

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8257 SENATE HEALTH EDUCATION & SOCIAL SERVICES



# Alaska State Legislature

Please enter into the record my testimony to the HESS  
committee name

committee on SB53, dated January 27, 1993  
bill/subject

*I oppose SB 53. I am opposed to the killing of unborn babies. I especially do not want to pay for these killings.*

Signed: *A. Vivian Mackin*  
Testifier

Representing (Optional)  
2910 Sawmill Creek Hwy Sitka, AK 99855  
Address  
747-3694  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate Health Service Committee  
committee name

committee on SB 53, dated 1/27/93  
bill/subject

I want to go on record as saying that I am opposed to allowing my tax dollars to pay for the murder of innocent children. I believe this is morally wrong. I believe the government has a responsibility to protect lives, including the lives of unborn children. I also highly recommend all committee members to view the video HARD TRUTH. I am strongly opposed to SB 53.

Thank you  
Stephanie Vieira

Signed: Stephanie A Vieira  
Testifier

Representing (Optional)  
611 Burke St

Address  
747.3698

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senat. Health Service  
 committee name  
 committee on SB 53, dated 1-27-93  
 bill/subject

I am opposed to HB 53!  
 I do not believe tax money  
 should be used to paying  
 for the fitting of babies. I  
 also think you should view  
 the 7 min film that was  
 suggested from Juneau.

Signed: Shan R. Dierker  
 Testifier

Representing (Optional)  
PO Box 2002, Delta, AK 99825

Address  
(907) 747-6727  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate Health & Social Service Committee  
committee name

committee on SB 53, dated 1/27/93  
bill/subject

I Am opposed to SB 53 And to Any Public  
funding of abortion.

Signed: [Signature] William J. Donnelly  
Testifier

Representing (Optional)  
405 VERSTOVIA SITKA, AK 99835

Address  
(907) 747-3127  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate Health Social Services  
committee name

committee on SB 53, dated \_\_\_\_\_  
bill/subject

*I am against Bill SB 53, and don't want  
my tax dollars being spent on this.  
Abortion is wrong, Hol says so.*

Signed: *Edward Matthews*  
Testifier

Representing (Optional)

3208 Nabbed Pt Rd. Sp. 15, Sitka Alaska 99835

Address

(907) 747-6996

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Social Serv. Health Serv. Services  
committee name

committee on SB 53, dated 1-27-93  
bill/subject

I oppose this Bill SB 53.  
I am a 65 yr. old Grandmother, and  
am against abortion, of any kind, except to  
save the life of the mother.

All teens over 16 should have to see the  
abortion films "Hard Truck", and be counseled  
on leaving their betweens and that abortion  
is morally wrong.

I demand Governor Healy to his stand  
on abortion.

Most Sincerely

Signed: Louise E. Matthews

Testifier

Sitka's For Life and Pro-Life

Representing (Optional)

3208 Hatcher Pl. Rd. Apt. 15 Sitka, Alaska

Address

(907) 747-6996

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HESS  
 committee name  
 committee on SB 53, dated 1/27/93  
 bill/subject

I'd like to share with you my first thought on awakening this morning: when I was in kindergarden, I learned it was wrong to kill people....

Let me close with a quote by Henry David Thoreau. "Things don't change. We do." I oppose SB 53 (do not) because it is wrong to kill people. Thank-you.

Signed: Mary S Sottis  
 Testifier

Representing (Optional)  
1015 DeGroff Sitka AK

Address  
747-5624

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HESS  
 committee name  
 committee on SB-53, dated 01-27-93  
 bill/subject

I STRONGLY OPPOSE THE FUNDING OF ABORTION WITH GOVERNMENT MONEY. BECAUSE ABORTION ON DEMAND SEEMS TO BE THE POPULAR TREND, IT BY ALL MEANS DOES ~~NOT~~ NOT MAKE IT RIGHT! IN ALL RESPECT, MR. CHAIRMAN, THE ABORTION INDUSTRY IS A GREAT FINANCIAL SUCCESS THROUGH THE CRUSHING AND DISMEMBERING OF OUR MOST SILENT AND INNOCENT LITTLE ONES. . . THE PRE-BORN - WITH 2nd AND 3rd TRIMESTER ABORTIONS BRINGING IN A HIGHER FEE. ~~THESE~~ THERE IS A FAIRLY NEW PROCEDURE BEING OPENLY PRACTICED IN THE LOWER 48, IN (5) STATES, TO ABORT 2nd/3rd TRIMESTER BABIES. (BECAUSE BABIES HAVE DEVELOPED SO FAR AT THIS AGE, IT IS DIFFICULT TO CRUSH AND DISMEMBER, AND CHEMICALLY INDUCED ABORTIONS POSE RISKS TO MOTHERS, LET ALONE BABIES BEING BORN ALIVE.) THE NEW PROCEDURE D+X (DILATION AND EXTRACTION) USES FORCEPS TO GRASP THE BABY'S LEG AND PULLS THE BABY OUT LEAVING THE HEAD IN BIRTH CANAL. BLUNT SCISSORS ARE THEN USED TO PUNCTURE A HOLE IN THE BASE OF THE ~~SKULL~~ SKULL. A SUCTION CATHETER IS THEN APPLIED TO THE WOUND AND THE CHILD'S BRAINS ARE REMOVED. THIS IS THE FACE OF CHOICE. FOR YOU WHO ARE PARENTS, DO YOU RECALL WHEN YOUR WIFE (OR YOURSELF) WAS PREGNANT WITH YOUR CHILDREN? DO YOU REMEMBER THE LITTLE ELBOW, OR LITTLE FOOT PRESSING ON THE STOMACH? DO YOU REMEMBER FEELING THE BABY MOVE AND TURN? THESE BABIES ARE THE FACE OF ABORTION.

OUR STATE PLACES GREAT VALUE ON ENVIRONMENT AND WILDLIFE. PLEASE LET ALASKA SET THE STANDARDS TO RESPECT AND VALUE HUMAN LIFE & IN OUR NATION.

MR. CHAIRMAN AND COMMITTEE MEMBERS I CHALLENGE YOU TO VIEW <sup>THE FILM</sup> "HARD TRUTH". IT'S 7 MIN. THAT WILL CHANGE YOUR LIFE.

VOTE NO ON SB-53 FOR THE BABIES.

Thank you.

Signed: Veri Junday  
 Testifier  
Defender of the Pre Born  
 Representing (Optional)  
P.O. Box 2975  
 Address  
Delta AK 99835 747-8138  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HESS  
committee name

committee on SB 53, dated 1/23/93  
bill/subject

Dear Mr. Senator Rieger -

Please know that the Sitka League of Women Voters strongly supports senate bill #53. which amends changes made in abortion funding regulations that were filed with the Lt. gov. in January 1993.

We feel that poor women too should have the right to choose safe abortions.

Signed: Clothilde Bahovec  
Testifier

Sitka League of Women Voters  
Representing (Optional)

627 De Groot St.  
Address

Sitka  
Phone No. 747-8185



# Alaska State Legislature

Senate Health, Education and  
Social Services Committee

Please enter into the record my testimony to the \_\_\_\_\_

committee name

committee on Senate Bill No. 53 , dated 1/22/93

bill/subject

Good afternoon. My name is Charles Dean, and I am here to speak on behalf of the unborn children of Alaska. As an unwillingly aborted father, I am opposed to the passage of Senate Bill No. 53.

The prohibition recently enacted which disallows the use of Alaska funds for the use of elective, nontherapeutic abortion under the extant general relief medical assistance program will withstand legal challenge under both the United States and State of Alaska constitutions. Further, the right to privacy is not inherently linked to a requirement for state funding of elective, nontherapeutic abortion under the general relief medical program. The existence of this prohibition in no way violates the state equal protection guarantees, since no other elective medical procedures for otherwise healthy persons are currently funded under the general relief medical program.

As a long-time Alaskan, I have had to peacefully coexist with abortion on demand in this state for twenty years. It is to this state's great disgrace that it has permitted this holocaust against its

very heritage to exist at all. But to pay for it with <sup>Accession</sup> public dollars!? The status quo makes all Alaskans something like accessories-before-the-fact for murder...repeal of this prohibition will bloody our hands.

Signed: Charles B. Dean *HC B1*

Testifier

Representing (Optional)

P.O. Box 2282 Sitka, AK 99835

Address

907-747-1072

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate Health, Education and Social Services  
committee name

committee on Senate Bill No. 53, dated 1/22/93  
bill/subject

I support Senate Bill 53 which would annul changes made in abortion funding regulations so that abortions are eligible for funding under the regulations of the Department of Health and Social Services as they existed in December of 1992.

I am prochoice and believe that all women have the right to have an abortion, even women who are poor.

Signed: Jennifer A. Mason  
Testifier

SELF

Representing (Optional)

907 Halibut Point Rd. #47 Sitka, AK 99835

Address

(907) 347-4897

Phone No.

27 January 1993

To: Senate Health Education and Social Services Committee

Re: Senate Bill 53

My name is Natasha Calvin, and I am representing the Sitka Coalition for Women's Rights. We want to thank the HESS Committee for sponsoring this bill.

The Sitka Coalition for Women's Rights supports the passage of Senate Bill 53, to continue state support for abortion services for poor women who are unable to pay. The Governor's office has admitted that there is no financial justification for stopping payment for abortions. Clearly this is a religious agenda of the Catholic Church. There is no place in our health services for a religious agenda. Mr. Hickel's regulations, which are designed to force poor women to carry unwanted pregnancies to term and to have babies they do not want and/or cannot financially afford to care for is regressive in the extreme.

The Health, Education and Social Services Committee should be researching ways to provide universal medical coverage, for all Alaskans. A good place to start is to continue funding all health services for the disadvantaged, especially abortions for poor women who cannot afford to pay for them.

Thank you for allowing us to testify.

Natasha Calvin for  
Sitka Coalition for Women's Rights  
Box 2966  
Sitka Alaska 99835  
747-8950



# Alaska State Legislature

Please enter into the record my testimony to the HESS  
 committee name  
 committee on SB53, dated 1/27/93  
 bill/subject

I SUPPORT SB53.

I BELIEVE ALL REPRODUCTIVE CHOICES SHOULD BE VIEWED AS THE HEALTH ISSUE THAT THEY ARE, AND SHOULD BE AVAILABLE TO ALL WOMEN IN THE STATE.

I THINK IT'S TIME TO STOP USING REGULATIONS OR LEGISLATION TO DISCRIMINATE.

IT IS TIME TO RECOGNIZE WOMENS' FULL PERSONHOOD, RIGHTS AND VALUE AS EQUAL TO <sup>THAT OF</sup> MEN, AND NOT LESS THAN THE UNBORN.

Signed: EVELYN R. FRISK Evelyn R. Frisk  
 Testifier

Representing (Optional)  
P.O. BOX 10465, FBKS AK 99710  
 Address  
907-457-2552  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Hess  
 committee name  
 committee on HB-53, dated 1/27/93  
 bill/subject

I STRONGLY SUPPORT THIS BILL - IT IS CRITICAL THAT THE REGULATIONS, RESTRICTING FUNDING FOR ABORTIONS FOR POORER WOMEN, BE REPEALED. WITHOUT ACCESS TO THIS IMPORTANT HEALTH CARE, A POOR WOMAN IS FACED WITH THE APPALLING "CHOICE" OF SEEKING AN UNSAFE + ILLEGAL ABORTION, OR FACING A CRISIS PREGNANCY, WHICH COULD HAVE SERIOUS HEALTH CONSEQUENCES AND EFFECTIVELY ELIMINATE HER ABILITY TO HAVE CONTROL OVER HER LIFE. WOMEN'S LIVES ARE AT STAKE, AND ITS VITAL THAT THEY HAVE THIS OPTION, REGARDLESS OF SOCIAL STATUS, OR WEALTH. PLEASE PASS HB-53 AND CONTINUE TO FUND ABORTIONS AND PROTECT WOMEN'S RIGHT TO PRIVACY.

Signed: Lisa Dumas Lisa M. Dumas  
 Testifier

Representing (Optional)  
P.O. Box 60652, Fbks, AK 99706-0652  
 Address  
(907) 457-1458  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HESS  
 committee name  
 committee on HB-53, dated JAN, 27 1993  
 bill/subject

I strongly support this bill. Any woman who wants an abortion - for whatever reason - should be able to obtain one. You may take my tax dollars now, rather than many thousands of my tax dollars later to provide services for unwanted, mistreated or pre-natally neglected children. Do people honestly believe that because a poor woman is denied an abortion that she will ~~then~~ treat her unborn child as if she truly wanted it? I speak as a 5-months pregnant mother of one.

Signed: Kathleen Hudson  
 Testifier

Representing (Optional)  
850 Balsam Dr. FBKS, AK 99712

Address  
457-1614

Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HESS  
committee name

committee on SB 53 , dated 1-27-93  
bill/subject

Back-up to verbal testimony:

I am a nurse practicing for 27 years -  
 20 in women's health care and public health.  
 I present options to women who have continuing  
 pregnancies. I have seen abortions, I accept  
 the death of a fetus when chosen by the mother.  
 I know the realities of terminating a pregnancy  
 and the realities of lives of children born into  
 unloving homes. All options must be available  
 to all ~~Alaskans~~ regardless of income. Keep state  
 funding available to eligible women for  
 abortions. It is time for busy-body  
 people to stay out of the lives of other citizens.

Signed: Anne Harrison *pregnancy decisions are private*

Testifier

Self  
Representing (Optional)

3370 Denic Court Rd, Fairbanks, AK 99709  
Address

479-3594  
Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the HESS  
 committee name  
 committee on SB 53 , dated 1/27/93  
 bill/subject

I support SB 53, but I think it does not go far enough to protect the current rights of all women to choose regardless of their ~~to~~ income. The only annul Governor Hickel's regulations is to invite the administration to try again to submit other regulations to limit state funding for abortions.

Women who qualify for Medicaid are those without the financial resources to pay for a medically safe abortion and are therefore more likely to seek unsafe means to end their pregnancies.

Signed: Mim Dixon (Mim Dixon)  
 Testifier

Representing (Optional)  
PO Box 31585, Fairbanks, AK 99708  
 Address  
479-3459  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the DHHS  
 committee name  
 committee on funding for abortion dated 27 Jun. 1993  
 bill/subject

The Abortion Rights Project, with over 20,000 registered Anchorage pro-choice voters, is committed to ensuring that abortion remains safe & legal for all women.

We urge you to pass a bill this session which will help keep the option open for all women. Let's make certain that every child is a wanted child.

We support the statement made by John Lindback of the Feminist Coalition for Pro Choice. Thank you

Signed: Julia Miller  
 Testifier

Abortion Rights Project  
 Representing (Optional)

PO Box 940667, Anchorage AK  
 Address 99524

345-7980  
 Phone No.



# Alaska State Legislature

Please enter into the record my testimony to the Senate Hess  
 committee name  
 committee on SB 53, dated 1/27/93  
 bill/subject

I support SB 53. please keep  
 abortions safe for all women

Signed: Kate Metcalfe, Kathleen Metcalfe  
 Testifier

Representing (Optional)  
6624 Imlach Way, Anch 99502  
 Address  
248-4650  
 Phone No.



# Alaskans for Life, Inc.

... Our First Inalienable Right

P.O. Box 32186

Juneau, AK 99803-2186

January 26, 1993

TESTIMONY PRESENTED TO SENATE HESS COMMITTEE, JANUARY 27, 1993  
REGARDING SENATE BILL NO. 53, AN ACT ANNULING DH&SS REGULATIONS  
RELATING TO FUNDING OF ABORTION SERVICES

Alaskans For Life is a non-sectarian organization with the primary goal of promoting respect for human life. Our organization supports the concept that innocent human life must be protected by government. As such, Alaskans For Life recommends that you support the administration's regulations which limit abortion funding to therapeutic abortions only.

It is our view that the regulations which were adopted by the Department of Health and Social Services cover every possible reason for justifying abortion based on health concerns. The regulations give the broadest possible definition for therapeutic abortion which includes mental, physical and psychological considerations. Furthermore, the regulations do not even require that the abortion be performed by someone other than the physician certifying that the appropriate health reasons are met for State payment. This is a clear conflict of interest. Left uncovered by the general relief medical program are only those abortions which are clearly elective in nature.

It is not appropriate for the GR Med program to be covering voluntary, elective medical procedures. Normal pregnancy is not a disease and it is wrong to treat it as such. Poor women need help, but convincing them to destroy their children is not

compassion. Also, the wealthy can afford many harmful practices but it does not mean that the State must then pay for the same practices for the poor.

Since the regulations allow payment for all therapeutic abortions only elective abortions are left. Therefore, annulment of these regulations would indicate a clear disregard on the part of the Alaskan legislature for the dignity and respect due to the child in the womb. Not only does it say that the life of the child may be ended without reason but the State would pay for it as well.

We ask that some semblance of civility be restored to our State policy on abortion funding. Therefore, we object to the annulment of the subject regulations. Doing so returns the State to the previous policy which promotes abortion on demand. We think State policy should support life not death.

January 27, 1992

Dear Governor Hickle, and Senate HESS Committee

As a responsible mother and concerned citizen, I beseech you to allow the poor the same opportunities in controlling their life as those with abundant resources. Please do not restrict abortions for the poor.

Sincerely,

Carole Hamik

Address: 4002 Kachemak Wy  
Homer, AK 99603  
907 235-2564

I am Ruth Ewig, reading this for Director John Harbaugh, Assistant Director Jonathan Ewig, Treasurer David Stack, myself as Secretary of Citizens for Excellence in Education (NACE/CEE) and 1500 concerned citizens in the Tanana Valley which include Fairbanks, North Pole, Fox, Two Rivers, Selkha, Esther, and the rest of the valley. We are alarmed at the legislators who have acted to create SB53, SB55 and HB9 which further enlist the state of Alaska as an accomplice in the torture and killing of pre-born babies by abortion. Statistically 97-98% of pre-born babies have been killed for reasons of birth control. By changing our education system to character development curriculum which is in use in different parts of the country and which has reduced teen pregnancies to zero in California you, as legislators, could serve this state well by using our limited financial resources most profitably and investing in true ABSTINENCE education with the advantages emphasized leading to responsible planning that does not butcher babies. Excellent abstinence programs through education are encouraging responsible living and ARE working to improve our nation.

The argument of "wantedness" is an unstable marker not to be trusted to decide whether we kill our babies or not, anymore than it should decide for our elderly. The Netherlands has now graduated from voluntary to involuntary disposal of preborn babies as well as elderly.

Cultural elitists such as doctors and lawyers having been seduced by a lifestyle are not taking a stand against the slaughter of our babies. Will you as legislators be trapped in the same way or be willing to restore our state to a standard to match that of our Founding Fathers?

Since the Ele of Roe v. Wade 28,000,000 babies have been butchered. "The 1960s gave birth to a feminist movement that imbued women with new ideas of personal 'freedom' and 'power'. Abortion advocates found natural allies in the feminist camp, for they promised women sexual freedom through abortion and the power of 'self determination'. Little mention was made that women were also being given power over whether their own children would live or die." (FAMILY VOICE, Jan. 1993, pg. 5)

It is acknowledged that there are a few difficult situations that media hyp and popular culture enlarge on, but pulling a baby apart does not justify crime and leads to twice the trauma.

The question really is life vs. lifestyle. Once the baby is born no woman can be, has been or will ever be compelled to raise a child she brings to full term. We identify two sets of rights: 1) the rights of the preborn babies and they ARE alive, or 2) the rights of the woman in a crisis pregnancy, to tear apart the baby relieving the burden, that is, destroying a life, saving a lifestyle.

Education is the key. News media and entertainment media have educated by creating an imaginary aura around abortion. An educational film shown to students shows how an abortion is done over a lunch hour in a record 1 minute, 50 seconds with the lady having a friendly chat with another. The baby is demolished into the consistency of tomato sauce by suctioning her out of her mother and spreading her around on a counter to show the camera audience that there really is no baby there. Because of our marvelous photography and technology we now can see that there is a complete baby living

inside even earlier than six weeks old. There is not one of us who would have even considered abortion as a possibility if we had any idea or had access to this information about our unborn babies as living, heartbeating, breathing, feeling little precious, delicate children-to-be.

What the movie that is shown to students does not admit is that the instruction text for abortion doctors cautions them to be sure that a heart monitor is put on the unborn baby being careful not to show the mother a beating heart that then stops. This measurement is solely for the abortionist to insure that the baby is killed before being pulled out. Also, the abortion doctor is told not to let the mother watch a visual, TV-type screen during the pulling out of the lifeless body.

Other lies not revealed in this so-called "educational" film are lies behind the original case of Roe vs. Wade, behind the bogus statistics used to manipulate the people of this state and this country, the concealment of the frequency of botched legal abortions, the fact that the abortion procedure itself is more scary and complicated, the withholding of cases of hemorrhaging in women from abortions, withholding the frequency of breast cancer resulting from abortions, withholding the cases of increased child abuse in our country while the very meaning of life is threatened, "at-risk", and the lack of acknowledgement and education about the long-term suffering of emotional pain for those who are accomplices to and affected by the holocaust of abortion including roughly 7,200,000 women in America afflicted with post-abortion syndrome (PAS).

In conclusion, I quote from Congressman Pat Swindal:

"The integrity of our constitutional republic rests ultimately on how we resolve the life-and-death issues of abortion... If we are unable to preserve the most fundamental rights of which our Constitution speaks, life and liberty, our government has failed to satisfy its most basic responsibility. Such a government not only forfeits the respect of the people, but eventually its right and ability to govern as well." (A HOUSE DIVIDED, pg. 61)

Will you and your vote stand for the life, liberty and pursuit of happiness of these unborn children?

TO: HESS COMM.

1/27/93

I support SB53. Poor women deserve access to rights, as well as those who are not poor. Abortion is an intensely personal decision & one's right to privacy should not be limited to those financially able. It is time to put this issue into statute and ensure that poor women, rural & urban, have their rights protected as well. Thanks for introducing this important legislation.

Beverly Fletcher

BEVERLY FLETCHER

P.O. BOX 21791

JUNEAU AK 99802

January 27, 1993

L. Merrill Lowden  
736 W. 12th Street  
Juneau, Alaska 99801

Steve Rieger, Chair  
Senate Health, Education and Social Services committee  
State Capital - Room 516  
Juneau, Alaska 99801-1182

Re: SB 53 - Repeal of Regulations

Dear Senator Rieger:

I write to express my strong support for passage of SB 53 which would repeal the Governor's regulations to halt state funding of abortions for poor women. The regulations obviously discriminate against poor women, and will inevitably condemn many (with their offspring) to a life of poverty. The regulations violate the right to privacy, a right so highly regarded by Alaskans that it is expressly protected by our constitution. Moreover they reflect the current administration's hostility to the civil rights, equality and well-being of women in general.

The administration has stated that the regulations were proposed for moral, rather than budgetary, reasons. This is a strange morality, in light of the exceptions nevertheless provided for women who were the victims of rape or incest. If abortion is murder, then abortion of a fetus from rape or incest is murder. I am convinced that the hypocrisy of ~~these~~ exceptions evidences a broader purpose behind promulgation of the regulations. ~~The~~ regulations are a preliminary step towards achieving an outright ban on abortion, but ~~the~~ motivation is not pro-life.

The imposition of compulsory motherhood is a political goal to keep the nation's largest underclass group in their traditional "place," hindered from realizing true political and economic equality because they are denied the autonomy of their own bodies. The policy makers who title themselves "pro-life" have often displayed an icy indifference to the "right to life" of the afterborn. They are not equally motivated to advocate on behalf of the homeless, the undernourished, or our citizens too poor to afford basic health care.

Steve Rieger, Chairman  
HESS Committee  
Page 2

The majority of women in this state, and the country, realize that to secure the promise of liberty in the 14th Amendment, to be free to run their own lives, they must have reproductive choice. The terribly difficult choice between terminating or continuing a pregnancy must remain with the woman in private consultation with her physician, with no undue influence from the state.

There is not much difference between a government which dictates motherhood without consent and one which, like China, can dictate an abortion without consent.

SB 53 must be passed and these regulations discarded.

Sincerely,



L. Merrill Lowden



# Alaska State Legislature

Please enter into the record my testimony to the Senate Health, Education & Social Serv. Comm.  
committee name

committee on SB 53 - Annulment, dated 1-27-93  
bill/subject Charly's

Women are too often victims in our society.  
 It is critical that we allow all women, regardless  
 of economic position, the opportunity to make  
 a choice.

I support SB 53.

Signed: Sham Finnen  
Testifier

Representing (Optional)  
35985 Pioneer Dr. Soldotna, AK 99669  
Address

(907) 262-9833  
Phone No.

(3)



# Alaska State Legislature

Please enter into the record my testimony to the Hess Committee  
committee name

committee on SBS3, dated 1/27/93  
bill/subject

My name is Ann Dooley. I am the mother of two. I am a registered voter and I am in favor of SBS3. I believe that the choice of whether to have an abortion is a deeply personal and private issue. Roe vs. Wade is still in existence and makes the choice available to all. Governor Hickel's Executive Order denies it affects poor and disadvantaged women, while wealthier women still have the option available to them. Our society is based on equality—that includes access to services. The current regulations create an inequality "broadens the gap between the "haves" & "have nots".

Allowing these current regulations do 2 things: they create an unseen "unseen financial burden" on society as these individuals (newborns) are added to the welfare system. Secondly, it gives the poor women few options, and consequently places her in a dangerous & life threatening situation, as they resort to unsafe and/or illegal options. Thank you for your time. Please approve & move this Bill out of your committee.

Signed: Ann E. Dooley

Testifier

self

Representing (Optional)

PO Box 7431 NIKISKI AV 99685

Address

(907) 776-8113

Phone No.

2



# Alaska State Legislature

Please enter into the record my testimony to the Senate Health, Education & Social Serv. Comm.  
 committee name  
 committee on SB 53 - Annuity, dated 1-27-93  
 bill/subject Charity's

Women are too often victims in our society. It is critical that we allow all women, regardless of economic position, the opportunity to make a choice.

I support SB 53.

Signed: Sham Finnen  
 Testifier

Representing (Optional)  
35985 Pioneer Dr. Soldotna, AK 99669  
 Address  
(907) 262-9833  
 Phone No.

3



# Alaska State Legislature

Please enter into the record my testimony to the HESS  
committee name  
 committee on SB 53, dated Jan 27, 93  
bill/subject

I support state funding for abortions and SB 53. Women have the right, including disadvantaged women, to choose abortion. The U.S. Supreme Court's decision to grant women the right to receive an abortion should not apply to women who can afford it. I believe that ending state funding for abortions is just the beginning of the erosion of women's rights in general. The pro-life constituency is loud, but it is not the majority. Please listen to the women of Alaska. I am a registered voter, and I vote pro-choice

Signed: Ann Feuce  
Testifier

Representing (Optional)  
PO Box 43 Kasilof, AK 99610  
Address  
262-2751  
Phone No.

4



# Alaska State Legislature

Please enter into the record my testimony to the HFSS committee  
committee name

committee on SBS3, dated 1/27/93  
bill/subject

My name is Ann Dooley. I am the mother of two. I am a registered voter and I am in favor of SBS3. I believe that the choice of whether to have an abortion is a deeply personal and private issue. Roe vs. Wade is still in existence and makes the choice available to all. Governor Hickel's Executive Order denies it affects poor and disadvantaged women, while wealthier women still have the options available to them. Our society is based on equality—that includes access to services. The current regulations create an inequality that broadens the gap between the "haves" & "have-nots". Allowing these current regulations do 2 things: they create an unseen "unpaid financial burden" on society as these individuals (newborns) are added to the welfare system. Secondly, it gives the poor women few options, and consequently places her in a dangerous & life threatening situation as they resort to unsafe and/or illegal options. Thank you for your time. Please approve & pass this Bill out of your committee.

Signed: Ann E. Dooley

Testifier

self

Representing (Optional)

PO Box 7431 NIKISKI AK 99685

Address

(907) 776-813

Phone No.

2



To	Wesley LIO	From	Vesta
CC	Please deliver to Sen. HESS	Col.	Sen. HESS
Dept.		Phone #	
Fax #	Thanks	Fax #	

ture

Please enter into the record my testimony to the Senate Hess  
committee name

committee on SB 53, dated 1/27/93  
bill/subject

I am president of Kenai-Soldotna Right to Life. It is the consensus of all of the Alaska Right to Life chapters that no public funding of any kind for abortions should be allowed. The governor's regulations are totally spineless in that they still allow funding for abortions for rape, incest, physical and psychological reasons. The loophole for funding is so large that we recognize that elective, non-therapeutic abortions can still be funded. Of the 38 states with holding public funds for abortions, no loopholes, that is, exceptions, of the nature we have with Gov. Hickel's regulations, exist. Whether these regulations stand or fall will be of little consequence as far as preventing the use of public funds for abortions. Please, Gov. Hickel, legislators, give us regulations that do stop public funds from being used!

Signed:

Rebecca L. Perry

Testifier

Kenai-Soldotna Right to Life

Representing (Optional)

H.C. 2 Box 561, Kaslof, AK 99610

Address

262-9004

Phone No.

(1)

Box 1622

Homer, AK 99603

1-27-93

Please consider this letter in support of SB 53 which is seeking to overthrow the imposed restrictions on the use of Medicaid for abortions.

I am in support of all women regardless of their economic situation, being able to exercise their constitutional right of choice. The ban on Medicaid funds for abortion is blatant discrimination against poor women.

SB 53 will give all Alaskan women access to their constitutional right. I urge all our legislators to uphold the Supreme Court ruling and work for passage of a bill that allows all women equality in their decision making.

Sincerely,  
Karen Mierdock

January 27, 1992

To: Governor Hickle and Senate HESS Committee

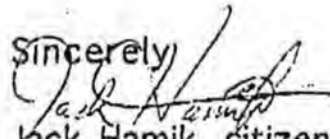
Re: Restricting abortions for the poor.

Dear Governor Hickle,

If there's something I think a government should do, it's to guarantee to its citizens the right of equal access to legal procedures. Restricting funding for abortions affects only the poor. Forcing only the poor to raise unwanted children is counter productive to the general quality of life of a community, state, or nation. Reducing our welfare rolls is, and will be, a high priority in government's ability to maintain itself in times of reduced revenues. A poor mother with unwanted children is one of any societies most costly problems. The jails are already overcrowded with unwanted children and welfare costs are at the breaking point for government agencies.

In fairness to all and in justice under the Constitution of the United States, I request you make legal medical procedures available to all who seek them.

Sincerely,

  
Jack Hamik, citizen

Address: 4002 Kachemak Wy  
Homer, AK 99603  
907 235-2564

# NEWS RELEASE

STATE OF ALASKA

OFFICE OF THE GOVERNOR  
Post Office Box 110001  
Juneau, Alaska 99811-0001

WALTER J. HICKEL  
Governor

JOSEF P. HOLBERT  
Director of Communications



JOHN MANLY  
Press Secretary

JOHN HENDRICKSON  
Deputy Press Secretary  
Anchorage Office: 561-4228

BRIAN HART  
Assistant Press Secretary

907-465-3500  
FAX: 907-586-8369

FOR RELEASE: January 20, 1993

No. 93-014

## A.G. GIVES ABORTION REGULATIONS LEGAL CLEARANCE

JUNEAU--Attorney General Charles Cole today gave legal approval to regulation changes that will cease state payment for elective, nontherapeutic abortions under Alaska's general relief medical assistance program. Women eligible for the general relief medical program may still obtain state payment for a therapeutic abortion after the regulations are effective.

The regulations were submitted to Lt. Governor Jack Coghill for filing. Coghill signed them this morning.

Cole believes that the regulations would withstand legal challenge under the constitutions of both the United States and the State of Alaska.

"The validity of the regulations under the federal constitution is clear," Cole said. "The United States Supreme Court has repeatedly held that states are not required by the federal constitution to expend public funds for abortions.

"We also believe that the Alaska Supreme Court should conclude that when balancing the conflicting rights and interests, the right of privacy does not require state payment for an elective, nontherapeutic abortion under the general relief medical program."

Cole said he is confident that the regulations would withstand a challenge based on state equal protection guarantees, especially when the state pays for no other elective medical procedures for otherwise healthy persons under the general relief medical program.

- more -

2-2-2-2

93-014

Jan. 20, 1993

The regulations also contain a technical provision conforming the state Medicaid program to federal Medicaid regulations as required in order to receive federal funding.

The regulations become effective 30 days after filing by the Office of the Lieutenant Governor.

####

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# MEMORANDUM

## State of Alaska Department of Law

TO: Hon. Theodore Mala  
Commissioner  
Health and Social Services

DATE: January 20, 1993

FILE: 993-93-0040

TEL. NO: 465-3600

SUBJECT: DHSS regulations re  
abortion payments under  
Medicaid and General  
Relief Medical Programs  
(7 AAC 43; 47)

FROM: Charles E. Cole  
Attorney General

*CEC by BWA*

As required by AS 44.62.060, we have reviewed your department's adoption and amendment of regulations that preclude state payment for elective abortions under Alaska's general relief medical assistance program. The regulations also contain a technical provision conforming the state Medicaid program to federal Medicaid regulations as required in order to continue to receive federal participation. The regulations should withstand legal attack under the constitutions of both the United States and the State of Alaska. We approve the changes for filing by the lieutenant governor. A duplicate of this memorandum is being furnished the lieutenant governor, along with the regulations and related documents. In accordance with AS 44.62.125(b)(6), some corrections have been made in the regulations, as shown on the attached copy.

The validity of the regulations under the federal constitution is clear. The United States Supreme Court has repeatedly held that states are not required by the federal constitution to expend public funds for abortions as part of their state medical assistance programs. Harris v. McRae, 448 U.S. 297 (1980); Beal v. Doe, 432 U.S. 438 (1977); Maher v. Roe, 432 U.S. 464 (1977).

The result is less clear under the state constitution as to general relief medical amendments, primarily owing to the state constitution's explicit recognition of the right of privacy. However, the Alaska Supreme Court has held that the right of privacy is not absolute. Falcon v. Alaska Pub. Offices Comm'n, 570 P.2d 469, 476 (Alaska 1977). In addressing a challenge to regulations based on that constitutional guarantee, the Alaska Supreme Court balances the conflicting rights and interests of the individual and the state. More specifically, the nature and extent of the privacy invasion is balanced against the importance of the state interest. State v. Kirkpatrick, 718 P.2d 962, 969 (Alaska 1968). The more fundamental the privacy right, the greater the state's burden to sustain the state action in light of the right

involved. State v. Erickson, 574 P.2d 1 (Alaska 1978), 22 n.144; Ravin v. State, 537 P.2d 494, 515 (Boochever, J., concurring).

We believe that the Alaska Supreme Court should conclude that when balancing the conflicting rights and interests, the right of privacy does not require state payment for an elective abortion under the general relief medical program. Presently, the majority of states with an expressed state constitutional right of privacy do not pay for elective abortions. Even in those states where the right of privacy is an implied right, more restrictive statutes have been upheld against state constitutional challenges. See Fischer v. Dept. of Pub. Welfare, 502 A.2d 114 (Pa. 1985). While we recognize that the Supreme Court of California has reached a contrary result under its express state constitutional right of privacy, we do not find that court's reasoning as persuasive. See Committee to Defend Reproductive Rights v. Myers, 625 P.2d 779 (Cal. 1981). It does not seem reasonable or intended by Alaska's constitution for the right of privacy to require payment for purely elective abortions under the general relief medical program just because this state chooses to cover pregnancy services for poor women, as the California case appears to reason.

We believe that the regulations should also withstand a challenge based on state equal protection guarantees. The Alaska Supreme Court applies a sliding scale analysis to equal protection challenges using a three-step approach. Erickson, 574 P.2d at 12. First, the court determines the importance of the individual interest impaired by the challenged statute or regulation. See State v. Ensearch Alaska Construction, Inc., 787 P.2d 624, 631 (Alaska 1989). Second, the court examines the importance of the state interest. In this case, the court would review the purpose of the law. Depending on the importance of the individual interest, the state's interest must fall somewhere on a continuum from mere legitimacy to a compelling interest. Id. Finally, the court examines the nexus between the state interest and the state's means of furthering that interest. Id. With respect to the chosen means, the equal protection clause requires that the nexus fall somewhere on a continuum from substantial relationship to least restrictive means, depending on the importance of the individual interest. Id.; see also Sonneman v. Knight, 790 P.2d 702, 704 (Alaska 1990).

At least one state court, when faced with a state equal protection analysis, has found that the state may have a legitimate state interest in refusing to fund elective, nontherapeutic abortions that are not performed to protect the life or health of

the mother. Right to Choose v. Bvrne, 450 A.2d 925, 937 (N.J. 1982).<sup>1</sup>

We believe that our court should find, as well, that nonpayment for elective abortions under the general relief medical program does not violate equal protection guarantees, especially when the state pays for no other elective procedures for otherwise healthy persons under the general relief medical program. The importance of the state's express, legitimate interests, including an interest in uniform program administration, outweighs the individual's interest in payment for an elective abortion under the entirely state financed general relief medical program.

The regulations should also survive attack under state guarantees of substantive due process. The Alaska Supreme Court has held that a regulation violates substantive due process when it "has no reasonable relationship to a legitimate governmental purpose." Sonneman v. Knight, 790 P.2d at 706, quoting Keyes v. Humana Hosp. Alaska, Inc., 750 P.2d 373, 351 (Alaska 1988). The new regulations will allow equal treatment of elective procedures and are necessary for consistent management of the general relief medical program. Since the regulations are reasonably related to a legitimate purpose, the regulations should meet substantive due process guarantees.

The new regulations are consistent with the enabling statutes and are reasonably necessary to administer the general relief medical program. Prior attorney general opinions do not restrict your department's ability to adopt these regulations. At the time those opinions were written, the body of state court decisions was limited. Since those opinions were issued, many of the leading state cases on these issues have been decided. In addition, it appears that those prior attorney general opinions were addressing potential payment limitations substantially different from and more restrictive than those adopted by your department. Therefore, the conclusions reached in those opinions do not affect the validity of these regulations.

The new regulations are also substantially different from the funding restrictions that were placed before the Alaska voters in a 1982 ballot initiative. Therefore, the initiative's defeat does not affect your department's authority to adopt these regulations.

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<sup>1</sup> The Supreme Court of New Jersey ultimately struck down the New Jersey statute because it prohibited state payment of all abortions "except where it is medically indicated to be necessary to preserve the woman's life" and did not provide abortion services where the health of the mother was at risk. Right to Choose, 450 A.2d at 927. The New Jersey court would have sanctioned the approach taken by your department's regulations.

In the final analysis, the regulations that your department has adopted provide abortion funding where it is medically necessary to preserve the woman's life and health (including certain psychological conditions) as well as in cases of rape or incest and, therefore, should withstand legal challenge. While few legal conclusions can be made with absolute certainty, we believe that, if the regulations are challenged, the court should find them as constitutional and lawful.<sup>2</sup>

CEC:pml

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<sup>2</sup> We note that over 30 states do not pay for elective abortions under their state medical assistance programs. Alaska would be joining this majority trend when these regulations take effect.

7 AAC 43.140 is amended to read:

7 AAC 43.140. ABORTIONS. (a) Payment for an abortion[S] will, in the department's discretion, [MAY] be covered under medicaid if [WHEN] the physician services invoice is accompanied by certification that [ONE OF THE FOLLOWING CONDITIONS EXISTS:]

[(1)] the life of the mother would be endangered if the pregnancy were carried to term[;

(2) SEVERE AND LONG-LASTING PHYSICAL HEALTH DAMAGE TO THE MOTHER WOULD RESULT IF THE PREGNANCY WERE CARRIED TO TERM; OR

(3) PREGNANCY IS THE RESULT OF RAPE OR INCEST].

(b) A procedure [PROCEDURES] that is [WHICH ARE] not covered under this section will be covered under General Relief Medical[, ] to the extent provided in 7 AAC 47. (Eff. 8/18/79, Register 71; am / / , Register )

Authority: AS 47.05.010 AS 47.07.040

AS 47.07.030 AS 47.07.050

7 AAC 43.825 is amended to read:

7 AAC 43.825. PROGRAM. Except as limited under 7 AAC 43.140, family [FAMILY] planning services will be covered by medicaid when provided by a family planning clinic of [CLINICS UNDER] the

<sup>d</sup>/<sub>^</sub> [Division of <sup>p</sup>/<sub>^</sub> Public <sup>h</sup>/<sub>^</sub> Health, a local health department[S], a student health service[S], a private family planning clinic[S], or a private physician[S]. Except as limited under 7 AAC 43.140, drugs [DRUGS], supplies, devices, and medical procedures provided by a physician or under physician supervision will be covered under this chapter. (Eff. 8/18/79, Register 71; am / / , Register )

Authority: AS 47.05.010  
AS 47.07.040  
 AS 47.07.050

7 AAC 43.835 is amended to read:

7 AAC 43.835. DEFINITION. In 7 AAC 43.825 <sup>-</sup>/<sub>^</sub> 7 AAC 43.835, "family planning services" refers to those services and materials provided with the purpose of postponing, avoiding, or terminating pregnancy, including the dispensing of birth control drugs and devices for males and females, and the performance of vasectomies, sterilizations, and abortions for the purpose of avoiding or terminating pregnancy, except as limited under 7 AAC 43.140. (Eff. 8/18/79, Register 71; am / / , Register )

Authority: AS 47.05.010  
AS 47.07.040

## AS 47.07.050

7 AAC 47.170(b) is amended to read:

(b) An applicant under 18 years of age may apply on his or her own behalf if the applicant is living apart from parents or guardian and is managing his or her own personal financial affairs. A female [AN] applicant under 18 years of age living at home with her parents or guardian may apply without regard to her parents' or guardian's income if she is [A FEMALE] seeking a therapeutic abortion [PREGNANCY-RELATED SERVICE]. (Eff. 3/23/78, Register 65; am 8/1/86, Register 99; am 11/28/86, Register 100; am \_\_/\_\_/\_\_, Register \_\_)

Authority: AS 09.65.100            AS 47.25.130  
          AS 47.05.010            AS 47.25.170  
          AS 47.25.120

7 AAC 47.200 is amended to read:

7 AAC 47.200. GENERAL RELIEF MEDICAL COVERAGE. The General Relief Medical program provides payment on behalf of needy persons who are eligible under the provisions of this chapter for any of the following services:

- (1) major medical care as defined in 7 AAC 47.290;
- (2) skilled nursing home care;
- (3) intermediate nursing home care;
- (4) physician services if

- (A) related to major medical care provided in a hospital on an inpatient basis;

- (B) provided in a hospital emergency room the same day on which the recipient is admitted for major medical care;

- (C) provided to a recipient residing in a nursing home;

- (D) provided in either an outpatient or an inpatient setting to a recipient with a diagnosis described in 7 AAC 47.271(b); [or]

- (E) provided in determining eligibility for a therapeutic abortion; <sup>or</sup> ~~and physician services~~ [provided for a ~~therapeutic abortion~~ {PREGNANCY-RELATED SERVICES}];

- (5) outpatient laboratory and x-ray services provided in conjunction with a therapeutic abortion [PREGNANCY-RELATED SERVICES] or nursing home care;

- (6) medical transportation related to major medical care, nursing home care, or a therapeutic abortion [PREGNANCY-RELATED SERVICES];

- (7) outpatient surgical center services provided in conjunction with a therapeutic abortion [PREGNANCY-RELATED SERVICES];

100  
 84  
 87

SERVICES] or nursing home care;

(8) prescribed drugs and medical supplies for a recipient with a specific diagnosis as described in 7 AAC 47.271(b);

(9) repealed 7/1/87. (Eff. 3/23/78, Register 65; am 5/2/79, Register 70; am 5/17/82, Register 82; am 5/25/82, Register 82; am 9/23/84, Register 91; am 8/1/85, Register 95; am 8/1/86, Register 99; am 11/28/86, Register 100; am 7/1/87, Register 103; am / / , Register )

Authority:

AS 47.05.010  
AS 47.25.120  
AS 47.25.130

AS 47.25.170

AS 47.25.195

7 AAC 47.210(7) is amended to read:

7 AAC 47.210. EXCLUSIONS FROM GENERAL RELIEF MEDICAL PROGRAM. Notwithstanding any other provisions contained in this chapter or 7 AAC 43, a payment may not be made under the General Relief Medical program for any expense

- - -

(7) for an elective procedure, including an elective abortion [OTHER THAN A PREGNANCY-RELATED SERVICE AS DEFINED IN 7 AAC 47.290];

- - -

Register , 1993 HEALTH AND SOCIAL SERVICES

(Eff. 3/23/78, Register 65; am 5/2/79, Register 70; am 4/15/82, Register 82; am 5/25/82, Register 84; am 8/1/86, Register 99; am 11/28/86, Register 100; am 7/1/87, Register 103; am / / , Register )

Authority: AS 47.05.010 [AS 47.50.010]

AS 47.25.130

AS 47.25.130

AS 47.25.170

7 AAC 47.290(3) is amended to read:

(3) "elective procedure" means a procedure that is subject to the choice or decision of the patient or physician regarding medical services that are advantageous to the patient but not necessary to prevent the death or disability of the patient, and includes an elective abortion;

7 AAC 47.290(5) is repealed:

(5) repealed \_\_/\_\_/\_\_;

7 AAC 47.290 is amended by adding new paragraphs to read:

(7) "elective abortion" means a procedure, other than a therapeutic abortion, to terminate a pregnancy;

(8) "therapeutic abortion" means the termination of a pregnancy

(A) certified by a physician as medically necessary

(i) to prevent the death or disability of the woman, or (ii) to ameliorate a condition harmful to the woman's physical or psychological health; or

(B) that resulted from actions that would constitute a crime of sexual assault under AS 11.41.410 -- 11.41.425, a crime of sexual abuse of a minor under AS 11.41.434 -- 11.41.440, or the crime of incest under AS 11.41.450. (Eff. 8/1/85, Register 95; am 12/4/85, Register 96; am 8/1/86, Register 99; am 11/26/86, Register 100; am / / , Register )

Authority:	AS 47.05.010	<u>AS 47.25.130</u>
	AS 47.25.120	AS 47.25.170

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**5 8**

WALTER J. HICKEL  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 22, 1993

58

The Honorable Rick Halford  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Halford:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that phases out the longevity bonus program over a several-year period.

This bill is necessary because the ever-increasing number of senior citizens in Alaska, coupled with the projected decline in state revenue, makes it clear that the state will not be able to afford the longevity bonus program over the long term. It is becoming increasingly necessary to shift state resources from non-need-based programs to programs for those truly in need. The bill protects current bonus recipients, and those future recipients who turn 65 before January 1, 1994, by providing that they will receive \$250 a month for the remainder of their lives (as long as the eligibility requirements are met). The bill phases out the program by reducing to \$200 the monthly bonus for those turning 65 in 1994, by reducing to \$150 the monthly bonus for those turning 65 in 1995, by reducing to \$100 the monthly bonus for those turning 65 in 1996, and by eliminating the bonus altogether for those turning 65 in 1997 and later.

I am proposing this phased elimination because many Alaskans who will be reaching age 65 in the next four years have counted on the bonus in planning for their retirement, and an abrupt termination of the program would not be fair to them.

I urge your prompt consideration and passage of this bill.

Sincerely,

A handwritten signature in black ink that reads "Walter J. Hickel". The signature is written in a cursive style with a large initial "W".

Walter J. Hickel  
Governor

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. SB No. 58

Revision Date: \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: An Act relating to longevity BRU: Assistance Payments  
bonus payments Component: OAA - ALB Hold Harmless  
 Sponsor: Senate Rules Committee  
 Requestor: Governor COMPONENT SERIAL NO. 03-06-01-08-00 (223)

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	(5.3)	(74.0)	(213.6)	(435.5)	(803.0)	(1,188.5)
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(5.3)</b>	<b>(74.0)</b>	<b>(213.6)</b>	<b>(435.5)</b>	<b>(803.0)</b>	<b>(1,188.5)</b>
<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>REVENUE FUND SOURCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	(5.3)	(74.0)	(213.6)	(435.5)	(803.0)	(1,188.5)
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>(5.3)</b>	<b>(74.0)</b>	<b>(213.6)</b>	<b>(435.5)</b>	<b>(803.0)</b>	<b>(1,188.5)</b>

POSITIONS:

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

Estimate of current year (FY93) impact: NONE

ANALYSIS: (Attach a separate page if necessary)

Beginning January 1, 1994, SB 58 continues the Longevity Bonus program indefinitely, but steps down Longevity Bonus payments in \$50 increments each year over a three year period to individuals who reach age 65 on January 1, 1994 or later, and eliminates Longevity Bonus payments for individuals who reach the age of 65 after December 31, 1996.

As the amount of the Longevity Bonus payments decreases, the amount of OAA - ALB Hold Harmless funds necessary for federal Supplemental Security Income (SSI) replacement also decreases. SB 58 does not affect the Adult Public Assistance program because Longevity Bonus payments are not treated as countable income by the program.

See the attached addendum for an analysis of this proposed change.

Prepared by: Jan L. Hansen, Director  
 Division: Division of Public Assistance  
 Approved by Commissioner: Theodore A. Malz, MD, MPH  
 Agency: Department of Health & Social Services

Phone: 465-2680  
 Date: 2/1/93  
 Date: 2/2/93

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## ANALYSIS (cont.):

1. SB 58 continues the OAA-ALB Hold Harmless program.
2. Only those who become 65 on or after January 1, 1994 will receive a reduced bonus.
3. For FY94 through FY99, without considering the effect of SB 58, the estimated number of new OAA-ALB recipients for each year will be as follows:

FY94	300
FY95	316
FY96	332
FY97	348
FY98	366
FY99	384

4. Because the bonus decreases take effect in the middle of each fiscal year, the number of OAA clients impacted during a fiscal year is one-half of the estimated new OAA-ALB Hold Harmless recipients for that fiscal year plus the number of new OAA-ALB Hold Harmless recipients for each previously impacted fiscal year.
5. Approximately 35 percent of all OAA recipients receive SSI. The change in the bonus amount affects only the hold harmless benefits paid to replace SSI benefits.
6. The effect of any bonus decrease on OAA-ALB Hold Harmless is delayed by 4 months because of the 2-month retrospective payment methodologies used by both the ALB program and the SSI program. For example, the bonus decreases will affect only 2 months in FY94 because the bonus decrease will not occur for the impacted OAA recipients until March 1, 1994, and SSI benefits will not be affected until May 1, 1994. Therefore, changes in the amount of hold harmless benefits to replace lost SSI benefits also begin May 1, 1994.
7. Estimates assume average age of new applicants for Old Age Assistance will be 65.
8. Longevity Bonus payments will decrease for OAA-ALB Hold Harmless recipients who become eligible for the bonus on or after January 1, 1994. OAA-ALB Hold Harmless program costs impacted will be as follows:

	BONUS DECREASE X	NEW OAA-ALB RECIPIENTS X 35%	CLIENT MONTHS X	SAVINGS
FY94	\$50	150 X 35% = 53	2	5.3
FY95	\$50	300 X 35% = 105	12	63.0
	\$100	158 X 35% = 55	2	11.0
				<u>74.0</u>
FY96	\$50	300 X 35% = 105	12	63.0
	\$100	316 X 35% = 111	12	133.2
	\$150	166 X 35% = 58	2	17.4
				<u>213.6</u>
FY97	\$50	300 X 35% = 105	12	63.0
	\$100	316 X 35% = 111	12	133.2
	\$150	332 X 35% = 116	12	208.8
	\$250	174 X 35% = 61	2	30.5
				<u>435.5</u>

## ANALYSIS (cont.):

FY98	\$50	$300 \times 35\% = 105$	12	63.0
	\$100	$316 \times 35\% = 111$	12	133.2
	\$150	$332 \times 35\% = 116$	12	208.8
	\$250	$348 \times 35\% = 122$	12	366.0
	\$250	$183 \times 35\% = 64$	2	<u>32.0</u>
				803.0
FY99	\$50	$300 \times 35\% = 105$	12	63.0
	\$100	$316 \times 35\% = 111$	12	133.2
	\$150	$332 \times 35\% = 116$	12	208.8
	\$250	$348 \times 35\% = 122$	12	366.0
	\$250	$366 \times 35\% = 128$	12	<u>384.0</u>
	\$250	$192 \times 35\% = 67$	2	1188.5

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. SB 58

Revision Date: 2/8/93  
Title: An act relating to the Longevity Bonus  
Sponsor: Senate Rules Committee  
Requestor: HES

Department Affected: Administration  
BRU: Pioneers' Benefits  
Component: Longevity Bonus  
Grants  
COMPONENT SERIAL NO. 26

Expenditures/Revenues:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
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	(500.0)*	(4,000.0)*	(7,100.0)*	(11,300.0)*	(17,500.0)*	(23,600.0)*
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	(500.0)	(4,000.0)	(7,100.0)	(11,300.0)	(17,500.0)	(23,600.0)

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING:

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	(500.0)	(4,000.0)	(7,100.0)	(11,300.0)	(17,500.0)	(23,600.0)
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	(500.0)	(4,000.0)	(7,100.0)	(11,300.0)	(17,500.0)	(23,600.0)

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

Estimate of current year (FY93) impact: 0

ANALYSIS: \* Cost savings reflect the difference between current program costs and new program costs. Budget requests will continue to go up through FY96 due to growth in numbers of participants. By FY97 budget requests begin to go down. See attached table for details of the calculations.

Prepared by: Dennis L. DeWitt, Director  
Division: Pioneers' Benefits

Phone: 465-4400  
Date: 2/5/93

Approved by Commissioner: Nancy Bear Usera  
Agency: Administration

Date: 2/8/93

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## Longevity Bonus Fiscal Note

FY	Current Program		Proposed Phase-Out		Difference	
	Number of Participants	Annual Cost	Number of Participants	Annual Cost	Number of Participants	Annual Savings to the State
1994	24,059	69.6	24,059	69.1	0	(0.5)
1995	25,864	74.8	25,864	70.8	0	(4.0)
1996	27,021	78.2	27,021	71.1	0	(7.1)
1997	28,081	81.2	26,581	69.9	(1,500)	(11.3)
1998	29,188	84.4	25,525	66.9	(3,663)	(17.5)
1999	30,266	87.5	24,444	63.9	(5,822)	(23.6)

Cost in Millions of Dollars

**Explanation:** 1. For purposes of consistency, we have used Legislative Research figures for the 'Number of Participants' and 'Annual Cost' for the Current Program and the Proposed Phase-Out.

**Note :** There is an additional fiscal note associated with this proposal for the administration component, for \$11,625 for computer modifications.

FISCAL NOTE

No. 2

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Bill Version: SB 58

(S) Publish Date: 1/22/93

Revision Date: \_\_\_\_\_

Title: An act relating to the Longevity Bonus Program

Department Affected: Administration

BRU: Pioneers' Benefits

Component: Longevity Bonus

Sponsor: Rules Committee

Requestor: Governor

COMPONENT SERIAL NO. 27

Expenditures/Revenues:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	11.6	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	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	11.6	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE FUND SOURCE:	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

FUNDING:

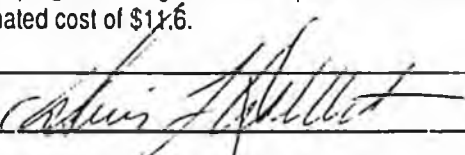
1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	11.6	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	11.6	0	0	0	0	0

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

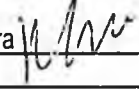
Estimate of current year (FY93) impact: 0

ANALYSIS: (Attach a separate page if necessary.)

The proposed Longevity Bonus program changes would require modifications to both mainframe and microcomputer software and revised interface programs at an estimated cost of \$11.6.

Prepared by: Dennis L. DeWitt   
Division: Pioneers' Benefits

Phone: 465-4400  
Date: 1/15/93

Approved by Commissioner: Nancy Bear Usura   
Agency: Administration

Date: 1/15/93

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Senate Bill 58  
Sectional Analysis

Sec. 1: Provides for phase out of the Longevity Bonus Program.  
Specifically:

- a. All current Longevity Bonus recipients and persons reaching age 65 before January 1, 1994, would receive the current \$250 per month bonus payment.
- b. Persons reaching age 65 during calendar year 1994 would receive \$200 per month.
- c. Persons reaching age 65 during calendar year 1995 would receive \$150 per month.
- d. Persons reaching age 65 during calendar year 1996 would receive \$100 per month.

Under current law, all persons 65 or older are eligible to receive a \$250 per month bonus payment.

Sec. 2: Provides that persons must be 65 before January 1, 1997, to receive a bonus payment. Persons turning 65 after that time would not be eligible.

## GOVERNOR'S PROPOSAL LONGEVITY BONUS PHASE OUT TALKING POINTS

### Phase out program

- ~ Grandfathering all current recipients
- ~ End new enrollment with those who turn 65 before January 1, 1997
- ~ Reduce payment for new eligibles over next three years (94 -- \$200; 95 -- \$150; 96 -- \$100)

### Origin of program

- ~ Established in 1972 to pay \$100/month to those over age 65 who lived in Alaska prior to statehood (January 3, 1959)
- ~ Intended to provide for Alaskans who helped build our state but didn't have retirement income to stay in Alaska

### Program changes

- ~ Vest case (1984) eliminated original residency requirements
- ~ Changes focus of program and made it open ended
- ~ Monthly bonus increased from \$100 to \$250

### Program growth and costs

- |        |                   |                            |
|--------|-------------------|----------------------------|
| ~ 1973 | 4,753 recipients  | \$346,100 annual cost      |
| ~ 1983 | 9,731 recipients  | \$27.5 million annual cost |
| ~ 1986 | 15,763 recipients | \$44 million annual cost   |
| ~ 1993 | 23,000 recipients | \$66 million annual cost   |
| ~ 2000 | 31,000 recipients | \$93 million annual cost   |
- ~ We've spent \$88 million more than we would if the program had been phased out in 1986.
  - ~ Each year phase out is delayed, the total (aggregate through end) cost of the program increases over \$100 million.

### Changes for today's seniors

- ~ Alaska's life style and cost of living are now comparable to other states
- ~ More traditional employment opportunities have employer-based pensions
- ~ Social Security benefits have increased
- ~ Medical assistance programs are now available
- ~ ERISA protection for pensions is now provided

- ~ The Permanent Fund Dividend program was initiated
- ~ Senior citizen tax relief is available
- ~ Free and/or subsidized private and governmental services are available for all senior citizens
- ~ OAC grant programs which fund a variety of community based senior services have been initiated

#### Annuity programs

- ~ After six years of trying, the issue has still not been resolved.
- ~ Government-operated annuity program will require new expenditures and new administrative programs
- ~ The new direct deposit feature for the PFD allows recipients to self-direct dividends to an account of their choice
- ~ Annuity concept requires large pool of participants to ensure financial viability
- ~ The less affluent will be able to invest little or none of their PFD

#### Time to act

- ~ Current year is a window of opportunity to assure grandfathering of existing recipients
- ~ Ability to provide any transition time is becoming more difficult
- ~ Pressure to terminate all non-needs based benefits is growing

**ALASKA LONGEVITY BONUS  
-PHASE OUT  
Questions and Answers**

1. *Whom was the Longevity Bonus intended to serve?*

In 1972 the Legislature established the Longevity Bonus Program to serve seniors who were 25 year residents and lived in Alaska prior to statehood.

2. *What was the purpose of the Longevity Bonus Program?*

"The sole purpose of this chapter is to offer..... an incentive to continue uninterrupted residency in the state." Chapter 205 SLA 1972

3. *What changes have occurred since the creation of the Longevity Bonus Program in 1972 that reduce the need for the program?*

The need for future seniors to rely on the Longevity Bonus has been mitigated by a number of programs/protections that were not available when the Longevity Bonus was created.

- ~ Alaska's life style and cost of living are now comparable to other states
- ~ More traditional employment opportunities have employer-based pensions
- ~ Social Security benefits have increased
- ~ Medical assistance programs are now available
- ~ ERISA protection for pensions is now provided
- ~ The Permanent Fund Dividend program was initiated
- ~ Senior citizen tax relief is available
- ~ Free and/or subsidized private and governmental services are available for all senior citizens
- ~ OAC grant programs which fund a variety of community-based senior services have been initiated

In addition, elimination of the 25 year residency and requirement to be in Alaska before January 3, 1959, (Statehood) has drastically enlarged the group the program was designed to served.

4. *Why phase out the Longevity Bonus program?*

The state budget cannot sustain the projected growth of this program. Current recipients who are dependent on the Longevity Bonus are in jeopardy of eventually losing the benefit if growth is not curtailed. Projections indicate the program will exceed \$100,000,000 in the year 2002.

5. *Why end eligibility with those who are now age 62?*

This provides those with reasonable expectations of receiving the bonus some financial support from the Longevity Bonus. It provides adequate notice to others who have time for planning that the Longevity Bonus will no longer be available.

6. *Isn't a three year phase out short notice?*

Alaskans have been on notice that the Longevity Bonus was not likely to continue since 1986 when the legislature began considering proposals to phase out the program. Therefore, with the proposed three-year phase out, Alaskans will have known for over ten years that it was not likely that the program could be sustained indefinitely.

7. *Will phase out of the Longevity Bonus adversely affect the Alaska economy?*

No. The phase out will be gradual over 41 years so the effect will not be significant. With necessary budget reductions, the funds otherwise spent on the Longevity Bonus will be shifted to other priorities.

8. *In 1986 there was an advisory vote to end the Longevity Bonus and create an annuity program. Why doesn't this proposal contain an annuity plan?*

Economic conditions, investment options, and available technology have changed during the ensuing 7 years. The annuity plan calls for creation of a new government program at a time when it is necessary to downsize government operations. Additionally, Alaskans can now self-direct investment of their PFD to any number of options through direct deposit.

9. *Under other proposals that include an annuity plan, will seniors be guaranteed payment of \$250 per month when they reach age 65?*

Absolutely not. They will receive payments based only upon how much money they actually deposited in the program. The size of monthly payments will depend on the amount of annual investment; number of years in the program; and rate of interest earned. Those who did not invest any portion of their PFD will receive nothing.

10. *What costs has the state incurred by not ending the Longevity Bonus in 1986?*

The state has spent over \$88 million more than it would have if the growth had been held to the \$44 million budget of 1986. Today, the program serves 23,000 recipients and adds an additional \$5 million to the budget annually.

11. *Why will this approach to phasing out the Longevity Bonus program work when others have failed?*

This plan is simple. It is a single issue, not tied to development of new and financially complex programs. It is not dependent on uncertainties of the financial markets. It is sensitive to people's needs. It recognizes the special role of Senior Alaskans. It simply makes sense.

## GOVERNOR'S PROPOSAL LONGEVITY BONUS PHASE OUT

The original Longevity Bonus legislation stated, "The sole purpose of this chapter is to offer and provide ... an incentive to continue uninterrupted residency in the state." (Ch. 205, SLA 1972) We propose to phase out the Longevity Bonus Program because:

- ~ Other incentives are now offered that enhance the living conditions of seniors
  - Alaska's life style and cost of living are now comparable to other states
  - More traditional employment opportunities have employer based pensions
  - Social Security benefits have increased
  - Medical assistance programs are now available
  - ERISA protection for pensions is now available
  - The Permanent Fund Dividend program was initiated
  - Senior citizen tax relief is available
  - Free and/or subsidized private and governmental services are available for all senior citizens
  - OAC grant programs which fund a variety of community based services have been initiated
- ~ 25 year residency requirement was struck down, negating the original intent of the program
- ~ It is serving all those who were at least 45 years old when it was passed
- ~ Bonus amount has increased from \$100 to \$250 and will need further adjustment to keep pace with inflation
- ~ Combination of the increased Bonus and more recipients due to shorter residency has made the program too costly
- ~ Limited state resources should be focused on those less able to help themselves
- ~ Alaskans generally agree it's time to phase out the current program

### Key Provisions of Proposal

Terms	3-year phase out \$200, \$150, \$100 Grandfather all current recipients
Cost	Declines rapidly after 1996 Set formula allows for accurate budgeting
Administration	No new administrative cost Program ends by 2040
Investment Options for Permanent Fund Dividend (PFD)	Self-directed through direct deposit instructions on PFD application
Effect on Alaska's Seniors	Proposal easily understood Current recipients continue bonus at \$250 Provides for a reasonable transition

## LONGEVITY BONUS PHASE OUT PROPOSALS COMPARISON CHART

	GOVERNOR'S PROPOSAL	SENATE BILL 6
TERMS	<ul style="list-style-type: none"> <li>- 3 year phase out</li> <li>- \$200, \$150, \$100</li> <li>- Grandfather all current recipients</li> </ul>	<ul style="list-style-type: none"> <li>- Estimated 15 year phase out</li> <li>- Bonus declines based on variable factors</li> <li>- Grandfather all current recipients</li> </ul>
COST	<ul style="list-style-type: none"> <li>- Declines rapidly after 1996</li> <li>- Set formula allows for accurate budgeting</li> </ul>	<ul style="list-style-type: none"> <li>- Declines gradually</li> <li>- Declines dependent on PFD and investment income</li> <li>- Additional administrative costs</li> <li>- Variable nature makes budgeting difficult</li> </ul>
ADMINISTRATION	<ul style="list-style-type: none"> <li>- No new administrative costs</li> <li>- Program ends by 2040</li> </ul>	<ul style="list-style-type: none"> <li>- New administrative system to determine annual payments within the longevity bonus program</li> <li>- create new government managed and administered annuity investment program</li> <li>- Longevity Bonus administration ends 2040</li> <li>- New annuity administration open ended</li> </ul>
INVESTMENT OPTIONS FOR PERMANENT FUND DIVIDENDS (PFD)	<ul style="list-style-type: none"> <li>- Self-directed through direct deposit instructions on PFD application</li> </ul>	<ul style="list-style-type: none"> <li>- Creates complex state operated annuity program as option for investing PFD</li> <li>- May not have sufficient participation to sustain financial viability</li> </ul>
EFFECT ON ALASKA'S SENIORS	<ul style="list-style-type: none"> <li>- Proposal easily understood</li> <li>- Current recipients continue at level they started</li> <li>- Provides for a reasonable transition</li> <li>- Frees resources for other senior needs</li> </ul>	<ul style="list-style-type: none"> <li>- Complex to understand</li> <li>- Annual bonus dependent on PFD and investment income</li> <li>- Dedicates more general funds to non-needs based senior program</li> </ul>

**GOVERNOR'S PROPOSAL  
LONGEVITY BONUS PROGRAM  
PHASE OUT  
SUMMARY OF INTENT**

The Alaska Longevity Bonus Program was established in 1972 to pay \$100 per month as a "bonus" to those over age 65 who had lived in Alaska for 25 years and were here at the time of statehood. This was a finite, self liquidating group. The purpose of the program was to "offer and provide.... an incentive to continue interrupted residency in the state." (Ch. 205, SLA 1972) Were the original criteria still in place, those eligible to enroll in the program in 1996 would have been 28 years old at the time of statehood.

At the end of 1973 the program had 4,753 recipients and an annual cost of \$346,100. The program grew at a steady rate up through 1983 when there were 9,731 recipients and an annual budget of \$27,586,750. The \$100 monthly bonus was increased in 1976, 1978, 1981, and 1982 to its current level of \$250 per month. Current projections suggest the annual cost of the ALB will exceed \$90 million in the year 2000 and will pass the \$100 million mark in 2002.

In 1984, the Supreme Court found the residency rules unconstitutional in the Vest case. By the end of 1986 the Longevity Bonus Program had 15,763 recipients with an annual budget of \$44,105,500. Compared to 1983, that represented a 62% increase in recipients and a 60% increase in budget. More important, the Vest case changed the group being served from a finite, self liquidating group (65 years old, 25 years in state, here at time of statehood) to a continually growing group (anyone age 65 with one year residency). Beyond the change in the size of the group, the basic purpose of the Longevity Bonus Program changed. It was no longer a program to provide an incentive to long term Alaskans who helped build our state prior to statehood.

During the years since the creation of the Longevity Bonus, there have been several changes that have improved the economic condition of Alaskan seniors. The federal government passed the Employee Retirement Income Security Act (ERISA) in 1976, Individual Retirement Accounts (IRAs) became widely available, Senior Citizen Property Tax Relief was enacted, property values increased, The Permanent Fund Dividend was established, State income taxes were repealed, and Social Security incomes steadily increased. As a group, those reaching age 65 today, have had the advantage of the economic growth of the past 20 years and are more economically stable than any previous group of seniors.

This proposal protects those who planned their retirement around the Longevity Bonus Program. They will be able to depend on it for the rest of the time they remain in Alaska. The three year transition period before new enrollment is ended allows those close to retirement to receive the Longevity Bonus. It gives future retirees time to make other plans for retirement income. This proposal does not provide for creating a government operated annuity plan. For those who wish to invest their Permanent Fund Dividend to provide for future retirement income, today they can do so by directing the Permanent Fund Dividend Division to send the PFD to a private annuity plan or other investment of their choice. This can be accomplished through direct deposit instructions on the PFD application. This preserves the investment concept without creating a new bureaucracy to implement an insurance type program.

This proposal returns the Longevity Bonus Program to its original goal -- assisting a finite group who may not have remained in Alaska in retirement without this assistance.

## Funds Spent on Senior Programs

*FY '93 unless otherwise noted*

Program	State	Federal	Total
<b>Dept. of Administration</b>			
Longevity Bonus	64,811,700		64,811,700
Pioneer Homes	30,432,500		30,432,500
Older Alaskans Commission	6,053,500	6,486,900	12,523,400
<b>TOTAL DEPT.</b>	<b>101,297,700</b>	<b>6,486,900</b>	<b>107,767,600</b>
<b>Dept. of Health &amp; Social Services</b>			
Supplemental Security Income		3,580,580	3,580,580
Longevity Bonus Hold Harmless	2,194,500		2,194,500
Adult Public Assistance (for aged)	14,600,000		14,600,000
Food Stamps for elderly		165,600*	165,600*
Medicaid home health care	227,800	227,000	455,600
Medicaid nursing homes			
Skilled nursing	2,677,100	2,677,100	5,354,200
Intermediate nursing	16,385,400	16,385,400	32,770,800
General Relief Medical (Nursing Homes)	253,900		253,900
Medicaid Permanent Fund (Hold Harmless)	2,621,200		2,621,200
<b>TOTAL DEPT.</b>	<b>38,959,900</b>	<b>23,035,680</b>	<b>61,996,380</b>
<b>Dept. of Community &amp; Regional Affairs</b>			
Homeowners Property Tax Exemption	2,838,800		2,838,800
Renters Equivalency Rebate	820,000		820,000
Job Training Partnership Act		185,125	185,125
<b>TOTAL DEPT.</b>	<b>3,658,800</b>	<b>185,125</b>	<b>3,843,925</b>
<b>Dept. of Commerce and Economic Development</b>			
Alaska Housing Finance Corporation			
Senior Housing Development	141,100		141,100
Senior Housing Revolving Loan Program	Up to \$30 million in bonds available from AHFC		
<b>TOTAL DEPT.</b>	<b>141,100</b>		<b>141,100</b>
<b>TOTAL ALL DEPARTMENTS</b>	<b>144,057,500</b>	<b>29,707,625</b>	<b>173,765,125</b>

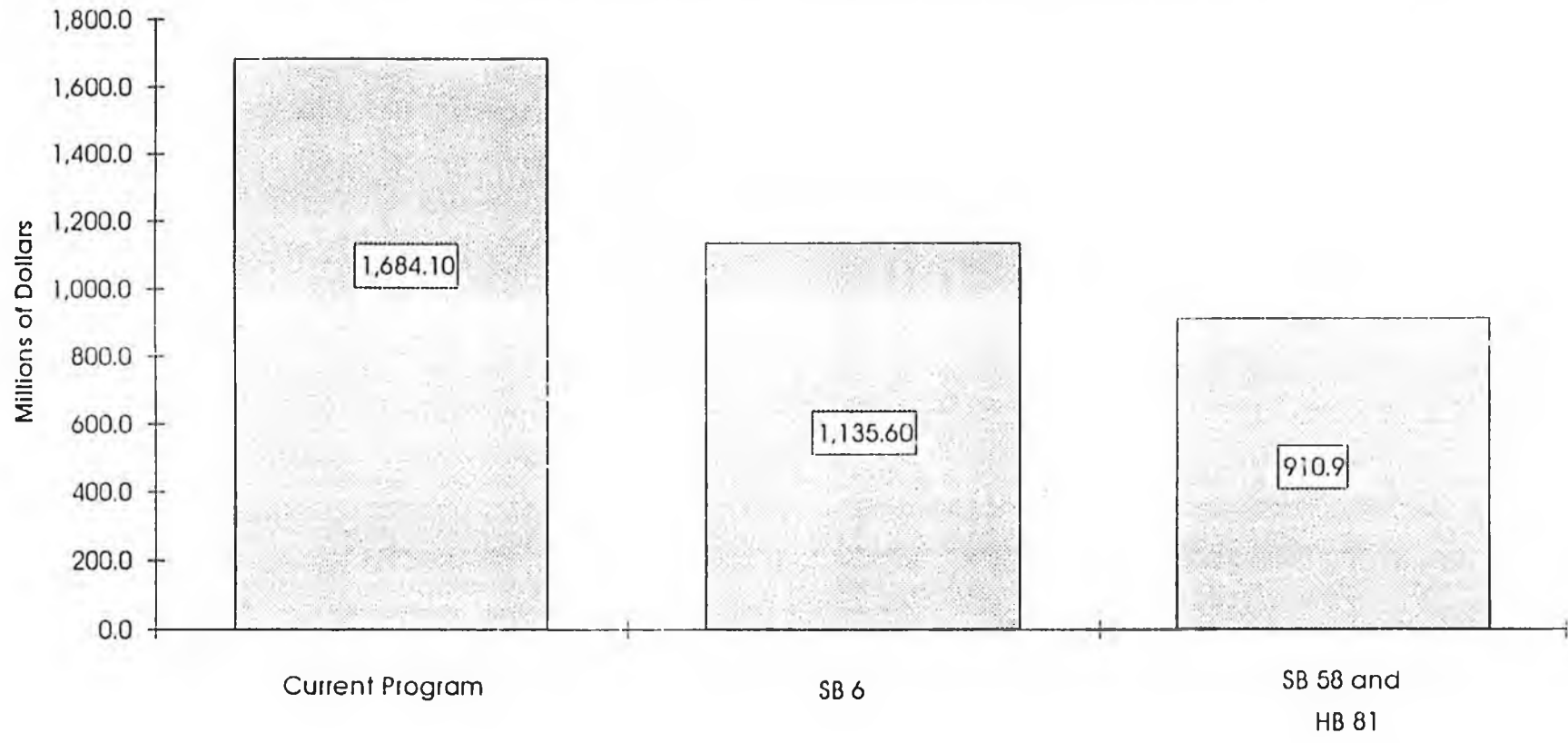
Total number of seniors age 60+ = 35,266. Average benefit per senior = \$4,927.00.

\* Estimated figure based on percentage of seniors served

*Note: All funding levels are for FY 93 authorized, except for Medicaid and Job Training Partnership Act, which are FY 92 actual.*

Additional State Benefits--Revenues Lost	Additional Municipal Benefits--Revenues Lost
Dept. of Transportation, ferry fares: \$540,800	Municipal Tax Exemptions \$8,454,353*
Dept. of Public Safety, vehicle registration: Estimated \$300,000.	*The above information does not include municipal services or discounts for seniors. Municipalities also often offer sales tax exemptions, discounted bus fares and similar programs.
University of Alaska, tuition waiver: \$230,267 estimated	Total number of seniors age 60+ = 35,266. Total revenues lost = \$8,454,353.
Dept. of Fish and Game: waivers of hunting, trapping, and fishing licenses (average cost: \$10.60): \$27,560.	Total average benefit = \$240.
Total additional State benefits = \$1,098,627. Average senior benefit = \$31.15.	

Longevity Bonus Proposals - Cumulative Cost Through Fiscal Year 2010



### Longevity Bonus Program Alternative Funding Proposals

Fiscal Year	Projected Cost			Projected Number of Participants		
	Current Program	Senate Bill 6	Senate Bill 58 and House Bill 81	Current Program	Senate Bill 6	Senate Bill 58 and House Bill 81
1994	69.6	69.6	69.1	24,059	24,059	24,059
1995	74.8	74.7	70.8	25,864	25,864	25,864
1996	78.2	77.5	71.1	27,021	27,021	27,021
1997	81.2	79.5	69.9	28,081	28,081	26,581
1998	84.4	81.1	66.9	29,188	29,188	25,525
1999	87.5	82.0	63.9	30,266	30,266	24,444
2000	90.8	82.3	60.9	31,408	31,408	23,385
2001	93.9	81.4	57.7	32,456	32,456	22,272
2002	97.1	79.7	54.7	33,557	33,557	21,181
2003	100.4	76.9	51.6	34,704	34,704	20,087
2004	103.8	72.9	48.5	35,880	35,880	18,950
2005	107.5	67.7	45.4	37,153	37,153	17,814
2006	111.9	61.0	42.2	38,675	38,675	16,666
2007	116.9	52.7	39.1	40,428	40,428	15,512
2008	123.1	42.3	36.0	42,572	42,572	14,367
2009	128.9	29.3	33.0	44,559	44,559	13,239
2010	134.1	25.0	30.1	46,376	46,376	12,136

Cumulative Costs Through 2010		
1,684.1	1,135.6	910.9

All dollars in millions

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8-GS1047E  
Ford  
4/12/93

CS FOR SENATE BILL NO. 59(HES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:  
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL  
FOR AN ACT ENTITLED

1 "An Act relating to school construction grants and major maintenance grants to  
2 school districts; providing for school district participation in the cost of school  
3 construction and major maintenance; and providing for an effective date."

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

5 \* Section 1. AS 14.03.150(c) is amended to read:

6 (c) The department may not award a school construction or major  
7 maintenance grant under AS 14.11 to a municipality that is a school district or a  
8 regional educational attendance area that is not in compliance with (a) of this section.  
9 The department shall reduce the amount of state foundation aid under AS 14.17.021  
10 for which a school district may qualify [,] by the amount, if any, paid by the  
11 department under (b) of this section.

12 \* Sec. 2. AS 14.07.020(a)(11) is amended to read:

13 (11) review plans for construction of new public elementary and  
14 secondary schools and for additions to and major rehabilitation of existing public

1 elementary and secondary schools and, in accordance with regulations adopted by the  
 2 department, determine and approve the extent of eligibility for state aid of a school  
 3 construction or major maintenance project [BEGUN AFTER JULY 1, 1978]; for the  
 4 purposes of this paragraph, "plans" include educational specifications, schematic  
 5 designs, and final contract documents;

6 \* Sec. 3. AS 14.11.005 is amended to read:

7 Sec. 14.11.005. SCHOOL [CONSTRUCTION] GRANT FUND. There is  
 8 created a school [CONSTRUCTION] grant fund as an account in the general fund.  
 9 The fund shall be used to make grants for the costs of school construction or major  
 10 maintenance. Legislative appropriations for school construction or major  
 11 maintenance shall be deposited in the fund, and the proceeds from the sale of general  
 12 obligation bonds for school construction may be deposited in the fund.

13 \* Sec. 4. AS 14.11 is amended by adding a new section to read:

14 Sec. 14.11.008. SCHOOL DISTRICT PARTICIPATION IN GRANT  
 15 PROGRAM. (a) In order to receive a grant, a school district must provide a  
 16 percentage share of the project cost, as determined under (b) or (c) of this section.

17 (b) The required participating share for a city or borough school district is  
 18 based on the district's full value per ADM, which is calculated by dividing the full and  
 19 true value of the taxable real and personal property in the district, calculated as  
 20 described in AS 14.17.025(a)(1), by the district average daily membership (ADM) as  
 21 defined in AS 14.17.250, for the same fiscal year for which the valuation was made.  
 22 The district's full value per ADM determines the district's required participating share,  
 23 as follows:

Full Value Per ADM	District Participating Share
\$1 - \$100,000	5 percent
100,001 - 200,000	15 percent
over 200,000	30 percent.

24  
 25  
 26  
 27  
 28 (c) The required participating share for a regional educational attendance area  
 29 is 3.8 percent. The required share may be satisfied by federal or local money, locally  
 30 contributed labor, material, or equipment, or money from other sources. If a regional  
 31 educational attendance area can demonstrate in writing that it is unable to provide the

1 required participating share or that the requirement to provide a participating share will  
2 jeopardize receipt of federal assistance, the commissioner may waive all or a portion  
3 of the required participating share.

4 (d) State funds received under this chapter may not be used as a source of the  
5 required participating share under (b) or (c) of this section.

6 \* Sec. 5. AS 14.11.011 is amended to read:

7 Sec. 14.11.011. GRANT APPLICATIONS. (a) A municipality that is a  
8 school district or a regional educational attendance area may submit a [GRANT]  
9 request to the department for a [SCHOOL CONSTRUCTION] grant under this  
10 chapter.

11 (b) For a municipality that is a school district or a regional educational  
12 attendance area to be eligible for a [SCHOOL CONSTRUCTION] grant under this  
13 chapter, the district shall submit

14 (1) a six-year capital improvement plan that includes a description of  
15 the district's fixed asset inventory system and preventive maintenance program no later  
16 than September 1 of the fiscal year before the fiscal year for which the request is  
17 made; the six-year plan must contain for each proposed project a detailed scope of  
18 work, a project budget, and documentation of conditions justifying the project;

19 (2) evidence that the district has secured and will maintain adequate  
20 property loss insurance for the replacement cost of all facilities for which state funds  
21 are available under AS 14.11.005 or has a program of insurance acceptable to the  
22 department; and

23 (3) evidence acceptable to the department that the proposed project  
24 should be a capital improvement [CONSTRUCTION] project and not part of a  
25 preventive maintenance program or regular custodial care program.

26 \* Sec. 6. AS 14.11.013(a) is amended to read:

27 (a) With regard to projects for which grants are requested under AS 14.11.011,  
28 the department shall

29 (1) annually review the six-year plans submitted by each district under  
30 AS 14.11.011(b) and recommend to the board a revised and updated six-year capital  
31 improvement project [CONSTRUCTION] grant schedule that serves the best interests

1 of the state and each district; in recommending projects for this schedule, the  
2 department shall verify that each proposed project qualifies as a project required to

3 (A) avert imminent danger or correct life-threatening situations;

4 (B) house students who would otherwise be unhoused;

5 (C) protect the structure of existing school facilities;

6 (D) correct building code deficiencies that require major repair  
7 or rehabilitation in order for the facility to continue to be used for the  
8 educational program;

9 (E) achieve an operating cost savings;

10 (F) modify or rehabilitate facilities for the purpose of improving  
11 the instructional program;

12 (G) meet an educational need not specified in (A) - (F) of this  
13 paragraph [,] identified by the department;

14 (2) prepare an estimate of the amount of money needed to finance each  
15 project;

16 (3) provide to the governor, by November 1, and to the legislature  
17 within the first 10 days of each regular legislative session, a revised and updated  
18 six-year capital improvement project [CONSTRUCTION] grant schedule, together  
19 with a proposed schedule of appropriations.

20 \* Sec. 7. AS 14.11.013(b) is amended to read:

21 (b) In preparing the capital improvement project [CONSTRUCTION] grant  
22 schedule, the department shall establish priorities among projects for which grants are  
23 requested and shall award [SCHOOL CONSTRUCTION] grants in the order of priority  
24 established. In establishing priorities, the department shall evaluate at least the  
25 following factors, which shall be considered as a whole and the department may  
26 not give one factor priority over another:

27 (1) emergency requirements;

28 (2) priorities assigned by the district to the projects requested;

29 (3) new local elementary and secondary programs;

30 (4) existing regional, community, and school facilities, and their  
31 condition; and

1 (5) alternate education program options for accomplishing the project's  
2 objectives.

3 \* Sec. 8. AS 14.11.015 is amended to read:

4 Sec. 14.11.015. APPROVAL OF GRANT APPLICATIONS. (a) The board  
5 shall review grant applications that have been recommended by the department under  
6 AS 14.11.013, and may approve a grant application if the board determines that the  
7 project meets the criteria specified in AS 14.11.013(a)(1). The department may not  
8 award a [SCHOOL CONSTRUCTION] grant unless the grant application is approved  
9 by the board.

10 (b) To the extent that money is available, the [THE] department shall award  
11 grants approved under (a) of this section in the order of the projects' priority on the  
12 date the appropriation bill funding the [SCHOOL CONSTRUCTION] grant fund is  
13 passed by the legislature, regardless of any appeal pending under AS 14.11.016.  
14 Appeals pending under AS 14.11.016 at the time that grants are awarded may not  
15 delay the funding of grants awarded under this section

16 (c) If a project is assigned a new priority ranking under AS 14.11.016 after the  
17 date of passage by the legislature of the appropriation bill for the [SCHOOL  
18 CONSTRUCTION] grant fund, the new priority ranking applies with respect to any  
19 subsequent legislative appropriation to the grant fund [THE PROJECT MUST BE  
20 FUNDED IN ACCORDANCE WITH THE NEW PRIORITY RANKING AT THE  
21 NEXT TIME THAT SCHOOL CONSTRUCTION GRANTS ARE AWARDED].

22 \* Sec. 9. AS 14.11.017 is amended to read:

23 Sec. 14.11.017. [SCHOOL CONSTRUCTION] GRANT CONDITIONS. (a)  
24 The department shall require in the grant agreement that a municipality that is a school  
25 district or a regional educational attendance area

26 (1) agree to construction of a facility of appropriate size and use that  
27 meets criteria adopted by the department if the grant is for school construction;

28 (2) provide reasonable assurance by a means acceptable to the  
29 department, that the cost of the project will be uniform with the costs of the most  
30 current construction or major maintenance projects, as appropriate, in the area;

31 (3) agree to limit equipment purchases to that required for the approved

1 project [SCHOOL CONSTRUCTION] plan submitted under (5) of this subsection  
2 and account for all equipment purchased for the project under a fixed asset inventory  
3 system approved by the department;

4 (4) submit project budgets for department approval and agree that the  
5 grant amount may, at the discretion of the department, be reduced or increased by  
6 amounts equal to the amounts by which contracts vary from the budget amounts  
7 approved by the department; and

8 (5) submit to the department for approval, before award of the  
9 [CONSTRUCTION] contract, a plan for the project [SCHOOL CONSTRUCTION]  
10 that includes educational specifications, final [CONSTRUCTION] drawings, and  
11 contract documents.

12 (b) The cost of any school construction or major maintenance activity  
13 encompassed by the definition of "costs of school construction" under AS 14.11.135  
14 is payable under a grant awarded under AS 14.11.015 without regard to whether the  
15 costs were incurred before [PRIOR TO] the

16 (1) award of the grant;

17 (2) approval of the grant application by the board; or

18 (3) effective date of an appropriation to the [SCHOOL  
19 CONSTRUCTION] grant fund for the year in which the grant is funded.

20 \* Sec. 10. AS 14.11.017 is amended by adding a new subsection to read:

21 (c) The department, by regulation, may establish the time period in which  
22 activities described in (b) of this section must have occurred in order to be paid under  
23 a grant.

24 \* Sec. 11. AS 14. 1.019 is amended to read:

25 Sec. 14.11.019. [SCHOOL CONSTRUCTION] GRANT APPROPRIATIONS.  
26 Within the general appropriation bill submitted to the legislature under AS 37.07.020,  
27 the governor shall include an appropriation for [SCHOOL CONSTRUCTION] grants  
28 in the succeeding fiscal year as determined by the six-year capital improvement  
29 project [CONSTRUCTION] grant schedule prepared under AS 14.11.013.

30 \* Sec. 12. AS 14.11.135 is repealed and reenacted to read:

31 Sec. 14.11.135. DEFINITIONS. In this chapter, unless the context requires

1 otherwise,

2 (1) "approved school construction project" means the plan for a new  
3 school or an addition to or major rehabilitation of an existing school to the extent that  
4 the plan has been approved by the commissioner in accordance with  
5 AS 14.07.020(a)(11);

6 (2) "capital improvement project" or "project" means school  
7 construction or major maintenance;

8 (3) "costs of school construction" means the cost of acquiring,  
9 constructing, enlarging, repairing, remodeling, equipping, or furnishing of public  
10 elementary and secondary schools that are owned or operated by the state, a  
11 municipality, or a district and includes the sum total of all costs of financing and  
12 carrying out the project; these include the costs of all necessary studies, surveys, plans  
13 and specifications, architectural, engineering or other special services, acquisition of  
14 real property, site preparation and development, purchase, construction, reconstruction  
15 and improvement of real property and the acquisition of machinery and equipment that  
16 may be necessary in connection with the project; an allocable portion of the  
17 administrative and operating expenses of the grantee; the cost of financing the project,  
18 including interest on bonds issued to finance the project; and the cost of other items,  
19 including indemnity and surety bonds and premiums on insurance, legal fees, fees and  
20 expenses of trustees, depositaries, financial advisors, and paying agents for the bonds  
21 issued as the issuer considers necessary;

22 (4) "district" means a district described in AS 14.12.010;

23 (5) "grant" means a grant under this chapter for school construction or  
24 for major maintenance;

25 (6) "major maintenance" means a project described in  
26 AS 14.11.013(a)(1)(C) or (D);

27 (7) "school construction" means a project described in  
28 AS 14.11.013(a)(1)(A), (B), (E), (F), or (G).

29 \* Sec. 13. Notwithstanding AS 14.11.008(c), enacted in sec. 4 of this Act, the required  
30 participating share for a regional educational attendance area is

31 (1) not required for grants made from appropriations passed by the legislature

1 in 1993;

2 (2) two percent for grants made from appropriations passed by the legislature

3 in 1994;

4 (3) three percent for grants made from appropriations passed by the legislature

5 in 1995.

6 \* Sec. 14. SUSPENSION OF CERTAIN GRANT PROVISIONS; DUTY OF  
7 DEPARTMENT OF EDUCATION. (a) Notwithstanding any other provision of law, the  
8 provisions of AS 14.11.011 - 14.11.019, except AS 14.11.011(b)(2), do not apply to grants  
9 made from appropriations passed by the legislature in 1993, except as otherwise provided by  
10 the legislature in an Act making an appropriation to the school grant fund (AS 14.11.005).

11 (b) The Department of Education shall award and administer grants made from the  
12 school grant fund (AS 14.11.005) for costs of school construction or major maintenance, from  
13 appropriations to the fund passed by the legislature in 1993. The department may adopt  
14 regulations to implement this subsection.

15 \* Sec. 15. This Act takes effect July 1, 1993.

**FISCAL NOTE**

Revision Date  
Title School Construction

Department Affected: DOT&PF  
BRU

Sponsor  
Requestor Rules  
Governor

Component  
Component Serial Number:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
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	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING:	0	0	0	0	0	0

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

1002 FEDERAL RECEIPTS	0	0	0	0	0	0
1003 GF MATCH	0	0	0	0	0	0
1004 CF	0	0	0	0	0	0
1005 GF/PROGRAM RECEIPTS	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL FUNDING:	0	0	0	0	0	0

POSITIONS

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

Estimate of current year (FY93) impact: 0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: K.H. Duke

Phone: 562-2728

Division: Assistant Commissioner

Date: January 20, 1993

Approved by Commissioner: Frank G. Turpin

Phone: 465-3901

Agency: Department of Transportation and Public Facilities

Date: January 20, 1993

No. 3

# FISCAL NOTE

Bill Version: SB 59

(S) Publish Date: 1/22/93

## STATE OF ALASKA 1993 LEGISLATIVE SESSION

BILL

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: An act relating to school construction and major maintenance BRU: Revenue Operations  
grants to school districts Component: Treasury Division  
 Sponsor: \_\_\_\_\_  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. 121

**Expenditures/Revenues:** (Thousands of Dollars)

	FY94	FY95	FY96	FY97	FY98	FY99
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

REVENUE FUND SOURCE:						
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**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Brian C. Andrews Phone: 465-4880  
 Division: Treasury Date: 1-20-93  
 Approved by Commissioner: [Signature] Date: 1/20/93  
 Agency: Treasury

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# STATE OF ALASKA

## DEPARTMENT OF EDUCATION

WALTER J. HICKEL, GOVERNOR

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JUNEAU, ALASKA 99801-1894

### Senate Bill 59

#### "An Act relating to school construction grants and major maintenance grants . . ."

The following information is provided to the Senate HESS Committee:

1. Summary of Senate Bill 59
2. Sectional Analysis of Senate Bill 59
3. Governor Hickel's transmittal letter
4. Fiscal Note from the Department of Education
5. Deployment Flow Chart of Capital Improvement Project Grant Process
6. Appendix A - Alaska School Districts sorted by the required participation share

## SB 59

### "An Act relating to school construction grants and major maintenance grants . . ."

#### Two Grant Categories

- The legislation separates school construction grants into two categories; grants for school construction and grants for major maintenance of school facilities.
- Legislative appropriations for the two different types of school facility projects will go into the appropriate fund and will be subject to the existing grant procedures in AS 14.11.

#### Grants for School Construction

- School construction projects are those necessary to correct multiple building deficiencies affecting the life, health, and safety of students and staff. Also included are those projects addressing overcrowded schools.

#### Grants for Major Maintenance

- Major maintenance projects are those necessary to protect the structure of existing school facilities or to correct building code deficiencies that require major repair or rehabilitation.

#### Participating Share

- In order to receive a school construction or major maintenance grant, a school district must provide a participating share of the project cost -- phased in over four years.
- The participating share for a city or borough school district is based on the full and true value of the taxable real and personal property in the district, and on the district's average daily membership (ADM). A district with a relatively higher property value per ADM will have a relatively higher percentage participating share.
- A regional educational attendance area (REAA) participating share is set at a maximum of 3.8% of the project request, phased-in over a four year period. The Commissioner may waive all or a portion of the share under certain circumstances.