

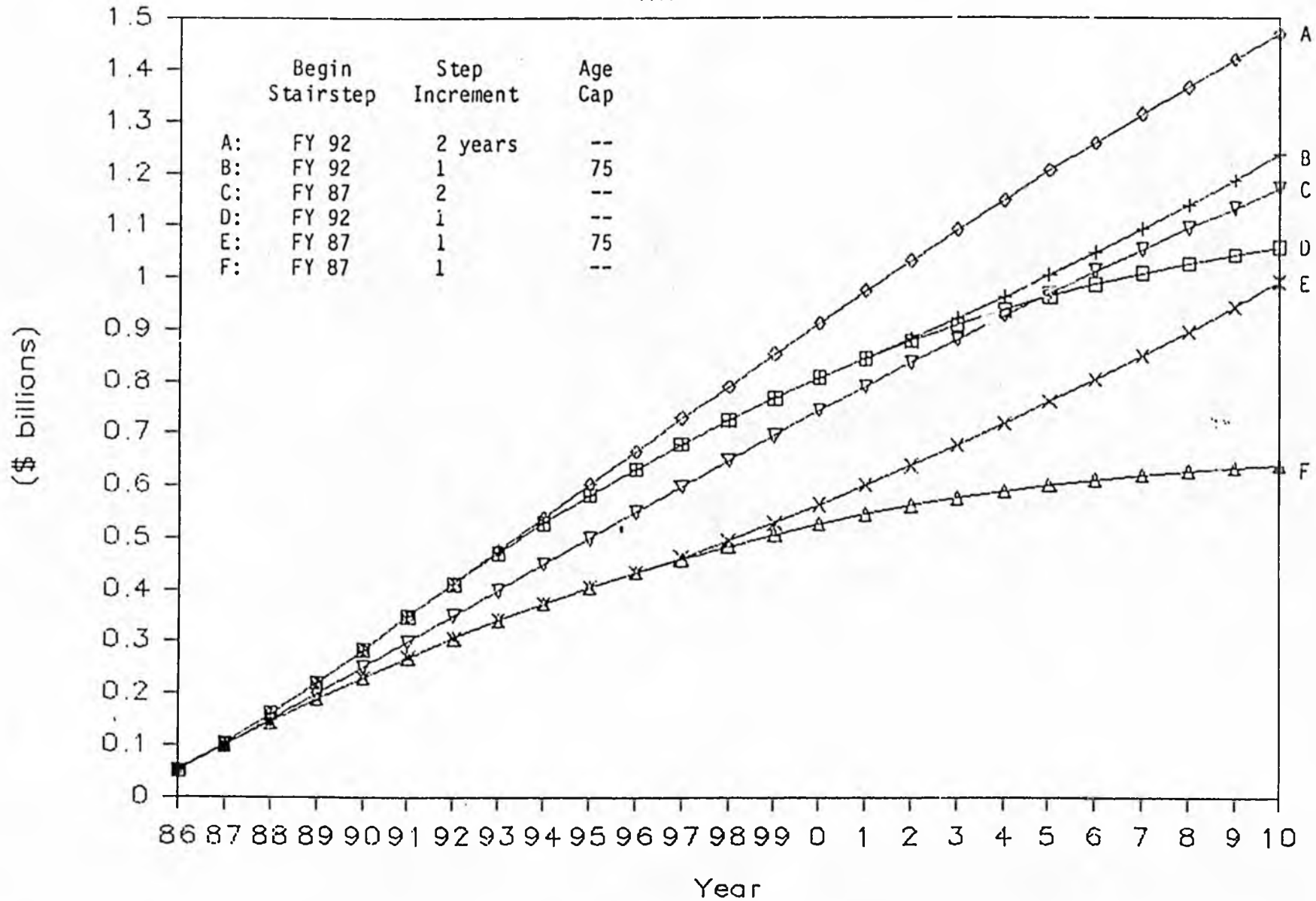
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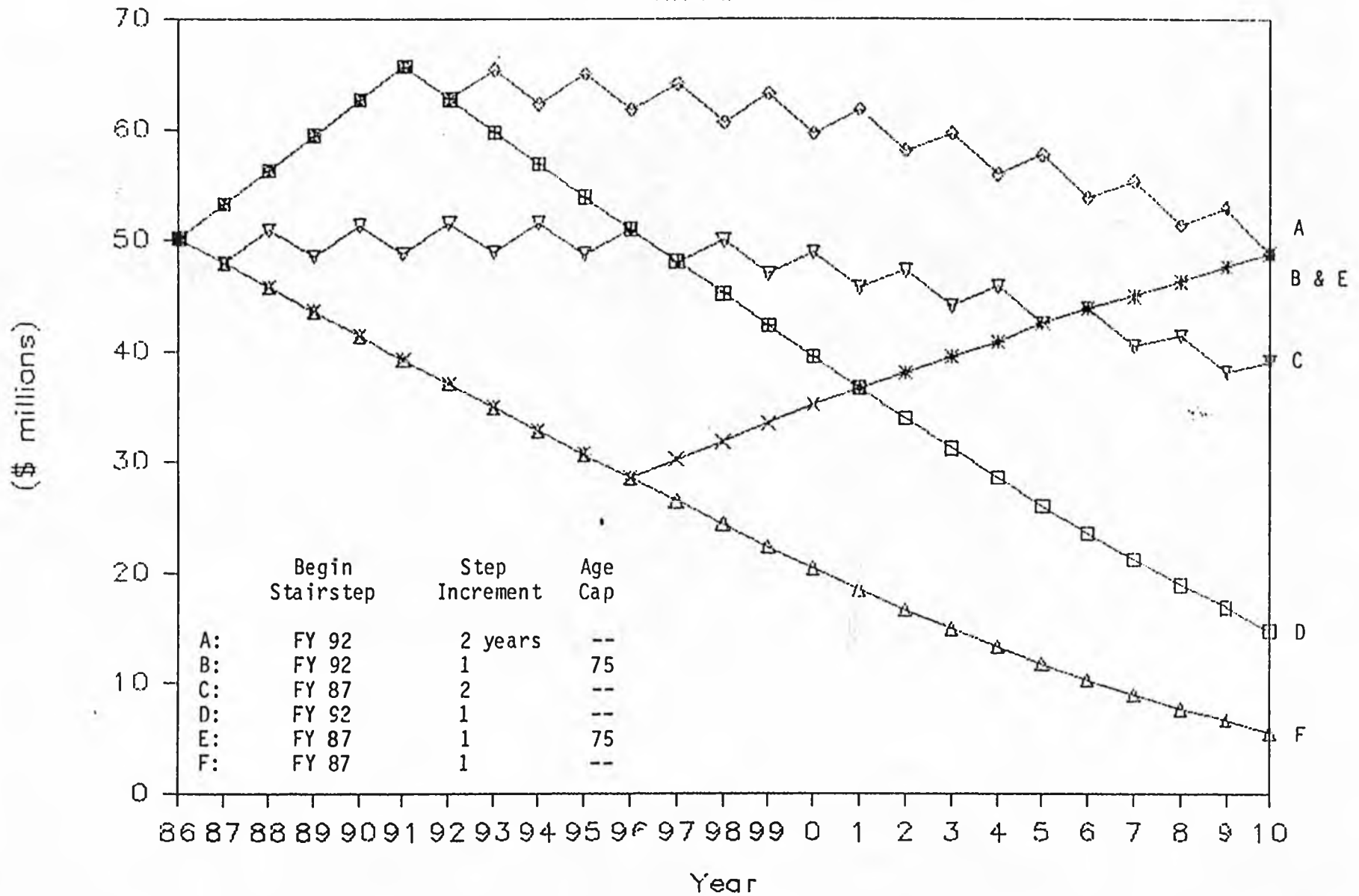
LONGEVITY BONUS COST ANALYSIS

Cumulative Cost



LONGEVITY BONUS COST ANALYSIS

Annual Cost



LONGEVITY BONUS COST ANALYSIS

HB 239

Begin Stairstep: FY 92
 Step Increment: 1
 Age Cap: None

Fiscal Year	Eligibility Age	Total Recipients	Monthly Bonus	Annual Cost (millions)	Cumulative Cost (millions)
1986	59	16,744	\$250	\$50.2	\$50.2
1987	60	17,768	250	53.3	103.5
1988	61	18,769	250	56.3	159.8
1989	62	19,828	250	59.5	219.3
1990	63	20,913	250	62.7	282.1
1991	64	21,908	250	65.7	347.8
1992	65	20,925	250	62.8	410.6
1993	66	19,938	250	59.8	470.4
1994	67	18,952	250	56.9	527.2
1995	68	17,974	250	53.9	581.2
1996	69	17,001	250	51.0	632.2
1997	70	16,032	250	48.1	680.3
1998	71	15,071	250	45.2	725.5
1999	72	14,116	250	42.3	767.8
2000	73	13,169	250	39.5	807.3
2001	74	12,233	250	36.7	844.0
2002	75	11,313	250	33.9	878.0
2003	76	10,411	250	31.2	909.2
2004	77	9,530	250	28.6	937.8
2005	78	8,676	250	26.0	963.8
2006	79	7,851	250	23.6	987.4
2007	80	7,059	250	21.2	1,008.5
2008	81	6,304	250	18.9	1,027.5
2009	82	5,635	250	16.9	1,044.4
2010	83	4,922	250	14.8	1,059.1

Prepared by the House Research Agency 11-Mar-85

Begin Stairstep: FY 92
 Step Increment: 1
 Age Cap: 75

Fiscal Year	Eligibility Age	Total Recipients	Monthly Bonus	Annual Cost (millions)	Cumulative Cost (millions)
1986	54	16,744	\$250	\$50.2	\$50.2
1987	60	17,768	250	53.3	103.5
1988	1	18,769	250	56.3	159.8
1989	2	19,828	250	59.5	219.3
1990	3	20,913	250	62.7	282.1
1991	4	21,908	250	65.7	347.8
1992	5	20,925	250	62.8	410.6
1993	6	19,938	250	59.8	470.4
1994	7	18,952	250	56.9	527.2
1995	8	17,974	250	53.9	581.2
1996	9	17,001	250	51.0	632.2
1997	10	16,032	250	48.1	680.3
1998	11	15,071	250	45.2	725.5
1999	12	14,116	250	42.3	767.8
2000	13	13,169	250	39.5	807.3
2001	14	12,233	250	36.7	844.0
2002	15	12,689	250	38.1	882.1
2003	16	13,190	250	39.6	921.7
2004	17	13,632	250	40.9	962.6
2005	18	14,180	250	42.5	1,005.1
2006	19	14,638	250	43.9	1,049.0
2007	20	14,994	250	45.0	1,094.0
2008	21	15,446	250	46.3	1,140.3
2009	22	15,897	250	47.7	1,188.0
2010	23	16,297	250	48.9	1,236.9

Prepared by the House Research Agency

12-Mar-85

LONGEVITY BONUS COST ANALYSIS HB 239

Begin Stairstep: FY 92
 Step Increment: 2
 Age Cap: None

Fiscal Year	Eligibility Age	Total Recipients	Monthly Bonus	Annual Cost (millions)	Cumulative Cost (millions)
1986	59 65	16,744	\$250	\$50.2	\$50.2
1987	60 65	17,768	250	53.3	103.5
1988	1 65	18,769	250	56.3	159.8
1989	2 65	19,828	250	59.5	219.3
1990	3 65	20,913	250	62.7	282.1
1991	4 65	21,908	250	65.7	347.8
1992	5 66	20,925	250	62.8	410.6
1993	6 66	21,815	250	65.4	476.0
1994	67	20,776	250	62.3	538.3
1995	67	21,681	250	65.0	603.4
1996	68	20,591	250	61.8	665.2
1997	68	21,366	250	64.1	729.3
1998	69	20,230	250	60.7	789.9
1999	69	21,088	250	63.3	853.2
2000	70	19,905	250	59.7	912.9
2001	70	20,603	250	61.8	974.7
2002	71	19,383	250	58.1	1,032.9
2003	71	19,911	250	59.7	1,092.6
2004	72	18,657	250	56.0	1,148.6
2005	72	19,247	250	57.7	1,206.3
2006	73	17,961	250	53.9	1,260.2
2007	73	18,451	250	55.4	1,315.6
2008	74	17,139	250	51.4	1,367.0
2009	74	17,672	250	53.0	1,420.0
2010	75	16,297	250	48.9	1,468.9

Prepared by the House Research Agency

12-Mar-85

LONGEVITY BONUS COST ANALYSIS

HB 239

Begin Stairstep: FY 87
 Step Increment: 1
 Age Cap: None

Fiscal Year	Eligibility Age	Total Recipients	Monthly Bonus	Annual Cost (millions)	Cumulative Cost (millions)
1986	65	16,744	\$250	\$50.2	\$50.2
1987	66	16,012	250	48.0	98.3
1988	67	15,277	250	45.8	144.1
1989	68	14,540	250	43.6	187.7
1990	69	13,809	250	41.4	229.1
1991	70	13,082	250	39.2	268.4
1992	71	12,360	250	37.1	305.5
1993	72	11,642	250	34.9	340.4
1994	73	10,927	250	32.8	373.2
1995	74	10,216	250	30.6	403.8
1996	75	9,511	250	28.5	432.4
1997	76	8,810	250	26.4	458.8
1998	77	8,122	250	24.4	483.2
1999	78	7,449	250	22.3	505.5
2000	79	6,794	250	20.4	525.9
2001	80	6,160	250	18.5	544.4
2002	81	5,550	250	16.7	561.0
2003	82	4,967	250	14.9	575.9
2004	83	4,413	250	13.2	589.2
2005	84	3,893	250	11.7	600.8
2006	85	3,408	250	10.2	611.1
2007	86	2,961	250	8.9	619.9
2008	87	2,549	250	7.6	627.6
2009	88	2,221	250	6.7	634.3
2010	89	1,840	250	5.5	639.8

Prepared by the House Research Agency

12-Mar-85

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LONGEVITY BONUS COST ANALYSIS

HB 239

Begin Stairstep: FY 87
 Step Increment: 1
 Age Cap: 75

Fiscal Year	Eligibility Age	Total Recipients	Monthly Bonus	Annual Cost (millions)	Cumulative Cost (millions)
1986	64	16,744	\$250	\$50.2	\$50.2
1987	59	16,012	250	48.0	98.3
1988	60	15,277	250	45.8	144.1
1989	61	14,540	250	43.6	187.7
1990	62	13,809	250	41.4	229.1
1991	63	13,082	250	39.2	268.4
1992	64	12,360	250	37.1	305.5
1993	65	11,642	250	34.9	340.4
1994	66	10,927	250	32.8	373.2
1995	67	10,216	250	30.6	403.8
1996	68	9,511	250	28.5	432.4
1997	69	10,066	250	30.2	462.6
1998	70	10,596	250	31.8	494.3
1999	71	11,159	250	33.5	527.8
2000	72	11,732	250	35.2	563.0
2001	73	12,233	250	36.7	599.7
2002	74	12,689	250	38.1	637.8
2003	75	13,190	250	39.6	677.4
2004	75	13,632	250	40.9	718.3
2005	75	14,180	250	42.5	760.8
2006	75	14,638	250	43.9	804.7
2007	75	14,994	250	45.0	849.7
2008	75	15,446	250	46.3	896.0
2009	75	15,897	250	47.7	943.7
2010	75	16,297	250	48.9	992.6

Prepared by the House Research Agency

12-Mar-85

Begin Stairstep: FY 87
 Step Increment: 2
 Age Cap: None

Fiscal Year	Eligibility Age	Total Recipients	Monthly Bonus	Annual Cost (millions)	Cumulative Cost (millions)
1986	65	16,744	\$250	\$50.2	\$50.2
1987	66	16,012	250	48.0	98.3
1988	66	16,989	250	51.0	149.2
1989	67	16,204	250	48.6	197.8
1990	67	17,109	250	51.3	249.2
1991	68	16,277	250	48.8	298.0
1992	68	17,184	250	51.6	349.6
1993	69	16,308	250	48.9	398.5
1994	69	17,183	250	51.5	450.0
1995	70	16,261	250	48.8	498.8
1996	70	17,001	250	51.0	549.8
1997	71	16,032	250	48.1	597.9
1998	71	16,669	250	50.0	647.9
1999	72	15,661	250	47.0	694.9
2000	72	16,302	250	48.9	743.8
2001	73	15,253	250	45.8	789.6
2002	73	15,785	250	47.4	836.9
2003	74	14,701	250	44.1	881.0
2004	74	15,296	250	45.9	926.9
2005	75	14,180	250	42.5	969.5
2006	75	14,638	250	43.9	1,013.4
2007	76	13,500	250	40.5	1,053.9
2008	76	13,817	250	41.5	1,095.3
2009	77	12,715	250	38.1	1,133.5
2010	77	13,042	250	39.1	1,172.6

Prepared by the House Research Agency

12-Mar-85

LONGEVITY BONUS COST ANALYSIS

HB 239

Begin Stairstep: FY 87
 Step Increment: 2
 Age Cap: 75

Fiscal Year	Eligibility Age	Total Recipients	Monthly Bonus	Annual Cost (millions)	Cumulative Cost (millions)
1986	64 59	14,744	\$250	\$50.2	\$50.2
1987	65 60	16,012	250	48.0	98.3
1988	66 1	16,989	250	51.0	149.2
1989	67 2	16,204	250	48.6	197.8
1990	68 3	17,109	250	51.3	249.2
1991	69 4	16,277	250	48.8	298.0
1992	70 5	17,184	250	51.6	349.6
1993	71 6	16,308	250	48.9	398.5
1994	72 7	17,183	250	51.5	450.0
1995	73 8	16,261	250	48.8	498.8
1996	74 9	17,001	250	51.0	549.8
1997	75 0	16,032	250	48.1	597.9
1998	76 1	16,669	250	50.0	647.9
1999	77	15,661	250	47.0	694.9
2000	78	16,302	250	48.9	743.8
2001	79	15,253	250	45.8	789.6
2002	80	15,785	250	47.4	836.9
2003	81	14,701	250	44.1	881.0
2004	82	15,296	250	45.9	926.9
2005	83	14,180	250	42.5	969.5
2006	84	14,638	250	43.9	1,013.4
2007	85	14,994	250	45.0	1,058.3
2008	86	15,446	250	46.3	1,104.7
2009	87	15,897	250	47.7	1,152.4
2010	88	16,297	250	48.9	1,201.3

Prepared by the House Research Agency

12-Mar-85

TABLE 5
Longevity Bonus Cost Analysis
In Nominal Dollars

(Grandfather Recipients Prior to FY 88 and Pay Their Costs from General Fund)

(1) Fiscal Year	(2) Projected Total Popn (ISER)	(3) Projected 65+ Popn (Grandfthr) (OMB)	(4) Projected 65+ Popn (new) (OMB)	(5) Monthly Bonus to General Fund (millions)	(6) Bonus Cost to General Fund (millions)	(7) Bonus Cost to Dividend Distribution (millions)	(8) Projected Dividend Dist. (millions)	(9) Dividend Without Bonus	(10) Dividend With Bonus	(11) Percent Reduction	(12) Dollar Reduction
1986	518,000	16,744	0	\$250	\$50.7	0.0	\$258.5	\$499.0	na	na	na
1987	521,000	17,768	0	250	53.8	0.0	287.6	552.0	na	na	na
1988	524,000	16,989	1780	250	51.4	5.4	312.9	597.1	\$586.9	1.72%	\$10.3
1989	528,000	16,205	3623	250	49.0	11.0	339.4	642.8	622.0	3.23	20.8
1990	538,000	15,421	5492	250	46.7	16.6	364.3	677.1	646.3	4.56	30.9
1991	550,000	14,642	7266	250	44.3	22.0	399.0	725.5	685.5	5.51	40.0
1992	559,000	13,869	8980	250	42.0	27.2	435.4	778.9	730.3	6.24	48.6
1993	567,000	13,100	10761	250	39.6	32.6	473.6	835.3	777.9	6.87	57.4
1994	572,000	12,336	12463	250	37.3	37.7	513.6	897.9	832.0	7.34	65.9
1995	573,000	11,576	14314	250	35.0	43.3	555.3	969.1	893.5	7.80	75.6
1996	586,000	10,821	16044	250	32.7	48.5	598.8	1,021.8	939.0	8.11	82.8
1997	592,000	10,072	17626	250	30.5	53.3	643.9	1,087.7	997.6	8.28	90.1
1998	596,000	9,333	19334	250	28.2	58.5	690.8	1,159.1	1,060.9	8.47	98.1
1999	600,000	8,608	20964	250	26.0	63.4	739.4	1,232.3	1,126.6	8.58	105.7
2000	604,000	7,899	22632	250	23.9	68.5	789.8	1,307.6	1,194.3	8.67	113.4
2001	613,000	7,209	24275	250	21.8	73.4	842.0	1,373.6	1,253.8	8.72	119.8
2002	621,000	6,542	25928	250	19.8	78.4	896.1	1,443.0	1,316.7	8.75	126.3
2003	629,000	5,900	27582	250	17.8	83.4	952.1	1,513.7	1,381.0	8.76	132.7
2004	637,000	5,287	29236	250	16.0	88.4	1,010.0	1,585.6	1,446.7	8.76	138.8
2005	644,000	4,706	31059	250	14.2	94.0	1,070.0	1,661.5	1,515.6	8.78	145.9
2006	652,000	4,162	33019	250	12.6	99.9	1,132.2	1,736.5	1,583.3	8.82	153.2
2007	661,000	3,655	34890	250	11.1	105.5	1,196.8	1,810.6	1,650.9	8.82	159.7
2008	670,000	3,187	37184	250	9.6	112.5	1,263.8	1,886.3	1,718.4	8.90	167.1
2009	680,000	2,758	39504	250	8.3	119.5	1,333.5	1,961.0	1,785.3	8.96	175.1
2010	691,000	2,370	41716	250	7.2	126.2	1,405.7	2,034.3	1,851.7	8.98	182.6

Prepared by the House Research Agency

06-Feb-85

Bonus program costs include administrative cost estimated at 0.84 percent of the bonus costs according to the Governor's FY 86 budget request.

The projected Permanent Fund Distributions beyond 2000 are based on estimates by the House Research Agency.

na = not applicable because bonus program costs are not taken from the Permanent Fund Distribution until FY 88.

TABLE 5a
 Longevity Bonus Cost Analysis
 Dividends Deflated to 1985 Dollars
 (Grandfather Recipients Prior to FY 88 and Pay Their Costs from the General Fund)

(1) Fiscal Year	(2) Projected Total Popn (ISER)	(3) Projected 65+ Popn (Grandfthr) (OMB)	(4) Projected 65+ Popn (New) (OMB)	(5) Monthly Bonus to General Fund (millions)	(6) Bonus Cost to Dividend Distribution (millions)	(7) Bonus Cost to Dividend Distribution (millions)	(8) Projected Dividend Dist. (millions)	(9) Dividend Without Bonus	(10) Dividend With Bonus	(11) Percent Reduction	(12) Dollar Reduction
1986	518,000	16,744	0	\$250	\$50.7	0.0	\$243.9	\$470.8	na	na	na
1987	521,000	17,768	0	250	53.8	0.0	256.0	491.3	na	na	na
1988	524,000	16,989	1,780	250	51.4	5.4	262.7	501.4	\$491.1	2.05%	\$10.3
1989	528,000	16,205	3,623	250	49.0	11.0	268.8	509.2	488.4	4.08	20.8
1990	538,000	15,421	5,492	250	46.7	16.6	272.2	506.0	475.1	6.10	30.9
1991	550,000	14,642	7,266	250	44.3	22.0	281.3	511.4	471.5	7.81	40.0
1992	559,000	13,869	8,980	250	42.0	27.2	289.6	518.0	469.4	9.38	48.6
1993	567,000	13,100	10,761	250	39.6	32.6	297.1	524.1	466.6	10.96	57.4
1994	572,000	12,336	12,463	250	37.3	37.7	304.0	531.5	465.6	12.40	65.9
1995	573,000	11,576	14,314	250	35.0	43.3	310.1	541.1	465.6	13.97	75.6
1996	586,000	10,821	16,044	250	32.7	48.5	315.4	538.3	455.5	15.39	82.8
1997	592,000	10,072	17,626	250	30.5	53.3	320.0	540.5	450.5	16.66	90.1
1998	596,000	9,333	19,334	250	28.2	58.5	323.9	543.4	445.3	18.06	98.1
1999	600,000	8,608	20,964	250	26.0	63.4	327.0	545.1	439.4	19.39	105.7
2000	604,000	7,899	22,632	250	23.9	68.5	329.6	545.6	432.3	20.78	113.4
2001	613,000	7,209	24,275	250	21.8	73.4	331.5	540.7	420.9	22.16	119.8
2002	621,000	6,542	25,928	250	19.8	78.4	332.8	535.9	409.6	23.57	126.3
2003	629,000	5,900	27,582	250	17.8	83.4	333.6	530.3	397.6	25.02	132.7
2004	637,000	5,287	29,236	250	16.0	88.4	333.8	524.0	385.2	26.49	138.8
2005	644,000	4,706	31,059	250	14.2	94.0	333.6	518.1	372.2	28.16	145.9
2006	652,000	4,162	33,019	250	12.6	99.9	333.0	510.8	357.6	29.99	153.2
2007	661,000	3,655	34,890	250	11.1	105.5	332.1	502.4	342.8	31.78	159.7
2008	670,000	3,187	37,184	250	9.6	112.5	330.9	493.8	325.9	34.00	167.9
2009	680,000	2,758	39,504	250	8.3	119.5	329.3	484.3	308.6	36.29	175.7
2010	691,000	2,370	41,716	250	7.2	126.2	327.5	474.0	291.4	38.53	182.6

Prepared by the House Research Agency

11-Feb-85

Bonus program costs include administrative costs estimated at 0.84 percent of the bonus costs according to the Governor's FY 86 budget request.

The projected Permanent Fund Distributions beyond 2000 are based on estimates by the House Research Agency.

na = not applicable because bonus program costs are not taken from the Permanent Fund Distributions until FY 88. Distribution until FY 88.

Please disregard markings - chart is being reformatted for easier reading

LONGEVITY BONUS COST ANALYSIS

HB 239

Begin Stairstep: FY 92
 Step Increment: 1
 Age Cap: None

Fiscal Year	Over 65 by 1986	ALB	Cost (millions)	Cut Age	Other Eligible Recipients	ALB	Cost (millions)	Annual Total Cost (millions)	Cumulative Cost (millions)
1986	15,039	\$250	\$45.1	65	1,705	\$250	\$5.1	\$50.2	\$50.2
1987	14,349	250	43.0	65	3,419	250	10.3	53.3	103.5
1988	13,660	250	41.0	65	5,109	250	15.3	56.3	159.8
1989	12,974	250	38.9	65	6,854	250	20.6	59.5	219.3
1990	12,293	250	36.9	65	8,620	250	25.9	62.7	282.1
1991	11,616	250	34.8	65	10,292	250	30.9	65.7	347.8
1992	10,943	250	32.8	66	9,982	250	29.9	62.8	410.6
1993	10,273	250	30.8	67	9,665	250	29.0	59.8	470.4
1994	9,606	250	28.8	68	9,346	250	28.0	56.9	527.2
1995	8,945	250	26.8	69	9,029	250	27.1	53.9	581.2
1996	8,291	250	24.9	70	8,710	250	26.1	51.0	632.2
1997	7,644	250	22.9	71	8,388	250	25.2	48.1	680.3
1998	7,012	250	21.0	72	8,059	250	24.2	45.2	725.5
1999	6,396	250	19.2	73	7,720	250	23.2	42.3	767.8
2000	5,799	250	17.4	74	7,370	250	22.1	39.5	807.3
2001	5,225	250	15.7	75	7,008	250	21.0	36.7	844.0
2002	4,676	250	14.0	76	6,637	250	19.9	33.9	878.0
2003	4,156	250	12.5	77	6,255	250	18.8	31.2	909.2
2004	3,666	250	11.0	78	5,864	250	17.6	28.6	937.8
2005	3,210	250	9.6	79	5,466	250	16.4	26.0	963.8
2006	2,788	250	8.4	80	5,063	250	15.2	23.6	987.4
2007	2,402	250	7.2	81	4,657	250	14.0	21.2	1,008.5
2008	2,050	250	6.2	82	4,254	250	12.8	18.9	1,027.5
2009	1,778	250	5.3	83	3,857	250	11.6	16.9	1,044.4
2010	1,449	250	4.3	84	3,473	250	10.4	14.8	1,059.1

Compare ^{cost} to FY87, step 2 - almost the same

LONGEVITY BONUS COST ANALYSIS

Begin Stairstep: FY 92
 Step Increment: 1
 Age Cap: 75

Fiscal Year	Over 65 by 1986	ALB	Cost (millions)	Cut Age	Other Eligible Recipients	ALB	Cost (millions)	Total Cost (millions)	Cumulative Cost (millions)
1986	15,039	\$250	\$45.1	65	1,705	\$250	\$5.1	\$50.2	\$50.2
1987	14,349	250	43.0	65	3,419	250	10.3	53.3	103.5
1988	13,660	250	41.0	65	5,109	250	15.3	56.3	159.8
1989	12,974	250	38.9	65	6,854	250	20.6	59.5	219.3
1990	12,293	250	36.9	65	8,620	250	25.9	62.7	282.1
1991	11,616	250	34.8	65	10,292	250	30.9	65.7	347.8
1992	10,943	250	32.8	66	9,982	250	29.9	62.8	410.6
1993	10,273	250	30.8	67	9,665	250	29.0	59.8	470.4
1994	9,606	250	28.8	68	9,346	250	28.0	56.9	527.2
1995	8,945	250	26.8	69	9,029	250	27.1	53.9	581.2
1996	8,291	250	24.9	70	8,710	250	26.1	51.0	632.2
1997	7,644	250	22.9	71	8,388	250	25.2	48.1	680.3
1998	7,012	250	21.0	72	8,059	250	24.2	45.2	725.5
1999	6,396	250	19.2	73	7,720	250	23.2	42.3	767.8
2000	5,799	250	17.4	74	7,370	250	22.1	39.5	807.3
2001	5,225	250	15.7	75	7,008	250	21.0	36.7	844.0
2002	4,676	250	14.0	75	8,013	250	24.0	38.1	882.1
2003	4,156	250	12.5	75	9,034	250	27.1	39.6	921.7
2004	3,666	250	11.0	75	9,966	250	29.9	40.9	962.6
2005	3,210	250	9.6	75	10,970	250	32.9	42.5	1,005.1
2006	2,788	250	8.4	75	11,850	250	35.6	43.9	1,049.0
2007	2,402	250	7.2	75	12,592	250	37.8	45.0	1,094.0
2008	2,050	250	6.2	75	13,396	250	40.2	46.3	1,140.3
2009	1,778	250	5.3	75	14,119	250	42.4	47.7	1,188.0
2010	1,449	250	4.3	75	14,848	250	44.5	48.9	1,236.9

LONGEVITY BONUS COST ANALYSIS

Begin Stairstep: FY 92
 Step Increment: 2
 Age Cap: None

Fiscal Year	Over 65 by 1986	ALB	Cost (millions)	Cut Age	Other Eligible Recipients	ALB	Cost (millions)	Total Cost (millions)	Cumulative Cost (millions)
1986	15,039	\$250	\$45.1	65	1,705	\$250	\$5.1	\$50.2	\$50.2
1987	14,349	250	43.0	65	3,419	250	10.3	53.3	103.5
1988	13,660	250	41.0	65	5,109	250	15.3	56.3	159.8
1989	12,974	250	38.9	65	6,854	250	20.6	59.5	219.3
1990	12,293	250	36.9	65	8,620	250	25.9	62.7	282.1
1991	11,616	250	34.8	65	10,292	250	30.9	65.7	347.8
1992	10,943	250	32.8	66	9,982	250	29.9	62.8	410.6
1993	10,273	250	30.8	66	11,542	250	34.6	65.4	476.0
1994	9,606	250	28.8	67	11,170	250	33.5	62.3	538.3
1995	8,945	250	26.8	67	12,736	250	38.2	65.0	603.4
1996	8,291	250	24.9	68	12,300	250	36.9	61.8	665.2
1997	7,644	250	22.9	68	13,722	250	41.2	64.1	729.3
1998	7,012	250	21.0	69	13,218	250	39.7	60.7	789.9
1999	6,396	250	19.2	69	14,692	250	44.1	63.3	853.2
2000	5,799	250	17.4	70	14,106	250	42.3	59.7	912.9
2001	5,225	250	15.7	70	15,378	250	46.1	61.8	974.7
2002	4,676	250	14.0	71	14,707	250	44.1	58.1	1,032.9
2003	4,156	250	12.5	71	15,755	250	47.3	59.7	1,092.6
2004	3,666	250	11.0	72	14,991	250	45.0	56.0	1,148.6
2005	3,210	250	9.6	72	16,037	250	48.1	57.7	1,206.3
2006	2,788	250	8.4	73	15,173	250	45.5	53.9	1,260.2
2007	2,402	250	7.2	73	16,049	250	48.1	55.4	1,315.6
2008	2,050	250	6.2	74	15,089	250	45.3	51.4	1,367.0
2009	1,778	250	5.3	74	15,894	250	47.7	53.0	1,420.0
2010	1,449	250	4.3	75	14,848	250	44.5	48.9	1,468.9

LONGEVITY BONUS COST ANALYSIS

Begin Stairstep: FY 87
 Step Increment: 1
 Age Cap: 75

Fiscal Year	Over 65 by 1986	RLB	Cost (millions)	Cut Age	Other Eligible Recipients	RLB	Cost (millions)	Total Cost (millions)	Cumulative Cost (millions)
1986	15,039	\$250	\$45.1	65	1,705	\$250	\$5.1	\$50.2	\$50.2
1987	14,349	250	43.0	66	1,663	250	5.0	48.0	98.3
1988	13,660	250	41.0	67	1,617	250	4.9	45.8	144.1
1989	12,974	250	38.9	68	1,566	250	4.7	43.6	187.7
1990	12,293	250	36.9	69	1,516	250	4.5	41.4	229.1
1991	11,616	250	34.8	70	1,466	250	4.4	39.2	268.4
1992	10,943	250	32.8	71	1,417	250	4.3	37.1	305.5
1993	10,273	250	30.8	72	1,369	250	4.1	34.9	340.4
1994	9,606	250	28.8	73	1,321	250	4.0	32.8	373.2
1995	8,945	250	26.8	74	1,271	250	3.8	30.6	403.8
1996	8,291	250	24.9	75	1,220	250	3.7	28.5	432.4
1997	7,644	250	22.9	75	2,422	250	7.3	30.2	462.6
1998	7,012	250	21.0	75	3,584	250	10.8	31.8	494.3
1999	6,396	250	19.2	75	4,763	250	14.3	33.5	527.8
2000	5,799	250	17.4	75	5,933	250	17.8	35.2	563.0
2001	5,225	250	15.7	75	7,008	250	21.0	36.7	599.7
2002	4,676	250	14.0	75	8,013	250	24.0	38.1	637.8
2003	4,156	250	12.5	75	9,034	250	27.1	39.6	677.4
2004	3,666	250	11.0	75	9,966	250	29.9	40.9	718.3
2005	3,210	250	9.6	75	10,970	250	32.9	42.5	760.8
2006	2,788	250	8.4	75	11,850	250	35.6	45.9	804.7
2007	2,402	250	7.2	75	12,592	250	37.8	45.0	849.7
2008	2,050	250	6.2	75	13,396	250	40.2	46.3	896.0
2009	1,778	250	5.3	75	14,119	250	42.4	47.7	943.7
2010	1,449	250	4.3	75	14,848	250	44.5	48.9	992.6

LONGEVITY BONUS COST ANALYSIS

Begin Stairstep: FY 87
 Step Increment: 2
 Age Cap: None

Fiscal Year	Over 65 by 1986	ALB	Cost (millions)	Cut Age	Other Eligible Recipients	ALB	Cost (millions)	Total Cost (millions)	Cumulative Cost (millions)
1986	15,039	250	\$45.1	65	1,705	\$250	\$5.1	\$50.2	\$50.2
1987	14,349	250	43.0	66	1,663	250	5.0	48.0	98.3
1988	13,660	250	41.0	66	3,329	250	10.0	51.0	149.2
1989	12,974	250	38.9	67	3,230	250	9.7	48.6	197.8
1990	12,293	250	36.9	67	4,816	250	14.4	51.3	249.2
1991	11,616	250	34.8	68	4,661	250	14.0	48.8	298.0
1992	10,943	250	32.8	68	6,241	250	18.7	51.6	349.6
1993	10,273	250	30.8	69	6,035	250	18.1	48.9	398.5
1994	9,606	250	28.8	69	7,577	250	22.7	51.5	450.0
1995	8,945	250	26.8	70	7,316	250	21.9	48.8	498.8
1996	8,291	250	24.9	70	8,710	250	26.1	51.0	549.8
1997	7,644	250	22.9	71	8,388	250	25.2	48.1	597.9
1998	7,012	250	21.0	71	9,657	250	29.0	50.0	647.9
1999	6,396	250	19.2	72	9,265	250	27.8	47.0	694.9
2000	5,799	250	17.4	72	10,503	250	31.5	48.9	743.8
2001	5,225	250	15.7	73	10,028	250	30.1	45.8	789.6
2002	4,676	250	14.0	73	11,109	250	33.3	47.4	836.9
2003	4,156	250	12.5	74	10,545	250	31.6	44.1	881.0
2004	3,666	250	11.0	74	11,630	250	34.9	45.9	926.9
2005	3,210	250	9.6	75	10,970	250	32.9	42.5	969.5
2006	2,788	250	8.4	75	11,850	250	35.6	43.9	1,013.4
2007	2,402	250	7.2	76	11,098	250	33.3	40.5	1,053.9
2008	2,050	250	6.2	76	11,767	250	35.3	41.5	1,095.3
2009	1,778	250	5.3	77	10,337	250	32.8	38.1	1,133.5
2010	1,449	250	4.3	77	11,593	250	34.8	39.1	1,172.6

Prepared by the House Research Agency 02-Mar-85

LONGEVITY BONUS COST ANALYSIS

Begin Stairstep: FY 87
 Step Increment: 2
 Age Cap: 75

Fiscal Year	Over 65 by 1986	ALB	Cost (millions)	Cut Age	Other Eligible Recipients	ALB	Cost (millions)	Total Cost (millions)	Cumulative Cost (millions)
1986	15,039	\$250	\$45.1	65	1,705	\$250	\$5.1	\$50.2	\$50.2
1987	14,349	250	43.0	66	1,663	250	5.0	48.0	98.3
1988	13,660	250	41.0	66	3,329	250	10.0	51.0	149.2
1989	12,974	250	38.9	67	3,230	250	9.7	48.6	197.8
1990	12,293	250	36.9	67	4,816	250	14.4	51.3	249.2
1991	11,616	250	34.8	68	4,661	250	14.0	48.8	298.0
1992	10,943	250	32.8	68	6,241	250	18.7	51.6	349.6
1993	10,273	250	30.8	69	6,035	250	18.1	48.9	398.5
1994	9,606	250	28.8	69	7,577	250	22.7	51.5	450.0
1995	8,945	250	26.8	70	7,315	250	21.9	48.8	498.8
1996	8,291	250	24.9	70	8,710	250	26.1	51.0	549.8
1997	7,644	250	22.9	71	8,388	250	25.2	48.1	597.9
1998	7,012	250	21.0	71	9,657	250	29.0	50.0	647.9
1999	6,396	250	19.2	72	9,265	250	27.8	47.0	694.9
2000	5,799	250	17.4	72	10,503	250	31.5	48.9	743.8
2001	5,225	250	15.7	73	10,028	250	30.1	45.8	789.6
2002	4,676	250	14.0	73	11,109	250	33.3	47.4	836.9
2003	4,156	250	12.5	74	10,545	250	31.6	44.1	881.0
2004	3,666	250	11.0	74	11,630	250	34.9	45.9	926.9
2005	3,210	250	9.6	75	10,970	250	32.9	42.5	969.5
2006	2,788	250	8.4	75	11,850	250	35.6	43.9	1,013.4
2007	2,402	250	7.2	75	12,592	250	37.8	45.0	1,058.3
2008	2,050	250	6.2	75	13,396	250	40.2	46.3	1,104.7
2009	1,778	250	5.3	75	14,119	250	42.4	47.7	1,152.4
2010	1,449	250	4.3	75	14,848	250	44.5	48.9	1,201.3

SECTIONAL ANALYSIS OF PROPOSED HCS CS SB 56 (FIN)

Section 1. This is the findings and purpose section. It articulates why the legislature is phasing out the program.

Section 2. This section phases out the program. Only those individuals who turn 65 by July of 1991 will be eligible for a monthly bonus for the rest of their lives. This language better expresses the intent of the "stairstepping" language of HB 239. The language has been changed because of legal counsel's advice that, contrary to the intent of HB 239, certain individuals' eligibility could be jeopardized after they initially met the age of eligibility. Also, other unintended effects could occur under the old language. (Please refer to letter from Assistant Attorney General Deborah Vogt for further details.) The effect of this section is that anyone presently in their sixties will qualify for a longevity bonus when they get to age 65. The program and the associated cost grow for the next five years as these individuals become eligible and then gradually phase out over time as the eligible individuals pass away.

Section 3. Under current law, a bonus recipient can be Outside for 6 months without losing eligibility for the bonus for the next year. This section would only allow the recipient to be Outside for 3 months without losing eligibility.

Section 4. This section disqualifies those who reside in nursing homes, nursing wings of Pioneer homes, and mental health facilities from receiving a longevity bonus. This is because they will lose their medicaid eligibility if they continue to receive a bonus and the amount that medicaid pays for their care far exceeds the \$3,000 in annual bonus income. (Please refer to proposed letter of intent for further details.)

Section 5. This section "holds harmless" those bonus recipients who would otherwise lose their medicaid, SSI, and OAA benefits because the federal government now considers the bonus as a prior resource when determining eligibility for these programs. (Please refer to proposed letter of intent for further details.)

Section 6. This section repeals the July 1, 1985 termination date of the current longevity bonus program.

Sections 7 and 8. These sections make all of the bill go into effect on July 1, 1985 except for section 6 which goes into effect immediately.

PROPOSED LETTER OF INTENT FOR HCS CS SB 56 (FIN)

HCS CS SB 56 (FIN) phases out the longevity bonus program in a fair and just manner by insuring that today's seniors in their sixties will receive a monthly longevity bonus for the rest of their lives regardless of need. The bill does, however, address the income of these seniors who are eligible for public assistance.

Because the federal government has indicated that the longevity bonus will be considered a prior resource when determining eligibility for medicaid and supplemental security income (SSI), many of Alaska's poorest seniors who qualify for the bonus will lose their medicaid and SSI benefits. Also, because the state funded Old Age Assistance (OAA) program must follow the federal ruling, these same seniors will lose their OAA benefits as well. This bill will hold the affected seniors harmless from this federal ruling by authorizing the state to pay those medicaid, SSI and OAA benefits that the federal government no longer allows, with one exception. Instead of paying the federal portion of medicaid for eligible nursing home residents, these individuals are prohibited from receiving a bonus. This is because the federal portion of their medicaid benefits far outweigh the \$3,000 in annual bonus income and because the cost to the state of paying both the bonus and the federal medicaid portion of their nursing home care is prohibitive. Nursing home care in Alaska averages \$140 per day.

The legislature recognizes that the federal government may consider the bonus as a prior resource for other programs for which eligibility requirements are controlled at the federal level. Therefore, it is the intent of the legislature that the House and Senate Health, Education & Social Services Committees conduct a joint review of the relationship between eligibility for a longevity bonus and eligibility for federal assistance programs and report back to the legislature next session. The review should consider, but is not limited to, the following items: (1) an inventory of programs for which receipt of the bonus will change eligibility for the federal program, (2) the cost of holding bonus recipients harmless for each program, (3) how best to administer hold harmless programs; (4) how an individual would fare under each program if the individual were made ineligible for a bonus, (5) proposals for legislative action, and (6) the federal reaction to any proposed legislative actions. In conducting the review, the Committees should work closely with the House and Senate Finance Committees and the affected state agencies.

SUMMARY OF FISCAL NOTES FOR HCS CS SB 56 (FIN)

Fiscal Note #1:	\$413.8	Non-nursing home Medicaid
Fiscal Note #2:	\$2160.0	OAA/SSI
Fiscal Note #3:	\$ 339.0	Loss of nursing wing ALB income to Pioneers' Homes
Sub-Total	\$2912.8	
Fiscal Note #3:	(\$1313.4)	Savings from not paying ALB's to nursing home residents.
TOTAL	<hr/> <hr/> \$1599.4	Net additional general funds required.

NOTE: No funds are provided in these fiscal notes for the payment of bonuses.
These funds are provided in FY 86 budget.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST (Pin FISCAL DETAIL)
 Bill/Resolution No.: HCS CSSB 56 Agency Affected: Dept. Health & Social Serv.
 Title: Longevity Bonus Program Category Affected: Social and Economic Assistance
 Sponsor: Senator Ray, et al. BRU, Program or Subprogram(s) Affected: _____
 Requestor: House Finance Committee Medical Assistance
 Date of Request: 3/27/85

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL						
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REVENUE		(413.8)				
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FUNDING: (Thousands of Dollars)

GENERAL FUND		413.8				
FEDERAL FUNDS		(413.8)				
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

The bill authorizes state funds to replace lost federal funds for medicaid benefits for non-nursing home medicaid recipients. There is no increase in operating expenditures, only a change in funding source.

Prepared By: Representative Al Adams -Chair Phone: 465-3706
 Division: House Finance Committee Date: 3/27/85

Approved by Commissioner: _____ Date: _____
 Agency: _____

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

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

(Fin)FISCAL DETAIL

Bill/Resolution No.: HCS CSSB 56 Agency Affected: Dept. Health & Social Serv.
Title: Longevity Bonus Program Category Affected: Social &

Economic Assistance

Sponsor: Senator Rav, et al. BRU, Program or Subprogram(s) Affected:

Requestor: House Finance Committee General Relief Assistance

Date of Request: 3/27/85

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		2160.0				
800 MISCELLANEOUS						
TOTAL OPERATING		2160.0				

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	2160.0					
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached analysis

ARA

Prepared By: Representative Adams Chairman Phone: 465-3706
Division: House Finance Committee Date: 3/27/85

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

Fiscal Note Analysis

HCS CS SB 56 (Fin)

1. Costs reflect replacing lost supplemental security income monthly payments with General Relief Assistance:

			<u>FY cost</u>
FY 86:	750 persons/month	=	1,400.0
FY 87:	794 persons/month	=	1,530.5
FY 88:	838 persons/month	=	1,669.8
FY 89:	884 persons/month	=	1,821.6
FY 90:	933 persons/month	=	1,987.4

2. Costs also reflect replacing lost Old Age Assistance monthly payments with General Relief Assistance:

			<u>FY cost</u>
FY 86:	750 persons/month	=	760.0
FY 87:	794 persons/month	=	830.7
FY 88:	838 persons/month	=	906.3
FY 89:	884 persons/month	=	988.8
FY 90:	933 persons/month	=	1017.9

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST (Fin) FISCAL DETAIL
 Bill/Resolution No.: HCS CSSB 56 Agency Affected: Administration
 Title: Longevity Bonus Program Category Affected: Social and Economic assistance for the aged.
 Sponsor: Senator Ray, et al BRU, Program or Subprogram(s) Affected:
 Requestor: House Finance Committee Longevity Bonus and Pioneers' Home
 Date of Request: 3/27/85

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONNEL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS		(1712.4)				
TOTAL OPERATING		(1712.4)				

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

GENERAL FUND		(1313.4)				
FEDERAL FUNDS						
OTHER						
TOTAL		(1313.4)				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See Attached Analysis.

Prepared By: Representative Adams - Chairman Phone: 465-3706
 Division: House Finance Committee Date: 3/27/85

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

HCS CS SB 56 (Fin)

Fiscal note analysis:

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

ASSUMPTIONS

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

LONG TERM COSTS OF A.L.B. PROGRAM
Under proposed HCS CS SB 56 (Fin)

Fiscal Year	Eligibility Age	Total Recipients	Monthly Bonus	Annual Cost (millions)	Cumulative Cost (millions)
1986	65	16,744	\$ 250	\$50.2	\$ 50.2
1987	65	17,768	250	53.3	103.5
1988	65	18,769	250	56.3	159.8
1989	65	19,823	250	59.5	219.3
1990	65	20,913	250	62.7	282.1
1991	65	21,908	250	65.7	347.3
1992	66	20,925	250	62.8	410.6
1993	67	19,932	250	59.8	470.4
1994	68	18,952	250	56.9	527.2
1995	69	17,974	250	53.9	581.2
1996	70	17,001	250	51.0	632.2
1997	71	16,032	250	48.1	680.3
1998	72	15,071	250	45.2	725.5
1999	73	14,116	250	42.3	767.3
2000	74	13,169	250	39.5	807.3
2001	75	12,233	250	36.7	844.0
2002	76	11,313	250	33.9	878.0
2003	77	10,411	250	31.2	909.2
2004	73	9,530	250	28.6	937.8
2005	79	8,676	250	26.0	963.8
2006	80	7,851	250	23.6	987.4
2007	81	7,059	250	21.2	1,008.5
2008	82	6,304	250	18.9	1,027.5
2009	83	5,635	250	16.9	1,044.4
2010	84	4,922	250	14.8	1,059.1

(Prepared by House Finance Staff using information supplied by House Research Agency.)

BILL SHEFFIELD, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

March 28, 1985

Honorable Al Adams
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Adams:

The "stairstepping" approach would phase out the Alaska longevity bonus program by increasing the age of eligibility one year each year beginning in 1991. The intent is to protect those individuals currently receiving the bonus, as well as those approaching retirement age who have made retirement plans in expectation of the bonus, without unconstitutionally discriminating against those who have recently exercised their right to travel.

I believe that this purpose would be better accomplished by using language that would make individuals of a certain age eligible, rather than by raising the age of eligibility each year. That is, it is simpler and cleaner to make the bonus available to anyone (who meets the residency requirement) who is age 65 by July 1, 1991 rather than to raise the eligibility requirement each year beginning that year. This is because raising the eligibility requirement could serve to disqualify an individual who once qualified. For example, if the age requirement went up each July 1, and if an individual's 65th birthday were just prior to the first increase, we could have the following result:

<u>Date</u>	<u>Occurrence</u>	<u>Result</u>
June 1, 1991	Individual turns 65	Eligible for bonus
July 1, 1991	Age requirement goes up to 66	Not eligible - not yet 66
June 1, 1992	Individual turns 66	Eligible again
July 1, 1992	Age requirement goes up to 67	Not eligible - not yet 67

Thus, the individual in the example would be eligible for the bonus only one month each year - clearly an unintended result of stairstepping.

This problem could be approached by providing that once an individual meets the age requirement, that individual cannot later be disqualified by failure to meet the age requirement. However, a remaining problem would be that two individuals, with the identical birthdate, who came to the state a few days on either side of July 1 might be treated very differently. The first might have turned 65, and completed one year's residency just prior to July 1, 1991. That person would be eligible. The second might have turned 65, but would not complete one year's residency until July 2, 1991 at which time he would not meet the age requirement. The second individual might have to wait nearly a year longer than the first in order to receive the bonus - even though the two were exactly the same age. Thus, the program would treat people differently based solely on when they exercised their right to travel.

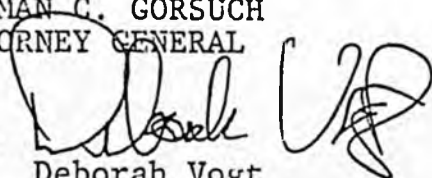
While all these problems could be cured by several changes in drafting, the resulting language would be extremely awkward. It is much cleaner and simpler to provide that an individual qualifies if he or she turns 65 by a certain date.

Please let me know if I can be of any further assistance.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By:


Deborah Vogt
Assistant Attorney General

DV:jf

MEMORANDUM

State of Alaska

TO: The Honorable Katie Hurley
Chair
House State Affairs Committee

DATE: March 7, 1985

FILE NO: 85D-230

TELEPHONE NO: 465-3568

FROM: Gregg Erickson, Senior Economist and Principal Analyst
Division of Strategic Planning
Office of Management and Budget

SUBJECT: Historical Growth of Longevity Bonus

The attached chart provides the historical data on the number of participants in the Alaska Longevity Bonus (ALB) Program, which you requested at yesterday's hearing. Some additional historical notes are provided below.

The ALB program was adopted during the 1972 legislative session, and began operating in January 1973. The first month saw checks sent to 3,461 individuals. For the years 1973-78, the attached chart shows the average of the number of checks sent in January and July of the named year.

For 1979-85, the chart reports the number of "qualified recipients," again averaging January and July (except 1985, which is an average of January and March). Once "qualified" for the ALB, a person remains on the rolls for six months even if he or she is temporarily outside the State (payments, of course, stop if a person is absent for more than 30 days). The data for the 1973-78 and 1979-85 periods are thus not exactly comparable, although in this context the difference is not significant.

The increased growth indicated for 1984 and 1985 is a consequence of opening the program to all 65-and-over one year residents. In May 1984, just before the program was "universalized," there were 10,018 qualified recipients; at the beginning of March 1985, there were 14,651.

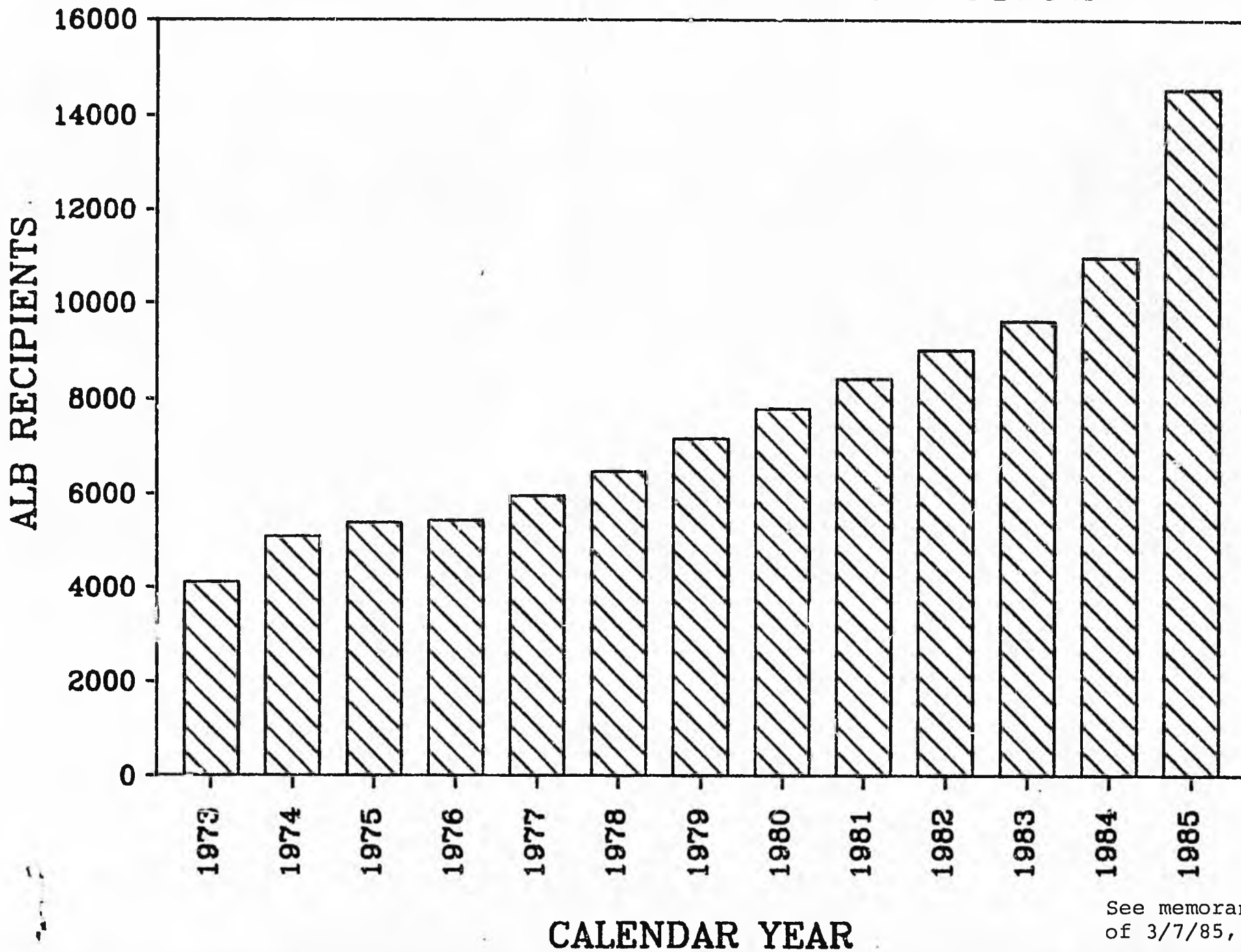
You may also be interested in the growth of the monthly benefit under the ALB:

January 1973 to June 1976	\$100
July 1976	increased to \$125
July 1978	increased to \$150
July 1980	increased to \$200
August 1981	increased to \$250

GE/dmc

Attachment

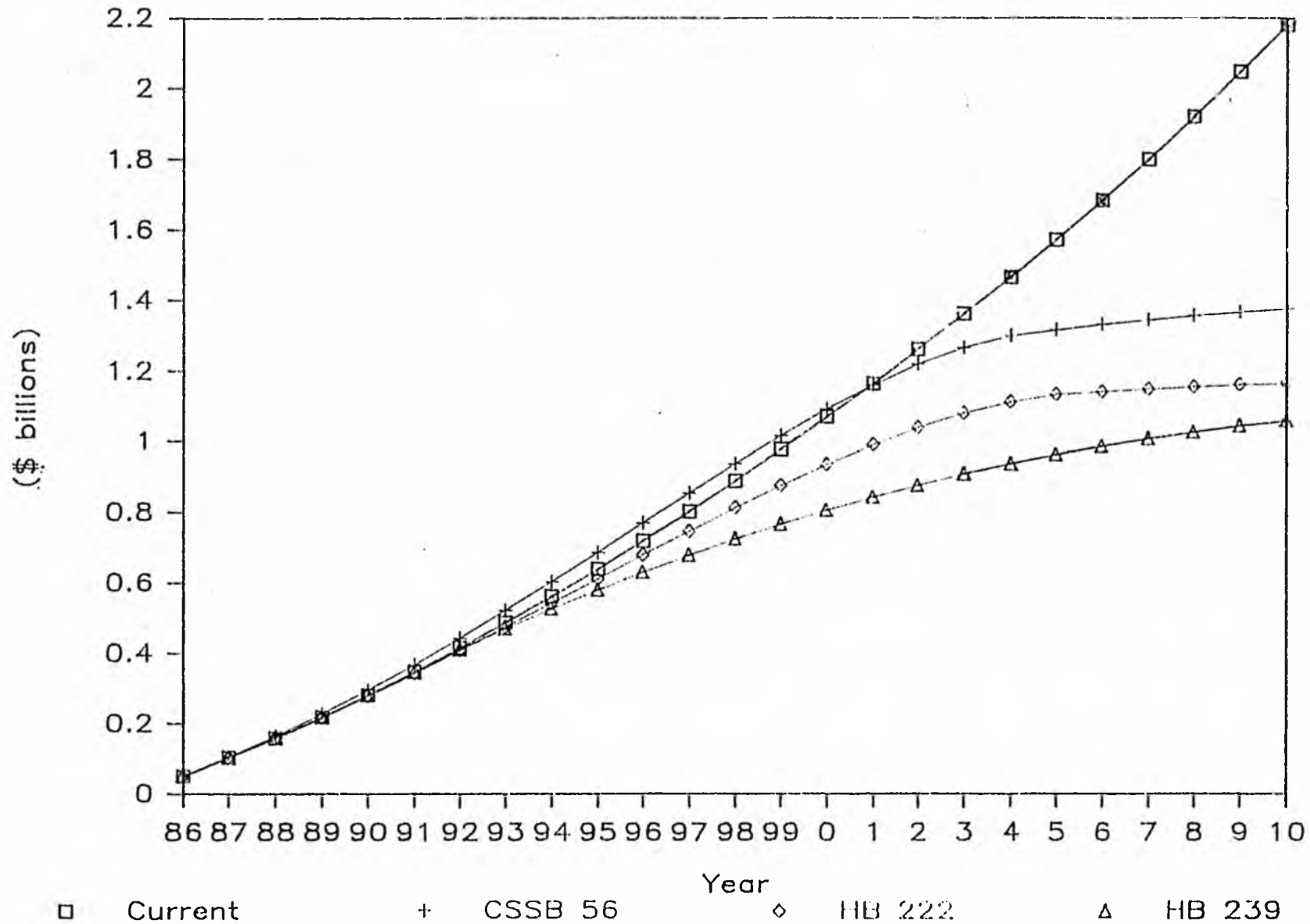
GROWTH OF LONGEVITY BONUS



See memorandum
of 3/7/85, attached.

LONGEVITY BONUS COST ANALYSIS

Cumulative Cost



LONGEVITY BONUS COST ANALYSIS

Current Program

Fiscal Year	Over 65 by 1/86	Monthly Bonus	Cost (millions)	I I I I	Eligibility Age	Reach 65 after 1/1/86	Monthly Bonus	Cost (millions)	Total Cost (millions)	Cumulative Cost (millions)
1986	15,039	\$250	\$45.1		65	1,705	\$250	\$5.1	\$50.2	\$50.2
1987	14,349	250	43.0		65	3,419	250	10.3	53.3	103.5
1988	13,660	250	41.0		65	5,109	250	15.3	56.3	159.8
1989	12,974	250	38.9		65	6,854	250	20.6	59.5	219.3
1990	12,293	250	36.9		65	8,620	250	25.9	62.7	282.1
1991	11,616	250	34.8		65	10,292	250	30.9	65.7	347.0
1992	10,943	250	32.8		65	11,906	250	35.7	68.5	416.3
1993	10,273	250	30.8		65	13,588	250	40.8	71.6	487.9
1994	9,606	250	28.8		65	15,193	250	45.6	74.4	562.3
1995	8,945	250	26.8		65	16,946	250	50.8	77.7	640.0
1996	8,291	250	24.9		65	18,572	250	55.7	80.6	720.6
1997	7,644	250	22.9		65	20,048	250	60.1	83.1	803.7
1998	7,012	250	21.0		65	21,645	250	64.9	86.0	889.6
1999	6,396	250	19.2		65	23,160	250	69.5	88.7	978.3
2000	5,799	250	17.4		65	24,712	250	74.1	91.5	1,069.8
2001	5,225	250	15.7		65	26,234	250	78.7	94.4	1,164.2
2002	4,676	250	14.0		65	27,764	250	83.3	97.3	1,261.5
2003	4,156	250	12.5		65	29,292	250	87.9	100.3	1,361.9
2004	3,666	250	11.0		65	30,817	250	92.5	103.4	1,465.3
2005	3,210	250	9.6		65	32,511	250	97.5	107.2	1,572.5
2006	2,788	250	8.4		65	34,342	250	103.0	111.4	1,683.9
2007	2,402	250	7.2		65	36,007	250	108.3	115.5	1,799.3
2008	2,050	250	6.2		65	38,219	250	114.8	120.9	1,920.3
2009	1,778	250	5.3		65	40,416	250	121.2	126.6	2,046.8
2010	1,449	250	4.3		65	42,563	250	127.7	132.0	2,178.9

Prepared by the House Research Agency

04-Mar-85

LONGEVITY BONUS COST ANALYSIS

CSSB 56 and HB 210

Fiscal Year	Over 65 by 1/86	Monthly Bonus	Cost (millions)	I I I	Eligibility Age	Reach 65 after 1/1/86	Monthly Bonus	Cost (millions)	Total Cost (millions)	Cumulative Cost (millions)
1986	15,039	\$250	\$45.1		65	1,705	\$250	\$5.1	\$50.2	\$50.2
1987	14,349	258	44.3		65	3,419	253	10.4	54.7	104.9
1988	13,660	265	43.5		65	5,109	255	15.6	59.1	164.0
1989	12,974	273	42.5		65	6,854	256	21.1	63.6	227.6
1990	12,293	281	41.5		65	8,620	256	26.5	68.0	295.6
1991	11,616	290	40.4		65	10,292	256	31.6	72.0	367.6
1992	10,943	299	39.2		65	11,906	254	36.2	75.4	443.0
1993	10,273	307	37.9		65	13,588	250	40.8	78.7	521.7
1994	9,606	317	36.5		65	15,193	245	44.6	81.1	602.8
1995	8,945	326	35.0		65	16,946	238	48.3	83.3	686.1
1996	8,291	336	33.4		65	18,572	228	50.9	84.3	770.4
1997	7,644	346	31.7		65	20,048	216	52.1	83.8	854.3
1998	7,012	356	30.0		65	21,645	202	52.5	82.5	936.7
1999	6,396	367	28.2		65	23,160	184	51.3	79.4	1,016.2
2000	5,799	378	26.3		65	24,712	163	48.5	74.8	1,091.0
2001	5,225	389	24.4		65	26,234	139	43.7	68.1	1,159.1
2002	4,676	401	22.5		65	27,764	110	36.6	59.1	1,218.2
2003	4,156	413	20.6		65	29,292	77	26.9	47.5	1,265.7
2004	3,666	426	18.7		65	30,817	38	14.1	32.9	1,298.6
2005	3,210	438	16.9		65	32,511	0	0.0	16.9	1,315.5
2006	2,788	452	15.1		65	34,342	0	0.0	15.1	1,330.6
2007	2,402	465	13.4		65	36,087	0	0.0	13.4	1,344.0
2008	2,050	479	11.8		65	38,259	0	0.0	11.8	1,355.8
2009	1,778	493	10.5		65	40,416	0	0.0	10.5	1,366.3
2010	1,449	508	8.8		65	42,563	0	0.0	8.8	1,375.1



LONGEVITY BONUS COST ANALYSIS

HB 222

Fiscal Year	Over 65 by 1/86	Monthly Bonus	Cost (millions)	I	Eligibility Age	Reach 65 after 1/1/86	Monthly Bonus	Cost (millions)	Total Cost (millions)	Cumulative Cost (millions)
1986	15,039	\$250	\$45.1	I	65	1,705	\$250	\$5.1	\$50.2	\$50.2
1987	14,349	250	43.0	I	65	3,419	248	10.2	53.2	103.4
1988	13,660	250	41.0	I	65	5,109	245	15.0	56.0	159.4
1989	12,974	250	38.9	I	65	6,854	241	19.9	58.8	218.2
1990	12,293	250	36.9	I	65	8,620	237	24.6	61.4	279.6
1991	11,616	250	34.8	I	65	10,292	233	28.8	63.6	343.3
1992	10,943	250	32.8	I	65	11,906	228	32.5	65.3	408.6
1993	10,273	250	30.8	I	65	13,588	221	36.1	66.9	475.5
1994	9,606	250	28.8	I	65	15,193	214	39.0	67.8	543.3
1995	8,945	250	26.8	I	65	16,946	206	41.8	68.7	612.0
1996	8,291	250	24.9	I	65	18,572	196	43.7	68.6	680.6
1997	7,644	250	22.9	I	65	20,048	185	44.6	67.5	748.1
1998	7,012	250	21.0	I	65	21,645	173	44.9	65.9	814.0
1999	6,396	250	19.2	I	65	23,160	159	44.1	63.3	877.3
2000	5,799	250	17.4	I	65	24,712	143	42.3	59.7	937.0
2001	5,225	250	15.7	I	65	26,234	125	39.2	54.9	991.9
2002	4,676	250	14.0	I	65	27,764	104	34.8	48.8	1,040.7
2003	4,156	250	12.5	I	65	29,292	82	20.7	41.2	1,081.9
2004	3,666	250	11.0	I	65	30,817	56	20.8	31.8	1,113.7
2005	3,210	250	9.6	I	65	32,511	28	10.9	20.5	1,134.2
2006	2,788	250	8.4	I	65	34,342	0	0.0	8.4	1,142.6
2007	2,402	250	7.2	I	65	36,087	0	0.0	7.2	1,149.8
2008	2,050	250	6.2	I	65	38,259	0	0.0	6.2	1,155.9
2009	1,778	250	5.3	I	65	40,416	0	0.0	5.3	1,161.3
2010	1,449	250	4.3	I	65	42,563	0	0.0	4.3	1,165.6

Prepared by the House Research Agency

04-Mar-85

LONGEVITY BONUS COST ANALYSIS

Begin Stairstep: FY 92
 Step Increment: 1
 Age Cap: None

HD 239

Fiscal Year	Over 65 by 1/86	Monthly Bonus	Cost (millions)	I I I I	Eligibility Age	Reach 65 after 1/1/86	Monthly Bonus	Cost (millions)	Total Cost (millions)	Cumulative Cost (millions)
1986	15,039	\$250	\$45.1		65	1,705	\$250	45.1	\$50.2	\$50.2
1987	14,349	250	43.0		65	3,419	250	10.3	53.3	103.5
1988	13,660	250	41.0		65	5,109	250	15.3	56.3	159.8
1989	12,974	250	38.9		65	6,854	250	20.6	59.5	219.3
1990	12,293	250	36.9		65	8,620	250	25.9	62.7	282.1
1991	11,616	250	34.8		65	10,292	250	30.9	65.7	347.8
1992	10,943	250	32.8		66	9,982	250	29.9	62.8	410.6
1993	10,273	250	30.8		67	9,665	250	29.0	59.8	470.4
1994	9,606	250	28.8		68	9,346	250	28.0	56.9	527.2
1995	8,945	250	26.8		69	9,029	250	27.1	53.9	581.2
1996	8,291	250	24.9		70	8,710	250	26.1	51.0	632.2
1997	7,644	250	22.9		71	8,388	250	25.2	48.1	680.3
1998	7,012	250	21.0		72	8,059	250	24.2	45.2	725.5
1999	6,396	250	19.2		73	7,720	250	23.2	42.3	767.0
2000	5,799	250	17.4		74	7,370	250	22.1	39.5	807.3
2001	5,225	250	15.7		75	7,008	250	21.0	36.7	844.0
2002	4,676	250	14.0		76	6,637	250	19.9	33.9	878.0
2003	4,156	250	12.5		77	6,255	250	18.8	31.2	909.2
2004	3,666	250	11.0		78	5,864	250	17.6	28.6	937.8
2005	3,210	250	9.6		79	5,466	250	16.4	26.0	963.8
2006	2,788	250	8.4		80	5,063	250	15.2	23.6	987.4
2007	2,402	250	7.2		81	4,657	250	14.0	21.2	1,008.5
2008	2,050	250	6.2		82	4,254	250	12.8	18.9	1,027.5
2009	1,778	250	5.3		83	3,857	250	11.6	16.9	1,044.4
2010	1,449	250	4.3		84	3,473	250	10.4	14.8	1,059.1



Original sponsors: Ray, Halford,
Bennett, et al

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IN THE SENATE

BY THE 2d CONFERENCE COMMITTEE

CONFERENCE CS FOR SENATE BILL NO. 56
IN THE LEGISLATURE OF THE STATE OF ALASKA
FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

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

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

* Section 1. AS 47.45.010(a) is amended to read:

(a) A person who is 65 years of age on or before January 1, 1988
[OR OVER], who resides in the state for at least one year immediately
preceding application for a longevity bonus under this chapter may
apply to the commissioner of administration for qualification to
receive a monthly bonus of \$250 upon reaching age 65.

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

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

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

(d) A person who is eligible to receive a permanent fund divi-
dend under this section, or who is authorized to claim a dividend on
behalf of another under (c) of this section, may elect to receive the
dividend either in cash or as an annuity credit. Alternatively, a
person may elect to receive 25 percent, 50 percent, or 75 percent of
the dividend in cash and the remainder as an annuity credit. A person
who is 65 years of age on or before January 1, 1988 may only receive
the permanent fund dividend in cash and may not elect to receive
an annuity credit.

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

3 (a) The commissioner shall adopt regulations under the Adminis-
4 trative Procedure Act (AS 44.62) establishing the process for de-
5 termining the eligibility of individuals for permanent fund dividends.
6 The commissioner may require an individual to provide proof of eli-
7 gibility, and the commissioner may use other information available
8 from other state departments or agencies to determine the eligibility
9 of an individual.

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

11 (b) The department shall prescribe and furnish an application
12 form for claiming a permanent fund dividend. The application must
13 contain a statement of eligibility and a certification of residency in
14 substantially the following form:

15 I certify that

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

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

22 I understand that a false claim of residency to obtain a perma-
23 nent fund dividend for myself or for another is a criminal offense and
24 that if convicted I will forfeit future permanent fund dividends and
25 that I will lose or must repay all permanent fund dividends that have
26 been credited or paid to me, and any accrued interest in my annuity
27 account. I understand that this penalty is in addition to any crimi-
28 nal penalties imposed.

29 _____
(signature of individual, parent,

1 guardian, or other authorized
2 representative)

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

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

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

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

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

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

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

23 Sec. 43.23.035. PENALTIES AND ENFORCEMENT. (a) In addition to
24 any criminal penalties imposed by state law, if an individual is
25 convicted of a crime in connection with a false statement made in a
26 certification required under AS 43.23.015, and the certification is not
27 reversed, that individual forfeits all permanent fund dividends cred-
28 ited or paid, together with any interest credited to that individual's
29 annuity account and is not eligible for a future permanent fund divi-

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dend.

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

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

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

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

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

(1) annually make payments to individuals who elect to receive cash under AS 43.23.005(d) [PAY PERMANENT FUND DIVIDENDS FROM THE DIVIDEND FUND];

(2) adopt regulations under the Administrative Procedure Act (AS 44.62) that establish procedures and time limits for claiming a permanent fund dividend or for electing an annuity credit; the department shall set the time limit for applications for permanent fund dividends so that the number of eligible applicants is determined by

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October 1 of the year for which the dividend is declared and permanent
fund dividends for a year are paid before April 30 of the year follow-
ing that year;

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

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

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17
(5) provide the commissioner of administration with infor-
mation necessary to maintain individual annuity account records and
administer the annuity program.

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

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Sec. 43.23.065. EXEMPTION OF PERMANENT FUND DIVIDENDS. Fifty
percent of a cash [THE ANNUAL] permanent fund dividend payment [PAY-
ABLE TO AN INDIVIDUAL] is exempt from levy, execution, garnishment,
attachment, or any other remedy for the collection of debt. This
exemption applies to an eligible individual's permanent fund dividend
both before and after payment is made to the individual. An exemption
is not available under this section for cash permanent fund dividend
payments [DIVIDENDS] taken to satisfy (1) child support obligations
required by court order or decision of the child support enforcement
agency under AS 47.23.140 - 47.23.220; (2) a debt owed by an eligible
individual to an agency of the state, unless the debt is contested and
an appeal is pending, or the time limit for filing an appeal has not

1 expired; or (3) court ordered restitution under AS 12.55.045 - 12.55.-
2 051 or 12.55.100. A child support obligation under (1) of this sec-
3 tion has priority over a debt owed to an agency of the state, and a
4 permanent fund dividend may not be taken to satisfy a debt under (2)
5 of this section until any portion of the dividend necessary to satisfy
6 a child support obligation has been taken.

7
8 * Sec. 13. AS 43.23.065 is amended by adding new subsections to read:

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

14 (c) The courts of this state may, as a condition of any civil
15 judgment or restitution order under AS 12.55.045 - 12.55.051 or 12.-
16 55.100, require the defendant to take the defendant's permanent fund
17 dividend in cash.

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

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

(b) An individual who is denied medical assistance under 42

1 U.S.C. 1396 - 1396p (Social Security Act, Title XIX) solely because of
2 the credit or receipt of a permanent fund dividend by the individual
3 or by a member of the individual's household is eligible for state-
4 funded medical assistance under the general relief assistance program
5 (AS 47.25.120 - 47.25.300). The individual is entitled to receive,
6 for a period not to exceed four months, the same level of medical
7 assistance as the individual would have received under 42 U.S.C.
8 1396 - 1396p (Social Security Act, Title XIX) had there been no perma-
9 nent fund dividend program.

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

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

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

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

23 ARTICLE 2. ANNUITY PROGRAM.

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

1 ly transferred from the dividend fund to the annuity investment fund.

2 (b) Money in the annuity investment fund shall be invested by
3 the commissioner of revenue in investments authorized under AS 39.-
4 35.110. The commissioner of administration shall credit the net
5 income of the annuity investment fund to the individual annuity
6 accounts.

7 (c) The legislature may annually appropriate to the Department
8 of Administration an amount sufficient to pay monthly annuity payments
9 for the subsequent fiscal year under AS 43.23.130 from the annuity
10 investment fund. Funds appropriated under this subsection shall be
11 transferred from the annuity investment fund to the Department of
12 Administration in order to meet the current demands of the annuity
13 program.

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

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

23 Sec. 43.23.120. ANNUITY PROGRAM. (a) The annuity program is
24 administered by the commissioner of administration. The commissioner
25 of administration shall adopt regulations necessary to implement the
26 annuity program.

27 (b) The commissioner of administration shall maintain records of
28 individual annuity accounts and make annuity payments under AS 43.23.-
29 130.

1 Sec. 43.23.130. PAYMENT OF ANNUITIES. (a) An individual with
2 one or more annuity credits may receive an annuity upon reaching the
3 age of 65. ~~number of revenue in investments~~

4 (b) An annuity under this section is a monthly payment based
5 upon the principal and accrued interest in the person's annuity
6 account. An annuity shall be paid as a straight life annuity or other
7 payment plan authorized by the commissioner of the Department of
8 Administration. The size of the annuity may not vary on account of
9 the individual's sex.

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

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

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

1
2 ed.

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

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

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

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

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

18 (b) A person who is 65 years of age or before January 1,
19 1988, is entitled to the full longevity bonus payment without reduc-
20 tion for the annuity program.

21 * Sec. 19. AS 47.45.030 is amended to read:

22 Sec. 47.45.030. ABSENCE FROM THE STATE. After qualification, a
23 recipient shall notify the commissioner of administration when the
24 recipient expects to be absent from the state if the absence is for a
25 continuous period that exceeds 30 days. After that notification, the
26 recipient may no longer receive bonuses from the Department of Admin-
27 istration after the last regularly approved monthly application. Upon
28 returning to the state, the recipient may again make application for a
29 bonus. Whenever the absence is for a continuous period that exceeds 90
[180] days the recipient shall be disqualified from receiving bonuses

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

8 * Sec. 20. AS 47.45.070 is amended to read:

9 Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is
10 one who

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

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

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

1 (4) voluntarily leaves the state and remains absent from
2 the state for a continuous period of more than 90 [180] days.

3 * Sec. 21. AS 47.45 is amended by adding a new section to read:

4 Sec. 47.45.122. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) An
5 individual whose public assistance is denied or reduced solely because
6 of the receipt of a bonus under this chapter by the individual or by a
7 member of the individual's household is eligible for assistance under
8 the general relief assistance program in AS 47.25.120 - 47.25.300.
9 Notwithstanding the limit in AS 47.25.130, the individual is entitled
10 to receive the same amount as the individual would have received under
11 other public assistance programs had the individual not received a
12 longevity bonus.

13 (b) In this section "other public assistance" means

- 14 (1) Supplemental Security Income (42 U.S.C. 1381 - 1385);
15 (2) Medicaid (42 U.S.C. 1396 - 1396p); and
16 (3) Adult Public Assistance (AS 47.25.430 - 47.25.615).

17 * Sec. 22. The lieutenant governor shall place before the qualified
18 voters of the state at the next general election the following question,
19 advisory to the legislature. The question shall appear on the ballot in
20 substantially the following form:

21 Q U E S T I O N

22 Under legislation proposed in 1985, only individuals who turn
23 65 on or before January 1, 1988, who have lived in Alaska
24 for at least one year, will be entitled to receive an Alaska
25 longevity bonus of \$250 a month. The legislature is con-
26 sidering a program that would allow younger Alaskans to use all
27 or part of their permanent fund dividend to purchase an annuity
28 that they will receive when they turn 65, since they will no
29 longer receive the full longevity bonus. In the early years of

1
2 the program, the annuity payment would have to be supplemented
3 with a declining bonus payment paid for with state funds, since
4 initially the annuity payment would not on its own provide an
5 amount equal to \$250 a month.

6 Should the legislature adopt this program?

7 Yes []

No []

8 * Sec. 23. Section 11, ch. 38, SLA 1984 is amended to read:

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

11 * Sec. 24. AS 43.23.045(c) is repealed.

12 * Sec. 25. AS 47.45 is repealed July 1, 1987.

13 * Sec. 26. Sections 2 - 18 of this Act take effect on the date that
14 sec. 1 of this Act is repealed.

15 * Sec. 27. Section 1 of this Act takes effect on the date that secs.
16 2 - 18 of this Act are repealed.

17 * Sec. 28. Sections 19 - 25 of this Act take effect immediately in
18 accordance with AS 01.10.070(c).

Revised Amendment
HCSCSSB56 (Finance)

POURCHOT

On Page 1, lines 26-29:

Delete statement of purpose number (4).

On Page 2, line 1:

Change (5) to (4)

On Page 2, line 7:

Change 1990 to 1986.

Levy
3/28/85 ✓

Original sponsors: Ray, Halford,
Bennett, et al

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 56 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

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

11 (1) the state is committed to the elderly and has been since
12 territorial days, as evidenced by the many programs benefiting the elderly,
13 including the Alaska longevity bonus program; the Alaska Supreme Court in
14 Schafer v. Vest, however, struck down the original longevity bonus program,
15 thus requiring action by the legislature; as a result, the program is now
16 open to an ever-increasing number of recipients; placing an ever-expanding
17 burden on the general fund;

18 (2) projections of declining oil revenue, combined with an
19 increasing senior citizen population, make it clear that the longevity
20 bonus program will be increasingly difficult to fund and it must be
21 amended;

22 (3) the state still desires to recognize the achievements of
23 Alaska's elderly, who served Alaska prior to statehood; thus, the legisla-
24 ture is committed to the principle that those currently receiving the
25 longevity bonus will continue to receive it in the future;

26 (4) the state also desires to ensure that those older Alaskans,
27 not yet 65 but approaching retirement, now counting on the bonus as part of
28 their retirement income and without sufficient time to add to their retire-
29 ment, are also protected;

save 700 million

5.5 million dollars
BY OAC Budget

1990 26.5 -
Dinner, home programs

200 million FY 86 less
budget

1
2 (5) this legislation provides for the eventual phasing out of
3 the current program in as fair and cost effective a manner as possible,
4 leaving it to subsequent legislatures to decide if another program is
5 needed to assist future Alaskan elders at some later point in time.

6 * Sec. 2. AS 47.45.010(a) is amended to read:

7 (a) A person who is 65 years of age or over on or before July 1,
8 1990 who resides in the state for at least one year immediately
9 preceding application for a longevity bonus under this chapter may
10 apply to the commissioner of administration for qualification to
11 receive a monthly bonus of \$250 upon reaching age 65.

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

13 Sec. 47.45.030. ABSENCE FROM THE STATE. After qualification, a
14 recipient shall notify the commissioner of administration when the
15 recipient expects to be absent from the state if the absence is for a
16 continuous period that exceeds 30 days. After that notification, the
17 recipient may no longer receive bonuses from the Department of
18 Administration after the last regularly approved monthly application.
19 Upon returning to the state, the recipient may again make application
20 for a bonus. Whenever the absence is for a continuous period that
21 exceeds 90 [180] days the recipient shall be disqualified from
22 receiving bonuses for the next 12 calendar months after returning to
23 the state. However, when the commissioner of administration determines
24 a period of absence is beyond the control of the recipient, the
25 recipient may not be disqualified if the recipient still otherwise
26 qualifies upon returning to the state. Continual absences from the
27 state, even though reported, and failure to notify the commissioner of
28 an expected absence may be grounds for disqualification.

29 * Sec. 4. AS 47.45.070 is amended to read:

Sec. 47.45.070. UNQUALIFIED PERSONS. An unqualified person is

1 one who

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

4 (2) meets the age and residence requirements of this chap-
5 ter but either is confined in a state or federal mental health insti-
6 tution or facility and is certified by the state as unable to manage
7 personal affairs, or resides in a nursing home as that term is defined
8 in AS 08:70.180; however, if that person, at the time of commitment or
9 commencement of residence, provided the principal support of a spouse,
10 the commissioner of administration may determine to pay the confined
11 person's bonus to the person's spouse until the spouse is qualified
12 for a bonus;

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

21 (4) voluntarily leaves the state and remains absent from
22 the state for a continuous period of more than 90 [180] days.

23 * Sec. 5. AS 47.45 is amended by adding a new section to read:

24 Sec. 47.45.122. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) An
25 individual whose public assistance is denied or reduced solely because
26 of the receipt of a bonus under this chapter by the individual or by a
27 member of the individual's household is eligible for assistance under
28 the general relief assistance program in AS 47.25.120 - 47.25.300.
29 Notwithstanding the limit in AS 47.25.130, the individual is entitled

1 to receive the same amount as the individual would have received under
2 other public assistance programs had the individual not received a
3 longevity bonus.

4 (b) In this section "other public assistance" means

5 (1) Supplemental Security Income (42 U.S.C. 1381 - 1385);

6 (2) Medicaid (42 U.S.C. 1396 - 1396p); and

7 (3) Adult Public Assistance (AS 47.25.430 - 47.25.615).

8 * Sec. 6. Section 11, ch. 38, SLA 1984 is repealed.

9 * Sec. 7. Sections 1 - 5 of this Act take effect July 1, 1985.

10 * Sec. 8. Section 6 of this Act takes effect immediately in accordance
11 with AS 01.10.070(c).

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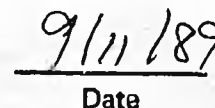


RECORDS CERTIFICATION



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


Signature of Camera Operator


Date

HB

245

4/10

COMMITTEE REPORT

HOUSE

(7)

FURTHER: FINANCE

2/27/85

Date: 4/9/85

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 243

"An Act relating to the compensation of state officers and employees not covered by collective bargaining; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with ² attached amendments(s)
- replace with CS for _____ same title
- and recommends _____ new title
- AND attaches a "Letter of Intent" New Fiscal Note ^{Sup 45}
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Karen Hurley

W.D. Parker

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

W.D. Parker

Page 2 of 3 with amendments

B. H. C. T.

Karen Hurley
CHAIRMAN

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

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

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to provide salary adjustments for state officers and employees not covered by a collective bargaining agreement. This bill provides a salary increase in three steps: a lump sum, three and one-half percent "compensatory payment," payable after August 1, 1985, covering the period from December 16, 1984 through June 15, 1985; a five percent increase for the period from July 16, 1985 through July 15, 1986; and an additional four percent increase for the period July 16, 1986 through July 15, 1987. Following past practice for a number of years, these increases parallel those provided for in the current collective bargaining agreement for the general government unit.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 2

REQUEST

Bill/Resolution No.: HB 243 No 1
 Title: An Act Relating to
Compensation of Public Officers
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Alaska Court System
 Program Category Affected: _____
Administration of Justice
 BRU, Program or Subprogram(s) Affected: _____
Appellate Courts, Trial Courts,
Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		1,881.3	1,394.7	1,394.7	1,394.7	1,394.7
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		1,881.3	1,394.7	1,394.7	1,394.7	1,394.7
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		1,881.3	1,394.7	1,394.7	1,394.7	1,394.7
FEDERAL FUNDS						
OTHER						
TOTAL		1,881.3	1,394.7	1,394.7	1,394.7	1,394.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Robert G. Fisher, Fiscal Officer
 Division: Alaska Court System

Phone: 264-0561
 Date: 2/5/85

Approved by Commissioner: [Signature]
 Agency: Alaska Court System

Date: 2/5/84

OFFICE OF
MANAGEMENT & BUDGET

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

FEB 1984

DIRECTOR

12/1/83

No 1
HB 243 page 2 of 2
ALASKA COURT SYSTEM

FY 85 & FY 86 SALARY INCREASE
FISCAL IMPACT

The proposed increase in salaries of 3.5% in fiscal year and 5% in fiscal year 1986 will have the following effect on the Alaska Court System:

FY 85

Retroactive payment for period 1/1/85 to 6/30/85:

Salaries	\$345,144
Benefits (See Note 1)	<u>141,462</u>
Total	<u>\$486,606</u>

FY 86

For period 7/1/85 through 6/30/86:

Salaries	\$ 986,126
Benefits	<u>408,555</u>
Total	<u>\$1,394,681</u>

Note 1: Adjusted to reflect actual Supplemental Benefits System costs for period.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST Page 1 of 3
 Bill/Resolution No.: HB 243 No 2
 Title: Compensation of Non-covered
State Employees

FISCAL DETAIL
 Agency Affected: All Agencies
 Program Category Affected: _____

Sponsor: _____
 Requestor: _____
 Date of Request: _____

BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		12,780.3	9,605.5	9,605.5	9,605.5	9,605.5
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		11,843.1				
FEDERAL FUNDS		48.1				
OTHER		889.1				
TOTAL		12,780.3				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attachment.

Prepared By: David Gentry Phone: 465-3568
 Division: Budget Review Date: 2/22/85

Approved by Commissioner: [Signature] Date: 2/22/85
 Agency: Office of Management and Budget

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

7/1/84

Non-Covered employees are those not represented by a labor relations bargaining unit. The same rates and conditions are applied to these employees as were awarded the General Government and the Supervisory bargaining units. The regular FY 86 salary increase is five percent. In addition, a lump sum payment, called compensatory payment, will be made in early FY 86 retroactively covering the last six months of FY 85. The compensatory payment is a one-time payment that will not be perpetuated in an agency base budget in future years.

Negotiations over conflicting methods of assigning funding sources to the University salary increase are continuing between the University of Alaska and the Office of the Governor.

FY 86 Non-Covered Employees Salary Increase
(in thousands of dollars)

AGENCY	<u>5% FY 86 Salary Increase</u>	<u>3.5% One- time Compen- satory Payment</u>	<u>Total</u>
Office of the Governor	\$ 577.2	\$ 199.9	\$ 777.1
Administration	388.7	136.0	524.7
Law	692.2	242.3	934.5
Revenue	237.8	83.2	321.0
Education	173.4	60.7	234.1
Health and Social Services	125.0	43.8	168.8
Labor	34.0	11.9	45.9
Commerce and Economic Development	496.5	173.8	670.3
Military and Veterans' Affairs	27.5	9.6	37.1
Natural Resources	117.7	41.2	158.9
Fish and Game	158.6	55.5	214.1
Public Safety	49.3	17.3	66.6
Environmental Conservation	32.7	11.5	44.2
Community and Regional Affairs	47.2	16.5	63.7
Corrections	42.4	14.8	57.2
Transportation and Public Facilities	148.9	52.1	201.0
University of Alaska	6,256.4	2,004.7	8,261.1
	<hr/>	<hr/>	<hr/>
TOTAL	\$ 9,605.5	\$ 3,174.8	\$ 12,780.3

Funding Sources:

Federal Funds	\$ 48.1
General Fund Match	17.5
General Fund	11,825.6
Inter-Agency Receipts	339.2
Highway Working Capital Fund	1.6
International Airport Revenue Fund	13.3
Program Receipts	291.9
Public Employees Retirement Fund	16.0
Teacher's Retirement System Fund	10.3
Veteran's Revolving Loan Fund	2.0
Commercial Fishing Loan Fund	0.7
CIP Receipts	214.1
	<hr/>
TOTAL	\$ 12,780.3

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 243
 Title: An Act relating to Compensation of Legislators
 Sponsor: Katie Hurley
 Requestor: Katie Hurley per Patti Macklin
 Date of Request: 1/25/85 3:15 pm

FISCAL DETAIL

Agency Affected: Legislative Affairs
 Program Category Affected: General Government
 BPU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-0-	<1,108.7>				
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
300 MISCELLANEOUS						
TOTAL OPERATING		<1,108.7>				

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		<1,108.7>				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Repealing the legislators pay raise of 1983 would be a cost savings of \$1,108.7. This includes 1) reducing their monthly salary from \$3,900 a month (Range 22A) to \$1,757 a month (Range 10A) 2) re-instating per diem during session \$80 a day per diem x 120 days x 57 legislators and \$60 a day per diem x 120 days x 3 legislators.

Pamela A. Calhoon

Prepared By: Pamela A. Calhoon, Manager
 Division: Administrative Services

Phone: 465-3850

Date: 1/28/85

Approved by Dep. Exec. Director: Don Fisher
 Agency: Legislative Affairs Agency

Date: _____

Distribution (by Agency preparing fiscal note):

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

.7/1/84

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 3, 1985

SUBJECT: Sectional Analysis of HB 243 (Compensation of state employees not covered by collective bargaining)

TO: Representative Katie Hurley
Chair, House State Affairs Committee

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional analysis of HB 243.

Section 1 adopts a salary schedule, effective July 1, 1985, for classified and partially exempt employees in the executive branch of state government who are not members of a collective bargaining unit. According to the division of personnel there are 13 or 14 employees in the classified service who are not members of a collective bargaining unit. They are the staff of the division of labor relations and the two Personnel Analyst V's in the division of personnel. The membership of the partially exempt service is listed at AS 39.25.120 and includes (in part) deputy and assistant commissioners, special assistants to commissioners, division directors, attorneys in the department of law, principal executive officers of various boards, councils, commissions, and the staff of those boards, councils and commissions that are located in the Office of the Governor.

Section 2 adopts a salary schedule, effective July 16, 1986, for the same positions in the classified and partially exempt services.

Section 3, effective August 1, 1985, provides a compensatory payment to those employees covered by sections 1 and 2 (AS 39.27.011), as well as for officers and employees whose salaries are set by statute including members of the Alaska Commercial Fisheries Entry Commission (AS 16.43.060), justices, judges and magistrates in the state court system (listed in AS 22), the governor, lieutenant governor, com-

Representative Katie Hurley
Chair, House State Affairs Committee
April 3, 1985
Page 2

missioners, and deputy commissioners (listed in AS 39.20), and members of the Public Utilities Commission (AS 42.05.091).

Section 4, effective July 16, 1985, applies the salary schedules in sections 1 and 2 and the compensatory payment in section 3 to temporary and permanent employees of the judicial branch and to permanent employees of the legislative branch.

Section 5, effective July 16, 1985, states that the board of regents may grant salary increases to employees of the University of Alaska who are not members of a collective bargaining unit.

Sections 6, 7, and 8 contain the various effective dates for the bill.

If I may be of further assistance, please advise.

TBC:lmb
J13/061

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

March 21, 1985

Honorable Katie Hurley
Chair
House State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: HB 243 (compensation of state
officers and employees not
covered by collective bar-
gaining)

Dear Representative Hurley:

A drafting oversight in this bill (currently in your committee) has been identified. The following amendment will take care of it:

Page 3, line 27 -- page 4, line 6:

Delete all material and substitute the following for it:

* Sec. 4. EMPLOYEES OF JUDICIAL AND LEGISLATIVE BRANCHES AND CERTAIN EXEMPT EMPLOYEES OF EXECUTIVE BRANCH. (a) The following employees are entitled to receive salary adjustments comparable to those received by the classified and partially exempt employees of the executive branch under AS 39.27.011(a) as that subsection is reenacted in secs. 1 and 2 of this Act:

(1) permanent and temporary employees of the judicial branch;

(2) permanent employees of the legislative branch;

(3) permanent and temporary employees of the executive branch who are in the exempt service under AS 39.25 and who are not otherwise covered by AS 39.27.011(a).

(b) The employees described in (a) of this section are entitled to receive compensatory payments comparable to those provided under sec. 3 of this Act.

Although the format of this substitute sec. 4 is somewhat different from the original, the only substantive change

is the addition of what is now identified as (a)(3). This amendment makes express what everyone was assuming about the coverage of this bill. The Office of Management and Budget assures this department that this amendment does not require a change in the fiscal information already provided to the legislature for this bill. No increased costs will result.

The effect of this amendment is to assure that, on the face of the bill, all exempt state employees are treated equally, whether they are in the legislative, the judicial, or the executive branch.

The bill itself provides for two kinds of benefits: scheduled salary increases and a lump-sum payment. By the lead-in language for AS 39.27.011(a), the schedules in secs. 1 and 2 of the bill apply to classified and partially exempt employees in the executive branch who are not members of a collective bargaining unit. Several other compensation statutes plug into a specific range and step of the schedule in AS 39.27.011(a). Thus, those people are also covered by the scheduled increases. The bill's sec. 3, providing for the lump-sum payment, picks up all of those officers and employees.

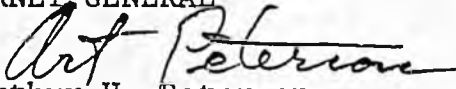
A problem arises, however, with regard to some exempt officers and employees, such as the members of the Alaska Oil and Gas Conservation Commission and the employees of the governor's office, who, although being employed on a full-time basis and receiving an annual salary, do not have their salary statutorily plugged into AS 39.27.011(a). That being the case, they are not expressly covered either by the scheduled increases in secs. 1 and 2 of the bill or by the lump-sum payment in sec. 3.

The original version of sec. 4 of the bill expressly takes care of exempt employees in the legislative and judicial branches who are in that situation, but fails to do so for the similarly situated employees in the executive branch. The amendment set out above would treat them all the same.

Thank you for your consideration of this matter.

Yours truly,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: 
Arthur H. Peterson
Assistant Attorney General

Honorable Katie Hurley, Chair
House State Affairs Committee

March 21, 1985
Page 3

cc: Ray Gillespie
Legislative Assistant
Governor's Office

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

March 26, 1985

Honorable Katie Hurley
Chair
House State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: HB 243 (compensation of state officers and employees not covered by collective bargaining)

Dear Representative Hurley:

A slight modification of the amendment proposed in my March 21, 1985 letter to you is required, as follows:

Change the proposed sec. 4(a)(3) as follows:

(3) permanent and temporary employees of the executive branch who are in the exempt service under AS 39.25, who are not members of a collective bargaining unit established under the Public Employment Relations Act (AS 23.40.070 -- 23.40.260), and who are not otherwise statutorily covered by AS 39.27.011(a).

It turns out that there are some exempt executive-branch employees who, notwithstanding their exempt status, are in a collective bargaining unit. These are the certificated teachers in the correspondence studies program of the Department of Education. (See AS 39.25.110(7).) This slight change in my March 21 language makes clear that the bill will not affect any existing collective bargaining agreement. Also, inserting the word "statutorily" makes clear that sec. 4's benefits apply to employees who might be administratively plugged into the AS 39.27.011(a) salary schedule.

I would like to add two comments:

(1) The reason for the second scheduled salary increase in the bill -- i.e., the one provided in sec. 2 for FY 87 -- is the same as for the bill generally. It attempts to track the provisions and duration of the current agreement for the general government unit. The idea is to treat this group of employees on an equal basis with those covered by collective

Honorable Katie Hurley, Chair
House State Affairs Committee

March 26, 1985
Page 2

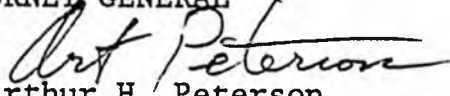
bargaining. There is precedent for this multi-step approach. See, e.g., secs. 1, 16, and 30, ch. 3, SLA 1980. An additional advantage to this approach is that it relieves the legislature from having to deal with the matter every single year.

(2) It should be borne in mind that the employees covered by this bill did not receive an increase during 1984. The bill should be considered in light of the fact that it provides cost-of-living increases spanning three years, not just two.

Again, thank you for your consideration of this matter.

Yours truly,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: 
Arthur H. Peterson
Assistant Attorney General

AHP:md

cc: Ray Gillespie
Legislative Assistant
Governor's Office

A M E N D M E N T

Offered in the HOUSE

TO: HB 243

By Hurley

Bocher

Page 1, after line 9, insert new bill sections to read:

"* Section 1. AS 24.15 is amended by adding a new section to read:

Sec. 24.15.011. LEGISLATIVE PER DIEM. (a) A member of the legislature is entitled to receive per diem at the same rate allowed for a state employee under AS 39.20.110 and 39.20.160, including regional variations in the rate where applicable.

(b) A legislator is entitled to receive per diem at the short-term rate

(1) during a legislative session if the legislator is not living in the legislator's place of permanent residence during the session; and

(2) while on committee business for an interim committee of the legislature in a place that is not the legislator's place of permanent residence.

(c) A legislator is entitled to receive per diem at the long-term rate

(1) during a legislative session if the legislator is living in the legislator's place of permanent residence during the session; and

(2) while engaged in committee business for an interim committee of the legislature at the legislator's place of permanent

residence.

(d) In this section

(1) "long-term rate" means the long-term per diem rate for a state employee established in regulations adopted by the commissioner of administration under AS 39.20.160;

(2) "short-term rate" means the short-term per diem rate for a state employee established in regulations adopted by the commissioner of administration under AS 39.20.160.

* Sec. 2. AS 24.15.020 is amended to read:

Sec. 24.15.020. SALARY OF LEGISLATORS. The monthly salary for each member of the legislature is equal to Step A, Range 10 [22] of the salary schedule in AS 39.27.011(a) for Juneau, Alaska. The president of the senate and the speaker of the house of representatives are each entitled to an additional \$500 a year during tenure of office.

* Sec. 3. AS 24.15.040 is amended to read:

Sec. 24.15.040. METHOD OF PAYMENT. Salaries, per diem and additional allowances for members of the legislature shall be paid by warrants drawn on vouchers approved by the legislative fiscal officer."

Renumber remaining bill sections.

Page 4, line 3, delete "secs. 1 and 2" and insert "secs. 4 and 5"

Page 4, line 6, delete "sec. 3" and insert "sec. 6"

Page 4, line 11, delete "Sections 1, 4, and 5" and insert "Sections 4, 7, and 8"

Page 4, line 12, delete "Section 2" and insert "Section 5"

Page 4, line 13, delete "Section 3" and insert "Section 6"

A M E N D M E N T

#2

Offered in the HOUSE

By Hurley

To: HB 243

Page 3, line 27 through page 4, line 6:

Delete all material and insert:

" * Sec. 4. EMPLOYEES OF JUDICIAL AND LEGISLATIVE BRANCHES AND CERTAIN EXEMPT EMPLOYEES OF EXECUTIVE BRANCH. (a) The following employees are entitled to receive salary adjustments comparable to those received by the classified and partially exempt employees of the executive branch under AS 39.27.011(a) as that subsection is reenacted in secs. 1 and 2 of this Act:

(1) permanent and temporary employees of the judicial branch;

(2) permanent employees of the legislative branch;

(3) permanent and temporary employees of the executive branch who are in the exempt service under AS 39.25, who are not members of a collective bargaining unit established under the Public Employment Relations Act (AS 23.40.070 - 23.40.260), and who are not otherwise statutorily covered by AS 39.27.011(a).

(b) The employees described in (a) of this section are entitled to receive compensatory payments comparable to those provided under sec. 3 of this Act."

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF PERSONNEL

BILL SHEFFIELD, GOVERNOR

POUCH C (MS 0201)
JUNEAU, ALASKA 99811
PHONE: (907) 465-4430

APR 3 1985
April 5, 1985

Honorable Katherine T. "Katie" Hurley
Chairman
House State Affairs Committee
Alaska State Legislature
Pouch V (MS 3100)
Juneau, AK 99811

Dear Madam Chairman:

Your staff has requested additional information in regard to HB 243, "An Act relating to the compensation of State officers and employees not covered by collective bargaining; and providing for an effective date." In general, this bill provides salary increases for all State employees in the Executive, Legislative and Judicial branches not covered by a collective bargaining agreement. The increases correspond to the increases negotiated for the State's largest bargaining unit, General Government. The same increases were negotiated for the Supervisory Bargaining Unit when the change in work week is considered. The agreement for the Confidential Bargaining Unit differs only slightly. The time period covered by the bill corresponds to the three-year term of these collective bargaining agreements which were negotiated last year.

In time sequence, the bill does the following:

Section 3 provides a 3.5% compensatory payment for the period December 16, 1984, to June 15, 1985. Employees or officers covered by this section are:

Alaska Commercial Fisheries Entry Commissioners	(AS 16.43.060)
Supreme Court Justices	(AS 22.05.140 (a))
Court of Appeal Judges	(AS 22.07.090 (a))
Superior Court Judges	(AS 22.10.190 (a))
District Court Judges	(AS 22.15.220 (a))
Magistrates	(AS 22.15.220 (b))
Governor	(AS 39.20.010)
Lt. Governor	(AS 39.20.030)
Commissioners	(AS 39.20.080 (a))
Deputy Commissioners	(AS 39.20.080 (b))
"Classified and partially-exempt employees of the executive branch of the state government who are not members of a collective bargaining unit"	(AS 39.27.011 (a))
Commissioners of the Alaska Public Utilities Commission	(AS 42.05.091)

Honorable Katherine T.
"Katie" Hurley

-2-

April 5, 1985

Permanent and temporary employees of the judicial branch	(Sec. 4 (a)(1) as proposed in Art Peterson's letter of March 21)
Permanent employees of the legislative branch	(Sec. 4 (a)(2) as proposed in Art Peterson's letter of March 21)
Permanent and temporary employees of the executive branch who are in the exempt service under AS 39.25, who are not members of a collective bargaining unit established under the Public Employment Relation Act (AS 23.40.070-23.40.260), and who are not otherwise statutorily covered by AS 39.27.011(a).	(Sec. 4 (a)(3) as proposed in Art Peterson's letter of March 26)

This section is given an August 1, 1985, effective date by Section 8.

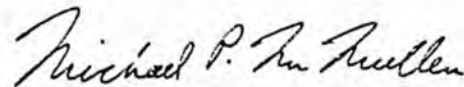
Section 1 provides an increase in the pay schedule of 5% over the current schedule. The increase is not "on top" of the 3.5% found in Section 3. Section 1 covers all of the employees and officers listed above. Because Section 1 amends AS 39.27.011 (a) it also covers legislators (AS 24.15.020). This section is given a July 16, 1985, effective date by Section 6. This section is subsequently repealed and reenacted (see below).

Section 2 provides an increase in the pay schedule of an additional 4% over the current schedule. This represents an increase of approximately 3.8% over the schedule in Section 1. Section 2 covers the same officers and employees as Section 1. Section 2 supersedes Section 1 effective July 16, 1986, through the effective date provision in Section 7.

Finally, Section 5 continues the practice of leaving salary increases for University of Alaska employees to the Board of Regents.

I would be happy to provide any further information you may need in the consideration of HB 243.

Sincerely,



Michael P. McMullen
Deputy Director

MPM/cfm
1/4D2/0404-02

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF PERSONNEL

BILL SHEFFIELD, GOVERNOR

POUCH C (MS 0201)
JUNEAU, ALASKA 99811
PHONE: (907) 465-4430

April 8, 1985

Honorable Katherine T. "Katie" Hurley
Chairman
House State Affairs Committee
Alaska State Legislature
Pouch V (MS 3100)
Juneau, AK 99811

Dear Madam Chairman:

I am pleased to provide additional information requested by your staff in regard to H3 243. The following table shows the dollar amount increases a "typical" employee would receive under this bill.

<u>Range/Step</u>	<u>3.5% Compensatory Payment</u>	<u>FY 86 Increase</u>	<u>FY 87 Increase</u>
30F	\$1,428.84	\$4,080.00	\$3,264.00
29C	1,241.10	3,552.00	2,820.00
26C	1,113.63	3,180.00	2,544.00
23C	937.44	2,676.00	2,136.00
20C	766.29	2,184.00	1,752.00
17C	625.80	1,788.00	1,428.00
14C	506.10	1,452.00	1,152.00
11C	416.43	1,188.00	948.00
8C	347.97	996.00	792.00
5C	293.37	840.00	672.00

I have used Step C within a range because it is the typical average step of employees. It is also the specific step in Range 26 for commissioners of the Alaska Commercial Fisheries Entry Commission and the Alaska Public Utilities Commission, and District Court Judges. The exception is Range 30. All officers or employees at this range are at Step F by statute, the Governor and Supreme Court Justices.

The 3.5% compensatory payment calculation is based on Section 3 of HB 243. It assumes that an employee or officer is at the indicated step for the entire period of December 16, 1984, through June 15, 1985. It also assumes there is not overtime, shift differential, or other premium pay involved.

The FY 86 increase is based on Section 1 of HB 243. It also assumes that an employee or officer is at the indicated step for the entire period and that no premium pay is involved. The FY 86 increase is the increase over current rates. It is not affected by Section 3 of the bill.

Honorable Katherine T.
"Katie" Hurley

-2-

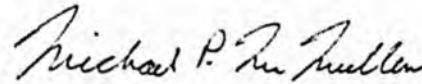
April 8, 1985

The FY 87 increase is based on Section 2 of HB 243. The same assumptions apply. The FY 87 increase is the increase over the FY 86 rates in Section 1.

Enclosed is a computer printout that counts the number of Executive Branch employees and officers affected by HB 243. It is arranged in range order. Where the State's payroll system does not require a range or job class to pay an employee or officer, the data is missing. There are a total of 131 employees or officers with no range information. They are listed first. There are 1,146 employees and officers of the Executive Branch affected by HB 243.

I would be happy to provide any additional information you may want with regard to HB 243.

Sincerely,



Michael P. McMullen
Deputy Director

MPM/cfm
1/4D2/0408-05
Enclosure: Computer Report

<u>JOB_RANGE</u>	<u>JOB_CLASS</u>	<u>CLASSTITLE</u>	<u>COUNT</u>
			120
	X036	EXECUTIVE DIRECTOR	1
	X099		9
	X324	ASSOC EXEC DIRECTOR	1
*TOTAL			131
05	X076	ADMIN SUPPORT TECHNICIAN	1
	X341	FILE CLERK	1
	1103	CLERICAL AIDE	5
*TOTAL 05			7
07	X057	CLERK TYPIST	1
	X076	ADMIN SUPPORT TECHNICIAN	1
	X099		1
	X810	RECEPTIONIST	2
	1105	CLERK II	5
	1122	CLERK TYPIST II	1
*TOTAL 07			11
08	X076	ADMIN SUPPORT TECHNICIAN	6
	X099		5
	X206	CLERK TYPIST III	5
	X338	CORSPD SECRETARY I	3
	X341	FILE CLERK	1
	X343	CLERK II	2
	X369	DATA ENTRY CLERK	1
	X753	MAIL ROOM CLERK	1
	X821	EXEC RESID HOUSEKEEPER	2
	X843	CLERK III	1
	0597	EXEC RESIDENCE HOUSEKPR	4
	1106	CLERK III	12
	1123	CLERK TYPIST III	1
*TOTAL 08			44
09	X031	ACCOUNTING CLERK	1
	X076	ADMIN SUPPORT TECHNICIAN	2
	X099		9
	X242	SUPPLY TECHNICIAN	1
	X339	CORSPD SECRETARY II	3
	X842	CLERK IV	1
	1107	CLERK IV	7
*TOTAL 09			24
10	X031	ACCOUNTING CLERK	1
	X076	ADMIN SUPPORT TECHNICIAN	7
	X099		17
	X204	SECRETARY II	1