

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984

2994

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4

TABLE 19. PERSONS 55 YEARS AND OVER BY AGE AND SEX
DILLINGHAM CENSUS DIVISION
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
<u>MALE</u>										
Number	205	227	68	74	59	46	65	68	13	39
Percent	100.0	100.0	33.2	32.6	28.8	20.3	31.7	30.0	6.3	17.2
<u>FEMALE</u>										
Number	118	178	46	66	33	50	22	48	17	14
Percent	100.0	100.0	39.0	37.1	28.0	28.1	18.6	27.0	14.4	7.9
<u>TOTAL</u>										
Number	323	405	114	140	92	96	87	115	30	53
Percent	100.0	100.0	35.3	34.6	28.5	23.7	26.9	28.6	9.3	13.1

TABLE 20. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
DILLINGHAM CENSUS DIVISION
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
<u>LIVING IN FAMILY HOUSEHOLD</u>				
Householder	62	53.0	98	58.0
Spouse	13	11.1	31	18.3
Relative	12	10.3	17	10.1
Nonrelative	8	6.8	2	1.2
Total	95	81.2	148	87.6
<u>LIVING ALONE</u>				
Males	11	9.4	9	5.3
Females	10	8.5	12	7.1
Total	21	17.9	21	12.4
<u>LIVING IN GROUP QUARTERS</u>				
Inmate of Institution	0	0.0	0	0.0
Other	1	0.9	0	0.0
Total	1	0.9	0	0.0
<u>TOTAL</u>	117	100.0	169	100.0

TABLE 21. PERSONS 55 YEARS AND OVER BY AGE AND SEX
FAIRBANKS NORTH STAR BOROUGH
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	1248	2009	599	817	340	541	219	480	90	171
Percent	100.0	100.0	48.0	40.7	27.2	26.9	17.5	23.9	7.2	8.5
FEMALE										
Number	932	1742	432	669	236	448	178	434	86	191
Percent	100.0	100.0	46.4	38.4	25.3	25.7	19.1	24.9	9.2	11.0
TOTAL										
Number	2180	3751	1031	1486	576	989	397	914	176	362
Percent	100.0	100.0	47.3	39.6	26.4	26.4	18.2	24.4	8.1	9.7

TABLE 22. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
FAIRBANKS NORTH STAR BOROUGH
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	145	25.3	394	30.9
Spouse	74	12.9	211	16.5
Relative	109	19.0	122	9.6
Nonrelative	23	4.0	36	2.8
Total	351	61.3	763	59.8
LIVING ALONE				
Males	92	16.1	173	13.6
Females	53	9.2	197	15.4
Total	145	25.3	370	29.0
LIVING IN GROUP QUARTERS				
Inmate of Institution	54	9.4	140	11.0
Other	23	4.0	3	0.2
Total	77	13.4	143	11.2
TOTAL	573	100.0	1276	100.0

TABLE 23. PERSONS 55 YEARS AND OVER BY AGE AND SEX
HAINES BOROUGH
1970 AND 1980

	Total		55-59 Years		-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
<u>MALE</u>										
Number	108	120	54	42	24	35	24	38	6	5
Percent	100.0	100.0	50.0	35.0	22.2	29.2	22.2	31.7	5.6	4.2
<u>FEMALE</u>										
Number	92	103	27	38	21	30	26	29	18	6
Percent	100.0	100.0	29.3	36.9	22.8	29.1	28.3	28.2	19.6	5.8
<u>TOTAL</u>										
Number	200	223	81	80	45	65	50	67	24	11
Percent	100.0	100.0	40.5	35.9	22.5	29.1	25.0	30.0	12.0	4.9

TABLE 24. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
HAINES BOROUGH
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
<u>LIVING IN FAMILY HOUSEHOLD</u>				
Householder	20	27.0	36	46.2
Spouse	13	17.6	22	28.2
Relative	9	12.2	5	6.4
Nonrelative	2	2.7	0	0.0
Total	44	59.5	63	80.8
<u>LIVING ALONE</u>				
Males	9	12.2	5	6.4
Females	3	4.1	10	12.8
Total	12	16.2	15	19.2
<u>LIVING IN GROUP QUARTERS</u>				
Inmate of Institution	18	24.3	0	0.0
Other	0	0.0	0	0.0
Total	18	24.3	0	0.0
<u>TOTAL</u>	74	100.0	78	100.0

TABLE 25. PERSONS 55 YEARS AND OVER BY AGE AND SEX
JUNEAU BOROUGH
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	804	944	326	365	219	225	186	274	73	80
Percent	100.0	100.0	40.5	38.7	27.2	23.8	23.1	29.0	9.1	8.5
FEMALE										
Number	706	1046	262	351	191	278	177	283	76	134
Percent	100.0	100.0	37.1	33.6	27.1	26.6	25.1	27.1	10.8	12.8
TOTAL										
Number	1510	1990	588	716	410	503	363	557	149	214
Percent	100.0	100.0	38.9	36.0	27.2	25.3	24.0	28.0	9.9	10.8

TABLE 26. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
JUNEAU BOROUGH
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	165	32.2	268	34.8
Spouse	87	17.0	145	18.8
Relative	95	18.6	76	9.9
Nonrelative	8	1.6	22	2.9
Total	355	69.3	511	66.3
LIVING ALONE				
Males	73	14.3	69	8.9
Females	79	15.4	171	22.2
Total	152	29.7	240	31.1
LIVING IN GROUP QUARTERS				
Inmate of Institution	5	1.0	20	2.6
Other	0	0.0	0	0.0
Total	5	1.0	20	2.6
TOTAL	512	100.0	771	100.0

TABLE 27. PERSONS 55 YEARS AND OVER BY AGE AND SEX
KENAI PENINSULA BOROUGH
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	838	1297	345	486	209	355	198	375	86	81
Percent	100.0	100.0	41.2	37.5	24.9	27.4	23.6	28.9	10.3	6.2
FEMALE										
Number	538	1068	212	399	140	298	141	258	45	113
Percent	100.0	100.0	39.4	37.4	26.0	27.9	26.2	24.2	8.4	10.6
TOTAL										
Number	1376	2365	557	885	349	653	339	633	131	194
Percent	100.0	100.0	40.5	37.4	25.4	27.6	24.6	26.8	9.5	8.2

TABLE 28. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
KENAI PENINSULA BOROUGH
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	148	31.5	293	35.4
Spouse	65	13.8	167	20.2
Relative	84	17.9	69	8.3
Nonrelative	12	2.6	13	1.6
Total	309	65.7	542	65.5
LIVING ALONE				
Males	104	22.1	142	17.2
Females	40	8.5	112	13.5
Total	144	30.6	254	30.7
LIVING IN GROUP QUARTERS				
Inmate of Institution	13	2.8	31	3.7
Other	4	0.9	0	0.0
Total	17	3.6	31	3.7
TOTAL	470	100.0	827	100.0

TABLE 29. PERSONS 55 YEARS AND OVER BY AGE AND SEX
KETCHIKAN GATEWAY BOROUGH
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	670	764	226	275	168	175	193	229	83	85
Percent	100.0	100.0	33.7	36.0	25.1	22.9	28.8	30.0	12.4	11.1
FEMALE										
Number	569	737	195	236	135	173	159	198	80	130
Percent	100.0	100.0	34.3	32.0	23.7	23.5	27.9	26.9	14.1	17.6
TOTAL										
Number	1239	1501	421	511	303	348	352	427	163	215
Percent	100.0	100.0	34.0	34.0	24.5	23.2	28.4	28.4	13.2	14.3

TABLE 30. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
KETCHIKAN GATEWAY BOROUGH
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	169	32.8	221	34.4
Spouse	83	16.1	123	19.2
Relative	55	10.7	31	4.8
Nonrelative	13	2.5	6	0.9
Total	320	62.1	381	59.3
LIVING ALONE				
Males	80	15.5	73	11.4
Females	45	16.5	105	16.4
Total	165	32.0	178	27.7
LIVING IN GROUP QUARTERS				
Inmate of Institution	27	5.2	75	11.7
Other	3	0.6	8	1.2
Total	30	5.8	83	12.9
TOTAL	515	100.0	642	100.0

TABLE 31. PERSONS 55 YEARS AND OVER BY AGE AND SEX
KOBUK CENSUS DIVISION
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	181	242	65	63	38	52	54	87	24	40
Percent	100.0	100.0	35.9	26.0	21.0	21.5	29.8	36.0	13.3	16.5
FEMALE										
Number	175	228	55	64	41	42	45	79	34	43
Percent	100.0	100.0	31.4	28.1	23.4	18.4	25.7	34.0	19.4	18.9
TOTAL										
Number	356	470	120	127	79	94	99	166	58	83
Percent	100.0	100.0	33.7	27.0	22.2	20.0	27.8	35.3	16.3	17.7

TABLE 32. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
KOBUK CENSUS DIVISION
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	80	51.0	126	50.6
Spouse	23	14.6	50	20.1
Relative	31	19.7	25	10.0
Nonrelative	2	1.3	1	0.4
Total	136	86.6	202	81.1
LIVING ALONE				
Males	8	5.1	21	8.4
Females	10	6.4	17	6.8
Total	18	11.5	38	15.3
LIVING IN GROUP QUARTERS				
Inmate of Institution	0	0.0	0	0.0
Other	3	1.9	9	3.6
Total	3	1.9	9	3.6
TOTAL	157	100.0	249	100.0

TABLE 33. PERSONS 55 YEARS AND OVER BY AGE AND SEX
KODIAK ISLAND BOROUGH
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	367	432	143	185	91	113	93	95	40	39
Percent	100.0	100.0	39.0	42.8	24.8	26.2	25.3	22.0	10.9	9.0
FEMALE										
Number	237	311	100	106	60	84	55	84	22	37
Percent	100.0	100.0	42.2	34.1	25.3	27.0	23.2	27.0	9.3	11.9
TOTAL										
Number	604	743	243	291	151	197	148	179	62	76
Percent	100.0	100.0	40.2	39.2	25.0	26.5	24.5	24.1	10.3	10.2

TABLE 34. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
KODIAK ISLAND BOROUGH
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	72	34.3	88	34.5
Spouse	33	15.7	45	17.6
Relative	36	17.1	25	9.8
Nonrelative	6	2.9	9	3.5
Total	147	70.0	167	65.5
LIVING ALONE				
Males	38	18.1	40	15.7
Females	17	8.1	41	16.1
Total	55	26.2	81	31.8
LIVING IN GROUP QUARTERS				
Inmate of Institution	1	0.5	5	2.0
Other	7	3.3	2	0.8
Total	8	3.8	7	2.7
TOTAL	210	100.0	255	100.0

TABLE 35. PERSONS 55 YEARS AND OVER BY AGE AND SEX
MATANUSKA-SUSITNA BOROUGH
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	485	953	168	345	116	237	143	276	58	95
Percent	100.0	100.0	34.6	36.2	23.9	24.9	29.5	29.0	12.0	10.0
FEMALE										
Number	333	840	131	276	95	205	80	243	27	116
Percent	100.0	100.0	39.3	32.9	28.5	24.4	24.3	28.9	8.1	13.8
TOTAL										
Number	818	1793	299	621	211	442	223	519	85	211
Percent	100.0	100.0	36.6	34.6	25.8	24.7	27.3	28.9	10.4	11.8

TABLE 36. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
MATANUSKA-SUSITNA BOROUGH
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	91	29.5	246	33.7
Spouse	47	15.3	156	21.4
Relative	34	11.0	63	8.6
Nonrelative	11	3.6	15	2.1
Total	183	59.4	480	65.8
LIVING ALONE				
Males	71	23.1	68	9.3
Females	27	8.8	81	11.1
Total	98	31.8	149	20.4
LIVING IN GROUP QUARTERS				
Inmate of Institution	2	0.6	100	13.7
Other	25	8.1	1	0.1
Total	27	8.8	101	13.8
TOTAL	308	100.0	730	100.0

TABLE 37. PERSONS 65 YEARS AND OVER BY AGE AND SEX
 NOME CENSUS DIVISION
 1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	310	375	117	125	68	73	92	130	33	47
Percent	100.0	100.0	37.7	33.3	21.9	19.5	29.7	34.7	10.6	12.5
FEMALE										
Number	259	314	100	87	59	65	73	119	27	43
Percent	100.0	100.0	38.6	27.7	22.8	20.7	28.2	37.9	10.4	13.7
TOTAL										
Number	569	689	217	212	127	138	165	249	60	90
Percent	100.0	100.0	38.1	30.8	22.3	20.0	29.0	36.1	10.5	13.1

TABLE 38. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
 NOME CENSUS DIVISION
 1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	113	50.2	179	52.8
Spouse	22	9.8	64	18.9
Relative	40	17.8	33	9.7
Nonrelative	4	1.8	5	1.5
Total	179	79.6	281	82.9
LIVING ALONE				
Males	24	10.7	33	9.7
Females	12	5.3	23	6.8
Total	36	16.0	56	16.5
LIVING IN GROUP QUARTERS				
Inmate of Institution	0	0.0	0	0.0
Other	10	4.4	2	0.6
Total	10	4.4	2	0.6
TOTAL	225	100.0	339	100.0

TABLE 39. PERSONS 55 YEARS AND OVER BY AGE AND SEX
NORTH SLOPE BOROUGH
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	140	187	45	67	38	39	40	62	17	19
Percent	100.0	100.0	32.1	35.8	27.0	20.9	28.6	33.2	12.1	10.2
FEMALE										
Number	102	144	42	45	22	32	23	52	15	15
Percent	100.0	100.0	41.2	31.3	21.6	22.2	22.5	36.1	14.7	10.4
TOTAL										
Number	242	331	87	112	60	71	63	114	32	34
Percent	100.0	100.0	36.0	33.8	24.8	21.5	26.0	34.4	13.2	10.3

TABLE 40. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
NORTH SLOPE BOROUGH
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	52	54.7	84	56.8
Spouse	13	13.7	34	23.0
Relative	16	16.8	15	10.1
Nonrelative	0	0.0	1	0.7
Total	81	85.3	134	90.5
LIVING ALONE				
Males	3	3.2	5	3.4
Females	7	7.4	7	4.7
Total	10	10.5	12	8.1
LIVING IN GROUP QUARTERS				
Inmate of Institution	1	1.1	0	0.0
Other	3	3.2	2	1.4
Total	4	4.2	2	1.4
TOTAL	95	100.0	148	100.0

TABLE 41. PERSONS 55 YEARS AND OVER BY AGE AND SEX
PRINCE OF WALES-OUTER KETCHIKAN
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	240	214	97	77	71	54	48	55	24	28
Percent	100.0	100.0	40.4	36.0	29.6	25.2	20.0	25.7	10.0	13.1
FEMALE										
Number	142	162	47	53	38	41	41	43	16	25
Percent	100.0	100.0	33.1	32.7	26.8	25.3	28.9	26.5	11.3	15.4
TOTAL										
Number	382	376	144	130	109	95	89	98	40	53
Percent	100.0	100.0	37.7	34.6	28.5	25.3	22.3	26.1	10.5	14.1

TABLE 42. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
PRINCE OF WALES-OUTER KETCHIKAN
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	56	43.4	54	42.4
Spouse	26	20.2	31	20.5
Relative	23	17.8	13	9.6
Nonrelative	1	0.8	1	0.7
Total	106	82.2	109	72.2
LIVING ALONE				
Males	12	9.3	20	13.2
Females	10	7.8	17	11.3
Total	22	17.1	37	24.5
LIVING IN GROUP QUARTERS				
Inmate of Institution	0	0.0	5	3.3
Other	1	0.8	0	0.0
Total	1	0.8	5	3.3
TOTAL	129	100.0	151	100.0

TABLE 43. PERSONS 55 YEARS AND OVER BY AGE AND SEX
SITKA BOROUGH
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	404	405	120	137	83	91	108	97	93	80
Percent	100.0	100.0	29.7	33.8	20.5	22.5	26.7	24.0	23.0	19.8
FEMALE										
Number	344	384	119	128	66	72	94	103	65	81
Percent	100.0	100.0	34.6	33.3	19.2	18.8	27.3	26.8	18.9	21.1
TOTAL										
Number	748	789	239	265	149	163	202	200	158	161
Percent	100.0	100.0	32.0	33.6	19.9	20.7	27.0	25.3	21.1	20.4

TABLE 44. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
SITKA BOROUGH
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	79	21.9	100	27.7
Spouse	46	12.8	57	15.8
Relative	27	7.5	28	7.8
Nonrelative	9	2.5	24	6.6
Total	161	44.7	209	57.9
LIVING ALONE				
Males	27	7.5	20	5.5
Females	30	8.3	45	12.5
Total	57	15.8	65	18.0
LIVING IN GROUP QUARTERS				
Inmate of Institution	141	39.2	64	17.7
Other	1	0.3	23	6.4
Total	142	39.4	87	24.1
TOTAL	360	100.0	361	100.0

TABLE 45. PERSONS 55 YEARS AND OVER BY AGE AND SEX
SKAGWAY-YAKUTAT-ANGOON CENSUS DIVISION
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	240	218	72	73	50	44	84	64	34	37
Percent	100.0	100.0	30.0	33.5	20.8	20.2	35.0	29.4	14.2	17.0
FEMALE										
Number	148	197	50	62	26	44	51	62	21	29
Percent	100.0	100.0	33.8	31.5	17.6	22.3	34.5	31.5	14.2	14.7
TOTAL										
Number	388	415	122	135	76	88	135	126	55	66
Percent	100.0	100.0	31.4	32.5	19.6	21.2	34.8	30.4	14.2	15.9

TABLE 46. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
SKAGWAY-YAKUTAT-ANGOON CENSUS DIVISION
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	76	40.0	85	44.3
Spouse	34	17.9	45	23.4
Relative	17	8.9	12	6.3
Nonrelative	4	2.1	4	2.1
Total	131	68.9	146	76.0
LIVING ALONE				
Males	42	22.1	20	10.4
Females	16	8.4	26	13.5
Total	58	30.5	46	24.0
LIVING IN GROUP QUARTERS				
Inmate of Institution	0	0.0	0	0.0
Other	1	0.5	0	0.0
Total	1	0.5	0	0.0
TOTAL	190	100.0	192	100.0

TABLE 47. PERSONS 55 YEARS AND OVER BY AGE AND SEX
SOUTHEAST FAIRBANKS CENSUS DIVISION
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	63	201	37	77	11	49	11	50	4	25
Percent	100.0	100.0	58.7	38.3	17.5	24.4	17.5	24.9	6.3	12.4
FEMALE										
Number	38	162	15	62	14	33	7	45	2	22
Percent	100.0	100.0	39.5	38.3	36.8	20.4	18.4	27.8	5.3	13.6
TOTAL										
Number	101	363	52	139	25	82	18	95	6	47
Percent	100.0	100.0	51.5	38.3	24.8	22.6	17.8	26.2	5.9	12.9

TABLE 48. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
SOUTHEAST FAIRBANKS CENSUS DIVISION
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	14	58.3	69	48.6
Spouse	7	29.2	28	19.7
Relative	0	0.0	14	9.9
Nonrelative	0	0.0	5	3.5
Total	21	87.5	116	81.7
LIVING ALONE				
Single	2	8.3	18	12.7
Widow	1	4.2	6	4.2
Other	3	12.5	24	16.9
GROUP QUARTERS				
Institution	0	0.0	0	0.0
Other	0	0.0	2	1.4
Total	0	0.0	2	1.4
TOTAL	24	100.0	142	100.0

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TABLE 49. PERSONS 55 YEARS AND OVER BY AGE AND SEX
VALDEZ-CORDOVA CENSUS DIVISION
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	373	458	142	174	107	113	86	123	38	48
Percent	100.0	100.0	38.1	38.0	28.7	24.7	23.1	26.9	10.2	10.5
FEMALE										
Number	211	349	88	145	58	80	43	89	22	35
Percent	100.0	100.0	41.7	41.5	27.5	22.9	20.4	25.5	10.4	10.0
TOTAL										
Number	584	807	230	319	165	193	129	212	60	83
Percent	100.0	100.0	39.4	39.5	28.3	23.9	22.1	26.3	10.3	10.3

TABLE 50. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
VALDEZ-CORDOVA CENSUS DIVISION
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	65	34.4	116	39.3
Spouse	22	11.6	45	15.3
Relative	10	5.3	25	8.5
Nonrelative	5	2.5	6	2.0
Total	102	54.0	192	65.1
LIVING ALONE				
Males	51	27.0	56	19.0
Females	24	12.7	36	12.2
Total	75	39.7	92	31.2
LIVING IN GROUP QUARTERS				
Inmate of Institution	8	4.2	6	2.0
Other	4	2.1	5	1.7
Total	12	6.3	11	3.7
TOTAL	189	100.0	295	100.0

TABLE 51. PERSONS 55 YEARS AND OVER BY AGE AND SEX
WADE HAMPTON CENSUS DIVISION
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	349	251	54	96	37	47	41	80	17	28
Percent	100.0	100.0	36.2	38.2	24.8	18.7	27.5	31.9	11.4	11.2
FEMALE										
Number	114	179	41	67	28	42	30	50	15	20
Percent	100.0	100.0	36.0	37.4	24.6	23.5	26.3	27.9	13.2	11.2
TOTAL										
Number	263	430	95	153	65	89	71	130	32	48
Percent	100.0	100.0	36.1	37.9	24.7	20.7	27.0	30.2	12.2	11.2

TABLE 52. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
WADE HAMPTON CENSUS DIVISION
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	50	48.5	118	66.3
Spouse	13	12.6	31	17.4
Relative	18	17.5	12	6.7
Nonrelative	1	1.0	1	0.6
Total	82	79.6	162	91.0
LIVING ALONE				
Males	10	9.7	7	3.9
Females	5	4.9	9	5.1
Total	15	14.6	16	9.0
LIVING IN GROUP QUARTERS				
Inmate of Institution	0	0.0	0	0.0
Other	6	5.8	0	0.0
Total	6	5.8	0	0.0
TOTAL	103	100.0	178	100.0

TABLE 53. PERSONS 55 YEARS AND OVER BY AGE AND SEX
WRANGELL-PETERSBURG CENSUS DIVISION
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	354	435	119	139	93	104	96	143	46	49
Percent	100.0	100.0	33.6	32.0	26.3	23.9	27.1	32.9	13.0	11.3
FEMALE										
Number	273	371	91	113	65	97	73	101	44	60
Percent	100.0	100.0	33.3	30.5	23.8	26.1	26.7	27.2	16.1	16.2
TOTAL										
Number	627	806	210	252	158	201	169	244	90	109
Percent	100.0	100.0	33.5	31.3	25.2	24.9	27.0	30.3	14.4	13.5

TABLE 54. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
WRANGELL-PETERSBURG CENSUS DIVISION
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	88	34.0	150	42.5
Spouse	46	17.8	65	18.4
Relative	28	10.8	10	2.8
Nonrelative	10	3.9	5	1.4
Total	172	66.4	230	65.2
LIVING ALONE				
Males	51	19.7	43	12.2
Females	35	13.5	61	17.3
Total	86	33.2	104	29.5
LIVING IN GROUP QUARTERS				
Inmate of Institution	0	0.0	19	5.4
Other	1	0.4	0	0.0
Total	1	0.4	19	5.4
TOTAL	259	100.0	353	100.0

TABLE 55. PERSONS 55 YEARS AND OVER BY AGE AND SEX
YUKON-KOYUKUK CENSUS DIVISION
1970 AND 1980

	Total		55-59 Years		60-64 Years		65-74 Years		75+ Years	
	1970	1980	1970	1980	1970	1980	1970	1980	1970	1980
MALE										
Number	406	411	148	135	107	92	103	132	48	52
Percent	100.0	100.0	36.5	32.8	26.4	22.4	25.4	32.1	11.8	12.7
FEMALE										
Number	238	292	92	97	57	71	51	94	38	30
Percent	100.0	100.0	38.7	33.2	23.9	24.3	21.4	32.2	16.0	10.3
TOTAL										
Number	644	703	240	232	164	163	154	226	86	82
Percent	100.0	100.0	37.3	33.0	25.5	23.2	23.9	32.1	13.4	11.7

TABLE 56. PERSONS OVER 65 YEARS BY TYPE OF LIVING ARRANGEMENT
YUKON-KOYUKUK CENSUS DIVISION
1970 AND 1980

	1970		1980	
	Number	Percent	Number	Percent
LIVING IN FAMILY HOUSEHOLD				
Householder	95	39.6	146	47.4
Spouse	24	10.0	43	14.0
Relative	37	15.4	17	5.5
Nonrelative	8	3.3	3	1.0
Total	164	68.3	209	67.9
LIVING ALONE				
Males	52	21.7	62	20.1
Females	22	9.2	35	11.4
Total	74	30.8	97	31.5
LIVING IN GROUP QUARTERS				
Inmate of Institution	0	0.0	0	0.0
Other	2	0.8	2	0.6
Total	2	0.8	2	0.6
TOTAL	240	100.0	308	100.0



ALASKA STATE SENATE

M E M O R A N D U M

DATE: February 14, 1984
TO: U.S. Senator Ted Stevens
FROM: Senator Rodey and Representatives Hayes and Adams
RE: Federal Exemption for the Alaska Longevity Bonus Program

Title XVI of the Social Security Act, as amended, established a national program, effective January 1, 1974, called Supplemental Security Income for the Aged, Blind and Disabled (SSI). It is a welfare program which provides monthly cash payments to persons who are blind, disabled, or who have reached the age of 65 and have demonstrated financial need.

The amount of the monthly payments is based on the difference between the maximum income standards (presently \$314 for an individual, and \$472 for a couple) and the total monthly income as determined by 42 USC § 1382. For our purposes, we are only concerned with the SSI payments to the aged.

42 USC § 1382(b)(2)(B) is the federal exemption which requires the Social Security Administration, when calculating the amount of SSI benefits for which an individual or couple are eligible, to disregard the \$250 per month income provided by the Alaska Longevity Bonus program.

It is this exemption which may be in jeopardy if and when our Longevity Bonus bill is enacted. We have already requested a formal opinion from the Social Security Administration, Region X on this matter, and are awaiting their response. (See attachment.)

If their opinion is that our proposed changes to the Alaska Longevity Bonus program make the present exemption null and void, we would request that you seek an amendment to the federal law which would continue the exemption for recipients of the revised bonus program.

The amendment we would suggest is as follows:

42 USC § 1382(b)(2)(B) monthly (or other periodic) payments received by any individual, under a program established prior to July 1, 1973, if such payments are made by the State of which the individual receiving such payments is a resident, and if eligibility of any individual for such payments is not based on need and is based solely on attainment of age 65 or older and duration of residence in such State by such individual.

Should it become necessary for you to seek this amendment to federal law, we offer the following information about the fiscal impact of the SSI program in Alaska.

According to the local office of the Social Security Administration:

1) the number of older Alaskans who received SSI benefits during the most recent reporting period for which figures are available (the 3rd Quarter of 1983) was 1,111.

2) the total federal dollars expended in Alaska in all of 1983 for SSI payments to older Alaskans was only \$2,222,000.

As you can easily see when you compare these figures with the corresponding national totals - 1,548,471 older Americans received \$225.6 million each month in SSI payments in 1983 - the fiscal impact of the Alaska program on the federal budget is extremely small. However to the estimated 700-300 older Alaskans who receive both the Alaska Longevity Bonus and SSI, the average monthly SSI payment of \$178 is significant. It is on behalf of these people that we ask for your help.



ALASKA STATE SENATE

February 15, 1984

Honorable Ted Stevens
United States Senate
147 Russell Office Building
Washington, D.C. 20510

ATTN: Mark Barnes

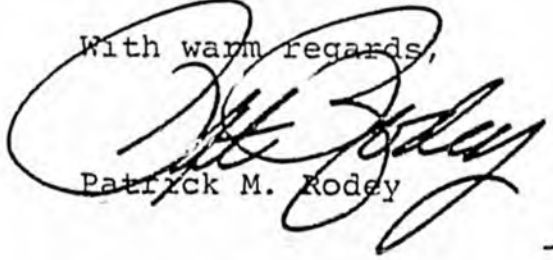
Dear Ted:

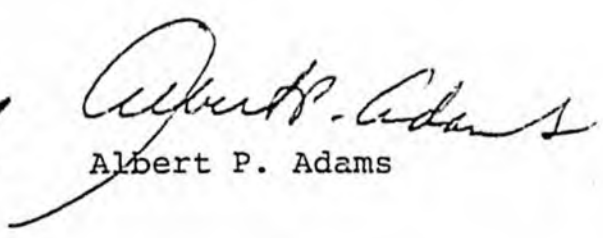
This is to follow up on our meeting of yesterday regarding the Alaska Longevity Bonus. First, we would like to thank you for your prompt attention to our concern. We know how busy you must be, and we appreciate you taking the time to assist us on the question of the SSI federal exemption.

Second, we would like to request a brief letter from your office reiterating for the record what we discussed informally in the Speaker's office. We want to be sure that this small uncertainty about the federal exemption does not get in the way of solving the larger problem of the Longevity Bonus. A letter from your office expressing your confidence that the exemption can be continued will enable us to keep moving the bill through the committee process while we await final resolution of the exemption question.

Once again, thanks for your help.

With warm regards,


Patrick M. Rodey


Albert P. Adams



ALASKA STATE SENATE

February 13, 1984

John Henderson
Assistant Regional Commissioner, Programs
Social Security Administration, Region X
2901 3rd Avenue
Mail Stop 302
Seattle, Washington 98121

ATTN: Loren Gomez

Dear Mr. Henderson:

Pursuant to the telephone conversation last week between Loren Gomez of your office and Tom Kelly, my administrative assistant, this is to request a formal opinion on the effect the attached, proposed change to Alaska State law would have on the federal exemption contained in 42 USC § 1382(b)(2)(B).

This exemption (Attachment #1) requires the Social Security Administration, when calculating the amount of SSI benefits for which an individual or couple are eligible, to disregard the \$250 per month provided by the Alaska Longevity Bonus program.

Attachment #2 is the present law governing the bonus program; attachment #3 is a copy of the bill which would change the present law. The section which may affect the federal exemption appears on page 2 of the bill, lines 13-16.

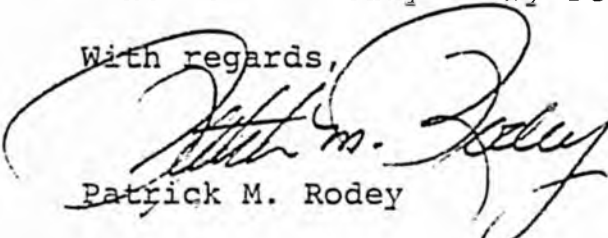
When this section goes into effect on July 1, 1990, and the age requirement for eligibility for a longevity bonus is increased to 66 years of age, will the federal exemption still be in force? Will the exemption remain in force in succeeding years as the age requirement continues to stair-step up one year, each year?

I have been in contact with U.S. Senator Ted Stevens' office, and his staff's preliminary opinion is that the language of the federal exemption is broad enough to accommodate the proposed change. If that is not the opinion of your office, however, Senator Stevens has indicated a willingness to pursue a change in federal law which would continue the exemption for recipients of the revised Alaska Longevity Bonus program.

Your timely response to this request is critical. The bill making the changes to the present Alaska Longevity Bonus program was introduced yesterday in both the State House and the State Senate, with a majority of legislators already signed on as co-sponsors. Thus, the prospects for early passage by the full Legislature are excellent.

I look forward to hearing from you on this very important matter. If you have any questions, or need further information, please contact Jim Kelly of my staff at (907)465-3754. Thank you.

With regards,


Patrick M. Rodey

Attachments

furnished to such individual or such spouse without such institution receiving payment therefor (unless such institution has expressly undertaken an obligation to furnish full support and maintenance to such individual or spouse without any current or future payment therefor) or payment therefor is made by another nonprofit organization, and (iii) support and maintenance shall not be included and the provisions of clause (i) shall not be applicable in the case of any individual (and his eligible spouse, if any) for the period which begins with the month in which such individual (or such individual and his eligible spouse) began to receive support and maintenance while living in a residential facility (including a private household) maintained by another person and ends with the close of the month in which such individual (or such individual and his eligible spouse) ceases to receive support and maintenance while living in such a residential facility (or, if earlier, with the close of the seventeenth month following the month in which such period began), if, not more than 30 days prior to the date on which such individual (or such individual and his eligible spouse) began to receive support and maintenance while living in such a residential facility, (I) such individual (or such individual and his eligible spouse) were residing in a household maintained by such individual (or by such individual and others) as his or their own home, (II) there occurred within the area in which such household is located (and while such individual, or such individual and his spouse, were residing in the household referred to in subclause (I)) a catastrophe on account of which the President declared a major disaster to exist therein for purposes of the Disaster Relief Act of 1974 [42 U.S.C.A. § 5121 et seq.], and (III) such individual declares that he (or he and his eligible spouse) ceased to continue living in the household referred to in subclause (II) because of such catastrophe.

[See main volume for text of (B) to (F)]

(b) In determining the income of an individual (and his eligible spouse) there shall be excluded—

[See main volume for text of (i)]

(2)(A) the first \$240 per year (or proportionately smaller amounts for shorter periods) of income (whether earned or unearned) other than income which is paid on the basis of the need of the eligible individual;

(B) ~~monthly (or other periodic) payments received by any individual under a program established prior to July 1, 1973, if such payments are made by the State of which the individual receives such payments as a resident, and if eligibility of any individual for such payments is not based on need and is based solely on attainment of age 65 and duration of residence in such State by such individual.~~

(3)(A) the total unearned income of such individual (and such spouse, if any) in a month which, as determined in accordance with criteria prescribed by the Secretary, is received too infrequently or irregularly to be included, if such income so received does not exceed \$20 in such month and (B) the total earned income of such individual (and such spouse, if any) in a month which, as determined in accordance with such criteria, is received too infrequently or irregularly to be included, if such income so received does not exceed \$10 in such month;

[See main volume for text of (4)(A)]

(B) if such individual (or such spouse) is disabled but not blind (and has not attained age 65, or received benefits under this subchapter (or aid under a State plan approved under section 1352 or 1382 of this title) for the month before the month in which he attained age 65), (i) the first \$790 per year (or proportionately smaller amounts for shorter periods) of earned income not excluded by the preceding paragraphs of this subsection, (ii) such additional amounts of earned income of such individual (for purposes of determining the amount of his or her benefits under this subchapter and of determining his or her eligibility for such benefits for consecutive months of eligibility after the initial month of such eligibility), if such individual's disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, as may be necessary to pay the costs (to such individual) of attendant care services, medical devices, equipment, prostheses, and similar items and services (not including routine drugs or routine medical services unless such drugs or

Dept. of Law
Y-1/4
8.

LONGEVITY BONUS STATUS

1. Vest v. State at the Superior Court:

Vest originally sued in the summer of 1982. A three-way agreement was signed by our office, Vest and the Legislative Council staying the case through the 1983 legislative session, on the Council's agreement to use its best efforts to enact legislation which treated all senior Alaskans equally. No legislation was enacted, and Vest reactivated the suit shortly after the close of the session.

Vest filed a short summary judgment memorandum arguing that the residency requirements (25 years continuous residency, and residency in the territory prior to statehood) were invalid after the U.S. Supreme Court decision in Zobel. He also argued that the provisions violated the Citizenship Clause and the Alaska equal protection clause. Finally, he argued that the residency provisions should be stricken from the act, and the program opened up to all residents.

The state argued that Zobel was not a per se bar to residency requirements, that the court should judge the program under the federal rational basis test, that states have broad leeway in deciding whom to benefit when distributing state resources, and that there were valid, rational reasons for favoring pre-statehood residents over those who came later. The state also argued that the residency requirements were not severable from the remainder of the act, and if they were invalid the court could not open up the program.

Judge Carpeneti ruled on December 17, 1983 in favor of Vest on all arguments except severability. He found that the act infringed the federally protected right-to-travel and applied the strict scrutiny test, noting that the program did not merely delay benefits, as in Sosna v. Iowa, 419 U.S. 393 (1975) (one year requirement for divorce not invalid), but rather denied newer arrivals entirely of the ability to participate in the program. He further read Zobel as implying that the U.S. Supreme Court would have applied strict scrutiny in that case if it had reached the issue. Once determining that strict scrutiny applied, the court held the residency requirements invalid since there was no compelling state interest to support them.

Judge Carpeneti enjoined the program, and stayed his own order for 30 days. The state filed its appeal, and then moved for an extended stay pending final disposition by the state supreme court. The state's motion was granted on January 13, 1984.

2. State v. Vest, Supreme Court:

On January 10, 1984, Judge Carpeneti reduced his order to a written judgment, thus preparing the way for appeal. The state's appeal papers were filed that day. The appellate rules provide that the superior court has 40 days to certify the record (about February 20, but since the record is relatively small, it may take less time), the state then has 30 days to file its appeal brief (about March 22), Vest has 30 days to answer (about April 22) and the state has 20 days to reply (about May 12). Vest's counsel have talked about moving for expedited treatment, but to date have not filed such a motion.

3. Other considerations:

The drafters of any legislation replacing the present program should consider the proposed program with an eye to the federal eligibility rules for Supplemental Social Security. Our adult public assistance program (blind, disabled and aged) is tied to those rules. The federal statute and regulations are attached, and provide for two relevant exemptions for "income."

One deals specifically with our program (although not by name) and exempts payments under a program enacted prior to July 1, 1973 if payments are not based on need and are based solely on the recipient's attainment of age 65 and duration of residence in the state. An amendment to the present act reducing the residency requirement to one year would come within this exemption.

The second exemption is for assistance which is based on need and furnished by a state or subdivision. The statute is silent on what constitutes "need," but the regulation states that "assistance is based on need when it is provided under a program which uses the amount of your income as one factor to determine your eligibility." Thus we believe that any program with an income cap would come within this exemption.

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furnished to such individual or such spouse without such institution receiving payment therefor (unless such institution has expressly undertaken an obligation to furnish full support and maintenance to such individual or spouse without any current or future payment therefor) or payment therefor is made by another nonprofit organization, and (iii) support and maintenance shall not be included and the provisions of clause (i) shall not be applicable in the case of any individual (and his eligible spouse, if any) for the period which begins with the month in which such individual (or such individual and his eligible spouse) began to receive support and maintenance while living in a residential facility (including a private household) maintained by another person and ends with the close of the month in which such individual (or such individual and his eligible spouse) ceases to receive support and maintenance while living in such a residential facility (or, if earlier, with the close of the seventeenth month following the month in which such period began), if, not more than 30 days prior to the date on which such individual (or such individual and his eligible spouse) began to receive support and maintenance while living in such a residential facility, (I) such individual (or such individual and his eligible spouse) were residing in a household maintained by such individual (or by such individual and others) as his or their own home, (II) there occurred within the area in which such household is located (and while such individual, or such individual and his spouse, were residing in the household referred to in subclause (I)) a catastrophe on account of which the President declared a major disaster to exist therein for purposes of the Disaster Relief Act of 1974 (42 U.S.C.A. § 5121 et seq.), and (III) such individual declare that he (or he and his eligible spouse) ceased to continue living in the household referred to in subclause (II) because of such catastrophe;

[See main volume for text of (B) to (F)]

(b) In determining the income of an individual (and his eligible spouse) there shall be excluded—

[See main volume for text of (1)]

(2)(A) the first \$240 per year (or proportionately smaller amounts for shorter periods) of income (whether earned or unearned) other than income which is paid on the basis of the need of the eligible individual;

(B) monthly (or other periodic) payments received by any individual, under a program established prior to July 1, 1973, if such payments are made by the State of which the individual receiving such payments is a resident, and if eligibility of any individual for such payments is not based on need and is based solely on attainment of age 65 and duration of residence in such State by such individual;

(3)(A) the total unearned income of such individual (and such spouse, if any) in a month which, as determined in accordance with criteria prescribed by the Secretary, is received too infrequently or irregularly to be included, if such income so received does not exceed \$20 in such month and (B) the total earned income of such individual (and such spouse, if any) in a month which, as determined in accordance with such criteria, is received too infrequently or irregularly to be included, if such income so received does not exceed \$10 in such month;

[See main volume for text of (4)(A)]

(B) if such individual (or such spouse) is disabled but not blind (and has not attained age 65, or received benefits under this subchapter (or aid under a State plan approved under section 1352 or 1382 of this title) for the month before the month in which he attained age 65), (i) the first \$750 per year (or proportionately smaller amounts for shorter periods) of earned income not excluded by the preceding paragraphs of this subsection, (ii) such additional amounts of earned income of such individual (for purposes of determining the amount of his or her benefits under this subchapter and of determining his or her eligibility for such benefits for consecutive months of eligibility after the initial month of such eligibility), if such individual's disability is sufficiently severe to result in a functional limitation requiring assistance in order for him to work, as may be necessary to pay the costs (to such individual) of attendant care services, medical devices, equipment, prostheses, and similar items and services (not including routine drugs or routine medical services unless such drugs or

services are necessary for the control of the disabling condition) which are necessary (as determined by the Secretary in regulations) for that purpose, whether or not such assistance is also needed to enable him to carry out his normal daily functions, except that the amounts to be excluded shall be subject to such reasonable limits as the Secretary may prescribe, (iii) one-half of the amount of earned income not excluded after the application of the preceding provisions of this subparagraph, and (iv) such additional amounts of other income, where such individual has a plan for achieving self-support approved by the Secretary, as may be necessary for the fulfillment of such plan, or

[See main volume for text of (C) and (5)]

(6) assistance, furnished to or on behalf of such individual (and spouse), which is based on need and furnished by any State or political subdivision of a State;

[See main volume for text of (7) and (8)]

(9) if such individual is a child one-third of any payment for his support received from an absent parent;

(10) any amounts received for the foster care of a child who is not an eligible individual but who is living in the same home as such individual and was placed in such home by a public or nonprofit private child-placement or child-care agency;

(11) assistance received under the Disaster Relief Act of 1974 [42 U.S.C.A. § 5121 et seq.] or other assistance provided pursuant to a Federal statute on account of a catastrophe which is declared to be a major disaster by the President;

(12) interest income received on assistance funds referred to in paragraph (11) within the 9-month period beginning on the date such funds are received (or such longer periods as the Secretary shall by regulations prescribe in cases where good cause is shown by the individual concerned for extending such period); and

(13) any assistance received to assist in meeting the cost of home energy, including both heating and cooling, which (as determined under regulations of the Secretary by such State agency as the chief executive officer of the State may designate) (A) is based on need for such assistance, and (B) is (i) assistance furnished in kind by a private nonprofit agency, or (ii) assistance furnished by a supplier of home heating oil or gas, by an entity providing home energy whose revenues are primarily derived on a rate-of-return basis regulated by a State or Federal governmental entity, or by a municipal utility providing home energy.

(As amended Oct. 26, 1974, Pub.L. 93-484, § 4, 89 Stat. 1460; Jan. 2, 1976, Pub.L. 94-202, § 9, 89 Stat. 1140; June 30, 1976, Pub.L. 94-331, §§ 2(a), 4(a), 90 Stat. 781, 782; Oct. 4, 1976, Pub.L. 94-455, Title XXI, § 2125, 90 Stat. 1920; Oct. 20, 1976, Pub.L. 94-566, Title V, § 505(b), 90 Stat. 2686; Nov. 12, 1977, Pub.L. 95-171, § 8(a), 91 Stat. 1355; Apr. 1, 1980, Pub.L. 96-222, Title I, § 101(a)(2)(B), 94 Stat. 195; June 9, 1980, Pub.L. 96-265, Title II, § 202(a), Title III, § 302(b), 94 Stat. 449, 451; Oct. 19, 1980, Pub.L. 96-473, § 6(g), 94 Stat. 2266; Aug. 13, 1981, Pub.L. 97-35, Title XXIII, § 2311(4), 95 Stat. 865; Jan. 6, 1983, Pub.L. 97-424, Title V, § 545(a), 96 Stat. 2193.)

1 So in original. There is no closing parenthesis.

References in Text. The Disaster Relief Act of 1974, referred to in text, is Pub.L. 93-288, May 22, 1974, 89 Stat. 143, which is classified principally to chapter 68 (section 5121 et seq.) of this title. For distribution in the Code of such Act, see Short Title note set out under section 5121 of this title.

1981 Amendment. Subsec. (b)(3). Pub.L. 97-35 substituted "month" for "calendar quarter" wherever appearing, "such month" for "such quarter" wherever appearing, "\$20" for "\$60", and "\$10" for "\$30".

1980 Amendments. Subsec. (a)(1). Pub.L. 96-222, § 6(g)(1), (2), in subpar. (B) substituted "(11)" for "(10)", and redesignated second subpar. (C) relating to remuneration received for services in a sheltered workshop, etc., as (D).

Subsec. (a)(1)(C). Pub.L. 96-265 § 202(a), added subsec. (a)(1)(C).

Subsec. (a)(1)(C). Pub.L. 96-222 added subsec. (a)(1)(C).

Subsec. (b)(2)(B). Pub.L. 96-473, § 6(g)(3) substituted "monthly" for "Monthly" and "individual" for "individual.", which changes had been made editorially for purposes of codification, thereby requiring no further changes in text.

Subsec. (b)(4)(B). Pub.L. 96-265, § 302(b), added provisions relating to extraordinary work expenses due to severe disability.

1977 Amendment. Subsec. (b)(12). Pub.L. 95-171 added par. (12).

1976 Amendments. Subsec. (a)(2)(A). Pub.L. 94-331, § 4(a), added cl. (iii).

Subsec. (a)(2)(A)(iii). Pub.L. 94-455 substituted in parenthetical text "seventeenth month" for "fifth month".

Subsec. (b). Pub.L. 94-331, § 2(a), added par. (11).

Subsec. (b)(2). Pub.L. 94-331 designated existing provisions as subpar. (A) and added subpar. (B).

Subsec. (b)(6). Pub.L. 94-566 substituted "assistance, furnished to or on behalf of such individual (and spouse), which" for "assistance described in section 1382(a) of this title which".

1971 Amendment. Subsec. (a)(2)(A). Pub.L. 93-484 designated existing provisions as cl. (i) and added cl. (ii).

Effective Date of 1981 Amendment. Amendment by Pub.L. 97-35 effective with respect to months after the first calendar quarter which ends more than five months after August, 1981, with provision for transitional payment, see section 2341(c) of Pub.L. 97-35, set out as a note under section 1382 of this title.

Effective Date of 1980 Amendments. Section 202(b) of Pub.L. 96-265 provided that: "The amendments made by subsection (a) [enacting subsec. (a)(1)(C) of this section] shall apply only with respect to remuneration received in months after September 1980."

Insertion in subsec. (b)(4)(B) of this section by section 302(b) of Pub.L. 96-265 of reference to extraordinary work expenses due to severe disability applicable with respect to expenses incurred on or after the first day of the sixth month which begins after June 9, 1980, see section 302(c) of Pub.L. 96-265, set out as a note under section 423 of this title.

Amendment by Pub.L. 96-222 applicable to payments for months beginning after Dec. 31, 1979, see section 101(b)(1)(B) of Pub.L. 96-222, set out as a note under section 602 of this title.

Effective Date of 1977 Amendment. Section 8(b) of Pub.L. 95-171 provided that: "The amendment made by this section [enacting subsec. (b)(12) of this section] shall be effective July 1, 1976, with respect to catastrophes which occurred on or after June 1, 1976, and before December 31, 1976. With respect to catastrophes which occurred on or after December 31, 1976, the amendment made by this section [enacting subsec. (b)(12) of this section] shall be effective the first day of the calendar quarter following enactment of this Act [Nov. 12, 1977]."

Effective Date of 1976 Amendments. Amendment by Pub.L. 94-566 effective Oct. 1, 1976, see section 505(e) of Pub.L. 94-566, set out as a note under section 1382 of this title.

Section 2(b) of Pub.L. 94-331, as amended by Pub.L. 95-171, § 6(a), Nov. 12, 1977, 91 Stat. 1355, effective the first day of calendar quarter following Nov. 12, 1977, provided that: "The Amendments made by this Act [amending subsec. (b)(11) of this section and sections 315, 3402, 6153, and 6154 of Title 26, and enacting provisions set out as notes under sections 315 and 3402 of Title 26] shall be applicable only in the case of catastrophes which occur on or after June 1, 1976."

Section 4(b) of Pub.L. 94-331, as amended by Pub.L. 95-171, § 7(a), Nov. 12, 1977, 91 Stat. 1355, effective the first day of calendar quarter following Nov. 12, 1977, provided that: "The

CFR

§ 416.1124

Title 20—Employees' Benefits

earned income received in that period. Rather than reducing your SSI payments in quarters prior to your receipt of a retroactive monthly social security benefit, we will reduce the retroactive social security benefits by an amount equal to the amount of SSI payments (including federally administered State supplementary payments) that we would not have paid to you if your social security benefits had been paid when regularly due rather than retroactively (see § 404.408b(b)). If a balance is due you from your retroactive social security benefits after this reduction, for SSI purposes we will not count the balance as unearned income in a subsequent quarter in which you receive it. This is because your social security benefits were used to determine the amount of the reduction. This exception to the unearned income counting rule does not apply to any monthly social security benefits for a period for which you did not receive SSI.

OMB CONTROL No.: 0960-0123 for § 416.1123(b).

[45 FR 65547, Oct. 3, 1980 as amended at 47 FR 4988, Feb. 3, 1982; 47 FR 13794, Apr. 1, 1982]

§ 416.1124 Unearned income we do not count.

(a) *General.* While we must know the source and amount of all of your unearned income for SSI, we do not count all of it to determine your eligibility and benefit amount. We first exclude income as authorized by other Federal laws (see paragraph (b) of this section). Then we apply the other exclusions in the order listed in paragraph (c) of this section to the rest of your unearned income in the calendar quarter. We never reduce your unearned income below zero or apply any unused unearned income exclusion to earned income except for the \$60 general exclusion described in paragraph (c)(10) of this section.

(b) *Other Federal laws.* Some Federal laws other than the Social Security Act provide that we cannot count some of your unearned income for SSI purposes. We list the laws and the exclusions in the appendix to this subpart which we update periodically.

(c) *Other unearned income we do not count.* We do not count as unearned income—

(1) Any public agency's refund of taxes on real property or food;

(2) Assistance based on need which is wholly funded by a State or one of its political subdivisions. (For purposes of this rule, an Indian tribe is considered a political subdivision of a State.) Assistance is based on need when it is provided under a program which uses the amount of your income as one factor to determine your eligibility. Assistance based on need includes State supplementation of Federal SSI benefits as defined in Subpart T of this part but does not include payments under a Federal/State grant program such as Aid to Families with Dependent Children under title IV-A of the Social Security Act;

(3) Any portion of a grant, scholarship, or fellowship used for paying tuition, fees, or other necessary educational expenses. However, we do count any portion set aside or actually used for food, clothing, or shelter;

(4) Food which you or your spouse raise if it is consumed by you or your household;

(5) Assistance received under the Disaster Relief Act of 1974 and assistance provided under any Federal statute because of a catastrophe which the President of the United States declares to be a major disaster. See § 416.1150 for a more detailed discussion of this assistance, particularly the treatment of in-kind support and maintenance received as the result of a major disaster;

(6) Up to \$60 of unearned income in a calendar quarter if you receive it infrequently or irregularly; that is, if you receive it only once during the quarter or if you cannot reasonably expect to receive it. If the total amount of infrequent or irregular unearned income you receive in a quarter exceeds \$60, we cannot use this exclusion;

(7) Periodic payments made by a State under a program established before July 1, 1973, and based solely on your length of residence and attainment of age 65;

(8) Payments for providing foster care to an ineligible child who was

placed in your home by a public or private nonprofit child placement or child care agency:

(9) One-third of support payments made to or for you by an absent parent if you are a child;

(10) The first \$60 (or proportionately less for less than a full quarter) of any unearned income in a calendar quarter other than income based on need. Income based on need is a benefit that uses the amount of your income as a factor to determine your eligibility. The \$60 exclusion does not apply to a benefit based on need that is totally or partially funded by the Federal government or by a nongovernmental agency. (However, assistance which is based on need and funded wholly by a State or one of its political subdivisions is excluded totally from income as described in § 416.1124(c)(2).) If you receive less than \$60 of unearned income in a quarter and you have earned income in that quarter, we will use the rest of the \$60 exclusion to reduce the amount of your countable earned income; and

(11) Any unearned income you receive and use to fulfill an approved plan for achieving self-support, if you are blind or disabled. See §§ 416.1180 through 416.1182 for an explanation of plans to achieve self-support and for the rules on when this income exclusion applies.

(12) Any interest earned on excluded burial funds and any appreciation in the value of an excluded burial arrangement which are left to accumulate and become a part of the separately identifiable burial fund. (See § 416.1231 for an explanation of the exclusion of burial assets.) This exclusion from income applies to interest earned on burial funds or appreciation in value of excluded burial arrangements which occur beginning November 1, 1982, or the date you first become eligible for SSI benefits, if later.

[45 FR 65547, Oct. 3, 1980, and 47 FR 55213, Dec. 8, 1982]

IN-KIND SUPPORT AND MAINTENANCE

§ 416.1130 Introduction.

(a) *General.* Both earned income and unearned income include items received in kind (§ 416.1102). Generally we value in-kind items at their current market value and we apply the various exclusions for both earned and unearned income. However, we have special rules for valuing food, clothing, or shelter that is received as unearned income (in-kind support and maintenance). This section and the ones that follow discuss these rules.

(b) *How we define in-kind support and maintenance.* In-kind support and maintenance means any food, clothing, or shelter that is given to you or that you receive because someone else pays for it. Shelter includes room, rent, mortgage payments, real property taxes, heating fuel, gas, electricity, water, sewerage, and garbage collection services. You are not receiving in-kind support and maintenance in the form of room or rent if you are paying the amount charged under a business arrangement.

(c) *How we value in-kind support and maintenance.* Essentially, we have two rules for valuing the in-kind support and maintenance which we must count. The one-third reduction rule applies if you are living in the household of a person who provides you with both food and shelter (§§ 416.1131 through 416.1133). The presumed value rule applies in all other situations where you are receiving countable in-kind support and maintenance (§§ 416.1140 through 416.1145). In some living arrangements, if certain conditions exist, we do not count in-kind support and maintenance. These are discussed in §§ 416.1141 through 416.1145. Also, we apply special rules when members of a couple have different living arrangements (§ 416.1147).

§ 416.1131 The one-third reduction rule.

(a) *What the rule is.* Instead of determining the actual dollar value of in-kind support and maintenance, we reduce the Federal benefit rate by one-third if you (or you and your eligible spouse)—

Another way to pay longevity bonuses

Dear Editor:

Should the state allow everyone who has lived in Alaska 12 months and has had the good fortune to reach the age of 65 to be eligible for the longevity bonus regardless of whether they have contributed to, or paid anything to, the building of the state?

I have a plan I hope the legislators will seriously consider. I believe this plan is constitutional and one which would not be difficult to administer.

First, Alaska would replace the name of the Longevity Bonus Program with the School Tax Refund Annuity Plan (STRAP). Until a couple of years ago, anyone who ever drew a paycheck in Alaska had \$10 deducted from his first one each year.

Second, instead of giving a bonus, Alaska would give an annuity.

Third, Alaska would change the criteria for recipients of the annuity. For each year the school tax was paid, that person would have a year vested in STRAP. That would be the sole requirement.

As an example, a person who started paying before statehood and continued to pay for 20 years would be 100 percent vested. Because the maximum amount would be fixed, this would be a defined benefit plan.

This is how the annuitant would be paid:

1. Any person who paid into the plan for 20 years would receive \$250 a month because she would be 100 percent vested; e.g., Rodney Vest, who has brought suit against the state, has worked here for 20 years so he would receive the full \$250.

2. Any person who paid the school tax for 15 years would receive 75 percent of \$250 or \$187.50.

3. Any person who paid the school tax for 10 years would receive 50 percent or \$125.

4. Any person who paid the school tax only the year before it was discontinued would be fully vested in 5 percent of the amount so that upon reaching age 65 that person would receive \$12.50 a month. Still not a bad return for a \$10 investment.

As with any pension plan, the School Tax Refund Annuity Plan would not be complete until the last annuitant had received his last check and turned out the light.

In a plan like this, the state would use its actuarial tables to calculate its total unfunded liability in order to fund the plan until everyone is paid.

Is this plan oversimplified? Perhaps. Is this plan a fair one? Yes. It would meet all the requirements of the Employees Retirement Income Security Act of 1974 (ERISA); it would meet all the requirements of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA); it would even uphold the Norris Decision which requires equal benefits for men and women. There is no discrimination in age, sex, race or length of residency in this plan.

I wish this type of vesting had been used in the dividend program. We might have saved ourselves a lot of problems.

Roland Bloes, CLU
1500 Primrose St.

ISSUES IN LONGEVITY BONUS LEGISLATION

Background

Last year the U.S. Supreme Court struck down Alaska's original Permanent Fund dividend distribution program. The Court ruled in the Zobel case that the program's cumulative residency requirements violated the Equal Protection Clause of the U.S. Constitution.

Within a month of the Zobel decision, Anchorage-area resident Rodney Vest challenged the Alaska longevity bonus (ALB) program on equal protection grounds. The program pays \$250 per month to all Alaska residents over 65 who: (a) resided in Alaska before Alaska achieved statehood on January 3, 1959; and (b) have resided in Alaska at least 25 years.

Vest is 68 years old and began his residence in Alaska three months after statehood. The court has certified his suit as a class action, which means that he represents all other individuals who might claim the longevity bonus program's residency requirements are unconstitutional.

Concerned that the lawsuit could force an immediate end to the program, the Legislative Council agreed last August with Vest to use its "best efforts" to obtain legislation addressing Vest's lawsuit in return for Vest's promise to stay the litigation until the end of the 1983 legislative session. Under the stay agreement, the Legislative Council promised to seek legislation which: (1) "treats equally" all one-year Alaska residents 65 or over; and (2) retroactively pays those individuals who have been denied bonuses in FY83.

If the legislation called for in the stay agreement is enacted during this regular session, the suit will be dismissed. If this legislation is not enacted, Vest's lawyers have announced their intention to continue the litigation and sue for retroactive payments for the class for back years -- perhaps back to 1972.

Issues

1. What are the chances the state will win in court?

The Legislative Council entered this agreement on the advice of the Department of Law and other counsel that the current law is unconstitutionally discriminatory. The

Department of Law has since described the program as indefensible. Virtually every attorney who has considered the subject believes the current law is unconstitutional and would be struck down by the courts.

The statute which created the program in 1972 is specifically non-severable; if any provision is struck down, the entire statute falls. If the court finds the program unconstitutional, the court will probably order all payments stopped.

2. What is the purpose of the longevity bonus program?

The 1972 legislation creating the program suggested four purposes:

- (a) reward the past contributions of Alaska's pioneers;
- (b) provide a financial incentive for Alaska's pioneers to remain in the state in the face of the state's high cost of living;
- (c) retain the wisdom and experience of Alaska's pioneers; and
- (d) compensate for past hardships -- such as the inability to vote in federal elections -- suffered by Alaska's pioneers.

The Zobel case and other recent constitutional decisions strongly imply that these purposes cannot legally sustain the program, either because the purposes are impermissible, or because the program's methods are not rationally related to these purposes. The program's supporters often offer two additional purposes which -- unlike the current law -- apply to a program which makes payments to all senior citizens, not just pioneers. These additional purposes are:

- (e) diversify the age structure of Alaska's population by encouraging elderly people to live in the state; and
- (f) provide income supplements and relief to Alaska's elderly, who have a lower average income than the rest of the adult population.

3. What are the options?

Numerous approaches have been suggested for this problem. They include:

- (a) continue to litigate, making zero or minor changes in the current law;
- (b) continue to litigate, but make the statute severable and amend the law to provide for a more likely constitutional

"back-stop" plan to be triggered by an injunction against the program;

(c) open up the program to all one-year Alaska residents over 65, and then close it in FY84, giving all recipients a "grandfather" right to continue receiving benefits;

(d) open up the program to all one-year residents over 65 on an indefinite basis;

(e) phase out the longevity bonus program by reducing the monthly payments each year, either with or without simultaneous gradual increases in public assistance;

(f) open up the program -- with reduced benefits -- to all one-year residents over 65 on a temporary basis while the Legislature and administration investigate other options;

(g) phase out the longevity bonus program by increasing the age of eligibility each year;

(h) end the program;

(i) replace the longevity bonus program with an annuity program, either immediately or gradually;

(j) "buy out" all one-year Alaska residents over 65 as of the end of FY84 by paying them the amount of payments they would have received over their likely lifespans, and then end the program;

(k) replace the longevity bonus program with comprehensive health insurance for Alaska's elderly; and

(l) limit longevity bonus payments to those elderly individuals who can prove that the payments would help relieve especially heavy financial pressures to relocate out of the state.

The first six options -- fight the lawsuit, fight the lawsuit with a backstop trigger, grandfather one-year resident senior citizens, open the program indefinitely, phase out the program, and open up the program temporarily while considering the long-run options -- are receiving the most attention in the session's final days.

The fourth option -- open the program indefinitely -- is contained in HB36, SB200, and SB215. The first two bills would use General Fund monies to finance the opened-up program. SB215, which has passed the Senate, would use 12.5 percent of the Permanent Fund's annual income for this purpose.

Because current law earmarks one-half of the Fund's income to pay Permanent Fund dividends, passage of SB215 would reduce annual dividends by 25 percent. (The other half of the

interest earnings are re-invested in the Fund so as to protect it against inflation.) This year, the dividend would be cut from about \$350 to about \$250.

The administration has circulated a proposal to implement the fifth option, phase-out. This proposal would reduce longevity bonus payments by \$25 a month each year for 10 years -- thus eliminating the program -- while simultaneously increasing old age assistance by the same amount.

4. Population issues.

Population estimates for Alaska's elderly vary widely, both as to the number of them today and their likely growth rate. Calculations made from estimates provided by the Department of Revenue and Dr. Scott Goldsmith of the University of Alaska indicate, however, that almost 20,000 Alaskans will be eligible for this program in FY86. This is double the 9,731 current recipients.

More controversial still is the impact of induced in-migration and reduced out-migration caused by an opened-up longevity bonus program itself. This is the "X factor" in the population equation, because no one can predict the long-run impact of paying \$3,000 to each senior citizen (\$6,000 per couple).

What is clear is that Alaska is a much different place in 1983 than it was in 1972. The state is also changing all the time in ways that make this a more attractive place for the elderly to live. The cost of living is lower, relative to costs in the Lower 48, than it used to be. The state also has more amenities such as improved medical facilities, improved transportation services (such as bus systems), and higher-quality television.

Elderly people are thus now more likely to stay in the state as they get older, and even more likely to come from the Lower 48 to live, particularly if they have family here. Senior citizens have doubled in number in the past decade, a rate of growth substantially greater than that of the rest of the population.

5. Impacts of alternatives.

(a) Impacts on future litigation.

The current law is clearly unconstitutional, so any strategy predicated on fighting the lawsuit will result in defeat. If the Legislature elects to litigate, attorneys familiar with the case predict that defeat will come in September when the Superior Court judge hearing the case rules the law unconstitutional.

Legal opinions are divided on the constitutionality of the "grandfather" option. Opening up the class of eligible recipients to include people over 65 who were one-year residents as of FY84 would resolve the Vest suit. The Department of Law thinks, however, that it may well bring another one -- which would probably be successful. Several private attorneys with a record of successful constitutional challenges have also said the grandfather plan would be vulnerable to attack on equal protection grounds. On the other hand, Legislative Counsel and private counsel retained by the Senate to research constitutional residency questions believe that while the question is certainly debatable, analogous precedents suggest the grandfather plan would be found constitutional.

(b) Impacts on recipients.

All but three of the plans outlined above will lead to immediately reduced benefits for existing recipients. The exceptions are the options of continuing to litigate, grandfathering, and indefinitely opening up the program at \$250/month of General Fund monies. Continuing to litigate, however -- at least without making the statute severable or adding a backstop constitutional plan triggered by the first adverse court ruling -- will almost certainly lead to a sudden termination of the program. Most lawyers predict that the judge hearing the case will not only find the current law unconstitutional, but will also order payments stopped pending appeal.

SB215 does not contain an explicit reduction of benefits, but it will result in reduced longevity bonus payments by holding total payments to a total of 12.5 percent of Permanent Fund income. Calculations based on the Revenue-Goldsmith estimates indicate projected monthly payments over the next five years will be:

FY84	\$204
FY85	\$142
FY86	\$184
FY87	\$224
FY88	\$243

The Department of Administration's projections track these estimates closely. SB215 co-sponsor Sen. Bill Ray, however, accepts neither these figures nor the Department's. The report on SB215 provided by the Senate Ad Hoc Committee on Residency predicts that under the legislation longevity bonus payments will fall below the current \$250/month in at least one year, FY85.

Phasing out the longevity bonus program while increasing public assistance would leave a bad taste in the mouth of many recipients, who feel the bonus is not "welfare" but a reward for past contributions to Alaska. On the other hand, phasing out the bonus program without simultaneously increasing public

assistance would hurt many of Alaska's poorest people, some of whom depend on this monthly check. Other recipients are apparently among the wealthiest residents of the state.

Finally, SB215 would reduce the Permanent Fund dividends of Alaska's elderly by 25 percent, just as it would reduce the annual dividends of all Alaskans. Even though the elderly would receive Permanent Fund income through their longevity bonus payments, the link between dividends and Fund performance represented by the dividends might be diluted for them as well as for other Alaskans.

(c) Impacts on the state budget.

The uncertainty about the numbers of elderly Alaskans today and in the future makes estimates of long-run costs a risky enterprise. It is clear, however, that the price tag will be high. The following is a rough approximation of the total cost of each option over the next 10 years:

10-year phase-out of ALB without increases in public assistance	\$230,000,000
Current program	\$460,000,000
10-year phase-out of ALB with increases in public assistance	\$540,000,000
SB215 (uses 12.5 percent of Permanent Fund income to open up ALB program indefinitely to all one-year residents over 65)	\$675,000,000
Open up ALB program indefinitely to all one-year residents over 65 at \$250/month	\$775,000,000

(The cost of grandfathering at current payment levels has not been estimated, but it would be lower than opening up the program indefinitely and will decrease -- rather than increase -- each year after FY84.)

Choosing to fight the Vest lawsuit also endangers the public treasury. As stated above, Vest's attorneys have announced their intention to press for retroactive payments going back farther than FY83 if the Legislature does not abide by the stay agreement.

These retroactive payments could cover the entire decade the program has been in effect, and could amount to \$40-80 million dollars. Enrolling those individuals owed retroactive payments for the past 10 years would also pose substantial problems in administration, as some could be in Arizona or Australia today.

(d) Impacts on state policy.

Opening up the program to all one-year residents 65 or over will increase Alaska's population above what it would be otherwise, although no one can say by how much. This increased population of elderly would have some beneficial effects; it would allow extended families to stay or come together, for example, thereby reducing the sense of isolation felt by many Alaskans today. There may, however, be significantly cheaper methods of increasing the numbers of senior citizens in Alaska than paying more than three quarters of a billion dollars in the next 10 years.

SB215 also carries more than the obvious cost of reducing every Alaskan's annual Permanent Fund dividend by 25 percent. The Senate bill would also increase Alaska's elderly population, although the "ceiling" represented by 12.5 percent of the Permanent Fund's income would reduce payments and thus not cause as much population growth as simply opening up the program at the current \$250/month.

Critics raise three additional concerns about SB215:

--The taking of 12.5 percent of Permanent Fund income may create a precedent for other groups wanting their own share of the Fund's income.

--Taking 25 percent of everyone's Permanent Fund dividends to fund a program which makes payments to about three percent of Alaskans seems inequitable to some. Although SB215 supporters argue that all Alaskans will eventually receive longevity bonus payments, this is clearly untrue, because some will die before reaching 65.

--Using Permanent Fund income to finance the longevity bonus program does not, as SB215 supporters claim, "take Alaska's senior citizens out of the budget process," because the Legislature must still appropriate the payments each year.

6. A proposal

Two facts stand out from the current mass of confusion surrounding the longevity bonus program: (a) it will be found unconstitutional; and (b) almost everyone believes that some program meeting the special needs of some of Alaska's senior citizens should be retained, but there is little agreement on what that program should look like.

With these points in mind, the Legislature should consider a plan which would maintain the program's payments at \$250/month in the short run, and search for a long-run solution.

During the next two years, the Legislature would study the program's public policy goals, the elderly's current population and future growth rates, and long-term fiscal feasibility of various options. A legislative committee should be charged with investigating policies for the elderly used in other states and nations, and take testimony from a broad cross-section of the Alaska public through statewide hearings.

(a) Advantages of proposal.

This plan has five major advantages:

--It would resolve the Vest lawsuit, thereby avoiding the possibility of a court finding the program unconstitutional and ordering its immediate termination.

--It would avoid steep reductions in payments, as it would be unfair to cut off current recipients without warning. This plan provides higher annual incomes for Alaska's senior citizens than does the Senate plan in each of the next two years. FY84 figures follow:

	<u>House</u>	<u>Senate</u>
Longevity bonus	\$3000	\$2448
Permanent Fund dividend	350	260
	<hr/>	<hr/>
	\$3350	\$2708

--It steers clear of the special dedications of Permanent Fund income the Legislature has thus far avoided.

--It recognizes reality. The courts are forcing the Legislature to change the law. Alaska's elderly population is increasing significantly, and will increase faster in the years to come while oil revenues decline.

--It buys time for the Legislature, the administration, and the public to consider the long-run options for dealing with this complex problem without locking us into a "solution" we may soon regret.

(b) Disadvantages of proposal.

This plan's great disadvantage is also one of its greatest advantages. Delay can allow either reflection or inertia. The work needed to find a long-range solution to this problem might not get done.

Another significant disadvantage is immediate cost. FY84 costs could climb above the \$30.2 million currently budgeted by as much as two-thirds.

Finally, there will be some administrative problems caused by the need to verify several thousand claims for FY83 retroactive payments. This administrative difficulty can be reduced by the Legislature's first acknowledging the state's liability for the payments, but delaying the appropriation until FY85. This will allow the Department of Administration time to enroll retroactive claimants and present an accurate budget to the Legislature at the beginning of the 1984 session.

(c) Where do we go from here?

Alaska is a special place, and that special quality comes less from its scenic beauty or natural resources than from the people who choose to live here.

The special quality of Alaskans is obvious in our spirit of innovation. That innovative spirit is demonstrated by three unique public institutions: the Permanent Fund, the Permanent Fund dividends, and the longevity bonus payments. All three are too important to have their fates decided in a rush.

3



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

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August 31, 1983

MEMORANDUM

TO: Representative Hugh Malone
FROM: Gretchen Keiser *G. Keiser*
Legislative Analyst
RE: Basic Information on Alaska's Elderly Population
Research Request 83-203

Cliff Groh, on your behalf, requested that we answer a number of questions regarding Alaska's aged population. The information requested can be subdivided into the following four topics:

- I. Alaska's Elderly Population: Present and Future
- II. Elderly Public Assistance and Social Security Recipients
- III. Longevity Bonus Program Recipients
- IV. Life Expectancies of Alaska's Elderly

This memorandum presents the information we obtained regarding older Alaskans. We initially provide a summary of findings then present detailed information on each of the above topics in four separate sections. Specific questions you asked are reiterated at the beginning of each section.

SUMMARY OF FINDINGS

The number of older persons residing in Alaska cannot be definitely estimated because of the inherent biases and limitations of the population data available from two key sources: the Alaska Department of Labor and the Permanent Fund Dividend Program. We conclude that the elderly population (65 years and older) as of July 1, 1983 probably falls between approximately 14,600 and 15,900. Estimates in this range are higher than the 13,500 population figure used by Senate supporters of the proposed modification to the Longevity Bonus Program under CSSB 215 but lower than the 16,500 figure used by the Department of Administration in its preparation of fiscal notes for a modified Longevity Bonus Program earlier this year (pages 4 - 8).

On the basis of rather limited data, we suggest that approximately 96 to 98 percent of older Alaskans have resided in the state more than one year. The available data indicate that in recent years at least 2 to 4 percent of the elderly, on an annual basis, are new entrants with less than one year of residency. Therefore, assuming that 2 percent migrated to the state within the last year, we estimate that between 14,315 and 15,580 older Alaskans are residents of at least one year. If we assume a greater in-migration of 4 percent annually, between 14,020 and 15,265 elderly would be eligible for a longevity bonus under a one-year residency requirement (pages 5 and 6).

During the period 1970 - 1982, the elderly population growth rate (5.6 percent average annual growth) was considerably greater than that of the total population in Alaska (3.4 percent), mirroring a nationwide pattern. In 1982, the elderly represented approximately 3 percent of Alaska's population. The elderly population is expected to continue growing between 4 and 6 percent annually, while the total population growth rate is projected to slow to between 1 and 2 percent annually through the remainder of this century (pages 9 and 10).

We projected Alaska's elderly population in the year 2000 under a series of average annual growth rates. If we assume a 1983 population of 15,250 (midpoint of the 14,600 to 15,900 range previously discussed), the elderly population in the year 2000 would equal 30,100 (at 4.0 percent average annual growth), 32,170 (4.5 percent), 35,680 (5.0 percent), 38,845 (5.5 percent), and 42,290 (6.0 percent) in the year 2000. By the turn of the century, Alaska's elderly population will probably be between 2 to 3 times its present size. At 5 percent growth per year, the elderly would represent approximately 6 percent of the state's population in the year 2000, as projected by ISER's MAP model base case forecast (pages 10 - 13).

Available information on elderly interstate migration, historical patterns of older Alaskans' migration, socioeconomic characteristics, and lifestyle preferences of aged persons suggest that a dramatic increase in Alaska's elderly population solely on the basis of a monthly cash payment program is unlikely. Out-migration of Alaska's elderly may well be reduced somewhat. The aged most likely to migrate to the state as a result of a cash payment program would be those with relatives already in the state (pages 13 - 16).

The major sources of cash benefits to elderly public assistance recipients are federally funded Supplemental Security Income (SSI) and State-funded Old Age Assistance (OAA), which average \$238 per month for 900 SSI recipients and \$236 per month for 2,300 OAA recipients. Approximately 18 percent of elderly Alaskans were SSI and/or OAA recipients in October 1982. In comparison, approximately 9 percent of the total population receive monthly public assistance of all types (pages 17 - 19).

Representative Malone
August 31, 1983
Page 3

In 1982, 10,210 older Alaskans received Social Security payments under the retirees, survivors, and disability programs. Nationally in 1982, monthly payments averaged: \$408 (retired worker), \$700 (aged couple both receiving payments), and \$378 (aged widow or widower) (page 17).

A total of 9,776 older Alaskans, representing approximately 61 to 67 percent of Alaska's elderly were qualified to receive longevity bonus payments in July 1983. On the average, 95 percent of the qualified recipients received bonus payments each month during FY83, with the remainder being ineligible due to absences of more than 30 days. The number of qualified recipients grew about 7 percent in the last year (pages 19 - 20).

Over two-thirds of the bonus recipients in January 1983 were 65 to 74 years old. Approximately one-quarter of the qualified recipients currently live in Southeast, roughly 42 percent live in the Anchorage/Southcentral area, 18 percent in the Interior, and the remaining 15 percent reside in Northern and Western Alaska. Ethnic data are not currently required of bonus applicants, but a 1976 survey indicates that 56 percent of the recipients were Native and 44 percent were non-Native at that time (pages 20 - 22).

Income data are also not required of current bonus recipients. In 1976, an overwhelming majority of recipients surveyed had monthly incomes (including their spouse's) under \$1,000. A 1981 survey reported a marked regional difference in the dependency of older Alaskans (60 years and older) on the bonus payments as the major source of income. Only 3 percent of those surveyed in Southeast and Southcentral indicated that the bonus payments were their major source of income, while 41 and 66 percent of those surveyed in Southwest and Northwest Alaska indicated a primary dependency on the longevity bonus payments (page 22).

Rough estimates from the Department of Health and Social Services suggest that 50 to 70 percent of the aged currently receiving public assistance also participate in the longevity bonus program. Information from the 1976 survey indicates that 77 percent of the recipients of Old Age Assistance also received bonus payments, whereas about 28 percent of the bonus recipients also received OAA (page 23).

The life expectancies of older Alaskans are similar to those of the elderly nationwide. A 65-year old female Alaskan who qualified for the longevity bonus program might expect, on the average, to receive monthly payments for about 22 years, a qualified 65-year old male could enjoy cash payments for roughly 14 years (pages 23 and 24).

I. Alaska's Elderly Population: Present and Future

Questions: How many persons 65 or over are there in Alaska? How many have resided in the state one year or more? How fast is the elderly population growing relative to the entire state population? What are the most likely projections for the number of aged in Alaska in the next 20 years (with and without a reasonable adjustment for the effects of a program which makes cash payments to all elderly one-year residents)?

According to the Alaska Department of Labor (DOL), there were 13,921 Alaskans 65 years and older on July 1, 1982. This estimate is benchmarked to the 1980 Census, revised upward by DOL for estimated undercounting, and adjusted seasonally to a July 1st rather than April 1st date. Persons by age and sex were as follows:

<u>AGE</u>	<u>MALE</u>	<u>FEMALE</u>	<u>TOTAL</u>
65 - 69 years	3,113	3,197	6,310
70 - 74 years	1,818	2,003	3,821
75 years and over	<u>1,652</u>	<u>2,138</u>	<u>3,790</u>
TOTAL	6,583 (47.3%)	7,338 (52.7%)	13,921

In the absence of a DOL population estimate for July 1, 1983, we projected the number of senior citizens based on a review of the annual DOL population data for the period 1970 to 1982 (Attachment A). The older age group grew at an average annual rate of about 5.6 percent over the 12-year period. Looking at the past five years since completion of the TransAlaska Pipeline (1977-1982), the elderly population increased 4.8 percent annually, on the average. More recently between 1980 and 1982, the aged population grew on an average of 6.8 percent annually. On the basis of these recent historical growth rates, we projected the July 1, 1983 elderly population to be: 14,605 (4.8 percent annual growth), 14,725 (5.6 percent), or 14,900 (6.8 percent). We caution you that these are only rough projections based solely on recent annual growth rates.

The 1982 Permanent Fund Dividend (PFD) program provides another source of aged population figures which have been used by the Department of Administration in its review of the Senate's proposed legislative changes to the Alaska Longevity Bonus Program (C.S. 215). In May 1983, the Department of Revenue estimated that at least 16,500 applicants born in 1918 or earlier would ultimately be paid a PFD¹. It

¹ A July 22, 1983 status report on 1982 PFD applicants born in 1918 or earlier does not dramatically change the earlier May estimate from the Department of Revenue.

is crucial to note that approximately 1,700 of these applicants were born in 1918 and were therefore 64 years old in 1982. Consequently, the successful PFD applicants 65 years and older in 1982 numbered approximately 14,800. This understates the total elderly population in 1982, however, because in-migrants after April 15, 1982 did not qualify for a PFD. We address this issue later in this section of the report.

In order to employ the successful 1982 PFD applicant total as a basis for estimating the 1983 elderly population, one must account for deaths among aged Alaskans. In 1981, 572 deaths were recorded among Alaskans 65 years and older, representing a death rate of 4.4 percent per year². In addition, 29 deaths occurred among 64-year olds (1.7 percent annually). Therefore, of the 16,500 1982 PFD applicants, approximately 15,900 are now 65 years and older and still alive today. This is, at best, a rough estimate of the 1983 elderly population because it does not account for the out-migration of aged Alaskans since at least October 1982 (8 months) and the in-migration of elderly since April 1982 (14 months).

Usable information regarding the 1982-1983 migration patterns of older Alaskans simply does not exist. Historical trends between 1970 and 1980 and earlier indicate, however, that older age groups in Alaska undergo a net out-migration. In other words, more older persons left the state than migrated to the state during a given period of time. The pattern of elderly net out-migration, although lessening somewhat as the state matures and better services become more commonplace, will probably continue³. It appears reasonable to assume that more aged persons left Alaska than moved into the state between 1982 and 1983. Therefore, we suggest that the 15,900 PFD estimate be viewed as the high estimate of the total elderly population in 1983.

Residency

The overwhelming majority of older Alaskans have been residents for a considerable length of time. A statewide survey of 467 Alaskans 60 years and over conducted by the University of Alaska in 1981 indicates that approximately 90 percent had resided in Alaska for 11 years or

²Alaska Vital Statistics, Annual Report 1981, Department of Health and Social Services, 1982.

³Mr. Dave Swanson, State Demographer, Alaska Department of Labor, Personal Communication, July 16, 1983.

more⁴. Similarly, about 90 percent of the 1979 PFD applicants (65 years and older) reported being residents for at least 11 years, with 75 percent indicating they had been residents for at least 21 years⁵. In a survey conducted by the U.S. Bureau of the Census in 1976, the average residency among civilian Alaskans 65 years and over was 33 years for non-Natives and 71 years for Natives.

Available information indicates that a small percentage of older Alaskans are recent in-migrants. Only 1.5 percent of the respondents to the 1981 University of Alaska survey (60 years and older) had lived in the State less than one year. This is probably a somewhat low estimate because elderly whites, who tend to be the more mobile persons among elderly Alaskans, were underrepresented in the University survey. The PFD program provides additional data on recent migration of older persons. Approximately 1 percent of the 1979 PFD applicants and over 3 percent of the 1980 PFD applicants 65 years and older were Alaska residents for less than one year. These estimates could also be conservative because some recent in-migrants in 1979 and 1980 might not have known of the program or have chosen not to file because they would receive only a fraction of the \$50 per year dividend. Residency data from the 1982 PFD applications useful for determining recent in-migrant estimates of the elderly population are not available at this time. Furthermore, the 1980 Census data, once it becomes available, will only address 5-year interstate migration during the period 1976-1980.

On the basis of rather limited data, we suggest that at least 2 to 4 percent of the older Alaskan population in any given year are recent in-migrants with less than one year of residency. Conversely, 96 to 98 percent of the elderly appear to be longer term residents of Alaska.

Table 1 summarizes the total elderly population figures for 1982 and 1983 which we have discussed above. At this time, we conclude that the number of older persons residing in Alaska cannot be definitively estimated. Given the inherent biases and limitations of the available data, we prefer to identify the aged population as a range, encompassing what we believe to be reasonable low and high numbers. The 1983 total elderly population probably falls between 14,605 and 15,900. Assuming that 2 percent migrated to the state within the last year, we estimate that between 14,315 and 15,580 older Alaskans are residents of at least one year. Alternatively, if we assume a greater annual in-migration of elderly at 4 percent, between 14,020 and 15,265 elderly

4 An Assessment of the Status and Needs of Alaska's Elderly, Charles Hines, Department of Sociology, University of Alaska, 1981.

5 1979 Permanent Fund Dividend Applicant Profile, Alaska Department of Revenue, 1981, Table 18.

would currently be eligible for longevity bonus payments under a one-year residency requirement.

The following factors may account for the differences between the high and low population estimates shown in Table 1:

- 1) Unlike the PFD program estimate, the Department of Labor 1982 estimate is benchmarked to the 1980 U.S. Census. Although Census numbers were revised upward by DOL, any residual undercounting would consistently lower annual estimates in later years, such as 1982. Similarly, the House Research Agency 1983 projections would incorporate the same undercounting biases.
- 2) For the purposes of the U.S. Census, individuals who live in Alaska only part of the year may have chosen to identify themselves as residents of another state. This could contribute to a lower Census count of older Alaskans, some of whom may spend a portion of the year elsewhere. On the other hand, the \$1,000 cash payment of the 1982 PFD program provided a great incentive to individuals to identify themselves as Alaska residents. People had a much greater incentive to be "counted" in the 1982 PFD population than during the 1980 Census.

The population estimates in Table 1 fall between the estimates used earlier this year as the basis for proposed changes to the Alaska Longevity Bonus Program. The Senate's estimate of 13,500 eligible persons in FY 84 under CSSB 215 ranges from 4 to 15 percent lower than our estimates, depending upon the growth rate and in-migration assumptions one uses for the elderly. The Senate used a 1983 elderly population forecast made by DOL in 1981 which has been superseded by a higher DOL 1982 estimate. Estimates are more accurate than forecasts because they are based on more adequate population information. In addition, it appears that the Senate figure incorporates a relatively low estimation of annual in-migration by elderly (about 1.3 percent).

On the other hand, the Department of Revenue estimate of 16,500 1982 PFD successful applicants has been used by the Department of Administration as its estimate of eligible recipients for CSSB 215 fiscal calculations. This estimate overstates those eligible in 1983 because it fails to take into account approximately 600 deaths which probably occurred among elderly applicants since the October 15, 1982 deadline. In addition, available data suggest that out-migration among elderly probably offsets in-migration during the 1982-1983 period since filing of the 1982 PFD applications.

TABLE 1. ESTIMATES OF THE ELDERLY POPULATION OF ALASKA IN 1982 AND 1983

Year	Alaska Dept. of Labor ^a	Permanent Fund Dividend Program ^b	House Research Agency ^c
<u>Total Elderly Population</u>			
1982	13,920	14,800 ^d	--
1983	NA	15,900	14,605 (4.8 % growth) 14,725 (5.6 % ") 14,900 (6.8 % ")
<u>Elderly Population With At Least One-Year Residency</u>			
<u>Assumption: 2 percent annual in-migrants</u>			
1982	13,645	14,650 ^e	--
1983	NA	15,580	14,315 (4.8 % growth) 14,430 (5.6 % ") 14,600 (6.8 % ")
<u>Assumption: 4 percent annual in-migrants</u>			
1982	13,365	14,500 ^e	--
1983	NA	15,265	14,020 (4.8 % growth) 14,135 (5.6 % ") 14,305 (6.8 % ")

a Alaska Population Overview 1982. Alaska Department of Labor, 1983.

b Source: Alaska Department of Revenue, Research Section.

c The projections are based on a series of average annual growth rates computed from the Department of Labor's annual population data from 1970 - 1982. The average rates correspond with the following periods: 1977 - 1982 (5 percent), 1970-1982 (6 percent), and 1980-1982 (7 percent).

d This figure represents the estimated number of successful 1982 applicants who were 6-month residents as of October 15, 1982.

e These estimates assume that one-half of the annual in-migrants have been captured by the dividend program under the 6-month residency requirement.

Alaska's Elderly Population Growth Rate

In 1982, Alaskans 65 years and older represented 3.0 percent of the state's total population, an increase from 2.3 percent in 1970. There are relatively few older persons in Alaska compared with the elderly nationwide (11.3 percent of the U.S. population in 1980). While Alaska's total population increased by roughly 50 percent during the period 1970 - 1982, the elderly ranks almost doubled. The state's population grew at an average annual rate of 3.4 percent, whereas the elderly segment increased an average of 6.0 percent each year. Furthermore, the growth rate of Alaska's elderly population between 1970 and 1980 was more than double the nationwide rate for the elderly.

A number of factors probably contributed to the rather dramatic increase in Alaska's aged population over the past 12 years:

- 1) A relatively large group of persons 55 - 64 years old has aged over the past decade, swelling the elderly ranks. Many of these people probably migrated to Alaska in earlier decades when they were in their 20's, 30's and 40's.

- 2) Death rates among middle-aged and older Alaskans have decreased due, in part, to improved health services in the state.

- 3) The historical out-migration of older Alaskans, particularly whites, has decreased as the state matures and greater social and health care amenities become available in-state.

- 4) The in-migration of older persons may have increased during the period. Not surprisingly, the major motivating factor for interstate migration of persons 55 years and older nationwide is to be closer to relatives⁶. Common sense suggests that the most likely reason for an aged couple or individual to move north to Alaska would be in order to live near or with their children or siblings.

The elderly population in Alaska is expected to sustain its healthy growth rate of the past decade into the future. Projections vary between approximately 4 and 6 percent annual growth through the remainder of this century⁷. On the other hand, growth projections for Alaska's total population to the year 2000 suggest annual growth rates between 1 and 2 percent, much lower than the average of over 3 percent

⁶ Reasons for Interstate Migration. U.S. Department of Commerce, Bureau of the Census, Special Studies Series P-23, No. 81, March 1979.

⁷ Mr. Dave Swanson, State Demographer, Alaska Department of Labor, Personal Communication, July 26, 1983 and Dr. Scott Goldsmith, Economist, Institute of Social and Economic Research, University of Alaska, Personal Communication, July 16, 1983.

during the period 1970 to 1982⁸. In light of the above projections, it is apparent that Alaska's elderly will probably represent at least 5 percent of the state's population by the year 2000. For instance, if annual growth rates of 5.0 percent (elderly population) and 1.5 percent (total population) are assumed, the elderly would represent 5.7 percent of Alaska's population in the year 2000, based on DOL's 1982 population estimates. The anticipated increase in Alaska's aged as a percentage of the total population mirrors national projections in which the elderly will increase to over 13 percent of the nation's population at the turn of the century.

Alaska's Elderly Population in the Future

Generating long-range population projections requires considerable understanding of Alaska's demographic and economic conditions which influence population levels. Underlying assumptions are crucial and often lead to quite different projections. Below we analyze some long-range projections of Alaska's population.

1. The U.S. Bureau of the Census presents a series of projections based on three patterns of age-specific migration: actual 1965-1975 migration, actual 1970-1975 migration, and hypothetical zero net migration⁹. The projections are based on Census data up to 1975; the 1980 Census data are not included¹⁰. The migration pattern of the elderly during the period 1965-1975 generates low growth in the elderly population, elderly migration during 1970-1975 produces moderate growth, and the zero net migration scenario shows high growth in the elderly

⁸ Mr. Tom Chester, Division of Strategic Planning, Office of Budget and Management, Personal Communication, August 3, 1983, and Man-in-the Arctic Program Economic Modelling System Technical Documentation Report, Inst. for Social and Economic Research, University of Alaska, June 1983.

⁹ Hypothetical zero net migration implies that the number of persons who left the state equaled the number who moved to the state in a given period of time, resulting in zero change due to migration.

¹⁰ Illustrative Projections of State Populations by Age, Race and Sex: 1975 to 2000, U.S. Bureau of the Census, Current Population Reports, Series p-25, No. 796, March 1979.

population. The U.S. Bureau of the Census projections for the year 2000 are as follows:

<u>Elderly Growth Scenario</u>	<u>65 and Older Population</u>	<u>Elderly as a % of Total</u>	<u>Total Population</u>
Low ('65-'75 migration)	20,500	4.3 %	474,200
Moderate ('70 - '75 migration)	25,300	4.7 %	544,086
High (zero net migration)	40,500	7.6 %	534,300

We consider the elderly population projections under the low and moderate growth scenarios to be low given the tendency for Census data to be conservative and the fact that elderly migration patterns in the late 1960s and early 1970s probably overstate current out-migration. On the other hand, the projection of 40,500 elderly in the year 2000 (high growth scenario) may be high; out-migration will probably continue to exceed in-migration among older Alaskans.

2. The Department of Revenue developed projections of Alaska's population primarily to estimate the future number of Permanent Fund Dividend recipients over the short term (to FY85)¹¹. Revenue's projections are based on the actual growth in the number of adult PFD applicants between 1978 and 1979 (4.5 percent growth) and general assumptions regarding the juvenile population under 18 at that time. The total population was projected to be approximately 832,000 in the year 2000, implying an average growth rate of about 3.1 percent annually. As mentioned earlier, the future growth in Alaska is projected to be much lower, between 1 and 2 percent per year until the turn of the century. Given the intended short-range purposes and the limited nature of the data base, we recommend that Revenue's population projections not be used for the purpose of estimating the number of Alaskans eligible for the Longevity Bonus Program.

Revenue's population projection has formed the basis of the elderly population figures under CSSB 215. The 832,000 population figure for the year 2000 was used and three growth scenarios were developed to forecast the number of elderly in the population at that time¹².

¹¹ Ms. Mary Ellen Frank, Research Section, Alaska Department of Revenue Personal Communication, August 1, 1983.

¹² Mr. Bob Richardson, Actuary, Wm. Mercer, Inc. Personal Communication, July 29, 1983.

The following elderly population projections were generated for the year 2000:

<u>Elderly Growth Scenario</u>	<u>Elderly as a % of Total</u>	<u>65 and Older Population</u>	<u>Total Population</u>
Low	3.10 %	25,791	832,000
Moderate	4.55	37,854	832,000
High	6.00	49,918	832,000

Under the inflated total population projection, the Senate supporters of CSSB 215 chose to adopt the low growth scenario elderly population of 25,791 in the year 2000. In order for this projection to be accurate, the elderly growth rate would have to decline to about 3.4 percent annually from a current annual growth of approximately 6 percent and the total population would have to maintain a 3.1 percent annual growth rate, close to its recent 3.4 percent annual rate of growth. Both of these conditions would run counter to future projected growth. The elderly population, in fact, is projected to grow approximately 3 times faster than Alaska's overall population between now and the year 2000.

3. The Institute of Social and Economic Research (ISER) of the University of Alaska recently published a series of computer simulations forecasting the state's total population to the year 2010¹³. ISER's Man-in-the-Arctic (MAP) model forecasts are based on common underlying assumptions regarding future economic conditions in Alaska and differing assumptions regarding the levels of State petroleum revenues. Population forecasts range between approximately 578,000 and 688,000 in the year 2000. The base case simulation, which assumes a level of revenues consistent with the Department of Revenue's 50 percentile revenue projections for royalties and severance taxes, projects a population of 593,612 in the year 2000 (see Attachment B). This reflects an average annual growth rate of approximately 1.5 percent, which falls within the 1 to 2 percent range previously mentioned as the likely annual growth rate for the state's population until the turn of the century. Unfortunately, the ISER documentation does not provide age-specific population forecasts so there are no elderly population projections.

¹³Man-in-the-Arctic (MAP) Economic Modeling System Technical Documentation Report, Appendix N, ISER, University of Alaska. Prepared for Harza-Ebasco Susitna Joint Venture. June 1983.

In conclusion, we project Alaska's elderly population in the year 2000 under a series of average annual growth rates. Elderly growth rates between 4 and 6 percent per year are assumed, based on conversations with Mr. Dave Swanson, State demographer, and Dr. Scott Gollsmith of ISER. We assume a 1983 elderly population of 15,250, which is the midpoint of the 14,600 - 15,900 range we estimated earlier. Calculations of the elderly as a percentage of the total population are based on ISER's MAP model base case forecast of the total population in the year 2000 as we believe that this is the most reasonable projection of those reviewed.

<u>Average Annual Elderly Growth</u>	<u>65 and Older Population</u>	<u>MAP Model Total Population</u>	<u>Elderly as a % of Total</u>
4.0	30,100	593,612	5.1 %
4.5	32,170	593,612	5.5
5.0	35,680	593,612	6.0
5.5	38,845	593,612	6.5
6.0	42,290	593,612	7.1

It appears that Alaska's elderly population in the year 2000 will probably be 2 to 3 times its present size. With 5 percent annual growth, the midpoint of elderly growth rate projections, older Alaskans will number approximately 35,680 at the turn of the century. Elderly would represent 6 percent of the state's projected population, whereas today they represent only 3 percent of the population.

Elderly Population Increase Under the Longevity Bonus Program

Projecting the aged population in Alaska if a program existed which provided monthly cash payments to all elderly residents of at least one year rests upon an understanding of the migration patterns among elderly persons. While some Census data exist on a national level, relatively little information is available specifically about recent elderly Alaskan emigrants and immigrants. We present a number of factors which should be considered in a discussion of possible population increases due to the influence of a monthly cash payment program.

- 1) The elderly, as a group, are nonmovers. Census data between March 1975 and March 1980 indicate that less than 1 percent of persons 65 years and over moved across interstate lines into western states¹⁴.

¹⁴Geographical Mobility: March 1975 to March 1980, U.S. Bureau of the Census. Current Population Reports, Series P-20, No. 368, 1981.

Similarly, less than 1 percent of persons, aged 55 - 64 years, moved to or among the western states. In fact, 79 percent of elderly (65 and over) did not move at all during this 5-year period; 75 percent of persons 55 - 64 years old also did not move.

2) Major reasons cited by persons 55 and older for interstate migration in another Census Bureau national study were:¹⁵

To be closer to relatives	22.2 percent
Retirement	19.8 "
Change of climate	12.1 "
Other family reasons	11.2 "
Job transfer	6.0 "
New job or looking for work	4.9 "

3) A national study reports that older migrants tend to be separated or divorced, of low income, less educated, renters, in better health, and have earlier histories of mobility.¹⁶

4) Historically, middle-aged and elderly age groups in Alaska have shown a net out-migration. During the period 1965 - 1970, three times as many persons 65 years and older left the state as immigrated¹⁷. Between 1970 and 1980, more whites 45 years and older left the state than entered¹⁸. Nonwhites of the same ages experienced a net in-migration, perhaps reflecting as has been suggested an increased pride of heritage among Alaska Natives and the settlement of the Alaska Native Claims which may have encouraged Natives to return to Alaska .

5) Despite existing incentives to encourage the elderly to remain in Alaska (e.g., Longevity Bonus Program, Property/Sales Tax Exemptions, and Pioneers' Home Program), many have continued to leave after retirement. Many probably seek places with a lower cost of living or a less severe climate. Others may chose to return to an area where they were born and may still have family.

¹⁵Reasons for Interstate Migration. U.S. Bureau of the Census, Special Studies Series P-23, No.8, March 1979.

¹⁶Handbook of the Psychology of Aging, J.E. Birren and K.W. Schaie, Eds, New York: Van Nostrand Reinhold Co, 1977.

¹⁷Interstate Migration in Alaska, Matthew Berman, ISER, University of Alaska. November 1982. Table 2.

¹⁸The Demand for the Juneau Pioneers' Home, Alaska Economics, Inc., December 1982.

6) As Alaska matures from a "frontier" area to a more established state, the migration patterns may change. The Alaska Department of Labor has developed a series of age-sex specific net migration patterns to be used when forecasting Alaska's future population. In general, the patterns suggest that a smaller net out-migration will occur among older age groups as the state continues to become more established. In other words, as more health services and social amenities become available in-state, more older Alaskans may chose to remain in Alaska after retirement.

7) According to a 1976 survey of Longevity Bonus and Old Age Assistance (OAA) recipients conducted by the Alaska Department of Health and Social Services, the bonus payment positively influenced some of the recipients' plans to remain in the state at that time¹⁹. Of those surveyed who received only the bonus, nearly one-third indicated that the bonus positively affected their decision to remain. About 5 percent of those surveyed who were dual recipients of the bonus and OAA stated that the bonus had a positive effect on their decision to stay. The Longevity Bonus had the greatest effect on those with a higher household income (at least \$1,000 per month) because the bonus provided enough additional money to enable them to maintain their present standard of living without leaving the state.

8) The high cost of living and cost of relocation are considerable disincentives for in-migration of older persons to Alaska, particularly for those who are retired and living on a relatively low fixed income. Substantial costs could be incurred prior to establishing the one-year residency required under a modified longevity bonus program. Table 2 shows the U.S. Bureau of Labor Statistics (BLS) data for Autumn 1981 comparing annual expenditures for a retired couple under three standards of living: low, intermediate, and high budgets. The table shows budgets for Anchorage and a U.S. average.

TABLE 2. ANNUAL BUDGET FOR A RETIRED COUPLE (Autumn 1981)

	<u>LOW</u>	<u>INTERMEDIATE</u>	<u>HIGH</u>
Anchorage	\$9,774	\$12,900	\$18,354
U.S. Average	\$7,226	\$10,226	\$15,078
Difference (% of U.S. average)	\$2,548 (35%)	\$ 2,674 (26%)	\$ 3,276 (22%)

Source: U.S. Department of Labor, Bureau of Labor Statistics.

¹⁹Alaska Longevity Bonus Impact Survey 1976, Alaska Department of Health and Social Services, Division of Public Assistance, 1976.

The annual budgets in Anchorage range from 22 to 35 percent above the U.S. averages, with the percentage difference highest for a low budget couple. BLS data are not available for other Alaska communities, but evidence from in-state cost differentials indicates that the gap between the U.S. averages and most other Alaska communities is even greater.

Census data for 1980 indicates that 36 percent of aged family units have household incomes below \$9,999, which approximates the above BLS data for a retired couple on a low annual budget in Anchorage in 1981. Nearly 50 percent fall below \$12,499, which roughly equals the BLS intermediate budget of \$12,900 in Anchorage. Additional information from the U.S. Department of Labor indicates that a Lower Living Standard for one person in Anchorage was \$8,260 in June 1982. Approximately 74 percent of elderly unrelated individuals reported an income below this figure in the 1980 Census. Therefore, it appears reasonable to assume that the cost of living in Alaska will, to some degree, act as a deterrent to many aged couples and individuals who might otherwise consider moving to Alaska in order to participate in a monthly cash payment program for the elderly.

In conclusion, we believe that the aged most likely to migrate to Alaska as a result of a cash payment program would be those with relatives already in the state. Living with relatives, either siblings or children, would certainly defray some of the initial and longer term costs involved. However, we do not foresee a dramatic influx of aged persons into established Alaska households under the stimulus of a cash payment program. In general, elderly prefer to live in their own households as long as possible and change their living arrangements primarily when their self-care capacity declines. Furthermore, aged persons may prefer to live with siblings or children closer to their familiar surroundings rather than uproot themselves to a, perhaps, quite foreign Alaskan environment.

A cash payment program widely available to elderly with one-year residency may very well reduce out-migration and may somewhat enhance in-migration of aged persons into Alaska. Available information on interstate migration, historical patterns of Alaska migration, socio-economic characteristics, and living preferences of aged persons suggest, however, that dramatic population increases solely on the basis of a cash payment program are unlikely. A considerable degree of speculation will surround this issue until, at the very least, a survey of recent older Alaskan emigrants and immigrants is conducted. Survey questions specifically addressing the reasons for their recent move would provide valuable information on this issue.

II. ELDERLY PUBLIC ASSISTANCE AND SOCIAL SECURITY RECIPIENTS

Questions: How many persons 65 and over in Alaska receive public assistance or Social Security? On the average, how much in public assistance or Social Security do the elderly receive per person? How does the percentage of elderly receiving public assistance compare with the percentage of the entire population receiving public assistance?

There are a number of public assistance programs available to older Alaskans. Table 3 provides a summary of the different programs, number of elderly recipients, and average benefits. Supplemental Security Income (SSI) and Old Age Assistance (OAA) are the major sources of monthly cash benefits to those receiving public assistance. Approximately 900 receive federally funded SSI and 2,300 receive State-funded OAA. Monthly benefits currently average \$238 (SSI) and \$236 (OAA). While SSI, with its lower income limits, provides a first source of public assistance to the truly needy, 700 aged SSI recipients also receive OAA benefits.

According to the Department of Health and Social Services, approximately two-thirds of the OAA recipients in October 1982 were rural residents and one-third lived in Anchorage, Fairbanks or Juneau. Approximately 64 percent of the OAA recipients were Native, 28 percent White, 2 percent Black, and 6 percent other or unknown.

In 1982, 10,210 Alaskans 65 years and older received Social Security payments under the retirees, survivors, and disability programs. Although current information regarding average benefits received by Alaskans is not available, monthly payments nationally in 1982 averaged: \$408 (retired worker), \$700 (aged couple both receiving payments), and \$378 (aged widow or widower)²⁰.

The percentage of older Alaskans receiving public assistance cannot be determined exactly as the degree of overlap among aged recipients on all forms of public assistance is not readily identifiable. One approximate estimate is that the 2,500 recipients of SSI and/or OAA represent 18 percent of the 13,921 population estimate of the Department of Labor in 1982. In comparison, approximately 40,000 Alaskans (9 percent of Labor's 1982 total population estimate) receive monthly

²⁰Ms. Norma Eubanks, Service Rep, Social Security Administration, Juneau, Personal Communication, August 8, 1983.

TABLE 3. A SUMMARY OF PUBLIC ASSISTANCE PROGRAMS FOR ELDERLY RECIPIENTS IN ALASKA

Program Name	Program Description	Type of Benefit	Income Limit (Number of Persons)				Number of Elderly Alaskans	Average Benefit
			1	2	3	4		
Old Age Assistance	State payments to needy	monthly cash	\$546	802	n/a	n/a	approx. 2,300	\$236.70/mo.
Food Stamp	Federal funds designed to promote health & nutrition among low income homes	Food coupons	\$490	650	810	970 (net monthly income)	1,700	\$32/person (random sample of 10 elderly cases.)
Supplemental Security Income	federal funds to needy aged or disabled	Monthly cash	\$304	436	n/a	n/a	approx. 900	\$238/mo.
Energy Assistance	Federal block grant monies to low income households	Vendor home energy credit	\$851	1113	1375	1637 (net monthly income)	approx. 1,400	\$475
General Relief Medical	State funds for medical assistance, primarily drugs for Medicaid eligible elderly	Vendor payment	\$300	400	n/a	n/a (or same as SSI or OAA)	2,750 eligibles, approx. 30% use benefits	\$50/mo.
Medicaid-Nursing Home ¹	Cost of care payments for needy in nursing home 52% - state 48% - federal	Vendor payment	\$852.9	n/a	n/a	n/a	approx. 300	\$3,600/mo
Medicaid-Regular	Medical care payments for OAA recipients 52% - federal 48% - state	Vendor payment	\$546	802	n/a	n/a	approx. 2,300 eligible, approx. 940 use benefits each month	\$1,027/usage

¹ Excludes Alaska Psychiatric Institute and Harborview Developmental Center.

Source: Alaska Department of Health and Social Service, Division of Public Assistance. July 1983.

public assistance of all types²¹. The percentage of elderly Alaskans receiving OAA has declined since 1960 when 28.5 percent were recipients²². Nevertheless, the percentage of older Alaskans receiving public assistance is higher than the 10 percent aged nationwide who received public assistance in 1980²³.

III. LONGEVITY BONUS PROGRAM RECIPIENTS

Questions: What is the income distribution, ethnic composition, and geographic distribution of bonus recipients? What percentage are below the poverty line? What percentage of bonus recipients are receiving public assistance, and vice versa?

A total of 9,776 older Alaskans were qualified for longevity bonus payments in July 1983, with 96 percent actually receiving payments. As shown in Table 4, approximately 95 percent of the qualified recipients, on the average, received bonus payments each month in FY83. The percentage who receive payments varies seasonally, with the percentage dropping during the winter and early spring months--when some elderly spend time in warmer places--and peaking in the summer and fall.

The number of qualified recipients of the longevity bonus program grew about 7 percent in the past year. As Table 4 shows, the program witnessed an average net growth of 50 recipients per month last year. On the basis of reasonable 1983 population estimates considered in Section one of this report, somewhere between 61 percent (15,900 estimate) and 67 percent (14,605 estimate) of the aged Alaskans currently are qualified for bonus payments.

²¹Mr. Gordon Landes, Division of Public Assistance, Alaska Department of Health and Social Services, Personal Communication, August 8, 1983.

²²Old Age Assistance Study, Alaska Department of Health and Social Services, May 1966.

²³"Relative Importance of Various Income Sources of the Aged, 1980", Melinda Upp, Social Security Bulletin 36(1), January 1983.

TABLE 4. LONGEVITY BONUS RECIPIENTS: JULY 1982 - JULY 1983

<u>Month/Year</u>	<u>Qualified Recipients</u>	<u>Net Monthly Growth</u>	<u>Number Receiving Bonus</u>	<u>Percent of Total</u>
7/82	9124	--	8930	97.9 %
8/82	9191	67 persons	8960	97.5
9/82	9247	56	9006	97.4
10/82	9317	70	9020	96.8
11/82	9372	55	8987	95.9
12/82	9425	53	8896	94.4
1/83	9481	56	8843	93.3
2/83	9486	5	8741	92.2
3/83	9528	42	8750	91.8
4/83	9577	49	8895	92.9
5/83	9659	82	9144	94.7
6/83	9731	72	9352	96.1
7/83	9776	45	9426	96.4

Average Net
 Monthly Growth: 50 persons

FY83 Average: 95.1 %

Source: Longevity Bonus Program, Alaska Department of Administration

Unfortunately, current information about bonus recipients is rather limited. Applicants are required to provide their age and a mailing address; no data on income or race are collected. Table 5 presents an age distribution of bonus recipients in January 1983. Recipients range between 65 and 116 years old, with over two-thirds aged 65 - 74.

The geographic distribution of program recipients in June 1983 is summarized in Table 6. Approximately one-quarter of the qualified recipients live in Southeast, roughly 42 percent live in the Anchorage/Southcentral region, 18 percent in the Interior, and the remaining 15 percent reside in Northern and Western Alaska.

TABLE 5. AGE DISTRIBUTION OF LONGEVITY BONUS PROGRAM RECIPIENTS
 (January 7, 1983)

<u>Years</u>	<u>Number of Recipients</u>	<u>Percent of Total</u>
65-69	3,606	40.1 %
70-74	2,570	28.6
75-79	1,597	17.7
80-84	786	8.7
85-89	293	3.3
90-94	111	1.2
95 and older	37	0.4

Source: Longevity Bonus Program, Alaska Department of Administration

TABLE 6. GEOGRAPHIC DISTRIBUTION OF LONGEVITY BONUS RECIPIENTS
 (June 28, 1983)

<u>Region</u>	<u>House Districts</u>	<u>Number of Qualified Recipients</u>	<u>Percent of Total</u>
Southeast	1-4	2,395	24.5 %
Southcentral/ East Peninsula	5,6,16,27	1,559	15.9 %
Anchorage vicinity	7-15	2,540	26.0 %
Interior	11-21,24	1,781	18.2 %
Northern	22	380	3.9 %
Western	23,25,26	<u>1,121</u>	<u>11.5 %</u>
TOTAL		9,776	100.0 %

Source: Longevity Bonus Program, Alaska Department of Administration

Detailed summaries of longevity bonus program recipients by age and House District are presented in Attachment C.

The previously mentioned 1976 survey of recipients of the Longevity Bonus (LB) and Old Age Assistance (OAA) provides the only available information about the racial composition and income of bonus recipients²⁴. The survey targeted three groups of recipients: OAA-only, dual OAA/LB, and LB-only. At that time, 56 percent of all bonus recipients surveyed were Native and 44 percent were non-Native. Nearly 76 percent of the dual OAA/LB recipients surveyed had incomes (including their spouse's) below \$420 per month²⁵. In addition, the overwhelming majority (83 percent) of the LB-only recipients surveyed had monthly incomes (including their spouse's) under \$1,000. It appears that, at least in 1976, the incomes of the majority of bonus recipients were certainly not high.

An additional survey of bonus recipients conducted by the Department of Law in 1982 cannot be considered representative of all the program's recipients because the survey specifically targeted needy recipients. Furthermore, preliminary results of the survey with regard to income are confusing because some respondents included their spouse's income while others did not.

We were unable to accurately determine the percentage of current bonus recipients who are below the poverty line because of the lack of income data for program participants. The Census data provide a frame of reference, indicating that 13 percent of older Alaskans lived below the federal poverty level in 1980. However, there were considerable regional differences in elderly income within Alaska. Less than 11 percent of Alaskans (60 years and older) in Southeast, Interior and Anchorage lived below the poverty level, whereas approximately 28 and 34 percent had incomes below the poverty level in Northwest and Southwest Alaska, respectively²⁶. In comparison, about 15 percent of the elderly nationally had incomes below the poverty level in 1980. One is cautioned, however, about making definite statements with respect to income as an absolute measure of poverty status in Alaska because of the reliance on a subsistence (non-cash) economy, to a considerable degree, in rural Alaska.

The previously mentioned 1981 University of Alaska survey of Alaskans 60 years and over provides a measure of the degree of importance the longevity bonus holds as an income source for the elderly. This survey

²⁴Alaska Longevity Bonus Impact Survey, Alaska Department of Health and Social Services, 1976

²⁵The income limit for an aged couple receiving Old Age Assistance in 1975 was \$420 per month.

²⁶A New Beginning for Older Alaskans: A Comprehensive Statewide Plan and Management Information System, Segment One, Hall & Associates, Inc., 1982.

reports a marked regional difference in the dependency of older persons on the bonus payments as their major source of income. Three percent of those surveyed in Southeast and Southcentral relied on the bonus payment as their major income source. On the other hand, 41 and 66 percent of the persons surveyed in Southwest and Northwest respectively indicated a primary dependency on the monthly bonus payments. These percentages should be viewed as only rough approximations because the survey included individuals aged 60 to 64 years who are more likely to still be employed. Also, the survey sample overrepresented women and Natives; elders of these groups characteristically have lower incomes than either men or Whites.

Rough estimates by the Department of Health and Social Services suggest that between 50 and 70 percent of the aged currently receiving public assistance also receive longevity bonus payments²⁷. Longevity bonus information is not consistently collected on Old Age Assistance applications because the bonus is not considered income for the purposes of OAA eligibility. Information from the 1976 longevity bonus impact survey indicates that about 77 percent of the OAA recipients received bonus payments at that time. Conversely, about 28 percent of the bonus recipients received OAA payments in 1976. The Longevity Bonus Program within the Department of Administration is not able to provide this sort of information about dual recipients because income data are not requested of applicants.

IV. LIFE EXPECTANCIES OF OLDER ALASKANS

Question: What are the life expectancies of Alaska's elderly?

Life expectancy data for older persons in Alaska are presented in Table 7. The life expectancies of older Alaskans are generally similar to those of the elderly nationwide. Aged females enjoy a longer life expectancy than aged males in Alaska and nationally. This difference in death rates between the sexes is expected to continue although it probably will not increase in the future.

Table 7 indicates that elderly Alaska males appear to have a lower life expectancy in all five-year age groups in 1980 when compared with 1970 data. The lower life expectancies shown for 1980 may, in part, be a result of larger numbers of elderly males remaining in Alaska or partially an artifact of the small population numbers. At this time,

²⁷Mr. Gordon Landes, Division of Public Assistance, Alaska Department of Health and Social Service, Personal Communication, July 8, 1983.

we do not believe that there is a significant trend toward lower life expectancy peculiar to older Alaska males.

TABLE 7. LIFE EXPECTANCY in YEARS of OLDER ALASKANS by AGE and SEX

Age	1970			1980		
	Total	Male	Female	Total	Male	Female
55-59	23.27	20.73	27.37	23.97	20.58	29.70
60-64	19.53	17.23	23.48	20.14	16.82	25.72
65-69	16.53	14.51	19.98	16.17	13.66	21.79
70-74	14.20	12.48	17.06	14.14	11.16	19.02
75 and over	11.49	10.13	13.77	11.35	8.41	16.08

Source: Alaska Population Overview 1982. Alaska Department of Labor, 1983.

Based on the life expectancy data for 1980 and the method of calculating life expectancies in five-year cycles, we estimated the approximate number of years that qualified individuals of certain ages might expect to receive longevity bonus payments. A 65-year old female might expect about 22 years of bonus payments, a 70-year old female 19 years of payments, and a 75 year old female, on the average, could expect payments for 16 more years. A male 65-years old might expect payments for about 14 years, a 70-year old man 11 years of payments, and a 75-year old man, on average, would enjoy 8 more years of longevity bonus payments.

In closing, we hope that this information will be useful. If we can provide any further assistance on this subject, please let us know. A separate Research Request (No. 83-204) will address the annual cost of various proposed modifications to the existing longevity bonus program.

GK

Attachments

ATTACHMENT A. ANNUAL ALASKA POPULATION DATA, 1970 - 1982

(Source: Alaska Population Overview 1982. Alaska Department
of Labor)

Table 11.1

PERSONS BY AGE AND SEX FOR
ALASKA, EACH YEAR: 1970 to 1982

Alaska

	July 1												
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
TOTAL PERSONS	308500	319600	329800	336400	348100	384100	409800	418000	411600	413700	419700	435200	460800
Under 5 years	32700	33570	34360	34720	35640	38800	41120	41600	40610	40510	40790	41980	44075
5 to 14 years	72290	72640	72690	71890	72160	76950	79570	78790	75330	73510	72390	72860	74830
15 to 64 years	196400	205890	214840	221540	231920	258700	278700	286650	284470	288050	294370	307420	327975
65 years & over	7110	7500	7910	8250	8730	9570	10410	10960	11190	11630	12150	12940	13920
FEMALES	139960	145540	150780	154340	160320	177520	190580	194640	192480	194190	197730	206030	219160
Under 5 years	15900	16370	16750	16910	17350	18930	20020	20260	19760	19710	19830	20430	21400
5 to 14 years	35330	35530	35520	35120	35210	37550	39280	38370	36660	35770	35210	35440	36400
15 to 64 years	85640	90310	94960	98540	103740	116530	126380	130720	130580	132920	136590	143510	154020
65 years & over	3090	3330	3550	3770	4020	4510	5000	5290	5480	5790	6100	6650	7340

ATTACHMENT B. MAN-IN-THE-ARCTIC (MAP) MODEL POPULATION
PROJECTIONS TO THE YEAR 2010 UNDER A BASE CASE SCENARIO

(Institute of Social and Economic Research,
University of Alaska. June 1983)

TABLE N.8. SIMULATION CASE: DEPARTMENT OF REVENUE 50Z
Part D
Population
(thousands)

	State	Railbelt	Greater Anchorage	Greater Fairbanks
1982	437.175	307.105	239.830	67.277
1983	457.836	319.767	251.057	68.711
1984	473.750	330.199	259.677	70.523
1985	486.327	339.204	267.539	71.666
1986	499.149	346.988	274.031	72.957
1987	508.054	352.021	277.833	74.190
1988	516.259	356.992	281.952	75.041
1989	523.255	363.345	287.469	75.877
1990	533.184	371.539	294.078	77.461
1991	535.306	372.958	295.108	77.850
1992	550.842	382.528	303.978	78.551
1993	557.199	385.835	306.233	79.602
1994	559.519	389.212	308.219	80.994
1995	563.529	391.838	310.628	81.210
1996	569.216	395.991	314.124	81.868
1997	575.498	401.438	318.628	82.810
1998	581.204	406.133	322.491	83.642
1999	587.213	411.184	326.660	84.524
<u>2000</u>	<u>593.612</u>	416.622	331.082	85.540
2001	599.998	422.232	335.608	86.625
2002	606.741	428.069	340.351	87.718
2003	614.511	434.441	345.608	88.834
2004	622.832	441.222	351.177	90.045
2005	631.699	448.422	357.087	91.336
2006	641.101	456.103	363.376	92.727
2007	651.071	464.117	369.933	94.184
2008	661.676	472.628	376.894	95.735
2009	672.544	481.306	383.955	97.352
2010	684.180	490.620	391.560	99.060

SOURCE: MAP MODEL OUTPUT FILES HE.9 AND HER.9
VARIABLES: POP, P.IR, P.AG, AND P.FG

ATTACHMENT C. ALASKA LONGEVITY BONUS PROGRAM RECIPIENTS
BY HOUSE DISTRICT AND AGE

(Alaska Department of Administration)

ALBS RECIPIENT AGE BREAK DOWN
AGES NUMBER

65	682
66	732
67	771
68	736
69	685
70	596
71	566
72	538
73	460
74	410
75	389
76	342
77	350
78	291
79	225
80	220
81	187
82	168
83	104
84	107
85	76
86	68
87	53
88	56
89	40
90	46
91	26
92	19
93	16
94	4
95	7
96	6
97	6
98	4
99	6
100	2
101	1
102	2
103	1
104	0
105	0
106	0
107	0
108	0
109	0
110	0
111	0
112	1
113	0
114	0
115	0
116	1

C

THE LONGEVITY BONUS PROGRAM:
OPTIONS UNDER THE VEST SETTLEMENT

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Birch, Horton, Bittner, Festinger & Anderson

March 8, 1983

TABLE OF CONTENTS

I.	Introduction	2
A.	Description of the Alaska Longevity Bonus	2
B.	The Individuals Covered By the Alaska Longevity Bonus	5
C.	The Effects of Zobel and Vest on the Alaska Longevity Bonus Program	7
D.	Scope and Intent of this Report	12
E.	Alternatives Included in this Report	13
II.	Constraints on the Choice of Options	14
A.	Constitutional Constraints	14
B.	Varying Goals of Several Longevity Bonus Options	20
C.	Consequential Effects of Any Amendment To the Longevity Bonus Program	22
III.	Discussion of Alternatives	24
A.	Expanding the Class of Alaska Longevity Bonus Recipients To Include All Elderly With One-year's Residency	24 +
B.	Phase Out The Existing Longevity Bonus Program	25
X C.	Phase Out the Existing Longevity Bonus Program With a Contemporaneous Increase In State Assistance Levels	26
X D.	Retaining a Modest Longevity Bonus, While Providing a "Need Based" Supplement	30
E.	Gradual Increase In The Age of Eligibility	32 +
F.	Self-Sustaining Annuities	33
G.	State Social Security System	43
H.	Health Insurance For the Elderly	48
I.	Longevity Bonus Premised On Individualized Relocation Hardship	54
J.	Grandfathering	57
IV.	Conclusion	58

I. INTRODUCTION

On June 14, 1982, the United States Supreme Court ruled that the cumulative residency requirements of Alaska's permanent fund dividend distribution program violated the Equal Protection Clause of the United States Constitution.¹ Shortly thereafter, Alaska's Longevity Bonus ("ALB") Program was challenged on equal protection grounds.² On August 9, 1982, the Department of Law, with the approval of the Alaska Legislative Council, entered into a stipulation in the Vest case which stayed all proceedings pending adjournment of this legislative session, in order to afford the legislature an opportunity to address the constitutional problems with the existing program.

The purpose of this report is to analyze some 10 options available to the legislature in amending the Alaska Longevity Bonus Program. This report is a first step in a process which must be completed by the end of this session. As subparts (C) and (D) of this section discuss, the likely consequence of failing to enact remedial legislation this session is that the ALB program will be judicially terminated.

A. Description Of The Longevity Bonus Program

Predecessors of the existing ALB program can be traced to 1915. In that year, the Territorial Legislature authorized a monthly allowance of \$12.50 for needy elderly Alaskans of 10 years

¹Zobel v. Williams, 72 L. Ed. 2nd 672 (1982)

²Vest v. Shafer, 1 JU-82-1103 Civ. (1st Jud. Dist., 1982)

residency who chose not to enter the newly-created Pioneers' Homes.³ The current program was enacted in 1972⁴ as a result of legislation introduced by Senators Butrovich and Ray.⁵ Quite unlike the "need-based" focus of its predecessors, the 1972 legislation was to:

"... provide all law-abiding Alaskans capable of managing their own affairs who have maintained a domicile in the state for at least 25 years and have reached a retirement age of 65, an incentive to continue uninterrupted residency in the state. Under no circumstances shall this chapter be considered a form, type, or manner, of public relief. The bonuses made under this chapter are not predicated on need even though they may appear to provide supplemental income to some qualified persons who would otherwise be forced to become responsibilities of the state. The Legislature further finds and states that this legislation recognizes the economic hardships suffered by many elderly Alaskans, Alaskans who through their tenacity and perseverance molded Alaska as we know it through skillful application of their talents. These pioneers are the same Alaskans who, in the prime of their life, were in effect treated as second class citizens by the federal government and who paid much of their hard earned income to a government in which they did not have the right to participate through the power of the ballot. The legislature also is aware of the fact that many of these pioneers have been forced to live out their retirement years in areas far away from the land they loved and nurtured and thereby also suffering, in many cases, the loss of familial relationship with their own kin, an experience that is sad and frustrating to them as well as depriving new generations of Alaskans the benefit of their wisdom and experience. This legislation hopefully will provide our pioneers with the economic means to remain in and continue to serve their state and to enjoy the opportunity of aiding

³Chapter 64, SLA 1915.

⁴Chapter 205, SLA 1972; AS 47.45.010 et. seq.

⁵SB 211, 7th Leg., 2nd Sess.

the new Alaskan in making the state truly "The Great Land." §1, C.L. 205, SLA 1972.

The ALB program, then, has several purposes:

1. providing an incentive for a particular class of senior citizens to remain in the state;
2. compensating for the hardships faced by retirement in Alaska;
3. rewarding the past contributions of Alaska's elderly;
4. compensating for past hardships suffered by Alaska's pioneers; and
5. retaining the wisdom and experience of Alaska's pioneers.

Originally, the bonus was \$100 per month. Over the years, the amount has gradually increased to its current \$250 per month.⁶ A person is eligible for a bonus if he or she:

1. is 65 years of age or older;
2. was "domiciled in the territory" on or before January 3, 1959; and
3. has been continuously domiciled in the state for 25 years.⁷

Additionally, if a person is absent from the state for more than 30 days, he will not receive another bonus until he returns. AS 47.45.030. If the person is absent for a continuous period in excess of 180 days, he is ineligible for a bonus for the next 12 calendar months following his return. Id.

⁶Chapter 13, SLA 1981

⁷AS 47.45.010

Exceptions are made if the absence "is beyond the control of the recipient." Id.

The longevity bonus is taxable under the Internal Revenue Code. However, it is almost universally excluded in calculating income eligibility for state and federal assistance programs.⁸

B. The Individuals Covered By the Alaska Longevity Bonus Program.

There are currently some 9,425 Alaskans receiving some \$28.4 million in longevity bonus payments. Sketching an accurate portrait of the state's ALB recipients is difficult, because the ALB application form requires little personal information. In 1976, the Alaska Department of Health and Social Services conducted a random survey of ALB recipients,⁹ and, in conjunction with the Vest

⁸Under 42 U.S.C. §1382(a)(b)(2)(B), which governs eligibility for federal Supplemental Security Income, and by reference also controls other federal programs such as Medicaid and energy assistance, the following is excluded from the definition of income:

"monthly (or other periodic) payments received by any individual under a program established prior to July 1, 1973, if such payments are made by the State of which the individual receiving such payments is a resident, and if eligibility of any individual for such payments is not based on need and is based solely on attainment of age 65 and duration of residence is such state by such individual."

⁹"Alaska Longevity Bonus Impact Survey," Alaska Department of Health and Social Services (1976) (hereinafter "ALB Survey")

settlement, the Department of Law conducted a non-random survey of some 1,896 participants.

From those surveys, it is apparent that a large percentage of ALB recipients are Alaska Natives living in rural areas of the state.¹⁰ Moreover, and in large part because of the ineligibility of many rural residents for social security, the longevity bonus is often the primary source of income for rural residents. For example, 41% of the elderly in Southwest Alaska, and 66% in Northwest Alaska, rely on the longevity bonus as their primary source of income.¹¹

Available evidence suggests that a large percentage of ALB recipients have incomes only marginally above the current state welfare assistance level of \$546 per month. The Department of Law's 1982 survey -- which was skewed toward the more needy recipients of the ALB -- found that 31.4% of the 1,896 recipients sampled had monthly incomes of \$750 or less. The 1976 ALB survey found that half of the ALB recipients had a monthly income, "including that of their spouse," of under \$500 per month.¹² Another

¹⁰In 1976, 41% of the ALB recipients lived in rural areas of the state and 24.1% were Alaska Natives. ALB Survey at 14-15.

¹¹"An Assessment of the Status and Needs of Alaska's Elderly," Department of Sociology, College of Arts & Sciences, University of Alaska (1981) (hereinafter "Assessment.")

¹²ALB Survey, op. cit. n. 9 at 18-19.

44% had incomes of less than \$1,000 per month. A 1981 University of Alaska survey indicated that roughly half of Alaska's elderly had monthly incomes of less than \$800.00.¹³

The 1976 ALB survey suggests that, in light of the high percentage of bonus recipients in the 65-70 age group, the bonus has had a material effect in allowing older citizens to remain in the state after retirement.¹⁴ The report also indicates that the ALB program has allowed a significant percentage of the elderly to remain off various public assistance programs -- including food stamps and state Old Age Assistance.¹⁵

One significant characteristic of Alaska's elderly in general warrants note -- one that will become quite significant in our analysis of alternatives. Only 10% of Alaska's elderly have resided in the state for 10 years or less.¹⁶

C. The Effects of Zobel And Vest On The ALB Program.

In reviewing the 1972 legislation creating the Longevity Bonus Program, the Department of Law concluded that "... the classification predicated upon being domiciled in the territory on or before January 3, 1959, bears little, if any, rational relationship to any legitimate legislative purpose which this bill is conceivably designed to serve and thus is in

¹³Assessment, op. cit. n. 11 at 31.

¹⁴ALB Survey, op. cit. n. 9 at 12.

¹⁵Id. at 10, 13.

¹⁶Assessment, op. cit. n. 11 at 12.

all probability unconstitutional."¹⁷

Nonetheless, the ALB program remained unchallenged until 1982, following the U.S. Supreme Court's decision in Zobel v. Williams (hereafter "Zobel III").¹⁸

The law in issue in Zobel III (AS 43.23.010 et. seq.) provided for the distribution of a permanent fund dividend of \$50.00 for each year of accumulated Alaska residency. The Court ruled, 8-1, that the cumulative residency requirement of the program was not rationally related to the goals of the statute -- a ruling which is discussed in more detail in section II(A), post.

The permanent dividend fund distribution program, in part, was intended to reward Alaskans for prior contributions to the state, a goal which: (1) three justices believed was constitutionally impermissible;¹⁹ and (2) five justices believed was a permissible goal, but was not rationally furthered by a scheme

¹⁷Memorandum, Havelock to Egan, Re: FCCS HCS CSSB 211 at 17 (June 29, 1972).

¹⁸In Williams v. Zobel, 619 P.2d 422 (Alaska 1980) ("Zobel I"), the Alaska Supreme Court invalidated the state's graduated personal income tax repeal. In Williams v. Zobel, 619 P.2d 448 (Alaska 1980) ("Zobel II"), the court upheld the cumulative residency requirement of Alaska's permanent fund dividend distribution plan -- a ruling reversed by the U.S. Supreme Court in Zobel III.

¹⁹Opinion of the Court, 72 L. Ed. 2nd at 679.

which awarded dividends solely on the basis of residency.²⁰

Beyond the ruling of the case, the various opinions -- particularly those of the concurring justices -- are rich in forboding language suggesting that any durational residency requirement may receive "intensified scrutiny" by the Court, and will be justified only in "rare" circumstances.²¹

As is more fully discussed in Part II(A), post, the impact of the Zobel decision upon the ALB program was apparent. Two major goals of the existing ALB program are to reward elderly Alaskans for their prior contributions, and to compensate for past hardships and suffering -- ends which are implemented by a durational residency requirement more severe than that at issue in Zobel. A challenge to the ALB program was not long in coming. On July 6, 1982, one Rodney G. Vest challenged the ALB program in Superior Court in Juneau.²² Mr. Vest is an elderly Alaskan whose residency in the state commenced three months after statehood. His complaint sought declaratory and injunctive relief striking the durational and statehood residency requirements of the act.

The State's response was colored by §2 of the legislation, which provided, inter alia, that:

²⁰See Brennan conc., 72 L. Ed.2nd at 684; O'Connor conc., 72 L. Ed. 2nd at 685.

²¹Brennan conc., 72 L. Ed. 2nd at 681, 684.

²²See n. 2, ante.

"if any provision of this act, or the application of a provision of this act to any person or circumstance is held invalid, this entire act shall be considered invalid."

As the Department of Law explained in reviewing the 1972 law:

"It is clear that the intent of the Legislature expressed in Section 2 of the bill is to forestall the possibility that a partial declaration of unconstitutionality would result in broadening the coverage of the bill to include additional clauses. This would be the case, for example, if either the 25 year waiting period requirement or the January 3, 1959 cutoff date were declared invalid, and the bill was expressly or impliedly severable."²³

Thus, invalidation of the Longevity Bonus Program would result not in expanding the number of ALB recipients, but rather in the abrupt termination of the entire program.

Facing that grim probability, the State, with the approval of the Alaska Legislative Council, entered into an agreement with Vest, a copy of which is attached as Appendix A. The essence of the agreement is as follows:

1. Proceedings in the Vest case are stayed through the conclusion of this legislative session. Because that case has been subsequently certified as a class action,²⁴ existing ALB recipients are not in jeopardy at least through adjournment of this session;

2. The Alaska Legislative Council promised to use its "best efforts" to secure the enactment of legislation which treated equally "all persons 65 years or older as of July 1, 1982, who have been bona fide Alaska residents for at least one year prior to that date";

²³Op. cit. n. 17 at 5.

²⁴Order Certifying Class and Directing Notice to Class Members, Oct. 1, 1982.

3. If legislation of this sort were enacted this session, the suit would be dismissed; and

4. Recognizing that the Council could not bind the legislature, if legislation is not enacted, Mr. Vest may pursue his case, with the probable result that the program will be terminated.

There are three aspects of the settlement which warrant note. First, obviously, are the severe time constraints under which the legislature is operating. Second, there is the settlement's intentionally broad litmus test of acceptable legislation. All the legislature need do is treat all elderly, one-year Alaskan residents "equally." The standard could be met by any number of options, including repeal of the program. Third, there is the inescapable financial impact of the settlement itself. In order to treat all elderly Alaskans who were one-year residents as of July 1, 1982 equally, it will be necessary to fund retroactive longevity bonus payments under the existing program to the some 3,800 elderly Alaskans who would have qualified. The necessary retroactive appropriation is approximately \$11.4 million.

Of course, the legislature itself is not "bound" to pass any particular kind of legislation, or any legislation or appropriation at all. While a "best efforts" clause is enforceable, that obligation runs only to the Alaska Legislative Council, which has already demonstrated both good faith and diligence in attempting to meet the obligations of the order and settlement.