 persons @ \$250/mo.	=	48,324.0
FY 94	16,828 persons @ \$250/mo.	=	50,484.0

03-02-04 10 (02-22-3-07-00-00)

STATE OF ALASKA -- COMPONENT_BUDGET_SUMMARY

07:57

1/03/84

AGENCY: DEPARTMENT OF ADMINISTRATION
CATEGORY: SOCIAL SERVICESPROGRAM: LONGEVITY BONUS
SUB-PROGRAM: LONGEVITY BONUS

EXPENDITURES & FUNDING	83 AUTH	83 FINAL	83 ACT	84 AUTH	ADJ BASE	85 SL 1	85 SL 2	85 SL 3	85 SL 4	GOVERNOR
01 PERS. SERV.	156.6	156.6	169.4	159.4	164.7	175.6	161.0	161.0	175.6	175.6
02 TRAVEL	4.4	4.4	1.7	4.0	4.0	4.0	3.8	3.8	4.0	4.0
03 CONTRACTUAL	106.0	106.0	84.6	81.1	81.1	81.1	77.0	77.0	85.6	85.6
04 SUPPLIES	3.5	3.5	1.0	3.5	3.5	3.5	3.3	3.3	3.5	3.5
05 EQUIPMENT			.4						.7	.7
06 LANDS/BLDGS										
07 GRANTS, CLMS	27944.0	27944.0	27504.5	30211.5	30211.5	29749.5	26963.8	27468.1	32551.5	32551.5
08 MISC.										
* TOTAL EXPEND	28214.5	28214.5	27761.4	30459.5	30464.8	30013.7	27208.9	27713.2	32820.9	32820.9
09 I-A TRANSFER	26.1	26.1	26.1	2.1		24.7	23.4	23.4	26.2	26.2
FED. RECEIPT										
**GF + MATCH	28214.5	28214.5	27761.6	30459.5	30464.8	30013.7	27208.9	27713.2	32820.9	32820.9
G. F. MATCH										
GENERAL FUND	28214.5	28214.5	27761.6	30459.5	30464.8	30013.7	27208.9	27713.2	32820.9	32820.9
PGM RECEIPTS										
I/A RECEIPTS										
OTHER FUNDS										
15 FULL-TIME	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
16 PART-TIME										
17 TEMPORARY										

000042A

Informational Only:
 BASED ON \$200 PER
 MONTH LONGEVITY BONUS

CSSB 347
 Fiscal Note Explanation Sheet (FY 85 only)
 Prepared By Division of Pioneers' Benefits
 Department of Administration
 February 27, 1984

Budget Categories: (Longevity Bonus Program)	Adjusted proposed FY 85 budget			Additional cost of Longevity Bonus Program under CSSB 347 by funding source			Reconciliation: Total cost of Program		
	Total (All G.F.)*	Adjustment**	Revised Total	G.F.	P.F.°	Total	G.F.	P.F.	Total
100 Personal Services	175.6		175.6	49.9		49.9	225.5		225.5
200 Travel	4.0		4.0				4.0		4.0
300 Contractual	85.6		85.6	56.9		56.9	142.5		142.5
400 Supplies	3.5		3.5	1.5		1.5	5.0		5.0
500 Equipment	.7		.7				.7		.7
700 Grants	32,551.5	(1,507.5)	31,044.0	(30,935.7)°	3,756.0	3,756.0		34,800.0	34,800.0
Totals	32,820.9	(1,507.5)	31,313.4	108.3	3,756.0	3,864.3	377.7	34,800.0	35,177.7†

* G.F. = General Fund.

**Based on revised estimate of 10,348 recipients in FY 85.

° P.F. = Permanent Fund.

°\$30,935.7 is a reduction in expenditures from the General Fund and is not carried into the totals of this column (for information only).

† Total cost of Longevity Bonus Program should CSSB 347 become law (FY 85 only) based on payments of \$200 per month.

CSSB 347
Fiscal Note Analysis
Prepared By Division of Pioneers' Benefits
Department of Administration
February 27, 1984

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

This fiscal note was requested to be prepared using the following 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. On February 22, 1984, the Senate Finance Committee received information from the Department of Revenue that there are 14,500 Alaskans over age 65, based on verified 1983 Permanent Fund applications.

There will be approximately 10,348 persons on the Longevity Bonus program by July 1, 1984. Therefore, it is assumed, as requested using the February 22 information, that an additional 4,152 persons will be enrolled on the program in FY 85 under the bill.

- c. The amount of the bonus would be \$200 per month. According to calculations of Permanent Fund Distributable Income issued by the Department of Revenue in January of 1984, \$38.9 million would be available for credit to the Longevity Bonus account in FY 85. At \$200 per month only \$34.8 million would be required, leaving an unspent balance of \$4.1 million in FY 85.
- d. No retroactive payments would be paid.
- e. The program would continue to grow at the rate of approximately 50 per month, after the initial group of persons are enrolled who would be made eligible by the one-year residency requirement.
- f. All administrative expenses (program management and operating costs, exclusive of bonus payments) would be paid from the General Fund. Bonus payments would be paid from the Longevity Bonus Account established from earnings of the Permanent Fund.
- g. An increase in the Longevity Bonus staff would be needed to process the flood of new applications.
- h. The Act would become effective on July 1, 1984.

CSSB 347
 Fiscal Note Analysis
 Prepared By Division of Pioneers' Benefits
 Department of Administration
 February 27, 1984

Additional funds needed for FY 85 are computed as follows:

	<u>Annual Cost</u>
Personal Services	\$ 49,862
Clerk V, PFT	\$28,710
Clerk II, PPT (2 positions, 6 months)	21,152
Contractual Services	
Added postage, bonus warrants, printing of new regulations and application forms and increased telephone tolls	56,950
Commodities	1,500
Office supplies and file cabinets for application and recipient files	
Grants	9,964,800
Additional funds needed for Bonus payments to additional persons who will be eligible (4,152 x 12 x \$200	
Difference in cost per month for those already enrolled on July 1, 1984 (\$50 x 12 x 10,348)	(6,208,800)
Total additional funds required for FY 85	<u>\$ 3,864,312</u>

February 27, 1984

Total Longevity Bonus Program Costs (Actual)

(CSSB 347)

FY 85	Administration (reg.)	\$ 269,400	GF
	Additional Administration	108,312	GF
	Grants (14,500 x 12 x \$200)	34,800,000	PF
	Total	<u>\$35,177,712</u>	
FY 86	Administration	\$ 269,400	GF
	Additional Administration	87,600	GF
	Grants (15,100 x 12 x \$200)	36,240,000	PF
	Total	<u>\$36,597,000</u>	
FY 87	Administration	\$ 269,400	GF
	Additional Administration	88,600	GF
	Grants (15,700 x 12 x \$200)	37,680,000	PF
	Total	<u>\$38,038,000</u>	
FY 88	Administration	\$ 269,400	GF
	Additional Administration	89,600	GF
	Grants (16,300 x 12 x \$200)	39,120,000	PF
	Total	<u>\$39,479,000</u>	
FY 89	Administration	\$ 269,400	GF
	Additional Administration	90,600	GF
	Grants (16,900 x 12 x \$200)	40,560,000	PF
	Total	<u>\$40,920,000</u>	

COMMITTEE REPORT
SENATE

FURTHER:

Date 2/28/84

Mr. President

The Committee on FINANCE considered SB 347

recognizing the use of Alaska permanent fund income to pay 100% of
expenses including the longevity bonus program and the permanent
distribution program; and.

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 SB 347 (Fin)
- new title
- same title and ^{majority} recommends Do Pass
- 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

Chairman

Chairman recommendation

Original sponsors: Ray and Kerttula

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 347 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the use of Alaska permanent fund
7 income to pay longevity bonuses; amending the longev-
8 ity bonus program and the permanent fund dividend
9 distribution program; and providing for an effective
10 date."

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

12 * Section 1. AS 37.13 is amended by adding a new section to read:

13 Sec. 37.13.147. LONGEVITY BONUS ACCOUNT. (a) The longevity
14 bonus account is established as a separate account in the Alaska per-
15 manent fund. Notwithstanding the provisions of AS 37.13.145, 12.5
16 percent of the income of the permanent fund earned during the fiscal
17 year ending on June 30 of the current year that is available for dis-
18 tribution under AS 37.13.140 shall be credited to the longevity bonus
19 account.

20 (b) Money in the longevity bonus account shall be invested in
21 investments authorized under AS 37.13.120. The longevity bonus ac-
22 count shall be credited with earnings at an interest rate equal to the
23 average rate of interest earned on the Alaska permanent fund.

24 (c) The legislature may annually appropriate an amount suffi-
25 cient to pay monthly longevity bonuses for the subsequent fiscal year
26 under AS 47.45.010 from the longevity bonus account to the Alaska
27 longevity bonus fund established under AS 47.45.090.

28 * Sec. 2. AS 43.23.045(b) is amended to read:

29 (b) Notwithstanding any contrary provision of law, each year the

1 commissioner shall transfer to the dividend fund 37.5 [50] percent of
2 the income of the Alaska permanent fund earned during the fiscal year
3 ending on June 30 of the current year and available for distribution.

4 * Sec. 3. AS 47.45.010 is amended to read:

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

6 (a) A person who is 65 years of age or over, who has been a resident
7 of the state for at least one year immediately preceding the applica-
8 tion for a longevity bonus under this chapter [WAS DOMICILED IN THE
9 TERRITORY ON OR BEFORE JANUARY 3, 1959 AND WHO HAS MAINTAINED A CON-
10 TINUOUS DOMICILE IN THE TERRITORY OR STATE FOR 25 YEARS] may apply to
11 the commissioner of administration for qualification to receive a
12 monthly bonus of \$250.

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

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

20 * Sec. 4. AS 47.45.030 is amended to read:

21 Sec. 47.45.030. ABSENCE FROM THE STATE. After qualification a
22 [A] recipient shall notify the commissioner of administration when the
23 recipient [HE] expects to be absent from the state if the absence is
24 for a continuous period that exceeds 30 days. After that notifica-
25 tion, the recipient shall no longer receive bonuses from the Depart-
26 ment of Administration after the [HIS] last regularly approved monthly
27 application. Upon returning [HIS RETURN] to the state the recipient
28 [HE] may again make application for a bonus. Whenever the absence is
29 for a continuous period that exceeds 180 days the recipient shall be

1 disqualified from receiving bonuses for the next 12 calendar months
2 after returning [HIS RETURN] to the state. However, when the commis-
3 sioner of administration determines a period of absence is beyond the
4 control of the recipient, the recipient [HE] may not be disqualified,
5 if the recipient [HE] still otherwise qualifies upon returning [HIS
6 RETURN] to the state. Continual absences from the state, even though
7 reported, and failure to notify the commissioner of an expected ab-
8 sence may be grounds for disqualification.

9 * Sec. 5. AS 47.45.090 is repealed and reenacted to read:

10 Sec. 47.45.090. ALASKA LONGEVITY BONUS FUND. The Alaska longev-
11 ity bonus fund is established for the purpose of paying the monthly
12 bonuses provided for in this chapter. The fund consists of money
13 appropriated to the fund by the state legislature from the longevity
14 bonus account established under AS 37.13.147.

15 * Sec. 6. AS 47.45 is amended by adding a new section to read:

16 Sec. 47.45.145. ACCESS TO RECORDS. (a) Notwithstanding any
17 contrary provision of state law or state agency regulation, the com-
18 missioner of administration may have access to and examine records,
19 documents, or other information in the possession of a state agency,
20 other than personal income tax returns filed under AS 43.20, if the
21 records, documents, or information relate to the length of state
22 residence of an applicant for, or a recipient of, a monthly bonus
23 under this chapter.

24 (b) If the commissioner of administration receives confidential
25 information under (a) of this section, that information may be used
26 only to confirm or rebut an applicant's declaration of length of state
27 residence. If a person discloses information obtained under this
28 section for a purpose other than to rebut an applicant's declaration
29 of length of state residence in an appropriate administrative or

1 judicial proceeding, that person is subject to the penalty that ap-
2 plies to unauthorized disclosure of that information by the agency or
3 person that has primary custody and control of the information.

4 * Sec. 7. AS 47.45.150 is amended by adding a new paragraph to read:

5 (3) "resident" or "resident of the state" means an indi-
6 vidual who is physically present in the state with the intent to
7 remain in the state indefinitely and to make a home in the state. A
8 person demonstrates the requisite intent only by maintaining a princi-
9 pal place of abode in the state for the one year required by AS 47.-
10 45.010(a) and by providing other proof of intent the commissioner may
11 require by regulation, including proof that the person is not claiming
12 residency outside the state or obtaining benefits under a claim of
13 residency outside the state.

14 * Sec. 8. AS 47.45.170 is repealed and reenacted to read:

15 Sec. 47.45.170. FINDINGS AND PURPOSE. The legislature finds and
16 declares that

17 (1) the high cost of goods and services in Alaska and the
18 state's remoteness and harsh environment, make it difficult for many
19 elderly Alaskans to remain in the state after retirement;

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

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

26 (4) as oil revenues decrease, it will become increasingly
27 difficult for the legislature to fund the longevity bonus program
28 through annual appropriations and the income of the Alaska permanent
29 fund is an appropriate source of funding for the longevity bonus

1 program; and

2 (5) it is in the public interest to continue the longevity
3 bonus program for all elderly Alaskans irrespective of need. The
4 longevity bonus program is not a form of welfare, and is not a substi-
5 tute for or supplement to public assistance. Other programs are
6 available to provide the basic necessities of life. The longevity
7 bonus program is intended only to encourage elderly Alaskans to spend
8 their retirement years in the comfort of their homes.

9 * Sec. 9. AS 47.45.150(2) and sec. 2, ch. 205, SLA 1972 are repealed.

10 * Sec. 10. This Act only takes effect if the Alaska Supreme Court
11 affirms the decision of the superior court in the case of Rodney Vest et al
12 v. Marian Schafer and State of Alaska, No. 1JU-82-1103 CIV, Superior Court
13 for the State of Alaska, First Judicial District at Juneau, on the consti-
14 tutionality of the Alaska longevity bonus program; in that event this Act
15 takes effect 30 days after the date of the final decision of the Alaska
16 Supreme Court.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: February 27, 1984

REQUEST

Bill/Resolution No.: CSSB 347

Title: Permanent Fund/Longevity
Bonus

Sponsor: Ray

Requestor: Mulcahy

Date of Request: February 24, 1984

FISCAL DETAIL

Agency Affected: Administration

Program Category Affected: Social Services

BRU, Program or Subprogram(s) Affected:

Longevity Bonus Program

TABLE OF CONTENTS

Fiscal Note	Page 1 of 12
Fiscal Note Explanation Sheet	Page 2 of 12
Fiscal Note Analysis	Page 3 of 12
Analysis of Additional Costs	Page 4 of 12
Permanent Funds Available	Page 5 of 12
Costs of Program (By Year)	Page 6 of 12
Grants (Bonus) Budget Projections	Page 7 of 12
Existing Proposed FY 85 Budget	Page 8 of 12

Additional Information

Explanation Sheet Based on \$200 Bonus Payments	Page 9 of 12
Fiscal Note Analysis Based on \$200 Bonus Payments	Page 10 of 12
Analysis of Additional Costs Based on \$200 Bonus Payments	Page 11 of 12
Total Costs Based on \$200 Bonus Payments	Page 12 of 12

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: February 27, 1984
Page 1 of 12

REQUEST

Bill Resolution No.: CSSB 347
Title: Permanent Fund/Longevity Bonus
Sponsor: Ray
Requestor: Mulcahy
Date of Request: February 24, 1984

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: Social Services
BRU, Program of Subprogram(s) Affected:
Longevity Bonus Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<u>OPERATING</u>						
100 PERSONAL SERVICES		49.9	28.7	28.7	28.7	28.7
200 TRAVEL						
300 CONTRACTUAL		56.9	57.9	58.9	59.9	60.9
400 SUPPLIES		1.5	1.0	1.0	1.0	1.0
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC		12,456.0	12,096.0	11,736.0	11,376.0	11,016.0
800 MISCELLANEOUS						
<u>TOTAL OPERATING</u>	<u>0</u>	<u>12,564.3</u>	<u>12,183.6</u>	<u>11,824.6</u>	<u>11,465.6</u>	<u>11,106.6</u>
<u>CAPITAL</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>REVENUE</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

FUNDING: (Thousands of Dollars)

GENERAL FUND		(26,335.7)	(33,116.4)	(35,275.4)	(37,434.4)	(39,593.4)
FEDERAL FUNDS						
OTHER (Permanent Fund)		38,900.0	45,300.0	47,100.0	48,900.0	50,700.0
<u>TOTAL</u>	<u>0</u>	<u>12,564.3</u>	<u>12,183.6</u>	<u>11,824.6</u>	<u>11,465.6</u>	<u>11,106.6</u>

POSITIONS:

FULL-TIME	0	1.0	1.0	1.0	1.0	1.0
PART-TIME	0	1.0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL: In FY 85 there would be an expenditure of \$38,900.0 in Permanent Fund Distributable Income and a reduction in the Longevity Bonus General Funds Budget of \$26,335.7. In succeeding years Permanent Funds would increase and General Funds would decrease.

ANALYSIS: Attach a separate page for any Analysis.

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Phone: (907) 465-4400
Date: February 27, 1984

Approved by Commissioner: Lisa Rudd
Agency: DEPARTMENT OF ADMINISTRATION

Date: _____

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

CSSB 347

Fiscal Note Explanation Sheet (FY 85 only)
Prepared by Division of Pioneers' Benefits

Department of Administration

February 27, 1984

Budget Categories: (Longevity Bonus Program)	Existing proposed budget (Governor) as follows: Column 1) FY 85 as proposed based on August 1983 projections of 11,208 recipients. Column 2) Adjustment based on February 1984 projections of 10,348 recipients. Column 3) Revised FY 85 proposed budget.			Additional cost of Longevity Bonus Program under CSSB 347 and by funding source (as shown on the fiscal note, page 1):			Reconciliation: a. Total cost of program; b. Including existing proposed FY 85 adjusted budget; c. Additional cost under CSSB 347 and; d. By funding source.		
	1) Totals (all G.F.*)	2) Adjust-ment**	3) Revised Totals	G.F.	P.F. ^o	Total	G.F.	P.F.	Total
100 Personal Services	175.6		175.6	49.9		49.9	225.5		225.5
200 Travel	4.0		4.0				4.0		4.0
300 Contractual	85.6		85.6	56.9		56.9	142.5		142.5
400 Supplies	3.5		3.5	1.5		1.5	5.0		5.0
500 Equipment	.7		.7				.7		.7
700 Grants	32,551.5	(1,507.5)	31,044.0	(26,335.7) ^o	12,456.0	12,456.0	4,600.0	38,900.0	43,500.0
Totals	32,820.9	(1,507.5)	31,313.4	108.3	12,456.0	12,564.3	4,977.7	38,900.0	43,877.7+

G.F. = General Fund.

*Based on revised estimate of 10,348 recipients in FY 85.

P.F. = Permanent Fund.

^o26,335.7 is a reduction in expenditures from the General Fund and is not carried into the totals of this column (for information only).

+Additional cost of Longevity Bonus Program should CSSB 347 become law (FY 85 only).

CSSB 347
Fiscal Note Analysis
Prepared By Division of Pioneers' Benefits
Department of Administration
February 27, 1984

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

This fiscal note was requested to be prepared using the following 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. On February 22, 1984, the Senate Finance Committee received information from the Department of Revenue that there are 14,500 Alaskans over age 65, based on verified 1983 Permanent Fund applications.

There will be approximately 10,348 persons on the Longevity Bonus program by July 1, 1984. Therefore, it is assumed, as requested using the February 22 information, that an additional 4,152 persons will be enrolled on the program in FY 85 under the bill.

- c. The amount of the bonus would be \$250 per month. According to calculations of Permanent Fund Distributable Income issued by the Department of Revenue in January of 1984, only \$38.9 million would be available for credit to the Longevity Bonus account in FY 85. This amount would fund only 12,967 persons, rather than 14,500. Therefore, the additional \$4.6 million needed to fund 14,500 persons would have to be obtained from another source.
- d. No retroactive payments would be paid.
- e. The program would continue to grow at the rate of approximately 50 per month, after the initial group of persons are enrolled who would be made eligible by the one-year residency requirement.
- f. All administrative expenses (program management and operating costs, exclusive of bonus payments) would be paid from the General Fund. Bonus payments would be paid from the Longevity Bonus Account established from earnings of the Permanent Fund, except for the additional \$1.6 million needed, which would be paid from the General Fund.
- g. An increase in the Longevity Bonus staff would be needed to process the flood of new applications.
- h. The Act would become effective on July 1, 1984.