

FRANK H. MURKOWSKI
Governor



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 11, 2003

Dear Fellow Alaskan:

Of all the budget decisions that must be made this year, none is more difficult or painful for me than the termination of the Longevity Bonus Program. However, the Longevity Bonus Program, as it is administered today, is simply not fair to the majority of needy seniors. We have a better solution.

The Longevity Bonus Program was established in 1972 as a thank you to Alaskans who had pioneered our state. To be eligible, a person had to have lived in Alaska before statehood, been a continuous Alaska resident for 25 years, and over age 65. In 1984, the Alaska Supreme Court ruled the original basis for the program was unconstitutional and changed the eligibility requirements. The successor program that evolved over the past 20 years is insensitive in that it treats differently the 18,000 seniors who receive a monthly bonus and the 26,000 senior Alaskans who do not. Included in the latter group are many needy seniors who get nothing.

Today, I am announcing the end of the Alaska Longevity Bonus Program that benefits less than half of Alaska's seniors, and replacing it with a program that is fair to all Alaska seniors who truly need state assistance.

The new state budget that I'll be signing later this week will make payments to the current longevity bonus recipients in July and August 2003 when the program will end. During this transition period, we will be helping those in need to access the many "safety-net" programs Alaska provides for seniors.

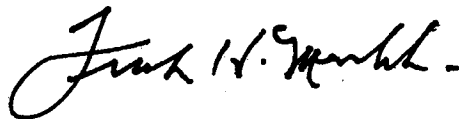
Some Alaskans may not agree with converting the Longevity Bonus Program to a needs based program, but I believe the state has a responsibility to assist truly needy seniors with additional temporary assistance. Thus, I am directing the Department of Health and Social Services to use approximately \$10 million of one-time federal funds, available to our state from the President's recent tax relief package, to provide a \$120 monthly payment to needy seniors from September 2003 through June 2004.

We will use the statutory authority provided in AS 47.25.120 and 130. Final approval of the use of these funds will come from the Legislature through the Budget and Audit Committee. The \$120 monthly payment will be available to all seniors over age 65 who meet eligibility criteria, including those who previously were not receiving a longevity bonus yet are 65 and need assistance. The program will have asset limitations that will not include a person's home or a vehicle for transportation. Again, this program will be in addition to the many other safety-net programs that the state provides our seniors.

The Department of Health and Social Services will draft regulations to implement this new, temporary program by September. They will notify seniors about the program and will explain the application process.

Thus, we end a program which no longer benefits solely those Alaskans whom the Legislature intended to benefit, and which treats seniors differently based only on when they arrived in Alaska and when they turned 65. Alaska seniors must be treated equitably, and our obligation is to assist those in need. This is a legitimate responsibility of our state government. This new program does both.

Sincerely yours,

A handwritten signature in black ink, reading "Frank H. Murkowski". The signature is written in a cursive style with a horizontal line at the end.

Frank H. Murkowski
Governor