

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6680 SENATE STATE AFFAIRS

1084

Passed by S.A.
Delete: ✓3(a)
 ✓4(a)
 ✓5(a)
 ✓6(a)

ADD: ATTACHED
 AMENDMENT

go0570sH/
Cramer
4/16/90

Original sponsor(s): Rules/Governor

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE BILL NO. 526 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriations for contract settlement
7 costs for certain public employees who are members of
8 collective bargaining units and for salary increases
9 for public employees who are not members of a bar-
10 gaining unit; and providing for an effective date."

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

12 * Section 1. The sum of \$65,275 is appropriated from the general fund
13 to the Department of Education, Alaska Vocational Technical Center, to pay
14 for a 3.3 percent cost-of-living contract provision for teachers for the
15 fiscal year ending June 30, 1991.

16 * Sec. 2. (a) The sum of \$51,000 is appropriated from the general fund
17 to the Department of Transportation and Public Facilities, Alaska marine
18 highway system, to pay for a 3.3 percent contract settlement for employees
19 represented by the Marine Engineers Beneficial Association for the period
20 April 1, 1990, through June 30, 1990.

21 (b) The sum of \$204,000 is appropriated from the general fund to the
22 Department of Transportation and Public Facilities, Alaska marine highway
23 system, for costs associated with a 3.3 percent contract settlement for
24 employees represented by the Marine Engineers Beneficial Association for
25 the fiscal year ending June 30, 1991.

26 [* Sec. 3. (a) The sum of \$1,354,200 is appropriated to the Office of
27 the Governor, office of management and budget, to pay for a 3.3 percent
28 salary increase for executive branch employees who are not members of a
29 bargaining unit for the period January 1, 1990, through June 30, 1990, from

1 the following sources:

2	Federal Receipts	\$ 78,600
3	General Fund Match	5,600
4	General Fund	790,300
5	General Fund/Program Receipts	60,400
6	General Fund/Mental Health Trust	22,300
7	Interagency Receipts	94,700
8	State Corporation Receipts	202,000
9	Fish and Game Fund	2,100
10	Science & Technology Endowment Income	4,100
11	Highway Working Capital Fund	2,500
12	International Airports Revenue Fund	9,600
13	Public Employees Retirement Fund	5,500
14	Teachers' Retirement System Fund	3,800
15	Real Estate Surety Fund	100
16	Permanent Fund Dividend Fund	1,700
17	Tourism Revolving Loan Fund	400
18	Capital Improvement Project Receipts	57,500
19	Housing Loan Fund	2,800
20	Child Care Revolving Loan Fund	500
21	Fisheries Enhancement Loan Fund	100
22	Alternative Energy Revolving Loan Fund	100
23	Residential Energy Conservation Loan Fund	100
24	Power Development Revolving Loan Fund	9,400

25 (b) The sum of \$2,821,000 is appropriated to the Office of the
 26 Governor, office of management and budget, to pay for a 3.3 percent salary
 27 increase for executive branch employees who are not members of a bargaining
 28 unit for the fiscal year ending June 30, 1991, from the following sources:

29 Federal Receipts \$ 163,700

1	General Fund Match	11,600
2	General Fund	1,646,500
3	General Fund/Program Receipts	125,800
4	General Fund/Mental Health Trust	46,400
5	Interagency Receipts	197,400
6	State Corporation Receipts	420,800
7	Fish and Game Fund	4,300
8	Science and Technology Endowment Income	8,500
9	Highway Working Capital Fund	5,100
10	International Airports Revenue Fund	19,900
11	Public Employees Retirement Fund	11,400
12	Teachers' Retirement System Fund	7,800
13	Real Estate Surety Fund	200
14	Commercial Fishing Revolving Loan Fund	100
15	Permanent Fund Dividend Fund	3,500
16	Tourism Revolving Loan Fund	900
17	Capital Improvement Project Receipts	119,900
18	Housing Loan Fund	5,900
19	Child Care Revolving Loan Fund	1,000
20	Fisheries Enhancement Loan Fund	200
21	Alternative Energy Revolving Loan Fund	300
22	Residential Energy Conservation Loan Fund	200
23	Power Development Revolving Loan Fund	19,600

[* Sec. 4. (a) The sum of \$1,922,700 is appropriated from the general fund to the University of Alaska for salary increases in accordance with the compensation policy of the board of regents for employees who are not members of a bargaining unit for the period January 1, 1990, through June 30, 1990.]

(b) The sum of \$4,005,600 is appropriated from the general fund to

1 the University of Alaska for salary increases in accordance with the com-
2 pensation policy of the board of regents for employees who are not members
3 of a bargaining unit for the fiscal year ending June 30, 1991.

4 [* Sec. 5. (a) The sum of \$512,900 is appropriated from the general
5 fund to the Alaska Court System for a 3.3 percent salary increase for
6 employees who are not members of a bargaining unit for the period
7 January 1, 1990, through June 30, 1990.]

8 (b) The sum of \$1,068,500 is appropriated from the general fund to
9 the Alaska Court System for a 3.3 percent salary increase for employees who
10 are not members of a bargaining unit for the fiscal year ending June 30,
11 1991.

12 [* Sec. 6. (a) The sum of \$304,200 is appropriated from the general
13 fund to the Alaska State Legislature for a 3.3 percent salary increase for
14 employees who are not members of a bargaining unit for the period
15 January 1, 1990, through June 30, 1990.]

16 (b) The sum of \$633,800 is appropriated from the general fund to the
17 Alaska State Legislature for a 3.3 percent salary increase for employees
18 who are not members of a bargaining unit for the fiscal year ending
19 June 30, 1991.

20 * Sec. 7. (a) The sum of \$558,200 is appropriated to the Office of the
21 Governor, office of management and budget, to pay for a 3.3 percent con-
22 tract settlement for the Public Safety Employees Association for the period
23 January 1, 1990, through June 30, 1990, from the following sources:

24	Federal Receipts	\$ 9,100
25	General Fund Match	800
26	General Fund	443,200
27	General Fund/Program Receipts	2,900
28	Interagency Receipts	3,700
29	International Airports Revenue Fund	98,500

1 (b) The sum of \$1,162,700 is appropriated to the Office of the
 2 Governor, office of management and budget, to pay for a 3.3 percent con-
 3 tract settlement for the Public Safety Employees Association for the fiscal
 4 year ending June 30, 1991, from the following sources:

5	Federal Receipts	\$ 19,000
6	General Fund Match	1,700
7	General Fund	923,200
8	General Fund/Program Receipts	6,000
9	Interagency Receipts	7,600
10	International Airports Revenue Fund	205,200

11 * Sec. 8. (a) The sum of \$903,700 is appropriated to the Office of the
 12 Governor, office of management and budget, to pay for a 3.3 percent con-
 13 tract settlement for class II and class III employees of the Labor, Trades,
 14 and Crafts bargaining unit for the period January 1, 1990, through June 30,
 15 1990, from the following sources:

16	Federal Receipts	\$ 26,200
17	General Fund Match	13,300
18	General Fund	517,800
19	General Fund/Program Receipts	3,500
20	General Fund/Mental Health Trust	23,700
21	Interagency Receipts	13,400
22	Fish and Game Fund	200
23	Highway Working Capital Fund	88,100
24	International Airports Revenue Fund	108,400
25	Surplus Property Revolving Fund	500
26	Capital Improvement Project Receipts	108,600

27 (b) The sum of \$2,780,200 is appropriated to the Office of the
 28 Governor, office of management and budget, to pay for contract settlement
 29 costs for the Labor, Trades, and Crafts bargaining unit for the fiscal year

1 ending June 30, 1991, from the following sources:

2	Federal Receipts	\$ 80,600
3	General Fund Match	40,800
4	General Fund	1,593,000
5	General Fund/Program Receipts	10,800
6	General Fund/Mental Health Trust	72,900
7	Interagency Receipts	41,300
8	Fish and Game Fund	500
9	Highway Working Capital Fund	271,000
10	International Airports Revenue Fund	333,600
11	Surplus Property Revolving Fund	1,500
12	Capital Improvement Project Receipts	334,200

13 * Sec. 9. (a) The sum of \$1,217,300 is appropriated to the Office of
 14 the Governor, office of management and budget, to pay for contract settle-
 15 ment costs for the supervisory bargaining unit for the period January 1,
 16 1990, through June 30, 1990, from the following sources:

17	Federal Receipts	\$ 149,600
18	General Fund Match	42,800
19	General Fund	726,300
20	General Fund/Program Receipts	32,100
21	General Fund/Mental Health Trust	20,000
22	Interagency Receipts	35,400
23	Agricultural Loan Fund	1,100
24	Fish and Game Fund	18,300
25	Highway Working Capital Fund	12,400
26	International Airports Revenue Fund	23,300
27	Public Employees' Retirement Fund	4,900
28	Disabled Fishermans Reserve Account	900
29	Surplus Property Revolving Fund	500

1	Teachers' Retirement System Fund	4,600
2	Veterans Revolving Loan Fund	1,200
3	Commercial Fishing Loan Fund	3,400
4	Training and Building Fund	2,000
5	Permanent Fund Dividend Fund	8,300
6	Oil/Hazardous Response Fund	3,000
7	Small Business Loan Fund	100
8	Capital Improvement Project Receipts	124,500
9	Housing Loan Fund	1,100
10	Mining Revolving Loan Fund	100
11	Historical District Revolving Loan Fund	100
12	Fisheries Enhancement Revolving Loan Fund	300
13	Alternative Energy Revolving Loan Fund	700
14	Residential Energy Conservation Revolving	
15	Loan Fund	300

(b) The sum of \$2,535,600 is appropriated to the Office of the Governor, office of management and budget, to pay for contract settlement costs for the supervisory bargaining unit for the fiscal year ending June 30, 1991, from the following sources:

20	Federal Receipts	\$ 311,700
21	General Fund Match	89,100
22	General Fund	1,513,000
23	General Fund/Program Receipts	66,800
24	General Fund/Mental Health Trust	41,700
25	Interagency Receipts	73,700
26	Agricultural Loan Fund	2,300
27	Fish and Game Fund	38,100
28	Highway Working Capital Fund	25,900
29	International Airports Revenue Fund	48,600

1	Public Employees' Retirement Fund	10,100
2	Disabled Fishermans Reserve Account	1,900
3	Surplus Property Revolving Fund	1,000
4	Teachers' Retirement System Fund	9,500
5	Veterans Revolving Loan Fund	2,500
6	Commercial Fishing Loan Fund	7,000
7	Training and Building Fund	4,100
8	Permanent Fund Dividend Fund	17,200
9	Oil/Hazardous Response Fund	6,200
10	Small Business Loan Fund	100
11	Capital Improvement Project Receipts	259,500
12	Housing Loan Fund	2,400
13	Mining Revolving Loan Fund	200
14	Historical District Revolving Loan Fund	300
15	Fisheries Enhancement Revolving Loan Fund	600
16	Alternative Energy Revolving Loan Fund	1,400
17	Residential Energy Conservation Revolving	
18	Loan Fund	700

* Sec. 10. (a) The sum of \$125,600 is appropriated to the Office of the Governor, office of management and budget, to pay for a 3.3 percent contract settlement for the confidential employees bargaining unit for the period January 1, 1990, through June 30, 1990, from the following sources:

23	Federal Receipts	\$ 600
24	General Fund Match	300
25	General Fund	112,100
26	Interagency Receipts	8,900
27	Highway Working Capital Fund	1,500
28	International Airports Revenue Fund	2,000
29	Housing Loan Fund	200

1 (b) The sum of \$261,700 is appropriated to the Office of the
 2 Governor, office of management and budget, to pay for a 3.3 percent con-
 3 tract settlement for the confidential employees bargaining unit for the
 4 fiscal year ending June 30, 1991, from the following sources:

5	Federal Receipts	\$ 1,200
6	General Fund Match	600
7	General Fund	233,500
8	Interagency Receipts	18,500
9	Highway Working Capital Fund	3,100
10	International Airports Revenue Fund	4,300
11	Housing Loan Fund	500

12 * Sec. 11. The unexpended and unobligated balances of the appropria-
 13 tions made by secs. 2(a), 3(a), 4(a), 5(a), 6(a), 7(a), 8(a), 9(a), and
 14 10(a) lapse into the funds from which they were appropriated, June 30,
 15 1990.

16 * Sec. 12. The unexpended and unobligated balances of the appropria-
 17 tions made by secs. 1, 2(b), 3(b), 4(b), 5(b), 6(b), 7(b), 8(b), 9(b), and
 18 10(b) lapse into the funds from which they were appropriated, June 30,
 19 1991.

20 * Sec. 13. This Act takes effect immediately under AS 01.10.070(c).
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STATE OF ALASKA

STEVE COWPER, GOVERNOR

OFFICE OF THE GOVERNOR

POUCH AM
JUNEAU, ALASKA 99811
PHONE: (907) 465-3568

OFFICE OF MANAGEMENT AND BUDGET DIVISION OF BUDGET REVIEW

April 9, 1990

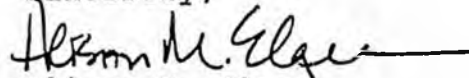
The Honorable Pat Pourchot
Chairman, Senate State
Affairs Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Pourchot:

Attached is a proposed amendment to CS SB 526 (L&C), "An Act making appropriations for contract settlements for certain public employees..." The amendment is necessary to include funding for contract settlements with the Labor, Trades and Crafts, Supervisory, and Confidential Employees bargaining units which have recently been ratified by the unions' memberships. The monetary terms of the contracts are similar to other negotiated settlements and are effective January 1, 1990.

Included in the proposed appropriation made in section 8(b) are FY 91 funds for the Class I employees of the Labor, Trades and Crafts bargaining unit. These funds have previously been requested through a Governor's FY 91 budget amendment in the amount of \$523,900. In order to provide a complete picture of salary costs, however, the Administration would prefer to have these funds included in SB 526 as opposed to the FY 91 operating budget.

Sincerely,


Alison M. Elgee
Director

Attachments

A M E N D M E N T

CS SB 526 (LAC): "An Act making appropriations for contract settlement costs for certain public employees who are members of collective bargaining units and for salary increases for public employees who are not members of a bargaining unit; and providing for an effective date."

Page 5, line 11 add new sections as follows and renumber remaining sections accordingly:

*Sec. 8. (a) The sum of \$903,700 is appropriated to the Office of the Governor, Office of Management and Budget, to pay for a 3.3 percent contract settlement for Class II and Class III employees of the Labor, Trades and Crafts bargaining unit for the period January 1, 1990 through June 30, 1990 from the following sources:

Federal Receipts	\$ 25,200
General Fund Match	13,300
General Fund	517,800
General Fund/Program Receipts	3,500
General Fund/Mental Health Trust	23,700
Inter-agency Receipts	13,400
Fish and Game Fund	200
Highway Working Capital Fund	38,100
International Airports Revenue Fund	108,400
Surplus Property Revolving Fund	500
Capital Improvement Project Receipts	108,600

(b) The sum of \$2,730,200 is appropriated to the Office of the Governor, Office of Management and Budget, to pay for contract settlement costs for the Labor, Trades and Crafts bargaining unit for the fiscal year ending June 30, 1991 from the following sources:

Federal Receipts	\$ 30,600
General Fund Match	40,800
General Fund	1,593,000
General Fund/Program Receipts	10,800
General Fund/Mental Health Trust	72,900
Inter-agency Receipts	41,300
Fish and Game Fund	500
Highway Working Capital Fund	271,000
International Airports Revenue Fund	333,600
Surplus Property Revolving Fund	1,500
Capital Improvement Project Receipts	334,200

*Sec. 9. (a) The sum of \$1,217,300 is appropriated to the Office of the Governor, Office of Management and Budget, to pay for contract settlement costs for the Supervisory bargaining unit for the period January 1, 1990 through June 30, 1990 from the following

sources:

Federal Receipts	\$ 149,600
General Fund Match	42,800
General Fund	726,300
General Fund/Program Receipts	32,100
General Fund/Mental Health Trust	20,000
Inter-agency Receipts	35,400
Agricultural Loan Fund	1,100
Fish and Game Fund	13,300
Highway Working Capital Fund	12,400
International Airports Revenue Fund	23,300
Public Employees Retirement Fund	4,900
Disabled Fishermans Reserve Account	900
Surplus Property Revolving Fund	500
Teachers' Retirement System Fund	4,600
Veterans Revolving Loan Fund	1,200
Commercial Fishing Loan Fund	3,400
Training and Building Fund	2,000
Permanent Fund Dividend Fund	3,300
Oil/Hazardous Response Fund	3,000
Small Business Loan Fund	100
Capital Improvement Project Receipts	124,500
Housing Loan Fund	1,100
Mining Revolving Loan Fund	100
Historical District Revolving Loan Fund	100
Fisheries Enhancement Revolving Loan Fund	300
Alternative Energy Revolving Loan Fund	700
Residential Energy Conservation Revolving Loan Fund	300

(b) The sum of 32,535,600 is appropriated to the Office of the Governor, Office of Management and Budget to pay for contract settlement costs for the Supervisory bargaining unit for the fiscal year ending June 30, 1991 from the following sources:

Federal Receipts	\$ 311,700
General Fund Match	89,100
General Fund	1,513,000
General Fund/Program Receipts	66,800
General Fund/Mental Health Trust	41,700
Inter-agency Receipts	73,700
Agricultural Loan Fund	2,300
Fish and Game Fund	38,100
Highway Working Capital Fund	25,900
International Airports Revenue Fund	48,600
Public Employees Retirement Fund	10,100
Disabled Fishermans Reserve Account	1,900
Surplus Property Revolving Fund	1,000
Teachers' Retirement System Fund	9,500
Veterans Revolving Loan Fund	2,500
Commercial Fishing Loan Fund	7,000
Training and Building Fund	4,100
Permanent Fund Dividend Fund	17,200
Oil/Hazardous Response Fund	6,200

Small Business Loan Fund	100
Capital Improvement Project Receipts	259,500
Housing Loan Fund	1,400
Mining Revolving Loan Fund	200
Historical District Revolving Loan Fund	300
Fisheries Enhancement Revolving Loan Fund	600
Alternative Energy Revolving Loan Fund	1,400
Residential Energy Conservation Revolving Loan Fund	700

Sec. 10. (a) The sum of \$125,600 is appropriated to the Office of the Governor, Office of Management and Budget, to pay for a 3.3 percent contract settlement for the Confidential Employees bargaining unit for the period January 1, 1990 through June 30, 1990 from the following sources:

Federal Receipts	\$	600
General Fund Match		300
General Fund		112,100
Inter-agency Receipts		8,300
Highway Working Capital Fund		1,500
International Airports Revenue Fund		1,300
Housing Loan Fund		200

(b) The sum of \$281,700 is appropriated to the Office of the Governor, Office of Management and Budget, to pay for a 3.3 percent contract settlement for the Confidential Employees bargaining unit for the fiscal year ending June 30, 1991 from the following sources:

Federal Receipts	\$	1,200
General Fund Match		600
General Fund		238,600
Inter-agency Receipts		18,500
Highway Working Capital Fund		3,100
International Airports Revenue Fund		4,300
Housing Loan Fund		600

Page 3, line 12 delete [AND 7(a)] and replace with 7(a), 8(a), 9(a) and 10(a).

Page 3, line 15 delete [AND 7(B)] and replace with 7(b), 8(b), 9(b) and 10(b).

Page 3, line 18 delete [AND 7(a)] and replace with 7(a), 8(a), 9(a) and 10(a).

STATE OF ALASKA

STEVE COWPER, GOVERNOR

OFFICE OF THE GOVERNOR

POUCH AM
JUNEAU, ALASKA 99811
PHONE: (907) 465-3568

OFFICE OF MANAGEMENT AND BUDGET DIVISION OF BUDGET REVIEW

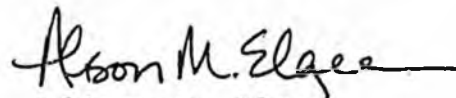
April 16, 1990 *NEW AMENDMENT:*
will be handed out at hearing.
(It is NOT incorporated in the CS)

The Honorable Pat Pourchot
Chairman, Senate State
Affairs Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Pourchot:

Attached is a proposed amendment to CS SB 526 (State Affairs) (4-16-90 Draft), "An Act making appropriations for contract settlements for certain public employees...." The amendment is necessary to include funding for contract settlements with the Masters, Mates and Pilots bargaining unit which was recently ratified by the employees and for Class I employees of the General Government bargaining unit which is the result of an arbitrator's award. The monetary terms of the contracts are similar to other negotiated settlements with the exception of a one-time compensatory payment of \$400 for Class I General Government employees payable in FY 90. The Masters, Mates and Pilots contract is effective April 1, 1990.

Sincerely,



Alison M. Elgee
Director

Attachments

A M E N D M E N T

CS SB 526 (State Affairs) (4-16-90 Draft) "An Act making appropriations for contract settlement costs for certain public employees who are members of collective bargaining units and for salary increases for public employees who are not members of a bargaining unit; and providing for an effective date."

Page 9, line 12, add new sections as follows and renumber remaining sections accordingly:

*Sec. 11. (a) The sum of \$880,000 is appropriated from the general fund to the Office of the Governor, Office of Management and Budget, to pay for a \$400 one-time compensatory payment for each Class I employee of the General Government bargaining unit for the fiscal year ending June 30, 1990.

(b) The sum of \$4,337,000 is appropriated to the Office of the Governor, Office of Management and Budget, to pay for a 4.25 percent contract settlement for Class I employees of the General Government bargaining unit for the fiscal year ending June 30, 1991 from the following sources:

Federal Receipts	\$ 507,100
General Fund Match	143,000
General Fund	2,613,200
General Fund/Program Receipts	125,600
General Fund/Mental Health Trust	118,900
Inter-agency Receipts	149,600
Agricultural Loan Fund	6,700
State Corporation Receipts	200
Fish and Game Fund	53,700
Highway Working Capital Fund	14,900
International Airports Revenue Fund	32,500
Public Employees Retirement Fund	14,000
Second Injury Fund	1,000
Disabled Fishermans Reserve Account	600
Surplus Property Revolving Fund	500
Teachers' Retirement System Fund	10,800
Veterans Revolving Loan Fund	2,800
Commercial Fishing Loan Fund	8,100
Real Estate Surety Fund	200
Judicial Retirement System	200
National Guard Retirement System	200
Training and Building Fund	4,000
Permanent Fund Dividend Fund	23,700
Oil/Hazardous Response Fund	10,600
Small Business Loan Fund	500
Tourism Revolving Loan Fund	100
Capital Improvement Project Receipts	376,600
Housing Loan Fund	10,800

Mining Revolving Loan Fund	1,500
Fisheries Enhancement Revolving Loan Fund	2,100
Alternative Energy Revolving Loan Fund	1,600
Residential Energy Conservation Revolving Loan Fund	1,700

*Sec. 12. (a) The sum of \$44,300 is appropriated from the general fund to the Department of Transportation and Public Facilities, Alaska Marine Highway System, to pay for a 3.3 percent contract settlement for members of the Masters, Mates and Pilots bargaining unit for the period April 1, 1990 through June 30, 1990.

(b) The sum of \$177,100 is appropriated from the general fund to the Department of Transportation and Public Facilities, Alaska Marine Highway System, to pay for a 3.3 percent contract settlement for members of the Masters, Mates and Pilots bargaining unit for the fiscal year ending June 30, 1991.

Page 9, lines 13-14 delete [AND 10(a)] and replace with 10(a), 11(a) and 12(a).

Page 9, lines 17-18 delete [AND 10(b)] and replace with 10(b), 11(b) and 12(b).

CS SB 526 (SA) WITH PROPOSED AMENDMENTS

SEC. #	BARGAINING UNIT	FY90 GF	FY90 OF	FY91 GF	FY91 OF
1	AVTEC TEACHERS			65.3	
2	MARINE ENGINEERS	51.0		204.0	
3	NON-COVERED (EXECUTIVE)	878.6	475.6	1,830.3	990.7
4	NON-COVERED (UNIVERSITY)	1,922.7		4,005.6	
5	NON-COVERED (COURTS)	512.9		1,068.5	
6	NON-COVERED (LEGISLATURE)	304.2		633.8	
7	PUBLIC SAFETY EMPLOYEES ASSOC.	446.9	111.3	930.9	231.8
8*	LABOR, TRADES AND CRAFTS	558.3	345.4	1,716.6	1,063.6
9*	SUPERVISORY	821.2	396.1	1,710.6	825.0
10*	CONFIDENTIAL EMPLOYEES ASSOC.	112.4	13.2	234.1	27.6
11**	CLASS I GENERAL GOVERNMENT	880.0		3,000.7	1,336.4
12**	MASTERS, MATES & PILOTS	44.3		177.1	
TOTAL ALL SECTIONS		6,532.5	1,341.6	15,577.5	4,475.1
		GF	OF		
SUMMARY: FY 90		6,532.5	1,341.6		
FY 91		15,577.5	4,475.1		
TOTAL FY 90 - FY 91		22,110.0	5,816.7		

*AMENDMENTS PROPOSED TO SB 526 BY THE GOVERNOR ON 4/9/90

**AMENDMENTS PROPOSED TO SB 526 BY THE GOVERNOR ON 4/17/90

S B

527

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 527

SPONSOR Rules/Gov

BILL TITLE Classified and exempt employees, salaries

DATE REFERRED 4-4-90

HEARING SCHEDULED

FISCAL NOTE PREPARED NO -- Approp --

SPONSOR CONTACTED ^{omb}

INTERESTED PARTIES CONTACTED

✓ PAM STOOPS: LAA -- will be here

Alison Edgee, OMB

4-3-90

Request scheduling SB 526 & 527

+ PAM STOOPS

Will be amendment -- labor

Trades & Crafts has ratified
the 3.3%. May be others
by time of hearing.

LoC C.S. --

1) add Public Safety Employees

2) [leg. & judges] -- so get 3.3%

OTHER

SENATE COMMITTEE REPORT

DATE: 4/4/90

FURTHER:

DATE TURNED INTO OFFICE: _____

State Affairs

Committee considered

SB 527

"An Act relating to salaries for employees who are not members of a collective bargaining unit; and providing for an effective date."

and recommended:

replace with CS SB 527 (CSA)
 or adopt _____
 attached amendment(s)
 _____ letter of intent adopted

same title
 new title
 technical
title change
(HB only)

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

NO FISCAL
NOTE - See SB 526

ATTACHES NEW FISCAL NOTE(S):

- fiscal note(s) _____ Dept/Date: _____
- zero fiscal note(s) _____
- appropriation-no fiscal note

APPROVES PREVIOUS:

- fiscal note(s) _____ Dept/Date: _____
- zero fiscal note(s) _____
- Governor's bill w/fiscal note

SIGNING DO PASS:

Tom Kelly
Paul Kelly

OTHER RECOMMENDATIONS:

Gov. Adams - No Rec
Gov. Fitch - No Rec

Pat [Signature] do pass

Chair: Signature and Recommendation

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman

Sen. Al Adams

Sen. Tim Kelly

Sen. Rick Uehling



P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Pat Pourchot

RE: Wednesday, April 18 Committee Hearing

DATE: April 16, 1990

On Wednesday, April 18 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

CSSB 526. An Act making appropriations for contract settlement costs for certain public employees who are members of collective bargaining units and for salary increases for public employees who are not members of a bargaining unit; and providing for an effective date. Appropriations for contract settlement costs reflecting a 3.3% wage increase for the Marine Engineers Beneficial Association, Alaska Vocational Technical Center Teachers and the Public Safety Employees Association are included in this bill. It also includes appropriations for a corresponding salary adjustment for employees not covered by collective bargaining: Executive-branch OMB employees, University of Alaska employees, Alaska Court System employees, Alaska State Legislature employees. Senate State Affairs has been asked to develop a St. Affairs CS for CS SB 526 to include funding for contract settlements with the Labor, Trades and Crafts, Supervisory and Confidential Employees bargaining units which recently ratified the 3.3% agreement.

+ Masters, Makes
Pilots and
G.G.U.

CSSB 527. An Act relating to salaries for employees who are not members of a collective bargaining unit and providing for an effective date. This bill amends the statutory salary schedule to allow a 3.3% increase for legislative, classified and partially exempt employees who are not covered by a collective bargaining agreement. Labor and Commerce Comm. amended SB 527 to allow legislators and judges to receive the 3.3% increase instead of having salaries set in statute at the current monthly rate. Senate State Affairs has been asked to develop a CS to include amendments proposed by LAA Administrative Services: 1. would eliminate specific reference to the Chief Clerk and Senate Secretary's offices as unnecessary and 2. would eliminate the word "permanent" in reference to Legislative Branch employees.

SB 206. An Act relating to intrastate competition in telecommunications; continuing the existence of the APUC; and providing for an effective date. Postponed until Friday, April 20th.

CS HB 28. An Act relating to telecommunications alternate operator services and to disclosure of certain surcharges imposed by owners of places that aggregate telephone business from consumers. Sponsored by Rep. Boucher this

bill requires alternate operator services (AOS) doing business in Alaska to register and file tariffs with the APUC and requires all aggregators of consumer telephone calls, whether or not they have contracted with an AOS, to disclose the cost of the service prior to the consumer use of the service. An AOS is a company that buys time from a long distance carrier then charges the consumer for use of that time when the consumer makes a call where the AOS is located i.e. hotel, motel, hospital. A violation of the disclosure provision would result in a fine of the cost of the service plus \$200.

HJR 35, Proposing an amendment to the Constitution of the State of Alaska relating to right of the state to cooperate with foreign nations. The resolution sponsored by Rep. Boucher would give Alaska the constitutional authority to deal with foreign nations. It is based on a recommendation by the Alaska Statehood Commission (see recommendation #14 in the Final Report "More Perfect Union"). If passed, Alaska would be the first state to declare a constitutional right to cooperate with foreign nations.

HCR 30, Relating to holding the Greatland Games in the Palmer and Wasilla area in conjunction with the Alaska State Fair. Sponsored by Representative Larson, this resolution states legislative support for holding the Greatland Games in the Palmer/Wasilla area as an added attraction of the Alaska State Fair. 1990 will be the sixth annual Greatland Games, the last three of which have been held in the Palmer/Wasilla area.

HB 483, An Act amending the definition of 'peace officer' in the Alaska Statutes to include village public safety officers. This bill, sponsored by Rep. Hoffman, would amend the definition of "peace officer" in Title 39 to include village public safety officers (VPSO). There are currently 125 VPSOs under contract with 10 non-profit native corporations. The state funds the VPSOs through grants to the native corporations. VPSOs are employees of the non-profit corporation and are not state employees. Captain Godfry of the Department of Public Safety states that the change in definition would help to clarify the authority of the VPSO and would allow a VPSO killed in the line of duty to be eligible for death benefits.

CS HB 405, An Act relating to requests for information by public agencies, and relating to the copyrighting of software produced by or for public agencies. Sponsored by Representative Brown, this bill deals with public access to state and local government records. The major provisions of the bill are:

- .to govern access to and fees for obtaining public records, covering all agencies of state government and municipalities.
- .to establish discretionary authority for public agencies to offer to the public electronic services and products and criteria for setting fees, based on public demand and sufficient program receipts.
- .to authorize state agencies and municipalities to copyright software.
- .to address privacy rights of individuals by requiring state agencies to inform individuals that personal information may be subject to public disclosure and to provide a process to correct inaccurate personal information.

The Senate CS for CS HB 405 contains clarifying amendments that are specified in the April 7 memo from Rep. Brown.

Amendments:
① From SB 527
Add. Sec. 4, 5, 6, 7, 8

~~Delete~~ Sec. 5 (retro clause)

go0560sH
Cramer
4/13/90

Original sponsor(s): Rules/Governor

~~Remove~~ legislators judicial

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 527 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to salaries for officers and employ-
7 ees who are not members of a collective bargaining
8 unit; and providing for an effective date."

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

10 * Section 1. AS 39.27.011(a) is repealed and reenacted to read:

11 (a) SALARY SCHEDULE. The following monthly basic salary sched-
12 ule is approved as the pay plan for classified and partially exempt
13 employees in the executive branch of the state government who are not
14 members of a collective bargaining unit established under the auth-
15 ority of the Public Employment Relations Act and employees of the
16 legislature under AS 24.10 and AS 24.20:

17 Range	Step	Step	Step	Step	Step	Step
18 No.	A	B	C	D	E	F
19 05	1433	1472	1515	1557	1603	1646
20 06	1515	1557	1603	1646	1693	1743
21 07	1603	1646	1693	1743	1797	1852
22 08	1693	1743	1797	1852	1906	1966
23 09	1797	1852	1906	1966	2030	2087
24 10	1906	1966	2030	2087	2151	2216
25 11	2030	2087	2151	2216	2290	2361
26 12	2151	2216	2290	2361	2443	2526
27 13	2290	2361	2443	2526	2615	2710
28 14	2443	2526	2615	2710	2805	2911
29 15	2615	2710	2805	2911	3006	3120

1	16	2805	2911	3006	3120	3232	2349
2	17	3006	3120	3232	3349	3464	3582
3	18	3232	3349	3464	3582	3700	3840
4	19	3464	3582	3700	3840	3957	4105
5	20	3700	3840	3957	4105	4230	4386
6	21	3957	4105	4230	4386	4524	4687
7	22	4230	4386	4524	4687	4842	5019
8	23	4524	4687	4842	5019	5187	5381
9	24	4842	5019	5187	5381	5563	5752
10	25	5187	5381	5563	5752	5964	6188
11	26	5381	5563	5752	5964	6188	6411
12	27	5563	5752	5964	6188	6411	6655
13	28	5752	5964	6188	6411	6655	6886
14	29	5964	6188	6411	6655	6886	7129
15	30	6188	6411	6655	6886	7129	7380

* Sec. 2. EMPLOYEES OF THE JUDICIAL AND LEGISLATIVE BRANCHES, AND CERTAIN EXEMPT EMPLOYEES OF THE EXECUTIVE BRANCH. 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 sec. 1 of this Act:

- (1) *effective date* [judges] and permanent and temporary employees of the judicial branch;
- (2) [legislators] and employees of the legislative branch, including staff of the ombudsman's office;
- (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), and who are not otherwise covered by AS 39.27.011(a).

* Sec. 3. EMPLOYEES OF THE UNIVERSITY OF ALASKA. The employees of the CSSB 527(SA)

1 University of Alaska who are not members of a collective bargaining unit
 2 are entitled to receive salary increases in accordance with the compen-
 3 sation policy of the board of regents of the University of Alaska.

4 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

5 * Sec. 5. This Act is retroactive to January 1, 1990.

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9 Delete

10 (means all raises
 11 go into affect
 12 July 1, 1990)

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April 18, 1990

TELECONFERENCE; Anchorage, Mat-Su, Sitka, Barrow, Nome, Bethel, Fairbanks

PAT: Due to the number of bills to be heard, I requested a 2 minute limit on testimony. You should announce this.

SB 526 and SB 527 (companion bills):

TO TESTIFY;

Alison Elgee: OMB (available to explain bill and/or amendment in CSSB 527)

Pam Stoops: LAA (Available to explain amendment in CS SB 527)

FURTHER REFERRALS;

Both go to Finance.

AMENDMENTS;

SB 526: State Affairs CS includes OMB amendment to include funding for Labor, Trades and Crafts contract settlement.

SB 527: State Affairs CS includes a clarifying amendment in the legislative branch section that removes unnecessary and confusing reference to Chief Clerk and Senate Secretary offices and removes the word "permanent" to avoid a two-tier system in LAA and to save headaches in interpreting hourly and/or session employees status.

- Two more amendments: (late ratifications, Alison will distribute at hearing)
- CLASS Arbitrators Award for GGU.
 - Masters, Mates, Pilots ratification settlement

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 20, 1990

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that grants a 3.3 percent pay increase to certain state employees not covered by collective bargaining agreements.

Section 1 of the bill increases the pay of certain legislative and classified and partially exempt executive-branch employees who are not covered by a collective bargaining agreement. It amends AS 39.27.011(a), the statutory salary schedule for such workers.

Section 2 provides the same increase to permanent employees of the judicial and legislative branches, the chief clerk of the house of representatives and the clerk's staff, the senate secretary and staff, the ombudsman's permanent staff, and permanent and temporary employees of the executive branch in the exempt service not otherwise covered by AS 39.27.011(a). The salaries of certain other officers, such as the ombudsman, are affected by the change, as they are tied to AS 39.27.011(a).

Section 3 provides that University of Alaska employees not covered by a collective bargaining agreement are entitled to receive salary increases in accordance with the university's compensation plan.

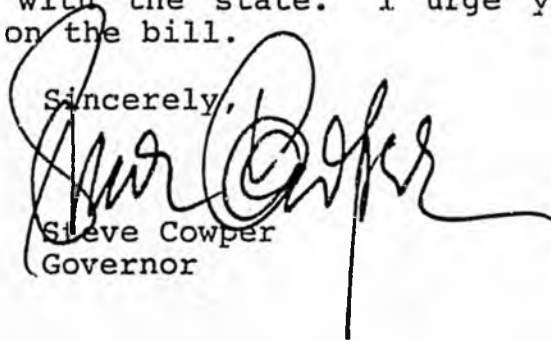
The bill amends legislative and judicial salary statutes so that judges' and legislative salaries will no longer be tied to the statutory scale. Sections 4 -- 7 set the salaries of the state's judges and justices at their current rate, by simply stating the dollar amount currently arrived at by referring to the salary schedule. Section 8 similarly sets the salaries of legislators at their current

rate. The 3.3 percent increase has not been applied to either group, or the lieutenant governor or me.

All provisions of the bill, including the pay increases, are retroactive to January 1, 1990.

This legislation should put these state employees on an equal footing with employees in collective bargaining units that have recently settled with the state. I urge your prompt and favorable action on the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name and title.

Steve Cowper
Governor

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

P.O. BOX 4, STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

M E M O R A N D U M

TO: Senator Pat Pourchot
Chair, Senate State Affairs

FROM: Pamela A. ^WStoops
Director, Administrative Services

DATE: April 11, 1990

SUBJECT: Amendment to CSSB 527(L&C)

This is to request an amendment to CSSB 527(L&C) - An Act relating to salaries for officers and employees who are not members of a collective bargaining unit...

Sec. 2(a)(2) was copied from the last pay bill in 1985. At that time, the Legislature paid many employees on a daily basis and those employees were not to receive the raises. However, the Chief Clerk and Senate Secretary's Offices had language added in the bill so they would receive the pay increase. As all legislative employees paid by the Agency follow the same pay policy, it is not necessary at this time to specifically name the Chief Clerk or Senate Secretary's Offices.

We would also suggest that the term "permanent" in reference to Legislative Branch employees, not be used. I have checked with Duncan Fowler and he would prefer to have the word "permanent" removed also.

Could sec. 2(a)(2) be amended as follows:

(2) Legislators and employees of the Legislative Branch,
including staff of the Ombudsman's Office;

No additional fiscal impact would be realized by the above change.

S B

530

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 530

SPONSOR Finanez

BILL TITLE Security personnel and crash-rescue
firefighters in exempt service

DATE REFERRED 3.22.90

HEARING SCHEDULED

FISCAL NOTE PREPARED

SPONSOR CONTACTED

INTERESTED PARTIES CONTACTED

OTHER

FISCAL NOTE

REQUEST:

Revision Date: March 23, 1990 Agency Affected: DMVA
 Title: Exempt Service: Certain military employees of DMVA BRU: _____
 Sponsor: Senate Finance Components: _____
 Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This bill will have no fiscal impact on DMVA

Prepared by: Jeff Morrison, Director Phone: 465-4600
 Division: Administrative & Support Services, DMVA Date: 3/23/90
 Approved by Commissioner: for MG/John Schaeffer Date: 3/23/90
 Agency: Department of Military & Veterans Affairs

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

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
POSITION PAPER
SB 530

Summary of Bill: The bill would create new classes of exempt employees in the statutes. These new classes would be for security personnel and crash-rescue firefighters in DMVA who are required to be members of the Alaska National Guard. This bill is identical to HB 586.

Background: Exempt employees are not covered by the state merit system, personnel rules, or collective bargaining laws. Positions in DMVA which are required to be filled by members of the Alaska National Guard are subject to National Guard regulations and procedures concerning employment standards and performance, discipline, and other aspects covered by the state personnel system.

Impact of Bill on Department of Military and Veterans Affairs: The department has recently received federal funding for eight new full time state positions in the crash-rescue firefighting unit at Kulis Air National Guard Base. Because this new mission is a military mission, the DMVA will require that the individuals filling the positions be members of the Alaska National Guard.

Additional justification for requiring these positions to be filled by members of the National Guard is as follows: 1) the training required for these positions to obtain and maintain eligibility to perform the duties is available only on a military base and is available only to military personnel; 2) the work of the positions will be done under strict military guidelines and requirements, and will entail the high degree of risk associated with military personnel assigned to this mission; 3) the positions will be trained as backup security guards for Kulis ANG Base, requiring their familiarity with military weaponry; 4) the positions will be working with and for other military personnel on Kulis ANG Base, and will be expected to adhere to military standards, discipline, chain of command, and courtesy; 5) the positions will be required to obtain a military security clearance to perform some of their duties; 6) passage of annual physical fitness tests and random drug tests required under military regulations will be a condition for retention of the job.

Because the new positions to be created will be military, the department needs the freedom of appointment, discipline, and dismissal for the positions that can only be provided by creating the positions in the exempt service.

The inclusion of security guards in the language of the bill is in anticipation of the high probability that the National Guard Bureau will require the department to provide military security guards at Kulis ANG Base in the near future, to replace the contracted security guards now providing limited security service. The justification for these positions to be military is the same as for the firefighters.

A side benefit of passage of this legislation is that the flexibility it provides to the department would make it more able to compete successfully within the National Guard to attract more federally funded state positions.

Departmental Position on Bill: DMVA strongly supports this bill.

Approved: _____

J. Morrison
for MS John W. Schaeffer

Date: 3/23/90

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

OFFICE OF THE ADJUTANT GENERAL

DIMOND CENTER TOWER
800 EAST DIMOND BLVD.
SUITE 3-450
ANCHORAGE, ALASKA 99515-2097
PHONE: (907) 249-1523
AUTOVON 626-1623

22 March 1990


The Honorable Ronald Larson
Alaska State Representative
P.O. Box V
Juneau, AK 99811

Dear Representative Larson:

We feel that House bill 586 must be enacted this year if we are to take advantage of the opportunity to hire eight full time crash-rescue firefighters this year.

I have enclosed a position paper which details our positions. Please call should you need additional information.

Sincerely,


John W. Schaeffer
Major General
Alaska National Guard
The Adjutant General

Enclosure

S B

537

SB 537, Longevity Bonus

TELECONFERENCE; Anch, Mat-SU, Fairbanks, Delta Jnc., Petersburg

INFORMATION SENT TO; * indicates will testify

OMB; MARY HALLORAN. Needs to testify first.

Senator Kerttula

AARP: Bob Pavitt

Joe Henri: Commonwealth

Julie Petro: Ak. Fed of Natives

Rose Palmquist: OPAG

Sylvia Short

Leo Kaye

Gazaways

OAC: Fran Toland

Connie Sipe: OAC

Liz Lawson: Senior Voice

Florence ORR

Peggy Burgin

Anchorage Pioneer Home

Pioneers of Alaska: Maurice Ingrahm

Dept. of Admin: Jim Fox

Revenue: Irvin Jones, Cliff Groh

Public Asst: John Tabor

HESS: Jay Livey,

NOTES;

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling



P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members
FROM: Senator Pat Pourchot
RE: Wednesday, April 4 Committee Hearing
DATE: April 3, 1990

On Wednesday, April 4 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:
TELECONFERENCE; Anchorage, Mat-Su, Petersburg, Fairbanks, Delta Junction

SB 537. Longevity Bonus Program, efd. SB 537 would phase out the Longevity Bonus Program over a 10-year period. Contrary to previous "stair-stepping" proposals, this bill would "grandfather" a recipient into the program at the amount of the bonus payment for the year in which he/she qualifies. Persons currently receiving \$250 per month would continue to do so for as long as they remain in Alaska.

SCR 52. relating to the leasing of space by the state. Sponsored by Senator Rodey, the resolution encourages state agencies to avoid leasing practices that would cause the construction of substandard commercial structures, practices that are referred to as the "capital lease process" and/or the "design, build, lease back process". In the capital lease process, leases are awarded to the lowest bidder, with no mechanism in place to ensure that facilities are economical to operate and maintain or are responsive to the needs of the agency or the communities. The Committee Substitute passed by House Finance is included in your packet. Senator Rodey requests that the committee consider revising SCR 52 to be identical to CS HCR 52. The CS would establish a State Lease Task Force to study the problems with the Capital Lease process and to submit its findings and recommendations to the governor and legislature by 1/21/91.

SB 399. An Act approving leases of office space by the Department of Administration; and providing for an effective date. This bill would approve the leases of office space, each of which may exceed \$1 million in rent, for the following buildings: Juneau: Goldbelt Building, Anchorage: Labor Offices at 33rd Street/Eagle Street and the Law Offices in the Peterson Towers (near the Court Building.)

SB 346. An Act relating to public notice regarding the value of permanent fund dividends; and providing for an effective date. In your packet is the proposed CS, which contains the original language of SB 346, requiring the

Commissioner of Revenue to disclose on Permanent Fund Dividend check stubs the amount of dividends as the result of constitutionally mandated deposits and the amount attributable to legislative appropriations and additional language that requires all deductions from the Dividend Fund be listed on the check stub. A letter of intent would accompany this bill clarifying that all deductions from earnings, i.e. administration costs, oil litigation fees and inflation-proofing amounts be included in the Permanent Fund brochure that is mailed with the PFD checks.

SB 537 - BONUS LADDER

Contrary to previous "stair-stepping" proposals, which cut off new recipients, this proposal would "grandfather" a recipient into the program at the amount of the bonus payment for the year in which he/she qualifies. Persons currently receiving \$250 per month would continue to do so for as long as they remain in Alaska. Persons qualifying during the second year of the program would be "grandfathered" in at a lesser amount but would remain at that level for the rest of their lives in Alaska.

The advantages of this approach include:

- 1) A senior's bonus payment would not decline over time.
- 2) There is no impact on Permanent Fund Dividends. Seniors would still receive their dividends regardless of when they turned 65.
- 3) The concept is simple to understand and administer.
- 4) The cost of the Longevity Bonus Program would gradually decline until phased out in 10 years (except for surviving recipients).
- 5) Eliminates uncertainty of fiscal impact for both the state and the recipients.
- 6) There is a gradual reduction in benefits with no arbitrary cutoff date separating "haves" from "have-nots".

Amount at Which a Person is Grandfathered
Into Program

<u>Year Person Reaches Age 65</u>	<u>10-Year Phase-Out</u>
1990	\$250
1991	225
1992	200
1993	175
1994	150
1995	125
1996	100
1997	75
1998	50
1999	25
2000	0

LONGEVITY BONUS PROGRAM--COMPARISON OF ANNUAL COSTS
 Various Options

In Millions of Dollars

Fiscal Year	Number of Recipients	Current Program	SB 5	Bonus Ladder		
				5-Year	10-Year	15-Year
1991	20,075	60.2	60.2	60.2	60.2	60.2
1992	21,153	63.5	63.2	62.1	62.8	63.0
1993	22,232	66.7	65.7	62.6	64.6	65.3
1994	23,310	69.9	67.6	61.7	65.8	67.2
1995	24,389	73.2	68.9	59.4	66.3	68.6
1996	25,384	76.2	69.2	55.8	66.0	69.4
1997	26,295	78.9	68.6	52.4	64.9	69.6
1998	27,208	81.6	67.0	49.2	63.2	69.3
1999	28,120	84.4	64.4	46.2	60.9	68.7
2000	28,949	86.8	60.5	43.3	57.9	67.6
2001	29,817	89.5	55.3	40.7	54.4	66.1
2002	30,712	92.1	48.7	38.2	51.1	64.2
2003	31,634	94.9	40.4	35.9	48.0	62.0
2004	32,582	97.7	30.3	33.7	45.0	59.3
2005	33,560	100.7	24.9	31.6	42.3	56.3
2006	34,567	103.7	23.4	29.7	39.7	52.9
2007	35,604	106.8	22.0	27.9	37.3	49.6
2008	36,672	110.0	20.6	26.2	35.0	46.6
2009	37,772	113.3	19.4	24.6	32.9	43.8
2010	38,905	116.7	18.2	23.1	30.9	41.1

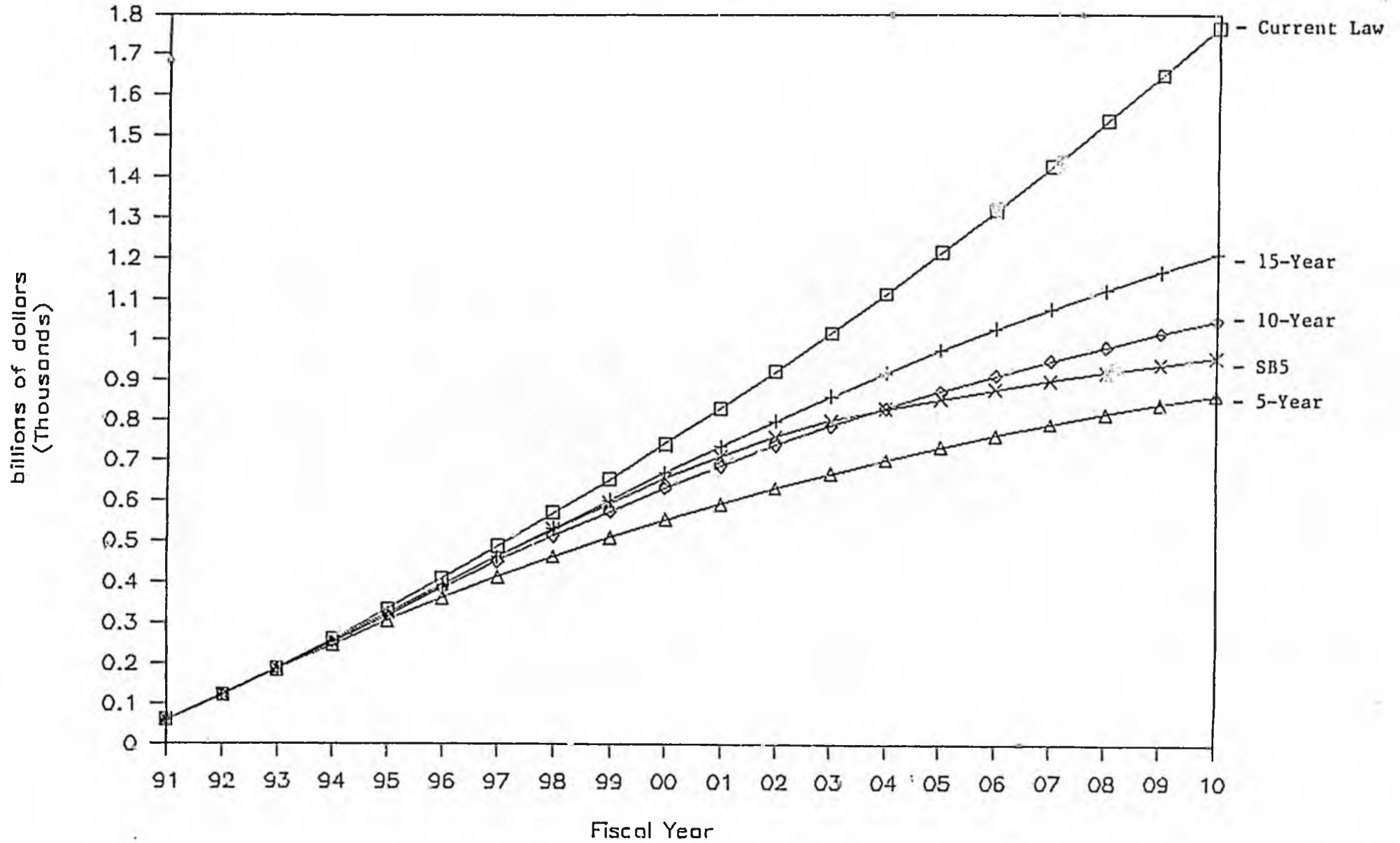
Prepared by the Division of Pioneers' Benefits 3/3/90
 File ALB.sb5

TABLE 2
 LONGEVITY BONUS PROGRAM COST ANALYSIS
 TEN-YEAR PHASE-OUT

Current Program					TOTAL PROGRAM COST (millions)				Age 65 by Jan. 1, 1991			Age 65 after Jan. 1, 1991			
Year	Number of Recipients	Annual	Cumulative	Fiscal Note	Year	Number of Recipients	Annual	Cumulative	Number of Recipients	Monthly Bonus	Cost (millions)	Number of Recipients	Monthly Bonus	Cost (million)	
	17,835				89										
	18,914				90										
1991	20,075	60.2	60.2	0.0	91	1991	20,075	60.2	60.2	20,075	250	60.2	0	250	0.0
1992	21,153	63.5	123.7	(692.3)	92	1992	21,153	62.8	123.0	18,850	250	56.5	2,303	225	6.2
1993	22,232	66.7	190.4	(2,072.9)	93	1993	22,231	64.6	187.6	17,699	250	53.1	4,532	200	11.5
1994	23,310	69.9	260.3	(4,138.3)	94	1994	23,309	65.8	253.4	16,618	250	49.9	6,691	175	15.9
1995	24,389	73.2	333.5	(6,888.0)	95	1995	24,388	66.3	319.7	15,604	250	46.8	8,784	150	19.5
1996	25,384	76.2	409.6	(10,193.0)	96	1996	25,383	66.0	385.6	14,651	250	44.0	10,732	125	22.0
1997	26,295	78.9	488.5		97	1997	26,295	64.9	450.5	13,757	250	41.3	12,538	100	23.6
1998	27,208	81.6	570.1		98	1998	27,208	63.2	513.7	12,917	250	38.8	14,291	75	24.4
1999	28,120	84.4	654.5		99	1999	28,120	60.9	574.6	12,129	250	36.4	15,991	50	24.5
2000	28,949	86.8	741.3		00	2000	28,949	57.9	632.5	11,388	250	34.2	17,561	25	23.8
2001	29,817	89.5	830.8		01	2001	29,817	54.4	686.9	10,693	250	32.1	19,124	0	22.3
2002	30,712	92.1	922.9		02	2002	30,712	51.1	738.0	10,040	250	30.1	20,672	0	20.9
2003	31,634	94.9	1,017.8		03	2003	31,634	48.0	785.9	9,427	250	28.3	22,207	0	19.7
2004	32,582	97.7	1,115.6		04	2004	32,582	45.0	831.0	8,852	250	26.6	23,730	0	18.5
2005	33,560	100.7	1,216.3		05	2005	33,560	42.3	873.2	8,312	250	24.9	25,248	0	17.3
2006	34,567	103.7	1,320.0		06	2006	34,567	39.7	912.9	7,804	250	23.4	26,763	0	16.3
2007	35,604	106.8	1,426.8		07	2007	35,604	37.3	950.2	7,328	250	22.0	28,276	0	15.3
2008	36,672	110.0	1,536.8		08	2008	36,672	35.0	985.2	6,880	250	20.6	29,791	0	14.4
2009	37,772	113.3	1,650.1		09	2009	37,772	32.9	1018.1	6,460	250	19.4	31,312	0	13.5
2010	38,905	116.7	1,766.8		10	2010	38,905	30.9	1048.9	6,066	250	18.2	32,839	0	12.7

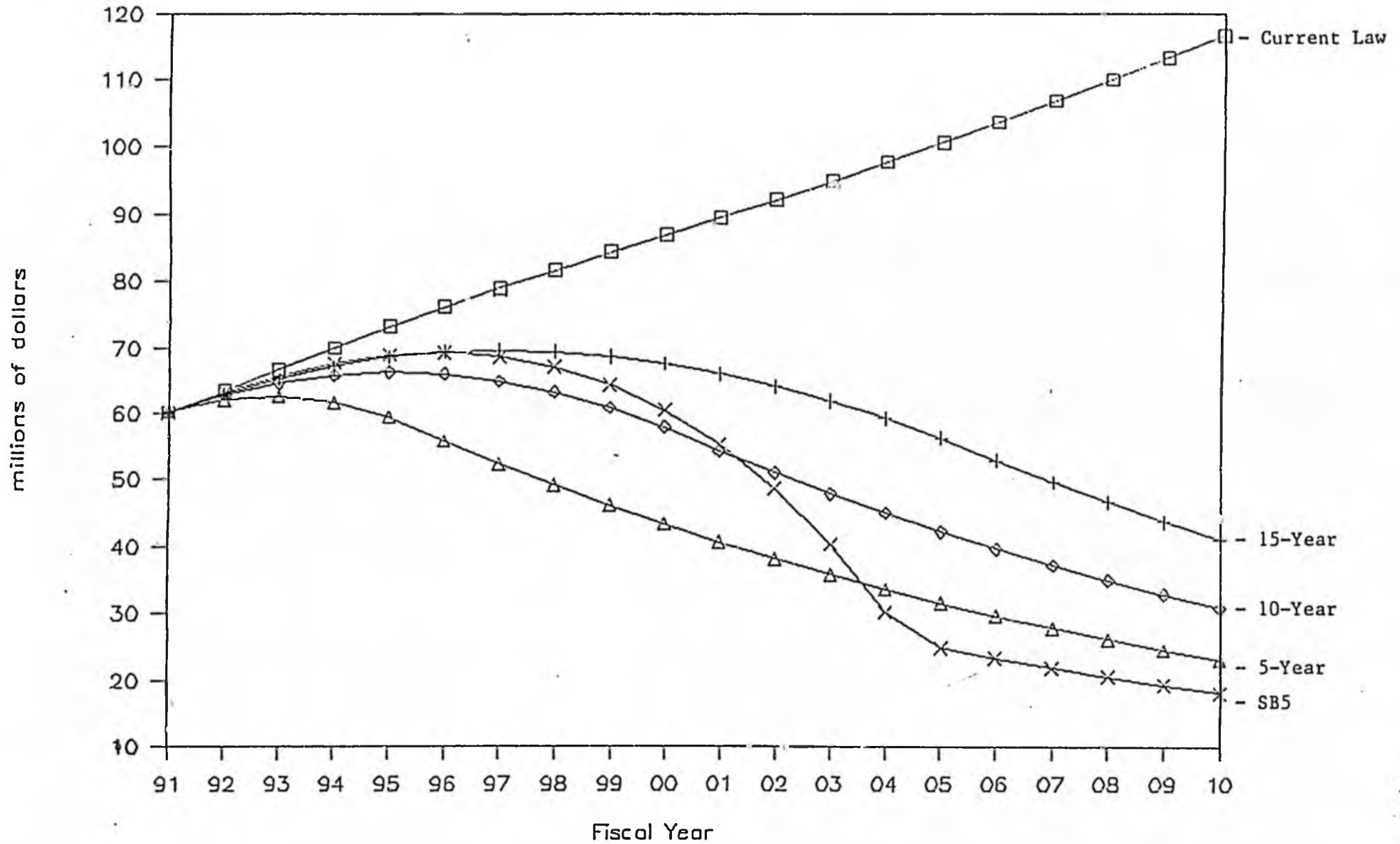
LONGEVITY BONUS COST ANALYSIS

Cumulative Costs



LONGEVITY BONUS COST ANALYSIS

Annual Costs



MEMORANDUM

State of Alaska
Office of the Governor
Division of Policy

TO: Pat Pourchot
Senator

DATE: April 2, 1990

FROM: *M. Mary* Mary Halloran
Director, Policy

PHONE: 465-3568

SUBJECT: SB 537: LONGEVITY BONUS

FILE NO:

In the prior hearing on the proposed committee substitute for SB 5, now introduced as a separate bill (SB537), the question was asked whether the approach poses any legal or constitutional problems. The Department of Law reviewed the proposal to gradually eliminate the longevity bonus program by reducing the amount paid to new recipients of the bonus in each of the 10 years following enactment of the legislation. Their conclusion (attached) is that the proposal poses no legal problems.

If we may provide any further assistance, please give me a call.

MEMORANDUM

State of Alaska
Department of Law

TO: Mary Halloran, Director
Division of Policy
Office of the Governor

**OFFICE OF
MANAGEMENT & BUDGET**

MAR 30 1990

DATE: March 28, 1990

FILE NO: File # 663-90-0362

TEL. NO: 465-3600

SUBJECT: Review of committee
substitute for SB 5 -
Longevity bonus
amendments

FROM: Kathleen Strasbaugh
Assistant Attorney General
Governmental Affairs - Juneau

STRATEGIC PLANNING

I. Question presented

You have asked whether Senator Pourchot's committee substitute for SB 5, which would replace a proposed annuity program with a gradual phase-out of longevity bonus payments, poses any legal problems.

The short answer is that except for the durational residency requirement, which we do not address here, it should not. 1/

II. Analysis

Both SB 5 and Senator Pourchot's proposal represent efforts to reduce the cost of the longevity bonus program, AS 47.45, which was significantly increased when the 25-year residency requirement was eliminated by the Alaska Supreme Court's holding in Schafer v. Vest, 680 P.2d 1169 (Alaska 1984). See also State Special Committee on Alaska Longevity Bonus Program, Report to the 14th Legislature - First Session and to Governor Bill Sheffield (February 1, 1985) ("Rept.") at 10, 29, and 35); sec. 7, ch. 38, SLA 1984 (creating the special committee).

The proposal you have asked us to review would gradually eliminate the longevity bonus program by reducing the amount paid to new recipients of the bonus in each of the 10 or 15 years following the enactment of the legislation. People currently receiving longevity bonus payments would continue at their present benefit level. People becoming eligible in each successive year would receive a lower benefit. Each "class" of recipients would receive successively lower monthly payments, but maintain the same monthly benefit throughout their eligibility.

1/ See letter from Attorney General Baily to Governor Cowper (June 2, 1989; file No. 883-89-0114) (reviewing CSHB 34(Fin), lengthening durational residency requirement to two years.)

Some members of the state special committee noted that such a proposal might be attacked on the grounds that treating discrete groups of recipients differently on the basis of the date they became eligible, that is, on the basis of their age, is a violation of the constitutional guarantee of equal protection. Minority Members of the Governor's Longevity Bonus Task Force, Report to the Fourteenth Alaska State Legislature and Governor Bill Sheffield (February 1, 1985) at 7 ("Minority Rept."). This would appear to be the legal issue raised by the proposal.

The minority committee members concluded that legislation which grandfathered current recipients into the program, while reducing benefits to new recipients would survive an equal protection challenge, citing Kalmakoff v. State, 693 P.2d 844 (Alaska 1985). In Kalmakoff, the Alaska Supreme Court, having previously concluded that entry into a commercial fishery was an important, but not fundamental, right, 2/ upheld Commercial Fisheries Entry Commission regulations granting a preference for permit applicants who held gear licenses in particular years. The minority committee members' theory was that current longevity bonus recipients, like the longer term gear license holders in Kalmakoff, would suffer hardship if the program were altered or reduced, while those who were not yet receiving benefits, like more recent entrants to fisheries, would suffer less. Such persons would have some wage-earning years to adjust their expectations. Minority Rept. at 7. 3/

The proposed committee substitute would be upheld under federal equal protection standards, as a number of cases addressing changes in the federal social security program demonstrate. There are similarities between social security old-age benefits and longevity benefits which make a review of such cases instructive. Social security old-age benefits payments are not designed primarily for those who are neediest but to provide "basic protection against hardships created by the loss of earnings due to . . . old age." Mathews v. DeCastro, 429 U.S. 181, 187-88 (1976). The longevity bonus program is designed not as a substitute for programs for the needy, but to permit and encourage Alaska's elderly to spend their retirement years in Alaska by making it possible to meet Alaska's high cost of living and harsh

2/ See Commercial Fisheries Entry Comm. v. Apokedak, 606 P.2d 1255, 1265 (Alaska 1980).

3/ It must be observed that the Kalmakoff court based its decision to uphold a potentially arbitrary permit cutoff date in part on an exception in the regulations for special circumstances. 693 P.2d at 854.

environment. Sec. 1, ch. 38, SLA 1984. Both programs provide income support to the elderly, but are not public assistance programs designed to meet life's necessities by providing benefits based on need.

In DeCastro, the Supreme Court upheld the distinction drawn by Congress between divorced and married women under 62 as to the payment of benefits when their husbands were disabled. Its holding was based upon the principle that "[g]overnmental decisions to spend money to improve the general public welfare in one way and not another are 'not confided to the courts.'" DeCastro, 429 U.S. at 185, (quoting Helvering v. Davis, 301 U.S. 619, 640 (1937)). In the area of social welfare, if a classification has some reasonable basis, it will be upheld even if it results in some inequity in practice. See Schweiker v. Wilson, 450 U.S. 221, 234-35 (1981) (upholding differential treatment of institutionalized persons as to eligibility for certain SSI benefits depending on the nature of the institution).

In cases concerning changes in benefits, the federal courts have given short shrift to arguments that a change in eligibility criteria for benefits constitutes unlawful discrimination. Califano v. Webster, 430 U.S. 313, 320-21 (1977); Dillinger v. Schweiker, 762 F.2d 506, 508 (6th Cir. 1985). Dillinger addressed 1977 amendments to the Social Security Act that changed the formula for calculating benefits prospectively only, thus creating two classes of recipients: those who reached age 62 before January 1, 1979, and those who reached age 62 after that date. The latter group received lower benefits. Reasoning that social security benefits are not a fundamental right and that the classification was not based on a suspect criterion, the Sixth Circuit concluded that the prospective-only reduction of benefits, resulting from an amendment to a benefit calculation formula which had placed a financial strain on the program, was reasonable given the reliance upon existing benefit levels by current retirees as against the lesser expectations of those who have not yet retired. 4/

In Alaska, legislative classifications are weighed on a sliding scale, rather than subjected to the two-step process followed by the federal courts. Thus, "[t]he applicable standard of review for a given case is to be determined by the importance of

4/ It is important to note that social security is not an accrued benefit like a pension. Thus the program could be altered for current recipients, if need be. See Flemming v. Nestor, 363 U.S. 603, 609 (1960). The longevity bonus likewise is not an accrued benefit.

the individual rights asserted, and by the degree of suspicion with which . . . [the court] view[s] the resulting classification scheme." Alaska Pacific Assurance Co. v. Brown, 687 P.2d 264, 269-70 (Alaska 1984); Harrison v. State, 687 P.2d 332, 339-40 (Alaska App. 1984). The more important the right affected, the more closely the classification chosen must fit the purpose of the statute. Brown, 687 P.2d at 269-70. See also State v. Enserch, ___ P.2d ___, Op. No. 3539 (Alaska Dec. 18, 1989), noting that in addition, the classification must, as a matter of due process, be reasonable and not arbitrary. Id. at 23-24 and 23 n.12.

Here, no fundamental or important right is affected; longevity bonus recipients have no constitutionally protected interest in any particular benefit amount. Cf. Brown, 687 P.2d at 270 (plaintiff not entitled to have particular level of workers' compensation benefits as a matter of constitutional law). The program is not designed to provide the minimum necessities of life. Sec. 1(b), ch. 38, SLA 1984. Thus, if the proposed legislation were challenged, it is likely that the reviewing court would subject it to less than searching scrutiny. However, the state equal protection standard is higher than the rational basis test employed in many of the above cited federal cases, and the legislative classification must bear a substantial relationship to the purpose of the legislation. Barber v. Municipality of Anchorage, 776 P.2d 1035, 1039 (Alaska 1989).

The proposed substitute for SB 5 is designed to meet the expectations of current recipients created by the original legislation, while gradually reducing the expectations of persons who are not yet recipients, with the ultimate goal of eliminating the program because of its cost. These goals appear to be legitimate. See Enserch, slip op. at 24. Nonetheless, it may be argued that conserving resources is not alone an adequate justification for drawing distinctions among different classes of citizens. But the authority for this argument is found in cases where the classifications in question arguably deprived some persons of important rights. Brown, 687 P.2d at 272 (reduction of insurance premiums not by itself adequate basis for providing lower workers' compensation benefits to workers who move out of state where right to travel burdened); Wilson v. Mun. of Anchorage, 669 P.2d 569, 572-73 (Alaska 1983) (need to conserve resources would not alone have justified barring tort claims against cities while allowing suits against other tortfeasors given importance of right of access to courts; statute upheld on grounds that its other objectives justified distinction); Plyler v. Doe, 457 P.2d 202, 227 (1982) (a state's denial of education to undocumented immigrant children a violation of equal protection under federal medium scrutiny/substantial-relationship test; one of grounds, conservation of scarce resources, held not adequate alone to

justify a classification; decision as to how to allocate scarce resources itself subject to scrutiny). 5/

Here the legislative task is to reconcile the interests of those who currently receive benefits under the program, or who are close enough to the age of eligibility to have included the longevity bonus in their retirement planning, with the need to end the program's drain on the general fund. The proposed committee substitute does just that. When viewed in this light, it cannot be said that the classification on the basis of date of birth is arbitrary. Cf. Dillinger, 762 F.2d at 508. It is clear from Enserch that the Alaska courts will be significantly less deferential to the Alaska legislature's choice of means when reviewing challenged legislation than the federal courts are to Congress. Cf. Enserch with DeCastro. However, since all of the alternatives considered involve some prospective change in the program for future recipients (see Rept.), and since the program could be terminated outright without offending the constitution, it is hard to imagine the Alaska Supreme Court striking down the Alaska legislature's choice here, even if it preferred another alternative.

III. Conclusion

The Alaska Supreme Court's recent decisions suggest that it will closely evaluate any scheme of legislation which treats similarly situated people differently, even where the rights at issue are of limited importance. Nonetheless, we believe that the proposed amendments ought to survive federal or state equal protection challenges.

As Justice Holmes observed: " [T]he 14th Amendment does not forbid statutes and statutory changes to have a beginning, and thus to discriminate between the rights of an earlier and later time." Sperry & Hutcheson Co. v. Rhodes, 220 U.S. 505 (1911).

KS:me

5/ Given that the legislation is designed to end the program in a way which does the least harm to the expectations of current recipients and those about to retire, the holding of Sonneman v. Knight, ___ P.2d ___, Op. No. 3565 (Alaska, March 2, 1990) on this issue does not alter our conclusion. Id., Slip Op. at 10-11.

POSITION PAPER

Senate Bill No. 537

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

BACKGROUND

Senate Bill No. 537 would modify the existing Longevity Bonus program by providing for a phase-out of Bonus payments. Current Bonus recipients and new Bonus recipients who reach age 65 before January 1991 would receive Bonus payments at the current \$250 per month level for the duration of their participation in the program. Longevity Bonus payments to recipients who reach age 65 in 1991 would be paid at \$225 per month, and the benefit to recipients who turn 65 in subsequent years would be \$25 less each year. Alaskans who reach age 65 after 1999 would not be entitled to Longevity Bonus payments.

We anticipate that the proposed change in the Longevity Bonus program would affect the approximately 3,200 needy older Alaskans who receive benefits under the Old Age Assistance and Longevity Bonus Hold Harmless components of the Adult Public Assistance program in much the same way it would affect the elderly Alaska population as a whole: individuals who will reach 65 in the coming years would need to plan on a smaller, but stable and predictable, amount of public support being available to them in their old age.

Federal Medicaid regulations require that Alaska's OAA program follow the eligibility rules of the federal Supplemental Security Income (SSI) program, a monthly cash assistance program administered by the Social Security Administration. The OAA program is essentially supplemental to the SSI program. SSI and OAA recipients are entitled to Medicaid benefits.

SSI regulations require that applicants and recipients apply for any other program benefits for which they may be eligible, including Longevity Bonus payments, or lose all eligibility for SSI payments (certain recipients who qualified for the Bonus under the old 25-year residency requirement are not required to apply for the Bonus program). SSI rules also require that Longevity Bonus payments be counted dollar-for-dollar against SSI eligibility qualifying standards, thus reducing SSI payments by the amount of Bonus payment and rendering some individuals ineligible for SSI. The OAA and Medicaid programs must treat the Bonus payments the same way as SSI. Currently, about 1,600 of our 3,200 aged clients receive Longevity Bonus payments which are countable under SSI rules (about 1,400 OAA recipients receive the "25-year" Bonus, which does not count as income).

Position Paper
Senate Bill No. 537
Page 2

The Legislature enacted the Longevity Bonus "Hold Harmless" program (AS 47.45.422) in order to assure that needy elderly Alaskans who receive a federally countable Bonus do not end up with \$250 less in monthly income than those who receive the federally exempt Bonus, and to make sure that necessary medical coverage (through the Medicaid program) was not lost by those whose total retirement income placed them so close to federal and state eligibility limits that receipt of the countable Bonus cost them eligibility for Medicaid. This program replaces the amount of cash lost to countable Bonus recipients when their federal SSI payments are decreased or ended, and it provides state funding in lieu of federal matching Medicaid funds to continue Medicaid coverage to those who lose regular Medicaid eligibility because of their Bonus income.

The change in the Longevity Bonus program proposed in Senate Bill No. 537 would reduce the cost of the Longevity Bonus Hold Harmless program by gradually reducing the amount of Bonus income to the OAA caseload, thus reducing the amount of federal SSI and Medicaid funding which is currently replaced with state monies. Under current law, the Longevity Bonus Hold Harmless program is growing as the OAA caseload increases and "grandfathered" Bonus recipients diminish in their proportional representation in the caseload; under Senate Bill No. 537, Longevity Bonus Hold Harmless costs would gradually decrease as the Bonus program was phased out.


DISCUSSION

The phased reduction in the Longevity Bonus program proposed in Senate Bill No. 537 would, in coming years, affect needy older Alaskans in much the same way as their more financially secure counterparts: individuals who join the ranks of the aged in the future would be able to count on less public money for their support. The phase-out of the Longevity Bonus program would eventually result in a parallel reduction in the need for Longevity Bonus Hold Harmless payments; the level of needs-based support available to needy older Alaskans under the SSI, OAA, and Medicaid programs would be maintained at the levels already provided for in law. Unlike what might occur with other possible changes in the Longevity Bonus program, no needy elderly person would lose medical coverage under this legislation. Rather, increasing numbers of them would become eligible for federally-matched Medicaid assistance instead of the totally state-funded Hold Harmless medical coverage.

RECOMMENDATION:

The Department neither supports nor opposes Senate Bill No 537. This legislation would provide the intended reduction in the cost of the Longevity Bonus program, along with a concomitant savings in Longevity Bonus Hold Harmless costs, without putting the elderly poor at risk of losing critical Medicaid coverage. The bill's gradual phase-out strategy provides younger people a reasonable period of time to plan for their retirement needs and, thus, does not unduly increase their risk of falling into poverty at retirement age.

Recommended by:


John R. Taber, Director
Division of Public Assistance

Date:

4/3/90

Approved by:

Myra M. Munson, Commissioner
Department of Health &
Social Services

Date:

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to the Longevity Bonus
Sponsor: _____
Requestor: _____

Agency Affected: Health & Social Services
BRU: Assistance Payments BRU
Medical Assistance
Components: OAA-ALB Hold Harmless
ALB Hold Harmless

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	(18.2)	(44.8)	(141.7)	(291.3)	(511.1)	(807.0)
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(18.2)	(44.8)	(141.7)	(291.3)	(511.1)	(807.0)
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	(18.2)	(44.8)	(141.7)	(291.3)	(511.1)	(807.0)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER 1034	0	0	0	0	0	0
TOTAL	(18.2)	(44.8)	(141.7)	(291.3)	(511.1)	(807.0)

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

No Fiscal Impact in FY90

See Attached

Prepared by: John R. Taber, Director
Division: Public Assistance

Phone: 463-3347
Date: 7/3/90

Approved by Commissioner: _____
Agency: Department of Health and Social Services

Date: _____

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

Division of Public Assistance
 Assistance Payments BRU

Old Age Assistance - Alaska Longevity Bonus Hold Harmless (OAA-ALBHH)

1. SB No. 537 continues the Hold Harmless program, but the amount of the monthly Bonus is based upon the age of the applicant.
2. This fiscal analysis begins in FY92 and applies a single Bonus amount throughout each fiscal year, while Bonus amounts actually change at calendar year intervals. Bonus costs in FY91 are assumed to be half of the amount projected for FY92. The error caused by blending time periods is within the margin of error of the projections.
3. We assume that the Bonus payments will impact clients beginning January 1, 1991, and that OAA clients whose Bonus payments will be impacted will be as follows:

	<u>Bonus</u>	<u>OAA Clients Impacted</u>
FY91	\$225	194
FY92	\$200	388
FY93	\$175	764
FY94	\$150	1122
FY95	\$125	1484
FY96	\$100	1812

5. Costs assume average age of new applicants for Old Age Assistance will be 65.
6. Approximately 40 percent of all OAA recipients also receive SSI.

SB No. 537 provides for a redesign of the ALB by providing for a "stair-stepped" phase-out of Bonus payments. The impact of this proposed change is two-fold:

1. As the ALB payments decrease then the amount of ALB Hold Harmless for SSI replacement also decreases. The drop in ALBHH for federal Social Security Income (SSI) replacement is a net savings to the State.
2. As the Bonus payment decreases the amount of ALB Hold Harmless for OAA replacement decreases, and shifts back to Old Age Assistance. The amount of this decrease is a dollar for dollar shift back to Old Age Assistance in the Adult Public Assistance (APA) component.

	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>
TOTAL OAA-ALBHH Component Reduction	(35.0)	(70.7)	(233.3)	(466.3)	(782.9)	(1177.2)
TOTAL OAA-APA Component Increase	21.0	42.4	140.0	279.7	469.7	706.3
TOTAL State Savings Federal SSI Replacement	(14.0)	(28.3)	(93.3)	(186.6)	(313.2)	(470.9)

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Admin./Pioneers' Benefits
 Title: An Act relating to the longevity BRU: Longevity Bonus
bonus program.
 Sponsor: Senate State Affairs Committee Components: Grants and Administration
 Requestor: Senate State Affairs Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(348.4)	(696.8)	(2,090.8)	(4,175.9)	(6,953.6)	(10,291.4)
MISCELLANEOUS						
TOTAL OPERATING	(348.4)	(696.8)	(2,090.8)	(4,175.9)	(6,953.6)	(10,291.4)
CAPITAL	400.0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	51.6	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	51.6	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Fiscal Year 1990 fiscal impact is zero, See attached pages for development of projections for subsequent years.

Prepared by: David Teal Phone: 465-4400
 Division: Pioneers' Benefits Date: 4/2/90
 Approved by Commissioner: Frank S. Baxter Date: 4/3/90
 Agency: Department of Administration

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

Fiscal Note for SB 537

The fiscal impact of any modification to the Longevity Bonus program is tenuous because cost projections depend upon a number of variables that cannot be predicted accurately. A model to project program costs under various modifications was prepared as a joint project of the Legislative Research Agency and the ALB program. Development of estimates of the fiscal impact of SB 537 is described below.

The number of recipients who will continue to receive \$250 per month was determined by applying mortality and migration figures--supplied by the Alaska Department of Labor--to the projected number of recipients who will be on the program prior to 1991. See Table 1 for details.

The annual number of applicants who will receive reduced bonuses is the sum of the annual net increase in warrants and (replacements for) recipients terminated during each year. Projected costs for the two groups of recipients are shown in Table 2. Table 3 shows detailed development of costs for new applicants. The columns show migration and mortality figures applied to new applicants in each year, with associated costs shown in part b. The sum of each row of part b is the annual cost for all recipients receiving bonuses less than \$250.

Table 4 shows the projected cost of the current program and the costs of the modifications proposed by SB 537. These costs are compared to produce the figures on page one of this fiscal note.

Capital costs of \$400,000 in FY 91 are to cover the cost of designing and implementing a new payment system. The derivation of this figure is discussed in the Price Waterhouse estimate and a March 19 letter to Representative Fran Ulmer, both of which are attached to this analysis. As explained in the attached letter, the payment system needs major revision regardless of the final status of this bill. However, the estimated cost of a new system is included in this fiscal note because (1) funding for a new system is excluded from the House version of the operating budget, (2) we have no assurance that funding will be available through the capital budget and (3) the current system cannot pay multiple bonus amounts. Capital costs and operating savings are summed to produce the net figure shown on page one of this fiscal note.

Caveats

The fiscal analysis begins in FY 92 and applies a single bonus amount throughout each fiscal year, while bonus amounts actually change at calendar year intervals. Bonus costs in FY 91 are assumed to be half of the amount projected for FY 92. The error caused by blending time periods is within the margin of error of the projections.

Although the bill has an immediate effective date, recipients would feel no impact until January 1, 1991. This gives the program about

six months to design and implement a new payment system. According to preliminary estimates, a new system may not be operational within the allowed time frame.

Projections exclude the savings that would occur under the "hold harmless" provisions of AS 47.45.122. Those costs would be reflected in this fiscal note only if the legislature appropriates hold harmless funds to this agency for subsequent transfer to the Department of Health and Social Services.

Projections exclude savings that might occur if the number of recipients declines as the program becomes less financially attractive to participants and potential participants.

TABLE 1

SB 537--FISCAL NOTE

Growth in the Alaska Longevity Bonus Program

PROJECTIONS: Warrants determined by AKDOL population forecasts for 65+
 Migration is AKDOL net outmigration for 65+
 Mortality is from AK unisex life tables for average age (74/75) of 65+
 New Applicants is net increase plus replacements for terminated recipients

Fiscal Year	AKDOL 89 Pop Growth Rate	ALB Warrants	Net Increase during Year	Out Migration 0.0160	Mortality Rate 0.0450	Next Years Warrants	New Recipients	Continuing Recipients
1989		17,835	1,265	285	803	19,100	2,354	
1990	6.05%	19,100	1,173	306	860	20,273	2,339	16,761
1991	6.14%	20,273	1,089	324	913	21,362	2,327	17,946
1992	5.37%	21,362	1,090	342	962	22,452	2,394	18,968
1993	5.10%	22,452	1,089	359	1,011	23,541	2,460	19,992
1994	4.85%	23,541	1,090	377	1,060	24,631	2,527	21,014
1995	4.63%	24,631	1,005	394	1,110	25,636	2,509	22,122
1996	4.08%	25,636	920	410	1,155	26,556	2,485	23,151

Joint Legislative Research/ALB project to get consistent figures for cost analysis
 Teal/Snow 1/18/90

Prepared by the Division of Pioneers' Benefits 4/2/90

FILE: SB537-1

TABLE 2

SB 537--FISCAL NOTE

Longevity Bonus Program Cost Analysis

Fiscal Year	TOTAL PROGRAM COST (millions)		
	Number of Recipients	Annual	Cumulative
1991	20,273	60.8	60.8
1992	21,362	63.4	124.2
1993	22,452	65.3	189.5
1994	23,541	66.4	255.9
1995	24,632	66.9	322.9
1996	25,637	66.6	389.5

Age 65 by Jan. 1, 1991		
Number of Recipients	Monthly Bonus	Cost (millions)
20,273	250	60.8
19,035	250	57.1
17,873	250	53.6
16,782	250	50.3
15,758	250	47.3
14,796	250	44.4

Age 65 after Jan. 1, 1991		
Number of Recipients	Monthly Bonus	Cost (millions)
0	0	0.0
2,327	225	6.3
4,579	200	11.6
6,759	175	16.1
8,874	150	19.7
10,841	125	22.2

Prepared by the Division of Pioneers' Benefits 4/2/90

FILE: SB537-2

TABLE 3
SB 537--FISCAL NOTE
Cost for New Applicants Only

Part a

sum warrants	age 65 prior to 91	new apps for cost after 91	Bonus: new applicants in FY:					
			225	200	175	150	125	100
			1992	1993	1994	1995	1996	1997
20,273	20,273	0						
21,362	19,035	2,327	2,327					
22,452	17,873	4,579	2,185	2,394				
23,542	16,782	6,759	2,052	2,248	2,460			
24,632	15,758	8,874	1,926	2,111	2,310	2,527		
25,637	14,796	10,841	1,809	1,982	2,169	2,373	2,509	
26,557	13,893	12,664	1,698	1,861	2,036	2,228	2,356	2,485
27,479	13,045	14,434	1,595	1,747	1,912	2,092	2,212	2,333
28,399	12,248	16,151	1,497	1,641	1,795	1,964	2,077	2,191
29,237	11,501	17,736	1,406	1,540	1,686	1,844	1,950	2,057
30,114	10,799	19,315	1,320	1,446	1,583	1,732	1,831	1,932
31,018	10,139	20,878	1,239	1,358	1,486	1,626	1,719	1,814
31,948	9,520	22,428	1,164	1,275	1,396	1,527	1,614	1,703
32,906	8,939	23,967	1,093	1,197	1,310	1,434	1,516	1,599
33,893	8,394	25,500	1,026	1,124	1,230	1,346	1,423	1,501
34,910	7,881	27,029	963	1,056	1,155	1,264	1,336	1,410
35,957	7,400	28,557	905	991	1,085	1,187	1,255	1,324
37,036	6,948	30,088	849	931	1,019	1,114	1,178	1,243
38,147	6,524	31,623	798	874	956	1,046	1,106	1,167
39,292	6,126	33,166	749	821	898	982	1,039	1,096

Part b

annual cost when recipients are grandfathered at entry level

92	6.3	6.3	0.0	0.0	0.0	0.0	0.0
93	11.6	5.9	5.7	0.0	0.0	0.0	0.0
94	16.1	5.5	5.4	5.2	0.0	0.0	0.0
95	19.7	5.2	5.1	4.9	4.5	0.0	0.0
96	22.2	4.9	4.8	4.6	4.3	3.8	0.0

Prepared by the Division of Pioneers' Benefits 4/2/90
 FILE: sb537-3

TABLE 4

SB 537--FISCAL NOTE

Comparison of Current and Proposed Costs

Fiscal Year	Current Program			SB 537		Fiscal Note
	Number of Recipients	Annual Cost	Cumulative Cost	Annual Cost	Cumulative Cost	
1991	20,273	60.8	60.8	60.5	60.5	(348.4)
1992	21,362	64.1	124.9	63.4	123.8	(696.8)
1993	22,452	67.4	192.3	65.3	189.1	(2,090.8)
1994	23,541	70.6	262.9	66.4	255.5	(4,175.9)
1995	24,631	73.9	336.8	66.9	322.5	(6,953.6)
1996	25,636	76.9	413.7	66.6	389.1	(10,291.4)

Prepared by the Division of Pioneers' Benefits 4/2/90

FILE: SB537--4

Price Waterhouse



February 14, 1990

Keith Busch
Director of Finance
Department of Administration
State of Alaska
Juneau, Alaska 99811

Dear Keith:

As you have requested, we have developed gross costs estimates to implement the Alaska Longevity Bonus System as an additional application on the new (Tesseract) Automated Payroll System.

On February 12, we meet with David Teal from the Division of Pioneer Benefits to discuss the functionality of this application. Our estimates are based on the understanding we developed during that meeting and are not based on a detailed review of the system requirements.

We estimate the project could be completed in 5 months with a total of 17 staff/months of effort. See Attachment for Project Schedule. This equates to 2,805 hours. Assuming approximately the same mix of staff currently implementing the Statewide Payroll System the average rate would be around \$100. This brings consulting fees for the project to \$280,000. See Attachment 2 for the details of this cost buildup.

There, of course, are a number of assumptions that went into the development of these estimates. Some of the more important of those are enumerated in Attachment 3. If any of our assumption are incorrect it would have an effect on our level of effort estimates.

You must recognize that these are very "rough" estimates based on our limited understanding of the required functions. We can tell you with greater confidence that the costs would be in the range from \$250,000 to \$320,000.

If you have any questions regarding these estimates, please feel free to contact Rip Sanders or me at any time.

Yours very truly,

Wayne A. Viirre

Wayne A. Viirre
Project Manager

STATE OF ALASKA
 Longevity Bonus Tesseract Implementation

Attachment 1

Project Schedule (2/14/90)

TASK	Month				
	1	2	3	4	5
Analysis	2 PW Staff				
Tesseract Customization		2 PW Staff			
Programming and Unit Testing		2 PW Staff			
System Testing				2 PW Staff	
Imagine Report Development				1 PW Staff	
User Documentation				1 PW Staff	
Training					1 PW Staff
Implementation					1 PW Staff

STATE OF ALASKA
Longevity Bonus Tesseract Implementation

Cost Details

<u>Task</u>	<u>Staff Required</u>	<u>Duration (months)</u>	<u>Man Months</u>
• Analysis	2	2	4
• Tesseract Customization	2	2	4
• Programming/Unit Test	2	2	4
• System Testing	2	1	2
• Imagine Report Develop.	1	1	1
• User Documentation	1	1	1
• Training	1	0.5	0.5
• Implementation	1	0.5	0.5
 Total Effort in Man Months			17
Hours per month			<u>x 165</u>
Total Hours			2805
Hourly rate for appropriate staff mix			<u>x \$100.00</u>
Total Cost			\$280,500.00

STATE OF ALASKA
Longevity Bonus Tesseract Implementation

Assumptions

- Longevity Bonus implementation will not adversely impact the payroll system functionality as implemented.
- Two functional experts from the Division of Pioneer Benefits will be dedicated to the project to assist in the analysis through implementation phases.
- No technical support will be provided by the Division of Pioneer Benefits.
- Data Conversion will be a straightforward process and involves only converting data from a single source.
- No time has been allotted to perform data clean-up.
- All reporting requirements can be produced by one person in one month and the number of reports to be developed are 10.
- The existing warrant and 1099 print programs can be utilized.
- Current key-to-disk data collection process remains intact.
- The custom COBOL code included in the scope of this estimate is as follows (these functions cannot be accommodated in the standard Tesseract customization facilities):
 - o Interface from the key-to-disk data collection process to the Tesseract cycle file.
 - o Warrant print interface
 - o 1099 print interface

DEPARTMENT OF ADMINISTRATION

DIVISION OF PIONEERS' BENEFITS

P.O. BOX CL
JUNEAU, ALASKA 99811-0211
PHONE: (907) 465-4400

March 19, 1990

The Honorable Fran Ulmer
Alaska State Representative
P.O. Box V
Juneau, AK 99811

ATTN: Kate Tesar

Dear Representative Ulmer:

The Division of Pioneers' Benefits recently amended its FY 91 budget request to include a \$400,000 increment to fund the design and implementation of a data processing system for the Longevity Bonus program. This was not approved for inclusion in the operating budget. You asked what would happen if the increment were not approved. In responding, I avoid technical detail; if you want a technical explanation of the situation, I will be happy to provide it.

As you know, the mainframes operated by the Department of Administration and the Legislative Affairs Agency are being consolidated in an attempt to expand the State's data processing capacity. The vendor is phasing out support for operating systems which support the Longevity Bonus application. When this occurs, the Longevity Bonus can no longer be run.

In a worst case scenario, lack of hardware/software support would prevent the division from issuing monthly checks to 20,000 Longevity Bonus recipients. In January, the Division of Information Services (DIS) informed me that support would cease in September 1990 and that converting our program to coding compatible with the new operating system would take about six months and cost nearly \$100,000.

The current program code is nearly twenty years old, largely undocumented and subject to frequent breakdown. The Director of DIS compared the Longevity Bonus system to an old car, with the September deadline analogous to an auto manufacturer's decision to halt production of parts; one can continue to drive the car, but only until a critical part fails. Given that check production has been on an emergency basis in two of the last four months, it should be obvious that a critical breakdown can occur at any time.

This situation demands immediate action, hence you may question the Department's decision to submit an FY 91 budget amendment

rather than an FY 90 supplemental request. You should be aware that documentation of the system is underway and that we are exploring options involving the payroll, Permanent Fund dividend and unemployment insurance programs as well as a mini or micro computer-based system. Given the programming requirements and the possibility of major legislative changes to the Longevity Bonus program, we determined that we would not be ready to formally begin the RFP process until FY 91.

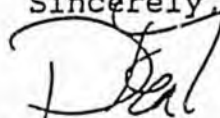
The more likely "no funding" scenario is that the current system will continue to operate on a "band-aid" basis. However, the cost of maintaining the system, both in dollars and in resources diverted from other applications, would be high. In addition, a critical breakdown can occur at any time and delay payments for an indefinite period. Without additional funding, the DIS simply does not have the staff or the budget to convert or reliably maintain the current system.

You may wish to know why the estimate for conversion has grown from \$100,000 to \$400,000. The original estimate was a "quick and dirty" figure reflecting the anticipated cost of recoding the existing system to do no more than it now does. The existing system simply writes checks; it provides virtually no management information, security, financial audit capability or ability to analyze the potential impact of program revisions. Data scrolls off the screen after six months and is lost forever.

Given this lack of scrutiny and control over a program which distributes nearly \$60 million annually, our decision was to replace the existing system with a "solution package" rather than to simply keep the checks rolling. One such solution is to take advantage of the capabilities of the new payroll system. Price Waterhouse estimated that incorporating the Longevity Bonus system into the payroll system would cost from \$250,000 to \$320,000. This estimate was based on continued use of the existing IRS reporting system and the reapplication tracking system. These programs are primary components of the existing system and need conversion/revision, at substantial additional cost.

We continue to explore options and are not yet in a position to explain exactly what solution will be achieved at exactly what cost. In size and level of complexity, the Longevity Bonus system is bracketed by two programs which were recently upgraded at a cost of \$250,000 and \$660,000. I hope that \$400,000 is sufficient to allow the design and implementation of a system worthy of a \$60 million program.

Sincerely,



David Teal
Administrator
Longevity Bonus Program

cc: Commissioner Frank Baxter
Department of Administration

Jim Fox, Deputy Commissioner
Department of Administration

Barbara Bathony, Director
Division of Pioneers' Benefits

Mike Maher, Director
Division of Administrative Services

Paul Monette, Director
Division of Information Services

ALASKA LONGEVITY BONUS

FY 89 Actual	53,348.6
FY 90 Authorized	50,000.0
Supplemental (Ch 17, SLA 90)	6,758.0
Additional Request 4/3/90	642.0
	<hr/>
	57,400.0
FY 91 Agency/Governor Request	59,439.0
Budget Amendment	1,419.0
	<hr/>
	60,858.0

Pat-

I made copies
to hand out at
today's State
Affairs hearing on
SB 537 - Bonus Ladder.

Jenne



501 East Dimond Blvd.
Anchorage, Alaska 99515
(907)349-1572

**Nerland's Home Furnishings
FAX MESSAGE**

Date: 4-4-90

To: Senate State Affairs Committee Sen PAT Pourchot
Re: Senate Bill 537
C/O Information Office
Juneau
FAX 463-5661

From: S.G. Jerry Nerland
1725 Laurence Ct
Anchorage, AK 99501

Pages to follow: 1

Message: I did not find out about the teleconference regarding Senate Bill 537 until 2PM today. I called the office here and found out the hearing was in progress. As I did not then have time to get to the office and thereby could not attend I attach a statement that I would like entered in testimony.

If transmission is interrupted, incomplete or not clear, contact the sender by phone at (907)349-1572 or by FAX at (907)349-8031.

S.G. JERRY NERLAND 1725 LAURENCE COURT ANCHORAGE, AK 99501
Phone Home 276-3883 Office 349-1572

April 4, 1990

Senator Pat Pourchot
Chairman
Senate State Affairs Committee
P.O. Box V
Juneau, AK 99811

FAX TO: 463-5661

I was made aware a few minutes ago of the teleconference today on Senate Bill 537 regarding the phase out of the Longevity Bonus. TO PHASE OUT THE BONUS IS A BAD IDEA!

Understanding that under the current laws a person can apply after two years of residence and age 65, the legislature seems to think this will be too expensive over time. WHAT BETTER WAY TO SPEND THIS MONEY THAN TO HELP SENIOR CITIZENS? It seems difficult to keep our seniors in state when they reach retirement. If they are willing to stay here, they deserve this monetary recognition to help them continue residence here and contribute to the state through volunteer or other activities that benefit many.

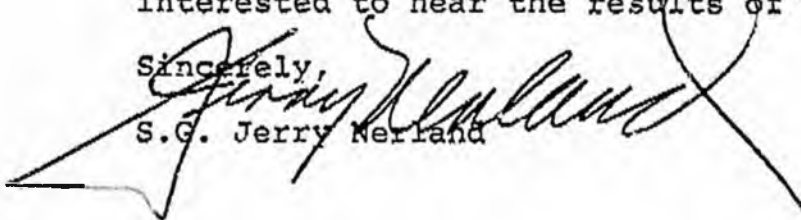
I am sure that the Longevity Bonus and Permanent Fund payment alone do not cause Seniors to move to Alaska from other areas. On the other hand, if someone does move here and has to wait the two years, by that time they are usually a part of the community in which they reside and are making a contribution through their experience and knowledge.

There are a number of places in the state budget that can be addressed for reductions before you move to eliminate the Longevity Bonus to those that have reached Senior Status.

I happen to be within a year of applying for this, but my concern is not for myself, as I intend to be active and employed for a good while, but rather for those Seniors that really count on this recognition for their continued comfort and peace of mind.

Please consider this matter very seriously before any changes are made in the present program. I will be interested to hear the results of the hearing.

Sincerely,


S.G. Jerry Nerland

SB 537 - Longevity Bonus

4.4.90

Bob Pavitt = AARP
opposed ==

Bill Ray = Pioneers of AK:
opposed to any changes

Robert Thibodeau =
opposed - more study needed.

Rose Palmquist =
Sr. population / contributions \$

Kelly: Should we send this issue to the voters?
"Pat - bill will stay w committee"

4Xn
AA

S B

547

SB 547. relating to address information required for voter registration and providing for an effective date.

OFF TELECONFERENCE!

TO TESTIFY;

Linda Edgeworth, Division of Elections.

NOTES;

Letter received today from the Federal Voting Assistance Program supporting this bill on behalf of military voters.

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 4/17/90

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

State Affairs

Committee considered

SB 547

Address information required for voter registration; efd.

and recommended:

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

_____ *Al Adams*

_____ *Finn Kelly*

_____ *Jan Fuchs*

_____ *F. J. ...*

Chair: Signature and Recommendation

COMMENTS IN SUPPORT OF SB547

"An Act relating to address information required for voter registration; and providing for an effective date."

Prepared by
Division of Elections
April 19, 1990

Why Is This Bill Necessary?

Senate Bill 547 was developed in direct response to a hostile court decision which has the potential of disenfranchising between 19,000 and 25,000 voter throughout rural areas of Alaska for this year's Primary and General Elections. (Baird vs. State of Alaska.)

The issues in the case related to the conduct of a local liquor option election in Red Devil, involving 28 voters. This election was conducted by mail. The primary issue of the court case centered around the countability of votes cast by voters who had registered to vote claiming Red Devil as their place of residence but who provided what the court held were insufficient residence addresses. These voters identified their residence address by their box numbers in Red Devil, or as General Delivery, Red Devil.

Background Regarding Residency Issues:

This case is the first in which the sufficiency of residence address information for rural voters residing in remote villages was tested. While several recent Supreme Court Cases focused on residence address information, their focus was on urban areas involving multiple districts and multiple precincts. In Fischer vs. Stout, and Finklestein vs. State of Alaska, both centering around absentee ballots cast by voters registered at Elmendorf Air Force Base, the court ruled that use of a PSC Box (or military mail stop) as residence address information was insufficient in determining the residence of the voter, and, therefore the votes of these individuals should not be counted.

However, in those same cases, the Court also indicated that identifying Elmendorf Air Force Base by itself would be sufficient because the Base was totally contained within the boundaries of a single precinct. Clearly, the location in a single precinct was a distinguishing factor.

In the case of rural voters, the villages in which voters claim residence lie totally within the boundaries of a single precinct. Additionally, in many villages and rural communities, street names and subdivisions are not commonly utilized. It is also significantly less likely, that a person identifying a rural village as his or her place of residence and permanent mailing address, could easily or readily cross district lines. In view of these circumstances the Division has interpreted the sufficiency of residence address information in rural areas more liberally.

For the first time, address information for rural voters has been tested. Even in this case, no one made any allegation that the individuals whose registrations were challenged did not live in the village. On the contrary, parties concurred that they were residents. The central issue was based on how they technically completed their registration forms, not on where they actually lived.

The State is appealing the case to the Supreme Court. We have been advised that at that time, the plaintiffs also intend to challenge registrations of individuals who provide only the village name in identifying the location of their residence.

Significant Impact:

The impact on rural voters is significant. As part of the Division's review for the court case, a preliminary survey of the voter rolls was completed for several specific districts, to determine the extent of the potential impact on voters who registered in the manner found to be insufficient in the court's ruling. Our preliminary findings were as follows:

District	Potentially Impacted (Rural Communities)	% of Total Registered Districtwide	% Alaska Native (Average of Communities Included)
2	1347	19.75%	67.5%
22	3849	63.75%	89.63%
23	3287	63.59%	93.19%
24	4199	80.22%	82.7%
25	2934	58.95%	94.4%
26	3485	47.40%	76.1%

Note: It is also important to understand that over 50% of these individuals have been registered for many years, with no changes in their records since before the State's registration rolls were computerized. They are long standing, non-transient voters.

THE SOLUTION:

To ensure that these voters are not disenfranchised SB 547 was proposed. Not only does it safeguard the voting rights of these voters, it also lays a sound foundation to clarify the rules for determining the sufficiency of residence information for all voters

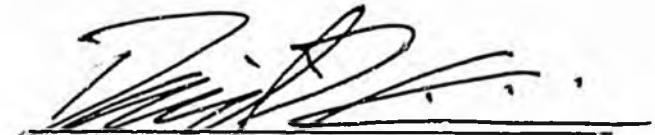
statewide, rural, urban, and military, once and for all. This legislation would add the layer of clarity that is needed to avoid repeated lawsuits over the same issue of residence address which threatens each and every election.

In considering this bill, it is important to know that:

1. the bill does not change anything....it only clarifies the rules on which the Division of Elections will determine the sufficiency of address information; and,
2. the bill is consistent with the rulings of the two major Supreme Court cases while addressing the realities that exist across our widely diversified State.

Attached is a brief summary of how the bill is structured, and how it distinguishes the rules for urban and rural voters to apply fair and neutral standards that are reasonable and feasible.

We urge your prompt support.



David G. Koivuniemi
Director

4.20.90
Date

BRIEF ANALYSIS OF SB547

Prepared by Division of Elections
April 20, 1990

- Section (a):** This section sets out the purpose of requesting address information at the time of registration or reregistration. It identifies the fundamental criteria which must be met in providing a residence address.
- Section (b):** The second section clarifies that rules for determining sufficiency of residence address information may vary based on certain conditions which influence how specific rules will be defined. Such conditions would include: size of area, population and location of the community; whether the location is divided into more than one precinct, or other election subdivisions; and whether or not street names, and other official physical descriptions are commonly utilized in the area.
- Section (c):** This section specifies the kinds of descriptions which must be included on the registration application if the voter is claiming residence in an urban area which includes more than one precinct or election subdivision, more than one district, etc. It also specifies that in these areas provision of a mail designation as a residence address is not sufficient in establishing the residence of the voter.
- Sections (d) & (e):** These sections set out different criteria for rural areas where the community lies solely within one precinct and in which there are no election subdivisions. It provides that only the community name is sufficient, and further, that provision of excess information will not cause the registration to be rejected, even if the excess information would commonly be considered a mailing address. It also identifies other criteria on the application which could be considered evidence of the person's residence.
- Section (f):** In this section, provision is made for voters identifying a military installation, institution or other fixed reservation as their residence instead of identifying a community by name. It provides that this information is acceptable if the location is within the boundaries of a single precinct, but also stipulates that provision of a mailing address

in these circumstances would be insufficient in establishing the residence of the voter.

Section (g): Finally, this section allows the director to apply the provisions of this bill in evaluating the registrations of individuals who registered before this bill was enacted.