

LEG. FINANCE - BILLS 1985 - 1986 2164

SB 53 - SB 56

2164

COMMITTEE REPORT
SENATE

FURTHER:

2/19/85

Date 4/3/85

Mr. President

The Committee on FINANCE considered HR 93
unemployment insurance; etc.

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 93/298
- new title DO PASS
- same title and 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

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CS SB 53 (I&C)
 Title: "An act relating to unemployment insurance..."
 Sponsor: Rules Committee
 Requestor: Senate Judiciary
 Date of Request: 3/1/85

FISCAL DETAIL

Agency Affected: Labor
 Program Category Affected: Social Services
 BRU, Program or Subprogram(s) Affected: BRU, Employment Security - Unemployment Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: ^{NS} John W. Shay
 Division: Employment Security

Phone: 465-2712
 Date: 3/4/85

Approved by Commissioner: ^{NS} Jim Robinson
 Agency: Labor

Date: 3/4/85

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

7/1/84

Offered: 2/12/85
Referred: Judiciary and Finance

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2

CS FOR SENATE BILL NO. 53 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to unemployment insurance; and

7

providing for an effective date."

8

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

9

* Section 1. AS 23.20.110 is amended by adding a new subsection to

10

read:

11

(h) The department shall provide information requested by a

12

state or federal agency under an income and eligibility verification

13

system that meets the requirements of 42 U.S.C. 1320b-7 (Social

14

Security Act).

15

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-

16

10.070(c).

ANALYSIS FOR SENATE BILL 53

An Act relating to unemployment insurance

This bill authorizes the Department of Labor to disclose to the federal Social Security Administration information about wage and unemployment benefits for persons who may be eligible for certain aid programs.

The Social Security Act was recently amended to include an income and eligibility verification system. This system requires the states to disclose information about wages and unemployment benefits for persons who want to be eligible for certain federally assisted state programs-Medicaid, food stamps etc. The disclosure will assist the agencies to determine the recipients financial eligibility for these programs.

Without this authority, the State stands to lose \$22,652,100 in federal funds for administering employment and unemployment insurance premiums.

As introduced, the bill also contained a section which authorized the Department of Labor to voluntarily disclose information to the Internal Revenue Service. Currently the IRS must seek a subpoena to gain this information. That section was deleted in the Labor and Commerce CS.

There is no fiscal impact.

STATE OF ALASKA 1985 LEGISLATIVE SESSION

FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 53
 Title: "An Act relating to unemployment insurance...."
 Sponsor: Rules Committee
 Requestor: Senate Labor & Commerce
 Date of Request: 1/17/85

FISCAL DETAIL

Agency Affected: Labor
 Program Category Affected: Social Services
 BRU, Program or Subprogram(s) Affected: Employment Security - Unemployment Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: John W. Shay Phone: 465-2712
 Division: Employment Security Date: 1/18/85

Approved by Commissioner: Jim Robison Date: 1/18/85
 Agency: Labor

Distribution (by Agency preparing fiscal note):

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

7/1/84

SB 53 AB

STATE OF ALASKA 1985 LEGISLATIVE SESSION #377-138-85
FISCAL NOTE

Revision Date: _____

REQUEST
Bill/Resolution No.: _____
Title: "An Act relating to
unemployment insurance..."
Sponsor: Rules Committee
Requestor: Rules Committee
Date of Request: _____

FISCAL DETAIL
Agency Affected: Labor
Program Category Affected: _____
Employment Stabilization
BRU, Program or Subprogram(s) Affected:
Employment Security - Unemployment
Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: John W. Shay Phone: 465-2712
 Division: Employment Security Date: 12/28/84
 Approved by Commissioner: Jim Robison Date: 12/28/84
 Agency: Labor

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

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 15, 1985

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the disclosure of unemployment insurance information.

The bill has two provisions. The first is in response to amendments made to the Social Security Act by the Deficit Reduction Act of 1984 (P.L. 98-369). The latter Act establishes an income and eligibility verification system under which the state must disclose unemployment insurance benefit and wage information to appropriate state and federal agencies in order to qualify for federal money for payment of administrative costs of the unemployment insurance program (42.U.S.C. sec. 1320b-7).

The system is intended to verify the eligibility of recipients of certain benefits in federally assisted state programs, such as the medicaid, food stamp, and unemployment insurance programs, among others. The bill will allow the Department of Labor to make the appropriate disclosures.

The second provision allows the department to disclose information to the Internal Revenue Service. Under federal law, the IRS has the duty to seek information necessary for enforcement of the Internal Revenue Code, and it is empowered to compel the cooperation of persons and agencies in its performance of that duty. Although under current state law the department may not voluntarily disclose unemployment insurance information to the IRS for that purpose, the Department of Law has concluded that the Department of Labor must respond to an IRS subpoena which requests such information. The proposed amendment would eliminate the need for the issuance and processing of subpoenas, a costly procedure, which has become especially burdensome due to the increasingly large number of subpoenas issued.

Section 2651(1)(2) of the Deficit Reduction Act of 1984 (98 Stat. 1151) basically requires compliance with the provisions of that Act as of April 1, 1985. Therefore, I urge your prompt and favorable consideration of this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor

Introduced: 1/15/85
Referred: Labor and Commerce
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 53

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to unemployment insurance; and
7 providing for an effective date."

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

9 * Section 1. AS 23.20.110 is amended by adding new subsections to read:

10 (h) The department shall provide information requested by a
11 state or federal agency under an income and eligibility verification
12 system that meets the requirements of sec. 1137 of the Social Security
13 Act (42 U.S.C. sec. 1320b-7).

14 (i) The department shall provide to the Internal Revenue Service
15 of the United States information necessary to enforce the Internal
16 Revenue Code.

17 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

2/12/85

Date 3-14-85

Mr. President

The Committee on JUDICIARY considered SB 53
unemployment insurance; efd.

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

- do pass
- do pass with attached amendment(s) *24 C Govt sub*
- replace with/or adopt CS for *SB 53 (J.C.)*
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
Chairman

DO PASS
Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER: JUDICIARY
FINANCE

1/16/85

Date 11 FEB 1985

Mr. President

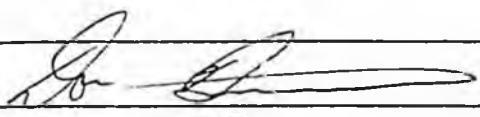
The Committee on LABOR & COMMERCE considered SB 53
relating to unemployment insurance; efd.

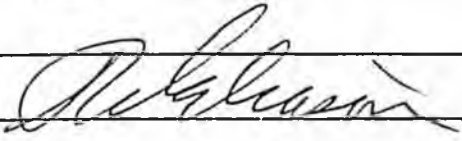
and (a majority of the committee) (the committee) reports it back with
the following recommendations:

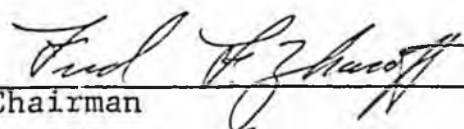
- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 53 (J+C)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS






Chairman
Do Pass
Chairman recommendation

COMMITTEE REPORT

HOUSE

(11)

5/9/85

FURTHER:

Date: 5-11-85

The Committee on FINANCE has had CSFB 53(L&C) (title am)
"An Act relating to exchange of unemployment insurance information; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
 do pass with attached amendments(s)
 replace with ^HCS for CSFB 53 (L&C) same title
 new title
and recommends do pass
 AND attaches a "Letter of Intent" New Fiscal Note
 Zero Fiscal Note Attached
 reports it back without recommendation
 referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]
CHAIRMAN

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST HCS for CS SB 53 (JUD)
Bill/Resolution No.: _____
Title: "An act relating to
 unemployment insurance..."
Sponsor: Rules Committee
Requestor: House Judiciary
Date of Request: 5/6/85

FISCAL DETAIL
Agency Affected: Labor
Program Category Affected: Social
 Services
BRU, Program or Subprogram(s) Affected:
 Employment Security - Unemployment
 Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: John W. Shay Phone: 465-2712
 Division: Employment Security Date: 5/6/85

Approved by Commissioner: Jim Robison Date: 5/6/85
 Agency: Labor

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

7/1/84

Offered: 5/9/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 53 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to exchange of unemployment insur-
7 ance information; and providing for an effective
8 date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 23.20.110(e) is repealed and reenacted to read:
11 (e) The department shall provide information requested by a
12 state or federal agency under an income and eligibility verification
13 system that meets the requirements of 42 U.S.C. 1320b-7 (Social
14 Security Act).
15 * Sec. 2. AS 23.20.110(f) is repealed.
16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

Bill No. House Committee Substitute for Committee
Substitute for Senate Bill No. 53 (Jud)

Date May 8, 1985

Title "An Act relating to exchange of unemployment
insurance information."

Contact: Eileen Plate
465-2700
John W. Shay, Jr.
465-2712

This bill amends a provision in Alaska's unemployment insurance law which deals with disclosure of unemployment insurance claim and wage information.

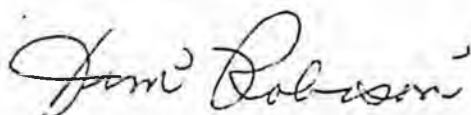
Specifically, this bill provides for the Department of Labor to disclose unemployment insurance wage information to appropriate state and federal programs funded by the Social Security Act (Aid to Families with Dependent Children, Medicaid, Food Stamps, Old Age Assistance, Aid to the Blind, Aid to Permanently and Totally Disabled, and Supplemental Security Income for Aged, Blind and Disabled). Currently, Alaska law (AS 23.20.110(e) and (f)) provide for disclosure of this information only to the Aid to Families with Dependent Children and Food Stamp public assistance programs.

This provision is in response to a 1984 amendment to the Social Security Act which establishes a system for verifying the income and eligibility of persons receiving benefits from programs operating under the Social Security Act. Basically, the verification system consists of the exchange of income and eligibility information among the programs.

Obviously, Alaska has not met the April 1, 1985 deadline for participating in the information exchange. However, the U.S. Department of Labor is aware that Alaska's participation is contingent upon legislative action which is presently underway. Accordingly, it is not expected that any immediate action will be initiated at the federal level to withdraw Alaska's administrative funding (over twenty-two million dollars). Nonetheless, because the funds are technically in jeopardy at this time, the Department is anxious to obtain legislative approval to participate in the information exchange system.

The Department supports passage of this bill. It will not have a fiscal impact on the Department.

APPROVED:



Jim Robison, Commissioner
Department of Labor

POSITION PAPER/Department of Labor

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P.O. BOX 1139
JUNEAU, ALASKA 99802
PHONE: (907) 465-2700

April 25, 1985

The Honorable Ben F. Grussendorf
Speaker
House of Representatives
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

The Department of Labor has one critical piece of legislation which I would appreciate your help with.

Committee Substitute for Senate Bill 53 (L&C) (Title am) amends a provision in Alaska's unemployment insurance law which deals with disclosure of unemployment insurance claim and wage information.

Specifically, this bill provides for the Department of Labor to disclose unemployment insurance benefit and wage information to appropriate state and federal programs funded by the Social Security Act (Aid to Families with Dependent Children, Medicaid, Food Stamps, etc.).

This provision is in response to a 1984 amendment to the Social Security Act which establishes a system for verifying the income and eligibility of persons receiving benefits from programs operating under the Social Security Act. Basically, the verification system consists of the exchange of income and eligibility information among the programs.

State unemployment insurance programs are required, under the amendments to the Social Security Act, to participate in this exchange of information by April 1, 1985. The amendment to Alaska's unemployment insurance law as set out in CS SB 53, is necessary to enable the Department of Labor to make the appropriate disclosures and thereby assure that federal funding received by the Department for administration of its Unemployment Insurance and Employment Service programs is not jeopardized.

Obviously, Alaska has not met the April 1, 1985 deadline for participating in the information exchange. However, the U.S. Department of Labor is aware that Alaska's participation is contingent upon legislative action which is presently underway. Accordingly, no action has

The Honorable Ben F. Grussendorf -2-

April 25, 1985

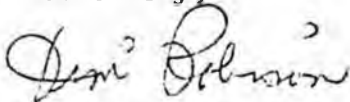
been initiated at the federal level to withdraw Alaska's administrative funding (over twenty-two million dollars). Nonetheless, I am not at all comfortable in speculating that the patience of the federal government can be extended beyond this legislative session.

I am not aware of any problems whatsoever with the bill, but am starting to be concerned that time may be running out to get it through this year unless it is afforded some priority. The bill is presently in House Judiciary and is scheduled for hearing on May 2. It then has an additional referral to Finance (The Department's fiscal note is zero).

I would appreciate any assistance you may be able to provide in assuring that this bill does not get inadvertently stranded as adjournment approaches.

Thank you.

Sincerely,



Jim Robison
Commissioner

5
617 5

Offered: 5/9/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 53 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to exchange of unemployment insur-
7 ance information; and providing for an effective
8 date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 23.20.110(e) is repealed and reenacted to read:
11 (e) The department shall provide information requested by a
12 state or federal agency under an income and eligibility verification
13 system that meets the requirements of 42 U.S.C. 1320b-7 (Social
14 Security Act).
15 * Sec. 2. AS 23.20.110(f) is repealed.
16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

Offered: 2/12/85
Referred: Judiciary and Finance

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 53 (L&C) (title am)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to exchange of unemployment
7 insurance information; and providing for an effective
8 date."

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

10 * Section 1. AS 23.20.110 is amended by adding a new subsection to
11 read:

12 (h) The department shall provide information requested by a
13 state or federal agency under an income and eligibility verification
14 system that meets the requirements of 42 U.S.C. 1320b-7 (Social
15 Security Act).

16 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

Introduced: 1/15/85
Referred: Labor and Commerce
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 53

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to unemployment insurance; and
7 providing for an effective date."

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

9 * Section 1. AS 23.20.110 is amended by adding new subsections to read:

10 (h) The department shall provide information requested by a
11 state or federal agency under an income and eligibility verification
12 system that meets the requirements of sec. 1137 of the Social Security
13 Act (42 U.S.C. sec. 1320b-7).

14 (i) The department shall provide to the Internal Revenue Service
15 of the United States information necessary to enforce the Internal
16 Revenue Code.

17 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

COMMITTEE REPORT
SENATE

FURTHER:

1/25/85

Date _____

Mr. President

The Committee on FINANCE considered SB 54

special appropriation as a grant to City of Palmer for the 50th Colony Anniversary Celebration of the Alaska Rural Rehabilitation Corporation; efd.

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

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT

SENATE

FURTHER:

FINANCE

1/15/85

Date

Jan 24 '85

Mr. President

The Committee on C&RA considered SB 54

making a special appropriation as a grant to City of Palmer for the 50th Colony Anniversary Celebration of the Alaska Rural Rehabilitation Corporation; ~~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 _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

1 [Signature]
1 Carlson Steingard
1 [Signature]

1 No Recommendation
1 [Signature]

1 Edna DeWies
Chairman
Do Pass
Chairman recommendation

Introduced: 1/15/85
Referred: Community and Regional Affairs
and Finance

Funding Information
General Fund \$80,250
Other Funds -0-
\$80,250

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 54

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for payment as
7 a grant to the City of Palmer for the 50th Colony
8 Anniversary Celebration of the Alaska Rural Reha-
9 bilitation Corporation; and providing for an effec-
10 tive date."

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

12 * Section 1. The sum of \$80,250 is appropriated from the general fund
13 for payment as a grant to the City of Palmer for the 50th Colony Anniver-
14 sary Celebration of the Alaska Rural Rehabilitation Corporation.

15 * Sec. 2. The appropriation made by this Act shall be disbursed in
16 accordance with AS 37.05.315.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

ALASKA STATE LEGISLATURE

14th... Legislature . FIRST Session

SENATE BILL..... NO. 54.....

By KERTTULA.....

"An Act making a special appropriation for payment as a grant to the City of Palmer for the 50th Colony Anniversary Celebration of the Alaska Rural Rehabilitation Corporation; and providing for an effective date."

Introduced in the Senate 1715....., 19.35

HISTORY IN THE SENATE

19 85

Read first time and referred to Committee on

1 15 C&RA and Finance

1 25 Reported back with *copy* recommendation that *4 copies* (10 cc to forsona).

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

Introduced: 1/15/85
Referred: Community and Regional Affairs
and Finance

Funding Information
General Fund \$80,250
Other Funds -0-
\$80,250

1 IN THE SENATE

BY KERTTULA

2

SENATE BILL NO. 54

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation for payment as
7 a grant to the City of Palmer for the 50th Colony
8 Anniversary Celebration of the Alaska Rural Reha-
9 bilitation Corporation; and providing for an effec-
10 tive date."

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

12 * Section 1. The sum of \$80,250 is appropriated from the general fund
13 for payment as a grant to the City of Palmer for the 50th Colony Anniver-
14 sary Celebration of the Alaska Rural Rehabilitation Corporation.

15 * Sec. 2. The appropriation made by this Act shall be disbursed in
16 accordance with AS 37.05.315.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/15/85

Date Jan 24 '85

Mr. President

The Committee on C&RA considered SB 54

making a special appropriation as a grant to City of Palmer for the 50th Colony Anniversary Celebration of the Alaska Rurla Rehabilitation Corporation; efd.

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

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

MEMBERS SIGNING
DO PASS

[Signature]
Carlson Stungulinski
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

No Recommendation
[Signature]

1 Edna De Weis
 Chairman
No Pass
 Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

3/1/85

Date 3/1/85

Mr. President

The Committee on FISCAL considered CS 56

amending the longevity bonus program and the purchase fund dividend program, establishing an annual program; etc.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation 3 New Fiscal Notes
(70 + 1 Savings)
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Almond Stewart - Do Not

Chairman

Chairman recommendation

Offered: 3/11/85
Referred: Finance

Original sponsors: Ray, Halford,
Bennett, et al

1 IN THE SENATE

Finance
BY THE ~~JUDICIARY~~ COMMITTEE

2

CS FOP SENATE BILL NO. 56 (~~Judiciary~~)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act ^{relating to a} ~~amending the~~ longevity bonus program and the
7 ~~permanent fund dividend program, establishing an~~
8 ~~annuity program; and providing for an effective~~
9 date."

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

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

13 (1) it is in the public interest to continue the longevity bonus
14 program; however, as oil reserves decline over the years, it will become
15 increasingly difficult to provide the benefits of the longevity 'onus
16 program through the general fund; as a result, that program must be phased
17 out over the years;

18 (2) it is appropriate that individuals save for their own re-
19 tirement, and it is also appropriate that the state establish both means
20 and incentives for Alaska residents to set aside retirement funds; accord-
21 ingly, it is a purpose of this legislation to create an annuity program;

22 (3) many retired Alaskans have made their retirement plans in
23 reliance on the availability of both the existing longevity bonus and the
24 permanent fund dividend; accordingly, the legislature finds that it is
25 appropriate to continue both those programs for these individuals;

26 (4) the most suitable source of funds for the annuity program
27 created by this Act are those permanent fund earnings currently distributed
28 as dividends; therefore ^{provides that} this Act ~~applies~~ the annual permanent fund dividend
29 of younger Alaskans ^{may be applied} to annuity accounts unless the individual alternatively

1 elects to receive cash; in so doing, this Act will promote wise stewardship
2 of the permanent fund by giving each participant a direct financial stake
3 in its long-term profitability; and

4 (5) neither the longevity bonus program, nor the annuity pro-
5 gram, should be viewed as a form of welfare; other state and federal pro-
6 grams are available to meet the basic necessities of life, and amounts
7 received by an individual under this Act are not calculated on the basis of
8 need.

9 * Sec. 2. AS 43.23.005(c) is amended to read:

10 (c) A parent, guardian, or other authorized representative may
11 claim a permanent fund dividend on behalf of an unemancipated minor or
12 on behalf of an incompetent individual who is eligible to receive a
13 dividend [PAYMENT] under this section, and may elect to take the divi-
14 dividend as an annuity share for the future benefit of the minor.

15 * Sec. 3. AS 43.23.005 is amended by adding a new subsection to read:

16 (d) A person who is eligible to receive a permanent fund divi-
17 dend under this section, or who is authorized to claim a dividend on
18 behalf of another under (c) of this section, may elect to receive ^{the dividend} ~~cash~~
19 ~~in lieu of an annuity share.~~ ^{either in cash or as an annuity credit} Alternatively, a person may elect to
20 receive 25 percent, 50 percent, or 75 percent of the dividend in cash
21 and the remainder as an annuity share. A person who is 65 years of
22 age before January 1, 1986, may only receive cash and may not elect to
23 receive an annuity share.

24 * Sec. 4. AS 43.23.015(a) is amended to read:

25 (a) The commissioner shall adopt regulations under the Adminis-
26 trative Procedure Act (AS 44.62) establishing the process for de-
27 termining the eligibility of individuals for permanent fund dividends.
28 The commissioner may require an individual to provide proof of eli-
29 gibility, and the commissioner may use other information available

1 from other state departments or agencies to determine the eligibility
2 of an individual.

3 * Sec. 5. AS 43.23.015(b) is amended to read:

4 (b) The department shall prescribe and furnish an application
5 form for claiming a permanent fund dividend. The application must
6 contain a statement of eligibility and a certification of residency in
7 substantially the following form:

8 I certify that

9 () I am a state resident on the date of this application
10 and I have been a state resident for at least six months immediately
11 preceding the date of this application; or

12 () (name), the individual on whose behalf I am applying,
13 is a state resident and has been a state resident for at least six
14 months immediately preceding the date of this application.

15 I understand that a false claim of residency to obtain a perma-
16 nent fund dividend for myself or for another is a criminal offense and
17 that if convicted I will forfeit future permanent fund dividends and
18 that I will lose or must repay all permanent fund dividends that have
19 been credited or paid to me, appropriations allocated to my annuity
20 account in accordance with AS 43.23.110(b), and any accrued interest
21 in my annuity account. I understand that this penalty is in addition
22 to any criminal penalties imposed.

23

24

(signature of individual, parent,
guardian, or other authorized
representative)

25

26

27 * Sec. 6. AS 43.23.015(e) is amended to read:

28 (e) If a public agency claims a [PERMANENT FUND] dividend on
29 behalf of an individual under this section, the public agency shall

1 elect 100 percent cash under AS 43.23.005(d) and hold the dividend in
2 trust for the individual. Money held in trust under this subsection
3 shall be invested by the commissioner in accordance with AS 37.10.070.

4 * Sec. 7. AS 43.23.015(f) is amended to read:

5 (f) A minor or an incompetent individual may not maintain a
6 claim against the state or an officer or employee of the state based
7 either on the manner in which the parent, guardian, or authorized
8 representative other than a public agency of the state managed or
9 disposed of permanent fund dividends received on behalf of the minor
10 or incompetent, or an election made or not made on that individual's
11 behalf under AS 43.23.005(d) [INDIVIDUAL].

12 * Sec. 8. AS 43.23.015 is amended by adding a new subsection to read:

13 (i) The permanent fund dividend application form shall be pre-
14 pared to allow an applicant, other than a person who is exempt under
15 AS 47.45.015(b), to elect to receive ~~cash in lieu of a permanent fund~~
16 ~~dividend.~~ *the dividend either in cash*
or as an annuity credit.

17 * Sec. 9. AS 43.23.035 is amended to read:

18 Sec. 43.23.035. PENALTIES AND ENFORCEMENT. (a) In addition to
19 any criminal penalties imposed by state law, if an individual is
20 convicted of a crime in connection with a false statement made in a
21 certification required under AS 43.23.015, and the conviction is not
22 reversed, that individual forfeits all permanent fund dividends cred-
23 ited or paid, together with any *interest credited* ~~additional credits~~ to that individu-
24 al's annuity account and is not eligible for a future permanent fund
25 dividend.

26 (b) If the commissioner determines that a cash [PERMANENT FUND]
27 dividend should not have been claimed by or paid to an individual, the
28 commissioner may use all collection procedures or remedies available
29 for collection of taxes under this title to recover the payment of a

1 permanent fund dividend that was improperly made. A notice of an
2 improperly paid dividend must be sent to the individual within 10
3 years after the improper payment. If notice is not sent within the
4 10-year period, proceedings may not be commenced in court for recovery
5 of the improper payment.

6 * Sec. 10. AS 43.23.035 is amended by adding a new subsection to read:

7 (c) If the commissioner determines that a permanent fund divi-
8 dend should not have been credited to an individual's annuity account,
9 the commissioner may, after notice and opportunity for hearing, direct
10 the commissioner of administration to debit the individual's annuity
11 account for the amount wrongly credited. If the credit is the fault
12 of the individual, the debit must be made within 10 years. If the
13 credit is the fault of the state, the debit must be made within three
14 years.

15 * Sec. 11. AS 43.23.055 is amended to read:

16 Sec. 43.23.055. DUTIES OF THE DEPARTMENT. The department shall

17 (1) annually make payments to individuals who are 65 years
18 of age before January 1, 1986, and to individuals who elect to receive
19 cash under AS 43.23.005(d) [PAY PERMANENT FUND DIVIDENDS FROM THE
20 DIVIDEND FUND];

21 (2) adopt regulations under the Administrative Procedure
22 Act (AS 44.62) that establish procedures and time limits for claiming
23 a permanent fund dividend or for electing an annuity share; the de-
24 partment shall set the time limit for applications for permanent fund
25 dividends so that the number of eligible applicants is determined by
26 October 1 of the year for which the dividend is declared and permanent
27 fund dividends for a year are paid before April 30 of the year follow-
28 ing that year;

29 (3) adopt regulations under the Administrative Procedure

1 Act (AS 44.62) that establish procedures and time limits for an indi-
2 vidual upon emancipation or upon reaching majority to apply for perma-
3 nent fund dividends not credited or received during minority because
4 the parent, guardian, or other authorized representative did not apply
5 on behalf of the individual; [AND]

6 (4) assist residents of the state, particularly in rural
7 areas, who because of language, disability, or inaccessibility to
8 public transportation need assistance to establish eligibility and to
9 apply for permanent fund dividends; and

10 (5) provide the commissioner of administration with infor-
11 mation necessary to maintain individual annuity account records and
12 administer the annuity program.

13 * Sec. 12. AS 43.23.065 is amended to read:

14 Sec. 43.23.065. EXEMPTION OF PERMANENT FUND DIVIDENDS. Fifty
15 percent of a cash [THE ANNUAL] permanent fund dividend payment [PAY-
16 ABLE TO AN INDIVIDUAL] is exempt from levy, execution, garnishment,
17 attachment, or any other remedy for the collection of debt. This
18 exemption applies to an eligible individual's permanent fund dividend
19 both before and after payment is made to the individual. An exemption
20 is not available under this section for cash permanent fund dividend
21 payments [DIVIDENDS] taken to satisfy (1) child support obligations
22 required by court order or decision of the child support enforcement
23 agency under AS 47.23.140 - 47.23.220; (2) a debt owed by an eligible
24 individual to an agency of the state, unless the debt is contested and
25 an appeal is pending, or the time limit for filing an appeal has not
26 expired; or (3) court ordered restitution under AS 12.55.045 - 12.55.-
27 051 or 12.55.100. A child support obligation under (1) of this sec-
28 tion has priority over a debt owed to an agency of the state, and a
29 permanent fund dividend may not be taken to satisfy a debt under (2)

1 of this section until any portion of the dividend necessary to satisfy
2 a child support obligation has been taken.

3 * Sec. 13. AS 43.23.065 is amended by adding new subsections to read:

4 (b) The department shall require an individual to take 100
5 percent of the permanent fund dividend in cash if the department
6 receives a levy, execution, garnishment, attachment or other legal
7 remedy for the collection of a past due debt described in (a)(1) or
8 (2) of this section.

9 (c) The courts of this state may, as a condition of any civil
10 judgment or restitution order under AS 12.55.045 - 12.55.051 or 12.-
11 55.100, require the defendant to take the defendant's permanent fund
12 dividend in cash.

13 * Sec. 14. AS 43.23.075 is amended to read:

14 Sec. 43.23.075. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In
15 determining the eligibility of an individual under a public assistance
16 program administered by the Department of Health and Social Services
17 in which eligibility for assistance is based on financial need, the
18 Department of Health and Social Services may not consider a permanent
19 fund dividend as income or resources received by the recipient of
20 public assistance or by a member of the recipient's household unless
21 required to do so by federal law or regulation. The Department of
22 Health and Social Services shall notify all recipients of public
23 assistance of the effects of [RECEIVING] a permanent fund dividend
24 credit or cash payment.

25 (b) An individual who is denied medical assistance under 42
26 U.S.C. 1396 - 1396p (Social Security Act, Title XIX) solely because of
27 the credit or receipt of a permanent fund dividend by the individual
28 or by a member of the individual's household is eligible for state-
29 funded medical assistance under the general relief assistance program

3 - 47.25.300). The individual is entitled to receive,
4 for a period not to exceed four months, the same level of medical
5 assistance as the individual would have received under 42 U.S.C.
6 1396 - 1396p (Social Security Act, Title XIX) had there been no perma-
7 nent fund dividend program.

8 (c) An individual who is denied assistance solely because perma-
9 nent fund dividends credited to or received by the individual or by a
10 member of the individual's household are counted as income or re-
11 sources under federal law or regulation is eligible for cash assis-
12 tance under the general relief assistance program (AS 47.25.120 -
13 47.25.300). Notwithstanding the limit in AS 47.25.130, the individual
14 is entitled to receive, for a period not to exceed four months, the
15 same amount as the individual would have received under other public
16 assistance programs had there been no permanent fund dividend program.

17 * Sec. 15. AS 43.23.095(6) is repealed and reenacted to read:

18 (6) "permanent fund dividend" means a credit to an annuity
19 ~~account under this chapter except that, as applied to an individual~~
20 ~~who may receive only cash under AS 43.23.005(d) or 43.23.065, it means~~
21 ~~a cash payment under this chapter;~~ *account or a cash payment*
22 *under this chapter.*

23 * Sec. 16. AS 43.23 is amended by adding new sections to read:

24 ARTICLE 2. ANNUITY PROGRAM.

25 Sec. 43.23.110. ANNUITY INVESTMENT FUND. (a) The annuity
26 investment fund is established as a separate fund in the state trea-
27 sury. The annuity investment fund consists of money transferred from
28 the dividend fund, ~~money appropriated to the annuity investment fund,~~
29 and income earned by the annuity investment fund. Notwithstanding
AS 37.13.145, an amount equal to the permanent fund dividends taken as
annuity credits under this chapter shall be annually transferred from
the dividend fund to the annuity investment fund.

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

1 (AS 47.25.120 - 47.25.300). The individual is entitled to receive,
2 for a period not to exceed four months, the same level of medical
3 assistance as the individual would have received under 42 U.S.C.
4 1396 - 1396p (Social Security Act, Title XIX) had there been no perma-
5 nent fund dividend program.

6 (c) An individual who is denied assistance solely because perma-
7 nent fund dividends credited to or received by the individual or by a
8 member of the individual's household are counted as income or re-
9 sources under federal law or regulation is eligible for cash assis-
10 tance under the general relief assistance program (AS 47.25.120 -
11 47.25.300). Notwithstanding the limit in AS 47.25.130, the individual
12 is entitled to receive, for a period not to exceed four months, the
13 same amount as the individual would have received under other public
14 assistance programs had there been no permanent fund dividend program.

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17 ~~account under this chapter except that, as applied to an individual~~
18 ~~who may receive only cash under AS 43.23.005(d) or 43.23.065, it means~~
19 ~~a cash payment under this chapter;~~ *account or a cash payment*
20 *under this chapter.*

21 * Sec. 16. AS 43.23 is amended by adding new sections to read:

22 ARTICLE 2. ANNUITY PROGRAM.

23 Sec. 43.23.110. ANNUITY INVESTMENT FUND. (a) The annuity
24 investment fund is established as a separate fund in the state trea-
25 sury. The annuity investment fund consists of money transferred from
26 the dividend fund, ~~money appropriated to the annuity investment fund,~~
27 and income earned by the annuity investment fund. Notwithstanding
28 AS 37.13.145, an amount equal to the permanent fund dividends taken as
29 annuity credits under this chapter shall be annually transferred from
the dividend fund to the annuity investment fund.

1 of this section until any portion of the dividend necessary to satisfy
2 a child support obligation has been taken.

3 * Sec. 13. AS 43.23.065 is amended by adding new subsections to read:

4 (b) The department shall require an individual to take 100
5 percent of the permanent fund dividend in cash if the department
6 receives a levy, execution, garnishment, attachment or other legal
7 remedy for the collection of a past due debt described in (a)(1) or
8 (2) of this section.

9 (c) The courts of this state may, as a condition of any civil
10 judgment or restitution order under AS 12.55.045 - 12.55.051 or 12.-
11 55.100, require the defendant to take the defendant's permanent fund
12 dividend in cash.

13 * Sec. 14. AS 43.23.075 is amended to read:

14 Sec. 43.23.075. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In
15 determining the eligibility of an individual under a public assistance
16 program administered by the Department of Health and Social Services
17 in which eligibility for assistance is based on financial need, the
18 Department of Health and Social Services may not consider a permanent
19 fund dividend as income or resources received by the recipient of
20 public assistance or by a member of the recipient's household unless
21 required to do so by federal law or regulation. The Department of
22 Health and Social Services shall notify all recipients of public
23 assistance of the effects of [RECEIVING] a permanent fund dividend
24 credit or cash payment.

25 (b) An individual who is denied medical assistance under 42
26 U.S.C. 1396 - 1396p (Social Security Act, Title XIX) solely because of
27 the credit or receipt of a permanent fund dividend by the individual
28 or by a member of the individual's household is eligible for state-
29 funded medical assistance under the general relief assistance program

1 (b) The legislature may appropriate either general funds, or
2 earnings of the undistributed income account in the Alaska permanent
3 fund, to the annuity investment fund. Funds appropriated under this
4 subsection shall be allocated to the individual annuity accounts of
5 those who are eligible to receive a dividend for that year and do not
6 elect cash under AS 43.23.005(d). The allocation shall be made in the
7 following manner:

8 (1) a credit will be made to the account of each individual
9 who is at least 18 years old;

10 (2) the credit for each person from the age of 18 through
11 age 35 is the base amount; the size of the base amount is determined
12 according to the amount of the appropriation;

13 (3) the credit for persons over the age of 35 is the base
14 amount, increased for each year of age over 35 up to and including the
15 age of 65; the incremental increase for each year of age is a percent-
16 age over the credit for the prior year of age; that percentage shall
17 be established with due regard for historical and projected permanent
18 fund returns on investment;

19 (4) if a person elects to receive a portion of the dividend
20 in cash under AS 43.23.005(d), the allocation to which that person is
21 ~~otherwise entitled will be reduced proportionately.~~

22 (b) Money in the annuity investment fund shall be invested by
23 the commissioner of revenue in investments authorized under AS 39.-
24 35.110. The commissioner of administration shall credit the net
25 income of the annuity investment fund to the individual annuity ac-
26 counts.

27 (d) The legislature may annually appropriate to the Department
28 of Administration an amount sufficient to pay monthly annuity payments
29 for the subsequent fiscal year under AS 43.23.00 from the annuity

1 investment fund. Funds appropriated under this subsection shall be
2 transferred from the annuity investment fund to the Department of
3 Administration in order to meet the current demands of the annuity
4 program.

5 (d) The legislature may annually appropriate from the annuity
6 investment fund an amount sufficient to administer the annuity pro-
7 gram. Any costs of administration funded under this subsection shall
8 be allocated equitably among all individual annuity accounts.

9 (e) Notwithstanding AS 39.35.110 or (c) of this section, the
10 commissioner of revenue may invest all or part of the annuity invest-
11 ment fund in commercial insurance contracts purchased from insurance
12 companies that have a Best's policyholders' rating of A or better and
13 belong to Best's financial size Group XV at the time of purchase.

14 Sec. 43.23.120. ANNUITY PROGRAM. (a) The annuity program is
15 administered by the commissioner of administration. The commissioner
16 of administration shall adopt regulations necessary to implement the
17 annuity program.

18 (b) The commissioner of administration shall maintain records of
19 individual annuity accounts and make annuity payments under AS 43.23.-
20 130.

21 Sec. 43.23.130. PAYMENT OF ANNUITIES. (a) An individual with
22 one or more annuity credits may receive an annuity upon reaching the
23 age of 65.

24 (b) An annuity under this section is a monthly payment based
25 upon the principal and accrued interest in the person's annuity ac-
26 count. An annuity shall be paid as a straight life annuity or other
27 payment plan authorized by the commissioner of the Department of
28 Administration. The size of the annuity may not vary on account of
29 the individual's sex.

1 (c) An individual need not be a resident of the state to be
2 eligible to received an annuity payment from the individual's account.

3 (d) Except as provided in (b) and (e) of this section, an annu-
4 ity account may not be assigned, sold, or otherwise transferred from
5 one individual to another.

See new language # Death Benefit Option

6 ~~(e) If a person dies before age 65, a lump sum payment shall,~~
7 ~~subject to appropriation, be paid to the surviving spouse by right of~~
8 ~~survivorship unless a different beneficiary was designated. When no~~
9 ~~spouse survives and no beneficiary was designated, the lump sum shall~~
10 ~~be paid to the decedent's estate. The lump sum payment shall include~~
11 ~~all permanent fund dividend contributions made by the individual,~~
12 ~~together with interest, but shall not include any credits to the~~
13 ~~individual's account made pursuant to AS 43.23.110(b), or interest on~~
14 ~~those credits.~~

15 (f) An individual does not receive a vested property right in an
16 annuity payment until that payment is made. Notwithstanding this
17 section, the state is not obligated to provide annuity payments for
18 annuity credits granted under AS 43.23.005.

19 * Sec. 17. AS 47.45.010(a) is amended to read:

20 (a) A person who is 65 years of age or over, who resides in the
21 state for at least one year immediately preceding application for a
22 longevity bonus under this chapter may apply to the commissioner of
23 administration for qualification to receive a monthly bonus [OF \$250].

24 * Sec. 18. AS 47.45 is amended by adding a new section to read:

25 Sec. 47.45.015. AMOUNT OF BONUS. (a) Except as provided in (b)
26 of this section, the monthly longevity bonus is equal to \$250, ~~in-~~
27 ~~creased by three percent each year beginning in fiscal year 1987,~~
28 minus the maximum possible straight life annuity for a person 65 years
29 of age under the annuity program (AS 43.23.110 - 43.23.130), as

1 determined by the commissioner of administration.

2 (b) A person who is 65 years of age before January 1, 1986, is
3 entitled to the full longevity bonus payment without reduction for the
4 annuity program.

5 * Sec. 19. AS 47.45.070 is amended to read:

6 Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is
7 one who

8 (1) does not meet the age or residence requirements as
9 provided for under this chapter;

10 (2) meets the age and residence requirements of this chap-
11 ter but either is confined in a state or federal mental health insti-
12 tution or facility and is certified by the state as unable to manage
13 personal affairs, or resides in a nursing home as that term is defined
14 in AS 08.70.180; however, if that person, at the time of commitment or
15 commencement of residence, provided the principal support of a spouse,
16 the commissioner of administration may determine to pay the confined
17 person's bonus to the person's spouse until the spouse is qualified
18 for a bonus;

19 (3) is otherwise qualified but confined in a penal or
20 correctional institution or facility; upon completion of sentence or
21 upon the conferral of a pardon, parole or probation, the person may
22 make application; confinement outside the state shall be considered as
23 residence in the state if a person was convicted and sentenced from a
24 court in Alaska; revocation of parole or probation shall be cause for
25 immediate disqualification until release from confinement is again
26 effected;

27 (4) voluntarily leaves the state and remains absent from
28 the state for a continuous period of more than 180 days.

29 * Sec. 20. Section 11, ch. 38, SLA 1984 is amended to read:

1 Sec. 11. Sections 7 and 9 of this [THIS] Act [AND AS 47.45] are
2 repealed June 30, 1985.

3 * Sec. 21. AS 43.23.045(c) is repealed.

4 * Sec. 22. This Act applies only to permanent fund dividends for years
5 beginning after December 31, 1985. Notwithstanding the amendments to
6 AS 43.23 made by this Act, permanent fund dividends for 1985 and prior
7 years shall be made under the law as it existed before the effective date
8 of this Act.

9 * Sec. 23. This Act takes effect immediately in accordance with AS 01.-
10 10.070(c).

3/19/85
Shirley
17

A M E N D M E N T

To: CSSB 56(Jud)

By FAIKS

Page 1, line 6, following "entitled:", through line 9, delete all material and insert:

"An Act relating to a longevity bonus; and providing for an effective date."

3/19/55
Faiks
19-

AMENDMENT

To: CSSB 56 (Jud)

By: Senator Faiks

Page 2, Line 13

After the word "section", Insert "." and delete "and may elect to take the dividend as an annuity share for the future benefit of the minor."

3/19/55
Knapton
/

CSSB 56 (Judiciary)

AMENDMENT TO DELETE PRESUMPTION FOR ANNUITY

CREDIT OVER CASH PAYMENT

Page 1, line 28, after "Act":

Delete "applies" and insert "provides that"

Page 1, line 29, after "Alaskans":

Insert "may be applied"

Page 2, lines 18 and 19, after "receive":

Delete remainder of sentence and insert: "the dividend
either in cash or as an annuity credit."

Page 4, lines 15 and 16, after "receive":

Delete remainder of sentence and insert: "the dividend
either in cash or as an annuity credit."

Page 8, lines 17-19:

Delete all material and insert: "account or a cash payment
under this chapter;"

3/19/15
Wagford
H

CSSB 56 (Judiciary)

AMENDMENT TO DELETE OPTIONAL FRONT-LOADING PROVISIONS

Page 3, lines 19 and 20, after "me":

Delete ", appropriations allocated to my annuity account in accordance with AS 43.23.110(b),"

Page 4, lines 23 and 24, after "any":

Delete "additional credits" and insert "interest credited"

Page 8, line 25:

Delete ", money appropriated to the annuity investment fund,"

Page 9, lines 1-21

Delete all material; reletter subsequent subsections accordingly. .

Page 11, lines 12-14, after "interest":

Delete remainder of sentence.

3/19/85
SFC:BS
Wagner
54
*

CSSB 56 (Judiciary)

AMENDMENT TO MAKE DEATH BENEFITS OPTIONAL

Page 11, lines 6-14, after (e):

Delete all material and insert "Upon electing to credit a permanent fund dividend to an annuity account in a particular year, an individual may make an irrevocable choice with respect to that credit regarding death benefits. If a person dies before age 65, and that person has selected death benefits in at least one year, a lump sum payment shall, subject to appropriation, be paid to the surviving spouse by right of survivorship unless a different beneficiary was designated. When no spouse survives and no beneficiary was designated, the lump sum shall be paid to the decedent's estate. The lump sum payment shall include all permanent fund dividend contributions made by the individual in years in which death benefits were selected, together with interest, but shall not include [ANY CREDITS TO THE INDIVIDUAL'S ACCOUNT MADE PURSUANT TO AS 43.23.110(b) OR INTEREST ON THOSE CREDITS NOR ANY] 1/ permanent fund dividend contributions made in years in which death benefits were not selected, nor any interest thereon. Contributions for which death benefits are not selected, together with interest, shall, upon the death of the

1/ This language is deleted by the amendment deleting the front-loading provisions. If that amendment is not passed, the bracketed language should be included.

contributor prior to age 65, be distributed equitably among the annuity accounts of all individuals for which death benefits were not selected.

3/19/85
Wagner
JF

CSSB 56 (Judiciary)

AMENDMENT TO DELETE 3% ESCALATOR

Page 11, lines 26 and 27, after "\$250":

Delete all material

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. CSSB 56 (Fin)
Title: Longevity Bonus

Sponsor: _____
Requestor: Senate Finance
Date of Request: 3/19/85

FISCAL DETAIL

Agency Affected: Dept. of Revenue
Program Category Affected: _____
Revenue Collections & Management
BRU, Program or Subprogram(s) Affected: Public Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING	0	0	0	0	0	0
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
----------------	---	---	---	---	---	---

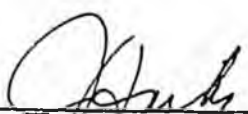
FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By:  Phone: 465-4523
Division: Jan Faiks, Co-Chairman Date: 3/19/85
Senate Finance Committee
Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 56 (Fin)
Title: Longevity Bonus

Sponsor: _____
Requestor: Senate Finance
Date of Request: 3/19/85

FISCAL DETAIL

Agency Affected: Dept. of Revenue
Program Category Affected: _____
General Government

BRU, Program or Subprogram(s) Affected: _____
PFD - Admin. Services, Enforcement,
Public Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING	0	0	0	0	0	0
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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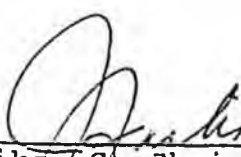
FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By:  Phone: 465-4523
Division: Jan Faiks, Co-Chairman Date: 3/19/85
Senate Finance Committee
Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. CSSB 56 (Fin)

Title: Longevity Bonus

Sponsor: _____

Requestor: Senate Finance

Date of Request: 3/19/85

FISCAL DETAIL

Agency Affected: Health & Social Services

Program Category Affected: Social & Econ.

Assistance for general population

BRU, Program or Subprogram(s) Affected: _____

Adult Public Assistance, Old Age

Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING	0	0	0	0	0	0
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: _____

Division: Jan Faik, Co-Chairman

Senate Finance Committee

Approved by Commissioner: _____

Agency: _____

Phone: 465-4523

Date: 3/19/85

Date: _____

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. CSSB 56 (Fin)
Title: Longevity Bonus

Sponsor: _____
Requestor: Senate Finance
Date of Request: 3/19/85

FISCAL DETAIL

Agency Affected: Health & Social Services
Program Category Affected: Social & Econ. Assistance for the General Population
BRU, Program or Subprogram(s) Affected: Medical Assistance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING	0	0	0	0	0	0
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: *Jan Faiks* Phone: 465-4523
 Division: Jan Faiks, Co-Chairman Date: 3/19/85
Senate Finance Committee
 Approved by Commissioner: _____ Date: _____
 Agency: _____

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. CSSB 56 (Fin)
Title: Longevity Bonus

Sponsor: _____
Requestor: Senate Finance
Date of Request: 3/19/85

FISCAL DETAIL

Agency Affected: Dept. of Administration
Program Category Affected: Centralized Administrative Services
BRU, Program or Subprogram(s) Affected: Data Processing Services/Annuity Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING	0	0	0	0	0	0
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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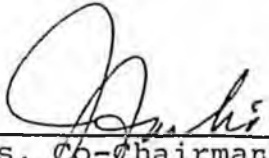
FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By:  Phone: 465-4523
Division: Jan Faiks, Co-Chairman Date: 3/19/85
Senate Finance Committee
Approved by Commissioner: _____ Date: _____
Agency: _____

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. CSSB 56 (Fin)
Title: Longevity Bonus

Sponsor: _____
Requestor: Senate Finance
Date of Request: 3/19/85

FISCAL DETAIL

Agency Affected: Department of Administrative
Program Category Affected: _____
Labor Services
BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING	0	0	0	0	0	0
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: *Jan Faiks* Phone: 465-4523
Division: Jan Faiks / Co-Chairman Date: 3/19/85
Senate Finance Committee
Approved by Commissioner: _____ Date: _____
Agency: _____

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 56 (Fin)
Title: Longevity Bonus

FISCAL DETAIL

Agency Affected: Dept. of Revenue
Program Category Affected: _____

Sponsor: _____
Requestor: Senate Finance
Date of Request: 3/19/85

BRU, Program or Subprogram(s) Affected:
Treasury

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING	0	0	0	0	0	0
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	0	0	0	0	0
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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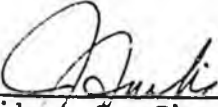
FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By:  Phone: 465-4523
Division: Jan Faiks, Co-Chairman Date: 3/19/85
Senate Finance Committee
Approved by Commissioner: _____ Date: _____
Agency: _____

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: March 18, 1985

Page 1 of 2

REQUEST

Bill/Resolution No.: CSSB 56 (Judiciary)
Title: Longevity Bonus/Annuity Program

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: Social and Economic Assistance for the Aged
BRU, Program or Subprogram(s) Affected: Longevity Bonus Program and Pioneers' Homes

Sponsor: Ray
Requestor: _____
Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	10.0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	(1,712.4)	(1,712.4)	(1,712.4)	(1,712.4)	(1,712.4)
800 MISCELLANEOUS	0	0	0	0	0	0
<u>TOTAL OPERATING</u>	0	(1,702.4)	(1,712.4)	(1,712.4)	(1,712.4)	(1,712.4)
<u>CAPITAL</u>	0	0	0	0	0	0
<u>REVENUE</u>	0	(399.0)	(399.0)	(399.0)	(399.0)	(399.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	(1,303.4)	(1,313.4)	(1,313.4)	(1,313.4)	(1,313.4)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<u>TOTAL</u>	0	(1,303.4)	(1,313.4)	(1,313.4)	(1,313.4)	(1,313.4)

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Joyce Munson
Division: Pioneers' Benefits

Phone: 465-4400
Date: March 18, 1985

Approved by Commissioner: Lisa Rudd
Agency: Department of Administration

Date: 3/19/85

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

CSSB 56 (Judiciary)
Fiscal Note Analysis
Prepared by Division of Pioneers' Benefits
Department of Administration
March 18, 1985

ASSUMPTIONS

This version of the bill makes persons who reside in nursing homes and government operated mental health facilities ineligible for the Longevity Bonus.

This fiscal note addresses administrative costs for the Longevity Bonus Program, as well as the impact on the Pioneers' Homes.

Two payment systems will be run in the Longevity Bonus Program. The first would pay a monthly target amount for those eligibles age 65 before January 1, 1986. The second would pay monthly payments, varying each year, for those age 65 after January 1, 1986. The second system would be impacted by information from the Annuity program. Since information from the Annuity program is not available, the impact cannot be calculated for this fiscal note.

FY 86 Longevity Bonus Administrative Costs (Start-up)

Contractual Services	\$10,000
----------------------	----------

Computer System Modification by Contractor

The Longevity Bonus program would need additional resources for modifications to data processing files.

Printing Costs already in 86 Budget

FY 87 Longevity Bonus Administrative Costs (Operations)

No Additional Costs

ASSUMPTIONS

1. Those persons who would be affected in mental health facilities, Pioneers' Homes and nursing homes was approximately 608 as of February 1985. For the purpose of this fiscal note, it is assumed this number will remain unchanged. (608 x 12 x \$250 = \$1,824,000 saving)
2. There are approximately 133 nursing care residents of the Pioneers' Homes who use the Longevity Bonus to pay their monthly charges for care. Loss of the Longevity Bonus to these people would result in loss of revenue as program receipts for the Pioneers' Homes. (133 x 12 x \$250 = \$399,000 est. loss of program receipts)
3. Of the approximately 133 residents in Pioneers' Homes who would be affected, approximately 93 would have incomes reduced to the point they would become eligible for the monthly stipend payable under AS 47.25.020 (b) and (c). (93 x 12 x \$100 = \$111,600)

No consideration has been given to persons who may occupy the Juneau Pioneers' Home beginning in FY 88 because information is not available at this time about their income or needs.

Offered: 3/19/85
Referred: Rules

Original sponsors: Ray, Halford,
Bennett, et al

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 56 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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

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

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

11 (1) it is in the public interest to continue the longevity bonus
12 program; however, as oil reserves decline over the years, it will become
13 increasingly difficult to provide the benefits of the longevity bonus
14 program through the general fund; as a result, that program must be phased
15 out over the years;

16 (2) it is appropriate that individuals save for their own re-
17 tirement, and it is also appropriate that the state establish both means
18 and incentives for Alaska residents to set aside retirement funds; accord-
19 ingly, it is a purpose of this legislation to create an annuity program;

20 (3) many retired Alaskans have made their retirement plans in
21 reliance on the availability of both the existing longevity bonus and the
22 permanent fund dividend; accordingly, the legislature finds that it is
23 appropriate to continue both those programs for these individuals;

24 (4) the most suitable source of funds for the annuity program
25 created by this Act are those permanent fund earnings currently distributed
26 as dividends; therefore this Act provides that the annual permanent fund
27 dividend of younger Alaskans may be applied to annuity accounts unless the
28 individual alternatively elects to receive cash; in so doing, this Act will
29 promote wise stewardship of the permanent fund by giving each participant a

1 direct financial stake in its long-term profitability; and

2 (5) neither the longevity bonus program, nor the annuity pro-
3 gram, should be viewed as a form of welfare; other state and federal pro-
4 grams are available to meet the basic necessities of life, and amounts
5 received by an individual under this Act are not calculated on the basis of
6 need.

7 * Sec. 2. AS 43.23.005(c) is amended to read:

8 (c) A parent, guardian, or other authorized representative may
9 claim a permanent fund dividend on behalf of an unemancipated minor or
10 on behalf of an incompetent individual who is eligible to receive a
11 dividend [PAYMENT] under this section.

12 * Sec. 3. AS 43.23.005 is amended by adding a new subsection to read:

13 (d) A person who is eligible to receive a permanent fund divi-
14 dend under this section, or who is authorized to claim a dividend on
15 behalf of another under (c) of this section, may elect to receive the
16 dividend either in cash or as an annuity credit. Alternatively, a
17 person may elect to receive 25 percent, 50 percent, or 75 percent of
18 the dividend in cash and the remainder as an annuity credit. A person
19 who is 65 years of age before January 1, 1986, may only receive cash
20 and may not elect to receive an annuity credit.

21 * Sec. 4. AS 43.23.015(a) is amended to read:

22 (a) The commissioner shall adopt regulations under the Adminis-
23 trative Procedure Act (AS 44.62) establishing the process for de-
24 termining the eligibility of individuals for permanent fund dividends.
25 The commissioner may require an individual to provide proof of eli-
26 gibility, and the commissioner may use other information available
27 from other state departments or agencies to determine the eligibility
28 of an individual.

29 * Sec. 5. AS 43.23.015(b) is amended to read:

1 (b) The department shall prescribe and furnish an application
2 form for claiming a permanent fund dividend. The application must
3 contain a statement of eligibility and a certification of residency in
4 substantially the following form:

5 I certify that

6 () I am a state resident on the date of this application
7 and I have been a state resident for at least six months immediately
8 preceding the date of this application; or

9 () (name), the individual on whose behalf I am applying,
10 is a state resident and has been a state resident for at least six
11 months immediately preceding the date of this application.

12 I understand that a false claim of residency to obtain a perma-
13 nent fund dividend for myself or for another is a criminal offense and
14 that if convicted I will forfeit future permanent fund dividends and
15 that I will lose or must repay all permanent fund dividends that have
16 been credited or paid to me. I understand that this penalty is in
17 addition to any criminal penalties imposed.

18 _____
19 (signature of individual, parent,
20 guardian, or other authorized
21 representative)

22 * Sec. 6. AS 43.23.015(e) is amended to read:

23 (e) If a public agency claims a [PERMANENT FUND] dividend on
24 behalf of an individual under this section, the public agency shall
25 elect 100 percent cash under AS 43.23.005(d) and hold the dividend in
26 trust for the individual. Money held in trust under this subsection
27 shall be invested by the commissioner in accordance with AS 37.10.070.

28 * Sec. 7. AS 43.23.015(f) is amended to read:

29 (f) A minor or an incompetent individual may not maintain a

1 claim against the state or an officer or employee of the state based
2 either on the manner in which the parent, guardian, or authorized
3 representative other than a public agency of the state managed or
4 disposed of permanent fund dividends received on behalf of the minor
5 or incompetent, or an election made or not made on that individual's
6 behalf under AS 43.23.005(d) [INDIVIDUAL].

7 * Sec. 8. AS 43.23.015 is amended by adding a new subsection to read:

8 (i) The permanent fund dividend application form shall be pre-
9 pared to allow an applicant, other than a person who is exempt under
10 AS 47.45.015(b), to elect to receive the dividend either in cash or as
11 an annuity credit.

12 * Sec. 9. AS 43.23.035 is amended to read:

13 Sec. 43.23.035. PENALTIES AND ENFORCEMENT. (a) In addition to
14 any criminal penalties imposed by state law, if an individual is
15 convicted of a crime in connection with a false statement made in a
16 certification required under AS 43.23.015, and the conviction is not
17 reversed, that individual forfeits all permanent fund dividends cred-
18 ited or paid, together with any interest credited to that individual's
19 annuity account and is not eligible for a future permanent fund divi-
20 dend.

21 (b) If the commissioner determines that a cash [PERMANENT FUND]
22 dividend should not have been claimed by or paid to an individual, the
23 commissioner may use all collection procedures or remedies available
24 for collection of taxes under this title to recover the payment of a
25 permanent fund dividend that was improperly made. A notice of an
26 improperly paid dividend must be sent to the individual within 10
27 years after the improper payment. If notice is not sent within the
28 10-year period, proceedings may not be commenced in court for recovery
29 of the improper payment.

1 * Sec. 10. AS 43.23.035 is amended by adding a new subsection to read:

2 (c) If the commissioner determines that a permanent fund divi-
3 dend should not have been credited to an individual's annuity account,
4 the commissioner may, after notice and opportunity for hearing, direct
5 the commissioner of administration to debit the individual's annuity
6 account for the amount wrongly credited. If the credit is the fault
7 of the individual, the debit must be made within 10 years. If the
8 credit is the fault of the state, the debit must be made within three
9 years.

10 * Sec. 11. AS 43.23.055 is amended to read:

11 Sec. 43.23.055. DUTIES OF THE DEPARTMENT. The department shall

12 (1) annually make payments to individuals who are 65 years
13 of age before January 1, 1986, and to individuals who elect to receive
14 cash under AS 43.23.005(d) [PAY PERMANENT FUND DIVIDENDS FROM THE
15 DIVIDEND FUND];

16 (2) adopt regulations under the Administrative Procedure
17 Act (AS 44.62) that establish procedures and time limits for claiming
18 a permanent fund dividend or for electing an annuity credit; the de-
19 partment shall set the time limit for applications for permanent fund
20 dividends so that the number of eligible applicants is determined by
21 October 1 of the year for which the dividend is declared and permanent
22 fund dividends for a year are paid before April 30 of the year follow-
23 ing that year;

24 (3) adopt regulations under the Administrative Procedure
25 Act (AS 44.62) that establish procedures and time limits for an indi-
26 vidual upon emancipation or upon reaching majority to apply for perma-
27 nent fund dividends not credited or received during minority because
28 the parent, guardian, or other authorized representative did not apply
29 on behalf of the individual; [AND]

1 (4) assist residents of the state, particularly in rural
2 areas, who because of language, disability, or inaccessibility to
3 public transportation need assistance to establish eligibility and to
4 apply for permanent fund dividends; and

5 (5) provide the commissioner of administration with infor-
6 mation necessary to maintain individual annuity account records and
7 administer the annuity program.

8 * Sec. 12. AS 43.23.065 is amended to read:

9 Sec. 43.23.065. EXEMPTION OF PERMANENT FUND DIVIDENDS. Fifty
10 percent of a cash [THE ANNUAL] permanent fund dividend payment [PAY-
11 ABLE TO AN INDIVIDUAL] is exempt from levy, execution, garnishment,
12 attachment, or any other remedy for the collection of debt. This
13 exemption applies to an eligible individual's permanent fund dividend
14 both before and after payment is made to the individual. An exemption
15 is not available under this section for cash permanent fund dividend
16 payments [DIVIDENDS] taken to satisfy (1) child support obligations
17 required by court order or decision of the child support enforcement
18 agency under AS 47.23.140 - 47.23.220; (2) a debt owed by an eligible
19 individual to an agency of the state, unless the debt is contested and
20 an appeal is pending, or the time limit for filing an appeal has not
21 expired; or (3) court ordered restitution under AS 12.55.045 - 12.55.-
22 051 or 12.55.100. A child support obligation under (1) of this sec-
23 tion has priority over a debt owed to an agency of the state, and a
24 permanent fund dividend may not be taken to satisfy a debt under (2)
25 of this section until any portion of the dividend necessary to satisfy
26 a child support obligation has been taken.

27 * Sec. 13. AS 43.23.065 is amended by adding new subsections to read:

28 (b) The department shall require an individual to take 100
29 percent of the permanent fund dividend in cash if the department

1 receives a levy, execution, garnishment, attachment or other legal
2 remedy for the collection of a past due debt described in (a)(1) or
3 (2) of this section.

4 (c) The courts of this state may, as a condition of any civil
5 judgment or restitution order under AS 12.55.045 - 12.55.051 or 12.-
6 55.100, require the defendant to take the defendant's permanent fund
7 dividend in cash.

8 * Sec. 14. AS 43.23.075 is amended to read:

9 Sec. 43.23.075. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In
10 determining the eligibility of an individual under a public assistance
11 program administered by the Department of Health and Social Services
12 in which eligibility for assistance is based on financial need, the
13 Department of Health and Social Services may not consider a permanent
14 fund dividend as income or resources received by the recipient of
15 public assistance or by a member of the recipient's household unless
16 required to do so by federal law or regulation. The Department of
17 Health and Social Services shall notify all recipients of public
18 assistance of the effects of [RECEIVING] a permanent fund dividend
19 credit or cash payment.

20 (b) An individual who is denied medical assistance under 42
21 U.S.C. 1396 - 1396p (Social Security Act, Title XIX) solely because of
22 the credit or receipt of a permanent fund dividend by the individual
23 or by a member of the individual's household is eligible for state-
24 funded medical assistance under the general relief assistance program
25 (AS 47.25.120 - 47.25.300). The individual is entitled to receive,
26 for a period not to exceed four months, the same level of medical
27 assistance as the individual would have received under 42 U.S.C.
28 1396 - 1396p (Social Security Act, Title XIX) had there been no perma-
29 nent fund dividend program.

1 (c) An individual who is denied assistance solely because perma-
2 nent fund dividends credited to or received by the individual or by a
3 member of the individual's household are counted as income or re-
4 sources under federal law or regulation is eligible for cash assis-
5 tance under the general relief assistance program (AS 47.25.120 -
6 47.25.300). Notwithstanding the limit in AS 47.25.130, the individual
7 is entitled to receive, for a period not to exceed four months, the
8 same amount as the individual would have received under other public
9 assistance programs had there been no permanent fund dividend program.

10 * Sec. 15. AS 43.23.095(6) is repealed and reenacted to read:

11 (6) "permanent fund dividend" means a credit to an annuity
12 account or a cash payment under this chapter;

13 * Sec. 16. AS 43.23 is amended by adding new sections to read:

14 ARTICLE 2. ANNUITY PROGRAM.

15 Sec. 43.23.110. ANNUITY INVESTMENT FUND. (a) The annuity
16 investment fund is established as a separate fund in the state trea-
17 sury. The annuity investment fund consists of money transferred from
18 the dividend fund and income earned by the annuity investment fund.
19 Notwithstanding AS 37.13.145, an amount equal to the permanent fund
20 dividends taken as annuity credits under this chapter shall be
21 annually transferred from the dividend fund to the annuity investment
22 fund.

23 (b) Money in the annuity investment fund shall be invested by
24 the commissioner of revenue in investments authorized under AS 39.-
25 35.110. The commissioner of administration shall credit the net
26 income of the annuity investment fund to the individual annuity ac-
27 counts.

28 (c) The legislature may annually appropriate to the Department
29 of Administration an amount sufficient to pay monthly annuity payments

1 for the subsequent fiscal year under AS 43.23.130 from the annuity
2 investment fund. Funds appropriated under this subsection shall be
3 transferred from the annuity investment fund to the Department of
4 Administration in order to meet the current demands of the annuity
5 program.

6 (d) The legislature may annually appropriate from the annuity
7 investment fund an amount sufficient to administer the annuity pro-
8 gram. Any costs of administration funded under this subsection shall
9 be allocated equitably among all individual annuity accounts.

10 (e) Notwithstanding AS 39.35.110 or (b) of this section, the
11 commissioner of revenue may invest all or part of the annuity invest-
12 ment fund in commercial insurance contracts purchased from insurance
13 companies that have a Best's policyholders' rating of A or better and
14 belong to Best's financial size Group XV at the time of purchase.

15 Sec. 43.23.120. ANNUITY PROGRAM. (a) The annuity program is
16 administered by the commissioner of administration. The commissioner
17 of administration shall adopt regulations necessary to implement the
18 annuity program.

19 (b) The commissioner of administration shall maintain records of
20 individual annuity accounts and make annuity payments under AS 43.23.-
21 130.

22 Sec. 43.23.130. PAYMENT OF ANNUITIES. (a) An individual with
23 one or more annuity credits may receive an annuity upon reaching the
24 age of 65.

25 (b) An annuity under this section is a monthly payment based
26 upon the principal and accrued interest in the person's annuity ac-
27 count. An annuity shall be paid as a straight life annuity or other
28 payment plan authorized by the commissioner of the Department of
29 Administration. The size of the annuity may not vary on account of

1 the individual's sex.

2 (c) An individual need not be a resident of the state to be
3 eligible to received an annuity payment from the individual's account.

4 (d) Except as provided in (b) and (e) of this section, an annu-
5 ity account may not be assigned, sold, or otherwise transferred from
6 one individual to another.

7 (e) If a person elects to credit a permanent fund dividend to an
8 annuity account in a particular year, that person may make an irrevoc-
9 cable choice regarding death benefits with respect to that credit. If
10 a person dies before age 65 and that person has selected death bene-
11 fits in at least one year, a lump sum payment shall, subject to appro-
12 priation, be paid to the surviving spouse by right of survivorship
13 unless a different beneficiary was designated. When no spouse sur-
14 vives and no beneficiary is designated, the lump sum shall be paid to
15 the decedent's estate. The lump sum payment includes all dividends
16 credited to the person's annuity account in years in which death
17 benefits were selected and interest on those dividends. Dividends
18 credited to a person's annuity account in years for which death bene-
19 fits were not selected and interest on those dividends shall, if the
20 person dies before age 65, be distributed equitably among the annuity
21 accounts of all individuals for which death benefits were not select-
22 ed.

23 (f) An individual does not receive a vested property right in an
24 annuity payment until that payment is made. Notwithstanding this
25 section, the state is not obligated to provide annuity payments for
26 annuity credits granted under AS 43.23.005.

27 * Sec 17. AS 47.45.010(a) is amended to read:

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

1 longevity bonus under this chapter may apply to the commissioner of
2 administration for qualification to receive a monthly bonus [OF \$250].

3 * Sec. 18. AS 47.45 is amended by adding a new section to read:

4 Sec. 47.45.015. AMOUNT OF BONUS. (a) Except as provided in (b)
5 of this section, the monthly longevity bonus is equal to \$250, minus
6 the maximum possible straight life annuity for a person 65 years of
7 age under the annuity program (AS 43.23.110 - 43.23.130), as deter-
8 mined by the commissioner of administration.

9 (b) A person who is 65 years of age before January 1, 1986, is
10 entitled to the full longevity bonus payment without reduction for the
11 annuity program.

12 * Sec. 19. AS 47.45.070 is amended to read:

13 Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is
14 one who

15 (1) does not meet the age or residence requirements as
16 provided for under this chapter;

17 (2) meets the age and residence requirements of this chap-
18 ter but either is confined in a state or federal mental health insti-
19 tution or facility and is certified by the state as unable to manage
20 personal affairs, or resides in a nursing home as that term is defined
21 in AS 08.70.180; however, if that person, at the time of commitment or
22 commencement of residence, provided the principal support of a spouse,
23 the commissioner of administration may determine to pay the confined
24 person's bonus to the person's spouse until the spouse is qualified
25 for a bonus;

26 (3) is otherwise qualified but confined in a penal or
27 correctional institution or facility; upon completion of sentence or
28 upon the conferral of a pardon, parole or probation, the person may
29 make application; confinement outside the state shall be considered as

1 residence in the state if a person was convicted and sentenced from a
2 court in Alaska; revocation of parole or probation shall be cause for
3 immediate disqualification until release from confinement is again
4 effected;

5 (4) voluntarily leaves the state and remains absent from
6 the state for a continuous period of more than 180 days.

7 * Sec. 20. Section 11, ch. 38, SLA 1984 is amended to read:

8 Sec. 11. Sections 7 and 9 of this [THIS] Act [AND AS 47.45] are
9 repealed June 30, 1985.

10 * Sec. 21. AS 43.23.045(c) is repealed.

11 * Sec. 22. This Act applies only to permanent fund dividends for years
12 beginning after December 31, 1985. Notwithstanding the amendments to
13 AS 43.23 made by this Act, permanent fund dividends for 1985 and prior
14 years shall be made under the law as it existed before the effective date
15 of this Act.

16 * Sec. 23. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

3/28/85

Fiscal notes received
after bill R/S of
Senate Finance.
Currently in H. Fin.
Copies provided Carol
& Shiela this date

Kathy

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____
Page 1 of 2

FISCAL DETAIL
Agency Affected: Department of Administration
Program Category Affected: _____
Labor services
BRU, Program or Subprogram(s) Affected: _____

56 (Fin)
ie _____

(Thousands of Dollars)

Operating	.. 85	FY 86	FY 87	FY 88	FY 89	FY 90
100 Personal Svcs		109.1	132.5	139.1	146.1	153.4
100 Rtmnt & Bnfts						
200 Travel						
300 Contractual		20.0	28.1	29.5	31.0	32.6
400 Supplies		8.0	8.4	8.8	9.3	9.7
500 Equipment		12.0				
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	149.1	169.0	177.4	186.4	195.7

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		149.1				
FEDERAL FUNDS						
OTHER			169.0	177.4	186.4	195.7
TOTAL	-0-	149.1	169.0	177.4	186.4	195.7

POSITIONS: -0-

FULL-TIME		3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

J.K. Humphreys

Prepared By: J.K. Humphreys, Director *JKH* Phone: 465-4470
Division: Retirement & Benefits Date: 3/26/85

Approved by Commissioner: Lisa Rudd *LRR* Date: 3/27/85
Agency: Department of Administration

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

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____ Page 1 of 2

REQUEST
 Bill/Resolution No.: CSSB 56 (Fin)
 Title: An Act amending the
longevity bonus program
 Sponsor: Finance
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Department of Administration
 Program Category Affected: _____
Labor services
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
100 Personal Svcs		109.1	132.5	129.1	146.1	153.4
100 Rtmnt & Bnfts						
200 Travel						
300 Contractual		20.0	28.1	29.5	31.0	32.6
400 Supplies		8.0	8.4	8.8	9.3	9.7
500 Equipment		12.0				
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
TOTAL OPERATING	-0-	149.1	169.0	177.4	186.4	195.7
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

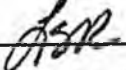
GENERAL FUND		149.1				
FEDERAL FUNDS						
OTHER			169.0	177.4	186.4	195.7
TOTAL	-0-	149.1	169.0	177.4	186.4	195.7

POSITIONS: -0-

FULL-TIME		3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared By: J.K. Humphreys, Director  Phone: 465-4470
 Division: Retirement & Benefits Date: 3/26/85

Approved by Commissioner: Lisa Rudd  Date: 3/27/85
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

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

CS Senate Bill 56 (Finance)
Fiscal Note Analysis
Prepared by Division of Retirement & Benefits
Department of Administration

March 26, 1985

IV: Analysis: This Fiscal Note addresses costs in the Labor Services Program Category. Except for FY 86, the cost of the annuity program is anticipated to be borne entirely by the participants. We estimate that three full-time employees will be needed to administer this program on a continuing basis. We estimate that the program supervisor and chief accountant will be needed for the entire first year to assist in the development and analysis of the computer system needs with the other staff member being needed for only half of FY 86 to assist with the implementation and testing.

We are basing this Fiscal Note on the assumption that the Department of Revenue will supply information as to age, beneficiary elections, and address for those who elect to participate in the annuity program. This is critical.

We estimated an inflation rate of 5% in all categories. We assumed that General Funds would be needed for FY 86 and "other funds" would be available for FY 87 and later years.

We estimate that three positions are needed to administer this program.

Supervisor: Retirement & Benefits Specialist III
Accountant: Accountant II
Technician: Retirement & Benefits Technician I/II
(6 months FY86, full-time thereafter)

We propose that a notification would be developed in consultation with the Department of Revenue and would be sent to all Alaska boxholders to inform them of the provisions of the bill and to advise them of the contact persons or agencies. We estimate an annual cost of \$20.0 for independent audits. We also propose that there will be annual statements of account that will be sent to approximately 25,000 participants. This cost is estimated to be \$7.1 beginning in FY 87.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 4

REQUEST

Bill/Resolution No.: CSSB 56 (Fin)
 Title: An Act amending the longevity
 bonus program
 Sponsor: Finance
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Department of Administration
 Program Category Affected: _____
Centralized Administrative Services
 BRU, Program or Subprogram(s) Affected: _____
Data Processing Services/Annuity Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
100 Personal Svcs		60.0	63.0	66.2	69.5	72.9
100 Rtmnt & Bnfts						
200 Travel						
300 Contractual		20.0	21.0	22.0	23.2	24.3
400 Supplies		.5	.5	.6	.6	.6
500 Equipment		4.0	4.2	4.4	4.6	4.9
600 Land & Struct						
700 Grants, Claims						
700 IRS Match						
TOTAL OPERATING	-0-	84.5	88.7	93.2	97.9	102.7
CAPITAL		600.0				
REVENUE						


FUNDING: (Thousands of Dollars)

GENERAL FUND		684.5				
FEDERAL FUNDS						
OTHER			88.7	93.2	97.9	102.7
TOTAL	-0-	684.5	88.7	93.2	97.9	102.7

POSITIONS: -0-

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared By: J.K. Humphreys, Director  Phone: 465-4470
 Division: Retirement & Benefits Date: 3/26/85

Approved by Commissioner: Lisa Rudd  Date: 3/27/85
 Agency: Department of Administration

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

CS Senate Bill 56 (Finance)
Fiscal Note Analysis
Prepared by Division of Retirement & Benefits
Department of Administration

March 26, 1985

IV Analysis: This Fiscal Note addresses costs in the Data Processing Services BRU. We estimate that the annuity program will be fully automated to reduce the need for staff. We estimate that system analysis, development and construction costs would be \$600,000 and would be a capital appropriation from General Funds. A breakdown of the \$600,000 estimate for capital costs is attached (see pp. 3 & 4).

We anticipate the need for one full-time programmer/analyst IV to provide guidance in the development of the annuity systems with the contractors and, after implementation, to provide ongoing maintenance. We also estimate a cost of \$20.0 for computer records storage and operation costs.

We estimated an inflation rate of 5%. Further, we have assumed that General Funds would be needed to fund FY 86 and that "other funds" would be available for FY 87 and later years.

State Of Alaska	Bill: SB-56
SMALL PROJECT - General Purpose Form	-----
Project Name: Longevity Bonus/PFD - Estimation Assumptions & Summary	
Prepared By: Gene Chittenden	Date: 03/19/85

Estimation Assumptions:

1. System will not be front loaded with any monetary data.
2. System will need to interface with the Permanent Fund Data Bases.
3. System will need online access to all fields.
4. System will need to track beneficiaries as well as participants.
5. System will need to spread interest on some regularly established basis.
6. System will need to create annual account balance statements.
7. System will need to keep track of deposits.
8. System will need to keep track of withdrawals.
9. System will need to keep track of annuity options.
10. System will need to keep track of totals for federal income tax reporting.
11. System will need to create and log transfer vouchers for reserve transfers.
12. System will need to create and log transfer vouchers for annuitants.
13. System will need to keep accurate data for the following fields at a minimum:
 - a. Name (first, middle initial, last)
 - b. Mailing address (street, city, state, and zip)
 - c. Marital status (Single or Married only)
 - d. Dates of birth and death
 - e. Beneficiary, survivor and permanent contact information
 - f. Account number
 - g. Front loaded deposits/withdrawals, reason and date
 - h. PFD deposits/withdrawals, reason and date
 - i. Date annuity started and option chosen
 - j. Interest deposits/withdrawals, reason and date
 - k. YTD and ITD netted figures for all monetary fields
14. System will need to have an acceptable level of security built in.
15. System will have to use standard accounting practices of double entry bookkeeping.
16. System will not require any additional hardware or software packages, either for JDC or the Division of Retirement and Benefits.

Estimation Summary:

Based on the detailed estimate following, this system will take approximately 5.15 man-years to build at a cost of \$600,000.

Additionally, this system would be estimated to have 25,000 executable lines of code which would require approximately 1.25 maintenance people per year for data processing. Costs vary depending on grade level and seniority of persons assigned to maintain this system.

State Of Alaska	Bill: SB-56
SMALL PROJECT - Project Estimation	-----
Project Name: Longevity Bonus/PFD	
Prepared By: Gene Chittenden	Date: 03/19/85

TASK	DESCRIPTION	EST HOURS	EST RATE	EST COST
1.00	General design phase			
.1	System definition	300	65	19,500
.2	System plan	300	65	19,500
.3	User requirements	320	65	20,800
.4	Hardware Requirements	120	65	7,800
.5	Software selection	215	65	13,975
.6	System narrative	205	65	13,325
.7	System flow	220	65	14,300
.8	Data Dictionary	400	55	22,000
.9	Approvals, miscellaneous meetings, etc.	200	65	13,000
I.	Estimated Phase Totals	2280	n/a	144,200
2.00	Detail design phase			
.1	Systems design	400	65	26,000
.2	Subsystems design	450	65	29,250
.3	Subsystem flows	280	65	18,200
.4	Input/output design	410	65	26,650
.5	Data Base design	420	65	27,300
.6	Program design and specification	850	65	55,250
.7	General design update	220	65	14,300
.8	Data Dictionary update	500	55	27,500
.9	Approvals, walk-thrus, meetings, etc.	170	65	11,050
II.	Estimated Phase Totals	3700	n/a	235,500
3.00	Programming and Implementation phase			
.1	Programming	1420	50	71,000
.2	Unit testing	1100	50	55,000
.3	Integrated test plan	220	65	14,300
.4	System testing	200	50	10,000
.5	User manuals	200	65	13,000
.6	User training	160	65	10,400
.7	Project turnover	100	65	6,500
.8	General and detail design update	180	65	11,700
.9	Data Dictionary update	280	55	15,400
.10	Approvals, walk-thrus, meetings, etc.	200	65	13,000
III.	Estimated Phase Totals	4060	n/a	220,300
	Estimated Project Total	10040	n/a	600,000

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: March 21, 1985

Page 1 of 2

REQUEST

Bill/Resolution No.: CSSB 56 (Finance)
Title: Longevity Bonus/Annuity Program

Sponsor: Ray

Requestor: _____

Date of Request: _____

FISCAL DETAIL

Agency Affected: Administration

Program Category Affected: Social and Economic Assistance for the Aged

BRU, Program or Subprogram(s) Affected: _____

Longevity Bonus Program and Pioneers' Homes

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	10.0	0	0	0	0
400 SUPPLIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS	0	(1,712.4)	(1,712.4)	(1,712.4)	(1,712.4)	(1,712.4)
800 MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	(1,702.4)	(1,712.4)	(1,712.4)	(1,712.4)	(1,712.4)

CAPITAL	0	0	0	0	0	0
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REVENUE	0	(399.0)	(399.0)	(399.0)	(399.0)	(399.0)
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	(1,303.4)	(1,313.4)	(1,313.4)	(1,313.4)	(1,313.4)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	(1,303.4)	(1,313.4)	(1,313.4)	(1,313.4)	(1,313.4)

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Joyce Murson, Director *JM*

Division: Pioneers' Benefits

Phone: 465-4400

Date: March 21, 1985

Approved by Commissioner: Lisa Rudd *LJR*

Agency: Department of Administration

Date: 3/27/85

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

CSSB 56 (Finance)
Fiscal Note Analysis
Prepared by Division of Pioneers' Benefits
Department of Administration
March 21, 1985 .

ASSUMPTIONS

This version of the bill would make persons who reside in nursing homes and government operated mental health facilities ineligible for the Longevity Bonus. This would have the effect of holding harmless those who would lose governmental benefits such as SSI, Adult Public Assistance and Medicare by receipt of the Longevity Bonus in other than Pioneers' Homes.

This fiscal note addresses administrative costs for the Longevity Bonus Program, as well as the impact on the Pioneers' Homes.

Two payment systems will be run in the Longevity Bonus Program. The first would pay a monthly target amount for those eligibles age 65 before January 1, 1986. The second would pay monthly payments, varying each year, for those age 65 after January 1, 1986. The second system would be impacted by information from the Annuity program. Since information from the Annuity program is not available, the impact cannot be calculated for this fiscal note.

FY 86 Longevity Bonus Administrative Costs (Start-up)

Contractual Services	\$10,000
Computer System Modification by Contractor	
The Longevity Bonus program would need additional resources for modifications to data processing files.	

Printing Costs already in 86 Budget

FY 87 Longevity Bonus Administrative Costs (Operations)

No Additional Costs

ASSUMPTIONS

1. The number of persons who would be affected in mental health facilities, Pioneers' Homes and nursing homes was approximately 608 as of February 1985. For the purpose of this fiscal note, it is assumed this number would remain unchanged. (608 x 12 x \$250 = \$1,824,000 saving)
2. There are approximately 133 nursing care residents of the Pioneers' Homes who use the Longevity Bonus to pay their monthly charges for care. Loss of the Longevity Bonus to these people would result in loss of revenue as program receipts for the Pioneers' Homes. (133 x 12 x \$250 = \$399,000 est. loss of program receipts)
3. Of the approximately 133 residents in Pioneers' Homes who would be affected, approximately 93 would have incomes reduced to the point they would become eligible for the monthly stipend payable under AS 47.25.020 (b) and (c). (93 x 12 x \$100 = \$111,600)

No consideration has been given to persons who may occupy the Juneau Pioneers' Home beginning in FY 88 because information is not available at this time about their income or needs.